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ATTORNEYS & COUNSELORS AT LAW

How to:
**Conduct Copyright Clearance,
Register Copyrights and
Address Contract Concerns
for Authors**

Presented by GKH Corporate Practice Group
Attorney **Peter J. Kraybill**
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ABOUT PETER

- Head of GKH's Corporate Practice Group advising businesses and business owners with a focus on trademarks, copyrights and licensing
- Lancaster-based partner in GKH
- Teacher of Russian lawyers in American jurisprudence in Moscow, Russia
- PA-licensed attorney
- PSU Dickinson Law grad
- MCC teacher of English in Indonesia
- Reporter for the Lancaster Intelligencer Journal, as Journalism major at EMU



CONTEXT OF COPYRIGHTS

- Federal and state laws protect patents, trademarks and copyrights
- Copyrights are essentially the right to reproduce a creative work
- U.S. Constitution states, as to patents and copyrights, Congress is to “promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

CONTEXT OF COPYRIGHTS

- Copyrights exist as soon as an original work is created in a tangible medium
- U.S. Copyright Office is a division of the Library of Congress located in Washington, DC
- Title 17 of the U.S. Code is the Copyright Act

COPYRIGHT CLEARANCE 5 W's

- **WHO** – typically a publisher
- **WHAT** – checks to ensure no plagiarism (academic standards), and no copyright infringement (unpermitted use of creative work of another)
- **WHEN** – in advance of publication

COPYRIGHT CLEARANCE 5 W's

- **WHY** – to prevent litigation, maintain profits and not risk potentially substantial liabilities/losses (lawsuits, bad PR, withdraw/cancel publication)
- **HOW** – by vetting the author, the author's methods and creative process, the author's sources, obtain author's promises, obtain author's indemnification, review work's text/photos, confirm author is source all material or obtain written permission to use non-author material

INVESTIGATING A COPYRIGHTED WORK

- Is the work copyrightable?
- Who created it, and how was that evidenced or registered?
- How long ago was it created, and has not yet fallen into the public domain?
- What do we want to do with the work – for financial gain or for something involving potential fair use?

INVESTIGATING A COPYRIGHTED WORK

- Can we create our own independent work of authorship that is not derivative of the existing copyrighted work?
- Can we purchase the work or license it?
- If we can purchase or license it, what do we have to serve as evidence to potential accusers alleging copyright infringement?

COPYRIGHT CLEARANCE REALITY CHECK

- If a work is **validly** copyrighted and
- *We want to **use it** (or derivative version of it) for **financial gain***
- But we cannot **satisfactorily answer all** of the prior questions
- Then we should not use the work
- *OR risk copyright infringement allegations (\$\$\$)*

COPYRIGHT CLEARANCE HURDLES

- Finding and communicating with the holder or owner
- Negotiating a license or a purchase
- Defining the terms of payment for a license or purchase
- Evidencing the license or purchase after the fact
- Demonstrating that ongoing uses are (or are arguably not) within the scope of the license terms

COPYRIGHT CLEARANCE POINTERS

- Works generally fall into the public domain if they have been in the market or have been registered with the copyright office for more than 95 years (120 years for company works)
- Search the online records of the U.S. copyright office to obtain the copyright number and author information
- Hire a searcher who is employed by the copyright office (hourly fees)

COPYRIGHT CLEARANCE POINTERS

- Commission a search done by a professional search service (fees per service and scope)
- For a book, contact the publisher. Generally the publisher will have an attorney or a licensing agent who can answer questions and possibly provide written permission by license. If the publisher is not cooperative, seek the approval of the author or owner directly
- Contact a copyright attorney (typically hourly fees)

COPYRIGHT INFRINGEMENT

- Unpermitted use of copyrighted creative work of another (different from plagiarism)
- Governed by Copyright Act, the primary federal law for copyrights
- Burden of proof shifts to the user of the work, if the work has been federally registered and the copyright holder can make a prima facie case that a valid copyright was infringed

COPYRIGHT INFRINGEMENT

- **“Willful infringement” liability \$150,000 damages**
- Further use of the infringed copyrighted work can be enjoined (halted) by the court
- Written license to use the work for the use made?
- Can negotiate settlement in lieu of litigation
- Depending on industry and parties resolved by settlement, litigation, license after the fact)

PROVING COPYRIGHT INFRINGEMENT

- “Copying” is proved based upon access and substantial similarity, to make a prima facie case
- Access is often easy to prove
- Substantial similarity based on facts and circumstances
- Must be a validly copyrighted work

