KEAN | MILLER LLP
ATTORNEYS AT LAW

People First

COPYRIGHT: THE BASICS 101

R. Devin Ricci, *Intellectual Property Attorney*

Copyright law protects original works of authorship fixed in a tangible medium. Although the phrase may seem complicated, copyrights are perhaps the most basic and widespread of the intellectual property rights. Copyright law affects our daily lives. However, copyright's effects are most apparent in the way they negatively impact everyday life – as in the reason we can't "pirate" music or movies. At its core, copyright law protects authors and, in doing so, fosters original expression. Copyright owners are provided with a number of exclusive rights to protect their interests and prevent others from copying or profiting from their original expression, both during their lifetime and beyond.

The owner of a copyright has the exclusive right to:

- reproduce the work (i.e., make copies);
- prepare derivative works based upon the work;
- distribute copies of the work to the public by sale or other transfer of ownership, or by rental, lease or lending;
- perform the work publicly; and
- display the work publicly.

It is in this sense that the owner of the copyright in a book (usually the author) has the exclusive right (i) to make copies (reproductions) of the book, (ii) to prepare derivative works of the book such as translations or a movie adapted from the book, or (iii) to sell copies of the book. Likewise, the owner of the copyright in a movie can prevent others from making and selling DVDs of the film, showing the film in theaters or elsewhere regardless of whether the showing was for profit, and transmitting copies online or for rent.

Although copyrights may be the most basic intellectual property right, Congress has amended the Copyright Act numerous times over the past century. Each amendment was in turn followed by numerous and often conflicting interpretations by U.S. courts. For this reason, copyright law is full of nuances and statutory regulations that can sometimes be difficult to understand. This guide presents some of the most common issues in copyright law to educate the reader on his or her potential rights and restrictions under U.S. Copyright Law.

THE BASIC REQUIREMENTS FOR COPYRIGHT PROTECTION

Copyrights are the easiest intellectual property rights to acquire. Whereas trademarks require use in commerce and patents require a long and expensive application process, copyright protection exists as soon as the ink dries. In other words, as soon as the work (i.e., the expression) is fixed in a tangible medium, copyright protection exists. Registering a copyright is beneficial, but the registration does not create the right; rather, it helps to enforce it.

There are two basic requirements for copyright protection: 1) it must be an original expression and 2) it must be fixed in a tangible medium. But what do these requirements really mean?

The Copyright Act of 1976 states that a work is fixed in a tangible medium "when its embodiment in a copy or phonorecord[1], by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." In plain English, you have to give your original expression a physical embodiment to obtain copyright protection. For example, a work is protected by copyright once (i) the ink dries on the piece of paper, (ii) the paint dries on the canvas, (iii) the song is recorded onto a hard drive or another medium, or (iv) the photo or movie is captured on film[2].

So how then can live performances and broadcasts such as football games be copyrighted? Originally, the company would satisfy the fixation requirement by broadcasting the game while simultaneously recording it on VHS, thereby fixing it in a tangible medium[3].

DURATION OF COPYRIGHT

Copyrights are limited to a set term, after which the copyright lapses and the work falls into the public domain free for all to use and copy. The length of a copyright's term depends on the type of author and when the work was created (or published, in some circumstances). Currently, the duration of a copyright lasts 95 years after the author's death, if the author is a human.

In some circumstances the author is a company such as in a true work for hire situation. In that case, the copyright lasts for the shorter of (i) 120 years from creation or (ii) 95 years from first publication. Anonymous writings, or those done under pseudonyms, follow the same terms as companies, with one caveat: once the author becomes known, it lasts 70 years from the author's death.

A copyright's term is governed by the provisions of the Copyright Act in effect when the work was created (or, sometimes published). Therefore, you have to look to the provisions of the Copyright Act in effect at the time the work was created or published to determine if it has fallen into the public domain.

WHO OWNS A COPYRIGHT?

Under copyright law, the person deemed to have created a work is called its "author." The copyright in a work initially vests in the author or authors of the work. Copyright law recognizes three kinds of authorship: (1) sole authorship, (2) joint or co-authorship, and (3) employer authorship via works made for hire.

Sole authorship is the simplest – one person creates the work and owns it in his or her name. Joint authorship occurs when two or more people create a joint work. A "joint work" is defined by the Copyright Act of 1976 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." The general requirements for joint authorship are: (i) a copyrightable work created by (ii) two or more "authors" who each contributed copyrightable materials, with (iii) the intent that their contributions be merged into a unitary work. This is important because the authors of a joint work are co-owners of the copyright in the work. Consent of all co-authors in a copyright is only required to assign the copyright or to grant exclusive licenses. Each co-author may grant a non-exclusive license on his own without the consent of the other co-author(s). The licensing co-author is required to account to the other co-author(s) for any profits received from that license.

