Extension of Copyright to Fonts—Can the Alphabet be Far Behind?

by
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I. INTRODUCTION

In February 1998, a federal district court issued a decision that may have a profound impact on the software industry. The court held, in *Adobe Systems, Inc. v. Southern Software, Inc.*[1], that copyright law protects "software programs" that create fonts that are distinct typefaces.[2] This ruling is ill-conceived. While people should be rewarded and protected for their creativity, copyright law should not be extended to cover the "artwork" inherent in font "glyphs," which, in their most basic form, comprise the alphabet itself.

The software industry has experienced dramatic growth in the past decade. While a small number of dominant players have emerged in the industry (e.g., Microsoft), the low barriers of entry in the market allow new entrants to appear continuously. Spurred by rapid improvements and cost efficiencies in computer technology, the software and services market is one of the fastest growing segments of the computer industry.[3] Analysts predict that the 1998 market will be bullish on the stock of software vendors tied to mainframe software markets, PC software sales, and Windows-related products.[4] Meanwhile, the database market is slowing but still predicted to grow, and "[h]uge opportunities exist for software relating to the Internet market, including electronic commerce."[5]

One of the key players in the software industry is Adobe Systems. Incorporated in 1983, Adobe, a California company, develops and sells consumer software products related to print and electronic media.[6] Adobe's software operates on Microsoft Windows, Apple Macintosh, and UNIX platforms.[7] Regarded as a pioneer in desktop publishing software, Adobe creates software that delivers "visually rich

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1. *See* Adobe Sys., Inc. v. Southern Software, Inc., No. C95-20710, 1998 U.S. Dist. LEXIS 1941 (N.D. Cal. Feb. 2, 1998).
2. *See id.* at *15; *see also* Victoria Slind-Flor, *Judge OKs Copyright on Font Program*, NAT'L L.J., Feb. 23, 1998, at B1.
3. *See Computer (Software & Services)*, STANDARD & POOR'S INDUS. SERVS.: MONTHLY INVESTMENT REV., Mar. 1998, at 18.
4. *See id*.
5. *Id.*
6. *See* Quicken, *Quote Plus* (visited Oct. 15, 1998) <http://quicken.excite.com/investments/snapshot/?symbol=ADBE>.
7. *See id*.

communications that convey a consistent, professional image across any media- print, Web, and CD-ROM."[8]

Adobe is also known for its vigorous stance on copyright and trademark protection. In 1995, Adobe sued Southern Software, Inc. for copyright violations. In the fall of 1997, Adobe launched an aggressive anti-piracy campaign against illegal retail piracy practices, while simultaneously filing lawsuits in federal court against five different software retailers.[9] On February 2, 1998, Adobe prevailed in its case against Southern Software, Inc. when a federal district judge granted Adobe's motion for summary judgment. Was this ruling a mistake?

II. THE *ADOBE* CASE

The facts of the *Adobe* case are as follows. Paul King, the sole officer, director, and employee of Southern Software, Inc. loaded Adobe Systems' font software onto his computer.[10] He then used a software program called FontMonger (a font editor) to extract font reference points from the Adobe software. He scaled the coordinates of the font points by 101% on the vertical axis in order to slightly alter the fonts and then used the modified fonts to create his own "Key Fonts Pro 1555" software program.[11]

From this 1555 product, King also created two additional font packages, Key Fonts Pro 2002 and Key Fonts Pro 3003.[12] Southern Software then licensed the Key Fonts Pro programs to The Learning Company, which distributed the fonts under various new names. In total, King, Southern Software, and The Learning Company were accused of infringing Adobe's copyrights on more than 1100 fonts.[13]

Adobe brought suit against Southern Software and The Learning Company in October 1995, and amended the complaint to add King, individually, as a defendant in January 1997.[14] Adobe also purchased Ares Software Corporation, distributor of the FontMonger software program, and subsequently eliminated that software product from the market.[15]

Southern Software defended on grounds that the FontMonger program that King used did not extract source code. Instead, it extracted only the numerical reference points that define the outlines of "glyphs" (font characters), which Southern

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8. Adobe, *Adobe Corporate Backgrounder: Public Relations Overview* (visited Oct. 15, 1998) <http://www.adobe.com/aboutadobe/publicrelations/backgrounder.html>.

