

March 4, 1909.

AN ACT TO AMEND AND CONSOLIDATE THE ACTS RESPECTING COPYRIGHT.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That any person entitled thereto, upon complying with the provisions of this Act, shall have the exclusive right:

- (a) To print, reprint, publish, copy, and vend the copyrighted work
- (b) To translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work to dramatize it if it be a nondramatic work to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art;
- (c) To deliver or authorize the delivery of the copyrighted work in public for profit if it be a lecture, sermon, address, or similar production
- (d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method whatsoever,
- (e) To perform the copyrighted work publicly for profit if it be a musical composition; and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced: *Provided,* That the provisions of this Act, so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after July 1, 1909, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights: *And provided further, and as a condition of extending the copyright control to such mechanical reproductions,* That whenever the owner of a musical copyright has used or permitted or knowingly acquiesced in the use of the copyrighted work upon the parts of instruments serving to reproduce mechanically the musical work, any other person may make similar use of the copyrighted work upon the payment to the copyright proprietor of a royalty of two cents on each such part manufactured, to be paid by the manufacturer thereof; and the copyright proprietor may require, and if so the manufacturer shall furnish, a report under oath on the twentieth day of each month on the number of parts of instruments manufactured during the previous month serving to reproduce mechanically said musical work, and royalties shall be due on the parts manufactured during any month upon the twentieth of the next succeeding month. The payment of the royalty provided for by this section shall free the articles or devices for which such royalty has been paid from further contribution to

the copyright except in case of public performance for profit: *And provided further*, That it shall be the duty of the copyright owner, if he uses the musical composition himself for the manufacture of parts of instruments serving to reproduce mechanically the musical work, or licenses others to do so, to file notice thereof, accompanied by a recording fee, in the copyright office, and any failure to file such notice shall be a complete defense to any suit action, or proceeding for any infringement of such copyright.

In case of the failure of such manufacturer to pay to the copyright proprietor within thirty days after demand in writing the full sum of royalties due at said rate at the date of such demand the court may award taxable costs to the plaintiff and a reasonable counsel fee, and the court may, in its discretion, enter judgment therein for any sum in addition over the amount found to be due as royalty in accordance with the terms of this Act, not exceeding three times such amount.

The reproduction or rendition of a musical composition by or upon coin-operated machines shall not be deemed a public performance for profit unless a fee is charged for admission to the place where such reproduction or rendition occurs.

SEC. 2. That nothing in this Act shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor.

SEC. 3. That the copyright provided by this Act shall protect all the copyrightable component parts of the work copyrighted, and all matter therein in which copyright is already subsisting, but without extending the duration or scope of such copyright. The copyright upon composite works or periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this Act.

SEC. 4. That the works for which copyright may be secured under this Act shall include all the writings of an author.

SEC. 5. That the application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

- (a) Books, including composite and cyclopaedic works, directories, gazetteers, and other compilations;
- (b) Periodicals, including newspapers;
- (c) Lectures, sermons, addresses (prepared for oral delivery),
- (d) Dramatic or dramatico-musical compositions;
- (e) Musical compositions;
- (f) Maps,

- (g) Works of art models or designs for works of art;
- (h) Reproductions of a work of art;
- (i) Drawings or plastic works of a scientific or technical character;
- (j) Photographs;
- (k) Prints and pictorial illustrations:

*Provided, nevertheless,* That the above specifications shall not be held to limit the subject-matter of copyright as defined in section four of this Act, nor shall any error in classification invalidate or impair the copyright protection secured under this Act.

SEC. 6. That compilations or abridgments, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain, or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this Act but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.

SEC. 7. That no copyright shall subsist in the original text of any work which is in the public domain, or in any work which was published in this country or any foreign country prior to July 1, 1909, and has not been already copyrighted in the United States, or in any publication of the United States Government, or any reprint, in whole or in part, thereof: *Provided, however,* That the publication or republication by the Government, either separately or in a public document, of any material in which copyright is subsisting shall not be taken to cause any abridgement or annulment of the copyright or to authorize any use or appropriation of such copyright material without the consent of the copyright proprietor.

SEC. 8. That the author or proprietor of any work made the subject of copyright by this Act, or his executors, administrators, or assigns, shall have copyright for such work under the conditions and for the terms specified in this Act: *Provided, however,* That the copyright secured by this Act shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation, only:

- (a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or
- (b) When the foreign state or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection substantially equal to the protection secured to such foreign author under this Act or by treaty; or when such foreign state or nation is a party to an international agreement which provides for

reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto.

The existence of the reciprocal conditions aforesaid shall be determined by the President of the United States, by proclamation made from time to time, as the purposes of this Act may require.

SEC. 9. That any person entitled thereto by this Act may secure copyright for his work by publication thereof with the notice of copyright required by this Act; and such notice shall be affixed to each copy thereof published or offered for sale in the United States by authority of the copyright proprietor, except in the case of books seeking ad interim protection under section twenty-one of this Act.

SEC. 10. That such person may obtain registration of his claim to copyright by complying with the provisions of this Act, including the deposit of copies, and upon such compliance the register of copyrights shall issue to him the certificate provided for in section fifty-five of this Act.

SEC. 11. That copyright may also be had of the works of an author of which copies are not reproduced for sale, by the deposit, with claim of copyright, of one complete copy of such work if it be a lecture or similar production or a dramatic or musical composition; of a photographic print if the work be a photograph; or of a photograph or other identifying reproduction thereof, if it be a work of art or a plastic work or drawing. But the privilege of registration of copyright secured hereunder shall not exempt the copyright proprietor from the deposit of copies, under sections twelve and thirteen of this Act where the work is later reproduced in copies for sale.

SEC. 12. That after copyright has been secured by publication of the work with the notice of copyright as provided in section nine of this Act, there shall be promptly deposited in the copyright office or in the mail addressed to the register of copyrights, Washington, District of Columbia, two complete copies of the best edition thereof then published, which copies, if the work be a book or periodical, shall have been produced in accordance with the manufacturing provisions specified in section fifteen of this Act; or if such work be a contribution to a periodical, for which contribution special registration is requested, one copy of the issue or issues containing such contribution; or if the work is not reproduced in copies for sale, there shall be deposited the copy, print, photograph, or other identifying reproduction provided by section eleven of this Act, such copies or copy, print, photograph, or other reproduction to be accompanied in each case by a claim of copyright. No action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this Act with respect to the deposit of copies and registration of such work shall have been complied with.

SEC. 13. That should the copies called for by section twelve of this Act not be promptly deposited as herein provided, the register of copyrights may at any time after the publication of the work, upon actual notice, require the proprietor of the copyright to deposit them, and after the said demand shall have been made, in default of the deposit of copies of the work within three months from any part of the United States, except an outlying territorial possession of the United States, or within six month from any outlying territorial possession of the United States, or from any foreign country, the proprietor of the copyright shall be liable to a fine of one hundred

dollars and to pay to the Library of Congress twice the amount of the retail price of the best edition of the work, and the copyright shall become void.

SEC. 14. That the postmaster to whom are delivered the articles deposited as provided in sections eleven and twelve of this act shall if requested, give a receipt therefor and shall mail them to their destination without cost to the copyright claimant.

SEC. 15. That of the printed book or periodical specified in section five, subsections (a) and (b) of this Act, except the original text of a book of foreign origin in a language or languages other than English, the text of all copies accorded protection under this Act, except as below provided, shall be printed from type set within the limits of the United States, either by hand or by the aid of any kind of typesetting machine, or from plates made within the limits of the United States from type set therein, or, if the text be produced by lithographic process, or photo-engraving process, then by a process wholly performed within the limits of the United States, and the printing of the text and binding of the said book shall be performed within the limits of the United States; which requirements shall extend also to the illustrations within a book consisting of printed text and illustrations produced by lithographic process, or photo-engraving process, and also to separate lithographs or photo-engravings, except where in either case the subjects represented are located in a foreign country and illustrate a scientific work or reproduce a work of art: *Provided, however,* That said requirements shall not apply to works in raised characters for the use of the blind, or to books of foreign origin in a language or languages other than English, or to books published abroad in the English language seeking ad interim protection under this Act.

SEC. 16. That in the case of the book the copies so deposited shall be accompanied by an affidavit, under the official seal of any officer authorized to administer oaths within the United States, duly made by the person claiming copyright or by his duly authorized agent or representative residing in the United States, or by the printer who has printed the book, setting forth that the copies deposited have been printed from type set within the limits of the United States or from plates made within the limits of the United States from type set therein or, if the text be produced by lithographic process, or photo-engraving process, that such process was wholly performed within the limits of the United States, and that the printing of the text and binding of the said book have also been performed within the limits of the United States. Such affidavit shall state also the place where and the establishment or establishments in which such type was set or plates were made or lithographic process, or photo-engraving process or printing and binding were performed and the date of the completion of the printing of the book or the date of publication.

SEC. 17. That any person who, for the purpose of obtaining registration of a claim to copyright, shall knowingly make a false affidavit as to his having complied with the above conditions shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than one thousand dollars, and all of his rights and privileges under said copyright shall thereafter be forfeited.

SEC. 18. That the notice of copyright required by section nine of this act shall consist either of the word "Copyright" or the abbreviation "Copr.," accompanied by the name of the copyright

proprietor, and if the work be a printed literary, musical, or dramatic work, the notice shall include also the year in which the copyright was secured by publication. In the case, however, of copies of works specified in subsections (f) to (k), inclusive, of section five of this act, the notice may consist of the letter C inclosed within a circle, thus: ©, accompanied by the initials, monogram, mark, or symbol of the copyright proprietor: *Provided*, That on some accessible portion of such copies or of the margin, back, permanent base, or pedestal, or of the substance on which such copies shall be mounted, his name shall appear. But in the case of works in which copyright is subsisting on July 1, 1909, the notice of copyright may be either in one of the forms prescribed herein or in one of those prescribed by the act of June eighteenth, eighteen hundred and seventy-four.

SEC. 19. That the notice of copyright shall be applied, in the case of a book or other printed publication, upon its title-page or the page immediately following, or if a periodical either upon the title-page or upon the first page of text of each separate number or under the title heading, or if a musical work either upon its title-page or the first page of music: *Provided*, That one notice of copyright in each volume or in each number of a newspaper or periodical published shall suffice.

SEC. 20. That where the copyright proprietor has sought to comply with the provisions of this Act with respect to notice, the omission by accident or mistake of the prescribed notice from a particular copy or copies shall not invalidate the copyright or prevent recovery for infringement against any person who, after actual notice of the copyright, begins an undertaking to infringe it, but shall prevent the recovery of damages against an innocent infringer who has been misled by the omission of the notice; and in a suit for infringement no permanent injunction shall be had unless the copyright proprietor shall reimburse to the innocent infringer his reasonable outlay innocently incurred if the court, in its discretion, shall so direct.

SEC. 21. That in the case of a book published abroad in the English language the deposit in the copyright office, not later than thirty days after its publication abroad, of one complete copy of the foreign edition, with a request for the reservation of the copyright and a statement of the name and nationality of the author and of the copyright proprietor and of the date of publication of the said book, shall secure to the author or proprietor an ad interim copyright, which shall have all the force and effect given to copyright by this Act, and shall endure until the expiration of thirty days after such deposit in the copyright office.

SEC. 22. That whenever within the period of such ad interim protection an authorized edition of such book shall be published within the United States, in accordance with the manufacturing provisions specified in section fifteen of this Act, and whenever the provisions of this Act as to deposit of copies, registration, filing of affidavit, and the printing of the copyright notice shall have been duly complied with, the copyright shall be extended to endure in such book for the full term elsewhere provided in this Act.

SEC. 23. That the copyright secured by this Act shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *Provided*, That in the case of any posthumous work or of any periodical, cyclopaedic, or other composite work upon which the copyright was originally

secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright : *And provided further*, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopaedic or other composite work when such contribution has been separately registered, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.

SEC. 24. That the copyright subsisting in any work on July 1, 1909, may, at the expiration of the term provided for under existing law, be renewed and extended by the author of such work if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then by the author's executors, or in the absence of a will, his next of kin, for a further period such that the entire term shall be equal to that secured by this Act, including the renewal period: *Provided, however*, That if the work be a composite work upon which copyright was originally secured by the proprietor thereof, then such proprietor shall be entitled to the privilege of renewal and extension granted under this section: *Provided*, That application for such renewal and extension shall be made to the copyright office and duly registered therein within one year prior to the expiration of the existing term.

SEC. 25. That if any person shall infringe the copyright in any work protected under the copyright laws of the United States such person shall be liable:

(a) To an injunction restraining such infringement;

(b) To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, as well as all the profits which the infringer shall have made from such infringement, and in proving profits the plaintiff shall be required to prove sales only and the defendant shall be required to prove every element of cost which he claims, or in lieu of actual damages and profits such damages as to the court shall appear to be just, and in assessing such damages the court may, in its discretion, allow the amounts as hereinafter stated, but in the case of a newspaper reproduction of a copyrighted photograph such damages shall not exceed the sum of two hundred dollars nor be less than the sum of fifty dollars, and such damages shall in no other case exceed the sum of five thousand dollars nor be less than the sum of two hundred and fifty dollars, and shall not be regarded as a penalty:

First. In the case of a painting, statue, or sculpture, ten dollars for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees;

Second. In the case of any work enumerated in section five of this Act, except a painting, statue, or sculpture, one dollar for every infringing copy made or sold by or found in the possession of the infringer or his agents or employees

Third. In the case of a lecture, sermon, or address, fifty dollars for every infringing delivery;

Fourth. In the case of a dramatic or dramatico-musical or a choral or orchestral composition, one hundred dollars for the first and fifty dollars for every subsequent infringing performance; in the case of other musical compositions, ten dollars for every infringing performance;

(c) To deliver up on oath, to be impounded during the pendency of the action, upon such terms and conditions as the court may prescribe, all articles alleged to infringe a copyright;

(d) To 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;

(e) Whenever the owner of a musical copyright has used or permitted the use of the copyrighted work upon the parts of musical instruments serving to reproduce mechanically the musical work, then in case of infringement of such copyright by the unauthorized manufacture, use, or sale of interchangeable parts, such as disks, rolls, bands, or cylinders for use in mechanical music-producing machines adapted to reproduce the copyrighted music, no criminal action shall be brought, but in a civil action an injunction may be granted upon such terms as the court may impose, and the plaintiff shall be entitled to recover in lieu of profits and damages a royalty as provided in section one, subsection (e), of this Act: *Provided also*, That whenever any person, in the absence of a license agreement, intends to use a copyrighted musical composition upon the parts of instruments serving to reproduce mechanically the musical work, relying upon the compulsory license provision of this Act, he shall serve notice of such intention, by registered mail, upon the copyright proprietor at his last address disclosed by the records of the copyright office, sending to the copyright office a duplicate of such notice; and in case of his failure so to do the court may, in its discretion, in addition to sums hereinabove mentioned, award the complainant a further sum, not to exceed three times the amount provided by section one, subsection (e), by way of damages, and not as a penalty, and also a temporary injunction until the full award is paid.

Rules and regulations for practice and procedure under this section shall be prescribed by the Supreme Court of the United States.

SEC. 26. That any court given jurisdiction under section thirty-four of this Act may proceed in any action, suit, or proceeding instituted for violation of any provision hereof to enter a judgment or decree enforcing the remedies herein provided.



SEC. 27. That the proceedings for an injunction, damages, and profits, and those for the seizure of infringing copies, plates molds matrices, and so forth, aforementioned may be united in one action.

SEC. 28. That any person who willfully and for profit shall infringe any copyright secured by this Act, or who shall knowingly and willfully aid or abet such infringement shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment for not exceeding one year or by a fine of not less than one hundred dollars nor more than one thousand dollars, or both, in the discretion of the court : *Provided, however,* That nothing in this Act shall be so construed as to prevent the performance of religious or secular works, such as oratorios, cantatas, masses, or octavo choruses by public schools, church choirs, or vocal societies, rented, borrowed, or obtained from some public library, public school, church choir, school choir, or vocal society, provided the performance is given for charitable or educational purposes and not for profit.

SEC. 29. That any person who, with fraudulent intent shall insert or impress any notice of copyright required by this Act, or words of the same purport, in or upon any uncopyrighted article, or with fraudulent intent shall remove or alter the copyright notice upon any article duly copyrighted shall be guilty of a misdemeanor, punishable by a fine of not less than one hundred dollars and not more than one thousand dollars. Any person who shall knowingly issue or sell any article bearing a notice of United States copyright which has not been copyrighted in this country, or who shall knowingly import any article bearing such notice or words of the same purport, which has not been copyrighted in this country, shall be liable to a fine of one hundred dollars.

SEC. 30. That the importation into the United States of any article bearing a false notice of copyright when there is no existing copyright thereon in the United States, or of any piratical copies of any work copyrighted in the United States, is prohibited.

SEC. 31. That during the existence of the American copyright in any book the importation into the United States of any piratical copies thereof or of any copies thereof (although authorized by the author or proprietor) which have not been produced in accordance with the manufacturing provisions specified in section fifteen of this Act, or any plates of the same not made from type set within the limits of the United States, or any copies thereof produced by lithographic or photo-engraving process not performed within the limits of the United States, in accordance with the provisions of section fifteen of this Act, shall be, and is hereby, prohibited: *Provided, however,* That, except as regards piratical copies, such prohibition shall not apply:

(a) To works in raised characters for the use of the blind;

(b) To a foreign newspaper or magazine, although containing matter copyrighted in the United States printed or reprinted by authority of the copyright proprietor, unless such newspaper or magazine contains also copyright matter printed or reprinted without such authorization;

(c) To the authorized edition of a book in a foreign language or languages of which only a translation into English has been copyrighted in this country,

(d) To any book published abroad with the authorization of the author or copyright proprietor when imported under the circumstances stated in one of the four subdivisions following, that is to say:

First. When imported, not more than one copy at one time, for individual use and not for sale; but such privilege of importation shall not extend to a foreign reprint of a book by an American author copyrighted in the United States;

Second. When imported by the authority or for the use of the United States

Third. When imported for use and not for sale, not more than one copy of any such book in any one invoice, in good faith, by or for any society or institution incorporated for educational, literary, philosophical, scientific, or religious purposes, or for the encouragement of the fine arts, or for any college, academy, school, or seminary of learning, or for any State, school, college, university, or free public library in the United States,

Fourth. When such books form parts of libraries or collections purchased en bloc for the use of societies, institutions, or libraries designated in the foregoing paragraph, or form parts of the libraries or personal baggage belonging to persons or families arriving from foreign countries and are not intended for sale:

*Provided*, That copies imported as above may not lawfully be used in any way to violate the rights of the proprietor of the American copyright or annul or limit the copyright protection secured by this Act, and such unlawful use shall be deemed an infringement of copyright.

SEC. 32. That any and all articles prohibited importation by this Act which are brought into the United States from any foreign country (except in the mails) shall be seized and forfeited by like proceedings as those provided by law for the seizure and condemnation of property imported into the United States in violation of the customs revenue laws. Such articles when forfeited shall be destroyed in such manner as the Secretary of the Treasury or the court, as the case may be, shall direct : *Provided, however*, That all copies of authorized editions of copyright books imported in the mails or otherwise in violation of the provisions of this Act may be exported and returned to the country of export whenever it is shown to the satisfaction of the Secretary of the Treasury, in a written application, that such importation does not involve willful negligence or fraud.

SEC. 33. That the Secretary of the Treasury and the Postmaster-General are hereby empowered and required to make and enforce such joint rules and regulations as shall prevent the importation into the United States in the mails of articles prohibited importation by this Act, and may require notice to be given to the Treasury Department or Post-Office Department, as the case may be, by copyright proprietors or injured parties, of the actual or contemplated importation of articles prohibited importation by this Act, and which infringe the rights of such copyright proprietors or injured parties.

SEC. 34. That all actions, suits, or proceedings arising under the copyright laws of the United States shall be originally cognizable by the district courts of the United States, the district court

of any Territory, the district court of the District of Columbia, the district courts of Alaska, Hawaii, and Porto Rico, and the courts of first instance of the Philippine Islands.

SEC. 35. That civil actions, suits, or proceedings arising under this Act may be instituted in the district of which the defendant or his agent is an inhabitant, or in which he may be found.

