

# PUBLICATION

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## Avoiding Joint Pain: Treatment of Joint Works of Authorship Conditions [Ober|Kaler]

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Copyrightable works of authorship include a broad array of subject matter, from poetry to computer programs, motion pictures to compilations of data. In copyright parlance, the creator of a copyrightable work is its "author," whether poet, computer programmer, film director or principal investigator. Copyright protection subsists from the moment an original work of authorship is fixed in a tangible medium of expression and ownership initially vests in the author, irrespective of whether the author is a natural person or a legal entity (statutory author) employing the persons who create the work within the scope of their employment. A "joint work of authorship" is a work prepared by two or more authors with the intention that their contributions will be merged into inseparable or interdependent parts of a unitary whole. "Inseparable" applies when individual contributions are blended (e.g., computer programs), while "interdependent" refers to works with separable elements (e.g., lyrics and music). While various circumstances can give rise to joint copyright ownership, this article is intended to help the practitioner in the treatment of several painful conditions associated with joint ownership resulting from joint authorship.

Joint authors need not work together or concurrently, but all must intend that their contributions will be merged with another's work to create a unitary whole. This is apparent when a composer and lyricist collaborate. However, a lyricist who writes lyrics with the intention that they will eventually be set to music also has the requisite intent, even if the composer is not yet identified. Once the words are set to music, a joint work of authorship results.

To secure the benefits of joint ownership based on authorship, a putative joint author must contribute *authorship*, and not merely funding (though a financier cannot qualify for joint authorship status, it may have rights under a partnership theory, e.g., where the work is deemed a partnership asset). While it is clear that authorship must be more than *de minimis*, there is ongoing debate about the nature of the authorship required to credit a joint author's contribution. The prevailing view is that a joint author's contribution must be independently copyrightable. The minority view, long championed by Professor Nimmer (this author concurs), is that a contribution of more than *de minimus* authorship should be credited even if not independently copyrightable, if the collaborators intend a joint work. The legislative history of the joint works provision does not mention an "independently copyrightable" requirement, only the intent of the creators to create a unitary work. Nevertheless, the Second and Ninth Circuits have long required that a putative joint author's contribution be "independently copyrightable," while the Seventh Circuit has more recently followed Nimmer's view in *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004).

Joint authors need not make equal contributions. Thus, if two programmers collaborate to write a computer program, each programmer owns an undivided 50% interest in the program, even if one writes 90% of the code and the other only 10%. This is one of the so-called default rules under the U.S. Copyright Act, which applies if no contract or other legal relationship (e.g., employment) exists. The default ownership allocation can be varied by written contract. If the programmers are employees and computer programming is within the scope of their employment, the program would not be a joint work but a work-made-for-hire for their employer, the statutory author and thus copyright owner. However, if the programmers are independent contractors, the rights secured by the hiring party are derived solely from its contract with the programmers. Without a written

contract, or with a contract that does not address copyright ownership, ownership is not conveyed, due to the statute of frauds provision in the U.S. Copyright Act. In that case, the programmers retain copyright, and the hiring party would secure only an implied license to use the computer program under the programmers' copyright, with its rights otherwise circumscribed by the scope of that implied license and the programmers' retention of copyright ownership. Absent an agreement precluding such actions, each programmer is free to use, and to issue non-exclusive licenses permitting third parties to use the joint work, subject only to a duty to account to the other programmer for her pro-rata share of profits. The default rules can be problematic where one joint author grants a non-exclusive "free" license, producing no profits to account to the other joint owners.

The U.S. Copyright Act provides that each co-author owns an undivided interest in the entire work. For example, where lyrics and music are intended to be joined at the time they are created, the lyricist and composer each have an undivided interest in the entire work. When instrumental versions produce revenues (e.g., elevator music), the lyricist is entitled to share in those revenues, just as the composer is entitled to share in revenues derived from the lyrics alone (e.g., print posters).

Consent of all joint owners is required to issue an exclusive license, because it would preclude further issuance of non-exclusive licenses by the joint owners. Another limitation on the issuance of licenses by a joint owner is the prohibition on licenses that would cause the destruction of the copyright. Just what, in a given industry, could be construed as "destroying" a copyright creates opportunities for disputes. For example, if a co-author permits a joint work to be licensed under a Creative Commons license, for no compensation, could that be construed as destroying the value of the copyright? While a joint author is accountable to the other joint authors for their pro-rata share of profits from licensing a joint work, a joint author may assign her *entire* interest without any obligation to share with her co-authors the revenues received in consideration of that assignment. This can lead to some creative deal-making.