1 The Copyright Act is old. Despite its numerous updates, it still uses words like "phonorecords" in its statutes. Think of this term as a catch all for any device that holds recorded sounds, be it a cassette, cd, hard drive for mp3s or another similar device.
2 Note: this is a non-exhaustive list, and there are numerous ways to fix an expression in a tangible medium.
3 Note: today, live performances are protected through the international Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, which extends beyond this basic guide. TRIPS is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulations as applied to nationals of other WTO members.

WORK MADE FOR HIRE

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author and, unless the parties have expressly agreed otherwise in writing, owns all of the rights comprised in the copyright. The term "work made for hire" is over-used and, more often than not, misused. In reality, work made for hire is limited to two scenarios.

The most common work made for hire scenario occurs when the work is created by an employee acting in the course and scope of his or her employment. For example, if a marketing company has one of its graphic designers on staff create a logo on behalf of a client, the company, not the individual designer, is deemed the author of the copyright and owns all rights to it by default. Some courts have expanded the term "employee" beyond that of a statutory employee for a work made for hire by adopting common law agency principles to determine if an employment relationship exists under the specific circumstances at hand.

A second provision in the Copyright Act of 1976 allows for certain types of works to be "made for hire" by non-employees if the parties agree as such in writing before the work is made. These are often thought of as commissioned works made for hire. However, the Copyright Act of 1976 only recognizes nine categories of works that can qualify under this provision[4].

Works made for hire are much more limited than many people think. Companies and customers too often rely on a work being made for hire when it is not. Numerous contracts are written with work made for hire provisions in them that likely can't be enforced. In the example above, the client of the marketing company who paid for the logo would likely not be the author of the logo even if the client signed a "work made for hire" agreement with the marketing company. The client did not employ the graphic designer, and logos do not qualify as one of the nine enumerated works. Therefore, to own the copyright in the logo, the client would need a written assignment from the marketing company.

For more information, see
Copyright 202, Work Made for Hire.

4 The nine enumerated works are a contribution to a collective work, a part of a motion picture or other audiovisual work, a translation, a supplementary work, a compilation, an instructional text, a test, answer material for a test, and an atlas.

ASSIGNMENT

The sale of a work itself does not automatically carry with it the transfer of the copyright in the work. Copyrights can only be transferred via a signed written agreement. By default, an artist who sells his painting retains the exclusive rights to make reproductions of that painting. The buyer may obtain that particular production or copy, but he only obtains a limited license such as to view or show that particular copy of the work. It certainly does not give the buyer the right to make more paintings or other products showing the artwork. If the buyer did want these rights, he would have to obtain them from the artist. For this reason, it is advisable for parties to work out and memorialize any intended transfer of rights in a copyrighted work in a written agreement.

MORAL RIGHTS

In addition to the numerous rights afforded by copyright law, the creator of certain rights may also be entitled to a separate non-monetary set of rights known as "moral rights." These rights protect the personal and reputational attributes of the work's creator, such as the right of attribution – the right to get credit for your work by name.

An author generally retains his moral rights through an assignment or transfer of the copyright in his work. To terminate such rights, they must be expressly waived in writing. To account for this requirement, many copyright assignment agreements specifically call for such a waiver. Numerous artists, particularly in the marketing and advertising fields waive their moral rights, subject to a reservation of their portfolio rights.

THE BENEFITS OF TIMELY REGISTRATION

Registration is no longer a requirement for copyright protection under U.S. Copyright Law, but registration is required to commence an infringement action. Numerous copyright infringement cases are put on hold or even thrown out because the copyright holder has failed to register the work before bringing suit. An early registration of a copyrighted work can avoid these hurdles at a time when quick action might be necessary.

The timing of registration also weighs in on the recovery of damages and attorney fees. A copyright holder can seek actual damages plus profits from the infringer, subject to acceptable deductions. However, if the work is registered prior to the infringing activities, the copyright holder may instead elect to recover statutory damages which can range from $750 to $30,000 per work infringed. These statutory damages can be increased up to $150,000 per work infringed if the infringement is found to be willful. The timely registration also enables the copyright holder to seek attorney fees.

The benefits of registration are not limited to litigation. The owner of a copyrighted work can evoke the assistance of U.S. Customs to prevent the importation of infringing contraband.

