
COPYRIGHT: WORKS MADE FOR HIRE, JOINT WORKS, AND COMMUNITY PROPERTY

The Copyright Act automatically recognizes the creator of an original work as the owner of the copyright—except in two cases. When a work is made “for hire,” the party for whom the work is written—the author’s employer or a commissioning party—is considered the legal “author” and the original owner of the work. A “work for hire” differs from an irrevocable assignment of the copyright. Unlike a writer who assigns her copyright, the creator of a work for hire never owns any interest in the work. Among other things, this means the creator of a work for hire has no right to terminate an assignment after 35 or 56 years under the inalienable termination right. If the owner of a work for hire never publishes or lets it go out of print, the creator still has no right to use the work.

Given these potentially extreme results, the Copyright Act recognizes “work made for hire” only in two situations: (1) when an employee creates copyrightable work within the course and scope of her employment; or (2) when a creator produces one of nine types of specially ordered or commissioned work *and* both parties agree in writing that the commissioned work is made for hire.

There are some situations where a freelance writer does not need or want to own the copyright in a commissioned work, such as a research

paper, index, forward or afterward to another's work, a compilation of corporate data, or an instruction booklet, and is willing, for the right price, to sign away all copyright interests in the work. But traditional publishers rarely ask book writers or freelance journalists to write works on a for-hire basis, and these writers should resist doing so if they are asked.¹⁶

The second case that raises the question of the "author's" identity is when the work is a "joint work." The Copyright Act defines a joint work as one created by two or more authors with the intention, *at the time the work is created*, that their contributions be merged into inseparable or interdependent parts of a unitary whole. Unless they agree otherwise, the authors of a joint work own equal shares in the copyright, regardless of the amount of their respective contributions. Each owner of a joint work may license nonexclusive rights in the work without the other owner's consent, but she must share the proceeds from licensing the work equally with the other. All owners of a joint work must consent to license exclusive rights in it.

WORK FOR HIRE: DEFINING AN "EMPLOYEE"

If an employee creates copyrightable work in the course of her employment, it is work made for hire owned by the employer. In contrast, an independent contractor is not an employee and initially owns the copyright in any work she creates, whether or not done on assignment. Sometimes the distinction between an employee-employer relationship and an independent contractor-client relationship is not clear. Obviously, a writer earning a salary for working on an employer-defined scheduled and site, and under the control, direction, and supervision of the employer, is an employee. Typically, the employer withholds income and payroll taxes from the employee's paychecks and offers some employee benefits. These perquisites of traditional employment are a fair exchange, in the view of lawmakers, for the copyright in the employee's work product.

At the other end of the spectrum, a freelancer is not an employee if she receives an assignment and writes it in her own space, during hours

¹⁶ Freelance contributors to periodicals might be presented with a work for hire agreement, which is discussed in Chapter 12.

she sets, in exchange for a fee from which tax is not withheld, who is not offered employee benefits, and who is legally free to accept assignments from unrelated parties. Clearly, she owns the copyright in her work product.

Some writers fall somewhere on the spectrum between these clear cases. Consider, for example, a contributing editor to a periodical, who works as a freelancer in her own space, receives no employment benefits, and pays her own taxes. These are clear indicia of an independent contractor. However, at the publisher's behest, she makes a regular submission of the same length on a defined topic that is regularly published for a set fee. In the 1980s, most courts would have ruled that such a writer, working under the direction and supervision and creating the works at the "instance and expense" of the publisher, was an employee. Even after the 1976 Act passed, courts continued to rely on precedent under the 1909 Act and common law that when a commissioning party exercised sufficient control and direction over a project, the writer became an employee for copyright purposes. Fortunately for freelance creators, the courts have since refined the distinction between an employee and an independent contractor. Writers and publishers now have fairly clear and consistent guidance on this question.

In 1989, the Supreme Court comprehensively laid out the relevant factors. In *Community for Creative Non-Violence v. Reid*, an artist was commissioned to create a sculpture for the Community for Creative Non-Violence (CCNV). CCNV's founder, who envisioned a modern Nativity scene with the Holy Family replaced by a homeless couple and infant, conceived the idea. Titled *Third World America*, the tableau was set on a steam grate with a legend reading "and still there is no room at the inn."