One of the exclusive rights controlled by a copyright owner is the right to prepare "derivative works" based on the copyrighted work. If a derivative work satisfies modest originality requirements and does not infringe the underlying work, it is separately copyrightable, and absent an agreement to the contrary, copyright in the new authorship embodied in the derivative work is owned by its author(s). Because each joint author has the right to use the joint work, absent an agreement to the contrary, each may create derivative works based on the joint work without infringing the other joint authors' copyright. A derivative work created by a joint author can cause pain for the other joint authors of the underlying work because, absent intent to create a new joint work, copyright in such a derivative work is owned by its author and not by the owners of the underlying joint work. Creating a derivative work does not divest the joint authors of ownership in the underlying joint work; the derivative work copyright extends only to the new matter added by its author. In the case of our computer programmers, each joint author could create derivative programs based on the joint work, and each would own the copyright in the new matter embodied in such derivative programs, even though ownership of the underlying program would remain with the joint authors. This is a knotty area because of the persistent duty to account to joint authors for exploitation of the joint work. Valuing the underlying joint work for the purpose of allocating revenues from exploitation of a derivative work creates significant opportunity for controversy. The preventative treatment for this painful condition is a collaboration agreement between the joint authors, providing rules governing exploitation of the joint work, including preparation of derivative works, authorship credits and allocation of ownership interests if unequal.

The rights of joint copyright owners under the U.S. Copyright Act are not followed by all countries. Thus, a domestic licensee securing a non-exclusive license from less than all of the joint owners of copyright may rely on U.S. copyright law when exploiting the work in the United States. But if the work is intended for international distribution, consent of all the joint owners is necessary.

Because joint owners are entitled to share in profits derived from exploitation of a joint work, conflicting authorship claims are not uncommon. Several generations of copyright lawyers have counseled clients to avoid the "unintended joint author" problem, by securing copyright assignments (or, in appropriate cases, work-for-hire agreements) when engaging consultants, editors, arrangers, computer programmers, and other contractors that perform supporting roles in the creation of copyrightable works.

The unintended joint author problem has been alleviated to a degree by cases emphasizing the significance of intent of the primary or original author(s) at the time a putative co-author was engaged. One of the leading cases is the "*Rent*" case, *Thomson v. Larson*, 147 F.3d 195 (2d Cir. 1998). Lynn Thomson was engaged by playwright Jonathan Larson, to assist Larson in improving his play *Rent*. Thomson was engaged as a sort of "play doctor" for a fee and billing credit as the play's "Dramaturge." Larson died during the final dress rehearsal, and *Rent* went on to rave reviews. It was widely acknowledged that Thomson's work had improved the play considerably. Thomson sought additional compensation from Larson's heirs, claiming it was what Larson "would have wanted." When her expectations were not met, she sued Larson's estate.

The Court found that Thomson had contributed lyrics and other potentially independently copyrightable work. No written contract assigned copyright to Larson. Elaborating on its prior holding in *Childress v. Taylor*, 945 F.2d 500 (2d Cir. 1991), concerning the importance of each co-author's intention at the time her work was created, the Second Circuit found it significant that Larson "retained and intended to retain at all times, sole decision-making authority as to what went into [*Rent*]." The Court also viewed the manner in which the parties billed or credited themselves as significant indicia of whether the parties intended a co-authorship relationship. Thomson argued that the "Dramaturge" credit on the copyright page of the play's script was significant, and the Court agreed but came to a different conclusion, finding that such billing unequivocally supported its conclusion that no joint authorship was intended by Larson: "every script brought to [Court's] attention says '*Rent*, by Jonathan Larson.'" Quoting *Childress*, the Court cautioned "[c]are must be taken . . . to guard against the risk that a sole author is denied exclusive authorship status simply because another person render[s] some form of assistance."

Thomson argued that, if she was not a joint author of *Rent*, she must be a sole author with "all the rights of a sole author with respect to her own contribution." Because the District Court had not ruled on this issue, the Second Circuit declined to address it. But a variant of this issue was the focus of a 2004 case, *Ulloa v. Universal Music*, 303 F. Supp. 2d 409 (S.D.N.Y. 2004).

