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"HEY, I WROTE THAT!": REVISITING JOINT AUTHORSHIP

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Panelists / Moderator

CYNTHIA S. ARATO is currently a partner in the New York Office of Gibson, Dunn & Crutcher LLP. Her practice is focused on intellectual property, media and entertainment and civil litigation. Ms. Arato's clients include entertainment and media companies, major record companies, and artists and writers in the entertainment industry. She has represented, among others, Warner Music Group, Frank McCourt, Atlantic Records, SONY BMG MUSIC ENTERTAINMENT, Elektra Entertainment, Home Box Office, Scholastic, and Warner Bros. Records. Ms. Arato has successfully litigated numerous copyright infringement actions, in both the trial and appellate courts. Ms. Arato regularly advises clients on a wide range of intellectual property matters, including copyright, trademark and right of publicity issues related to advertisements and products. The Legal 500 US: Volume III (Litigation) named Ms. Arato one of the leading trial lawyers in the US in 2007. Before joining Gibson Dunn, Ms. Arato was a partner at Manatt, Phelps & Phillips, which merged with the leading boutique litigation firm Parcher, Hayes & Snyder, where Ms. Arato was also a partner. Ms. Arato presents courses on copyright law for continuing legal education programs and clients. Ms. Arato earned her JD in 1991 from Columbia University, where she was a Harlan Fiske Stone Scholar from 1988-1991 and the Managing Editor of the Columbia Journal of Transnational Law from 1990-1991. She earned her BA from the University of Pennsylvania, cum laude and with distinction in International Relations, in 1986.

DAVID BAUM is currently a partner at Sonnenschein Nath & Rosenthal LLP and member of the Intellectual Property and Technology and the Litigation Practice Groups of the firm. In addition to his substantial and broad-based experience in complex corporate business litigation, Mr. Baum counsels many prominent individuals and business entities in the entertainment and sports industries, with an expertise in contract and commercial disputes, copyrights, trademarks, rights of publicity, sports law, and internet law. Among other matters, Mr. Baum successfully represented Britney Spears, BMG Music Publishing NA, Inc. and Zomba Enterprises, Inc., obtaining a dismissal of a copyright infringement case brought in the Southern District of Indiana, for the hit song "Sometimes," which appears on Spears' debut album . . . Baby One More Time. Other representations include the artists Ozzy Osbourne and Jay Z, as well as other major recording artists, recording and publishing companies. Mr. Baum also presents courses on copyright law for continuing legal education and has presented seminars at various law schools. Mr. Baum is a member of the National Academy of Recording Arts and Sciences, the New York State Bar's Commercial and Federal Litigation Section, Committee on Intellectual Property and the American Bar Association, Forum on the Entertainment and Sports Industries. He is a graduate of New York University School of Law in 1997, and attended Cornell University, College of Arts and Sciences, from where he graduated cum laude in 1994.

ROBERT CLARIDA (MODERATOR) is currently a partner at Cowan, Leibowitz & Latman, a frequent speaker before the Copyright Society and a frequent contributor to the New York Law Journal. Bob practices primarily in the copyright, trademark and rights of publicity areas, litigating in federal court, filing amicus briefs and advising corporate clients and individual artists as to contracts and licenses, fair use, registration, Internet and international issues. Among other honors, he has been named in New York Super Lawyers 2006 (July 2006), and The Best Lawyers in America in Intellectual Property Law by American Lawyer Media for each of 2004, 2006, 2007, 2008. From 2004 through the present, he has served as Chair of both the Copyright and Literary Property Committee of the Association of the Bar of the City of New York and the Copyright Committee of the American Intellectual Property Law Association. He is also an Adjunct Professor of Law at Columbia University School of Law. Bob graduated from Columbia Law School in 1993, where he was a Harlan Fiske Stone Scholar and earned the Andrew D. Fried Prize. He holds a PhD in Music Composition that he received in 1987 from the State University of New York. Bob was also a Fulbright Scholar, earning a degree in Musicology in 1986 from the University of Gothenburg in Sweden. He is a graduate of the University of Redlands, where he received his Master of Music in 1983 and the University of Illinois, which awarded him his Bachelor of Music in 1981.