The parties did not enter a contract delineating their respective rights and obligations. Reid created the sculpture without charging a fee, receiving payments only to cover expenses. CCNV built the pedestal and gave Reid ideas and some creative direction as the work progressed. After the work was finished, a dispute over copyright ownership arose.

The Supreme Court ruled that whether someone is an "employee" under the Copyright Act depends on the common law of agency, which is primarily concerned with determining when one party's (the employee's) actions should be legally attributed to another party (the employer). Under

the law of agency, a key factor is “the hiring party’s right to control the manner and means by which the product is accomplished.” The Court then listed the other relevant factors:

- The skill required of the creator
- Which party supplies the instrumentalities and tools used to make the work
- The location in which the work is done
- The length of the relationship between the parties
- Whether the hiring party has the right to assign additional projects to the hired party
- The extent of the hired party’s discretion over when and how long to work
- The method of payment
- The hired party’s discretion to hire and pay assistants
- Whether the work is part of the regular business of the hiring party
- Whether the hiring party is in business
- Whether the hiring party offers employee benefits to the creator
- The tax treatment of the hired party

Using these factors, Reid was ruled an independent contractor, and at least a joint owner with CCNV of the copyright to *Third World America*. Later courts have trimmed the list of factors to those that actually indicate whether there is an agency relationship in particular circumstances. These five of the *Reid* factors are considered most important:

- The hiring party’s right to control the manner and means of creation
- The skill required of the hired person
- The provision of employee benefits
- The tax treatment of the hired party
- Whether the hiring party has the right to assign additional projects to the hired party.

Even under this refined test, which most jurisdictions have adopted, the “contributing editor’s” status in our example remains uncertain. To avoid disputes over ownership of the writer’s work product, the parties ought to define their relationship in a written agreement.

WORK FOR HIRE: SPECIALLY COMMISSIONED OR ORDERED WORKS

An independent contractor can create a work for hire, but only if the work meets the necessary definition under the Act. For specially commissioned or ordered works, the parties must: 1. agree in a writing signed by both

that the work is made for hire; and 2. the work must fall into one of the following categories:

A contribution to a collective work, such as a magazine, newspaper, encyclopedia, or anthology.

A contribution used as part of a motion picture or other audiovisual work.

A translation.

A compilation (i.e., a work formed by collecting and assembling pre-existing materials or data).

An instructional text.

A test.

Answer material for a test.

An atlas.

A supplementary work, defined as a work used to supplement another author's work for such purposes as illustrating, explaining, or assisting in the use of the embellished work. Examples include forewords, afterwards, pictorial illustrations, maps, charts, tables, editorial notes, appendixes, and indexes.

A freelance contribution to a collective work such as a magazine or newspaper is one of the nine eligible categories. But even though it is eligible, a freelance contribution cannot be a work for hire unless the parties agree in writing. Therefore, it is crucial that freelance contributors understand the terms to which they agree. Be wary of contract language such as "work-for-hire," "specially commissioned or ordered" work, or work to be done at the "instance and expense" of the publisher. Some courts have ruled that a written agreement creating a work for hire can be entered even after the work has been delivered. This means freelancers should not cash a check with an endorsement saying the payment is for a "work-for-hire" or similar language. Try to clarify the contract terms before starting work, and insist that any check endorsement conform to your understanding of the deal.

If, as an independent contractor, you prepare a specially ordered or commissioned work that is not one of the listed categories, it cannot technically be a work for hire. Similarly, if you create a work that falls into one of the categories, but do so independently of an explicit contract calling it a work for hire, the work cannot be made for hire. Even so, exercise caution in your dealings with commissioning parties. A court will look for ways to make a writer live up to the bargain she struck, so avoid signing an agreement that can reasonably be read to create a work for hire unless you really intend to give up your copyright.

