



CASE I.I

Sony Corporation of America v Universal City Studios, Inc.
464 U.S. 417 (1984)

Tape Delay: Contributory Infringement or Fair Use?

FACTS

Sony Corporation (petitioner) manufactures millions of Betamax video tape recorders (VTRs) and sells them through retail establishments (also included as petitioners in the case). The Betamax can record a broadcast off one station while the TV set is tuned to another channel. Tapes can be erased and reused. A timer in the Betamax can be used to activate and deactivate the equipment at predetermined times so the viewer/owner can record programs while not at home.

Universal City Studios, Inc. and Walt Disney Productions (respondents) produce and hold the copyrights on a substantial number of motion pictures and other audiovisual works. They can earn additional returns on these works by licensing limited showings on cable and network television, by selling syndicated rights for repeated airings on local TV, and by marketing programs on prerecorded videotapes or video discs.

Universal and Walt Disney brought a copyright infringement action against Sony and its retailers in federal district court. Universal and Walt Disney claimed that Betamax consumers were using their machines to record copyrighted works from commercially sponsored television. Evidence submitted by both parties indicated that most Betamax owners used their machines for "time-shifting," which is the practice of recording a program to view it at a later time and then erase it. Consumers used time-shifting to see programs they would otherwise miss because they were not at home, were otherwise occupied, or were viewing another station.

Universal and Walt Disney requested money damages, an accounting for profits, and an injunction against the manufacture and marketing of Betamax.

The district court found there was no infringement and denied relief. The court of appeals held that Universal and Walt Disney were entitled to enjoin the