Selected Statutes and Cases Relating to the Copyright Act's Joint Authorship Provisions:

A. Requirements of Joint Authorship

- "A 'joint work' is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101.
- Joint authorship generally requires proof of: (1) contribution of independently copyrightable material; and (2) some level of proof of intent.

1. Contributing Independently Copyrightable Material

- *BTE v. Bonneze*, 43 F. Supp.2d 619 (E.D.La. Nov. 12, 1999).

The former drummer of the rock band "Better Than Ezra" brought claims asserting that he was entitled to an accounting and royalties, profits and benefits derived from songs of which he was joint author. The district court found that the author of a work is "the person who translates an idea into a fixed, tangible expression." *Id.* at 626 (quoting *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989)). Because plaintiff did not produce any evidence that his original contributions to the songs at issue were ever fixed in tangible sound recordings, the court determined that plaintiff did not have a viable claim for joint authorship of those songs. Stating that plaintiff had a valid copyright in the sound recordings of songs he performed with the band, the court noted the important distinction between copyright in an underlying song and copyright in a sound recording of that song, stating that "the sound recordings of the song cannot serve as the tangible form required . . . to meet the independently copyrightable test required for proving joint authorship." *Id.* at 628. The court granted summary judgment in favor of the defendant.

2. Intent

- In the absence of a contract specifying ownership, the following tests are applied:
- Second Circuit Test: whether each of the purported co-authors "fully intended to be co-authors." The test is partly subjective, *e.g.*, did the purported co-authors "entertain in their minds the concept of joint authorship." But the court will also look at "a more nuanced inquiry into factual indicia of ownership." *Thomson v. Larson*, 147 F.3d 195 (2d Cir. 1998). In *Thomson*, the court found that a dramaturg of the hit play "Rent" was not a co-author where the playwright of the work: (1) "retained and intended to retain at all

times sole decision-making authority as to what went into" the work; (2) billed himself as the sole author; and (3) portrayed himself as the sole author in contracts with third parties and "was steadfast in his determination" to make the project entirely his own. *Id.* at 203-04.

- Seventh Circuit Test: co-authorship "requires that the parties intend to be joint authors at the time the work was created." *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 1068-69, 1072 (7th Cir. 1994).
- Ninth Circuit Test: (1) whether the purported author "superintends" the work "by exercising control" or is "the inventive or master mind" of the work; (2) whether the "putative coauthors make objective manifestations of shared intent to be coauthors"; and (3) whether "the audience appeal of the work turns on both contributions and the share of each in its success cannot be appraised." *Aalmuhammed v. Lee*, 202 F.3d 1227, 1233 (9th Cir. 2000).

B. Conflict of Laws

- *Itar-Tass Russian News Agency v. Russian Kurier*, 153 F.3d 82 (2d Cir. 1998):

Publishers of foreign newspapers and magazines, foreign press agency, and foreign writers' union brought copyright infringement action against American newspaper and its publisher, alleging copying of plaintiffs' news articles. The district court granted an injunction in favor of plaintiffs and awarded damages for copyright infringement. On appeal, the Second Circuit explained that the threshold issue which needed to be resolved was choice of law—an issue not initially considered by the parties, all of whom turned directly to Russian law for resolution of the case. The court pointed out that the "choice of law applicable to the pending case is not necessarily the same for all issues." 153 F.3d at 90.

As to issues of copyright ownership, "[c]opyright is a form of property, and the usual rule is that the interests of the parties in property are determined by the law of the state with 'the most significant relationship' to the property and the parties." *Id.* (citation omitted). Since the works at issue were created by Russian nationals and first published in Russia, Russian law was "the appropriate source of law to determine issues of ownership of rights." *Id.* With respect to infringement, "the governing conflicts principle is usually *lex loci delicti*, the doctrine generally applicable to torts [and w]e have implicitly adopted that approach to infringement claims, applying United States copyright law to a work that was unprotected in its country of origin." *Id.* at 91. Thus, United States law would apply to the infringement issues since United States was place of the tort and defendant was a United States corporation.

