

IP Boot Camp 2006

Copyright Law

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Subjects

- Perspective
- Subject Matter
- Registration
- Duration & Termination
- Notice
- Assignment
- Work Made for Hire
- Exclusive Rights

Subjects

- Enforcement & Remedies
- Defenses
- DMCA
- Current Issues
- Internet Resources

Perspective

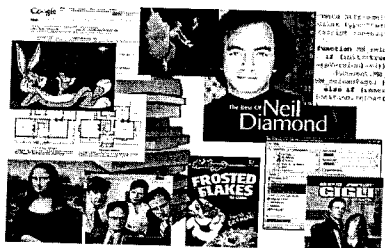
- Constitutional foundation in the U.S.
 - Article I, Section 8, Clause 8
 - "The Congress shall have the power... To promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."
 - Federal gov't has exclusive jurisdiction over copyrights – no such thing as a "common law" copyright anymore

Perspective

- Copyright Act of 1976 effective as of Jan. 1, 1978
- Expressly preempts any state or "common law" copyrights – 17 USC § 301
- Frequently revised based on new technologies and/or lobbying efforts

Subject Matter

- What can be protected by copyright?



Subject Matter

- What cannot be protected by copyright?
 - Facts
 - Databases of factual information
 - Business forms
 - Recipes
 - Ideas
 - Works not recorded or documented
 - Procedures & processes

Subject Matter

- See 17 USC § 102
 - (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
 - (1) literary works;
 - (2) musical works, including any accompanying words;
 - (3) dramatic works, including any accompanying music;
 - (4) pantomimes and choreographic works;
 - (5) pictorial, graphic, and sculptural works;
 - (6) motion pictures and other audiovisual works;
 - (7) sound recordings; and
 - (8) architectural works.
 - (b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Subject Matter

- 17 USC § 103
 - Compilations
 - protected to the extent of creativity in arranging the preexisting works
 - Derivative Works
 - protected to the extent of difference between the original work and the preexisting works

Registration

- Go to: <http://www.copyright.gov/forms/>
- Forms provided with detailed instructions so they may be filed with the US Copyright Office without requiring an attorney
- Costs only \$45 for basic registration
- Special registration forms for serials (newspapers and other periodicals) and groups of items submitted to periodicals

Registration

- Benefits of Registration:
 - Required to file infringement lawsuit
 - Statutory damages (up to \$150,000 per infringed work) available
 - Notice
 - Identification of IP assets

Registration

- New “pre-registration” of certain unpublished works
- Similar to trademark “intent-to-use” applications
- Must be works of type with a history of infringement (music, movies, books, computer programs, video games, advertising photos)
- Only available online; costs \$100
- Provides ability to sue for infringement

Duration

- Under Copyright Act of 1976 (as amended by Sonny Bono Copyright Term Extension Act of 1998)
 - 70 years after the death of the author OR
 - 95 years after publication

Duration

- Best resource to determine duration:
 - http://www.copyright.com/edu/training/Hirtle_Public_Domain.htm
- Renewal automatic for works created on or after Jan. 1, 1978
- Some pre-1978 works still offer renewals for protection of some rights. See 17 USC § 303, 304.

Termination

- Author (or surviving family) gets second chance to license or assign; Doesn't apply to works made for hire
- Five-year window to terminate transfer (license or assignment) upon prior written notice to transferee
 - Notice must be filed with the Copyright Office
 - Notice must come between 2 and 10 years of effective date
- For transfers made pre-1978, see § 304(c)
- For transfers made under 1976 Act, see § 203

Notice

- §§ 401 - 406
 - Use of copyright notice optional
 - Elements of notice:
 - Can use the word, "Copyright", "Copr." or ©
 - Year of first publication
 - Name of the owner
 - Undermines defense of "innocent infringement"
 - Specific requirements and differences for phonorecords published prior to 1988

Assignments and Licensing



Assignment

- Transfer of all rights to third party
- Note that termination right cannot be assigned or licensed away
- Must be in writing and signed by the owner
- Should record with Copyright Office, to establish priority over subsequent transfers
- Can search index of recorded assignments on copyright.gov under Search>Documents
- Any signed document related to copyright may be recorded, including wills and licenses

Work Made for Hire

- Works created by employee for his/her employer or by written agreement creating such
- Similar to assignment: Author gives up all rights to work, but including termination right
- Defined in 17 USC § 101
- Very common issue with small businesses and in creative industries who use independent contractors

Work Made for Hire

- § 101(1)
 - Was an employer-employee relationship created?
 - CCNV v. Reid, 490 U.S. 730 (1989) applied general common law for agency principles with 12 factor test:
 - (1) the skill required; (2) the source of the instrumentalities and tools; (3) the location of the work; (4) the duration of the relationship between the parties; (5) whether the hiring party has the right to assign additional projects to the hired party; (6) the extent of the hired party's discretion over when and how long to work; (7) the method of payment; (8) the hired party's role in hiring and paying assistants; (9) whether the work is part of the regular business of the hiring party; (10) whether the hiring party is in business; (11) the provision of employee benefits; and (12) the tax treatment of the hired party.

