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With the renewed filing in California of a copyright infringement action involving the motion picture, "Rear Window," issues resolved in a 1977 Second Circuit Court of Appeals decision, *Rohauer v. Killiam Shows, Inc.*,[1] may come squarely before the Court of Appeals for the Ninth Circuit in 1986. These issues, affecting distribution rights in derivative works such as motion pictures, have fascinated the copyright bar over the years, and may reach the United States Supreme Court in the likely event of a conflict between the Second and Ninth Circuits.

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Mr. Colby's analyses and opinions are his own and do not necessarily represent the views of the American Bar Association or of the State Bar of California or any of their respective Sections or Committees, or of any other organization with which Mr. Colby is associated.

Parallel citations in the forms most familiar to the intellectual property and copyright bars are provided for greater ease of access to cases and commentators cited. Citations to United States Patent Quarterly, a BNA publication, are shortened to U.S.P.Q. Citations to the Patents, Trademarks and Copyright Journal, a BNA publication, are shortened to P.T.C.J.

1. 551 F.2d 484, 192 U.S.P.Q. 545, 41 COPYRIGHT OFF. BULL. 843 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

In 1981, the Second Circuit, albeit composed of a different bench than that which decided *Rohauer,* seemingly went out of its way, in *Filmvideo Releasing Corp. v. Hastings* (Hopalong Cassidy),[2] to refer to *Rohauer* as an "aberration,"[3] and in 1979 the Ninth Circuit in *Russell v. Price* (Pygmalion)[4] would "express no opinion about the merits of *Rohauer v. Killiam Shows, Inc.* which [the court noted] has been the subject of adverse critical commentary."[5]

In 1985, four Justices of the Supreme Court said, in *Mills Music, Inc. v. Snyder,* that a "narrower interpretation eventually *prevailed,* but not until after passage of the 1976 Act. *See Rohauer v. Killiam Shows, Inc."*[6] This statement by four Justices of the Supreme Court, a sufficient number to grant certiorari, that *Rohauer* eventually prevailed, should give the Ninth Circuit pause before ruling in the present "Rear Window" litigation in reliance on *Russell v. Price.*

In view of this intriguing record, it may well be time to restudy *Rohauer,* not only in the setting of its own history in the courts, and in relation to the 1909 and 1976 Copyright Acts,[7] but also in anticipation of decision in the new "Rear Window" litigation, *Abend v. MCA Inc. (Abend II).*[8]

It is this writer's conclusion that the judgment in *Rohauer* was cor-

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2. 668 F.2d 91, 218 U.S.P.Q. 750, COPYRIGHT L. DEC. (CCH) ¶ 25,339 (2d Cir. 1981).

3. *Id.* at 93.

4. 612 F.2d 1123, 205 U.S.P.Q. 206, 43 COPYRIGHT OFF. BULL. 768, COPYRIGHT L. DEC. (CCH) ¶ 25,125 (9th Cir. 1979), *cert. denied,* 446 U.S. 952 (1980).

5. *Id.* at 1126 n.10 (citing M. NIMMER, 1 NIMMER ON COPYRIGHT § 3.07[A] at 3-25 to 3-32 (1979)) (citation omitted).

6. Mills Music, Inc. v. Snyder, 105 S. Ct. 638, 655 n.7 (White J., dissenting) (citation omitted) (emphasis added). The 5-4 majority opinion by Justice Stevens does not mention *Rohauer. See infra* note 27.

7. The 1909 Copyright Act, Pub. L. No. 349, 35 Stat. 1075 (1909) (formerly codified at and hereinafter referred to as the 1909 Copyright Act, 17 U.S.C. §§ 1-216). The 1976 Copyright Act, Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified at 17 U.S.C. §§ 101-810 (1982)) (amending 17 U.S.C. §§ 1-216, the 1909 Act), *amended by* the Record Rental Amendment of 1984, Pub. L. No. 98-450, 98 Stat. 1727 (Oct. 4, 1984), 28 P.T.C.J. 587, 627, 667, COPYRIGHT L. REP. (CCH) ¶¶ 10,066-68. *See* N. BOORSTYN, COPYRIGHT LAW § 5:18A, App. A:1 at 180-81 (1981 & Supp. 1985); M. NIMMER, 2 NIMMER ON COPYRIGHT §§ 8.04[H] at 8-77 to 8-78.1, 8.12[B]at 8-120, 8-130.1 to 8-130.5 (1985). Title 17 was also amended November 8, 1984 by the Semiconductor Chip Protection Act of 1984, Pub. L. No. 98-620, 98 Stat. 3347, 28 P.T.C.J. 680-83, 29 P.T.C.J. 37-38, COPYRIGHT L. REP. (CCH) ¶¶ 10,635-48 (1984) (the amendment added sections 901-914 as Chapter 9 to Title 17). *See* N. BOORSTYN, I COPYRIGHT L. J. 74-79, 95, 112-14, 141-42 (1984-85); N. BOORSTYN, II COPYRIGHT L.J. 11-12 (1985-86); N. BOORSTYN, COPYRIGHT LAW § 2:30, App. A:1 at 182-90, App. A:2 at 229-49 (Supp. 1985); M. NIMMER, 3 NIMMER ON COPYRIGHT § 18 (1985); M. NIMMER, 4 NIMMER ON COPYRIGHT, Apps. 30, 31 (1985). *See also* THE SEMICONDUCTOR CHIP PROTECTION ACT OF 1984 (Law & Business, Inc./Harcourt Brace Jovanovich 1984) (compilation of Legislative Materials, with Speaker Outlines).

8. *Abend II* is the 1984 action entitled Sheldon Abend, doing business as Authors Research Company v. MCA Inc., Universal Film Exchanges, Inc., James Stewart, Patricia Hitchcock O'Connell and Samuel Taylor, as Co-Trustees of the Second (Residuary) Trust under the Last Will of Alfred J. Hitchcock, deceased, No. 84-2483 AAH (C.D. Cal. filed April 10, 1984).

rect and fully consistent with copyright theory and, rather than having been an aberration, was a reconfirmation of copyright in derivative works, reflecting a proper and fair use[9] of the underlying literary work on which the derivative work is based, both under section 7 of the 1909 Act and the more specific provisions of section 304(c)(6)(A) of the 1976 Act as analyzed by Judge Friendly in *Rohauer,* in determining the intent of Congress when it passed the 1909 Act.[10]

These issues can seriously affect rights in all derivative works—sound recordings of old standards, stage plays based on novels, motion pictures based on books and plays. Familiar motion pictures whose copyright histories present fact patterns similar to those at issue in *Rohauer* and *Abend II* include "George Washington Slept Here," "Gone With The Wind," "The Man Who Came To Dinner," "The Night Has A Thousand Eyes," "A Place In The Sun," "Thanks For The Memory," "You Can't Take It With You."

THE *ROHAUER* CASE

Rohauer held that the copyright owner of a motion picture derivative work made prior to 1978 could, under the 1909 Act, continue to distribute that motion picture during the renewal term of the underlying work on which the motion picture was based, notwithstanding the death of the author of the underlying literary work during the original term of copyright of the underlying literary work.[11]

In *Rohauer,* a silent motion picture entitled "The Son of the Sheik," based on a novel entitled *The Sons of the Sheik* by Edith M. Hull and starring Rudolph Valentino, was produced and released for exhibition in the United States in 1926. Copyright in the motion picture was timely renewed and ultimately assigned to defendant Killiam Shows, Inc. Mrs. Hull died in 1943, during the original 28 year copyright term of her novel. Copyright in the novel was timely renewed in 1952 by Mrs. Hull's daughter, Cecil W. Hull, co-plaintiff in the action by Raymond Rohauer against Killiam Shows, Inc. and

9. See discussion of Fair Use *infra* notes 105-11 and accompanying text.

10. 551 F.2d at 486, 493, 494.

> A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.

The 1976 Copyright Act, 17 U.S.C. § 304(c)(6)(A).

11. 551 F.2d at 485-86, 494.

others. Rohauer claimed as assignee for $1,250 of the motion picture rights owned by Cecil W. Hull, then owner of the renewal copyright in her mother's novel.

The original 1925 grant of motion picture rights by Mrs. Hull to defendant's predecessor obligated the seller "to renew or procure the renewal of the copyrights" in the novel and thereupon to assign to the purchaser the motion picture rights, including the right to "vend, exhibit, exploit and otherwise" distribute the motion picture.[12] The *Rohauer* court noted that this clause demonstrated the "intention of the parties . . . that the Purchaser should be entitled to the motion picture rights both for the original and for any renewal term."[13]

In 1971 "The Son of the Sheik" was shown on television station WNET, which was owned by defendant Educational Broadcasting Corporation operating Channel 13 in the New York City metropolitan area. The videotape required for the exhibition was made from a print of the motion picture. Neither the making of the videotape nor the broadcast of the motion picture had been licensed by Rohauer or by Hull. Station WNET had received a license from Killiam.

Suit ensued. The district court, in a decision reversed in 1977 by the Second Circuit, held in the circumstances of the case that all rights of defendants to authorize the exhibition of the motion picture ended on May 14, 1953, the last day of the original copyright term of the novel, because Mrs. Hull had died in 1943, during that original copyright term, prior to the start of the copyright renewal term, of the novel.[14]

On appeal to the Second Circuit, the Killiam defendants acknowledged that no new motion picture versions of the novel could lawfully have been made during the copyright renewal term of the novel without plaintiffs' consent. However, they argued that they were entitled to renew the copyright in the motion picture (in 1954) and could continue to authorize its exhibition during the then 28 year renewal term of the novel (1953-81).[15]

The Second Circuit agreed with the defendants and reversed the district court. Judge Friendly noted that the appeal raised "a question of copyright law of first impression."[16] As a key step to decision in *Rohauer,* Judge Friendly referred to his quandary: "A court must grope to ascertain what would have been the thought of the 1909 Congress on an issue about which it almost certainly never thought

12. *Id.* at 486.

13. *Id.* at 486 n.2.

14. 379 F. Supp. 723, 183 U.S.P.Q. 592, 39 COPYRIGHT OFF. BULL. 665 (S.D.N.Y. 1974).

15. 551 F.2d at 487.

