Managing Joint Authorship and Joint Ownership of Copyrighted Works

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Introduction

An important task of university technology transfer offices is managing certain copyrights that may be owned by a university. Joint authorship and joint ownership of a work creates issues not present when a work has a single author and owner. A copyrighted work may have many contributors, but not all contributors are authors of the work. Determining who the authors are requires a fact-specific analysis of the extent of each contribution and the intent of the contributors. Joint ownership of a work often arises out of joint authorship, but may result from other circumstances as well. In addition, joint ownership creates unique issues in the licensing and transferring of ownership in copyrights. The ability of a technology transfer office to effectively manage copyrights hinges on effectively addressing all of these issues.

Determining Joint Authorship

The first step in addressing issues associated with joint authorship and joint ownership is to determine who the authors of the work are. The Copyright Act of 1976 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."[1] Thus, there are two basic requirements for a contributor to be a joint author within the requirements of the statute. First, his contribution must be one of authorship. Second, the authors must intend to merge their contributions into a unitary whole.

Is the Contribution one of Authorship?

The Supreme Court has defined the author of a work as "the man who really represents, creates, or gives effect to the idea, fancy, or imagination," in other words, the mastermind of the work.[2] There is no requirement that the contributions of joint authors are equal, but each creative contribution must be more than de minimis.[3] Thus, a contributor must add more than merely a word or a line to be a joint author.[4] Yet a valuable contribution is insufficient; the author must also be someone who had artistic control over the creation of the work.[5] For example, almost every person listed in a motion picture's credits gave an important contribution to that movie; however, only the director, producer, screenwriter, etc., would have enough creative control to be considered an author.[6]

Most courts also require that a joint author's contribution be independently copyrightable.[7] Thus, someone who contributes substantial creative ideas to a work cannot be a joint author unless he or she contributes some copyrightable expression. However, a recent case, *Gaiman v. McFarland,*[8] has called this doctrine into question. The court noted that it is possible that each contribution to a joint work may not be independently copyrightable, even though the final product would be copyrightable.[9] "[I]t would be paradoxical if though the result of their joint labors had more than enough originality and creativity to be copyrightable, no one could claim copyright. That would be peeling the onion until it disappeared."[10] Although the holding in *Gaiman* was limited to comic books and motion pictures, the impact it will have on the requirement of an independently copyrightable contribution is unclear. In contrast, authorship of academic papers is determined by conventions of the faculty's discipline. For example, often graduate students who run experiments but do act as authors and do not have any control over the experiments will still be listed as an author on a scholarly publication.[11]

Do the Authors Intend to Merge their Contributions?

As noted above, the U.S. Copyright Act provides that joint authors must intend to merge their contributions "into inseparable or interdependent parts of a unitary whole."[12] It is irrelevant that a contributor considers himself to be a joint author; rather, both contributors must intend for each other to be joint authors.[13] In determining joint intent, it is important to consider who had artistic control over the work and whether there are

objective manifestations of intent.[14, 15] The absence of decision-making authority implies that a contributor was not intended to be an author.[16] A written contract, spelling out whether the contributors are considered to be joint authors, is the best objective manifestation of intent.[17] If there is no written contract, an objective manifestation of intent may be demonstrated through how the contributors bill themselves or how the contributors contract with third parties.[18]

Ultimately, a determination of joint authorship requires a very fact-specific analysis and will turn on the specifics of a particular case. The factors described above should not be rigidly applied,[19] particularly since courts are willing to depart from them when justice so requires.[20]

Determining Joint Ownership

Even more important than determining authorship is determining who actually owns the copyright to a work. Although authorship and ownership often intersect, they are not one in the same.

Who Owns a Copyright?

Ownership of a work initially vests in its author or authors.[21] However, if the work is a work made for hire, the employer or person for whom the work was prepared is considered to be the author, unless the parties have otherwise agreed in a written instrument.[22] Thus, the authors of a work for hire, as the term *author* is commonly used, would not be the authors as the term is defined in the U.S. Copyright Act. A work for hire can fall into one of two categories: (1) "a work prepared by an employee within the scope of his...employment" or (2) "a work specially ordered or commissioned."[23]

Work Prepared by an Employee

The traditional common law of agency is used to determine if a person is an employee acting within the scope of his employment.[24] Whether a hired party is an employee requires the consideration of several factors including:

> the hiring party's right to control the manner and means by which the product is accomplished....the skill required; the source of the instrumentalities and tools; the

> location of the work; the duration 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 role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party.[25]

If these factors weigh against employment, then the relationship is that of an independent contractor. As will be explained later, a work prepared by an independent contractor may still be a work made for hire and not owned by the author if it is a specially commissioned work.