9. *See* Adobe, *Adobe Launches Channel Anti-Piracy Campaign*: *Five Resellers Sued for Illegal Practices* (visited Nov. 19, 1997) <http://www/adobe.com/aboutadobe/publicrelations/HTML/9711/971119.piracy.html>.

10. *See Adobe*, 1998 U.S. Dist. LEXIS 1941, at *3, *5.

11. *See id.* at *5-*7.

12. *See id*. at *6.

13. *See* Adobe, *Adobe Wins Summary Judgment in Copyright Infringement Lawsuit* (visited Mar. 25, 1998) <http://www.adobe.com/aboutadobe/publicrelations/HTML/9802/98026.judge.html>.

14. *See Adobe*, 1998 U.S. Dist. LEXIS 1941, at *3.

15. *See* Daniel Will-Harris, *Judgment Day for Adobe: Judge Rules that Fonts are Copyrightable*, (Feb. 13, 1998) <http://style.webreview.com/wr/pub/98/02/13/feature/adobe.html>. Southern Software filed a cross-complaint against Ares Software Corporation seeking partial indemnity in the suit. *See* Adobe, 1998 U.S. Dist. LEXIS 1941, at *7-*8.

Software and King claimed were unprotectable under United States copyright law.[16] They asserted that "merely manipulating an unprotectable font image to create another, slightly different (but still unprotectable) font image cannot possibly give rise to protectable expression,"[17] and that "because the output is not protected and there cannot be any creativity in what the editor does to obtain the output, nothing is protectable."[18]

Adobe countered that "each rendering of a specific glyph requires choices by the editor as to what points to select and where to place those points,"[19] and, thus, "the selection of points and the placement of those points are expression which is copyrightable in an original font output program."[20] The court agreed with Adobe. Judge Ronald M. Whyte noted that "[t]he evidence presented shows that there is some creativity in designing the font software programs. While the glyph dictates to a certain extent what points the editor must choose, it does not dictate every point that must be chosen."[21] The court held that Southern Software's fonts were "substantially similar" to those of Adobe, and, thus, infringed on Adobe's copyrights.[22]

III. COPYRIGHT PROTECTION OF FONTS AND TYPEFACES

This ruling appears inconsistent with the current state of copyright law as it applies to fonts and typefaces. Copyrights provide protection to authors of creative works expressed in tangible form. "[P]rivate producers have an incentive to invest in innovation only if they receive an appropriate return."[23] Software programmers are generally permitted to copyright their original work. "In 1980, Congress expressly extended copyright protection to computer programs as literary works, defining a program as 'a set of statements or instructions used directly or indirectly in a computer in order to bring about a certain result.'"[24]

Under United States copyright regulations, "typeface as typeface" is not subject to copyright.[25] Typeface is defined as "a set of letters, numbers or other symbolic characters, whose forms are related by repeating design elements consistently applied in a notational system and are intended to be embodied in articles whose intrinsic utilitarian function is for use in composing text or other cognizable combinations of characters."[26] In other words, "typeface" refers to the alphanumeric characters

16. *See Adobe*, 1998 U.S. Dist. LEXIS 1941, at *13-*14.
17. *Id*. (citing Defendants' Memo. at 15-16).
18. *Id*. at *14.
19. *Id.*
20. *Id*.
21. *Id*. at *16.
22. *Id*. at *17.
23. Stanley M. Besen & Leo J. Raskind, *An Introduction to the Law and Economics of Intellectual Property*, 5 J. ECON. PERSPS. 3, 5 (1991).
24. *Id*. at 12.
25. 37 C.F.R. § 202.1(e) (1998).
26. Terrence J. Carroll, *Frequently Asked Questions About Fonts - Are Fonts Copyrightable?* (visited March 21, 1998) <http://wwwcn.cern.ch/dci/asis/products/TeX/html/fontfaq/cf_13.html>.

themselves. "A font is the computer file or program that is used to represent or create the typeface."[27] There are two types of fonts: bitmapped fonts and scaleable fonts.