16. *Id.* at 485.

at all."[17] The right to continue to distribute the motion picture, the court reasoned, was "more in keeping with the letter and purposes of the statute as best we can discern them."[18] This issue, involving valuable distribution rights in derivative works such as motion pictures, may have another day in court in the "Rear Window" litigation, *Abend II,* now before a federal district court in California.

THE "REAR WINDOW" LITIGATION (*ABEND II*)

Before discussing the opinion in *Rohauer,* the parallel fact situation in the present "Rear Window" litigation, *Abend II,* should be noted. Filed in April of 1984, the *Abend* Complaint and Answers indicate that the motion picture "Rear Window," starring James Stewart and Grace Kelly, was based on a story by Cornell Woolrich published in December of 1941 or in early January of 1942 in *Dime Detective Magazine.* The motion picture was produced and first released for exhibition in 1954. Its copyright was renewed in 1982.

Cornell Woolrich died in 1968. A copyright renewal certificate for the Woolrich story was issued by the Register of Copyrights to Chase Manhattan Bank as executor of the Woolrich estate on December 29, 1969. This date becomes critical, and may be fatal to Abend's claim, as the actual publication date of the January 1942 issue of *Dime Detective Magazine* may have been several days or weeks more than 28 years prior to December 28, 1969. If so, the failure of Chase Manhattan Bank to have timely registered the claim for copyright renewal in the Woolrich story "within one year prior to the expiration of the original term of the copyright" may have thrown the story into the public domain.[19]

Abend is the assignee of Chase Manhattan Bank. Defendant MCA Inc. is the ultimate assignee of B. G. DeSylva Productions, Inc., to whom Cornell Woolrich in 1945 had assigned the right to make and distribute a motion picture based on the Woolrich story. Woolrich had agreed to renew or procure the renewal of the copyright in the story, and to assign to DeSylva and its successors and assigns, for the copyright renewal term in the story, the same rights conveyed by the 1945 motion picture contract.

In 1983, MCA, through defendant Universal Film Exchanges, Inc.,

17. *Id.* at 486.
18. *Id.*
19. The 1909 Copyright Act, 17 U.S.C. § 24.

rereleased "Rear Window" theatrically in the United States. This action followed.

Interestingly enough, a similar action had been filed by plaintiff Abend in 1974 in federal court in New York, arising out of the broadcast of "Rear Window" on the ABC television network.[20] That suit was settled in 1976. In defendants' third affirmative defense in the current case, the assertion is made that plaintiff is barred by the doctrine of estoppel from obtaining any relief sought in the present California action.[21]

In *Abend II,* the present California litigation, defendants have raised other interesting affirmative defenses, including the First Amendment;[22] the "original and independent property" rule enunci-

20. Abend v. American Broadcasting Company [*Abend I*] No. 74 Civ. 2336 (S.D.N.Y. filed May 30, 1974). *See* Amicus Curiae Brief of United Artists Corporation at 25, Rohauer v. Killiam Shows, Inc., 551 F.2d 484 (2d Cir.), *cert. denied,* 431 U.S. 949 (1977).

21. Defendants' Answers, Third Affirmative Defense, Abend v. MCA Inc., No. 84-2483 AAH (C.D. Cal. filed June 21, 1984).

22. *See generally* Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?* 17 UCLA L. REV. 1180 (1970); M. NIMMER, NIMMER ON FREEDOM OF SPEECH § 2.05[C] (1984); M. NIMMER, 1 NIMMER ON COPYRIGHT § 1.10 (1985).

For a recent decision holding that a copyright term extension statute is unconstitutional as violating the Establishment Clause of the First Amendment, see United Christian Scientists v. Christian Science Board of Directors, The First Church of Christ, Scientist, 616 F. Supp. 476, 480-81, 227 U.S.P.Q. 40, 44, COPYRIGHT L. DEC. (CCH) ¶ 25,830 at 19,773 (D.D.C. 1985). The statute entailed excessive "judicial engagement . . . to determine . . . whether Mary Baker Eddy purported to write *ex cathedra* as the divinely inspired prophet of a new faith, or in some less exalted capacity, merely to decide whether they are within or without the copyright . . . ." *Id.* at 481. In the decision, the district court held unconstitutional Private Law 92-60 (92d Cong.) of December 15, 1971, which had extended the Mary Baker Eddy 1906 copyright on her book *Science and Health With Key to the Scriptures* for 75 years from December 15, 1971 until December 14, 2046. An appeal to the District of Columbia Court of Appeals is pending. *See* Colby, *Helen Sousa Abert, Mary Baker Eddy and Otto Harbach—The Road to a Copyright Term of Life Plus Fifty Years,* 6 Communications and the Law, No. 3, June 1984, at 3, 12-17, *cited in* A. LATMAN, R. GORMAN & J. GINSBURG, COPYRIGHT FOR THE EIGHTIES 205 (2d ed. 1985). *See also* 1984 Register of Copyrights Annual Report at 9.

In another fascinating case, contrasting sharply with *United Christian Scientists,* a district court in California signed a preliminary injunction restraining defendants, who had "stolen" (according to the court) certain Church of Scientology religious materials in Denmark, from "using, distributing, exhibiting or in any manner publicly revealing any and all originals, copies . . . variations or altered versions of [certain specified] confidential religious scriptures . . . or the contents thereof." *See* Religious Technology Center v. Wollersheim, 228 U.S.P.Q. 534, 536 (C.D. Cal. Nov. 23, 1985) (appeal pending in the Court of Appeals for the Ninth Circuit).

The court's order was issued on the basis that plaintiffs would otherwise suffer irreparable harm from the loss of *trade secrets* in connection with its confidential religious documents. The court stated that it was "not required to finally decide whether the documents are *sacred scriptures . . . or trade secrets." Id.* (emphasis added).

Finding that the documents are *more akin to methodology than to doctrine,* the court reserved judgment on that aspect of the matter until trial. Although not articulated by the court, under section 102(b) of the 1976 Act, copyright protection does not

ated in the *Rohauer* case;[23] the absence of a separate copyright notice for a magazine contribution;[24] and, a defense of particular and considerable moment, fair use.[25]

TERMINATION UNDER THE 1976 ACT

It may also be helpful to the discussion to indicate at this point the connection between distribution rights in a motion picture derivative work during the first 28 years of the copyright renewal term in an underlying work such as the Hull novel or the Woolrich story, and motion picture distribution rights during the additional 19 years by which the 28 year copyright renewal term has been extended by the 1976 Act.[26]

If the author of the underlying work or, if the author has died, the author's statutory successor timely terminates the author's grant,

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extend to a "method of operation." 17 U.S.C. § 102(b). Moreover, the court did not observe the similarity of the "trade secrets" cause of action to one sounding in copyright, nor did the court refer to the potential unconstitutionality of an order that might be in violation of the Establishment Clause of the First Amendment.

The court's findings conclude that this case is a "stolen documents case and [that] the theft appears to have been as much for economic as for doctrinal reasons." Religious Technology Center v. Wollersheim, 228 U.S.P.Q. 534, 537 (C.D. Cal. filed Nov. 23, 1985).

23. The characterization "original and independent property" is that of defendants' Second Affirmative Defense which reads in full as follows:

SECOND AFFIRMATIVE DEFENSE

> 19. The REAR WINDOW motion picture released in 1954 is a derivative work made under the authority of the author and purported copyright owner of the underlying literary work, which owner imposed no limitation regarding the time during which the motion picture might be exploited. Under the provisions of the Copyright Act of 1909 and the judicial interpretation thereof, including *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977), the 1954 REAR WINDOW motion picture is an original and independent property. In light of the equities of the parties and the circumstances in the case, the purported owner of the renewal term copyright in the Woolrich story variously known as "It Had To Be Murder" or "Rear Window" may not obtain any relief or remedy with respect to the further distribution or other commercial exploitation of the 1954 REAR WINDOW motion picture.

Abend v. MCA Inc. No. 84-2483 AAH (C.D. Cal. June 21, 1984).

24. *Contra* Goodis v. United Artists Television, Inc., 425 F.2d 397, 165 U.S.P.Q. 3, 37 COPYRIGHT OFF. BULL. 262 (2d Cir. 1970). See section 404(a) of the 1976 Act for the law since 1978.

25. See discussion of Fair Use *infra* notes 105-11 and accompanying text.

26. The 1976 Copyright Act, 17 U.S.C. § 304(b). N. BOORSTYN, COPYRIGHT LAW § 6:9 (1981 & Supp. 1985). A. LATMAN, THE COPYRIGHT LAW 89-90 (5th ed. 1979). A. LATMAN, R. GORMAN & J. GINSBURG, COPYRIGHT FOR THE EIGHTIES 202-03 (2d ed. 1985).

then under section 304(c)(6)(A) of the 1976 Act the motion picture derivative work, lawfully made during the original or renewal term of the underlying work on which the motion picture was based, "may continue to be utilized" (e.g., distributed). Neither the termination of the right to make new derivative works (e.g., remakes or sequels), nor the death of the author during the renewal or the original term of copyright in the underlying work limit the right to continue to distribute the motion picture.[27]

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27. Mills Music, Inc. v. Snyder, 105 S. Ct. 638, 224 U.S.P.Q. 313, COPYRIGHT L. DEC. (CCH) ¶ 25,739, 29 P.T.C.J. 240, 273 (1985), *reh'g denied,* 105 S. Ct. 1782 (1985), *noted in* N. BOORSTYN, I COPYRIGHT L.J. 98-99 (1984-85). *Mills Music* was a 5-4 decision announced by Justice Stevens on January 8, 1985. The case was argued before the Supreme Court on October 9, 1984, by retired Judge Marvin E. Frankel for the successful Petitioner, and by retired Judge Harold R. Tyler, Jr. for the Respondents. 28 P.T.C.J. 669-71 (1984); Nat'l L.J., Oct. 22, 1984, at 13. The *Mills Music* decision reversed the Second Circuit's decision in Harry Fox Agency, Inc. v. Mills Music, Inc., 720 F.2d 733, 222 U.S.P.Q. 279, 27 P.T.C.J. 5, COPYRIGHT L. DEC. (CCH) ¶ 25,589 (2d Cir. 1983) (which in turn reversed Judge Edward Weinfeld's "characteristically thorough opinion," 543 F. Supp. 844, 214 U.S.P.Q. 871, 24 P.T.C.J. 325, COPYRIGHT L. DEC. (CCH) ¶ 25,424 (S.D.N.Y. 1982)).

