Corp A, a U.S. corporation, owns the copyright in a computer program, Program X. Corp A, decides to make Program X available, for a fee, on a World Wide Web home page on the Internet. P, a Country Z resident, in return for payment made to Corp A, downloads Program X (via modem) onto the hard drive of his computer. As part of the electronic communication, P signifies his assent to a license agreement. The license is stated to be perpetual. Under the license no reverse engineering, decompilation, or disassembly of the computer program is permitted. The transferee receives, first, the right to use the program on two of its own computers (for example, a laptop and a desktop) provided that only one copy is in use at any one time, and, second, the right to make one copy of the program on each machine as an essential step in the utilization of the program. The transferee is permitted by the shrink-wrap license to sell the copy so long as it destroys any other copies it has made and imposes the same terms and conditions of the license on the purchaser of its copy. P may make a back-up copy of the program on to a disk.

No copyright rights have passed to P. Although P did not buy a physical copy of the disk with the program on it, the means of transferring the program is irrelevant. Therefore, P has acquired a copyrighted article. P is properly treated as the owner of a copyrighted article. Therefore, there has been a sale of a copyrighted article rather than the grant of a lease.