In *Ulloa v. Universal Music*, the dispute focused on Jay Z's "Izzo" rap song, which included a counter-melody created and spontaneously sung by the plaintiff, Ms. Ulloa, when she heard an early mix of the recording at Samuel Barnes's recording studio. Ms. Ulloa initially recorded the counter-melody at Mr. Barnes's suggestion for possible use in "Izzo." No terms for the use of her recorded performance or authorship of the counter-melody were discussed, only the possibility of receiving credit as vocalist and appearing on the music video. Ms. Ulloa's recorded vocal performance of the counter-melody was embedded in Jay Z's recording of "Izzo" and commercially released by the defendant record company. The defendant remitted a union scale payment to Ms. Ulloa as session fee for her studio work as a singer, but left unanswered her questions about her copyright ownership, and terms of an agreement to use her performance.

Ms. Ulloa sued, and claimed, among other things, that she was a joint author and owner of "Izzo." Citing *Larsen* and *Childress*, the court granted Universal's Motion for Summary Judgment on this issue because Ms. Ulloa offered no evidence that Jay Z ever intended to share authorship. However, the Court declined to find the separate counter-melody unoriginal as a matter of law and dismissed Universal's argument that Ms. Ulloa's conduct gave rise to an implied license. The Court noted that an implied license will be found only "in single 'narrow' circumstances where one party created a work at the [other's] request and handed it over, intending that [the other] copy and distribute it." Finding no agreement permitting the defendant to use Ms. Ulloa's

recorded performance, no implied license could be construed. The Court further held that even if Ms. Ulloa's conduct created an implied license, the license had been terminated prior to filing the suit, and Ms. Ulloa was entitled to damages for copyright infringement.

*Larson* and *Ulloa* demonstrate that even though creative contributors may be unable to establish intent sufficient to qualify for joint authorship status, without an agreement conveying copyright in the contributed material, or defining the scope of a license, use of contributed material may constitute copyright infringement or at best result in a dispute over the scope of an implied license. The best cure for this painful condition is an agreement addressing intellectual property ownership and/or license terms signed by each creative participant during the development of a work. Had Jay Z simply made a deal with Ms. Ulloa at the time the recording was made, litigation over an unintended joint authorship claim would have been avoided.

In the recent decision *Janky v. Lake County Convention and Visitors Bureau*, 576 F.3d 356 (7th Cir. 2009), authorship credit was a key factor in establishing intent to create a joint work of authorship. Janky was a songwriter who challenged a putative co-author's right to issue a non-exclusive license to the defendant, Visitor's Bureau. Visitor's Bureau maintained that it had properly used the song under a non-exclusive license issued by the song's co-author, Henry Farag. Janky testified that Farag's contributions had accounted for only 10% of the lyrical content of the song. Janky originally filed a copyright application naming Farag as co-author, but later filed another copyright application "correcting" the earlier registration, omitting Farag's name, and listing herself as the sole author. Janky testified that she placed Farag on the original application "as an indication of [her] gratitude . . . and to demonstrate that [she] appreciated every little bit of support." Farag testified that his lyrical changes were significant and that he had also made revisions to the song's melody. The Court concluded that Janky and Farag each intended to create a joint work and that each had contributed independently copyrightable material, noting that "crediting another person as a co-author is strong evidence of intent to create a joint work."

Mary Blige made news in a 2007 case involving the extinguishment of infringement claims based on retroactive licensing by a joint author. In *Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007), the plaintiff alleged that she co-authored a song performed by Mary J. Blige with a third party and sued for copyright infringement. The defendants asserted that the third-party co-author had orally agreed to transfer his ownership rights to one of the defendants before Ms. Blige recorded the song and retroactively transferred his rights in writing after the suit had been filed. The Second Circuit, however, held that this retroactive written transfer from a third-party to a defendant could not extinguish the plaintiff's infringement claims against the defendant because it violates the basic principles of tort and contract law and copyright law policies, and that the written transfer could not ratify the previous unenforceable oral transfer. Although this Second Circuit case demonstrates that a retroactive license from a co-author does not extinguish another co-author's vested claims to copyright infringement, this case does not prevent a co-author from granting prospective licenses that would defeat other co-authors' future claims of copyright infringement, again illustrating the value of a written agreement between co-authors.

Because joint authorship claims typically arise after a work has become successful, and can be costly to defend or settle, it is advisable to secure copyright assignments, or work-for-hire agreement where appropriate, with all participants in the creation of a work of authorship, at the earliest possible time. As between joint authors, a well-crafted collaboration agreement entered into at the outset of the creative process can prevent painful application of the default rules applicable to joint works of authorship under U.S. copyright law.