SEC. 36. That any such court or judge thereof shall have power, upon bill in equity filed by any party aggrieved, to grant injunctions to prevent and restrain the violation of any right secured by said laws, according to the course and principles of courts of equity, on such terms as said court or judge may deem reasonable. Any injunction that may be granted restraining and enjoining the doing of anything forbidden by this Act may be served on the parties against whom such injunction may be granted anywhere in the United States, and shall be operative throughout the United States and be enforceable by proceedings in contempt or otherwise by any other court or judge possessing jurisdiction of the defendants.

SEC. 37. That the clerk of the court, or judge granting the injunction, shall, when required so to do by the court hearing the application to enforce said injunction, transmit without delay to said court a certified copy of all the papers in said cause that are on file in his office.

SEC. 38. That the orders, judgments, or decrees of any court mentioned in section thirty-four of this Act arising under the copyright laws of the United States may be reviewed on appeal or writ of error in the manner and to the extent now provided by law for the review of cases determined in said courts, respectively.

SEC. 39. That no criminal proceeding shall be maintained under the provisions of this Act unless the same is commenced within three years after the cause of action arose.

SEC. 40. That in all actions, suits, or proceedings under this Act except when brought by or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney's fee as part of the costs.

SEC. 41. That the copyright is distinct from the property in the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object but nothing in this Act shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained.

SEC. 42. That copyright secured under this or previous Acts of the United States may be assigned, granted, or mortgaged by an instrument in writing signed by the proprietor of the copyright, or may be bequeathed by will.

SEC. 43. That every assignment of copyright executed in a foreign country shall be acknowledged by the assignor before a consular officer or secretary of legation of the United States authorized by law to administer oaths or perform notarial acts. The certificate of such

acknowledgment under the hand and official seal of such consular officer or secretary of legation shall be prima facie evidence of the execution of the instrument.

SEC. 44. That every assignment of copyright shall be recorded in the copyright office within three calendar months after its execution in the United States or within six calendar months after its execution without the limits of the United States, in default of which it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, whose assignment has been duly recorded.

SEC. 45. That the register of copyrights shall, upon payment of the prescribed fee, record such assignment, with a certificate of and shall return it to the sender record attached under seal of the copyright office, and upon the payment of the fee prescribed by this Act he shall furnish to any person requesting the same a certified copy thereof under the said seal.

SEC. 46. That when an assignment of the copyright in a specified book or other work has been recorded the assignee may substitute his name for that of the assignor in the statutory notice of copyright prescribed by this Act.

SEC. 47. That all records and other things relating to copyrights required by law to be preserved shall be kept and preserved in the copyright office, Library of Congress, District of Columbia, and shall be under the control of the register of copyrights, who shall, under the direction and supervision of the Librarian of Congress, perform all the duties relating to the registration of copyrights.

SEC. 48. That there shall be appointed by the Librarian of Congress a register of copyrights, at a salary of four thousand dollars per annum, and one assistant register of copyrights, at a salary of three thousand dollars per annum, who shall have authority during the absence of the register of copyrights to attach the copyright office seal to all papers issued from the said office and to sign such certificates and other papers as may be necessary. There shall also be appointed by the Librarian such subordinate assistants to the register as may from time to time be authorized by law.

SEC. 49. That the register of copyrights shall make daily deposits in some bank in the District of Columbia, designated for this purpose by the Secretary of the Treasury as a national depository, of all moneys received to be applied as copyright fees, and shall make weekly deposits with the Secretary of the Treasury in such manner as the latter shall direct, of all copyright fees actually applied under the provisions of this Act, and annual deposits of sums received which it has not been possible to apply as copyright fees or to return to the remitters, and shall also make monthly reports to the Secretary of the Treasury and to the Librarian of Congress of the applied copyright fees for each calendar month, together with a statement of all remittances received, trust funds on hand, moneys refunded, and unapplied balances.

SEC. 50. That the register of copyrights shall give bond to the United States in the sum of twenty thousand dollars, in form to be approved by the Solicitor of the Treasury and with sureties satisfactory to the Secretary of the Treasury, for the faithful discharge of his duties.

SEC. 51. That the register of copyrights shall make an annual report to the Librarian of Congress, to be printed in the annual report on the Library of Congress, of all copyright business for the previous fiscal year, including the number and kind of works which have been deposited in the copyright office during the fiscal year, under the provisions of this Act.

SEC. 52. That the seal provided under the Act of July eighth, eighteen hundred and seventy, and at present used in the copyright office, shall continue to be the seal thereof, and by it all papers from the copyright office requiring authentication shall be authenticated.

SEC. 53. That, subject to the approval of the Librarian of Congress, the register of copyrights shall be authorized to make rules and regulations for the registration of claims to copyright as provided by this Act.

SEC. 54. That the register of copyrights shall provide and keep such record books in the copyright office as are required to carry out the provisions of this Act, and whenever deposit has been made in the copyright office of a copy of any work under the provisions of this Act he shall make entry thereof.

SEC. 55. That in the case of each entry the person recorded as the claimant of the copyright shall be entitled to a certificate of registration under seal of the copyright office, to contain his name and address, the title of the work upon which copyright is claimed, the date of the deposit of the copies of such work, and such marks as to class designation and entry number as shall fully identify the entry. In the case of a book the certificate shall also state the receipt of the affidavit as provided by section sixteen of this Act, and the date of the completion of the printing, or the date of the publication of the book, as stated in the said affidavit. The register of copyrights shall prepare a printed form for the said certificate, to be filled out in each case as above provided for, which certificate, sealed with the seal of the copyright office, shall, upon payment of the prescribed fee, be given to any person making application for the same, and the said certificate shall be admitted in any court as prima facie evidence of the facts stated therein. In addition to such certificate the register of copyrights shall furnish, upon request, without additional fee, a receipt for the copies of the work deposited to complete the registration.

SEC. 56. That the register of copyrights shall fully index all copyright registrations and assignments and shall print at periodic intervals a catalogue of the titles of articles deposited and registered for copyright, together with suitable indexes, and at stated intervals shall print complete and indexed catalogues for each class of copyright entries, and may thereupon, if expedient, destroy the original manuscript catalogue cards containing the titles included in such printed volumes and representing the entries made during such intervals. The current catalogues of copyright entries and the index volumes herein provided for shall be admitted in any court as prima facie evidence of the facts stated therein as regards any copyright registration.

SEC. 57. That the said printed current catalogues as they are issued shall be promptly distributed by the copyright office to the collectors of customs of the United States and to the postmasters of all exchange offices of receipt of foreign mails, in accordance with revised lists of such collectors of customs and postmasters prepared by the Secretary of the Treasury and the Postmaster-General, and they shall also be furnished to all parties desiring them at a price to be

determined by the register of copyrights, not exceeding five dollars per annum for the complete catalogue of copyright entries and not exceeding one dollar per annum for the catalogues issued during the year for any one class of subjects. The consolidated catalogues and indexes shall also be supplied to all persons ordering them at such prices as may be determined to be reasonable, and all subscriptions for the catalogues shall be received by the Superintendent of Public Documents, who shall forward the said publications; and the moneys thus received shall be paid into the Treasury of the United States and accounted for under such laws and Treasury regulations as shall be in force at the time.

SEC. 58. That the record books of the copyright office, together with the indexes to such record books, and all works deposited and retained in the copyright office, shall be open to public inspection; and copies may be taken of the copyright entries actually made in such record books, subject to such safeguards and regulations as shall be prescribed by the register of copyrights and approved by the Librarian of Congress.

SEC. 59. That of the articles deposited in the copyright office under the provisions of the copyright laws of the United States or of this Act, the Librarian of Congress shall determine what books and other articles shall be transferred to the permanent collections of the Library of Congress, including the law library, and what other books or articles shall be placed in the reserve collections of the Library of Congress for sale or exchange, or be transferred to other governmental libraries in the District of Columbia for use therein.

SEC. 60. That of any articles undisposed of as above provided, together with all titles and correspondence relating thereto, the Librarian of Congress and the register of copyrights jointly shall, at suitable intervals, determine what of these received during any period of years it is desirable or useful to preserve in the permanent files of the copyright office, and, after due notice as hereinafter may within their discretion cause the remaining articles and other things to be destroyed : *Provided*, That there shall be printed in the Catalogue of Copyright Entries from February to November, inclusive, a statement of the years of receipt of such articles and a notice to permit any author, copyright proprietor, other lawful claimant to claim and remove before the expiration of the month of December of that year anything found which relates to any of his productions deposited or registered for copyright within the period of years stated, not reserved or disposed of as provided for in this Act: *And provided further*, That no manuscript of an unpublished work shall be destroyed during its term of copyright without specific notice to the copyright proprietor of record, permitting him to claim and remove it.

SEC. 61. That the register of copyrights shall receive, and the persons to whom the services designated are rendered shall pay, the following fees: For the registration of any work subject to copyright, deposited under the provisions of this Act, one dollar, which sum is to include a certificate of registration under seal : *Provided*, That in the case of photographs the fee shall be fifty cents where a certificate is not demanded. For every additional certificate of registration made, fifty cents. For recording and certifying any instrument of writing for the assignment of copyright, or any such license specified in section one, subsection (e), or for any copy of such assignment or license, duly certified, if not over three hundred words in length, one dollar; if more than three hundred and less than one thousand words in length, two dollars; if more than one thousand words in length, one dollar additional for each one thousand words or fraction

thereof over three hundred words. For recording the notice of user or acquiescence specified in section one, subsection (e), twenty-five cents for each notice if not over fifty words, and an additional twenty-five cents for each additional one hundred words. For comparing any copy of an assignment with the record of such document in the copy right office and certifying the same under seal, one dollar. For recording the extension or renewal of copyright provided for in sections twenty-three and twenty-four of this Act, fifty cents. For recording the transfer of the proprietorship of copyrighted articles, ten cents for each title of a book or other article, in addition to the fee prescribed for recording the instrument of assignment. For any requested search of copyright office records, indexes, or deposits, fifty cents for each full hour of time consumed in making such search: *Provided*, That only one registration at one fee shall be required in the case of several volumes of the same book deposited at the same time.

SEC. 62. That in the interpretation and construction of this Act “the date of publication shall in the case of a work of which copies are reproduced for sale or distribution be held to be the earliest date when copies of the first authorized edition were placed on sale, sold, or publicly distributed by the proprietor of the copyright or under his authority, and the word “author” shall include an employer in the case of works made for hire.

SEC. 63. That all laws or parts of laws in conflict with the provisions of this Act are hereby repealed, but nothing in this Act shall affect causes of action for infringement of copyright heretofore committed now pending in courts of the United States, or which may hereafter be instituted; but such causes shall be prosecuted to a conclusion in the manner heretofore provided by law.

SEC. 64. That this Act shall go into effect on the first day of July, nineteen hundred and nine.

Approved, March 4, 1909.

[60th Congress, 2d session.]

#### NOTE TO SECTION 18, PROVISIO.

The Act of June 18, 1874, provides that the notice of copyright to be inscribed on each copy of a copyrighted work shall consist of the following words:

“Entered according to Act of Congress, in the year by A. B., in the office of the Librarian of Congress, at Washington”; or, . . . the word “Copyright,” together with the year the copyright was entered, and the name of the party by whom it was taken out, thus:

“Copyright, 18—, by A. B.”

# Appendix A

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## The Copyright Act of 1976<sup>1</sup>

### Title I — General Revision of Copyright Law

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#### Transitional and Supplementary Provisions

SEC. 102. This Act becomes effective on January 1, 1978, except as otherwise expressly provided by this Act, including provisions of the first section of this Act. The provisions of sections 118, 304(b), and chapter 8 of title 17, as amended by the first section of this Act, take effect upon enactment of this Act.<sup>2</sup>

SEC. 103. This Act does not provide copyright protection for any work that goes into the public domain before January 1, 1978. The exclusive rights, as provided by section 106 of title 17 as amended by the first section of this Act, to reproduce a work in phonorecords and to distribute phonorecords of the work, do not extend to any nondramatic musical work copyrighted before July 1, 1909.

SEC. 104. All proclamations issued by the President under section 1(e) or 9(b) of title 17 as it existed on December 31, 1977, or under previous copyright statutes of the United States, shall continue in force until terminated, suspended, or revised by the President.

SEC. 105. (a)(1) Section 505 of title 44 is amended to read as follows:

**“§ 505. Sale of duplicate plates**

“The Public Printer shall sell, under regulations of the Joint Committee on Printing to persons who may apply, additional or duplicate stereotype or electrotype plates from which a Government publication is printed, at a price not to exceed the cost of composition, the metal, and making to the Government, plus 10 per centum, and the full amount of the price shall be paid when the order is filed.”

(2) The item relating to section 505 in the sectional analysis at the beginning of chapter 5 of title 44, is amended to read as follows:

“505. Sale of duplicate plates.”

(b) Section 2113 of title 44 is amended to read as follows:



**[To assist the reader, section 2113 of title 44, now designated section 2117, appears in Appendix J, *infra*, as currently amended.]**

(c) In section 1498(b) of title 28, the phrase “section 101(b) of title 17” is amended to read “section 504(c) of title 17”.

(d) Section 543(a)(4) of the Internal Revenue Code of 1954, as amended, is amended by striking out “(other than by reason of section 2 or 6 thereof)”.

(e) Section 3202(a) of title 39 is amended by striking out clause (5). Section 3206 of title 39 is amended by deleting the words “subsections (b) and (c)” and inserting “subsection (b)” in subsection (a), and by deleting subsection (c). Section 3206(d) is renumbered (c).

(f) Subsection (a) of section 6 of the Standard Reference Data Act (15 U.S.C. 290e) is amended by deleting the phrase “section 8” and inserting in lieu thereof the phrase “section 105”.<sup>3</sup>

(g) Section 131 of title 2 is amended by deleting the phrase “deposit to secure copyright,” and inserting in lieu thereof the phrase “acquisition of material under the copyright law.”

SEC. 106. In any case where, before January 1, 1978, a person has lawfully made parts of instruments serving to reproduce mechanically a copyrighted work under the compulsory license provisions of section 1(e) of title 17 as it existed on December 31, 1977, such person may continue to make and distribute such parts embodying the same mechanical reproduction without obtaining a new compulsory license under the terms of section 115 of title 17 as amended by the first section of this Act. However, such parts made on or after January 1, 1978, constitute phonorecords and are otherwise subject to the provisions of said section 115.

SEC. 107. In the case of any work in which an ad interim copyright is subsisting or is capable of being secured on December 31, 1977, under section 22 of title 17 as it existed on that date, copyright protection is hereby extended to endure for the term or terms provided by section 304 of title 17 as amended by the first section of this Act.

SEC. 108. The notice provisions of sections 401 through 403 of title 17 as amended by the first section of this Act apply to all copies or phonorecords publicly distributed on or after January 1, 1978. However, in the case of a work published before January 1, 1978, compliance with the notice provisions of title 17 either as it existed on December 31, 1977, or as amended by the first section of this Act, is adequate with respect to copies publicly distributed after December 31, 1977.

SEC. 109. The registration of claims to copyright for which the required deposit, application, and fee were received in the Copyright Office before January 1, 1978, and the recordation of assignments of copyright or other instruments received in the Copyright Office before January 1, 1978, shall be made in accordance with title 17 as it existed on December 31, 1977.

SEC. 110. The demand and penalty provisions of section 14 of title 17 as it existed on December 31, 1977, apply to any work in which copyright has been secured by publication with notice of copyright on or before that date, but any deposit and registration made after that date in response to a demand under that section shall be made in accordance with the provisions of title 17 as amended by the first section of this Act.

SEC. 111. Section 2318 of title 18 of the United States Code is amended to read as follows:

**[To assist the reader, section 2318 of title 18, as currently amended, along with related criminal provisions, appears in Appendix H, *infra*.]**

SEC. 112. All causes of action that arose under title 17 before January 1, 1978, shall be governed by title 17 as it existed when the cause of action arose.

SEC. 113. (a) The Librarian of Congress (hereinafter referred to as the “Librarian”) shall establish and maintain in the Library of Congress a library to be known as the American Television and Radio Archives (hereinafter referred to as the “Archives”). The purpose of the Archives shall be to preserve a permanent record of the television and radio programs which are the heritage of the people of the United States and to provide access to such programs to historians and scholars without encouraging or causing copyright infringement.

(1) The Librarian, after consultation with interested organizations and individuals, shall determine and place in the Archives such copies and phonorecords of television and radio programs transmitted to the public in the United States and in other countries which are of present or potential public or cultural interest, historical significance, cognitive value, or otherwise worthy of preservation, including copies and phonorecords of published and unpublished transmission programs—

(A) acquired in accordance with sections 407 and 408 of title 17 as amended by the first section of this Act; and

(B) transferred from the existing collections of the Library of Congress; and

(C) given to or exchanged with the Archives by other libraries, archives, organizations, and individuals; and

(D) purchased from the owner thereof.

(2) The Librarian shall maintain and publish appropriate catalogs and indexes of the collections of the Archives, and shall make such collections available for study and research under the conditions prescribed under this section.

(b) Notwithstanding the provisions of section 106 of title 17 as amended by the first section of this Act, the Librarian is authorized with respect to a transmission program which consists of a regularly scheduled newscast or on-the-spot coverage

of news events and, under standards and conditions that the Librarian shall prescribe by regulation —

(1) to reproduce a fixation of such a program, in the same or another tangible form, for the purposes of preservation or security or for distribution under the conditions of clause (3) of this subsection; and

(2) to compile, without abridgment or any other editing, portions of such fixations according to subject matter, and to reproduce such compilations for the purpose of clause (1) of this subsection; and

(3) to distribute a reproduction made under clause (1) or (2) of this subsection —

(A) by loan to a person engaged in research; and

(B) for deposit in a library or archives which meets the requirements of section 108(a) of title 17 as amended by the first section of this Act, in either case for use only in research and not for further reproduction or performance.

(c) The Librarian or any employee of the Library who is acting under the authority of this section shall not be liable in any action for copyright infringement committed by any other person unless the Librarian or such employee knowingly participated in the act of infringement committed by such person. Nothing in this section shall be construed to excuse or limit liability under title 17 as amended by the first section of this Act for any act not authorized by that title or this section, or for any act performed by a person not authorized to act under that title or this section.

(d) This section may be cited as the “American Television and Radio Archives Act”.

SEC. 114. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act.

SEC. 115. If any provision of title 17, as amended by the first section of this Act, is declared unconstitutional, the validity of the remainder of this title is not affected.

## Appendix A · Notes

1. This appendix contains the Transitional and Supplementary Provisions of the Copyright Act of 1976, Pub. L. No. 94-533, 90 Stat. 2541, that do not amend title 17 of the *United States Code*.

2. The Copyright Act of 1976 was enacted on October 19, 1976.

3. The Intellectual Property and High Technology Technical Amendments Act of 2002 amended section 105(f) by substituting “section 6 of the Standard Reference Data Act (15 U.S.C. 290e)” for “section 290(e) of title 15.” Pub. L. No. 107-273, 116 Stat. 1758, 1910.

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605 F.Supp. 692  
United States District Court,  
S.D. New York.

CAPANO MUSIC, A DIVISION  
OF BRITONE, INC., Plaintiff,  
v.  
MYERS MUSIC, INC., Defendant,  
Daniel Waldstein, Intervenor,  
Mollie Goldstein, Intervenor.

No. 83 Civ. 8342 (RLC). | Feb. 5, 1985.

In suit for declaratory judgment to determine successor to song author's copyright interest, the District Court, Robert L. Carter, J., held that renewal rights in the copyright passed to whomever was author's next of kin at time of vesting.

So ordered.

West Headnotes (8)

[1] **Copyrights and Intellectual Property**

🔑 Construction and operation

Assignment of an author's first term interest does not include assignment of renewal rights.

[Cases that cite this headnote](#)

[2] **Copyrights and Intellectual Property**

🔑 Joint works; contributions to collective works

Deceased author's coauthor's renewal of song copyright protected not only coauthor's own interests but also interests of whomever succeeded to deceased author's rights as coauthor.

[Cases that cite this headnote](#)

[3] **Copyrights and Intellectual Property**

🔑 Ownership

Copyright renewal rights do not pass under usual rules of testamentary or intestate succession but, rather, under provisions of the Copyright Act. [17 U.S.C.A. § 304\(a\)](#).

[1 Cases that cite this headnote](#)

[4] **Copyrights and Intellectual Property**

🔑 Ownership

Until copyright renewal period arrives, renewal rights are not vested in anyone; the most anyone can claim is a mere expectancy or contingent interest and, when renewal time arrives, rights vest in one of four classes of persons listed in the Copyright Act, according to circumstances existing at time of vesting. [17 U.S.C.A. § 304\(a\)](#).