The circuit court and district court opinions are discussed in Note, *A Judicial Circumscription of Rights Under The "Derivative Works Exception," Section 304(c)(6)(A) of the Copyright Act of 1976: Who's Sorry Now?,* 6 WHITTIER L. REV. 923 (1984), and in N. BOORSTYN, I COPYRIGHT L.J. at 98-99 (1984-85).

See Abrams, *Who's Sorry Now? Termination Rights and the Derivative Works Exception,* 62 U. DET. L. REV. 181 (1985), and 1985 ENTERTAINMENT, PUBLISHING AND THE ARTS HANDBOOK 95-153 (Clark Boardman 1985), for in depth analysis of the Supreme Court and the three lower court opinions in *Mills Music v. Snyder,* with emphasis on statutory interpretation and legislative history. For a discussion of Professor Colby's testimony at the 1963 Meetings of the Panel of Copyright Consultants at the Library of Congress, see Abrams, 1985 ENTERTAINMENT, PUBLISHING AND THE ARTS HANDBOOK 115 n.147, 117 n.149. *See also infra* notes 28 and 38. Professor Abrams' article is highly instructive and demonstrates the usefulness of The Kaminstein Legislative History Project [Kaminstein Project], *infra* note 54, for research into the legislative history of the 1976 Act. *See* Abrams, *supra* at 142 n.88.

On August 1, 1985, a bill was introduced to amend the 1976 Act to reverse the rule in *Mills Music.* H.R. 3163, 99th Cong., 1st Sess., 131 CONG. REC. E3783-84, (daily ed. Aug. 1, 1985), COPYRIGHT L. REP. (CCH) ¶ 20,322 (1985). In introducing the Bill, the proposed Copyright Holder Protection Act of 1985, Congressman Howard L. Berman of California quoted the April 1985 testimony of Barbara Ringer, Register of Copyrights at the time of enactment of the 1976 Act, before the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks: " 'The Mills case is not what Congress intended, and . . . it represents a windfall for publishers at the expense of authors and their families . . . . The Supreme Court decision seriously undercuts what Congress intended and deprives authors of benefits that are rightfully theirs.' " 131 CONG. REC. E3784 (daily ed. Aug. 1, 1985).

A similar bill is pending in the Senate, introduced by Senator Arlen Specter of Pennsylvania on June 27, 1985. S. 1384, 99th Cong., 1st Sess., 131 CONG. REC. S8971-72 (daily ed. June 27, 1985), COPYRIGHT L. REP. (CCH) ¶ 20,318 (1985). A hearing was held on S. 1384 on November 20, 1985, before the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks, Senator Specter presiding. *See* COPYRIGHT L. REP. (CCH) ¶ 20,341. For a written statement on S. 1384, filed by the author with this Subcommittee, see the Hearing Record.

In a written statement on S. 1384, filed by Ralph Oman, new Register of Copyrights, with the Senate Judiciary Subcommittee on November 20, 1985, the question whether the bill would constitutionally operate retroactively was considered. The Register de-

As stated by the Supreme Court in *Mills Music Inc. v. Snyder:* "More particularly, the termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made before the author had a fair opportunity to appreciate the true value of his work product."[28]

Section 304(c)(6)(A) of the 1976 Act will not become applicable to "Rear Window" until the year 1998, 56 years after the Woolrich story was copyrighted, provided that Woolrich's statutory successors, *if any,* timely exercise their termination rights under section 304(c) to be effective within 5 years after the start of the additional 19 years by which the 28 year copyright renewal term in the Woolrich story has been extended, under section 304(b) of the 1976 Act, from the end of 1998 to the end of the year 2017.

Thus, it may be said that *Rohauer* (at least in the Second Circuit,

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scribed the issue to be whether the proposed statute would interfere with "vested rights" or whether "a retroactive statute, by remedying an unexpected judicial decision, may actually effectuate the intentions of the parties." The Register quoted Hochman, *The Supreme Court and the Constitutionality of Retroactive Legislation,* 73 HARV. L. REV. 692, 693 (1960). *See Statement of Ralph Oman, Register of Copyrights, before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary,* 99th Cong., 1st Sess. 31 (Nov. 20, 1985).

28. 105 S. Ct. at 650. The Court further cited H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 124, 127 (1976) as "certainly persuasive legislative history." 105 S. Ct. at 650 nn. 39, 40. For a discussion of H.R. REP. NO. 94-1476, see *infra* notes 38 and 54.

Several articles provide a comprehensive analysis of problems arising out of legislative approaches to so-called ill-advised and unremunerative grants under the 1909 Act leading to the 1976 Act. *See* Ringer, Copyright Office Study No. 31 on Renewal of Copyright (1960), *reprinted in* 1 STUDIES ON COPYRIGHT 503 (Arthur Fisher Memorial ed. 1963):

> There is more evidence of a Congressional recognition that author-publisher contracts must frequently be made at a time when the value of the work is unknown or conjectural and the author (regardless of his business ability) is necessarily in a poor bargaining position.

Id. at 125 n.128. *See also* Kaminstein, *Copyright Law Revision,* 1961 Reg. of Copyrights Rep. (Blue Book) 53-55, 92-94; M. NIMMER, 2 NIMMER ON COPYRIGHT § 9.02 at 9-22 to 9-24 (1985). For contrasting views, see MOTION PICTURE ASSOCIATION OF AMERICA, INC., COPYRIGHT LAW REVISION, pt. 2 at 341, 361-62, pt. 5 at 300-01, 300 n.1 (1963) (note 1 lists several other sources including Colby, *Some Essentials in Copyright Revision for Motion Pictures, infra* note 38); *1965 Hearings on H.R. 4347 before Subcomm. No. 3 of House Comm. on the Judiciary,* 94th Cong., 2d Sess. 987, 996-97, 1048; B. KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 112-14 (1967):

> The distinction (or effect on a grant or license of the renewal term if the author dies during the original copyright term) is hard to defend and may operate in a peculiarly perverse way where on the faith of a transfer from the now-deceased author, the transferee has created a "derivative work," say a movie based on the original novel.

B. KAPLAN, *supra,* at 112.

notwithstanding *Filmvideo v. Hastings*)[29] is the rule for years 29-56 of the copyright renewal of the underlying work, and that section 304(c)(6)(A) of the 1976 Act is the rule for years 57-75, after which the underlying work passes into the public domain in the United States. We should also observe that, if *Rohauer* is not followed in the Ninth Circuit in *Abend II,* there might be the following anomalous result: the motion picture could not be distributed during years 29-56, but could be rereleased during years 57-75, notwithstanding termination under section 304(c)(6)(A). If the author had not died during years 1-28, the motion picture could be distributed throughout years 1-75.

The death of the author is not a precondition to the exercise of the right of termination under the 1976 Act.[30] If, however, the author dies during years 29-56, and if the motion picture is produced during years 29-56 (either before or after the author's death) rather than during years 1-28, the motion picture may be lawfully distributed during years 29-56, the copyright renewal term of the underlying work, and during years 57-75, notwithstanding termination under section 304(c)(6)(A).

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29. 668 F.2d 91, 218 U.S.P.Q. 750, COPYRIGHT L. DEC. (CCH) ¶ 25,339 (2d Cir. 1981). *See infra* notes 98-99 and 101-04 and accompanying text.

30. *See* the 1976 Copyright Act, 17 U.S.C. §§ 203, 304(c). The persons who have the power to terminate rights under the 1976 Act are limited by section 203(a)(1) and (2), and by section 304(c)(1) and (2). *See* H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 125-26, 140-41 (1976), discussed *infra* at note 54. In the "Rear Window" situation, the author's grant may *not* be terminable by anyone, for the reason that the author, Cornell Woolrich, evidently left no widow or children or grandchildren, the story copyright having been renewed in 1969 by an executor. *See supra* text accompanying note 19. An executor may renew a copyright only if the author leaves no widow or children. For law review articles dealing with termination, see A. LATMAN, R. GORMAN & J. GINSBURG, COPYRIGHT FOR THE EIGHTIES 611 (2d ed. 1985) (Bibliography to Chapter 4).

Writers of "works made for hire," 17 U.S.C. § 101, of which "the employer or other person for whom the work was prepared is considered the author," 17 U.S.C. § 201(b), do not have the right under the Copyright Act to terminate their grants under either section 203 or section 304(c), which by their terms apply to copyrights other than a copyright in a work made for hire.

> The right of termination would not apply to "works made for hire," which is one of the principal reasons the definition of that term assumed importance in the development of the bill.
>
> Section 203 (and section 304(c)) reflect a practical compromise that will further the objectives of the copyright law while recognizing the problems and legitimate needs of all interests involved.

H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 124-25 (1976). *See also* Colby, *Copyright Revision Revisited: Commissioned Works as Works Made For Hire Under The United States Copyright Act,* 5 WHITTIER L. REV. 491 (1983), 17 INTELL. PROP. L. REV. 379-402 (1985); Colby, *Helen Sousa Abert, Mary Baker Eddy, and Otto Harbach—The Road to a Copyright Term of Life Plus Fifty Years,* 6 COMMUNICATIONS AND THE LAW, No. 3, June 1984, at 3, 10 NEW MATTER (Journal of the Intellectual Property Section of the State Bar of California), No. 1, Spring 1985, at 2; Jackson, *Duration of Copyright Under S.22,* 22 N.Y.L. SCH. L. REV. 241 (1976); Sobel, *A Practical Guide to Copyright Ownership and Transfer,* 5 ENTERTAINMENT L. REP., No. 9, Feb. 1984, at 3, Symposium Materials on Copyright 41 (Los Angeles County Bar Association 1984).

THE *ROHAUER* OPINION

Before proceeding to a brief discussion of the interesting fair use defense in *Abend II*,[31] now pending in federal district court in California, some analysis of Judge Friendly's opinion may be in order, having in mind previous extensive and thorough discussions in the literature, not to be repeated here.[32]

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31. *See* discussion of Fair Use *infra* notes 105-11 and accompanying text.

