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Intellectual Property Law in Virginia

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INTELLECTUAL PROPERTY LAW IN VIRGINIA

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COPYRIGHTS

2.1 INTRODUCTION

This chapter gives general practitioners an overview of copyright law. Many copyright law issues are not covered in depth. Because copyright law is a specialized practice area, an attorney needing assistance with a copyright law matter should contact an attorney who devotes the majority of his or her time to the practice of intellectual property law. Intellectual property law attorneys can be found through the Virginia State Bar's Intellectual Property Law Section. There are also many regional intellectual property law associations that serve as practice group associations.

Copyright law in the United States is authorized by the United States Constitution.[1] A copyright is a creature of federal statute. The Copyright Act is codified at 17 U.S.C. § 101 et seq. Today, there are no state copyrights.[2] A copyrightable work is an original work of "authorship fixed in a tangible medium of expression."[3] A copyrighted work is not created until it is fixed in such a tangible medium of expression for longer than a "transitory duration."[4]

2.2 WHAT IS A COPYRIGHT?

A copyright represents a bundle of six exclusive rights that affect how the copyrighted work may be used:

1. The right to reproduce;

2. The right to distribute;

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[1] U.S. Const. art. I, § 8, cl. 8.

[2] Before the Copyright Act of 1976 (1976 Act), common law copyrights existed in unpublished works under the laws of various states. Under the Copyright Act of 1909, state common law copyright protection continued in perpetuity until publication of the work. Once the work was published, federal copyright law controlled the copyrighted work. The 1976 Act preempted state copyright laws because both published and unpublished works are now accorded federal copyright protection. However, as with any other intellectual property asset, state laws may control the transfer, license creation, or encumbrance of copyrighted works. *See* 17 U.S.C. § 301.

[3] 17 U.S.C. § 102(a).

[4] 17 U.S.C. § 101.

3. The right to perform;

4. The right to broadcast or display;

5. The right to prepare derivative works[5] based on the copyrighted work; and

6. In the case of sound recordings, the right to perform the works publicly by means of digital audio transmission.[6]

Each right is separable from the group of exclusive rights, and each may be owned by or licensed to different persons or entities. Copyright ownership is separate from ownership of the material object in which the copyrighted work is embodied.[7] For example, mere ownership of a book or a painting does not give the owner of the item the right to make copies of it. Likewise, in the absence of a written agreement, the transfer of any rights in the copyright does not convey property rights in any material embodiment of the copyrighted work.[8]

2.3 CREATION AND OWNERSHIP OF COPYRIGHTED WORKS

2.301 In General. The copyright of a work initially belongs to the author or authors who created that work.[9] In contrast to trademark law, where the identity of a logo designer has no effect on trademark ownership, in copyright law the identity of the creator of a work is the key to accurately determining copyright ownership.

The Copyright Act provides three types of authorship: (i) individual, (ii) joint, and (iii) works made for hire where the employer is considered the author.[10] The Copyright Act provides that copyright in a work of authorship

[5] A derivative work is a new work based on one or more preexisting works in which the work has been recast, transformed, or adapted into a new, original work of authorship. Examples of derivative works include translations, musical arrangements, dramatizations, fictionalizations, movie versions of plays, art reproductions, abridgements, and condensations. The copyright in the new work applies only to the new material or the enhancements to the prior copyrighted work and does not "affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material." 17 U.S.C. § 103.

[6] 17 U.S.C. § 106.

[7] 17 U.S.C. § 202.

[8] *Id.*

[9] 17 U.S.C. § 201.

[10] 17 U.S.C. § 201(a), (b).

generally vests at the outset of creation in the "author" of the work.[11] "Author" is a legal term of art meaning the person who owns the work. After creation, the author may transfer ownership to another, who then acquires the rights and benefits of copyright protection from the author.[12]

2.302 Works Created by Individuals. For works created by individuals not acting within the scope of employment or as a specially commissioned author under 17 U.S.C. § 201(b), the individual is the "author" of the work and the owner of the copyright.