In 1978, the Fourth Circuit Court of Appeals held that fonts were not "works of art" and could not be registered for copyrights.[28] In 1988, the United States Copyright Office announced that it would not register font-generating software for copyrights as a matter of policy.[29] In 1992, after substantial lobbying efforts by Adobe Systems, the Copyright Office changed its position and began registering font-generating software (scaleable fonts) but not the underlying font output (bitmapped fonts).[30] The Copyright Office decided that bitmapped fonts are merely the computerized representation of a typeface and are not copyrightable.[31] Scaleable fonts, the programs designed for generating typeface, however, "may involve original computer instructions entitled protection under the Copyright Act."[32]

This area of law is both convoluted and confusing. Typeface as typeface is not copyrightable; neither is a font which is merely a computerized representation of a typeface. Yet, a font program that "generates" typeface may be copyrightable as software if it meets the requirements for copyright. That is, "copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."[33] Clearly, this area of law requires judicial clarification. Indeed, the *Adobe* case could have offered a bright line distinction between copyrightable and unprotectable fonts.

The *Adobe* court further blurred the distinction between copyrightable and unprotected material by apparently determining that the fonts at bar were scaleable fonts that encompassed some degree of creativity and copyrightable expression. The fonts in *Adobe*, however, consisted merely of a series of points on a glyph – i.e., dots that comprise an alphanumeric character. The court found that it was not the design, but rather the means of transfer that violated the copyright.[34]

"The judgment does not change the fact that typeface designs themselves are still not protected. In other words, it would still be legal . . . to print a font, then scan and trace that font back into digital format."[35] If that is indeed the case, the *Adobe* ruling is senseless. Could Southern Software legally copy and distribute Adobe's typeface so long as it printed it and scanned it back into a computer? If so, what "creativity" or "expression" is embodied in Adobe's copyright when detached from the design of the unprotected characters?

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27. *Id.*
28. *See* Eltra v. Ringer, 579 F.2d 294, 298 (4th Cir. 1978).
29. *See* Slind-Flor, *supra* note 2.
30. *See id*. The Copyright Office took no position on enforceability of the copyrights.
31. *See* Carroll, *supra* note 26.
32. *Id*. (quoting 57 Fed. Reg. 6202 (1992)).
33. *See* Terrence J. Carroll, *Protection For Typeface Designs: A Copyright Proposal*, 10 SANTA CLARA COMPUTER & HIGH TECH. L.J. 139, 142 nn. 8-9 (1994) (quoting 17 U.S.C. § 102(a) (1994)).
34. *See Adobe*, 1998 U.S. Dist. LEXIS 1941, at *17-*18.
35. Will-Harris, *supra* note 15.

The *Adobe* holding has been described correctly as a step toward permitting copyright registration for typeface and thus eroding United States Copyright Office Regulation § 202.1(e).[36] "[T]his decision is important because it provides new protection for digital fonts as the computer programs they actually are."[37] "[Judge Whyte] accepted that typeface designers 'make creative choices as to what points to select based on the image in front of them on the computer screen.'"[38] Are we far from permitting the copyright of typeface characters themselves (i.e., graphic representations of the alphabet)?

IV. STANDARDIZATION IN THE SOFTWARE INDUSTRY

In light of *Adobe*, the extension of copyright law to fonts will have a profound impact on the software industry. Adobe has a history of aggressively setting software standards: initially in the realm of desktop publishing and recently in the area of web publishing and web page design. Moreover, Adobe has entered licensing agreements with IBM, Apple, and Microsoft that likely will lead to implementation of Adobe technology and standards in these companies' future products.[39] Because these new products will utilize Adobe-generated fonts and will require related programs and peripherals to mimic the same standards, Adobe will reap enormous benefits either for as long as the standard persists or until their copyrights expire. In light of the *Adobe* holding, Adobe apparently will be able to charge a licensing fee for its web design and publishing software as well as for the underlying fonts.[40]

Companies wishing to create software for platforms utilizing the Adobe standard will have to pay a licensing fee to Adobe or forego satisfying customers utilizing these major platforms such as IBM, Apple, and Microsoft). The licensing fee premium that Adobe will charge for use of its copyrighted material will naturally increase the costs of most software products written for popular personal computers. These increased licensing costs may also serve to change the face of the software industry as they may create a barrier of entry in the industry. Until now, the software industry was unique in the manner in which it offered opportunities to start-up ventures because of low overhead costs. What was essentially free several months ago could now become an expensive hurdle to programmers. Additionally, these

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36. 37 C.F.R. § 202.1(e).