32. See articles collected in R. COLBY, 1981-1984 AMERICAN BAR ASSOCIATION REPORTS OF COMMITTEE ON AUTHORS OF THE SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW, and Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights, and the Public Interest*, 28 UCLA L. REV. 715 (1981). *See also* M. NIMMER, 1 NIMMER ON COPYRIGHT § 3.07[A] (1985); Krasilovsky and Meloni, *Copyright Law as a Protection Against Improvidence: Renewals, Reversions and Terminations*, 5 COMMUNICATIONS AND THE LAW No. 4, Fall 1983, at 3; Goldstein, *Derivative Rights and Derivative Works in Copyright*, 30 J. COPYRIGHT SOC'Y 209 (1983); Karp, *From Roth to Rohauer: Twenty Years of Amicus Briefs*, 25 BULL. COPYRIGHT SOC'Y 1, 16 (1977-78).

Reversion or termination under United States law does *not* of itself terminate rights under foreign law. For interesting aspects of foreign law in relation to copyright reversion in certain circumstances and for the effect on United States rights of reversions under United Kingdom law and the laws of other Commonwealth countries, see Chappell & Co., Ltd. v. Redwood Music Ltd., [1980] 2 All E.R. 817 (decision in House of Lords known as "Redwood Case"); Krasilovsky and Meloni, *supra* at 3; *see also* COPINGER AND SKONE JAMES ON COPYRIGHT ¶¶ 419-20 (Sweet & Maxwell Ltd., 12th ed. 1980); M. NIMMER, 3 NIMMER ON COPYRIGHT §§ 11.02[B][2], 17.12 (1985).

On the question whether United Kingdom or United States law applies, see Redwood Music Ltd. v. Francis Day and Hunter Ltd., [1978] R.P.C. 429 (Goff, J.) (citing Campbell Connelly & Co. v. Noble [1963] 1 All E.R. 237, *discussed in* Colby, *International Copyright Protection*, 10 N.Y.L.F. 45, 53-54 (1964), 44 REVUE INTERNATIONALE DU DROIT D'AUTEUR 98, 129-31 (1964)). *Campbell Connelly* is quoted at length in 10 BULL. COPYRIGHT SOC'Y 121-24 (1962). *See also* Colby, *Works Made for Hire in International Copyright Law*, 16 UNESCO COPYRIGHT BULL., No. 3, 1982, at 71, 78-79, 3 LOY. L.A. ENTERTAINMENT L.J. 87, 96-98 (1983), 9 NEW MATTER (Journal of the Intellectual Property Section of the State Bar of California), No. 2, Summer 1984, at 1; Gerson and Levinson, *Works Created in the Course of Employment and Works Made For Hire: A Comparison Between Canadian and U.S. Copyright Laws*, 3 LA REVUE CANADIENNE DU DROIT D'AUTEUR, No. 3, September 1983, at 16, Rosen and Silber, *Reversion Under British Copyright Law*, 1 JOURNAL OF COPYRIGHT, ENTERTAINMENT AND SPORTS LAW OF THE TENNESSEE BAR ASSOCIATION, No. 1, Summer 1982, at 67.

On the jurisdiction of the federal courts to decide foreign copyright law issues, see Overseas Programming Companies Ltd. v. Cinematographische Commerz-Anhalt and Iduna, 684 F.2d 232 (2d Cir. 1982) (involving rights in the United Kingdom and France in certain Laurel and Hardy films); Ahbez v. Edwin H. Morris & Co., Inc., 548 F. Supp. 664, COPYRIGHT L. DEC. (CCH) ¶ 25,455 (S.D.N.Y. 1982) (relating to copyright infringements alleged to have occurred outside the United States with respect to plaintiff's musical composition "Nature Boy"); London Film Prod. Ltd. v. Intercontinental Communications, Inc., 580 F. Supp. 47, 223 U.S.P.Q. 381, COPYRIGHT L. DEC. (CCH) ¶ 25,634 (S.D.N.Y. 1984) (a suit by a British corporation for copyright infringements by a New York corporation alleged to have occurred under foreign copyright laws, not under the United States Copyright Act, in Chile and other South American countries, with respect to certain motion pictures including "The Private Life of Henry VIII"), *discussed in* N. BOORSTYN, I COPYRIGHT L.J. 59-60 (1984-85); Maison Lazard et Compagnie v.

Underlying *Rohauer* is the court's view that section 7 of the 1909 Act establishes an independent and separate copyright for derivative works as "[c]ompilations or abridgements, adaptations, arrangements, dramatizations, translations, or other versions . . . of copyrighted works [which] when produced with the consent of the proprietor of the copyright in such works . . . shall be regarded as *new works* subject to copyright . . . ."[33] This new work, to quote Judge Friendly, "might involve a degree of intellectual effort and expense quite as great as or considerably greater than the contribution of the author of the underlying work . . . ."[34]

As the writer of this article has noted elsewhere,[35] the copyright in

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Manfra, Tordella & Brooks, Inc., 585 F. Supp. 1286 (S.D.N.Y. 1984) (recognizing a cause of action in a French citizen under the Lanham Act and the applicable Paris Convention regarding unfair competition for the sale outside the United States of Olympic Commemorative Coins, in violation of a contract between defendant and the United States Department of the Treasury (not a party to the action) restricting sale to the United States, plaintiff having previously acquired from the United States Treasury Department the exclusive right to market the coins outside the United States. "It seems to us there could be no clearer indication of a contract for the benefit of a third party . . . ." *Id.* at 1288).

See generally M. NIMMER, 3 NIMMER ON COPYRIGHT §§ 17.02, 17.03(1985); N. BOORSTYN, COPYRIGHT LAW § 11:6 (1985); A. LATMAN, THE COPYRIGHT LAW 260-73 (5th ed. 1979); A. LATMAN, R. GORMAN AND J. GINSBURG, COPYRIGHT FOR THE EIGHTIES 297-99, 305-06 (2d ed. 1985); S. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS (Butterworth & Co. London 1983); Colby, *International Copyright Protection*, 10 N.Y.L.F. 45 (1964), 44 REVUE INTERNATIONALE DU DROIT D'AUTEUR 99 (1964); Kirios, *Territoriality and International Copyright Infringement Actions*, 22 COPYRIGHT L. SYMP. [ASCAP] 53 (1977).

33. The 1909 Copyright Act, 17 U.S.C. § 7 (emphasis added). Section 7 provides in full:

> COPYRIGHT ON COMPILATIONS OF WORKS IN PUBLIC DOMAIN OR OF COPYRIGHTED WORKS; SUBSISTING COPYRIGHTS NOT AFFECTED.
>
> — Compilations or abridgments, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter, shall be regarded as new works subject to copyright under the provisions of this title; but the publication of any such new works shall not affect the force or validity of any subsisting copyright upon the matter employed or any part thereof, or be construed to imply an exclusive right to such use of the original works, or to secure or extend copyright in such original works.

34. 551 F.2d at 487.

35. *See infra* text accompanying note 74. On the administrative practices of the Copyright Office with regard to motion pictures under the 1909 Act and derivative works under the 1976 Act, see Compendium of Copyright Office Practices under the 1909 Act:

> a. *Authorship.*
>
> 1. The law requires a statement of the author's citizenship and the application form calls for his name.
> 2. The law does not make the identity of the "author" of a motion picture clear.
>
> (1) Ordinarily a motion picture embodies a large number of contributions, including those of the author of the story, author of the screenplay, director, editor, cameraman, indi-

the new (derivative) work should include all aspects of copyright, such as exclusive distribution and vending of the motion picture during the term of all copyrights in that motion picture. This view does not deny the "force or validity" clause in section 7, as discussed in detail by Judge Friendly in the light of its legislative history.[36] This view would seem to be fully consistent with the balance of section 7

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vidual producer, etc. These persons ordinarily are not regarded as the "author" of the film in the copyright sense.

(2) Since most films are largely "made for hire" the employer is usually regarded as the "author." In most cases the employer is the producing company, although there may be cases where a releasing company, a bank or other organization or an individual is regarded as the author.

Compendium of Copyright Office Practices under the 1909 Act [*Compendium I*] Ch. 2.14.3.III at 2-579 (1973). *See also* Compendium of Copyright Office Practices under the 1976 Act [*Compendium II*] Chs. 204.02, 306, 405.02, 408, 436, 450.08, 476, 480.04 and 496, ML 313, 49 Fed. Reg. 23125-26 (1984); Announcement of the availability for inspection and copying of *Compendium II,* effective February 14, 1985, ML 323 (January 1985), *reprinted in* 50 Fed. Reg. 6288 (1985).

On the right to "vend" a copyrighted work, see Colby, *The First Sale Doctrine—The Defense That Never Was?,* 32 J. COPYRIGHT SOC'Y 77 (1984-85), 21 COPYRIGHT 192-205 (Official Copyright Journal in English of the World Intellectual Property Organization) (Geneva 1985), 98 LE DROIT D'AUTEUR 169-84 (Official Copyright Journal in French of the World Intellectual Property Organization) (Geneva 1985), 100 ARCHIV FUR URHEBER-FILM-FUNK-UND THEATERRECHT [UFITA] 165-96 (Munich 1985), 1985 ENTERTAINMENT, PUBLISHING AND THE ARTS HANDBOOK 172-205 (Clark Boardman 1985), *The Law and Business of Music in the 80's: Developments and Trends,* 3 U.C.L.A. Extension Syllabus 989-1018 (Fall 1985); in *Production and Distribution of Videocassettes,* Ninth Annual Symposium Syllabus 362, Los Angeles County Bar Association (1986); in *Government Regulation in the Music Industry,* Fourth Annual Entertainment Law Symposium Syllabus 98, Pepperdine University School of Law (1986); and in Japanese in Japan by its Copyright Research Institute. *See also* N. BOORSTYN, I COPYRIGHT L.J. 137 (1984-85) and II COPYRIGHT L.J. 66 (1985-86) (*The First Sale Doctrine* is an article that "may make new law."). *Cf.* Columbia Pictures Indus., Inc. v. Aveco, Inc., 612 F. Supp. 315, COPYRIGHT L. DEC. (CCH) ¶ 25,811, 227 U.S.P.Q. 397 (M.D. Pa. 1985); Columbia Pictures Indus., Inc. v. Professional Real Estate Investors, Inc., 228 U.S.P.Q. 743, 31 P.T.C.J. 223 (C.D. Cal. Jan. 14, 1986).