[4 Cases that cite this headnote](#)

[5] **Copyrights and Intellectual Property**

🔑 Construction and operation

If copyright assignor is not living when renewal rights vest, then those who succeed to the author's interest under the Copyright Act take free of any assignment made by deceased assignor, and assignee takes nothing. [17 U.S.C.A. § 304\(a\)](#).

[4 Cases that cite this headnote](#)

[6] **Copyrights and Intellectual Property**

🔑 Ownership

Upon death of song author's widow, who had been author's administrator and who had assigned her interest in copyright's initial term to third party, renewal rights passed under the Copyright Act to whomever was author's next of kin on vesting day. [17 U.S.C.A. § 304\(a\)](#).

[2 Cases that cite this headnote](#)

[7] **Copyrights and Intellectual Property**

🔑 Duration

**Executors and Administrators**

🔑 Title and authority in general

Capano Music, a Div. of Britone, Inc. v. Myers Music, Inc., 605 F.Supp. 692 (1985)

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An executor or administrator cum testamento annexo claims a copyright renewal right not for his own personal benefit but, rather, as fiduciary for benefit of author's legatees under the will. 17 U.S.C.A. § 304(a).

[1 Cases that cite this headnote](#)

[8] **Wills**

 [Property and Rights Subject to Testamentary Disposition](#)

**Wills**

 [Rights of heirs and next of kin](#)

In absence of residuary legatees in song author's will, renewal copyright interest passed under will as if by intestacy, i.e., to his surviving next of kin. 17 U.S.C.A. § 304(a).

[3 Cases that cite this headnote](#)

**Attorneys and Law Firms**

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Silverman & Shulman, P.C., New York City, for Mollie Goldstein; Alan L. Shulman, New York City, of counsel.

**OPINION**

ROBERT L. CARTER, District Judge.

This is a suit for declaratory judgment to determine the successor to Max Freedman's copyright interest in the song, "Rock Around the Clock." Plaintiff and defendant, as well as intervenors Mollie Goldstein and Daniel Waldstein, have moved for summary judgment.

The following facts are not in dispute: Max Freedman and James Myers (a/k/a Jimmy DeKnight) co-authored the song "Rock Around the Clock." The song was published

with notice of copyright and registered in the United States Copyright Office on March 31, 1953, by and in the name of Myers Music, Inc. ("Myers Music").

Max Freedman, a resident of Pennsylvania, died on October 8, 1962. He was survived by his widow, Ray Freedman, but left no issue. He left a will, made jointly with Ray Freedman, under which each bequeathed to the survivor "all of [his or her] worldly possessions," except for specific legacies totalling \$2,000. The will was duly admitted to probate on February 13, 1964, and Ray Freedman was appointed administratrix *cum testamento annexo* (c.t.a.) of Max Freedman's estate.

On January 9, 1978, Ray Freedman assigned to plaintiff Capano Music ("Capano") her rights in the copyright of "Rock Around the Clock" for \$2,000. She died on December 28, 1980, leaving a will which left all her copyright and royalty rights and interests to Mollie Goldstein, her sister. The will was duly admitted to probate on January 5, 1981. Aaron Baer was appointed executor of Ray Freedman's estate.

On January 26, 1981, the copyright in the song was renewed by and in the name of James Myers, the surviving co-author.

That same day, Aaron Baer executed and delivered to Capano a document entitled "Addendum." The "addendum" stated that Baer, as executor of Ray Freedman's estate, "acknowledge[d] approval of the terms and conditions" of the January 9, \*694 1978 assignment of Ray Freedman's interests in "Rock Around the Clock" to Capano. The document states that Baer was also acting on behalf of Mollie Goldstein, Ray Freedman's sister and legatee, but Goldstein now contends that her consent to the execution and delivery of the addendum was induced by fraud.

On December 28, 1982, intervenor Daniel Waldstein, a nephew of Max Freedman, assigned his interest in the copyright to Capano. Waldstein claimed ownership of the copyright interest through his deceased mother, Ann Freedman Waldstein, who was Max Freedman's sister and sole surviving next of kin.

On May 5, 1983, Baer, the executor of Ray Freedman's estate, was appointed administrator *de bonis non cum testamento annexo* (d.b.n.c.t.a.) of Max Freedman's estate. Two days earlier, Baer (apparently in anticipation of the appointment)

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had executed a document distributing Max Freedman's interest in the copyright to Mollie Goldstein. He stated that he was doing so as administrator of Max Freedman's estate, pursuant to the bequest made by Max Freedman to Ray Freedman and the bequest made by Ray Freedman to Goldstein. Then, on July 1, 1983, Goldstein assigned her interest in the song to Myers Music in exchange for a \$10,000 payment and a guarantee of at least \$156,000 in royalties. In a separate document dated the same day, Baer joined with Goldstein in conveying the copyright interest to Myers Music.

At his deposition on February 23, 1984, Baer was notified that the May 3 purported conveyance to Goldstein preceded his actual appointment as administrator of Max Freedman's estate. On May 28, 1984, Baer executed a document purporting to confirm and certify the May 3 transfer.

From this set of facts, the parties suggest three paths along which the copyright interest may have traveled. Waldstein argues that upon Ray Freedman's death, the interest bounced back to Max Freedman's estate and then proceeded through Ann Freedman Waldstein (Max Freedman's next of kin) to Waldstein, and then on to Capano. Capano adopts Waldstein's argument, and argues in the alternative that the interest passed from Max Freedman to Ray Freedman upon the admission to probate of the former's will, and from Ray Freedman to Capano via either the January 9, 1978 assignment or the January 26, 1981 addendum. Myers Music and Goldstein argue that the interest passed from Max Freedman's estate to Ray Freedman, from Ray Freedman's estate to Goldstein, and from Goldstein to Myers Music.

## DISCUSSION

Under the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.*, works which obtained statutory copyright before January 1, 1978, and which did not enter the public domain before that date are protected for an initial term of twenty-eight years. During the twenty-eighth year, the copyright may be renewed for a second term of forty-seven years. § 304(a). If the copyright is not renewed, the work passes into the public domain.

[1] In the instant case, "Rock Around the Clock's" first term of protection lasted from March 31, 1953, to December 31,

1981.<sup>1</sup> Max Freedman had assigned his first term interest to Myers Music, in whose name the song was initially copyrighted. There is no dispute about that. Assignment of an author's first term interest, however, does not include assignment of the renewal rights. *Fred Fisher Music Co. v. M. Witmark and Sons*, 318 U.S. 643, 63 S.Ct. 773, 87 L.Ed. 1055 (1943). The only dispute in this case concerns who succeeded to the renewal rights that Max Freedman retained.

[2] None of the parties to this litigation actually attempted to renew the copyright. The work did not enter the public domain, however, because James Myers, Max \*695 Freedman's co-author, renewed on January 26, 1981. This renewal protected not only Myers' own interests but also the interests of whoever succeeded to Max Freedman's rights as co-author. *Shapiro, Bernstein and Co. v. Jerry Vogel Music Co.*, 221 F.2d 569 (2d Cir.1955); *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 42 F.Supp. 859, 860 (S.D.N.Y.1942) (Leibell, J.), *aff'd*, 140 F.2d 266 (2d Cir.1944).

[3] [4] Copyright renewal rights do not pass under the usual rules of testamentary or intestate succession, but rather under the provisions of § 304(a) of the Copyright Act. *See Hill and Range Songs, Inc. v. Fred Rose Music, Inc.*, 570 F.2d 554 (6th Cir.1978). Until the renewal period arrives, the renewal rights are not vested in anyone. The most anyone can claim is a mere expectancy or contingent interest. When the renewal time arrives, the rights vest in one of the four classes of persons listed in § 304(a), according to the circumstances existing at the time of vesting.<sup>2</sup> *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 377-78, 80 S.Ct. 792, 795-96, 4 L.Ed.2d 804 (1960).

Section 304(a) vests the renewal rights in specified designees, in order of priority.<sup>3</sup> *Gibran v. Alfred A. Knopf, Inc.*, 153 F.Supp. 854, 856-57 (S.D.N.Y.1957) (Weinfeld, J.), *aff'd sub. nom. Gibran v. National Committee of Gibran*, 255 F.2d 121 (2d Cir.), *cert. denied*, 358 U.S. 828, 79 S.Ct. 47, 3 L.Ed.2d 67 (1958). First, the rights vest in the author if he or she is alive during the renewal period. Second, if the author is not living, the rights vest in the surviving spouse and children. Third, if the author is not survived by a spouse or children, the interests vest in the executor of the author's will. And, fourth, "in the absence of a will" the rights vest in the author's next of kin.

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[5] In the instant case, the renewal period commenced on January 1, 1981. Before the vesting date, on January 9, 1978, Ray Freedman had assigned her interest to Capano. At that time, however, all Ray Freedman could assign was a contingent interest. Capano purchased the contingent interest, with the risk that the contingency would not occur. *Miller Music Co. v. Charles N. Daniels, Inc.*, *supra*, 362 U.S. at 377–78, 80 S.Ct. at 795–796. In fact, the contingency did not occur. Ray Freedman died on December 28, 1980, before the renewal rights could vest in her. If the assignor is not living when the renewal rights vest, then those who succeed to the author's interest under § 304(a) take free of any assignment made by the deceased assignor, and the assignee takes nothing. *Id.*; Nimmer, *supra* n. 2, § 9.06[C].

[6] On the vesting day, the renewal interests passed under the provisions of § 304(a).<sup>4</sup> Following that section's four-step procedure, the renewal rights could not vest, first, in the author, Max Freedman, because he was not alive at the time of vesting. Second, the rights could not vest in Ray Freedman as Max Freedman's widow because she, too, was not alive when the vesting date arrived. Third, the rights could not vest in the executor or administrator<sup>5</sup> of Max Freedman's estate, because \*696 the administrator was Ray Freedman, and, as noted, she was not living at the time of vesting. *Silverman v. Sunshine Pictures Corp.*, 290 F. 804 (2d Cir.), *cert. denied*, 262 U.S. 758, 43 S.Ct. 705, 67 L.Ed. 1219 (1923). Consequently, the renewal rights passed, fourth, to whoever was Max Freedman's next of kin on vesting day.

Myers Music and Goldstein attack the third link in this chain of reasoning, and contend that the interest must have vested in the executor or administrator of Max Freedman's estate (even though there was none living at the time the interest vested). The interest could not have vested in the next of kin, they argue, because the statute explicitly states that next of kin may take only “in the absence of a will,” and here there indisputably was a will. They concede that there was no executor at the time of vesting, but, they contend, the statute says absence of a will, not absence of an executor.

The Second Circuit faced this issue in *Silverman v. Sunrise Pictures Corp.*, *id.*, and found that there can be an “absence of a will” under the Copyright Act even when the author dies testate. In *Silverman*, the author died in the first term of

her novel's copyright protection. She left a will, but neither a widower nor children. Her executors distributed her estate and then were fully discharged before the renewal period began. When the renewal period came, the author's next of kin applied for renewal. The court stated: “We have held, and still think, that the power of applying for copyright which springs into existence after the executor's discharge must vest somewhere. It cannot vest in the executor, because there is none; it cannot vest in an administrator d.b.n.c.t.a. for reasons pointed out by us before,<sup>6</sup> and similarly it cannot vest in legatees as such. It must therefore vest in the next of kin. It is true that the rights of the next of kin under the statute arise ‘in the absence of a will’; but there is here a complete absence of any will affecting this renewal copyright.” 290 F. at 805 (emphasis in original).

Myers Music and Goldstein argue that *Silverman* is no longer good law, or, at least, that it should be limited to its facts. They base this argument on *Gibran v. Alfred A. Knopf, Inc.*, *supra*, a subsequent copyright succession case in which *Silverman* was held not to control. The argument is unpersuasive. The question faced by the *Gibran* court was whether renewal rights could ever vest in an administrator (rather than in an executor). The *Gibran* district court distinguished *Silverman*, where renewal rights were held not to vest in an administrator, on the ground that in *Silverman* rights could not vest in an administrator only because there was no administrator in office at vesting time. In *Gibran*, there were administrators in office at vesting time, and, the court held, the renewal rights did vest in them. Thus *Gibran* did not disturb the *Silverman* holding that where there is no administrator serving at vesting time the renewal rights vest in the next of kin, and that remains the law in this circuit.

Myers Music and Goldstein also try to distinguish *Silverman* from the instant case. They argue that in *Silverman*, had the court found against the next of kin, the work would have entered the public domain and manifest injustice would have resulted. In the instant case, there is no fear that the work will enter the public domain because James Myers renewed the copyright on January 26, 1981. This is a factual distinction that makes no legal difference. There is nothing in *Silverman* to suggest that the Second Circuit's interpretation of § 24 of the Copyright Act of 1901 (now § 304(a) of the 1976 Act) is to be limited to cases where there is a threat of the work's entering the public domain. The statute itself clearly does

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not call for one reading of § 304(a) when copyright interests have been safely renewed and another reading when the work may enter the public domain. \*697 The rule in *Silverman* therefore controls in this case, and the renewal rights vested in Max Freedman's next of kin under § 304(a).

[7] [8] But even if *Silverman* did not control and under § 304(a) the renewal interests vested in the executor of Max Freedman's estate, the result in this case would be the same—Max Freedman's next of kin and not Mollie Goldstein would succeed to the renewal interests. That is because an executor or administrator c.t.a. claims a renewal right not for his own personal benefit but as fiduciary for the benefit of the author's legatees under the will. Nimmer, *supra*, § 9.05[B], citing *Gibran v. Alfred A. Knopf, Inc.*, *supra*. When Baer was named administrator d.b.n.c.t.a. of Max Freedman's estate, he was not given the power to assign the copyright interest to whomever he chose. He was constrained to act as a fiduciary for the benefit of Max Freedman's legatees. But Max Freedman named only his wife as legatee. He named no residuary legatees. He certainly did not name Mollie Goldstein; she was a legatee only under Ray Freedman's will. In the absence of residuary legatees in Max Freedman's will, the renewal interest passed under the will as if by intestacy, i.e. to Max Freedman's surviving next of kin. See *In Re Estate of Bickert*, 447 Pa. 469, 290 A.2d 925 (1972).

The court consequently holds that the renewal interest passed to whoever was Max Freedman's next of kin at the vesting time. In a summary judgment motion, the court must take care not to presume facts not properly pleaded by the parties. Capano and Waldstein allege that Ann Freedman Waldstein was “Max Freedman's sister and sole surviving next of kin.” (Capano-Waldstein 3(g) Statement ¶ 11). This statement is deemed to be admitted because it was not controverted by either Myers Music or Goldstein. Local Rule 3(g); *Woods v. State of New York*, 469 F.Supp. 1127, 1129 n. 2 (S.D.N.Y.) (Weinfeld, J.), *aff'd mem.*, 614 F.2d 1293 (2d Cir.1979). However, Capano and Waldstein have not alleged specifically that Ann Freedman Waldstein was Max Freedman's sole surviving next of kin at the vesting time. This is not an insignificant omission that the court can overlook: If Ann Freedman Waldstein survived Max Freedman but did not survive until vesting, the renewal rights would not pass to her heirs or assigns.<sup>7</sup> The court therefore can go no further at this juncture than to declare that Max Freedman's renewal rights in “Rock Around the Clock” passed to whoever was Max Freedman's next of kin at the time of vesting.

IT IS SO ORDERED.

All Citations

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Footnotes

- 1 The term ended in December, 1981, rather than March, 1981, pursuant to § 305, which provides that copyright terms under §§ 302 to 304 run to the end of the calendar year in which they would otherwise expire.
- 2 The law is unsettled as to precisely when the renewal rights vest. There are three possibilities: (1) at the beginning of the twenty-eighth year (in this case, January 1, 1981); (2) at the time the renewal application is actually filed (in this case, January 26, 1981); or (3) at the beginning of the renewal term (in this case, January 1, 1982). See M. Nimmer, Nimmer on Copyright, § 9.05[C]; B. Ringer, “Renewal of Copyright,” Copyright Office Study No. 31, at 185–86. The result is the same in this litigation no matter which possibility is chosen, so the court does not reach the question.
- 3 Section 304(a) states, in pertinent part:  
[T]he author of [a] work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his or her next of kin shall be entitled to a renewal and extension of the copyright...
- 4 Section 304(a) supersedes whatever effect the January 26, 1981 addendum might have had.
- 5 Administrators c.t.a. stand in the shoes of executors under the Copyright Act. *Gibran v. Alfred A. Knopf, Inc.*, *supra*, 153 F.Supp. at 857.
- 6 The reason “pointed out ... before” that the interest could not vest in the administrator was that there was no administrator in office at the time of vesting. *Gibran v. Alfred A. Knopf, Inc.*, *supra*, 153 F.Supp. at 859.
- 7 Capano and Waldstein have also failed to allege formally that Daniel Waldstein succeeded to whatever rights Ann Freedman Waldstein might have inherited.



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This case was not selected for  
publication in the Federal Reporter.

Not for Publication in West's Federal Reporter  
See Fed. Rule of Appellate Procedure 32.1  
generally governing citation of judicial decisions  
issued on or after Jan. 1, 2007. See also Ninth  
Circuit Rule 36-3. (Find CTA9 Rule 36-3)  
United States Court of Appeals,  
Ninth Circuit.

DC COMICS, Plaintiff–Appellee,

v.

PACIFIC PICTURES CORPORATION; IP  
Worldwide, LLC; IPW, LLC; Marc Toberoff;  
Mark Warren Peary, as personal representative  
of the Estate of Joseph Shuster; Laura  
Siegel Larson, individually and as personal  
representative of the Estate of Joanne Siegel;  
Jean Adele Peavy, Defendants–Appellants.

No. 12–57245. | Argued and Submitted  
May 23, 2013. | Filed Nov. 21, 2013.

### Synopsis

**Background:** Assignee of copyrights to comic-book character brought action for declaratory judgment that notice of copyright termination filed by executor of estate of character's co-creator was invalid. The United States District Court for the Central District of California, [Otis D. Wright, J., 2012 WL 4936588](#), granted partial summary judgment to assignee. Estate appealed.

**Holdings:** The Court of Appeals, held that:

[1] assignee's agreement with siblings of co-creator superseded co-creator's prior assignment of copyrights to character, and

[2] notice of termination was ineffective to terminate assignee's copyrights to character.

Affirmed.

[Thomas](#), Circuit Judge, filed dissenting opinion.

West Headnotes (3)

### [1] Copyrights and Intellectual Property

#### 🔑 Construction and operation

Under New York law, copyright assignee's agreement with siblings of comic-book character's co-creator superseded co-creator's prior assignment of copyrights to character, although agreement with siblings did not in express terms cancel prior assignment, where agreement with siblings provided that it “fully settle [d] all claims” regarding “any copyrights, trademarks, or other property right in any and all work created in whole or in part by [co-creator],” and further “grant[ed] to [assignee] any such rights” in exchange for lifetime pensions for siblings.

[1 Cases that cite this headnote](#)

### [2] Copyrights and Intellectual Property

#### 🔑 Duration

Notice of termination of copyright by estate of comic-book character's co-creator was ineffective to terminate assignee's copyrights to character, where operative assignment of copyrights had been made in 1992, and thus fell outside of scope of statute permitting termination of assignments “executed before January 1, 1978.” 17 U.S.C.A. § 304(c, d).

[1 Cases that cite this headnote](#)

### [3] Federal Courts

#### 🔑 Failure to mention or inadequacy of treatment of error in appellate briefs

Heirs of co-creator of comic-book character waived argument on appeal that assignment of copyrights to character was ineffective under New York law because executor of co-creator's

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estate was not party to assignment, where heirs failed to raise argument in opening brief on appeal in assignee's action for declaratory judgment that notice of copyright termination was invalid. [F.R.A.P.Rule 28\(a\)\(9\)\(A\)](#), [28 U.S.C.A.](#)

[Cases that cite this headnote](#)

### Attorneys and Law Firms

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[Laura W. Brill](#), [Nicholas Frederic Daum](#), [Richard B. Kendall](#), Kendall Brill & Klieger, LLP, Los Angeles, CA, [Keith Gregory Adams](#), [Pablo David Arredondo](#), [Marc Toberoff](#), Toberoff & Associates PC, Malibu, CA, for Defendants–Appellants.

Appeal from the United States District Court for the Central District of California, [Otis D. Wright](#), District Judge, Presiding. D.C. No. 2:10–cv–03633–ODW–RZ.