If there is an employment relationship, an employee-prepared work is only a work made for hire if it is created within the scope of employment. To determine if a work was created within the scope of employment, courts will consider if "[i]t is of the kind of work he is employed to perform," if "[i]t occurs substantially within authorized work hours and space," and if "[i]t is actuated, at least in part, by a purpose to serve the employer."[26] A work created by an employee outside of his or her scope of employment does not become the property of his or her employer.[27] As long as the employee does not create the work in accordance with his or her duties, it is irrelevant that it arose out of his or her employment activities or was created during working hours.[28]

Employers and employees are free to contract around these statutory requirements. An employee and employer may contractually agree that the employee owns those works created within the scope of his employment. Often it is the case that universities will have such a provision for its employees. For example, the "North Carolina State University Copyright Use and Ownership Policy" provides that faculty will own nondirected works created without the exceptional use of university resources.[29] Universities should create clear policies concerning copyright ownership and not rely on statutory provisions governing ownership. A clear and unambiguous university copyright policy provides all parties with greater certainty and can prevent expensive and time-consuming litigation that might otherwise occur.

Specially Commissioned Work

Unlike a work prepared by an employee, only certain categories of works are eligible to be a specially commissioned works.[30] Those categories includes a work for use "as a contribution to collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas."[31] Parties must also agree in a written instrument that the work is to be considered a work made for hire.[32]

Technology transfer professionals must carefully consider the work-made-for-hire doctrine. An employer may be the author and owner of a work, rather than the work's actual creator. Additionally, a work created by two or more persons may not be joint work if those creators have the same employer and the work is a work made for hire. Also, in a university, it is not unusual for the university, under the work-for-hire doctrine, to own a copyright jointly with another member of the university community whose work, by university policy, belongs to the author.

When Does Joint Ownership Occur?

Joint ownership and joint authorship are not synonymous. Joint ownership occurs when a copyright is owned in undivided share by more than one person.[33] Joint ownership may occur in many circumstances in addition to joint authorship. *Nimmer on Copyrights* lists six circumstances in which joint ownership may occur: (1) if the work is a product of joint authorship; (2) if the author or copyright proprietor transfers such copyright to more than one person; (3) if the author or copyright proprietor transfers an undivided interest in such copyright to one or more persons, reserving for himself an undivided interest; (4) if upon death of the author or copyright proprietor, such copyright passes by will or intestacy to more than one person; (5) if the renewal rights under the Copyright Act or the terminated rights under the termination of transfers provisions, vest in a class consisting of more than one person; (6) if the work is subject to state community property laws.[34]

Protecting Jointly Owned Works

Copyright ownership provides certain exclusive statutory rights.[35] Copyright owners must be vigilant in ensuring that these rights are protected. Prior to the Copyright Act of 1976, federal copyright protection required the observance of formalities such as registration and notice.[36] The Copyright Act of 1976 no longer requires the observance of these formalities.[37] Nevertheless, owners should register their works and provide copyright notice because following these formalities provides significant benefits to copyright owners.

Registration

Registration of a copyright requires the copyright owner to deliver to the U.S. Copyright Office an application of registration along with the application fee.[38] Registration also generally requires the owner to deposit with the U.S. Copyright Office two copies of the published work.[39] It is important to note that owners of published works are usually required to deposit two copies of the work even if work remains unregistered, and failing to do so may result in a fine.[40]

Registration of a copyright provides significant advantages to its owner. Copyright owners should be careful to register in a timely manner after publication; otherwise some of the following advantages may not accrue. Registration is required before filing an infringement action.[41] However, the owner of a work that does not qualify as a United States work may file an infringement action regardless of whether or not the work is registered.[42]

Registration is also not required before filing an infringement suit if an audiovisual work is first fixed and simultaneously transmitted or before filing an action based upon a violation of moral rights provided by § 406A.[43] Registration is a prerequisite to an award of statutory damages or attorneys' fees.[44] Registration must occur prior to infringement or within three months of publication in order to ensure eligibility to collect statutory damages and attorneys' fees.[45] Registration within five years of publication is prima facie evidence of the validity of the copyright.[46] Additionally, registration is a condition to constructive notice of a recorded document[47] and is required before seeking relief from the United States Custom Service or the International Trade Commission.[48] However, with respect to the registration of copyrighted software, it is sometimes better not to register copyrighted code and to treat it as proprietary information since registration will

make the copyrighted code public.