For copyright registration of motion pictures, music in motion pictures, screenplays and continuity scripts, based on the deposit of only *one* videotape or motion picture theatrical print, as applicable, see Colby, *Music In Motion Pictures,* 30 J. COPYRIGHT SOC'Y 34 (1982-83), 2 ENTERTAINMENT & SPORTS LAW 3 (American Bar Association Forum Committee on the Entertainment and Sports Industries) (1983), 9 NEW MATTER (Journal of the Intellectual Property Section of the State Bar of California), No. 1, Winter 1984, at 3, 3 U.C.L.A. Extension Syllabus 968-70 (Fall 1985). Such simultaneous registrations on two separate occasions "set a precedent." See, to this effect, Brylawski, *E.T.: An Extraterrestrial Caught in a Copyright Dilemma,* 52 GEO. WASH. L. REV. 395, 404 n.36 (1984).

On the registrability of videotape under the 1909 Act, see Colby, *An Historic "First"—Copyright Office Accepts Magnetic Video Tape for Registration,* 8 BULL. COPYRIGHT SOC'Y 205 (1960-61); *See also* 1961 Register of Copyrights Annual Report 5.

36. 551 F.2d at 488-90.

that "the publication of any such new works shall not . . . be construed to imply an exclusive right to such use of the original works . . . ."[37] The copyright owner of the new work has a nonexclusive right to use the underlying work in the new work to the extent incorporated and used in the new work, but only in a derivative work made during the original term of copyright in the underlying work.

By the same token, the author's statutory successors have an exclusive right to use or license the use of the underlying work during its renewal term to create new motion pictures, e.g., remakes and sequels. The original grantee's right to produce derivative works seems to revert to the author's statutory successor upon the first day of the copyright renewal term of the underlying work, if the author dies during its original copyright term. Such a result should not terminate distribution rights in the new work made during the original copyright term of the underlying work because the new work has its own section 7 copyright.

The arguments that the author's statutory successors should have the opportunity to negotiate new licenses to produce additional new works need not be denied.[38] It is the independent copyright of the section 7 new work that is to be vindicated by its continued vitality, notwithstanding the death of the author of the *other* copyrighted work—the underlying literary work.

To the extent that plaintiffs argued in *Rohauer,* and may argue again in *Abend II,* that the continued distribution of the motion picture, in competition with a potential new work to be licensed by plaintiffs, would "affect the force" of the copyright in the underlying work by preventing the author's statutory successors from granting exclusive rights in the underlying work,[39] the simple answer is that section 7 itself recognizes such nonexclusivity by its statement that

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37. The 1909 Copyright Act, 17 U.S.C. § 7.

38. *See infra* text accompanying note 72. *See also* H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 124 (1976):

> [T]he proposed law should substitute for . . . the reversionary provisions of the present section on copyright renewal . . . a provision safeguarding authors against unremunerative transfers. A provision of this sort is needed because of the unequal bargaining position of authors, resulting in part from the impossibility of determining a work's value until it has been exploited. Section 203 reflects a practical compromise that will further the objectives of the copyright law while recognizing the problems and legitimate needs of all interests involved.

See also Colby, *Some Essentials in Copyright Revision for Motion Pictures,* 1963 SECTION PROCEEDINGS 72, 11 BULL. COPYRIGHT SOC'Y 19 (1963-64) (an Address to the American Bar Association Section of Patent, Trademark and Copyright Law); COPYRIGHT LAW REVISION (Brown Book) pt. 3 at 59, 78, 268, 278-81 (1964) (Transcripts of Meetings of the Panel of Consultants to the Copyright Office on January 16, 1963 at the Library of Congress), *reprinted in* 3 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976).

39. 551 F.2d at 488.

section 7 shall not be construed to imply in the copyright owner of the new work an exclusive right to such use of the original underlying work. Section 7 necessarily recognizes the right of the copyright owner of the new work to the nonexclusive use of the underlying work to the extent already incorporated in the derivative work.

In the second part of the court's opinion in *Rohauer,* Judge Friendly examined the cases cited as precedent, as well as the available prior advice from the commentators, the court concluding as to the nonjudicial materials that "[w]e thus do not discern any such impressive record of unanimity among the commentators as influenced the Supreme Court in the *Fred Fisher* case . . . ."[40] Among the cases, the most interesting for purposes of this study are *Fitch v. Shubert,*[41] a 1937 New York federal district court case quoted and discussed by Judge Friendly,[42] and *Edward B. Marks Music Corp. v. Charles K. Harris Music Publishing Co.,*[43] a 1958 Second Circuit case in which the opinion was authored by Chief Judge Clark.

Fitch and *Marks Music* are central to an analysis of *Rohauer,* beginning with a re-evaluation of the oft-quoted phrase in *Fitch* that if the author dies during the original term of copyright, the author's statutory successors acquire "a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term."[44] Not only was this quotation *dicta,* the district court deciding, in denying a motion for preliminary injunction, that defendants had actually acquired a license from plaintiff "by direct dealings with him in the renewal term, . . ."[45] but *Fitch* also did *not* involve in any way a grant for the renewal term. The original 1925 license was limited to the original copyright term. Judge Patterson in the district court in *Fitch,* as quoted by Judge Friendly in *Rohauer,* stated:

> [I]t is clear that the plaintiff acquired a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term . . . . It is evident therefore that all rights which the defendants acquired in 1925 to use the Fitch play as the basis of a musical operetta expired when the copyright for the original term expired in 1928 and when a new grantee appeared as owner of the Fitch play for the re-

40. *Id.* at 493 (citing Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 658-59 nn.5-8).

41. 20 F. Supp. 314, 35 U.S.P.Q. 245, 21 COPYRIGHT OFF. BULL. 107 (S.D.N.Y. 1937).

42. 551 F.2d at 490-91.

43. 255 F.2d 518, 117 U.S.P.Q. 308, 31 COPYRIGHT OFF. BULL. 504 (2d Cir.), *cert. denied,* 358 U.S. 831 (1958).

44. 20 F. Supp. at 315.

45. 551 F.2d at 490.

newal term.[46]

Judge Friendly then commented:

> However, this was said in a case where without dispute the original license agreement was limited to the first term; not only did the license agreement make no reference to renewal rights, but no one could have meant it to do so. The Shuberts had not obtained the license agreement from an author who could contemplate renewal, but from a charitable grantee after the author's death, when the renewal rights had passed by statute to the next of kin surviving at the end of the original term.[47]

In *Marks Music,* defendant Harris similarly had not acquired the renewal rights. "The conveyance . . . makes no mention of renewal rights . . . ."[48] Plaintiff, however, had entered into an agreement with the composer Joseph E. Howard "which clearly provided for the assignment [to plaintiff] of the renewal copyrights in Howard's songs."[49] The case thus involved *only* the simple determination that defendant had not acquired any renewal rights in Howard's songs, and that plaintiff had. Nevertheless, Judge Clark went on to say, in a frequently quoted passage, that the "cases are clear that a copyright renewal creates a separate interest distinct from the original copyright and that a general transfer by an author of the original copyright without mention of renewal rights conveys no interest in the renewal rights, without proof of a contrary intention."[50]

The notion of a "new and independent right in the copyright [renewal], free and clear of any rights, interests, or licenses attached to the copyright for the initial term" (Judge Patterson in *Fitch*),[51] and the statement that the "cases are clear that a copyright renewal creates a separate interest distinct from the original copyright" (Judge Clark in *Marks Music*)[52] ought to be reexamined by careful analysis of the facts to determine whether renewal rights were even implicated, and whether facts similar to those of *Rohauer* or the "Rear Window" litigation were present. Judge Friendly found in *Rohauer* that:

> Turning to the precedents, we do not find that any of the Supreme Court decisions discussed at length in the briefs . . . has any real bearing on the issue here before us, either in holding or in opinion. All these cases were concerned with the relative rights of persons claiming full assignment or ownership of the renewal term of an underlying copyright. None involved the question here presented of effecting a proper reconciliation between the grant of derivative copyright in § 7 and the final proviso of § 24 with respect to renewals of underlying copyrights.
>
> Appellees contend that even if this be so, the question here at issue has been

46. *Id.* at 490 (citations omitted) (quoting *Fitch,* 20 F. Supp. at 315).
47. *Id.* at 490-91 (citation omitted).
48. 255 F.2d at 520.
49. *Id.*
50. *Id.* at 521.
51. 20 F. Supp. at 315.
52. 255 F.2d at 521.

> settled in their favor by lower court decisions, notably *Fitch v. Shubert*. . . . [W]e do not find that any of them decided the question here at issue.
>
> . . . .
>
> The short of the matter is that we have been cited to no case holding that the inability of an author to carry out his promise to effect a renewal of a copyright because of his death prior to the date for obtaining renewal terminates *as a matter of copyright law* the right of a holder of a derivative copyright to continue to publish a derivative work copyrighted before the author's death on which the copyright was thereafter renewed. It is equally true that we have been cited no case upholding such a right.[53]

Analysis thus can turn to some of the commentators, and then to how the court found that the intent of the 1976 Congress (or the 1966 House Judiciary Committee or the 1962 Congress) was helpful in applying the 1909 Act.[54]

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53. 551 F.2d at 490-92 (citations omitted) (emphasis in original).

54. The 1976 Act was the "culmination of a major legislative reexamination of copyright doctrine," Harper & Row Publishers, Inc. v. Nation Enters., 105 S. Ct. 2218, 2226, 225 U.S.P.Q. 1073, 1077, COPYRIGHT L. DEC. (CCH) ¶ 25,793 at 19569-70 (1985), "a revision effort lasting more than 20 years," Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 462 n.9, 104 S. Ct. 774, 799 n.9, 220 U.S.P.Q. 665, 672 n.9, COPYRIGHT L. DEC. (CCH) ¶ 25,615 at 18,735 n.9, 27 P.T.C.J. 259 (1984) (Blackmun, J., dissenting), "[w]hen in 1976, after more than 20 years of study, Congress adopted a comprehensive revision of the Copyright Act . . . ." Dowling v. United States, 105 S. Ct. 3127, 3136, 226 U.S.P.Q. 529, 536, COPYRIGHT L. DEC. (CCH) ¶ 25,795 at 19,609, 30 P.T.C.J. 225 (1985). *See also infra* note 108.