Before: [REINHARDT](#) and [THOMAS](#), Circuit Judges, and [SEDWICK](#), District Judge.\*

### MEMORANDUM\*\*

In this appeal, we address another chapter in the long-running saga regarding the **\*680** ownership of copyrights in Superman—a story almost as old as the Man of Steel himself.<sup>1</sup> In 2003, Defendant Mark Peary, acting as executor of the estate of Joseph Shuster (one of the two co-creators of Superman), filed a copyright termination notice pursuant to [17 U.S.C. § 304\(d\)](#), seeking to reclaim the copyrights to Superman that Shuster had assigned to Plaintiff DC Comics (“DC”) in 1938. DC brought this action in response, seeking, in the claim that we review here, a declaratory judgment that the notice of termination filed by the estate is invalid. DC contends that, in an agreement (the “1992 Agreement”) it signed with Joseph Shuster's siblings (including his sister and sole heir, Jean Peavy), the siblings received pensions for

life in exchange for a revocation of the 1938 assignment of copyrights to DC and a re-grant to DC of all of Shuster's copyrights in Superman. Because the 1976 and 1998 statutes permitting the filing of copyright termination notices permit only the termination of assignments “executed before January 1, 1978,” [17 U.S.C. § 304\(c\), \(d\)](#), DC contends that the 1992 Agreement forecloses the estate's 2003 notice of termination, in that it leaves no pre–1978 assignment to terminate (instead creating a new assignment effective 1992). The district judge agreed with DC, granting it partial summary judgment on its claim for declaratory relief, as well as on another of its claims pled in the alternative. The district judge entered final judgment in favor of DC on these claims pursuant to [Fed.R.Civ.P. 54\(b\)](#), and we have jurisdiction pursuant to [28 U.S.C. § 1291](#). We review the district judge's grant of summary judgment *de novo*, and we affirm.

[1] [2] [3] **1.** The district judge correctly held that the 1992 Agreement, as a matter of New York law,<sup>2</sup> superseded the 1938 assignment of copyrights to DC, and therefore operated to revoke that assignment and re-grant the Superman copyrights to DC. The estate's primary argument to the contrary is that the 1992 Agreement does not, in express terms, cancel the 1938 agreement. As New York courts have held, however, “[t]here is no magic to the words ‘settlement’ or ‘compromise’ ” in deciding whether one agreement supersedes another; “[t]he question is always whether the subsequent agreement ... is, as a matter of intention, expressed or implied, a superseder of, or substitution for, the old agreement or dispute.” [Goldbard v. Empire State Mut. Life Ins. Co.](#), 5 A.D.2d 230, 171 N.Y.S.2d 194, 198–99 (1958); *see also* [Goldome Corp. v. Wittig](#), 221 A.D.2d 931, 634 N.Y.S.2d 308, 309 (1995) (holding that a mutual release of all causes of action was “clear and unambiguous language” superseding all prior agreements). We agree with the district judge that, under the plain text of the 1992 Agreement, **\*681** which “fully settles all claims” regarding “any copyrights, trademarks, or other property right in any and all work created in whole or in part by ... Joseph Sinister,” and further “now grant[s] to [DC] any such rights,” it superseded the 1938 assignment as a matter of New York law. We therefore hold that the agreement created a new, 1992 assignment of works to DC—an assignment unaffected by the 2003 notice of termination.<sup>3</sup>

**2.** We reject the defendants' contention that the 1992 Agreement cannot foreclose the 2003 notice of termination

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because it is an “agreement to the contrary” within the meaning of 17 U.S.C. § 304(c)(5). Defendants' argument runs counter to the plain text of the copyright termination statute, in that it would permit the copyright termination provision to extinguish a post-1977 copyright assignment, despite the statute's express limitation to assignments “executed before January 1, 1978.” 17 U.S.C. § 304(d); see *Milne ex rel. Coyne v. Stephen Slesinger, Inc.*, 430 F.3d 1036, 1048 (9th Cir.2005) (“[t]he CTEA's termination provision does not apply to post-1978 agreements”). In *Milne*, we noted that the interpretation of the statute defendants favor would conflict with extensive legislative history endorsing the continued ability of authors (or their heirs) to extinguish a prior grant and replace it with a new one:

Congress specifically stated that it did not intend for the [copyright termination] statute to “prevent the parties to a transfer or license from voluntarily agreeing at any time to terminate an existing grant and negotiating a new one[.]” H.R.Rep. No. 94-1476, at 127 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5743. Congress further stated that “nothing in this section or legislation is intended to change the existing state of the law of contracts concerning the circumstances in which an author may terminate a license, transfer or assignment.” H.R.Rep. No. 94-1476, at 142, 1976 U.S.C.C.A.N. 5659 at 5758. Congress therefore anticipated that parties may contract, as an alternative to statutory termination, to revoke a prior grant by replacing it with a new one. Indeed, Congress explicitly endorsed the continued right of “parties to a transfer \*682 or license” to “voluntarily agree[ ] at any time to terminate an existing grant and negotiat[e] a new one.” H.R.Rep. No. 94-1476, at 127, 1976 U.S.C.C.A.N. 5659 at 5743.

*Milne*, 430 F.3d at 1045-46 (all edits but first in original). Both our holding in *Milne* and this legislative history answer the heirs' contentions that the estate could not have entered into a revocation and re-grant prior to the passage of the 1998 Copyright Term Extension Act and its creation of the termination right in 17 U.S.C. § 304(d) and addition of an executor to the list of statutory owners of a termination interest, 17 U.S.C. § 304(c)(2)(D).<sup>4</sup> Our later decision in *Classic Media Inc. v. Mewborn*, which defendants argue should govern rather than *Milne*, is inapposite, in that it involved an agreement that did not extinguish the pre-1978 assignment that was the subject of the notice of termination. 532 F.3d 978, 989 (9th Cir.2008). Defendants'

other arguments effectively ask us to overturn our decision in *Milne*—something this panel is not generally empowered to do. See *Miller v. Gammie*, 335 F.3d 889, 900 (9th Cir.2003) (en banc).

3. Defendants also appeal the district judge's grant of summary judgment on DCs third claim, regarding the invalidity of certain agreements signed by the heirs—including one between the heirs and a corporation headed by their attorney, Marc Toberoff, in which they formed a joint venture to exploit any recovered Superman works. The heirs concede that their alienation of their putative future interests in the Superman copyright was contrary to the copyright statute. See 17 U.S.C. § 304(c)(6)(D). We note that their failure (and that of Toberoff, their attorney and business partner) to disclose this information in the 2003 notice of termination itself appears to violate the relevant regulations governing notices of termination. See 37 CFR § 201.10(b)(1)(vii). Because, however, this claim was pled in the alternative, and because we affirm the district judge's grant of summary judgment on DCs other claim (for declaratory judgment), we dismiss as moot this aspect of the appeal.

**AFFIRMED.**

THOMAS, Circuit Judge, dissenting:

I respectfully disagree with my colleagues.

1. The 1992 Agreement could not have affected the statutory right of termination. The Copyright Act of 1976 gave the author of a copyrighted work, or his widow or surviving child, the ability to terminate a grant of copyrights in the author's work executed before January 1, 1978. 17 U.S.C. § 304(c); *Milne ex rel. Coyne v. Stephen Slesinger, Inc.* 430 F.3d 1036, 1040 (9th Cir.2005). Thus, in 1992, no one except the surviving spouse or child could exercise the right of termination. In 1998—six years after the parties executed the agreement at the center of this appeal—Congress extended the termination right to authors' executors, administrators, personal representatives, and trustees. 17 U.S.C. § 304(a)(1)(C)(iii), (d), \*683 Pub.L. No. 105-298 (1998). Therefore, at the time the 1992 Agreement was executed, neither Frank nor Jean had the power to exercise the statutory right of termination.

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Thus, the question is whether the 1992 Agreement was a novation that validly revoked and re-granted Joe Shuster's 1938 copyright grant. If not, then the agreement is either (1) simply a pension agreement that had no effect on the heirs' later-created statutory termination rights; or (2) an "agreement to the contrary" under 17 U.S.C. § 304(c)(5) because it waives the heirs' termination rights, *see* Parry on Copyright § 7:46 (stating that section 304(c)(5)'s protection of termination rights "notwithstanding any agreement to the contrary" "is intended to make Congress's intent as clear as humanly possible: an author cannot agree to waive his or her termination right").

2. Under New York law, proof of a novation requires four elements: " '(1) a previously valid obligation; (2) agreement of all parties to a new contract; (3) extinguishment of the old contract; and (4) a valid new contract.' " *Healey v. Healey*, 190 A.D.2d 965, 594 N.Y.S.2d 90, 91 (1993) (quoting *Callanan v. Micheli Contr. Corp.*, 124 A.D.2d 960, 508 N.Y.S.2d 711, 712 (N.Y.App.Div.1986)); *see also Wasserstrom v. Interstate Litho Corp.*, 114 A.D.2d 952, 495 N.Y.S.2d 217, 219 (N.Y.App.Div.1985) (stating that these four elements "must be present" to establish a valid novation). In my view, the elements are not satisfied.

First, there is no indication in the 1992 Agreement that the prior agreement was extinguished by the new agreement. There is no statement to that effect in the 1992 Agreement and, in fact, the prior copyright grant is not referenced at all. Thus, the third element is not satisfied. *See, e.g., First Call Friendly Note Buyers v. McMenemy*, 40 A.D.3d 1239, 837 N.Y.S.2d 363, 364 (2007) (holding that there was no novation "inasmuch as there is no indication that the original contract was extinguished"); *see also Wasserstrom*, 495 N.Y.S.2d at 219 (noting that allegedly superseding agreement "makes absolutely no reference to" allegedly superseded agreement "and cannot be considered to have modified it in any way").

#### Footnotes

- \* The Honorable [John W. Sedwick](#), U.S. District Judge for the District of Alaska, sitting by designation.
- \*\* This disposition is not appropriate for publication and is not precedent except as provided by 9th Cir. R. 36–3.
- 1 For recently-published histories, see Brad Ricca, *Super Boys: The Amazing Adventures of Jerry Siegel and Joe Shuster—the Creators of Superman* (2013) and Larry Tye, *Superman: The High–Flying History of America's Most Enduring Hero* (2012).
- 2 The parties concede that New York contract law generally governs the interpretation of the contract. We reject the defendants' arguments that federal law imposes certain additional requirements on a revocation and re-grant, such as

Further, this record is not sufficient to establish that Joe Shuster's siblings had the authority in 1992 to revoke and supersede his 1938 copyright grant. At that time, Frank was a third-party beneficiary of Joe's agreement with DC, under which DC agreed to pay Frank certain survivor benefits; Jean was a stranger to that agreement. Jean had identified herself as Joe's executrix and sole heir in state probate court and in her communications with DC, but Joe's estate hadn't been probated, nor had Jean been appointed his executrix. Although title to property transfers to heirs upon death, *Cal. Probate Code* § 7000, that transfer of title is subject to probate administration, *Cal. Probate Code* § 7001. In 1992, California law required probate of any estate in which the value of the personal property exceeded \$60,000. *Cal. Probate Code* § 13100 (1992). Under California law, Jean could not dispose of Joe's copyright interests before probate. *See* 14 Witkin, Summary of Cal. Law, Wills § 405 (10th ed. 2005 Probate law). Thus, neither Frank nor Jean had the authority to enter into a novation of the original contract.

Therefore, I conclude that the 1992 Agreement did not effect a valid novation under New York law.

3. Given that the 1992 Agreement had no effect on the statutory right of termination and did not effect a novation, the statutory right of termination became part of Joe Schuster's estate. The record is not developed fully enough for me to determine \*684 what consequences actually flow from that conclusion. It may well be, under California probate law, that the ultimate outcome is unchanged. But on the record before us, and the narrow question presented in this appeal, I must respectfully dissent.

#### All Citations

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that it must be in express terms. See *Classic Media Inc. v. Mewborn*, 532 F.3d 978, 989 (9th Cir.2008) (suggesting that an agreement could “expressly or impliedly transfer” a termination right); see also *Milne ex rel. Coyne v. Stephen Slesinger, Inc.*, 430 F.3d 1036, 1046 (9th Cir.2005) (quoting legislative history stating that “nothing in this section or legislation is intended to change the existing state of the law of contracts concerning the circumstances in which an author may terminate a license, transfer or assignment”).

3 Because we agree with the district judge that this conclusion is evident from the text of the agreement, we find no error in his refusal to consider the extrinsic evidence offered by defendants (which is, in any event, insufficient to overcome the strong inference from the text itself). See *W.W.W. Assocs., Inc. v. Giancontieri*, 77 N.Y.2d 157, 565 N.Y.S.2d 440, 566 N.E.2d 639, 641–42 (1990) (under New York law, the parties' intent may be divined as a matter of law from the four corners of the contract, without looking to extrinsic evidence); see also *Rentways, Inc. v. O'Neill Milk & Cream Co.*, 308 N.Y. 342, 126 N.E.2d 271, 273 (1955). We also deny defendants' motion for judicial notice of certain documents, because defendants offer no reason why they could not have provided this evidence to the district judge. See *Moore v. Czerniak*, 574 F.3d 1092, 1116 (9th Cir.2009), *rev'd on other grounds*, — U.S. —, 131 S.Ct. 733, 178 L.Ed.2d 649 (2011).

The heirs argued explicitly below, as a ground for rejecting DCs claim for summary judgment, that the 1992 Agreement could not now bind the estate because “the Shuster Executor was not a party to the 1992 Agreement”—an issue of state law that they appeared to have tried to revive at oral argument. The district judge's ruling implicitly rejected this argument, holding that the estate was bound by the 1992 Agreement. The factual and legal dispute regarding whether Joseph Shuster's sister acted as his executor when she signed the 1992 Agreement is a potentially complex one; we do not address this question of state law, because the heirs failed to raise it in their opening brief. See *Dream Games of Arizona, Inc. v. PC Onsite*, 561 F.3d 983, 994–95 (9th Cir.2009); Fed. R.App. P. 28(a)(9)(A).

4 Since our decision in *Milne* at least one other circuit has adopted a similar rule. The Second Circuit has held that, “provided that a post–1978 agreement effectively terminates a pre–1978 grant, Congress did not manifest any intent for the earlier agreement to survive simply for purposes of exercising a termination right in the future.” See *Penguin Group (USA) Inc. v. Steinbeck* 537 F.3d 193, 203 (2d Cir.2008); see also *id.* at 202–03 (“We do not read the phrase ‘agreement to the contrary’ so broadly that it would include any agreement that has the effect of eliminating a termination right .... We cannot see how the 1994 Agreement could be an ‘agreement’ to the contrary solely because it had the effect of eliminating termination rights that did not yet exist.”).

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**TITLE 17 - COPYRIGHTS****CHAPTER 3 - DURATION OF COPYRIGHT****§ 304. Duration of copyright: Subsisting copyrights****(a) Copyrights in Their First Term on January 1, 1978.—**

**(1) (A)** Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for 28 years from the date it was originally secured.

**(B)** In the case of—

**(i)** any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or

**(ii)** any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire,

the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of 67 years.

**(C)** In the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work—

**(i)** the author of such work, if the author is still living,

**(ii)** the widow, widower, or children of the author, if the author is not living,

**(iii)** the author's executors, if such author, widow, widower, or children are not living, or

**(iv)** the author's next of kin, in the absence of a will of the author,

shall be entitled to a renewal and extension of the copyright in such work for a further term of 67 years.

**(2) (A)** At the expiration of the original term of copyright in a work specified in paragraph (1)(B) of this subsection, the copyright shall endure for a renewed and extended further term of 67 years, which—

**(i)** if an application to register a claim to such further term has been made to the Copyright Office within 1 year before the expiration of the original term of copyright, and the claim is registered, shall vest, upon the beginning of such further term, in the proprietor of the copyright who is entitled to claim the renewal of copyright at the time the application is made; or

**(ii)** if no such application is made or the claim pursuant to such application is not registered, shall vest, upon the beginning of such further term, in the person or entity that was the proprietor of the copyright as of the last day of the original term of copyright.

**(B)** At the expiration of the original term of copyright in a work specified in paragraph (1)(C) of this subsection, the copyright shall endure for a renewed and extended further term of 67 years, which—

**(i)** if an application to register a claim to such further term has been made to the Copyright Office within 1 year before the expiration of the original term of copyright, and the claim is registered, shall vest, upon the beginning of such further term, in any person who is entitled under paragraph (1)(C) to the renewal and extension of the copyright at the time the application is made; or

**(ii)** if no such application is made or the claim pursuant to such application is not registered, shall vest, upon the beginning of such further term, in any person entitled under paragraph (1)(C), as of the last day of the original term of copyright, to the renewal and extension of the copyright.

**(3) (A)** An application to register a claim to the renewed and extended term of copyright in a work may be made to the Copyright Office—

- (i) within 1 year before the expiration of the original term of copyright by any person entitled under paragraph (1)(B) or (C) to such further term of 67 years; and
  - (ii) at any time during the renewed and extended term by any person in whom such further term vested, under paragraph (2)(A) or (B), or by any successor or assign of such person, if the application is made in the name of such person.
- (B) Such an application is not a condition of the renewal and extension of the copyright in a work for a further term of 67 years.
- (4) (A) If an application to register a claim to the renewed and extended term of copyright in a work is not made within 1 year before the expiration of the original term of copyright in a work, or if the claim pursuant to such application is not registered, then a derivative work prepared under authority of a grant of a transfer or license of the copyright that is made before the expiration of the original term of copyright may continue to be used under the terms of the grant during the renewed and extended term of copyright without infringing the copyright, except that such use does not extend to the preparation during such renewed and extended term of other derivative works based upon the copyrighted work covered by such grant.
- (B) If an application to register a claim to the renewed and extended term of copyright in a work is made within 1 year before its expiration, and the claim is registered, the certificate of such registration shall constitute prima facie evidence as to the validity of the copyright during its renewed and extended term and of the facts stated in the certificate. The evidentiary weight to be accorded the certificates of a registration of a renewed and extended term of copyright made after the end of that 1-year period shall be within the discretion of the court.
- (b) Copyrights in Their Renewal Term at the Time of the Effective Date of the Sonny Bono Copyright Term Extension Act.**— Any copyright still in its renewal term at the time that the Sonny Bono Copyright Term Extension Act becomes effective shall have a copyright term of 95 years from the date copyright was originally secured.
- (c) Termination of Transfers and Licenses Covering Extended Renewal Term.**— In the case of any copyright subsisting in either its first or renewal term on January 1, 1978, other than a copyright in a work made for hire, the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978, by any of the persons designated by subsection (a)(1)(C) of this section, otherwise than by will, is subject to termination under the following conditions:
- (1) In the case of a grant executed by a person or persons other than the author, termination of the grant may be effected by the surviving person or persons who executed it. In the case of a grant executed by one or more of the authors of the work, termination of the grant may be effected, to the extent of a particular author's share in the ownership of the renewal copyright, by the author who executed it or, if such author is dead, by the person or persons who, under clause (2) of this subsection, own and are entitled to exercise a total of more than one-half of that author's termination interest.
  - (2) Where an author is dead, his or her termination interest is owned, and may be exercised, as follows:
    - (A) The widow or widower owns the author's entire termination interest unless there are any surviving children or grandchildren of the author, in which case the widow or widower owns one-half of the author's interest.
    - (B) The author's surviving children, and the surviving children of any dead child of the author, own the author's entire termination interest unless there is a widow or widower, in which case the ownership of one-half of the author's interest is divided among them.
    - (C) The rights of the author's children and grandchildren are in all cases divided among them and exercised on a per stirpes basis according to the number of such author's children represented; the share of the children of a dead child in a termination interest can be exercised only by the action of a majority of them.