Applying Russian law, the Second Circuit ruled that newspaper publishers did not own exclusive copyright interests in text of individual newspapers articles because, *inter alia*, "Russian Copyright Law explicitly denies newspapers the

benefit of a work-for-hire doctrine, which, if available, would accord them rights to individual articles written by their employees." *Id.* at 92. Thus, the district court's ruling as to newspaper publishers was reversed because the publishers did not have standing under the laws of the United States to recover for infringement of articles in which they did not have exclusive rights. The Second Circuit remanded to the district court the issues of what relief the newspaper publishers might be entitled to by reason of defendants' copying of the newspapers' creative efforts in the selection, arrangement or display of the articles, to which the newspaper publishers would enjoy exclusive rights.

- *Shaw v. Rizzoli International Publications*, 51 U.S.P.Q.2d 1097, 1999 WL 160084 (S.D.N.Y. Mar. 23, 1999):

Plaintiffs brought an action seeking damages and injunctive relief for copyright and trademark infringement arising out of distribution in Italy and the United States of a catalog of an exhibition of Marilyn Monroe photographs and memorabilia. The district court ruled that even had plaintiffs ultimately not conceded the application of United States law, the appropriate choice of law, as dictated by the Second Circuit's decision in *Itar Tass* required that "United States copyright law should be applied to the question of what rights the plaintiffs had in the photographs." 1999 WL 160084, at *4. The court explained that, under *Itar Tass*, issues regarding the ownership of copyright, a form of property, are to be determined by the law of the state "with the most significant relationship to the property and the parties." 1999 WL 160084 at *5. The district court further explained that, in making this determination, significance was to be given to the nationality of the authors and the place of first publication, "although 'country of origin' might not always be the appropriate country for purposes of choice of law concerning ownership." *Id.* (citation omitted). In this instance, however, the court ruled that the United States, the country where 60 of the photographs in question were published and of which virtually all of the relevant plaintiffs were either citizens or residents, was the country with the most significant relationship to the photographs at issue and was therefore "the appropriate source of law to determine issues of ownership of rights." *Id.* (quotation omitted).

C. Statute of Limitations for Co-Authorship Claims

- Civil actions under the Copyright Act must be commenced "within three years after the claim accrued." 17 U.S.C. § 507(b).
- A plaintiff seeking to bring an action alleging copyright infringement based on co-authorship must do so within three years of the *accrual* of the claim. *Merchant v. Levy*, 92 F.3d 51, 56 (2d Cir. 1996).
- The statute of limitations for ownership claims is not "rolling," in contrast to infringement claims.

- In the Second Circuit, claims of copyright ownership accrue "when a plaintiff knows or has reason to know of the injury upon which the claim is premised." *Merchant v. Levy*, 92 F.3d 51, 56 (2d Cir. 1996).
- The Fourth and Seventh Circuits basically adopt the Second Circuit test. *Davis v. Meridian Films, Inc.*, 14 Fed. Appx. 178, 181 (4th Cir. 2001) (expressly adopting *Merchant* standard); *Gaiman v. McFarlane*, 360 F.3d 644, 653 (7th Cir. 2004) (claims accrue when putative co-author knew or should have known that the defendant "was violating" the plaintiff's rights).
- The First Circuit holds that claims of ownership accrue when a putative co-author "knows or has reason to know of the act which is the basis for the claim," which can occur as early as "the moment of creation" of the disputed work. *Cambridge Literary Properties, Ltd. v. W. Goebel Porzellanfabrik G.m.b.H. & Co. KG*, 510 F.3d 77, 88 (1st Cir. 2007).
- In the Ninth Circuit, claims of copyright ownership accrue "when plain and express repudiation of co-ownership is communicated to the claimant." *Zuill v. Shanahan*, 80 F.3d 1366, 1369 (9th Cir. 1996).
- The Sixth Circuit adopts the Ninth Circuit test. *Roger Miller Music, Inc. v. Sony/ATV Publishing, LLC*, 477 F.3d 383, 390 (6th Cir. 2007).
- Illustrative Cases:
 - *Welles v. Turner Entertainment Co.*, 503 F.3d 728, 734 (9th Cir. 2007) (while correspondence between the attorneys for the Estate of Orson Welles and the defendants regarding the inclusion of the *Citizen Kane* screenplay in a "home video collector's edition gift set" might have informed plaintiff that the defendants were distributing *Citizen Kane* on home video, it is not the "plain and express repudiation" of copyright ownership required for the statute of limitations on a copyright ownership claim to begin running).
 - *Santa-Rosa v. Combo Records*, 471 F.3d 224, 228 (1st Cir. 2006) (holding that plaintiff knew or should have known of the basis for his claim to co-authorship of the songs at the moment of their creation and that plaintiff could not prevail even under the Ninth Circuit standard, because there was plain and express repudiation of co-ownership from the fact that the defendant record company "openly, and quite notoriously, sold [plaintiff's] records without providing payment to him" more than three years before the plaintiff filed suit).
 - *Roger Miller Music, Inc. v. Sony/ATV Publishing, LLC*, 477 F.3d 383, 390 (6th Cir. 2007) (rejecting Defendant Sony's arguments that its actions, such as filing the application for renewal of the copyrights in Miller's songs, openly and exclusively licensing Miller's songs during their