For the legislative history of the 1976 Act, see S. REP. NO. 94-473, 94th Cong., 1st Sess. (1975), *reprinted in* 13 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976); H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. (1976), *reprinted in* N. BOORSTYN, COPYRIGHT LAW, App. A:4 (1981), M. NIMMER, 4 NIMMER ON COPYRIGHT, App. 4 (1985), 1976 U.S. CODE CONG. & AD. NEWS 5659 and 17 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976). *See also Conference Report*, H.R. REP. NO. 94-1733, 94th Cong., 2d Sess. (1976), *reprinted in* N. BOORSTYN, COPYRIGHT LAW App. A:5 (1981), M. NIMMER, 4 NIMMER ON COPYRIGHT, App. 5 (1985), 17 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976).

See also 35 Copyright Studies Prepared for the Copyright Office (1955-63) (Prints of the Committee on the Judiciary of the United States Senate), *reprinted in* 1 & 2 STUDIES ON COPYRIGHT (Arthur Fisher Memorial ed. 1963), also *reprinted in* 1, 2 & 2A G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976).

See also 1961 Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law (Blue Book), a print of House Comm. on the Judiciary, 87th Cong., 1st Sess. (1961); *Copyright Law Revision pt. 2, Discussion and Comments on Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, a print of House Comm. on the Judiciary*, 88th Cong., 1st Sess. (1963); *Copyright Law Revision pt. 3, Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft, a print of House Comm. on the Judiciary*, 88th Cong., 2d Sess. (1964); *Copyright Law Revision pt. 4, Further Discussions and Comments on Preliminary Draft for Revised U.S. Copyright Law, a print of House Comm. on the Judiciary*, 88th Cong., 2d Sess. (1964); *Copyright Law Revision pt. 5, 1964 Revision Bill with Discussions and Comments, a print of House Comm. on the Judiciary*, 89th Cong., 1st Sess. (1965); *Copyright Law Revision pt. 6, Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law (Yellow Book): 1965 Revision Bill, a print of House Comm. on Judiciary*, 89th Cong., 1st Sess. (1965); Draft

In analyzing the precedents, the commentators disagree even as to

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Second Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1975 Revision Bill (Oct.-Dec. 1975) (unpublished). All these are reprinted in 3 & 4 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976).

See also 1965 Hearings on H.R. 4347 and other bills for the General Revision of the Copyright Law, pts. 1, 2 and 3, before Subcomm. No. 3 of House Comm. on the Judiciary, 89th Cong., 1st Sess. (1966).

Of major assistance through the 1965, 1966 and 1967 hearings before the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks is its index of hearings on S. 1006 and S. 597. The best guide, in addition to The Kaminstein Legislative History Project, *infra,* to the copyright revision hearings and reports is to be found in H.R. REP. NO. 94-1476, 94 Cong., 2d Sess. 47-50 (1976).

See also the 1975 testimony of Barbara Ringer, then Register of Copyrights, and 18 Briefing Papers, before the Committee on the Judiciary of the House of Representatives in *Hearings on H.R. 2223,* 94th Cong., 1st Sess. 91, 1779, 1807, 1865, 1901, 2051-91 (1975).

See also THE KAMINSTEIN LEGISLATIVE HISTORY PROJECT: A COMPENDIUM AND ANALYTICAL INDEX OF MATERIALS LEADING TO THE COPYRIGHT ACT OF 1976 (A. Latman & J. Lightstone eds. 1981-85) (The six volumes are now available through The Copyright Society of the U.S.A. and New York University School of Law.).

See Goldberg, Morton David, *Promoting the Progress of Science and Useful Arts: A Commentary on the Copyright Office Report on General Revision of the United States Copyright Law,* 47 CORNELL L.Q. 549 (1962); Goldberg, Morton David, *Copyright Law Revision, Part 2,* 10 BULL. COPYRIGHT SOC'Y 214 (1962-63); B. KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 79-128 (1967).

The 1966 Report of the House Judiciary Committee, H.R. REP. NO. 2237, 89th Cong., 2d Sess., was the *first* in a series of congressional reports on copyright revision, and much of the 1966 Report appears in the 1976 Report. H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. (1976). In turn, the 1966 Report, H.R. REP. NO. 2237, can be traced to the 1965 Supplementary Report of the Register of Copyrights and the 1963-64 meetings of the Panel of Consultants to the Copyright Office, and indeed to the 1961 Report of the Register of Copyrights. This part of the legislative history, with citations to all of the legislative reports from 1966 to 1976, is summarized in the 1976 Report, H.R. REP. NO. 94-1476 *supra* at 47-50, and in S. REP. NO. 94-473, 94th Cong., 1st Sess. 47-50 (1975).

Many of these reversion, renewal and termination issues were discussed in 1962 in H.R. REP. NO. 1742, 87th Cong., 2d Sess. (1962) and in S. REP. NO. 1888, 87th Cong., 2d Sess. (1962), in connection with the 1962 Copyright Term Extension Act, Pub. L. No. 87-668, 76 Stat. 555 (1962) (H.R.J. Res. 627). For this early history of copyright revision, see Colby, *Helen Sousa Abert, Mary Baker Eddy, and Otto Harbach — The Road to a Copyright Term of Life Plus Fifty Years,* 6 COMMUNICATIONS AND THE LAW, No. 3, June 1984, at 3, 10 NEW MATTER (Journal of the Intellectual Property Section of the State Bar of California) No. 1, Spring 1985, at 2.

For the legislative history of the 1909 Act as background to the 1976 Act, see *House Report on the Copyright Act of 1909, H.R. Rep. No. 2222,* 60th Cong., 2d Sess. (1909), *reprinted in* M. NIMMER, 4 NIMMER ON COPYRIGHT, App. 13 (1985), *also reprinted in* H. HOWELL, THE COPYRIGHT LAW 253-77 (3d ed. 1952) and LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT (E. Brylawski and A. Goldman eds. 1976) (pre-1909 Copyright Act Hearings and Reports); *Copyright in Congress 1789-1904,* 8 COPYRIGHT OFF. BULL. (1905), *reprinted in* 1976 by Greenwood Press, Westport, Connecticut; A. BIRRELL, SEVEN LECTURES ON THE LAW AND HISTORY OF COPYRIGHT IN BOOKS (1899); G. PUTNAM, THE QUESTION OF COPYRIGHT (3d ed. 1904).

For the text of the 1909 Act, Pub. L. No. 349, 35 Stat. 1075, see N. BOORSTYN, COPYRIGHT LAW, App. A:6 (1981 & Supp. 1985); M. NIMMER, 4 NIMMER ON COPYRIGHT, App. 6 (1985); A. LATMAN, R. GORMAN & J. GINSBURG, COPYRIGHT FOR THE EIGHTIES, App. B (2d ed. 1985); Copyright Office Circular 91 [old series] (1973); Copyright Enactments

the holdings of the cases. Each case presents fascinating issues, but

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(Copyright Office Bulletin No. 3) 64-86 and 102-21 (rev. ed. 1973); A. LATMAN, THE COPYRIGHT LAW, App. B (5th ed. 1979).

As to the larger question whether the intent of Congress is to be found in its debates, its reports, and its hearings, there is a good deal of fascinating precedent in the cases. In Harry Fox Agency, Inc. v. Mills Music, Inc., 720 F.2d 733 (2d Cir. 1983), *rev'd sub nom.* Mills Music, Inc. v. Snyder, 105 S. Ct. 638 (1985), the Court of Appeals for the Second Circuit stated:

> The Act was drafted and redrafted several times by the Copyright Office of the Library of Congress, which is a part of the legislative branch itself, 2 U.S.C. §§ 131-170 (Cum. Supp. 1977). The draft went through a number of stages commencing with the Register's Report of July 1961 and including numerous revisions as set forth in Copyright Law Revision Parts 1-6, as to which panel discussions with industry representatives were held and objections and suggested amendments made. Ultimately the relevant provisions were presented to and *enacted unchanged* by Congress. Thus the principal expression of the drafter's intent is found in the twenty years of history *before* the bill came to Congress, *although* H.R. Rep. No. 1476 and S. Rep. No. 473 are useful, of course, as is the Conference Report on the Copyright Act of 1976.

Id. at 736 (emphasis added). *See also supra* note 27.

In Jondora Music Publishing Co. v. Melody Recordings, Inc., 506 F.2d 392, 184 U.S.P.Q. 326, 40 COPYRIGHT OFF. BULL. 700 (3d Cir. 1974), the Court of Appeals for the Third Circuit said:

> But a court is not bound by a congressional interpretation of a statute passed in a preceding session. The weight to be given a legislative committee's views on the meaning of a statute enacted in years past is the same as that given to any other commentator—having due regard to whether the subject was specifically addressed and to the objective of the committee work.

Id. at 396.

In Edward B. Marks Music Corp. v. Colorado Magnetics, Inc., 497 F.2d 285, 181 U.S.P.Q. 129, 182 U.S.P.Q. 131, 39 COPYRIGHT OFF. BULL. 489 (10th Cir. 1974), *cert. denied,* 419 U.S. 1120 (1975), the Court of Appeals for the Tenth Circuit agreed:

> In the first place, we are of course not bound by Congress' interpretation of a prior existing law. *Golsen v. C.I.R.,* 445 F.2d 985 (10th Cir. 1971), *cert. denied,* 404 U.S. 940 (1971). Indeed, whatever merit there may be in the practice of relying on the opinion of a later Congress as to the intent of an earlier one wanes with the length of time which separates the two sessions, which in the instant case was *sixty-three years.* For an indication of the interpretation given the Act of 1909 by the judiciary *shortly after its enactment, see Aeolian Co. v. Royal Music Roll Co.,* 196 F. 926 (1912).