- (D)** In the event that the author's widow or widower, children, and grandchildren are not living, the author's executor, administrator, personal representative, or trustee shall own the author's entire termination interest.
- (3)** Termination of the grant may be effected at any time during a period of five years beginning at the end of fifty-six years from the date copyright was originally secured, or beginning on January 1, 1978, whichever is later.
- (4)** The termination shall be effected by serving an advance notice in writing upon the grantee or the grantee's successor in title. In the case of a grant executed by a person or persons other than the author, the notice shall be signed by all of those entitled to terminate the grant under clause (1) of this subsection, or by their duly authorized agents. In the case of a grant executed by one or more of the authors of the work, the notice as to any one author's share shall be signed by that author or his or her duly authorized agent or, if that author is dead, by the number and proportion of the owners of his or her termination interest required under clauses (1) and (2) of this subsection, or by their duly authorized agents.
- (A)** The notice shall state the effective date of the termination, which shall fall within the five-year period specified by clause (3) of this subsection, or, in the case of a termination under subsection (d), within the five-year period specified by subsection (d)(2), and the notice shall be served not less than two or more than ten years before that date. A copy of the notice shall be recorded in the Copyright Office before the effective date of termination, as a condition to its taking effect.
- (B)** The notice shall comply, in form, content, and manner of service, with requirements that the Register of Copyrights shall prescribe by regulation.
- (5)** Termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant.
- (6)** In the case of a grant executed by a person or persons other than the author, all rights under this title that were covered by the terminated grant revert, upon the effective date of termination, to all of those entitled to terminate the grant under clause (1) of this subsection. In the case of a grant executed by one or more of the authors of the work, all of a particular author's rights under this title that were covered by the terminated grant revert, upon the effective date of termination, to that author or, if that author is dead, to the persons owning his or her termination interest under clause (2) of this subsection, including those owners who did not join in signing the notice of termination under clause (4) of this subsection. In all cases the reversion of rights is subject to the following limitations:
- (A)** A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.
- (B)** The future rights that will revert upon termination of the grant become vested on the date the notice of termination has been served as provided by clause (4) of this subsection.
- (C)** Where the author's rights revert to two or more persons under clause (2) of this subsection, they shall vest in those persons in the proportionate shares provided by that clause. In such a case, and subject to the provisions of subclause (D) of this clause, a further grant, or agreement to make a further grant, of a particular author's share with respect to any right covered by a terminated grant is valid only if it is signed by the same number and proportion of the owners, in whom the right has vested under this clause, as are required to terminate the grant under clause (2) of this subsection. Such further grant or agreement is effective with respect to all of the persons in whom the right it covers has vested under this subclause, including those who did not join in signing it. If any person dies after rights under a terminated grant have vested in him or her, that person's legal representatives, legatees, or heirs at law represent him or her for purposes of this subclause.

(D) A further grant, or agreement to make a further grant, of any right covered by a terminated grant is valid only if it is made after the effective date of the termination. As an exception, however, an agreement for such a further grant may be made between the author or any of the persons provided by the first sentence of clause (6) of this subsection, or between the persons provided by subclause (C) of this clause, and the original grantee or such grantee's successor in title, after the notice of termination has been served as provided by clause (4) of this subsection.

(E) Termination of a grant under this subsection affects only those rights covered by the grant that arise under this title, and in no way affects rights arising under any other Federal, State, or foreign laws.

(F) Unless and until termination is effected under this subsection, the grant, if it does not provide otherwise, continues in effect for the remainder of the extended renewal term.

(d) Termination Rights Provided in Subsection (c) Which Have Expired on or Before the Effective Date of the Sonny Bono Copyright Term Extension Act.—In the case of any copyright other than a work made for hire, subsisting in its renewal term on the effective date of the Sonny Bono Copyright Term Extension Act for which the termination right provided in subsection (c) has expired by such date, where the author or owner of the termination right has not previously exercised such termination right, the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978, by any of the persons designated in subsection (a)(1)(C) of this section, other than by will, is subject to termination under the following conditions:

(1) The conditions specified in subsections (c)(1), (2), (4), (5), and (6) of this section apply to terminations of the last 20 years of copyright term as provided by the amendments made by the Sonny Bono Copyright Term Extension Act.

(2) Termination of the grant may be effected at any time during a period of 5 years beginning at the end of 75 years from the date copyright was originally secured.

(Pub. L. 94–553, title I, § 101, Oct. 19, 1976, 90 Stat. 2573; Pub. L. 102–307, title I, § 102(a), (d), June 26, 1992, 106 Stat. 264, 266; Pub. L. 105–80, § 12(a)(9), Nov. 13, 1997, 111 Stat. 1535; Pub. L. 105–298, title I, §§ 102(d)(1), 103, Oct. 27, 1998, 112 Stat. 2827, 2829; Pub. L. 107–273, div. C, title III, § 13210(10), Nov. 2, 2002, 116 Stat. 1910.)

## Historical and Revision Notes

### house report no. 94–1476

The arguments in favor of lengthening the duration of copyright apply to subsisting as well as future copyrights. The bill's basic approach is to increase the present 56-year term to 75 years in the case of copyrights subsisting in both their first and their renewal terms.

Copyrights in Their First Term. Subsection (a) of section 304 reenacts and preserves the renewal provision, now in Section 24 of the statute [section 24 of former title 17], for all of the works presently in their first 28-year term. A great many of the present expectancies in these cases are the subject of existing contracts, and it would be unfair and immensely confusing to cut off or alter these interests. Renewal registration will be required during the 28th year of the copyright but the length of the renewal term will be increased from 28 to 47 years.

Although the bill preserves the language of the present renewal provision without any change in substance, the Committee intends that the reference to a "posthumous work" in this section has the meaning given to it in *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir. 1975)—one as to which no copyright assignment or other contract for exploitation of the work has occurred during an author's lifetime, rather than one which is simply first published after the author's death.

Copyrights in Their Renewal Term. Renewed copyrights that are subsisting in their second term at any time during the period between December 31, 1976, and December 31, 1977, inclusive, would be extended under section 304 (b) to run for a total of 75 years. This provision would add another 19 years to the duration of any renewed copyright whose second term started during the 28 years immediately preceding the effective date of the act (January 1, 1978). In addition, it would extend by varying lesser amounts the duration of renewal copyrights already extended under Public

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Laws 87–668, 89–142, 90–141, 90–416, 91–147, 91–555, 92–170, 92–566, and 93–573, all of which would otherwise expire on December 31, 1976. The subsection would also extend the duration of renewal copyrights whose second 28-year term is scheduled to expire during 1977. In none of these cases, however, would the total terms of copyright for the work be longer than 75 years.

Subsection (b) also covers the special situation of a subsisting first-term copyright that becomes eligible for renewal registration during the year before the act comes into effect. If a renewal registration is not made before the effective date [Jan. 1, 1978], the case is governed by the provisions of section 304 (a) [subsec. (a) of this section]. If a renewal registration is made during the year before the new law takes effect, however, the copyright would be treated as if it were already subsisting in its second term and would be extended to the full period of 75 years without the need for further renewal.

Termination of Grants Covering Extended Term. An issue underlying the 19-year extension of renewal terms under both subsections (a) and (b) of section 304 [subsecs. (a) and (b) of this section] is whether, in a case where their rights have already been transferred, the author or the dependents of the author should be given a chance to benefit from the extended term. The arguments for granting rights of termination are even more persuasive under section 304 than they are under section 203; the extended term represents a completely new property right, and there are strong reasons for giving the author, who is the fundamental beneficiary of copyright under the Constitution, an opportunity to share in it.

Subsection (c) of section 304 is a close but not exact counterpart of section 203. In the case of either a first-term or renewal copyright already subsisting when the new statute becomes effective [Jan. 1, 1978], any grant of rights covering the renewal copyright in the work, executed before the effective date [Jan. 1, 1978], may be terminated under conditions and limitations similar to those provided in section 203. Except for transfers and licenses covering renewal copyrights already extended under Public Laws 87–668, 89–142, 90–141, 90–416, 91–147, 91–555, 92–170, 92–566, and 93–573, which would become subject to termination immediately upon the coming into effect of the revised law, the 5-year period during which termination could be made effective would start 56 years after copyright was originally secured.

The bill distinguishes between the persons who can terminate a grant under section 203 and those entitled to terminate a grant covering an extended term under section 304. Instead of being limited to transfers and licenses executed by the author, the right of termination under section 304 (c) also extends to grants executed by those beneficiaries of the author who can claim renewal under the present law: his or her widow or widower, children, executors, or next of kin.

There is good reason for this difference. Under section 203, an author's widow or widower and children are given rights of termination if the author is dead, but these rights apply only to grants by the author, and any effort by a widow, widower, or child to transfer contingent future interests under a termination would be ineffective. In contrast, under the present renewal provisions, any statutory beneficiary of the author can make a valid transfer or license of future renewal rights, which is completely binding if the author is dead and the person who executed the grant turns out to be the proper renewal claimant. Because of this, a great many contingent transfers of future renewal rights have been obtained from widows, widowers, children, and next of kin, and a substantial number of these will be binding. After the present 28-year renewal period has ended, a statutory beneficiary who has signed a disadvantageous grant of this sort should have the opportunity to reclaim the extended term.

As explained above in connection with section 203, the bill adopts the principle that, where a transfer or license by the author is involved, termination may be effected by a per stirpes majority of those entitled to terminate, and this principle also applies to the ownership of rights under a termination and to the making of further grants of reverted rights. In general, this principle has also been adopted with respect to the termination of rights under an extended renewal copyright in section 304, but with several differences made necessary by the differences between the legal status of transfers and licenses made after the effective date of the new law [Jan. 1, 1978] (governed by section 203) and that of grants of renewal rights made earlier and governed by section 304 (c). The following are the most important distinctions between the termination rights under the two sections:

1. Joint Authorship.—Under section 304, a grant of renewal rights executed by joint authors during the first term of copyright would be effective only as to those who were living at the time of renewal; where any of them are dead, their statutory beneficiaries are entitled to claim the renewal independently as a new estate. It would therefore be inappropriate to impose a requirement of majority action with respect to transfers executed by two or more joint authors.

2. Grants Not Executed by Author.—Section 304 (c) adopts the majority principle underlying the amendments of section 203 [section 203 of this title] with respect to the termination rights of a dead author's widow or widower and children. There is much less reason, as a matter of policy, to apply this principle in the case of transfers and licenses of renewal rights executed under the present law by the author's widow, widower, children, executors, or next of kin, and the practical arguments against doing so are conclusive. It is not clear how the shares of a class of renewal beneficiaries are to be divided under the existing law, and greater difficulties would be presented if any attempt were made to apply the majority principle to further beneficiaries in cases where one or more of the renewal beneficiaries are dead. Therefore, where the grant was executed by a person or persons other than the author, termination can be effected only by the unanimous action of the survivors of those who executed it.

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3. Further Grants.—The reason against adopting a principle of majority action with respect to the right to terminate grants by joint authors and grants not executed by the author apply equally with respect to the right to make further grants under section 304 (c). The requirement for majority action in clause (6)(C) is therefore confined to cases where the rights under a grant by the author have reverted to his or her widow or widower, or children, or both. Where the extended term reverts to joint authors or to a class of renewal beneficiaries who have joined in executing a grant, their rights would be governed by the general rules of tenancy in common; each coowner would have an independent right to sell his share, or to use or license the work subject to an accounting.

Nothing contained in this section or elsewhere in this legislation is intended to extend the duration of any license, transfer, or assignment made for a period of less than fifty-six years. If, for example, an agreement provides an earlier termination date or lesser duration, or if it allows the author the right of cancelling or terminating the agreement under certain circumstances, the duration is governed by the agreement. Likewise, nothing in this section or legislation is intended to change the existing state of the law of contracts concerning the circumstances in which an author may terminate a license, transfer or assignment.

Section 304 (c)(6)(E) provides that, unless and until termination is effected under this section, the grant, “if it does not provide otherwise,” continues for the term of copyright. This section means that, if the agreement does not contain provisions specifying its term or duration, and the author has not terminated the agreement under this section, the agreement continues for the term of the copyright, subject to any right of termination under circumstances which may be specified therein. If, however, an agreement does contain provisions governing its duration—for example, a term of sixty years—and the author has not exercised his or her right of termination under the statute, the agreement will continue according to its terms—in this example, for only sixty years. The quoted language is not to be construed as requiring agreements to reserve the right of termination.

## References in Text

The Sonny Bono Copyright Term Extension Act, referred to in subsecs. (b) and (d), is title I of Pub. L. 105–298, Oct. 27, 1998, 112 Stat. 2827. The effective date of the Act is the date of enactment of Pub. L. 105–298, which was approved Oct. 27, 1998. For complete classification of this Act to the Code, see Short Title of 1998 Amendments note set out under section 101 of this title and Tables.

## Amendments

2002—Subsec. (c)(2)(A) to (C). Pub. L. 107–273, in subpars. (A) to (C), substituted “The” for “the” and, in subpars. (A) and (B), substituted period for semicolon at end.

1998—Subsec. (a)(1)(B), (C). Pub. L. 105–298, § 102(d)(1)(A)(i), substituted “67” for “47” in concluding provisions.

Subsec. (a)(2)(A), (B). Pub. L. 105–298, § 102(d)(1)(A)(ii), substituted “67” for “47” in introductory provisions.

Subsec. (a)(3)(A)(i), (B). Pub. L. 105–298, § 102(d)(1)(A)(iii), substituted “67” for “47”.

Subsec. (b). Pub. L. 105–298, § 102(d)(1)(B), amended heading and text of subsec. (b) generally. Prior to amendment, text read as follows: “The duration of any copyright, the renewal term of which is subsisting at any time between December 31, 1976, and December 31, 1977, inclusive, or for which renewal registration is made between December 31, 1976, and December 31, 1977, inclusive, is extended to endure for a term of seventy-five years from the date copyright was originally secured.”

Subsec. (c)(2). Pub. L. 105–298, § 103(1), struck out “by his widow or her widower and his or her children or grandchildren” after “exercised,” in introductory provisions.

Subsec. (c)(2)(D). Pub. L. 105–298, § 103(2), added subpar. (D).

Subsec. (c)(4)(A). Pub. L. 105–298, § 102(d)(1)(C), inserted “or, in the case of a termination under subsection (d), within the five-year period specified by subsection (d)(2),” before “and the notice”.

Subsec. (d). Pub. L. 105–298, § 102(d)(1)(D), added subsec. (d).

1997—Subsec. (c). Pub. L. 105–80 substituted “subsection (a)(1)(C)” for “the subsection (a)(1)(C)” in introductory provisions.

1992—Subsec. (a). Pub. L. 102–307, § 102(a), amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “Copyrights in Their First Term on January 1, 1978.—Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for twenty-eight years from the date it was originally secured: Provided, That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and

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duly registered therein within one year prior to the expiration of the original term of copyright: And provided further, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his or her next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration of the original term of copyright: And provided further, That in default of the registration of such application for renewal and extension, the copyright in any work shall terminate at the expiration of twenty-eight years from the date copyright was originally secured."

Subsec. (c). Pub. L. 102–307, § 102(d), substituted "subsection (a)(1)(C)" for "second proviso of subsection (a)" in introductory provisions.

### **Effective Date of 1992 Amendment**

Amendment by Pub. L. 102–307 effective June 26, 1992, but applicable only to copyrights secured between January 1, 1964, and December 31, 1977, and not affecting court proceedings pending on June 26, 1992, with copyrights secured before January 1, 1964, governed by section 304 (a) of this title as in effect on the day before June 26, 1992, except each reference to forty-seven years in such provisions deemed to be 67 years, see section 102(g) of Pub. L. 102–307, as amended, set out as a note under section 101 of this title.

### **Effective Date**

Subsec. (b) of this section effective Oct. 19, 1976, see section 102 of Pub. L. 94–553, set out as a note preceding section 101 of this title.

### **Legal Effect of Renewal of Copyright Unchanged**

Section 102(c) of Pub. L. 102–307, as amended by Pub. L. 105–298, title I, § 102(d)(2)(A), Oct. 27, 1998, 112 Stat. 2828, provided that: "The renewal and extension of a copyright for a further term of 67 years provided for under paragraphs (1) and (2) of section 304 (a) of title 17, United States Code[,] shall have the same effect with respect to any grant, before the effective date of the Sonny Bono Copyright Term Extension Act [Oct. 27, 1998], of a transfer or license of the further term as did the renewal of a copyright before the effective date of the Sonny Bono Copyright Term Extension Act under the law in effect at the time of such grant."

### **Ad Interim Copyrights Subsisting or Capable of Being Secured Under Predecessor Provisions**

Section 107 of Pub. L. 94–553 provided that: "In the case of any work in which an ad interim copyright is subsisting or is capable of being secured on December 31, 1977, under section 22 of title 17 as it existed on that date, copyright protection is hereby extended to endure for the term or terms provided by section 304 of title 17 as amended by the first section of this Act [this section]."

### **Copyright Granted to "Science and Health with Key to the Scriptures" for Term of 75 Years**

Private Law 92–60, Dec. 15, 1971, 85 Stat. 857, provided: "That, any provision of law to the contrary notwithstanding, copyright is hereby granted to the trustees under the will of Mary Baker Eddy, their successors, and assigns, in the work 'Science and Health with Key to the Scriptures' (entitled also in some editions 'Science and Health' or 'Science and Health; with a Key to the Scriptures'), by Mary Baker Eddy, including all editions thereof in English and translation heretofore published, or hereafter published by or on behalf of said trustees, their successors or assigns, for a term of seventy-five years from the effective date of this Act [Dec. 15, 1971] or from the date of first publication, whichever is later. All copies of the protected work hereafter published are to bear notice of copyright, and all new editions hereafter published are to be registered in the Copyright Office, in accordance with the provisions of title 17 of the United States Code or any revision or recodification thereof. The copyright owner shall be entitled to all rights and remedies provided to copyright owners generally by law: Provided, however, That no liability shall attach under this Act for lawful uses made or acts done prior to the effective date of this Act in connection with said work, or in respect to the continuance for one year subsequent to such date of any business undertaking or enterprise lawfully undertaken prior to such date involving expenditure or contractual obligation in connection with the exploitation, production, reproduction or circulation of said work. This Act shall be effective upon enactment."

### **Extension of Renewal Terms Under Prior Law**

Pub. L. 93–573, title I, § 104, Dec. 31, 1974, 88 Stat. 1873, provided that in any case in which the renewal term of a copyright subsisting in any work on Dec. 31, 1974, or the term thereof as extended by Public Law 87–668, by Public

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Law 89–142, by Public Law 90–141, by Public Law 90–416, by Public Law 91–417, by Public Law 91–555, by Public Law 92–170, or by Public Law 92–556 (or by all or certain of said laws) [set out below], would expire prior to Dec. 31, 1976, such term was continued until Dec. 31, 1976.

Pub. L. 92–566, Oct. 25, 1972, 86 Stat. 1181, provided that in any case in which the renewal term of a copyright subsisting in any work on Oct. 25, 1972, or the term thereof as extended by Public Law 87–668, by Public Law 89–142, by Public Law 90–141, by Public Law 90–416, by Public Law 91–147, by Public Law 91–555, or by Public Law 92–170 (or by all or certain of said laws) [set out below], would expire prior to Dec. 31, 1974, such term was continued until Dec. 31, 1974.

Pub. L. 92–170, Nov. 24, 1971, 85 Stat. 490, provided that in any case in which the renewal term of a copyright subsisting in any work on Nov. 24, 1971, or the term thereof as extended by Public Law 87–668, by Public Law 89–142, by Public Law 90–141, by Public Law 90–416, by Public Law 91–147, or by Public Law 91–555 (or by all or certain of said laws), would expire prior to Dec. 31, 1972, such term was continued until Dec. 31, 1972.

Pub. L. 91–555, Dec. 17, 1970, 84 Stat. 1441, provided that in any case in which the renewal term of a copyright subsisting in any work on Dec. 17, 1970, or the term thereof as extended by Public Law 87–668, by Public Law 89–442 [89–142], by Public Law 90–141, by Public Law 90–416, or by Public Law 91–147 (or by all or certain of said laws) [set out below], would expire prior to Dec. 31, 1971, such term was continued until Dec. 31, 1971.

Pub. L. 91–147, Dec. 16, 1969, 83 Stat. 360, provided that in any case in which the renewal term of a copyright subsisting in any work on Dec. 16, 1969, or the term thereof as extended by Public Law 87–668, by Public Law 89–142, by Public Law 90–141, or by Public Law 90–416 (or by all or certain of said laws) [set out below], would expire prior to Dec. 31, 1970, such term was continued until Dec. 31, 1970.

Pub. L. 90–416, July 23, 1968, 82 Stat. 397, provided that in any case in which the renewal term of a copyright subsisting in any work on July 23, 1968, or the term thereof as extended by Public Law 87–668, by Public Law 89–142, or by Public Law 90–141 (or by all or certain of said laws) [set out below], would expire prior to Dec. 31, 1969, such term was continued until Dec. 31, 1969.