COPYRIGHT INFRINGEMENT ONLINE

- Digital Millennium Copyright Act (DMCA)
- Online Service Provider (OSP) takedown notice (17 USCA 512) of misuse of copyrighted material
- Safe harbor to OSP's limiting liability of the OSP for copyright infringement in the course of storing and transmitting data (no actual knowledge, infringement not reasonably obvious, no financial benefit, compliance with takedown provisions)

CRIMINAL PENALTIES FOR COPYRIGHT INFRINGEMENT

- Reproducing copyrighted work with a retail value of more than \$2,500 can result in imprisonment of up to five years and monetary fines
- Reproducing copyrighted works with a lesser retail value can result in imprisonment of up to not more than one year, and monetary fines
- A second or later offense can result in imprisonment of up to 10 years, and monetary fines

COPYRIGHT FAIR USE DEFENSE

- Fair use is an affirmative defense to copyright infringement allegations.
- Codified at 17 USCA 107, concerning four factors: nature, amount, substantiality, and effect on market
- Only limited areas qualify as fair use (noncommercial, educational purpose, news, parody, satire, criticism, comparative advertising, de minimus use)
- Risking a war of attrition, not paying a royalty fee for ostensible fair use

COPYRIGHT REGISTRATION

- “Best copy” of the work should be sent to the Library of Congress’s Copyright office for federal registration
- Different categories of registration (e.g. for film, scripts, for music, for books, for architectural drawings)
- Use the correct filing form and pay the filing fee (\$35 or \$65 per work)
- Filing a basic claim of copyright evidences ownership and gives rise to right to remedies under statute



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COPYRIGHT REGISTRATION

- Before alleging/suing for copyright infringement, register the work federally
- Copyright.gov E-filing at <http://www.copyright.gov/eco/>
- See Circular 66 for online works frequently published and updated
- It may take months to complete registration, but the effective date is as of filing

COPYRIGHT REGISTRATION ONLINE OR VIA REGULAR MAIL

- Literary ([Form TX](#)) – e.g. book manuscripts
- Visual Arts ([Form VA](#)) – e.g. photographs
- Performing Arts ([Form PA](#)) – e.g. play scripts
- Sound Recordings ([Form SR](#)) – e.g. recorded CD's of music
- See <http://www.copyright.gov/eco/faq.html>
- If you later create a different version or redraft of your work, register again

COPYRIGHT RIGHTS

- Reproduce the work
- Prepare derivative works
- Distribute copies of the work by selling, renting or lending
- Display the work publicly (visual works)
- Perform the work publicly (audio works)

COPYRIGHT RIGHTS

- Individual copyright rights may be divided, and separately transferred/licensed! (17 USCA 201(d))
- Your copyright is presumed valid five years after registration, when the work is registered within five years of publication
- Publication occurs when you provide a copy of your work to someone who is not your publisher, agent or attorney

GIVING NOTICE OF COPYRIGHT

Sample means of giving notice of copyright claim
(even absent registration):

- © 2013 Gibbel Kraybill & Hess LLP
- © 2013 Peter J. Kraybill

REDUNDANCY OF “ALL RIGHTS RESERVED”

- Means that the copyright owner must provide written consent before the work can be used legally, but that is a given in copyright law anyway
- Does not have to appear on a published work to give rise to copyright protection
- Some authors and artists nevertheless use it as a warning to those who may make unauthorized use
- The phrase redundantly establishes awareness of copyright laws and implies a willingness to pursue legal action for violations

COPYRIGHTABILITY

1. **Original work** (e.g. digitization and modeling of a Toyota car did not create "originality")
2. **Of creativity** (very low standard for "creative", but organizing last names by alphabetical order is not sufficiently "creative")
3. **Fixed in a tangible medium**
 - Works in the public domain are not copyrightable

COPYRIGHTABLE WORKS ARE EXPRESSIONS

- Literary
- Musical
- Dramatic
- Choreographic
- Pictorial, Graphic, Sculptural
- Motion Pictures/Audiovisual
- Sound Recordings
- Architectural

NON-COPYRIGHTABLE WORKS

- Public domain
- Facts
- Ideas that are not expressed
- Anything not written down, recorded, or otherwise fixed in a tangible medium of expression
- Utilitarian or functional works

COMPANIES AND COPYRIGHTS

- Does the company own the work?
- Or, has company obtained permissions for all copyrighted materials used?