Id. at 289 (emphasis added).

In Eastern Microwave, Inc. v. Doubleday Sports, Inc., 691 F.2d 125, 216 U.S.P.Q. 265, COPYRIGHT L. DEC. (CCH) ¶ 25,457 (2d Cir. 1982), the Court of Appeals for the Second Circuit similarly found that "[l]ater pronouncements of the Congress cannot be looked to as indicative of its intent at the time of a statute's enactment." *Id.* at 129 n.11.

In Universal City Studios, Inc. v. Sony Corp. of America, 480 F. Supp. 429, 203 U.S.P.Q. 656, 43 COPYRIGHT OFF. BULL. 883, COPYRIGHT L. DEC. (CCH) ¶ 25,106 (C.D. Cal. 1979), a federal district court cited a variety of sources for judicial interpretation of congressional intent:

> *See Simpson v. United States,* 435 U.S. 6, 13 (1978) (statements by committee chairmen and bill sponsors are entitled to great weight); *Zuber v. Allen,* 396 U.S. 168, 192 (1969) (departmental construction of its own enabling legislation carries most weight when department administrators participated in drafting and expressed their views to Congress in committee hearings); *First National*

may be distinguishable and of little value to this analysis. As discussed above, Judge Friendly found no case relevant either way. In 1960, the writer of this article observed that:

> While there are decisions to the effect that the renewal term is a separate estate, such decisions have no relevance to the instant situation. They apply where, for example, an author has granted a license for motion picture rights in a book for "the term of copyright therein" without squarely indicating that the time in which to make a motion picture includes the renewal term. In that area, the renewal term is indeed free of the license. The separate-estate argument also applies where the author dies prior to the 28th year and the inheriting widow refuses to extend the producer's time in which to make the projected motion picture—an issue of considerable importance when dealing with elderly authors, and of dramatic effect when a young author dies.[55]

Bank of Logan v. Walker Bank & Trust Co., 385 U.S. 252, 259-60 (1966) (statements of committee members may be considered) and *Ideal Farms, Inc. v. Benson*, 288 F.2d 608, 616 (3d Cir. 1961), *cert. denied*, 372 U.S. 965 (1963) (comments during floor debate by a sponsoring senator may be considered).

Id. at 445 n.1.

The Court of Appeals for the Ninth Circuit in the appeal from the district court's decision in Universal City Studios, Inc. v. Sony Corp. of America, 659 F.2d 963, 211 U.S.P.Q. 761, COPYRIGHT L. DEC. (CCH) ¶ 25,308 (9th Cir. 1981), stated:

> It is well settled that silence cannot be viewed as an expression of Congressional intent. Beyond that, where the meaning of a statute is clear and unambiguous, it would be highly improper to construe inconclusive legislative history so as to apply a statute in a manner inconsistent with its claimed meaning.
>
> Resort to the legislative history of an Act is entirely unnecessary when the statute is clear and unequivocal on its face. The legislative history of a statute is not relevant when the terms of the statute are clear and unambiguous.

Id. at 968 (citations omitted). *See also infra* note 108.

At the federal district court level in Harry Fox Agency, Inc. v. Mills Music, Inc., 543 F. Supp. 844 (S.D.N.Y. 1982), *see supra* note 27, Judge Edward Weinfeld, District Judge for the Southern District of New York, wrote:

> This is an unusual case, however, because, as already noted, Congress first turned to the Copyright Office to lay the groundwork for the general revision of the copyright laws. The panel discussions, at which the statements relied upon by the Snyders were made, were used by the Office to compromise differences among the various interest groups and to help it to prepare its draft revision bills, which formed the basis for the 1976 Act. Nevertheless, the House Judiciary Committee, through its chairman, expressly disavowed the statements made in the committee prints:
>
> > In issuing this material the committee neither approves nor disapproves any of the views expressed therein. The material is issued for the information and convenience of persons interested in U.S. copyright law revision.
>
> Moreover, even if this Court were to treat the statements made at the panel discussions as equivalent to statements made directly before the Committee at its own hearings, such testimony would not be a reliable gauge of legislative intent because the views expressed by witnesses are not necessarily the same as those of the legislators ultimately voting on the bill. Accordingly, statements made at committee hearings by representatives of various interests are entitled to little if any weight in interpreting Congressional intent.

Id. at 864 (citations omitted). *Cf.* Encyclopedia Britannica Educational Corp. v. Crooks, 542 F. Supp. 1156, 214 U.S.P.Q. 697, COPYRIGHT L. DEC. (CCH) ¶ 25,443 (W.D.N.Y. 1982). "[T]he Supreme Court has observed that '[t]he search for significance in the silence of Congress is too often the pursuit of a mirage.' " 542 F. Supp. at 1183 (citing Scripps-Howard Radio, Inc. v. FCC, 316 U.S. 4, 11 (1942)).

55. Colby, *Duration of Copyright in the United States—Status of Assignments of Copyright Renewals—The Billy Rose Case*, 7 BULL. COPYRIGHT SOC'Y 203, 204 (1960), 32 ARCHIV FUR URHEBER-FILM-FUNK-UND THEATERRECHT [UFITA] 1 (1960), *cited in*

The late Professor Alan Latman made the following penetrating analysis of the cases, pointing out, in his fourth paragraph, that the derivative work enjoys "its own copyright under section 7 of the 1909 law."

> It is generally recognized that a renewal copyright is "a new and independent right in the copyright, free and clear of any rights, interests or licenses attached to the copyright for the initial term."[56] Through the application of this rule in *Fitch* [*v. Shubert*], all rights which the defendants had there acquired to use a play as the basis of an operetta expired by operation of the statute when the original term ended and the author's next of kin granted the renewal copyright to a new owner.
>
> Can renewal, in cutting off a license granted during the initial term, thus prevent exploitation of a derivative work, such as motion picture, play, or opera, created pursuant to the license? In *G. Ricordi & Co. v. Paramount Pictures, Inc.*, the opera "Madame Butterfly" was created by plaintiff under the license from the proprietors of copyright in a play and a novel. Plaintiff later claimed the right to make a motion picture version of its opera. Although the copyright in the play was not renewed, the copyright in the novel was.
>
> The court construed the license to cover only the original term of copyright and, following the approach of *Fitch v. Shubert*, accordingly held that "the plaintiff is not entitled to make general use of the novel for a motion picture version." The effect of this decision was to prevent, during the renewal period, exploitation of any picture insofar as it incorporated portions of the opera *based on the novel*.[57] Without making any distinction between the opera and motion picture versions, most commentators had read *Ricordi* as precluding exploitation in the renewal period of any derivative work incorporating underlying material not licensed for use in the renewal period.[58]
>
> In any event, the thrust of *Fitch* and *Ricordi* was sharply limited by *Rohauer v. Killiam Shows, Inc.*, which permitted exploitation of a motion picture in the renewal period even though the author/licensor had died prior to renewal and her daughter (who had renewed) granted exclusive motion picture rights to plaintiff. The intent of the *author* to grant renewal rights in *Rohauer* was held to distinguish *Fitch* and *Ricordi*, even though the author's death would seem to have frustrated that intent by cutting off her contingent renewal rights. The decision results in an exception upon the "new estate" concept of renewals to permit exploitation of a derivative work (enjoying its own copyright under § 7 of the 1909 law) but not the creation of new derivative works. The court found support for its view in the parallel exception from the effect

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Ringer, Renewal of Copyright, Study No. 31, *supra* note 28, at 164 nn.431, 432, and 169 n.479.

56. *See* Fitch v. Shubert, 20 F. Supp. 314, 315, 35 U.S.P.Q. 245 (S.D.N.Y. 1937).

57. *Cf.* Filmvideo Releasing Corp. v. Hastings, 426 F. Supp. 690, 193 U.S.P.Q. 305 (S.D.N.Y. 1976) ("Hopalong Cassidy" films and novels). *See also infra* notes 98-104 and accompanying text.

58. *See, e.g.*, Bricker, *Renewal and Extension of Copyright*, 29 S. CAL. L. REV. 23, 43 (1955); Ringer, *Renewal of Copyright, Studies on Copyright, supra* note 28, at 565-66. *But see* Engel, *Importation and Protection of Works of American Authors Manufactured Abroad Via the U.C.C. Exemption From Formalities: How Now Sacred Cow?*, 12 BULL. COPYRIGHT SOC'Y 83, 119 n.126 (1964-65). Professor Engel's note 126 is cited and discussed by Judge Friendly in *Rohauer*. *See infra* text accompanying notes 70-71.

of termination of transfers found in the 1976 Act.[59]

The late Professor Melville B. Nimmer found that some cases have "repudiated" the "new property right" theory, expressed in the Second Circuit in somewhat different circumstances in *Edmonds v. Stern* in 1918. Professor Nimmer has written that:

> It has been suggested that once a derivative work is created pursuant to a valid license to use the underlying material, a new property right springs into existence with respect to the entire derivative work, so that even if the license is thereafter terminated the proprietor of the derivative work may nevertheless continue to use the material from the underlying work as contained in the derivative work. This conclusion is neither warranted by any express provision of the Copyright Act, nor by the rationale as to the scope of protection achieved in a derivative work.
>
> It is moreover contrary to the axiomatic copyright principle that a person may exploit only such copyrighted literary material as he either owns or is licensed to use. This "new property right" theory was in effect repudiated in *G. Ricordi & Co. v. Paramount Pictures, Inc.* . . . It was repudiated once again in *Gilliam v. American Broadcasting Companies, Inc.* . . . After *Gilliam* it would have seemed that the "new property right" theory was permanently laid to rest. This did not prove to be the case. In *Rohauer v. Killiam Shows, Inc.*, it was dramatically revived, at least in the context of renewal rights.
>
> . . . .
>
> Will *Rohauer* be followed in future cases so that derivative work copyright owners are now safe in not attempting to obtain licenses from the members of a successor renewal class in whom the renewal has vested?[60]

In *G. Ricordi & Co. v. Paramount Pictures, Inc.*[61] as in *Fitch v. Shubert* and *Marks Music*, the original grant of rights in the underlying literary or musical work only covered the original term of copyright, and did *not* include the renewal term, as it did in *Rohauer* and the "Rear Window" litigation. As noted by Judge Friendly in *Rohauer:*

> *Ricordi* is not determinative here, however, for a fundamental reason: the original 1901 agreement between Long, Belasco, and Ricordi did not purport to run beyond the original term of Long's copyright on the novel. Ricordi neither sought nor obtained operatic rights in the renewal term of the novel in the 1901 agreement, or in any other negotiation. To conclude that the renewal term of a copyright is a new estate free from previous licenses is one thing when, as in *Ricordi*, the parties have never bargained for renewal rights, and another when, as in the case of Mrs. Hull and Joseph Moskowitz, the assignment agreement explicitly included rights to the derivative work during the renewal term.[62]

Nor did *Gilliam*[63] (which did not even involve a renewal rights issue) "repudiate" the theory, on which *Rohauer* was decided, since

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59. A. LATMAN, THE COPYRIGHT LAW 87-88 (5th ed. 1979) (citations omitted) (emphasis in original). *See also* A. LATMAN, R. GORMAN, & J. GINSBURG, COPYRIGHT FOR THE EIGHTIES 216-26 (2d ed. 1985).