Pub. L. 90–141, Nov. 16, 1967, 81 Stat. 464, provided that in any case in which the renewal term of a copyright subsisting in any work on Nov. 16, 1967, or the term thereof as extended by Public Law 87–668, or by Public Law 89–142 (or by either or both of said laws) [set out below], would expire prior to Dec. 31, 1968, such term was continued until Dec. 31, 1968.

Pub. L. 89–142, Aug. 28, 1965, 79 Stat. 581, provided that in any case in which the renewal term of a copyright subsisting in any work on Aug. 28, 1965, or the term thereof as extended by Public Law 87–668 [set out below], would expire prior to Dec. 31, 1967, such term was continued until Dec. 31, 1967.

Pub. L. 87–668, Sept. 19, 1962, 76 Stat. 555, provided that in any case in which the renewal term of a copyright subsisting in any work on Sept. 19, 1962, would expire prior to Dec. 31, 1965, such term was continued until Dec. 31, 1965.

Steinbeck v. McIntosh & Otis, Inc., 433 F.Supp.2d 395 (2006)

2006 Copr.L.Dec. P 29,263, 81 U.S.P.Q.2d 1138



KeyCite Red Flag - Severe Negative Treatment

Reversed and Remanded by [Penguin Group \(USA\) Inc. v. Steinbeck](#),  
2nd Cir.(N.Y.), August 13, 2008

433 F.Supp.2d 395  
United States District Court,  
S.D. New York.

Thomas **STEINBECK**, an individual;  
and Blake Smyle, an individual,  
Plaintiffs and Counterclaim Defendants,  
Nancy **Steinbeck**, an  
individual, Intervenor-Plaintiff,

v.

**MCINTOSH & OTIS**, INC., a New York  
corporation; the **Steinbeck** Heritage Foundation,  
a non-profit New York corporation; Eugene H.  
Winick, an individual; Samuel Pinkus, an individual;  
Jean Anderson Boone, an individual; Francis  
Anderson Atkinson, an individual; Waverly Scott  
Kaffaga, an individual and Executor of the Estate of  
Elaine Anderson **Steinbeck**; David Scott Farber, an  
individual; Anderson Farber Runkle, an individual;  
Jebel Kaffaga, an individual; Bahar Kaffaga, an  
individual; and Steven Frushtick, an individual; and  
Does 1-10, Defendants and Counterclaim Plaintiffs.  
Penguin Group (USA) Inc. Plaintiff,

v.

Thomas **Steinbeck** and Blake Smyle, Defendants.

Nos. 04-CV-5497 (RO), 04-CV-6795 (RO). |  
June 8, 2006. | As Amended July 18, 2006.

### Synopsis

**Background:** Holders of right to recapture copyrights, provided by Copyright Act amendments extending period of available copyright protection, served notice of termination of pre-1978 copyright grants. Holders and grantees moved and cross moved for summary judgment.

**Holdings:** The District Court, [Owen, J.](#), held that:

[1] recapture rights were not lost as result of post-1978 copyright agreement expressly continuing prior publication rights, and

[2] there were no recapture rights with respect to copyrights transferred by author during original copyright term, when author died before commencement of renewal term.

Ordered accordingly.

West Headnotes (2)

### [1] Copyrights and Intellectual Property

#### 🔑 Transfer on Death

Statutory right to recapture interests in pre-1978 copyright were not lost when widow who was statutory heir of author entered into agreement with publisher in 1994, continuing prior publication rights with additional publication costs to publisher, despite claim that 1994 agreement was new copyright grant not subject to recapture; agreement expressly reserved widow's copyright interests. [17 U.S.C.A. § 304\(c\)\(5\), \(d\)](#).

[2 Cases that cite this headnote](#)

### [2] Copyrights and Intellectual Property

#### 🔑 Transfer on Death

A son and granddaughter of author had no rights to recapture copyrights in works obtained prior to 1978, when author who had granted to third parties rights to those works died before renewal term of original copyrights began; recapture rights did not arise until expiration of renewal term, and author could grant those copyrights only through end of original term, after which rights reverted to author's widow, who had not made any copyright grants. [17 U.S.C.A. § 304\(c\)\(5\), \(d\)](#).

[1 Cases that cite this headnote](#)

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#### \*397 OPINION & ORDER

OWEN, District Judge.

Prior to the copyright law amendments taking effect in 1978, there were but two periods of copyright protection—the original period of 28 years, and a 28-year renewal, for a possible total of 56 years. In 1978, the copyright term was increased by 19 years, to a total of 75 years, and in 1998, 20 more years was added to that, for today a total of 95 years.

Given the said length of copyright protection, early in which young creators often less than advantageously contract for long terms with publishers, etc., and it also being the way of the world that a number of such young composers, artists and authors, from time to time, such as John Steinbeck writing his first book in 1929, cannot predict the high stature they would attain,<sup>1</sup> and the popular prominence of their works in musical and literary consciousness—not to mention the eventual high financial rewards to them and their families their work can command, our copyright laws have come to recognize this,

and accordingly, in the statute, provide opportunities for such a creator and/or his or her family to terminate-and recapture-rights previously granted others, allowing creators or their heirs appropriate reward for the artistic gifts to our culture.

There are two such “recapture” opportunities during a copyright's lifetime.<sup>2</sup> The first, Section 304(c) of the Copyright Act, grants creators of pre-1978 works or their statutory heirs,<sup>3</sup> an inchoate but inalienable<sup>4</sup> property right<sup>5</sup> to “terminate” earlier grants of copyrights made before January \*398 1, 1978 and to do so beginning 56 years after the copyright was first secured (i.e., upon expiration of both the original 28-year copyright term and the pre-1978 28-year renewal term). 17 U.S.C. § 304(c). Such termination right is optional-not mandatory or automatic-and can be exercised at any time during a five-year period beginning at the end of the said 56 year period, or on January 1, 1978 (the date of enactment of the statute extending the copyright protection term), whichever is later. 17 U.S.C. § 304(c)(3).<sup>6</sup> See *Music Sales Corp. v. Morris*, 73 F.Supp.2d 364, 372 (S.D.N.Y.1999). Should the creator die, the statute transfers the termination to specific successor(s),<sup>7</sup> who, upon recapture thereupon possesses and may re-grant those rights. 17 U.S.C. § 304(c)(1), (c)(6). Termination rights vest on the date a notice of termination is served. 17 U.S.C. § 304(c)(6)(B), (C).<sup>8</sup> Once a prior grant of copyright is terminated, statutory heirs are free to grant these rights to whomever they desire, as such new grants fulfill the purpose of the termination right, which is to provide successors in interest with an opportunity to obtain the fair value of the work by negotiating new terms for previously granted rights once the work's true value has appeared. 3-11 Melville B. Nimmer & David Nimmer, NIMMER ON COPYRIGHT § 11.01[A].

The second such termination right was created in 1998 as part of the Sonny Bono Copyright Term Extension Act (CTEA), which extended the copyright term by an additional twenty years, see 17 U.S.C. §§ 304(a), (b), and also gives creators or their survivors who did not exercise their termination rights the first time (i.e., 56 years after the copyright was first secured, see *supra*) a second opportunity to terminate during the five-year period beginning 75 years after the copyright came into existence. 17 U.S.C. § 304(d).<sup>9</sup>



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\*399 To protect this right and prevent creators or statutory heirs from contracting away, for whatever reason, this absolute right to “recapture” for the years of extended protection any pre-1978 copyright grant, the statute declares void any contract the effect of which is in contravention of or which negates either of these termination rights. 17 U.S.C. § 304(c)(5).<sup>10</sup> See, e.g., *Morris*, 73 F.Supp.2d at 372; *Larry Spier, Inc. v. Bourne Co.*, 953 F.2d 774, 778 (2d Cir.1992).

Pursuant to these provisions in the Copyright Act, in May and June 2004, the then-statutory heirs of John Steinbeck-Thom and granddaughter Blake-served five “Notices of Termination” on various third parties which purported to terminate pre-1978 grants of copyrights John Steinbeck made to those third parties in accordance with 17 U.S.C. § 304(c) and (d). The parties have filed cross motions for summary judgment as to the validity of these notices, and the above-captioned actions are joined for this purpose only.<sup>11</sup>

Turning to the facts here, when John Steinbeck died in 1968, his third wife, widow Elaine, inherited his copyrights in his early works<sup>12</sup> under the residuary clause in Steinbeck's will. However, with respect to these works, as well as those that entered their renewal period after Steinbeck's death,<sup>13</sup> his two sons from his second marriage-Thomas Steinbeck and John Steinbeck IV-though inheriting no interest in the copyrights under their father's will, nevertheless became possessed of a 50% share of the copyright termination \*400 interest in each work pursuant to Section 304(c)(2)(B), quoted *supra*, which states that a deceased author's entire termination interest is to be divided, 50% to his widow and 50% to his children [and grandchildren]. 17 U.S.C. § 304(c)(2)(B). Since, however, to exercise a termination right requires a simple majority of the possessors, this meant here that, Elaine and the children being in disagreement, no termination right could be exercised, as neither side had 51%.<sup>14</sup> John IV died in 1991, leaving only one child, Blake Smyle, who now asserts her statutory right in his stead, as Steinbeck's granddaughter.<sup>15</sup> Elaine died in April 2003, leaving all copyrights to her heirs from a previous marriage-all unrelated to Steinbeck.

But upon Elaine's death in April 2003, Thom and Blake, being in agreement, for the first time together possessed the majority (indeed, the totality) of termination interests needed

to exercise their termination right. See 17 U.S.C. § 304(c) (1). In May and June 2004, they served five “Notices of Termination” on various third parties which purported to terminate pre-1978 grants of copyrights John Steinbeck made to those third parties in accordance with 17 U.S.C. § 304(c) and (d). Specifically, the Notices terminated: (1) a 1938 grant of book publishing rights made to the predecessor of Penguin Group (USA) Inc. (hereinafter the “Penguin Notice”);<sup>16</sup> (2) grants of motion picture rights in Steinbeck's *The Red Pony* made to Paramount Pictures, Inc. in 1946, 1947 and 1949; (3) grants of motion picture rights to Steinbeck's *The Long Valley* given to Paramount Pictures, Inc. in 1946, 1947 and 1949; (4) a 1956 grant of theatrical rights to Steinbeck's *Cannery Row* given to Rogers & Hammerstein and MGM; and (5) a 1949 grant of motion picture rights in Steinbeck's *The Wayward Bus* made to Twentieth Century Fox Film Corporation. Each notice is now addressed in turn.

***The Penguin Termination Notice***

[1] In a 1938 agreement, author John Steinbeck granted to Penguin's predecessor, The Viking Press, Inc., sole, exclusive, and open-ended publication rights in the collection of stories *The Long Valley*, including all thirteen short stories contained therein. By its terms, the 1938 Agreement “supersede[d] all previous agreements made between The Viking Press, Inc. and John Steinbeck,” and also applied \*401 to “all the previously published books of John Steinbeck,” namely: *Cup of Gold*; *The Pastures of Heaven*; *To A God Unknown*; *Tortilla Flat*; *In Dubious Battle*; *Of Mice and Men*; *Of Mice and Men* (Play); *The Red Pony*, and the three stories included therein.<sup>17</sup> Four additional works by Steinbeck were added to the 1938 Agreement by way of its option clause, including *The Grapes of Wrath*, the latest of the works at issue here, in 1939. This agreement provided for ongoing royalties based on net sales, and was periodically amended. Author Steinbeck renewed the copyrights in each of the ten works in question during his lifetime, and when he died in 1968, he bequeathed the copyrights in these early works to his widow Elaine. In 1994, Elaine entered into a “new agreement for continued publication” with Penguin as “Publisher” for these early works, which granted Penguin no more nor less rights than Penguin already had and was exercising under the original 1938 Agreement, although at increased cost to Penguin.<sup>18</sup>

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On or about June 13, 2004, Thom and Blake served on Penguin a Notice of Termination, purporting to terminate **Steinbeck's** grants under the 1938 Agreement pursuant to **Section 304(d)**. Penguin and the defendants in the **Steinbeck** action contend that said notice is invalid as a matter of law, because widow Elaine's 1994 Agreement, by its express terms, "cancel[s] and supercede[s] the previous agreements, as amended, for the Works,"<sup>19</sup> which effectively transforms **Steinbeck's** pre-1978 grant into a "new" grant of copyright, executed *on or after January 1, 1978*, and as such, is not subject to termination under **Section 304. 17 U.S.C. § 304(c), (d)**.

I conclude that this argument fails. The 1938 Agreement was author **Steinbeck's** exclusive grant of publication rights to Penguin's predecessor of certain of his early works, so they unquestionably were within the terms of the subsequently-enacted termination statute.<sup>20</sup> Elaine's 1994 identical grant to Penguin explicitly carries forward possible future termination under the statute, reading: "If Elaine **Steinbeck** exercises her right to terminate grants made to Publisher in this agreement (in accordance with **Section 304(c) of Title 17 of the U.S.Code**) ..." See Penguin USA, Contract For **Steinbeck** titles, p. 13, ¶ 9A, *Termination Under U.S. Law* (Oct. 24, 1994).<sup>21</sup> The contention that the 1994 Agreement extinguished the very termination right that it expressly acknowledges both exists and flows from the 1930s copyrights necessarily fails. At no point did Penguin lose or gain any rights other than those originally granted to it under the \*402 1938 Agreement.<sup>22</sup> Furthermore, to the extent that the 1994 Agreement would strip Thom and Blake—at the time, owners of one-half of the future termination interest, but on Elaine's death, full owners-of their inalienable termination rights in the pre-1978 grants, it is void as an "agreement to the contrary" pursuant to **17 U.S.C. § 304(c)(5)**.<sup>23</sup>

Accordingly, I consider the Penguin termination notice both valid and effective.

***The Wayward Bus Termination Notice***

[2] In 2004, Thom and Blake, now having between them 100% of the termination rights, sought to terminate author **Steinbeck's** 1949 grants of *The Wayward Bus* for "all motion picture rights, limited publication rights, radio rights, film, television, and commercial tie-up rights" that had been

transferred to Twentieth Century Fox or its predecessors by John **Steinbeck** pursuant to agreements in 1949. Defendants argue that this termination notice is of no effect because author **Steinbeck** died before the copyright in this work entered its renewal term, and thus, the renewal copyright automatically went to his next of kin pursuant to **Section 304(a)**.<sup>24</sup>

As observed earlier, in *Stewart v. Abend*, 495 U.S. 207, 219-20, 110 S.Ct. 1750, 109 L.Ed.2d 184 (1990), the United States Supreme Court recognized that a renewal copyright represents a new estate free and clear of all rights, interests or licenses granted under the original copyright. *Id.* at 219, 110 S.Ct. 1750. Accordingly, the Court stated that "[i]f the author dies before [the renewal right vests], the next of kin obtain the renewal copyright free of any claim founded upon an assignment made by the author in his lifetime. \*403 These results follow not because the author's assignment is invalid but because he had only an expectancy to assign [in the renewal copyright]; and his death, prior to the renewal period, terminates his interest in the renewal [term] ..."—which then vests in the statutorily named classes. *Id.* (internal citations omitted).

The renewal copyright for *The Wayward Bus* came into effect in 1975. Because John **Steinbeck** died in 1968—seven years *before* the renewal period would commence for this work—the renewal copyright never vested in the grantee (Twentieth Century Fox) and, therefore, the author's then-living statutory heir, Elaine, inherited those rights free of the previous assignment by the author pursuant to **Section 304(a) (1)(C)**. See *Abend*, 495 U.S. at 219, 110 S.Ct. 1750; *Morris*, 73 F.Supp.2d at 371-72. Consequently, Twentieth Century Fox had in 2004 no interest in the renewal copyright today, and accordingly, there was nothing there for Thom and Blake to terminate in 2004 and the notice was a nullity.

***The Cannery Row Termination Notice***

On or about May 17, 2004,<sup>25</sup> Thom and Blake served a notice of termination of the grant for **Steinbeck's** *Cannery Row* pursuant to **Section 304(c)** for "all motion picture, radio, and television rights" to Rogers & Hammerstein and MGM in or before 1956 by author **Steinbeck**. Defendants assert a number of reasons this notice is invalid. I need address only

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the fact that this identical to *The Wayward Bus* termination, immediately above.<sup>26</sup>

Author **Steinbeck** registered *Cannery Row* for copyright protection in 1945, and so, the original term of copyright ended in 1973. As John **Steinbeck** died five years prior to the copyright entering its renewal term, his statutory heir, Elaine, automatically received the renewal copyright. See *Wayward Bus* Termination Notice discussion, *supra*. Thus, neither Rogers & Hammerstein nor MGM possessed any interest in the renewal copyright for Thom and Blake to terminate, so this notice was a nullity.

***The Long Valley and The Red Pony Termination Notices***

In 2004, Thom and Blake, served a notice of termination on Paramount Pictures Corporation, pertaining to a grant of motion picture, radio, and limited publication rights, in **Steinbeck's** *The Long Valley* and the collection of stories included therein that Paramount's predecessor had received from author **Steinbeck** pursuant to three agreements in 1946, 1947, and 1949. Simultaneously, Thom and Blake issued a separate but virtually identical termination notice for *The Red Pony* and all stories contained therein, granted to Paramount pursuant to the same contracts.<sup>27</sup> The defendants contest the validity of these two nearly identical notices of termination on the grounds that, under a 1983 Settlement Agreement

between Elaine, Thom and Blake's father John IV, Thom and \*404 Blake have no existing grants which they can address to terminate.<sup>28</sup> Defendants early asserted that discovery was needed on the agreements which Thom and Blake purport to terminate, and until that time, they wish to reserve their right to contest the validity of these notices, but the troublesome question is why discovery was not timely sought *here*.

So the record remains that, other than this bland conclusory assertion (without sufficient justification)<sup>29</sup> that discovery is needed, defendants are silent on their principal argument that the said 1983 Settlement Agreement invalidated all of the notices of termination which are the subject of the present motion,<sup>30</sup> which I therefore deem to be an abandonment of defendants' counterclaims regarding these two notices. See *Jessamy v. City of New Rochelle*, 292 F.Supp.2d 498, 515 n. 21 (S.D.N.Y.2003). Summary judgment on the validity of these notices as a matter of law is granted.

So Ordered.

**All Citations**

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**Footnotes**

- 1 **Steinbeck** was awarded a Pulitzer Prize and the Nobel Prize for Literature.
- 2 A third possible mandatory event of return of the grant-if it can be so phrased-is if the creator dies while the copyright is in its first term. Under that circumstance, the right to future renewal does not follow his contractual or testamentary grant. Instead, the expectancy of the renewal rights automatically vests in statutorily enumerated categories of persons-who are *not* bound by the original disposition-according to the following hierarchy: "[1] the widow, widower, or children of the author, ... [2] the author's executors, if such author, widow, widower, or children are not living, or [3] the author's next of kin, in the absence of a will of the author." 17 U.S.C. § 304(a)(1)(C). See also *Stewart v. Abend*, 495 U.S. 207, 219-20, 110 S.Ct. 1750, 109 L.Ed.2d 184 (1990). Thus, the additional years of protection provided by Section 304(a) represent a completely "new family property right" in pre-1978 works. *Larry Spier, Inc. v. Bourne Co.*, 953 F.2d 774, 779 (2d Cir.1992).
- 3 See 17 U.S.C. § 304(a)(1)(C), discussed *supra*, and 17 U.S.C. §§ 304(c)(1), (c)(2), discussed *infra*, for the statute's categorical hierarchy of entitlement. See also, *Larry Spier*, 953 F.2d at 778; *Abend*, 495 U.S. at 218, 110 S.Ct. 1750.
- 4 The inalienability of the Section 304(c) right has been recognized by the Supreme Court, the Second Circuit, and this Court on myriad occasions. See *Abend*, 495 U.S. at 230, 110 S.Ct. 1750 ("The 1976 Copyright Act ... provides an inalienable termination right."); *Larry Spier*, 953 F.2d at 779-80 (Section 304(c) "was drafted so as to leave no doubt about the family's power to recapture the copyright."); *Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc.*, 155 F.3d 17, 24 (2d Cir.1998) (inalienability is "consistent with the general thrust of § 304, which is designed to protect the interests of authors and their heirs and to maximize their ability to exploit the value of their [works] during the extended renewal term."); *Morris*, 73 F.Supp.2d at 372 ("unlike the renewal rights, the termination right is inalienable ... Congress resorted to the

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extraordinary measure of creating an inalienable right in order to ensure that the author's heirs would be able to terminate any contingent grants of renewal rights made during the author's lifetime."). Termination rights remain inalienable until they are exercised by service of a notice of termination. 17 U.S.C. § 304(c)(6)(B); see also, 17 U.S.C. § 304(c)(6)(D) (providing that "[a] further grant, or agreement to make a further grant, of any right covered by a terminated grant is valid only if it is made after the effective date of the termination ... [or] after the notice of termination has been served ...").