renewal term, and paying Miller and Appellants royalties for Sony's exploitation of the renewal copyrights, amounted to a plain and express repudiation of Appellants' ownership claims to the renewal copyrights in Miller's songs and concluding that an audit letter that disclosed underpayment of royalties did not constitute "plain and express repudiation of ownership" because the audit letter did not address ownership of the renewal copyrights and did not clearly claim ownership over those copyrights).

- *Davis v. Meridian Films, Inc.*, 14 Fed. Appx. 178, 181 (4th Cir. 2001) (finding plaintiff was on notice of competing claims of copyright ownership when defendant published videos bearing copyright notices in defendant's name and, alternatively, that defendant's placement of a copyright notice on the videos constituted an express rejection of competing claims of authorship).
- *Kwan v. Schlein*, 441 F. Supp. 2d 491, 499 (S.D.N.Y. 2006) (concluding that action was time-barred because the first edition of co-authored book was copyrighted by the defendant in January of 1999, six years prior to the filing of the complaint in the action, and stating that "[e]ven applying the more liberal discovery rule, Kwan knew or should have known in 1999 – when the book was published – or shortly thereafter that she had been injured by Schlein's copyright declaration of authorship, particularly because in late 1998 she had been engaged in a dispute with BRB over the very issue of copyright").
- *Newsome v. Brown*, No. 01 Civ. 2807TPG, 2005 WL 627639, at *6 (S.D.N.Y. Mar. 16, 2005) (Newsome's claim for co-ownership of the copyright in the James Brown song "It's a Man's Man's Man's World" was time-barred because 1967 settlement agreement in which both Newsome and Brown were formally credited as being co-authors of the song put plaintiff Newsome on notice of her claim).
- *Dewan v. Blue Man Group Ltd. Partnership*, 73 F. Supp. 2d 382, 386-87 (S.D.N.Y. 1999) (finding that plaintiff Dewan's own awareness that he was not receiving any royalties from the performances of his compositions was one element triggering accrual of claim in a suit for a declaration of co-ownership and holding that co-ownership claim accrued when plaintiff first attempted to have defendants recognize his ownership interest).
- *Minder Music Ltd. v. Mellow Smoke Music Co.*, No. 98 Civ. 4496(AGS), 1999 WL 820575, at *2 (S.D.N.Y. Oct. 14, 1999) (dismissing copyright action as time-barred when "plaintiff could have investigated the merits of defendants' ownership claim" seven years before instituting an action; "[p]laintiff knew that defendants were asserting a right to 50% ownership from the moment that plaintiff acquired its rights, because defendants' interest was noted in plaintiff's 1990 purchase agreement").

- *Netzer v. Continuity Graphic Associates, Inc.*, 963 F. Supp. 1308, 1315 (S.D.N.Y. 1997) (holding that plaintiff's co-authorship claim accrued no later than the summer of 1984 when Netzer received a copy of Ms. Mystic No. 1, which bore a copyright notice reading: "MS. MYSTIC (including all prominent characters featured in this magazine and the distinctive likenesses thereof) is copyrighted 1982 by Neal Adams").