2.303 Joint Works.

A. In General. The authors of a joint work are considered tenants in common and equal co-owners of the copyright in the joint work. The Copyright Act defines a "joint work" as a "work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole."[13] This intention that each contribution be merged as interdependent parts of a unitary whole does not mean that the co-authors must actively collaborate or work together to create a joint work. For example, song lyricists and composers often create works independently of one another and then merge the works into a unitary whole. All joint authors have all the rights that a single copyright owner would have no matter how large or small a contribution they make to the joint work.[14] Each joint author can exercise his or her rights with regard to the jointly owned copyright independent of any other joint author. Any joint author may exploit the copyright in the joint work without permission of the other authors, but absent an agreement to the contrary, each author must account to the other authors for any profits derived from exploitation of the work.[15] The right to exploit includes the right to license the work or any one of the six copyright interests in the work to others. Any joint author may license the jointly owned work at will as long as the joint author is willing to account for profits from these enterprises to the other joint authors. However, a joint author may not grant an exclusive

[11] 17 U.S.C. § 201(a); *see also Golan v. Holder*, 565 U.S. 302, 331 (2012).

[12] 17 U.S.C. § 201(d); *see also Davis v. Meridian Films, Inc.*, 14 Fed. Appx. 178, 182 (4th Cir. 2001). Even though copyright protection arises under federal law, copyright ownership disputes arising from a transfer (or assignment) are governed by state contract law. *Gibraltar, P.R., Inc. v. Otoki Grp., Inc.*, 104 F.3d 616, 619 (4th Cir. 1997) ("ownership does not properly fall under federal law just because the property is a federally-created interest . . . like a copyright").

[13] 17 U.S.C. § 101.

[14] *Community for Creative Non-Violence v. Reid*, 846 F.2d 1485, 1498 (D.C. Cir. 1988), *aff'd*, 490 U.S. 730 (1989).

[15] *Richmond v. Weiner*, 353 F.2d 41, 46 (9th Cir. 1965); *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569, 571 (2d Cir.), *modified on reh'g*, 223 F.2d 252 (2d Cir. 1955).

license to the work, or assign it, without permission of the other authors because doing so would effectively deprive the other owners of their right to exploit the work.[16]

B. Copyrightable Contributions to Joint Works. The federal circuits are split as to whether, in order to qualify as a joint author, one must contribute copyrightable authorship to the work and not merely ideas or other noncopyrightable contributions. At least three circuits (the Second, Seventh, and Ninth Circuits) have espoused the higher standard, requiring that the contributions of each author be independently copyrightable.[17] In *Brown v. Flowers*,[18] the Fourth Circuit applied the requirements of the Second and Ninth Circuits that a plaintiff must allege (i) that he or she controls the work and creates or gives effect to the work, (ii) that both authors had made objective manifestations of their intent to be co-authors to each other and to third parties, and (iii) that the audience appeal of the work was attributable to the contributions of both parties. In *L. Foster Consulting, LLC v. XL Group, Inc.*,[19] the district court noted, in dicta, that "[a]lthough the Fourth Circuit's decision is consistent with the 'copyrightability' requirement, it did not explicitly address the issue."[20] A more general application of the joint work doctrine is found in *Ashton-Tate Corp. v. Ross*,[21] where two programmers, Richard Ross and Randy Wigginton, collaborated to develop a spreadsheet program for Apple Macintosh computers. Ross wrote the "engine," or computational portion of the program, and Wigginton wrote the "user interface" portion of the program. In the course of a "brainstorming" session between the two during development, Ross gave Wigginton a handwritten list of user commands on a sheet of paper, organized into groups of subcommands, that he thought the program should contain. The court subsequently held that a list of words did not constitute an independently copyrightable contribution to a joint work. The list of words represented ideas rather than copyrightable subject matter, and the work was held not to be a joint work.

[16] *See Brownstein v. Lindsay*, 742 F.3d 55, 68, 69 (3d Cir. 2014); *Davis v. Blige*, 505 F.3d 90, 101, 105 n.13 (2d Cir. 2007), *cert. denied*, 555 U.S. 822 (2008).

[17] *Aalmuhammed v. Lee*, 202 F.3d 1227, 1231 (9th Cir. 2000), *following Ashton-Tate Corp. v. Ross*, 916 F.2d 516, 521 (9th Cir. 1990); *see also Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004); *Childress v. Taylor*, 945 F.2d 500 (2d Cir. 1991).