37. Will-Harris, *supra* note 15.

38. Jack Yan & Associates, *CAP Online Newsroom: Victory for Font Copyright in US Federal Court* (Feb. 5, 1998) <http://www.jyanet.com/cap/1998/0205ns0.htm>.

39. *See, e.g.*, Quicken, *Microsoft and Leading Professional Media Companies Release Advanced Authoring Format Specification* (visited Apr. 20, 1998) <http://quicken.excite.com/investments/new…story=/news/stories/pr/19980403/a8892.htm>; Quicken, *IBM and Adobe Sign Agreement for Technology Licensing and Software Patent Cross-Licensing* (visited Apr. 20, 1998) <http://quicken.excite.com/investments/new…story=/news/stories/bw/19980219/a1111.htm>; Glen McDonald, *Adobe, Microsoft Team Up on "Open" Web Type Standard* (Apr. 25, 1997) <http://www.pcworld.com/news/daily/data/0497/970425165638.html>.

40. Adobe creates gray areas. "What ramifications might this have? First, no one is sure what impact this will have on font embedding for the Web. If using a computer program to extract a font's outlines is illegal, then Microsoft's OpenType embedding, BitStream's TrueDoc, and Adobe's Acrobat PDF could all potentially run into problems." Will-Harris, *supra* note 15.

increased costs can be expected to lead to an increase in prices charged to consumers. This should have a dramatic impact on the demand for frivolous software products.

Even with increased costs, consumers may benefit from a single standard adopted by IBM, Apple, and Microsoft. A single standard would help ensure that customers would not need to purchase multiple software packages for use on diverse platforms. Further, use of a single convention would help ensure that software purchases would not suffer from obsolescence with successive versions of applications and operating systems.

Computer users may benefit from the existence of standardized interfaces in a number of ways. As the degree of standardization increases, the array of complementary inputs such as software, repair services, and the like available to users expands as well, thereby facilitating switching from one system to another. These forces also create a tendency for only several standardized interfaces to exist at a time and make the introduction of new interfaces more costly and difficult.[41]

It is unclear whether the costly Adobe standard is necessarily the correct standard. It is possible that a standard that utilizes fonts now in the public domain, e.g., Times New Roman, would satisfy customers' needs. Because of their proliferation in the market, IBM, Apple, and Microsoft have the ability to set standards for the industry.

Having an incentive to erect barriers of entry into the industry, these companies, which generate significant economies of scale, may benefit from imposing costs to smaller players. While a Microsoft may still be capable of creating a reasonably priced product, despite paying a licensing fee to Adobe for use of its font, a small undercapitalized start-up venture may be incapable of competing on these terms. In the final analysis, consumers suffer as they may no longer select from among a wide variety of different companies' products (some of which may have better served their needs).

V. CONCLUSION

The *Adobe Systems, Inc. v. Southern Software, Inc.* decision is currently only binding authority in the Northern District of California. Moreover, the case is being appealed. Nonetheless, the dramatic departure from the view that fonts are unprotected by copyright law may reflect the consensus of judicial thinking on the matter. The Northern District of California is of substantial import, since the area within the court's jurisdiction includes the Silicon Valley region, the current hotbed of software development in the United States. Finally, while the *Adobe* decision is not mandatory authority in other courts, the case likely will provide persuasive authority across other district courts as copyright laws remain unsettled.[42]

Extending copyright protection beyond its already broad standards seems erroneous.[43] It is likely that IBM, Apple, Microsoft, and other software developers

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41. *See* Besen & Raskind, *supra* note 23, at 17.

42. *See* Will-Harris, *supra* note 15.

43. *But cf.*, Carroll, *supra* note 33 at 172-82 (typeface design is an artistic work of authorship deserving the same copyright protection as any other artistic work); Jack Yan & Associates, *supra* note 38 (the decision marks a small step in placing the United States in step with the world).

will join to create standards for software programming that run on the Internet and popular PC platforms. Adobe products probably will be included in these standards. The necessity of licensing fonts to use such standards will lead to increased costs in the industry, fewer competitors, and increased prices to consumers. Hence, the granting of copyrights to fonts may prove a colossal blunder and may injure what has become a vibrant industry in recent years.