Of course, in some cases, you might be more than willing to agree to create a commissioned work in one of the enumerated categories as a work for hire. If so, remember the consequences of not being the legal author when negotiating your fee. Unless you specifically agree to royalties or secondary use fees, your initial payment will be the only compensation you can expect ever to receive for the work. A basic rule of negotiating for writers is that the more rights in your work the other party wants to own, the more it should have to pay for them. Other negotiating points to consider in a work for hire agreement:

- ⇒ Make sure that only one particular work is included in the contract. Do not include any future or past works created for the commissioning party.
- ⇒ Limit the defined work product by describing specifically its length, medium, intended use, and any other distinguishing factors.
- ⇒ If applicable, reserve the right to make sequels and other supplementary works related to the primary work and to exploit them in other media, such as television or movies.
- ⇒ Consider providing that you will retain the copyright if the commissioning party rejects the work for any reason, unless it has paid the full agreed fee.
- ⇒ If attribution of authorship is important to you, even if another party owns the copyright, ensure that it is included; otherwise, the commissioning party has no obligation to credit you.

JOINT WORKS

The question of joint authorship can arise in various creative relationships—with commissioning parties, freelance editors, book doctors, research assistants, dramaturges, and producers. After the 1989 *CCNV v. Reid* decision restricted commissioning parties' claims to authorship of others' works, some publishers and producers began to assert joint ownership with the creators they had retained. Authors of some great successes have faced claims of joint copyright from such professionals.

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.” Examples of “inseparable parts” of the work are joint contributions to a single novel or painting. Examples of “interdependent parts” are the lyrics and music of a song or the text and artwork in a children’s picture book. Unless they agree otherwise, authors who create a joint work are co-owners of the undivided copyright in the work, meaning that each of them owns all the rights in the work, but shares them equally with the other. Each may freely license nonexclusive rights without the other’s consent, subject only to the obligation to share equally all proceeds from licensing. But neither joint author is able to license *exclusive* rights to the work without the other’s written agreement. The equal ownership of a joint work exists regardless of any difference in amount of the authors’ respective contributions. Joint authorship does not, however, confer joint author status in derivative works based on the joint work.

In recent years courts have elaborated on the stark definition of “joint work” in the Act, giving some guidance to parties who make the mistake of collaborating without clarifying ownership rights before starting work. Chapter 16 explains collaboration agreements.

EACH CONTRIBUTION MUST BE COPYRIGHTABLE: THE CHILDRESS RULE

Clarice Taylor, an actress, wanted to produce and star in a play based on the life of the comedienne “Moms” Mabley. Taylor conducted significant historical research on which to build the play, but because she was not a writer, she hired Alice Childress to use her research and write the play in exchange for a fee. Throughout their short-lived collaboration, they discussed the play and the scenes together, but Childress alone wrote the script, which was never produced. After their collaboration ended, Taylor retained another writer to produce a play about the same subject. Childress claimed the new play infringed her copyright in the first play. Taylor defended her use of Childress’s material by claiming she was a joint owner of the Childress play, and therefore had the right to use it in the second production. Taylor argued that although she did not write any of the first script, her significant research and discussions with the writer were enough of a contribution to entitle her to joint ownership status.

This case raised a fundamental question for courts grappling with joint authorship disputes: must *each* party claiming joint copyright as a coauthor contribute *independently copyrightable* elements to the work. If so,

then collaborators who add extensive ideas and factual research—such as Ms. Taylor—have no share of copyright in the work. If not, then editors, peer reviewers who offer ideas and comments, and research assistants could conceivably claim an equal interest in the primary author's copyright. The Copyright Act does not define an “author,” so it gives the courts no guidance to answer this question.

In 1991, the influential Second Circuit Court of Appeals decided against Taylor. It concluded that the “spirit of copyright” is better served by requiring all joint authors to make copyrightable contributions. Those making noncopyrightable contributions may protect their rights through contract. Under this logic, Taylor could not be a joint author because she had contributed only ideas and research, neither of which are copyrightable. The so-called Childress Rule is the law in most jurisdictions. Collaborators should not misread the Childress Rule, however. Although each joint author's contribution must be copyrightable, courts have ruled overwhelmingly that contributions need not be qualitatively or quantitatively equal to create joint ownership.

THE JOINT AUTHORS' INTENT

The second requirement to create joint authorship is the intent of *each* putative joint author at the time of creation of the contributions to regard themselves as joint authors. All parties must share this intention at the time of creation, although they need not understand the legal effects of joint authorship. An editor, for example, might meet the *Childress* test by contributing significant amounts of copyrightable material to a book, but neither she nor her author is likely to intend a joint author relationship.