[18] 196 Fed. Appx. 178, 190 (4th Cir. 2006).

[19] Civ. No. 3:11cv800-REP, 2012 U.S. Dist. LEXIS 93979 (E.D. Va. June 1, 2012).

[20] *Id.* at *13.

[21] 916 F.2d 516 (9th Cir. 1990). Several prominent copyright law commentators, most notably Professor Nimmer, have criticized the view that the contributions of each joint author to a joint work must be independently copyrightable; however, the great majority of courts continue to follow the logic of *Ashton-Tate*.

C. Joint Works Developed in a Joint Venture. The same is true of a copyrightable work created during the course of a joint venture, strategic alliance, or teaming arrangement. Unless the joint venture, strategic alliance, or teaming agreement clearly states that one party or the other owns all intellectual property arising from the venture, the parties to the venture are joint authors of any copyrightable work generated by and during the venture and after the dissolution of the venture.[22]

D. Collective Works Are Not Joint Works. A collective work presents a slight variation on the joint work rule. A collective work is a compilation of several works that are or could be individually copyrighted. Examples of a collective work are a periodical, a newspaper, a magazine, a collection of short stories, or an anthology. The contributors maintain copyright ownership in their original works, and the new collective work or compilation, the compiled work, is afforded its own copyright.[23] The owner of the new copyright in the compiled work is presumed to only have the right to reproduce and distribute the individual works as part of the compilation or any revision thereof.[24] The owner of the collective work's rights are limited to the selection and arrangement of the materials collected in the work.[25]

2.304 Works Made for Hire.

A. In General. The "work made for hire" doctrine is a major statutory exception to the fundamental principle that copyright ownership vests in the individual who creates the work. If the work is made for hire, the employer is considered the "author" and, therefore, the copyright owner of the work.

Section 101 of the Copyright Act contains a two-prong definition of a "work made for hire." Works made for hire fall into one of the following two categories:

B. Employee-Created Works. A work prepared by an employee acting within the scope of his or her employment[26] is presumed to be a work made for hire.

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[22] *See Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569, 571 (2d Cir.), *modified on reh'g*, 223 F.2d 252 (2d Cir. 1955).

[23] *See New York Times Co. v. Tasini*, 533 U.S. 483, 488 (2001).

[24] 17 U.S.C. § 201(c).

[25] *See* 17 U.S.C. § 101.

[26] In most situations, an employee-created work will be considered a work made for hire. However, when employees work on projects only tangentially related to the business of the company but outside of their assigned job duties, whether the work qualifies as a work made for hire may be a disputed issue. In these

C. Specially Commissioned Works Falling Under 17 U.S.C. § 101. A specially commissioned work is:

a. A part of a motion picture or other audiovisual work;

b. A translation;

c. A supplementary work;

d. A compilation;

e. An instructional text;

f. A test;

g. Answer material for a test;

h. An atlas; and

i. A contribution to a collective work.[27]

2.305 Works Created by Independent Contractors.

A. In General. Without an agreement to the contrary, most creative collaborations with independent contractors result in joint ownership by all who make copyrightable contributions to the final copyrighted work. The result is different for works solely created by independent contractors. An independent contractor retains ownership of a copyright in the absence of an express agreement to the contrary.[28] If there is a dispute over copyright ownership, without a written agreement the courts will try to ascertain whether the independent contractor is truly a third-party vendor or more like an employee. This analysis will determine the author of the work and the owner of the copyright.

circumstances, the courts will analyze whether an employee created the work on company time, using company equipment, at the company's direction, for a company purpose, using company-obtained information. If the work was not produced under these conditions, it may have been created outside the scope of employment, and the company may not have clear title to the work. In these cases, the company should ask the employee to execute an agreement assigning ownership of all the works of authorship and all intellectual property rights to the company.

[27] 17 U.S.C. § 101.

[28] *Bonner v. Dawson*, Civ. A. No. 5:02CV00065, 2003 U.S. Dist. LEXIS 19069 (W.D. Va. Oct. 14, 2003).