Notice

There are four principle requirements for proper notice of a copyright for a visually perceptible work that comprise the following: (1) the word *copyright* or its equivalent (e.g., the symbol (c)), (2) the year of the work's first publication, (3) the name of the copyright owner, and (4) fixation of the notice in a location so as to give reasonable notice.[49] The notice requirements for a phonorecord of a sound recording are analogous, but differ slightly. For example, the C in the symbol (c) should be replaced with a P.[50] Notice does not need to be given when a work is not published.[51]

Notice provides a copyright owner with one significant benefit; proper notice defeats an innocent infringement defense used to mitigate damages by an infringer.[52] For this reason alone, copyright owners should take care to provide proper notice.

Licensing and Transferring Jointly Owned Works

Licensing or transferring a copyright can result in profits for its owner or owners, including universities. Technology transfer professionals must be capable of addressing issues associated with licensing and transferring copyrights, including those derived from joint ownership of a copyright.

Unlike a sole owner of a work, joint owners must consider the interests of co-owners. The law prevents a joint owner from acting unilaterally in such a way that would harm the interests of other owners. This limitation is readily apparent in licensing and transferring ownership of copyrights.

Ownership of Jointly Owned Works

In those circumstances where joint authorship and ownership occur, joint authors of a work may agree by contract to the percentage of the work each author is to own.[53] In the absence of a contract, all authors own the work in equal shares regardless of the extent of their individual contributions.[54] When joint ownership does not result from joint

authorship, the ownership share of each owner is usually determined by contract or other document such as a will.

By default, the relationship between joint owners is that of tenancy in common and not joint tenancy.[55] Thus, upon the death of an owner, his or her portion passes to his or her heirs and not to surviving joint owners.[56] The owners of the copyright may however agree by contract that their relationship shall be one of joint tenancy.[57]

Licensing Jointly Owned Works

A joint owner of a copyright does not need to obtain permission from the other owners to make use of the work.[58] Similarly, consent of other owners is generally not required for a joint owner to grant a nonexclusive license to a third party.[59] The corollary of this rule is, of course, that a joint owner cannot grant an exclusive license to a third party without the consent of all other owners.

A joint owner is not free to grant a nonexclusive license if such license would cause destruction to the work.[60] *Nimmer on Copyrights* suggests that destruction would ordinarily only occur in those circumstances where a work can only be used in one medium and if competitive versions of the same work do not ordinarily appear in that medium.[61] This should not cause significant concern to licensors since this an unlikely situation.[62] A more common limitation on licensors is when the joint owners agree that the consent of all joint owners is required prior to granting any license. Such an agreement is valid and applies to joint owners and third-party licensees.[63]

Transferring Ownership Interest in a Copyright

An owner of a copyright has the power to transfer his interest to a third party.[64] A joint owner may not however transfer the interest of another owner, unless the other joint owner consents to the transfer.[65] A transfer of an interest in a copyright must follow statutory requirements for that transfer to be valid. A transfer is only valid if there is a written instrument or memorandum of transfer signed by the transferor.[66] In addition to following the transfer formalities, transferees should be sure to record a document of transfer in the U.S. Copyright Office since failing to record could result in problems if the transferor later attempts to convey the same copyright to another party.[67] In such a sce-

nario, proper recordation serves to ensure that a subsequent transferee will not prevail in an ownership claim over a prior transferee.[68]

Duty to Account

A joint owner has the duty to account to other joint owners for profits reaped from using or licensing the work.[69] Each joint owner is owed a per capita share of the profits.[70] In the case of a license, the licensee has no duty to account to other joint owners.[71] A licensee is only bound to his contractual obligation to the licensor.[72] The situation is reversed when there is a transfer.[73] The transferee assumes the transferor's duty to account to other joint owners for the use of the work. After a transfer, the transferor has no duty to account to other joint owners for profits reaped from the transfer.[74]

Conclusion

Determining joint authorship and joint ownership of a copyrighted work is often a complex task that requires an extensive factual analysis. Yet, the benefits that may accrue from copyright ownership make this task of critical importance to university technology transfer professionals. A university that is a joint owner of a copyright must be sure to adequately protect its interests in the copyright. Universities must also be able to address those issues associated with licensing and transferring joint copyright ownership. The challenges associated with managing joint copyright ownership may in part be addressed by adopting robust university copyright polices and through carefully drafted contractual provisions. Effective contracting may serve to reduce uncertainties and sidestep unfavorable default rules present in copyright law.