5 Because Section 304(a) established a completely new family property right in pre-1978 works, see *supra*, "[t]here are strong reasons for giving the author [and/or his statutory heirs] ... an opportunity to share in" the benefits of continued exploitation of such works by permitted the author or his family to terminate third party grants. See *House Report on the Copyright Act of 1976*, House Report No. 94-1476, p. 140 (1976).

6 A notice of such termination must be served no more than ten or less than two years before termination is to be exercised. 17 U.S.C. § 304(c)(4)(A). Thus, under Section 304(c), a notice of termination may be served between 46 years and 59 years after the copyright was originally secured-a 13-year "window of opportunity"-with the rights that are to revert vesting in the owners of the termination interest on the date the notice is served. 17 U.S.C. § 304(c)(6)(B).

7 The deceased author's termination interest is owned, and may be exercised, by the following: (i) the author's widow or widower owns the author's *entire* termination interest; (ii) if the author leaves both a widow or widower *and* children or grandchildren, the widow or widower owns *one-half* of the author's interest, and the remaining half is divided per stirpes among the author's progeny; (iii) in the absence of a surviving widow or widower, the author's surviving children, and surviving children of any dead child of the author, own the author's *entire* termination interest, which is divided among them and exercised on a per stirpes basis; or (iv) in the event that none of the aforementioned heirs are living, the author's executor, administrator, personal representative, or trustee shall own the author's *entire* termination interest. 17 U.S.C. § 304(c)(2).

8 See *Range Road Music, Inc. v. Music Sales Corp.*, 76 F.Supp.2d 375, 377 (S.D.N.Y.1999); see also 3-11 NIMMER ON COPYRIGHT § 11.03[A][3] (stating that the class of recipients of the terminated rights is determined as of the date the termination notice is served).

9 Section 304(d) applies to copyrights in their renewal term on the effective date of the CTEA-October 27, 1998-for which the termination right under Section 304(c) had expired by that date, and as to which the author or the owner of the Section 304(c) termination right has not previously exercised the right. A notice of termination under Section 304(d) must be served no more than ten and not less than two years before termination is to be exercised-i.e., no earlier than 65 years, and no later than 78 years, after copyright was originally secured.

10 This statutory prohibition is intended to be broadly applied to invalidate such unlawful contracts and liberally protect termination rights. See *Marvel Characters, Inc. v. Simon*, 310 F.3d 280 (2d Cir.2002); *Larry Spier, supra*; *Morris, supra*. Indeed, copyright termination abrogates freedom of contract in two ways: it allows for the invalidation of the original contractual transfer, and it abrogates subsequent attempts to contract around the termination right it creates. 17 U.S.C. § 304(c), (c)(5)

11 Summary judgment is appropriate when there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). To satisfy its burden under Rule 56(c), the movant must show that the record raises no genuine issue of material fact for trial. *Brink v. Union Carbide Corp.*, 41 F.Supp.2d 406, 413-14 (S.D.N.Y.1999); see also *Goenaga v. March of Dimes Birth Defects Foundation*, 51 F.3d 14, 18 (2d Cir.1995); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48, 252, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

12 **Steinbeck's** "early works" are those whose renewal term of copyright (i.e., after the first 28 years of copyright) became due in the course of his lifetime, and for which he filed renewal registrations. Specifically, **Steinbeck** renewed: *Cup of Gold* (©1929), *The Pastures of Heaven* (©1932), *To a God Unknown* (©1933), *The Red Pony* (©1937), *Tortilla Flat* (©1935), *In Dubious Battle* (©1936), *Of Mice and Men* (©1937), *Of Mice and Men* (play) (©1937), *Murder at Full Moon* (©1938), *The Long Valley* (©1938), *The Grapes of Wrath* (©1939), *Forgotten Village* (©1941), and *The Sea of Cortez* (©1941) (collectively, the "Early Works").

13 These "late works" are: *The Moon is Down* (©1942), *The Moon is Down* (play) (©1942), *Bombs Away* (©1942), *Cannery Row* (©1945), *The Pearl* (©1945), *The Wayward Bus* (©1947), *A Russian Journal* (©1948), *Burning Bright* (©1950), *Log From the Sea of Cortez* (©1951), *East of Eden* (©1952), *Sweet Thursday* (©1954), *The Short Reign of Pippin IV* (©1957), *Once There Was a War* (©1958), *The Winter of Our Discontent* (©1961), and *Travels With Charley* (©1962).

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- 14 The statute provide that if the author himself has made the assignment, and said author is now dead, termination of the assignment may be effected by the person or persons who own and are entitled to exercise a total of more than one-half of the author's termination interest. 17 U.S.C. § 304(c)(1).
- 15 Defendants dispute the assertion that Blake is the granddaughter of John Steinbeck, claiming that there has been no conclusive evidence produced to this effect, and there is no mention of her in John IV's will or in his pleadings in the 1981 action. It is undisputed, however, that John IV's heirs continued to receive his royalties, although the identity of those heirs and the distribution arrangement among them are the subject of a confidential settlement agreement or agreements entered into by Blake, Thom, and John IV's former wife Nancy Steinbeck, the intervenor-plaintiff in this action and the purported residuary beneficiary of John IV's Estate under his will. Nancy apparently seeks to ride on the "coat tails" of Thom and Blake's action against the defendants, claiming that neither Thom nor Blake are likely to protect her interests. As this motion is limited to the validity of the termination notices issued by Thom and Blake, the allegations brought by Nancy are not addressed at this time, and the parties have reserved their rights to do so.
- 16 Widow Elaine entered into a new agreement with Penguin in 1994, Penguin's right of publication remaining the same as in the 1938 grant, but at a higher consideration, and statutory termination rights explicitly continued, as per the agreement. See discussion *infra*.
- 17 The Viking Press, Inc. Agreement, ¶ 13A (Sept. 12, 1938).
- 18 Elaine simultaneously entered into a similar agreement with Penguin for the late works on behalf of herself and Thom (who subsequently ratified the agreement on December 22, 1994), but this second 1994 Agreement is not relevant here, although it raises questions of motive.
- 19 Penguin USA, Contract For Steinbeck titles, p. 10, ¶ 19, *Termination of Previous Agreements* (Oct. 24, 1994).
- 20 Indeed, this grant of publication rights is terminable because it is a "copyright subsisting in either its first or renewal term on January 1, 1978, ... [and is] the exclusive ... grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978, by [the living author of such work], otherwise than by will [here, by contract] ..." 17 U.S.C. § 304(c) (emphasis added).
- 21 Section 304(d) was enacted four years after the contract was entered into, but remains no less applicable, as it simply expanded the opportunity for authors or their statutory heirs to execute their termination rights.
- 22 By its terms, absent a default, the agreement was to continue for as long as the publishers keep the works "in print and for sale." The Viking Press, Inc. Agreement, ¶ 12A, *Termination of this agreement* (Sept. 12, 1938). Elaine did not inherit any interest in the book publishing rights Steinbeck granted to Penguin in 1938, because Steinbeck did not own those rights when he died. Rather, Penguin was the owner of said rights pursuant to the 1938 Agreement, and Steinbeck had only a contractual right to receive monies pursuant to that agreement. Elaine inherited only that contractual revenue scheme-she had no "copyright" interest to convey to Penguin by the 1994 Agreement, and Penguin had no need to enter into an agreement with Elaine to maintain its book publishing right (except, of course, to possibly avoid the exercise of federal termination rights-or a lawsuit).
- 23 The 1994 Agreement does not purport to transfer Elaine's or anyone else's termination rights under Section 304, nor does it require Elaine or anyone else to refrain from exercising such rights, as any such contractual language that purports to affect inalienable termination interest would run afoul of black-letter copyright law. Rather, the copyright interests purportedly granted by the document were granted subject to those very same rights. The whole of ¶ 9A expressly preserves Section 304 termination rights (at least with respect to Elaine, who, at the time, owned one-half), acknowledges that such rights (which had not yet been exercised) could be exercised in the future, and accordingly, contains detailed provisions about what would happen if (i) such termination rights were indeed exercised; and (ii) the copyright interests in Steinbeck Works were not subsequently re-granted to Penguin. Neither Thom nor Blake was a party to the 1994 Agreement, and they have never contractually transferred their termination rights to Penguin nor agreed to forego their termination rights. Any interpretation of the 1994 Agreement having the effect of disinheriting the statutory heirs to the termination interest-Thom and Blake-in favor of Elaine's heirs must be set aside as contrary to the very purpose of the termination statute, which protects children and grandchildren, and not just widows. See, e.g., 3-11 NIMMER ON COPYRIGHT § 11.07, n. 29.
- 24 17 U.S.C.A. § 304(a)(1)(C), in relevant part, states that "the widow ... or children of the author, if the author is not living ... shall be entitled to a renewal and extension of the copyright in such work for a further term ..."
- 25 An amended notice was issued on or about June 13, 2004.

**Steinbeck v. McIntosh & Otis, Inc., 433 F.Supp.2d 395 (2006)**

2006 Copr.L.Dec. P 29,263, 81 U.S.P.Q.2d 1138

- 26 Rogers & Hammerstein had transferred the rights it received in or before 1956 to Cannery Row Productions, Inc. by short form option agreement after 1978, and Thom and Blake also served the successor to that transfer with this termination notice. The fact that a copyright grantee made a subsequent post-1978 transfer of rights it acquired pre-1978 does not insulate such from termination. *See Morris, supra*.
- 27 John **Steinbeck** had renewed the copyrights in each of these works during his lifetime, *see supra* n. 12, and the grants he made to Paramount appear to meet the termination requirements of the statute.
- 28 After a scuffle in court, **Steinbeck v. Steinbeck**, No. 81 Civ. 6105 (S.D.N.Y. Dec. 8, 1982), Thom, John IV and Elaine entered into a settlement agreement in 1983, pursuant to which Thom, John IV, and Elaine would share equally in the royalties from author **Steinbeck's** late works-one-third, one-third, one-third-in return for which Elaine was granted exclusive control over the copyrighted works, including the power and authority to execute contracts in their name. Disturbingly, the settlement agreement also purported to grant Elaine the exclusive right to exercise Thom and John IV's termination rights over the **Steinbeck** works. Paragraph 5 of the settlement agreement, in particular, is statutorily prohibited, stating: "Elaine **Steinbeck** and/or her agent shall have the complete power and authority to negotiate, authorize and take action with respect to the exploitation and/or termination of rights in the works of John **Steinbeck** which John **Steinbeck** IV and Thom **Steinbeck** have or will have renewal or termination rights."
- 29 At the hearing before me on May 11, 2005, counsel for the defendants stated, for the first time, that the two notices at issue "relate to motion picture rights with respect to a licensee who the, during John **Steinbeck's** lifetime in a foreclosure action, had those rights transferred ... So it is not at all clear to us, first of all, whether there is anything to terminate, because after a bankruptcy during the course of John **Steinbeck's** lifetime it's not at all clear whether anything still exists. It would appear that it may be the motion picture rights at issue are actually derivative works, which would essentially take them out of and have different meanings with respect to the termination provisions." Hr'g Tr. 17 (May 11, 2005). The record before me does not support this contention.
- 30 If this theory is meant to suggest that the terms of the 1983 Settlement Agreement void all of Thom's and Blake's termination rights-that Elaine successfully contracted away the rights of these statutory heirs when she settled litigation with them-it is barred by the plain language of 17 U.S.C. § 304(c)(5) and (d)(1). Any portion of the settlement agreement which limits or extinguishes Thom's and Blake's statutory termination rights is invalidated as a statutorily-prohibited "agreement to the contrary." *See, e.g., Marvel, 310 F.3d at 290-91; Morris, 73 F.Supp.2d at 373-77.*

270 F.Supp.2d 207  
United States District Court,  
D. Puerto Rico.

Maria VENEGAS HERNANDEZ, et al., Plaintiffs,  
v.  
PEER INTERNATIONAL  
CORPORATION, et al., Defendants.

No. CIV. 01–1215(JAF). | June 20, 2003.

Heirs of music composer sued widow and her assignees for copyright infringement. On plaintiffs' motion for partial summary judgment, the District Court, Fuste, J., held that state court judgment, determining that children rather than widow owned copyrights to decedent's musical works, was res judicata on issue of ownership of copyrights, but not on issue of ownership of copyright renewal rights.

Motion granted.

West Headnotes (10)

[1] **Judgment**

🔑 Nature and requisites of former recovery as bar in general

Doctrine of res judicata prohibits claim from being litigated repetitiously outside of normal appeals process and furthers goals of finality and certainty.

[Cases that cite this headnote](#)

[2] **Judgment**

🔑 Conclusiveness in general

Federal courts are required to give same preclusive effect to state court judgments that those judgments would be given in courts of state in which court resides. 28 U.S.C.A. § 1738.

[Cases that cite this headnote](#)

[3] **Judgment**

🔑 Necessity for decision on merits

**Judgment**

🔑 Finality of Determination

**Judgment**

🔑 Necessity in general

**Judgment**

🔑 Parties of Record

Requirements for application of res judicata under Puerto Rico law are: (1) final judgment on merits in earlier action; (2) sufficient identity between parties in suits; and (3) sufficient identity of causes of action in suits.

[Cases that cite this headnote](#)

[4] **Copyrights and Intellectual Property**

🔑 Nature and elements of injury

In order to succeed with copyright infringement case, plaintiff must prove (1) ownership of valid copyright, and (2) unauthorized copying of constituent elements of work that are original.

[Cases that cite this headnote](#)

[5] **Copyrights and Intellectual Property**

🔑 Assignments or Transfers

Ownership of copyright may be transferred by bequest in will. 17 U.S.C.A. § 201.

[Cases that cite this headnote](#)

[6] **Copyrights and Intellectual Property**

🔑 Ownership in general

**Husband and Wife**

🔑 Particular Property or Circumstances of Acquisition

Under Puerto Rico law, intellectual property arising from individual's work is exclusive to him or her, is not joint property, and does not become part of community property.

[Cases that cite this headnote](#)

[7] **Copyrights and Intellectual Property**

🔑 [Right to control disposition or use](#)

In Puerto Rico, intellectual property right is composed of two rights: (1) moral right to attribution of work and to demand and protect integrity of work, and (2) patrimonial right to reproduce and perform work, to create derivative works, and to receive benefits derived from these acts.

[3 Cases that cite this headnote](#)

[8] [Judgment](#)

🔑 [Patents, copyrights and trademarks](#)

State court judgment, determining that children rather than widow owned copyrights to decedent's musical works, was *res judicata* on issue of ownership in subsequent federal infringement action by children against widow.

[Cases that cite this headnote](#)

[9] [Copyrights and Intellectual Property](#)

🔑 [Duration](#)

Copyright renewal term may not be assigned; rather, renewal rights are not vested in anyone until renewal period arrives, at which time they vest in statutorily specified hierarchy of designees. 17 U.S.C.A. § 304.

[3 Cases that cite this headnote](#)

[10] [Copyrights and Intellectual Property](#)

🔑 [Duration](#)

Statutory clause conferring copyright renewal rights upon “widow, widower, or children,” if author is deceased when renewal period arrives, refers to single renewal class which author may not alter by testament. 17 U.S.C.A. § 304.

[Cases that cite this headnote](#)

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**OPINION AND ORDER**

FUSTE, District Judge.

Plaintiffs, María Venegas–Hernández, Rafael Venegas–Hernández, Yeramar Venegas–Velázquez and Guillermo Venegas–Lloveras, Inc., (“Plaintiffs”), bring the present complaint against Defendants Peer, a/k/a Peer International Corporation and/or Southern Music Company; ACEMLA de Puerto Rico, Inc. (“Defendant ACEMLA”); Latin American Music Company (“Defendant LAMCO”); Luis Raúl Bernard (“Defendant Bernard”); José L. Lacomba (“Defendant Lacomba”); Lucy Chávez Butler (“Defendant Chávez Butler”); and unnamed individuals and corporations (collectively “Defendants”). *Docket Document No. 1*. Plaintiffs allege copyright infringement arising under the Copyright Act of 1976, 17 U.S.C. §§ 101–513 (1996 & Supp.2003). Plaintiffs request monetary and injunctive relief, as well as attorney's fees. *Id.*

Plaintiffs move for partial summary judgment based on *res judicata*. *Docket Document No. 33*. Codefendants LAMCO, ACEMLA, Bernard, Chávez Butler, and Lacomba oppose the motion. *Docket Document No. 35*.

**I.**

***Factual and Procedural Synopsis***

Unless otherwise indicated, we have gathered these facts from Plaintiffs' motion for summary judgment and Defendants' \*209 opposition. *Docket Document Nos. 33, 35*.



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Defendant LAMCO is a New York corporation authorized to do business in Puerto Rico. Defendant ACEMLA is a corporation registered with the Puerto Rico Department of State. Both Defendant LAMCO and ACEMLA are engaged in the representation of authors and composers through the registration and protection of their copyrights. Defendant LAMCO and ACEMLA grant licenses to the copyrighted work of their represented composers and authors, and, *inter alia*, demand and collect royalty payments. Defendant Bernard is the president of Defendants LAMCO and ACEMLA.

Composer Guillermo Venegas Lloveras (“decedent”) passed away on July 23, 1993. Defendant Lucy Chávez Butler was married to Guillermo Venegas Lloveras and is Venegas Lloveras' widow. Defendant Chávez Butler is presently married to Defendant Lacomba.

Plaintiffs Rafael Venegas Hernández, María Venegas Hernández, Guillermo Venegas Hernández, and Yaremar Venegas Vázquez are the children and heirs of Guillermo Venegas Lloveras.

On October 20, 1997, Defendant Chávez Butler sued the present plaintiffs in the Superior Court of Arecibo, requesting that the trial court determine her participation in the decedent's estate for the purpose of terminating the community property that existed between Defendant Chávez Butler and Plaintiffs. *Docket Document No. 33, Exh. I*. Plaintiffs answered the complaint, and offered several affirmative defenses, alleging, *inter alia*, that the copyrights of the decedent's songs were not community property according to both local law and the Federal Copyright Act. Plaintiffs also filed a counterclaim alleging that Defendant Chávez Butler had been unlawfully licensing and managing the decedent's copyrights. On September 22, 1999, the Superior Court issued an Opinion, finding that the rights to the decedent's musical work belonged to his children. The court also concluded that it had no jurisdiction over the Plaintiffs' copyright claims. Defendant Chávez Butler appealed the decision, which was affirmed by the Court of Appeals on January 28, 2000.

On February 2, 2001, Plaintiffs filed the present claim requesting injunctive and monetary relief premised on copyright infringement. *Docket Document No. 1*. On March 22, 2002, Plaintiffs filed a motion for summary judgment,

*Docket Document No. 33*, averring that a state court had already determined that Plaintiffs are the rightful owners of Venegas–Lloveras songs, and that we are precluded from revisiting this issue by *res judicata*. Specifically, Plaintiffs assert that the Superior Court decision fully resolved the issue of copyright ownership in this case.

Defendants LAMCO, ACEMLA, Bernard, Chávez Butler, and Lacomba oppose the motion, arguing that the state court specifically declined to determine ownership over the copyright rights because the Federal Copyright Act preempted review. *Docket Document No. 35*. In the alternative, they argue that § 304 of the Copyright Act grants Defendant Chávez Butler an interest in the renewal rights of the decedent's songs, and that this issue was not resolved by the state courts. *Id.*

## II.

### *Motion for Summary Judgment*

The standard for summary judgment is straightforward and well-established. A district court should grant a motion for summary judgment “if the pleadings, depositions, and answers to the interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and \*210 the moving party is entitled to a judgement as a matter of law.” *FED. R. CIV. P. 56(c)*; see *Lipsett v. Univ. of P.R.*, 864 F.2d 881, 894 (1st Cir.1988). A factual dispute is “material” if it “might affect the outcome of the suit under the governing law,” and “genuine” if the evidence is such that “a reasonable jury could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

The burden of establishing the nonexistence of a genuine issue as to a material fact is on the moving party. See *Celotex Corp. v. Catrett*, 477 U.S. 317, 331, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). This burden has two components: (1) an initial burden of production, which shifts to the nonmoving party if satisfied by the moving party; and (2) an ultimate burden of persuasion, which always remains on the moving party. See *id.* In other words, “[t]he party moving for summary judgement, bears the initial burden of

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demonstrating that there are no genuine issues of material fact for trial.” *Hinchey v. NYNEX Corp.*, 144 F.3d 134, 140 (1st Cir.1998). This burden “may be discharged by showing that there is an absence of evidence to support the nonmoving party’s case.” *Celotex*, 477 U.S. at 325, 106 S.Ct. 2548. After such a showing, the “burden shifts to the nonmoving party, with respect to each issue on which he has the burden of proof, to demonstrate that a trier of fact reasonably could find in his favor.” *DeNovellis v. Shalala*, 124 F.3d 298, 306 (1st Cir.1997) (citing *Celotex*, 477 U.S. at 322–25, 106 S.Ct. 2548).