HOW COMPANIES OWN COPYRIGHTED WORKS

- Commissioning a work, and in the commissioning agreement including a promise of the author to assign the work's copyright to the company
- Having an employee create a work
- Vesting rights to the work by commission, by buyout, by license, by assignment, or by other transfer
- Assignment of copyright by signed transfer recorded with the copyright office (there is no template provided by the Copyright office)



CLAUSE ASSIGNING A COPYRIGHTED WORK

- For good and sufficient consideration, I (the named **author**) the undersigned as of (the date) **hereby assign and transfer** to (the named **transferee**) all my right, title and interest in the **entire copyright** in the United States and anywhere in the world for the **original work** known as (insert the title and definition or description of the work) authored by me, a copy or photograph of which is **attached** hereto, and pursuant to the Copyright **Registration** Number (insert number)
- Notarization by notary public
- A notarized assignment document can be used as prima facie evidence of the transfer of copyright

COMPANY CONCERNS ABOUT COPYRIGHTED WORKS

- Multiple authors/artists/composers --> jointly created works (17 USCA 101 definition)
- Dealing with jointly created works (jointly created works are those intended to be joint at the time the writing is done, not after the fact)
- Apportioning the percentage of royalties in jointly created work
- Terminable license/transfer – or work for hire?



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WORK-FOR-HIRE COPYRIGHTS

- Shop rights
- Commissioned works for hire
- Categories of commissioned works

WORK-FOR-HIRE COPYRIGHTS

- Shop rights –
 - if an employee's **job description** includes
 - **creation of creative work** on behalf of an employer company, then relevant work the employee creates
 - the **company owns** and
 - the **company is** considered the work's "**author**"

WORK-FOR-HIRE COPYRIGHTS

- Commissioned works for hire –
 - if a company **specially commissions the creation** of a **not yet created** creative work
 - by an **independent contractor**, and
 - the type of work is capable of being a "work for hire" in the **limited categories** defined in Copyright act,
 - then the company **owns** the work and
 - the company is considered the work's "**author**"

COMMISSIONING CLAUSE FOR A WORK MADE FOR HIRE

- Any **original work of authorship** (the "Work", as further described in the **Exhibit A** to this Agreement), created by John Smith (the "**Author**") pursuant to this Agreement shall constitute a **work made for hire as defined at 17 USCA 101**. Copyright in said work shall vest in ABC Company (the "**Company**"). Author shall **assign to Company any work arising from this Agreement** that does not qualify as work made for hire. Intending to be **legally bound** hereby, the parties have executed this Agreement as of (date):

TERMINATION OF COPYRIGHT

- Copyright duration has been modified repeatedly by federal law
- For works created on or after January 1, 1978 by a human author, the term is 70 years (ending December 31) after the life of the author
 - example: author writes a novel in 2004, dies in 2070, copyright runs through December 31, 2140
- At the expiration of a copyright's duration, the work falls into the public domain

TERMINATION OF COPYRIGHT

- Author's statutory termination right:
 - special circumstances for post-1978 grants of rights may exist (extremely complex) where an author or the author's successors may terminate both transfers and licenses granted by the author during a five-year window beginning 35 years after the date of execution of the grant of rights (17 USCA 203).
 - Different circumstances for pre-1978 grants of rights.
 - Works for hire are excluded from statutory termination rights of authors, since the company is considered the author (17 USCA 304(c)).

COPYRIGHT LICENSE

- Permission (advisedly in writing) to use a creative work of another for a specific use
- Means of giving notice of copyright licensed permission:
 - "© 2013 Gibbel Kraybill & Hess LLP. Used by permission."
- Typically obtained by phone calls, correspondence, negotiation by phone and letter, payment or exchange of benefit

COPYRIGHT LICENSE

- Most important: does the license come from an authorized holder/owner of the work?
- Also important: does the license in writing cover the intended use of the work?
- Negotiating for more than the single use --> what if your book is reprinted?
- How does the license expire?

AUTHOR'S RIGHTS

- Authors in the U.S. do not have the same level of protection of authors in Europe
- “Moral rights of authors” are a big deal in Europe (integrity, paternity)
- Author retains right to profits arising from the work over time (for works that appreciate in value)

COPYRIGHTS IN WORKS DERIVATIVE TO BOOKS

- Film Treatments
- Television
- Plays
- Articles (other than critical reviews)
- Comic books
- Children's books
- Character merchandise
- Trademarks for fictional characters/brands

PROTECTING YOURSELF AS AN AUTHOR WHEN CONTRACTING

- Representations of fact
- Indemnification scope and duration
- Is it a sale or a license?
- Payment terms on sale or license

PROTECTING YOURSELF AS AN AUTHOR WHEN CONTRACTING

- Duration of license
- When a work goes out of print
- eBook rights - Negotiating with Apple (iBooks), Amazon and BN, and the changing world of self-publishing

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QUESTIONS & ANSWERS