Notes

1. 17 U.S.C. § 101 (2006).
2. *Aalmuhammed v. Lee,* 202 F.3d 1227, 1233 (9th Cir. 2000) (quoting *Burrow-Giles Lithographic Co. v. Sarony,* 11 U.S. 53, 61 (1884)).
3. 1 Melville B. Nimmer and David Nimmer, *Nimmer on Copyrights* § 6.07[A][1] (perm. ed., rev. vol. 2007).
4. *Id.*
5. *Aalmuhammed,* 202 F.3d at 1233.

6. *Id.*
7. 1 Nimmer, *supra* note 3, § 6.07[A][3][b].
8. 360 F. 3d 644 (7th Cir. 2004).
9. *Id.* at 659.
10. *Id.* at 658-59.
11. 1 Nimmer, *supra* note 3, § 6.07[A][3][c]
12. 17 U.S.C. § 101 (2006).
13. *Aalmuhammed*, 202 F.3d at 1234.
14. *Id.* The court in *Aalmuhammed* also considered a third factor: whether "the audience appeal of the work turns on both contributions and 'the share of each in its success cannot be appraised.'" *Id.* (quoting *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.,* 140 F.2d 266, 267 (2d Cir. 1944)).
15. Objective manifestations of intent are needed in order to prevent one contributor from defrauding another. *Id.*
16. *See id.* at 1235.
17. *Id.* at 1234.
18. *Id.*
19. See *id.* at 1235.
20. *See, e.g., Gaiman,* 360 F.3d at 658-59.
21. 17 U.S.C. § 201(a) (2006).
22. *Id.* § 201(b).
23. *Id.* § 101.
24. *Cmty. for Creative Non-Violence v. Reid,* 490 U.S. 730, 740-41 (1989).
25. *Id.* at 751-52.
26. 1 Nimmer, *supra* note 3, § 5.03[B][1][b][i].
27. *Id.*
28. *Id.*
29. Copyright Regulation, N.C. State Univ. Reg. § 01.25.03(5.3.1) (2006). The regulation defines directed works as those works "created as a specific requirement of employment or pursuant to an assigned institutional duty." *Id.*
30. 17 U.S.C. § 101 (2006).
31. *Id.*

32. *Id.*
33. 1 *Nimmer, supra* note 3, § 6.01.
34. *Id.*
35. See 17 U.S.C. § 106.
36. 2 *Nimmer, supra* note 3, § 7.01[A].
37. *Id.*
38.. 17 U.S.C. § 408(a).
39. *Id.* § 408(b). Two copies are required for works first published in the United States. Only one copy is required for unpublished works, works first published outside of the United States and a contribution to a collective work. *Id.*
40. *Id.* § 407.
41. *Id.* § 411(a).
42 *Id.*; *see also id.* § 101 (defining "United States work"); Nimmer 7.16[B][1][a][ii] (detailing circumstances where a work is not a "United States work").
43. 17 U.S.C. § 411.
44. *Id.* § 412.
45. *Id.*
46. *Id.* § 410(c).
47. *Id.* § 205(c).
48. 2 *Nimmer, supra* note 3, § 7.16[G].
49. 17 U.S.C. § 401.
50. *Id.* § 402.
51. *Id.*
52. *Id.* §§ 401(d), 402(d).
53. 1 *Nimmer, supra* note 3, § 6.08.
54. *Id.*
55. *Id.* § 6.09.
56. *Id.*
57. *Id.*
58. *Id.* § 6.10[A].
59. *Id.*
60. *Id.* § 6.10[B].

61. *Id.*
62. *Id.*
63. *Id.* § 6.10[C].
64. *Id.* § 6.11.
65. *Id.*
66. 17 U.S.C. § 204(a) (2006).
67. 2 *Nimmer, supra* note 3, § 10.07.
68. *Id.*; see also 17 U.S.C. § 205.
69. 1 *Nimmer, supra* note 3, § 6.12.
70. *Id.*
71. *Id.* § 6.12[B].
72. *Id.*
73. *Id.* § 6.12[C].
7.4 *Id.*