Ames v. Fornelli

Work Made for Hire

- § 101(1) - continued
- If employee, then work must be created within the scope of employee's relationship:
 - Was employee employed to perform that type of work?
 - Did work occur during authorized time?
 - Was the employee's work motivated to serve the employer?
 - 11th Circuit case, Sterpetti v. E-Brands Acquisition, 2006 WL 1046949 (M.D. Fla.)
- If both employee and within scope, then the employee can only keep his/her author's rights with writing signed by the employer clearly expressing such

Work Made for Hire

- § 101(2)
 - "ordered or commissioned" work under a "written instrument signed" by the parties that creations to be considered works made for hire
 - Only applies to 9 types of works:
 - a contribution to a collective work
 - a part of a motion picture or other audiovisual work
 - a translation,
 - a supplementary work (defined as notes, foreword, illustrations),
 - a compilation,
 - an instructional text,
 - a test, answer material for a test, or an atlas

Work Made for Hire

- How to draft Contractor Agreement on business side?
- Use both 'work made for hire' and assignment provisions!
- Contractor agrees that, except as expressly provided herein, any computer programs, documentation, or other copyrightable materials developed by Contractor for Company hereunder at any time shall constitute "work made for hire" as that term is defined in Section 101 of the Copyright Act (17 USC §101) and are the sole property of Company.
- Except as expressly provided herein, Contractor hereby assigns to Company all of Contractor's rights, title, and interest in and to all writings, documents, reports, papers, drawings, and other materials, whether completed or in-progress, written, produced, or developed by Contractor related to the scope of services provided by Contractor under this Agreement without regard to time, place, or manner of creation.

Work made for hire

Assignment

Work Made for Hire

- How to draft contractor agreement on contractor side?
- Avoid 'work made for hire' and assignment provisions by merely providing a license!
- If there's no written agreement between the Company and Contractor, Company will probably get an implied, non-exclusive license to use the Contractor's creations limited to the purposes and scope that the contractor created them for.

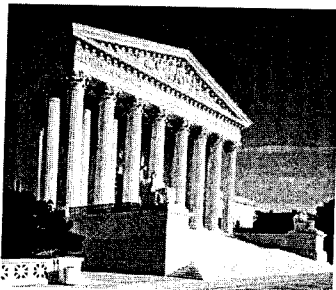
Exclusive Rights

- What is the First Sale Doctrine?
 - Case law and § 109(a) allows consumers to destroy, sell, rent, or otherwise re-distribute the physical copy of a work they rightfully purchased
 - § 109(b) exempts sound recordings and computer programs from rental rights by consumers
 - Mixed authority over application of First Sale Doctrine with computer software based on licensing restrictions in EULA's

Exclusive Rights

- What is a public performance or display?
 - According to § 101 definition, "publicly" means:
 - a place open to the public OR
 - place where a substantial number of persons outside of a normal circle of family and its social acquaintances is gathered

Enforcement & Litigation Issues



Enforcement & Remedies

- Contributory Infringement
 - Party knows about and substantially participates in infringement
- Vicarious Infringement
 - Party profits from and declines to stop infringement
- Intentional Inducement of Infringement
 - Party actively encourages direct infringement

Enforcement & Remedies

- Criminal Offenses - § 506
 - Unlawful acts:
 - Infringement for commercial or personal economic gain
OR
 - Copying or distribution of works > \$1000 value
 - Statute of Limitations: 5 years - § 504(b)
- \$2500 fine for fraudulent use, removal, or tampering of © notice

Defenses

- Fair Use - § 107
 - Factual determination; Every situation is different
 - Allowable purposes:
 - criticism, comment – can include parody
 - news reporting
 - teaching, scholarship and research

Defenses

- Fair Use - § 107 (continued)
 - Factors in considering fair use defense:
 - (1) purpose and character of the use – commercial? nonprofit educational purposes?
 - (2) nature of the copyrighted work?
 - (3) amount and substantiality of the portion in relation to the copyrighted work as a whole – essence of the work used?
 - (4) effect on potential market of the work

Defenses

- Other Fair Use Issues
 - Time-shifting OK from Betamax case
 - Space-shifting not yet ruled OK
- Transformative Use – how much is enough?

Defenses

- Idea/Expression Dichotomy
 - Can't gain exclusivity over the only expression of an idea
 - Based on § 102(b) that ideas, procedures, etc. cannot obtain copyright protection
 - Applies to business forms, short phrases, software menus, and algorithms
 - Now may be able to obtain business method patent for such procedures

Defenses

- Other defenses
 - invalidity of the registration
 - scenes a faire
 - functionality
 - state immunity
 - public domain

DMCA

- Digital Millennium Copyright Act of 1998
 - Part of Copyright Act, but not copyright infringements
 - Title I – Anti-Circumvention
 - 17 USC § 1201
 - Unlawful to circumvent system that protect access to copyrighted materials
 - Also unlawful to manufacture, distribute, and market such circumvention devices or systems
 - Prevents breaking locks that protect access – not copying
 - Has its own civil and criminal remedy provisions

DMCA

- Title II – ISP Safe Harbors
 - Codified in 17 USC § 512
 - Allows Internet Service Providers opportunity to be free from indirect infringement liability by following certain policies and procedures
 - must accept third-party notices of possible infringement to designated agent
 - must be able to “take down” offending materials and terminate abusers
 - certain formalities of correspondence must be followed by complaining party and ISP