D. Retroactive Assignment of Co-Ownership Interest/Retroactive Licenses

- *Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007):

This case arose out of two songs contained on the hit album "No More Drama," recorded by Mary J. Blige, the "Queen of Hip Hop Soul." Plaintiff Sharice Davis alleged that two songs contained on this album, "Love" and "Keep it Moving" (the "Blige Compositions"), infringed two songs allegedly written by her, entitled "Love" and "Don't Trade In My Love" (the "Plaintiff Compositions").

The Blige Compositions were credited as having been written by Blige, her stepbrother Bruce Miller and various other songwriters, all of whom were named as defendants in the action, along with their music publishers. Although Davis alleged in her complaint that she was the sole author of both of her songs, she later conceded that she co-authored both songs with Bruce Chambliss, the stepfather of Blige and father of Bruce Miller.

Bruce Miller and Bruce Chambliss both testified at their depositions that the Plaintiff Compositions formed the basis for the Blige Compositions. However, both Bruces denied that Davis co-authored either of the Plaintiff Compositions. Rather, they testified that Chambliss alone authored both works. Both men also testified that Chambliss had orally agreed to transfer his right and title in the Plaintiff Compositions to Miller and had reduced that agreement to signed writings a day before Chambliss was deposed. The writings stated that Chambliss assigned Miller an undivided 100 percent interest in Chambliss' interest in the Plaintiff Compositions.

Following completion of discovery, all defendants moved for summary judgment on the ground that Chambliss had transferred his rights in the Plaintiff Compositions to Miller. The district court granted summary judgment, concluding that Chambliss' retroactive assignment to Miller had cured any cause of action Davis had against Miller, because one co-owner cannot sue another co-owner for infringement and Miller was Davis' co-owner by virtue of the assignment. As the district court held, because "one joint owner may always transfer his interest in the work to a third party," "Davis' [alleged] status as joint owner with Chambliss . . . bars her from stating a claim for copyright infringement against Miller, or any of the other defendants, [who are] his licensees." 505 F.3d at 97.

The Second Circuit reversed, holding, in a case of first impression across all courts of appeals, that "one joint owner of a copyright" cannot "retroactively transfer his ownership by a written instrument, and thereby cut off the accrued rights of the other owner to sue for infringement." *Id.* at 97-98. The Second Circuit distinguished numerous cases relied upon by the district court, noting that each of those cases concerned retroactive releases granted pursuant to the settlement of accrued infringement claims, rather than a retroactive license or assignment, as occurred in the instant case. According to the Second Circuit, such settlement agreements can only extinguish claims held by a settling co-owner and thus case law recognizing the force of such agreements was not instructive. As the Second Circuit stated, "[u]nlike a settlement, which recognizes an unauthorized use but waives a settling owner's accrued claims of liability, a retroactive license or assignment would – if given legal effect – erase the unauthorized use from history with the result that the nonparty co-owner's right to sue for infringement, which accrues when the infringement first occurs, is extinguished." *Id.* at 103. Accordingly, the Second Circuit held that "a license or assignment in copyright can only act prospectively." *Id.* at 104.

The Second Circuit supported its conclusion by noting that acceptance of retroactive assignments in this setting would have two negative policy implications: (1) a rule permitting retroactive assignments or transfers would necessarily "inject uncertainty and unpredictably into copyright ownership" by damaging or extinguishing the "principal purpose" of the Copyright Act – encouraging the creation of original works of authorship by granting exclusive, enforceable rights; and (2) retroactive agreements would inherently lower the cost of infringement with the "result" being that "infringement is encouraged and rewarded." *Id.* at 105-06.

The Second Circuit also held that the signed writing between Chambliss and Miller could not retroactively ratify the prior oral agreement between them, because the effect of doing so would be to extinguish the Plaintiff's infringement claims. *Id.* at 107-08. The court specifically stated that it was not deciding whether there are any other limitations on permitting oral transfer agreements to be validated at a later date by a writing. *Id.* at 108 n.18.

- Whether one co-owner can issue a retroactive license to a defendant and thus extinguish another co-owner's infringement claim against that same defendant will shortly be before the Ninth Circuit, in an appeal from *Kramer v. Thomas*, No. CV 05-8381 AG (CTx), 2006 WL 4729242, at *8 (C.D. Cal. Sept. 28, 2006) (finding that joint co-owners of copyrighted works can retroactively grant non-exclusive licenses).