FAIR USE

The concept of "fair use" is a widely misunderstood and misused tenant of copyright law. Individuals and companies of all sizes often believe that their potentially infringing actions are excused by the Fair Use Doctrine. However, all too often they are incorrect in their assumptions and have made a potentially costly mistake. The Fair Use Doctrine provides an affirmative defense, which is not the best stance to take when conducting a risk analysis on copyright infringement. The fair use defense takes the position that you infringed a copyright, but that the law provides an excuse for your particular infringement under the specific circumstances of your infringement.

The reality is that the Fair Use Doctrine is a lot more limited than people think. For a more in depth discussion on the applicability of the Fair Use Doctrine, see *Copyright 202: Fair Use*. However, a safe rule of thumb for fair use would be that if the use of another person's material is commercial in nature, it is likely not fair use. If you are not sure if your intended use would be permitted under the Fair Use Doctrine, consult an attorney who can help you analyze the issue.

WEBSITES

We are routinely asked about copyright protection for websites. Websites are capable of copyright protection. To the extent that the layout, coloring, and other non-functional features are original, they can be protected under copyright law. Practically speaking, websites are ever evolving with the display and content changing daily. Therefore, it may be impractical to register all the various changes with the Copyright Office. Some web site creators choose only to register their webpage designs when major overhauls occur; others forego registration entirely. It is recommended that the site is marked as copyrighted as follows:

["© or Copyright"] [owner] [year published].

For example, the marking on this guide would be: © R. Devin Ricci 2016.

For more in-depth information on these and other topics, see the *Copyright 202* series of articles.

CONTACT INFORMATION

For more information on copyrights or other intellectual property matters, please contact:

Kean Miller LLP
225.387.0999 (general)
www.keanmiller.com

R. Devin Ricci
Intellectual Property Attorney
225.389.3713 (direct)
devin.ricci@keanmiller.com

Kean Miller Intellectual Property Team
William L. Caughman, III
James R. Chastain, Jr.
Jessica C. Engler
Tara Montgomery Madison
Russel O. Primeaux
R. Devin Ricci
Lee Vail, P.E., Ph.D.

KEAN MILLER'S TOP TIPS FOR COPYRIGHT

1. You obtain copyright protection in a work simply by creating it. However, to sue for copyright infringement, you must register the work with the Copyright Office. The timing of your registration can greatly impact your rights against a potential infringer.

2. If a work is registered before the alleged infringement, the copyright owner is entitled to actual damages plus any additional profits of the infringer or statutory damages. Statutory damages can range from $750 to $30,000 per work infringed, and can be increased up to $150,000 per work infringed if the infringement is willful. Statutory damages are the reason you may have heard of astronomical awards for downloading and sharing music.

3. Courts often award attorney fees to a plaintiff who registered the work with the Copyright Office before the infringement began. However, judges in a copyright case can award attorney fees to the prevailing party, and some prevailing defendants have been awarded the recovery of their attorney fees.

4. The Copyright Act has been modified numerous times over the past century. When determining if a work is in the public domain, start by looking at the version of the Act when the work was made and when it was first published. Depending on the Act in effect at the time, you may need additional information, such as the death of the author, to determine if it is in the public domain.

5. The Fair Use Doctrine likely does not forgive your intended infringement of another person's copyright. Courts rarely allow the defense to be used when the infringement took place in a commercial endeavor. If it is related to a business, it is likely a commercial endeavor as far as fair use is concerned. This includes the use of another person's images on your website or in advertising and marketing materials without his permission (i.e., a license). In fact, fair use often does not forgive non-commercial uses either.

6. The Work for Hire Doctrine considers the employer or commissioner of a copyrighted work as the author, not the physical creator. But, the doctrine is much narrower than most people believe. Generally, there are only two ways for a work to be a work made for hire: 1) if it is done by an employee (including common law agency employee) in the course and scope of his employment; or 2) if there is a writing beforehand declaring the work to be a work made for hire and the work is one of nine enumerated types under the Copyright Act of 1976.

7. Copyright assignments must be in writing to be effective. They can, but do not have to be, registered with the Copyright Office.

8. Employers who want to own all copyrights in their employees' work product should impart duties onto their employees to create works on the employer's behalf. These duties should be outlined in a standalone written agreement or employment agreement signed by the employee. It should also couple a duty to assign all works made.

9. If multiple people are going to contribute to a work, determine early on who owns what rights, and put it in writing. The default rules for joint authors grant equal rights, subject to a need to account the others for their share of profits.

10. The creator of certain works of art has certain default rights called moral rights, which include the right of attribution to the work he or she created. That said, it is suggested that any continuing rights of the creator, such as portfolio rights, be expressly covered in any assignment or work for hire agreement.