Although the ultimate burden of persuasion remains on the moving party and the court should draw all reasonable inferences in favor of the nonmoving party, the nonmoving party will not defeat a properly supported motion for summary judgment by merely underscoring the “existence of some alleged factual dispute between the parties”; the requirement is that there be a genuine issue of material fact. *Anderson*, 477 U.S. at 247–48, 106 S.Ct. 2505; *Goldman v. First Nat’l Bank of Boston*, 985 F.2d 1113, 1116 (1st Cir.1993). In addition, “factual disputes that are irrelevant or unnecessary will not be counted.” *Anderson*, 477 U.S. at 248, 106 S.Ct. 2505. Under Rule 56(e) of the Federal Rules of Civil Procedure, the non-moving party “may not rest upon the mere allegations or denials of the adverse party’s pleadings, but ... must set forth specific facts showing that there is a genuine issue for trial.” FED. R. CIV. P. 56(e); see also *Anderson*, 477 U.S. at 256, 106 S.Ct. 2505. Summary judgment exists to “pierce the boilerplate of the pleadings,” *Wynne v. Tufts Univ. Sch. of Med.*, 976 F.2d 791, 794 (1st Cir.1992), and “determine whether a trial actually is necessary.” *Vega–Rodriguez v. P.R. Tel. Co.*, 110 F.3d 174, 178 (1st Cir.1997).

### III.

#### *Analysis*

Plaintiffs urge this court to apply *res judicata*, claiming that the state court already found that Plaintiffs own the rights to Guillermo Venegas Lloveras’ songs. *Docket Document No. 33*. Plaintiffs’ position is that the Arecibo courts decided all issues related to Venegas’ copyrights. Defendants counter that the Arecibo Superior Court declared itself without jurisdiction to review the licensing and patrimonial rights

of the parties over the musical compositions created by Guillermo Venegas Lloveras, and that this issue was, therefore, not resolved by the state courts. *Docket Document No. 35*.

[1] [2] [3] The doctrine of *res judicata* prohibits a claim from being litigated repetitiously outside of the normal appeals process \*211 and furthers the goals of finality and certainty. *Futura Dev. Corp. v. Centex Corp.*, 761 F.2d 33, 42 (1st Cir.1985). *Res judicata* generally “binds parties from litigating or relitigating any issue that was or could have been litigated in a prior adjudication and prevents claim splitting.” *Id.* Under 28 U.S.C. § 1738, federal courts are required to give the same preclusive effect to state court judgments that those judgments would be given in the courts of the State in which the court resides. *Id.* Thus, Puerto Rico law determines the application of *res judicata* in the present case. *Id.* For *res judicata* to apply, three requirements must be met: “(1) a final judgment on the merits in an earlier action; (2) a sufficient identity between the parties in the two suits; and (3) a sufficient identity of the causes of action in the two suits.” *Ortiz–Cameron v. Drug Enforcement Admin.*, 139 F.3d 4, 5 (1st Cir.1998) (citing *Porn v. Nat’l Grange Mut. Ins. Co.*, 93 F.3d 31, 34 (1st Cir.1996)); see also *Boateng v. InterAmerican Univ., Inc.*, 210 F.3d 56, 61 (1st Cir.2000).

Defendants do not contest that, for the purposes of *res judicata*, there was a final judgment in the state case. They do not contest that the parties here are identical to those in the state court. However, Defendants question Plaintiffs’ assertion that the state court determined who owns the copyrights at issue here.

#### **A. Copyright Act**

Under the Copyright Act, the owner of a copyright has the exclusive right to, *inter alia*, “do and to authorize” any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending ....

17 U.S.C. § 106.

“[A]nyone who violates any of the exclusive rights of the copyright owner ... is an infringer of the copyright.” 17 U.S.C. § 501(a); see also 17 U.S.C. § 106. Under 17 U.S.C. § 501(b), only “the legal or beneficial owner of an exclusive right under a copyright is entitled ... to institute an action for any infringement of that particular right committed while he or she is an owner of it.”

[4] [5] In order to succeed with a copyright infringement case, the plaintiff must prove “ ‘(1) ownership of a valid copyright, and (2) [unauthorized] copying of constituent elements of the work that are original.’ ” *Saenger Org., Inc. v. Nationwide Ins. Licensing Assoc.*, 119 F.3d 55, 59 (1st Cir.1997) (quoting *Lotus Dev. Corp. v. Borland Int’l, Inc.*, 49 F.3d 807, 813 (1st Cir.1995)). Under 17 U.S.C. § 201, ownership of a copyright may be transferred by bequest in a will.

**B. Res Judicata**

Plaintiffs in this case claim that a previous state case determined who, between Defendant Chávez Butler and Plaintiffs, is the legitimate owner of the rights to the songs authored by the decedent. Plaintiffs read the Superior Court of Arecibo decision as holding that the musical work of the decedent is private and belongs to his heirs. Plaintiffs quote the Superior Court, which found that the “musical work in question belongs to his children, instituted as heirs in the same.” *Docket Document No. 33*. Defendants disagree, and contend that the Superior Court only decided that the musical work was not part of the community property fund. Defendants note that the Arecibo court explicitly found itself without jurisdiction to determine those aspects of the case which fell under the \*212 Copyright Act's purview and, therefore, conclude that the state court did not determine ownership. *Docket Document No. 33*. Defendants point to the Superior Court's discussion of the preemptive effect of the Copyright Act on state law as supporting their conclusion.

In the state declaratory and civil action, Defendant Chávez Butler sued the present plaintiffs, requesting that the trial court determine her participation in the decedent's estate for the purpose of terminating the community property that existed between Defendant Chávez Butler and Plaintiffs.

*Docket Document No. 33, Exh. 1*. Plaintiffs answered the complaint, and offered several affirmative defenses, alleging, *inter alia*, that the copyrights of the decedent's songs were not community property according to both local law and the Federal Copyright Act. Plaintiffs also noted that most of the musical compositions in question were composed before Defendant Chávez Butler's marriage to the decedent and were therefore not community property. *Id.* In addition, Plaintiffs filed a third party claim against present Co-Defendants ACEMLA and Lacomba, asserting that they induced Defendant Chávez Butler to sign an invalid and illegal agreement granting Defendant ACEMLA the rights to the decedent's musical work. Plaintiffs added a counterclaim, averring, *inter alia*, that Defendant Chávez Butler illegally and negligently continued managing, licensing and transferring the rights to the decedent's work.

Defendant Chávez Butler filed a motion to dismiss the counterclaim, protesting that the rights alleged by Plaintiffs were protected by the Federal Copyright Act, and that these claims were, therefore, outside the jurisdictional purview of the state courts.

On September 22, 1999, the Superior Court of Arecibo found that decedent Venegas' musical work was exclusive and that the rights therein fell to his named beneficiaries. However, the court determined that it had no jurisdiction over Plaintiffs' counterclaim contesting Defendant Chávez Butler's alleged improper licensing of the decedent's work. It agreed with Defendant Chávez Butler that the Federal Copyright Act preempted state review.

On appeal to the Circuit Court of Appeals, Defendant Chávez Butler claimed that the Superior Court had erred in finding that decedent Venegas' work was exclusive to the decedent and thus transferable in its entirety by testament. Defendant Chávez insisted that the determination of ownership of the patrimonial right was preempted by the Federal Copyright Act, and that, therefore, the state court had acted outside its jurisdiction. *Id.*

The Puerto Rico Circuit Court of Appeals found that, while federal law exclusively governs the legal or equity rights within the general copyright scope, state law expressly governs the rights of succession of intellectual property. *Id.* Thus, the lower court “had exclusive jurisdiction for the

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validation and execution of testaments in which there exists intellectual property.” *Id.*

[6] Furthermore, under Puerto Rico state law, “all the marriage assets are considered joint property ‘as long as it is not proven that they belong privately to the husband or wife.’ ” *Id.* (citing 31 L.P.R.A. § 3647 (1990) and *Universal Funding Corp. v. Registrador*, 133 D.P.R. 549, 552 (1993)). The appellate court found that

[t]here are assets that by their very personal nature belong exclusively to their holder, even though for their acquisition funds were to have been allotted from the joint capital [,] or the industry, salary or work of one or both of \*213 the spouses was employed. These are so inextricably tied to the immanent qualities of the person, that they could not be properly classified as ‘joint property.’

*Docket Document No. 33, Exh. 1.* “It is known that the author, composer or creator of a work of art, does it based on his capacity, skills and innate personal talent.” *Id.* As such, the intellectual property arising from the individual's work is exclusive to him, is not joint property, and does not become part of the community property. Thus, the court concluded,

[t]he authorship rights over Mr. Guillermo Venegas' musical work is a private asset inherent to his person. What [Defendant Chávez Butler] would be entitled to would be to the fruits generated by the exploitation of said rights during the duration of the marriage. As it well appears in the testament executed by him and in the agreement subscribed by the parties with regard to the division of the inheritance, the musical work in question belongs to his children, instituted as heirs in the same.

*Id.*

Defendants correctly note that the Copyright Act preempts state law in certain respects.<sup>1</sup> In broadly preempting state statutory and common law copyright regulation, Congress sought to enhance predictability and certainty of copyright ownership by establishing a “uniform method for protecting and enforcing certain rights in intellectual property,” *Daboub v. Gibbons*, 42 F.3d 285, 288 (5th Cir.1995). However,

[n]othing in ... [the Copyright Act] annuls or limits any rights or remedies under the common laws or statutes of any State with respect to ... [a work] that does not come within the subject matter of copyright ... [or] activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright.

17 U.S.C. § 301(b).

[7] In Puerto Rico, intellectual property right is composed of two rights: a moral right that protects the link between the author and her work, and a patrimonial right that grants her a monopoly over the exploitation of the work. *Cotto Morales v. Rios*, 140 D.P.R. 604, 613–616 (1996). The patrimonial right is defined as the right to, *inter alia*, reproduce and perform the work, as well as the right to create derivative works, and to receive benefits derived from these acts. *Id.* The moral right protects the right to attribution of the work and the right to demand and protect the integrity of the work. This includes the right to prevent the alteration, truncation, and distortion of the work. *Harguindey Ferrer v. Universidad Interamericana de Puerto Rico*, 148 D.P.R. 13, 29 (1999); *Cotto Morales*, 140 D.P.R. at 620–623.

Defendants claim that the state court expressly refused to determine the patrimonial rights of the parties, and therefore did not determine the actual ownership of the decedent's work. *Docket Document No. 35.* They cite both the Superior and Circuit Court opinions as supporting their contention, noting that both the Superior \*214 and Circuit Court discussed the preemptive effect of the Copyright Act. *Id.* They also indicate that the courts specifically refused to entertain the infringement claims posed by the current Plaintiffs.

[8] Defendants misapprehend the decisions reached by the Puerto Rico state courts. In essence, they erroneously equate the state court's determination of ownership of a copyright with a determination of the parties' patrimonial rights. However, the state case implicated legal rights

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that are not included within the preemptive scope of the Federal Copyright Act, and are in fact reserved to the states. As explained by the Puerto Rico state court, the Federal Copyright Act establishes that a copyright “may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.” 17 U.S.C. § 201(d)(1). State courts have exclusive jurisdiction to probate wills disposing of copyright. 3 Nimmer on Copyright § 12.01 (hereinafter “Nimmer”).

Thus, the state court disposed, as it could under its jurisdiction, of the first prong of a copyright infringement inquiry: the actual ownership of a copyright bequest. The Superior and Circuit courts found that, under state law, the decedent's copyright was not joint property and could therefore be bequeathed in its entirety to his children. *Docket Document No. 33*. However, the courts refused to delve into the second prong of a copyright inquiry, whether there had been an unauthorized use of a copyright under federal law, because it implicated those patrimonial rights preempted by the Copyright Act.

Since the state court appropriately determined the ownership of the copyrights, we find that between the state court case and the case at bar there is the requisite identity of parties, causes, and finality. As such, we are precluded from revisiting the ownership of the copyrights here.

### C. Section 304

Defendants argue that, even if we find that Plaintiffs were devised ownership of the decedent's copyrights, this bequest did not grant them exclusive ownership of the renewal rights over those copyrights. *Docket Document No. 35*.

[9] Copyright term of ownership is bifurcated between an original term and a renewal term. Renewal registration extends the copyright to its maximum length. Under the current provisions, an author may freely assign his interest in the original term. 17 U.S.C. § 201. A renewal term, however, may not be assigned. Copyright renewal rights do not pass under the usual rules of testamentary or intestate succession, but rather under the provisions of § 304 of the Copyright Act.<sup>2</sup> “Until the renewal period arrives, the renewal rights are not vested in anyone,” and “[t]he most anyone can claim is the mere expectancy or contingent interest.” *Capano Music*

*v. Myers*, 605 F.Supp. 692, 695 (S.D.N.Y.1985). When the time for \*215 renewal arrives, the renewal rights vest in specified designees in order of priority as listed in § 304. First, the rights vest in the author if he or she is alive during the renewal period. If the author is not living, the rights vest in the surviving spouse and children. Third, if the author is not survived by a spouse or children, the interests vest in the executor of the author's will. And fourth, in the absence of a will, the rights vest in the authors next of kin. *Id.* at 695.

“The evident purpose of [the renewal provision] is to provide for the family of the author after his death. Since the author cannot assign his family's renewal rights, [it] takes the form of a compulsory bequest of the copyright to the designated persons.” *De Sylva v. Ballentine*, 351 U.S. 570, 582, 76 S.Ct. 974, 100 L.Ed. 1415 (1956); see also *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 651, 63 S.Ct. 773, 87 L.Ed. 1055 (1943) (if at the end of the original copyright period, the author is not living, “his family stand[s] in more need of the only means of subsistence ordinarily left to them.” (citation omitted)). In addition, “unlike real property and other forms of personal property, [a copyright] is by its very nature incapable of accurate monetary evaluation prior to its exploitation.” Nimmer § 9.02. A renewal term permits the author an opportunity to bargain the use of her copyright once the value had been ascertained. “An assignment by an author of his renewal rights made before the original copyright expires is valid against the world, if the author is alive at the commencement of the renewal period.” *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 375, 80 S.Ct. 792, 4 L.Ed.2d 804 (1960). If the author dies before renewal vests, the statutory classes obtain a

[r]enewal copyright free of any claim founded upon an assignment made by the author in his lifetime. These results follow not because the author's assignment is invalid but because he had only an expectancy to assign; and his death, prior to the renewal period, terminates his interest in the renewal which ... vests in the named classes.

*Id.*

Plaintiffs do not claim that the state court decided the issue of copyright renewals. They do not offer evidence that the

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decendent's entire body of work reached the renewal period during his lifetime and could therefore be transferred freely by him through testament. Instead, they suggest that since § 304 is silent as to the distribution between the “widow, widower or children,” we should honor the decedent's wish to exclude Defendant Chávez Butler from copyright ownership. *Docket Document No. 49*. The language of § 304 grants renewal rights to the “widow or children,” they aver, and since Plaintiffs are members of that renewal class, there is no conflict with the purposes of the statute. *Id.* Plaintiffs note that entertaining the issue of copyright renewal would force this court to “fashion from whole cloth a federal law of probate and intestate succession,” which may ultimately upset the settled distribution of the decedent's estate. *Id.*

[10] We first note that, notwithstanding the use of the word “or”, the Supreme Court has found that the phrase “widow, widower or children” designates a single renewal class. In *DeSylva v. Ballentine*, 351 U.S. 570, 76 S.Ct. 974, 100 L.Ed. 1415 (1956), a widow renewed the copyrights in her deceased husband's work. The decedent's illegitimate son sued for his share in the renewal of the decedent's works. The decedent's widow countered that the “widow or widower” had priority over all other claimants in the renewal class. The Supreme Court found that, notwithstanding the use of the word “or,” the author's “widow, widower, or children” is a single \*216 class. *Id.* at 579–580, 76 S.Ct. 974. Consequently, the Court found that the author's illegitimate son was entitled to a share of the renewal term. *Id.* While the Court did not determine the actual apportionment of renewal rights amongst the class members, the case does suggest that the word “or” cannot be read to create unequal interests in different class members. *Id.* In *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir.1975), the Second Circuit reached a similar decision. In *Bartok*, a company paid copyright royalties to the decedent's estate, and the estate paid the royalties to the author's widow pursuant to a will that granted all income from the author's works to his wife for life and to his children after his wife's death. 523 F.2d at 942. The Second Circuit rejected this system and held that, for the remainder of the widow's life, royalties would be paid equally to the widow and the children of the decedent. *Id.*

These cases suggest that “an author cannot deprive his children, whether legitimate or illegitimate, of their renewal entitlement as prescribed in § 304 of the 1976 Act. Thus, under the current state of the law, an author may not allocate

his renewal interests in a way which conflicts with section 304 of the 1976 Act.” Rosenbloum, Michael, *Give Me Liberty and Give Me Death: The Conflict Between Copyright Law and Estates Law*, 4 J. Intell. Prop. L. 163, 197 (1995); see also Nimmer, § 9.04 (discussing renewal rights, and suggesting that “[b]ecause the Act fails to indicate any internal division for what has been established as a single class, it appears more logical to regard all members of the class—widow and children—alike, as equally sharing claimants.”).

Furthermore, Plaintiffs' contention that renewal rights would ultimately disturb the decedent's estate is ultimately inapposite. If the works entered into their renewal period after the death of Mr. Venegas, the renewal rights were never a part of the decedent's estate and never his to bequeath. See *Miller*, 362 U.S. at 375, 80 S.Ct. 792; see also *Abend v. MCA, Inc.*, 863 F.2d 1465, 1473–1476 (9th Cir.1988) (discussing the legislative history of the Copyright Act and the contingent interest created by renewal rights). Thus, what would be disturbed are the Plaintiffs' expectations that the decedent's will granted them a greater right than that which they actually possessed.

The parties unwittingly stumbled upon an unresolved wrinkle in copyright law for which we can find no factually similar precedent. Given the complexity of the issues, and the fact that the issues of copyright renewal arose in Defendants' ancillary arguments against *res judicata*, we simply decide here that the state court did not resolve the issue of copyright renewals and that this issue is not precluded by *res judicata*. Defendants suggest, but do not proffer evidence, that several of the decedent's works have reached their renewal period. Plaintiffs' discussion of § 304 can be read as a preemptive attempt to dispose of the issue before it actually arises. Rather than put the cart before the horse, we will defer the ultimate resolution of this issue until the parties develop evidence that implicates the statute, and fully develop arguments regarding the division of renewal rights within a class.

#### IV.

#### Conclusion

In accordance with the foregoing, we **GRANT** Plaintiffs' motion for partial summary judgment. *Docket Document No.*

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33. We apply *res judicata*, and find that the state court has determined that Plaintiffs are owners of the decedent's copyright. However, because the state court did not review the issue of copyright renewal, \*217 we find that this issue is not precluded by the state court's determination.

**IT IS SO ORDERED.**

**All Citations**

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#### Footnotes

**1** The Copyright Act provides, in relevant part, that:

All legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as defined by [section 106](#) in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103 ... are governed exclusively by this title ... No person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

[17 U.S.C. § 301\(a\)](#).

**2** [17 U.S.C. § 304](#) provides that

[a]ny copyright, the first term of which is subsisting on January 1, 1978, shall endure for 28 years from the date it was originally secured ... In the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work—

- (i) the author of such work, if the author is still living,
- (ii) the widow, widower, or children of the author, if the author is not living,
- (iii) the author's executors, if such author, widow, widower, or children are not living, or
- (iv) the author's next of kin, in the absence of a will of the author,

shall be entitled to a renewal and extension of the copyright in such work for a further term of 67 years.

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