In some cases, intent can be inferred from the coauthors' relatively equal contributions to the work (such as a song with lyrics by one person, music by another). When the respective contributions of each are very unbalanced, courts must consider other factors that illuminate the collaborators' intent. The 1998 case of *Thomson v. Larson* involved such an analysis. Thomson was a dramaturge who worked intensively with the playwright Jonathan Larson on revising his book and libretto for the musical *Rent*. Days before the play opened to great critical acclaim and commercial success, Larson died suddenly at age thirty-six. Thomson claimed she had contributed copyrightable material amounting to 9 percent of the work, and as such was entitled to share the copyright equally with Larson's estate.

The Second Circuit agreed with the trial court that Thomson had contributed significant copyrightable elements to the work, but concluded that Larson never intended to share authorship with his dramaturge. The court reviewed four factors to find the parties' intent. First was the contributors' decision-making authority over what changes were made and what was included in the work. Larson alone indisputably had this authority. Second, the parties' billing or credit was another significant, though not decisive, indicator of their intent, and Larson was named as "author" in every listing, Thomson as "dramaturge." The third factor was the parties' agreements, such as licenses, with third parties. Larson had entered several agreements as the sole author of *Rent* with the theater that had hired Thomson to help him. Thomson was not a party to them. Finally, additional testimony and letters showed that Larson steadfastly intended *Rent* to remain entirely his own project. For these reasons, the requisite intent of both collaborators to create a joint work was lacking, and Thomson's joint authorship claim failed. Instead, the court agreed with her fallback position that her contribution of significant (9 percent) copyrightable portions of the finished product entitled her to a corresponding share of the proceeds.¹⁷

Authors should try to avoid the kinds of disputes that led to the lawsuits described here. It is not difficult to do, especially compared to the agonizing costs in time and money of a lawsuit. The right time to protect your rights and interests is as early as possible after your intention to collaborate on a work becomes explicit. Whenever you collaborate, make sure at the appropriate time that you agree on who owns what rights in and control over the work. A collaboration agreement is the way to go; see chapter 16.

COPYRIGHT AND COMMUNITY PROPERTY

Community property laws exist in nine states—Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. While there are variations from state to state, community property laws make both spouses equal owners of property acquired during the marriage (with some exceptions, such as gifts or bequests). If you are or were married and now live or previously lived in one of these nine states, any property you acquired while living in one of these states is probably community property.

¹⁷ The parties eventually settled.

The remaining forty-one states all provide for some form of “equitable distribution” of property acquired during a marriage upon divorce, which could be more or less than 50 percent of any asset awarded to the parties. If you should divorce, the question whether the copyright in works acquired during the marriage are community property or subject to equitable distribution will arise. The issue is complicated by the special nature of copyright ownership and the fact that the Copyright Act preempts conflicting state laws. Can a divorcing author be forced to become a joint copyright owner with the estranged spouse? If so, which of them would control the licensing and management of the work?

A California case, *In re Marriage of Worth*, examined the issue for the first time in 1987, when a husband argued that books he wrote during the marriage were not community property. The court rejected his argument that the federal Copyright Act, which vests copyright in the author (rather than jointly in the author and the author’s spouse), preempts the state’s community property laws. The state appellate court ruled:

Our analysis begins with the general proposition that all property acquired during marriage is community property. Thus, there seems little doubt that any artistic work created during the marriage constitutes community property. . . . Since the copyrights derived from the literary efforts, time and skill of husband during the marriage, such copyrights and related tangible benefits must be considered community property.

Worth left unresolved such questions as who has the right to renew a copyright or terminate a grant of rights once a copyright is designated community property. More recently, in 2000, a federal appeals court resolved those questions in *Rodrigue v. Rodrigue*, when it held that the creator of copyrighted works can maintain all the ownership rights of copyright—that is, control and management of the works—but that the spouse must be awarded the ownership right to receive half of all the economic rewards from the works (including any derivative works). Whether other courts will agree with that court’s analysis remains to be seen. The obvious solution to this uncertainty, analogous to a collaboration agreement, is a pre- or postnuptial agreement that provides for the division of proceeds from, and the ownership and control of, copyrights acquired before and during the marriage.