60. M. NIMMER, 1 NIMMER ON COPYRIGHT § 3.07[A] at 3-23, 3-24, 3-25, 3-31 (1985) (citations omitted).

61. 189 F.2d 469, 89 U.S.P.Q. 289, 28 COPYRIGHT OFF. BULL. 423 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951).

62. 551 F.2d at 491.

63. Gilliam v. American Broadcasting Companies, Inc., 538 F.2d 14, 192 U.S.P.Q. 1, 40 COPYRIGHT OFF. BULL. 529 (2d Cir. 1976).

Rohauer was decided some six months after *Gilliam.* Indeed, *Gilliam* is consistent with *Rohauer* in that the court in *Gilliam* decided that the authors' grant did not permit the editing of "approximately 27 percent of the original program. . . . [T]he editing contravened contractual provisions that limited the right to edit the Monte Python material."[64] Thus, in *Gilliam* the authors' consent (to edit) had not been given, whereas in *Rohauer* the original grant was not limited (in time), but specifically included the copyright renewal term.

The key to these cases, it would seem, is *the author's consent,*— given in *Rohauer* and in the "Rear Window" litigation to include the renewal term, not given in *Fitch, Ricordi, Marks,* or *Gilliam.* Referring to *Edmonds v. Stern,* the source of this part of the debate, Judge Friendly, in his analysis of the section 7 derivative work copyright, felt that *Rohauer* was "only a slight extension of this court's decision in *Edmonds v. Stern.*"[65] As quoted by Judge Friendly in *Rohauer,* the court in *Edmonds* stated:

> The two things [the song and the orchestral score] were legally separate, and independent of each other; it makes no difference that such separate and independent existence might to a certain extent have grown out of plaintiff's consent to the incorporation of his melody in the orchestration. When that consent was given, a right of property sprang into existence, not at all affected by the conveyance of any other right.[66]

Judge Friendly pointed out the quite different facts present in *Rohauer:* "So here when the purchaser from Mrs. Hull embodied her story in a motion picture which was copyrighted under § 7, the vesting of the renewal right of the story in her daughter did not affect the property right in the copyrighted derivative work."[67]

Whether or not it is useful to the discussion to characterize *Rohauer* as dependent on a "right of property [that] sprang into existence" upon creation of the derivative work, the court did not do so in *Rohauer,* relying more directly on the "new work" derivative copyright provided for in section 7 of the 1909 Act.[68]

It is this writer's view that Judge Friendly's opinion is well reasoned, addresses all the issues and ought to be followed, because copyright protection and all rights under copyright have been granted by section 7 to "adaptations . . . dramatizations . . . or other

64. 538 F.2d at 19.
65. 551 F.2d at 492.
66. 248 F. 897, 898 (2d Cir. 1918).
67. 551 F.2d at 492.
68. *Id.*

versions . . . of copyrighted works . . . as *new works* . . . ."[69]

Other commentators support the reasoning and result in *Rohauer.* In 1964, Professor Donald S. Engel, quoted by Judge Friendly in *Rohauer,* concluded that:

> The cases indicate that the proprietor of the copyright in an authorized new work who no longer has authorization to use the underlying work may continue to use the new work in substantially identical form but may not create a new version of the new work which also constitutes a new version of the underlying work.[70]

Judge Friendly wrote of Professor Engel's analysis:

> [Professor Engel] says of *Ricordi,* correctly in our judgment:
>
> The "Madame Butterfly" case did *not* hold that the proprietor of the copyright in the new work was precluded from making copies of or permitting public performances of the opera, but merely held that he could not make *general* use of the protected underlying material for the creation of a motion picture, itself a new work based upon the underlying copyright which he no longer had authorization to use.[71]

In 1963, Barbara A. Ringer, Register of Copyrights at the time of decision in *Rohauer* in 1977, reported in her Study No. 31 for the Senate Judiciary Committee on "Renewal of Copyright," as Judge Friendly said, quite tentatively, that:

> It would seem, on the basis of judicial authority, legislative history, and the opinions of the commentators, that someone cannot avoid his obligations to the owner of a renewal copyright merely because he created and copyrighted a "new version" under a license or assignment which terminated at the end of the first term.[72]

In the drafting process of the famous Copyright Office Studies (1955-1963),[73] the commentators referred to generally by Barbara Ringer and by Judge Friendly had the opportunity to present different points of view, which is perhaps one reason for the tentativeness of Barbara Ringer's conclusion. In 1961, commenting on Study No. 31 in its then draft form, this writer wrote to Barbara Ringer as follows:

> I refer particularly to the discussion on page 169, dealing with whether or not a motion picture company can continue to distribute a picture without clearing the renewal owner of the basic literary work. I am of the feeling that one day a court will decide under the present statute that, if the picture has been produced during the original term of copyright, we may continue to distribute it during the renewal term of the basic literary work without getting permission from the owner of the renewal. It seems to me that the basic grant from the original proprietor is the grant of a right to produce and of a right to dis-

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69. The 1909 Copyright Act, 17 U.S.C. § 7 (emphasis added).

70. 551 F.2d at 493 (quoting Engel, *Importation and Protection of Works of American Authors Manufactured Abroad via the U.C.C. Exemption from Formalities: How Now Sacred Cow?,* 12 BULL. COPYRIGHT SOC'Y 83, 119 n.126 (1964-65)). The views of some of the commentators are analyzed by Alan Latman. A. LATMAN, THE COPYRIGHT LAW 87-89 (5th ed. 1979).

71. 551 F.2d at 493 (emphasis added by the court).

72. *Id.* at 492.

73. *See* 35 Studies on Copyright Prepared for the Copyright Office 1955-1963 (Prints of the Committee on the Judiciary of the United States Senate), *reprinted in* 1 & 2 STUDIES ON COPYRIGHT (Arthur Fisher Memorial Ed. 1963), *also reprinted in* 1, 2 & 2A G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1976).

> tribute. If we fail to produce the picture during the original term of copyright, I will agree that we cannot produce it during the renewal term without permission.
>
> There seem to be no cases squarely in point, and the only cases which are ever discussed have more to do with a situation in which production was not completed during the original term of copyright. . . . I would say along with Professor Brown's comment that the *Ricordi v. Paramount* case is talking about something else . . . .
>
> There would seem to be something unfair about producing a terribly expensive picture only to be unable to continue to recoup its cost and achieve a profit if I am not right. Recognizing that the equities do not always control, I feel that the statute is reasonably clear in giving us this power. I do not think that the original grant, if exercised, is cut off at the end of the original term of copyright. I would think that section 7 of the Act relating to new works is a strong basis for my opinion. It entitles the producer of an adaptation or dramatization to have copyright in the new work, and this right should include all aspects of copyright, such as, distribution and sale. I would give full force to the clause after the semicolon, and I do not deny it. I am not questioning the copyright in the underlying work, but making realistic the copyright in the new work, and I am not seeking to extend the term of copyright in the underlying work.[74]

Barbara Ringer replied in part:

> I certainly agree that there is room for more than one point of view on the rights in a "new version" as against renewal rights in the basic work. However, I still feel that the *Fitch* and *Ricordi* cases are pretty strong authority and, although neither directly involves distribution or exhibition of motion pictures, I think the situations were closely analogous . . . .
>
> In the last analysis, it seems to me that the policy arguments in your fourth paragraph are much the same as the court's thinking underlying the decision in *Twelfth Street Rag*—that it is unfair for someone who has invested in a new version to be deprived by renewal of all right to use it. Actually, the equities strike me as more persuasive in the case of an expensive motion picture than they do in the case of a popular song. I think the *Twelfth Street Rag* case furnishes your strongest legal argument, but as indicated on page 175 of the study I think that case is bad law.[75]

In *Mills Music, Inc. v. Snyder,*[76] the Supreme Court, without reaching a conclusion, and perhaps saving the issue for *Abend II,* recently noted that:

> Thus, *according to respondents,* the original-term transferee who had made a derivative work could be enjoined from continuing to use the derivative work because it might infringe the underlying copyright in the renewal term. *Some observers apparently believed* that the Court of Appeals for the Second Circuit acknowledged support for this view in *G. Ricordi & Co. v. Paramount Pictures, Inc.,* when it wrote that "[a] copyright renewal creates a new estate, and the few cases which have dealt with the subject assert that the new estate is clear of all rights, interests or licenses granted under the original copy-

74. Richard Colby letter to Barbara A. Ringer, then Acting Chief, Examining Division, Copyright Office, later Register of Copyrights (January 11, 1961).

75. Barbara A. Ringer letter to Richard Colby (January 26, 1961).

76. 105 S. Ct. 638, 224 U.S.P.Q. 313, 29 P.T.C.J. 240, COPYRIGHT L. DEC. (CCH) ¶ 25,739 (1985). *See supra* note 27.

right." Therefore, *respondents reason* that there was confusion after *Ricordi* regarding whether the law allowed a derivative-work owner to utilize the work after the expiration of the underlying copyright or whether the law prohibited all utilization of the derivative work.[77]

The dissenting opinion in *Mills Music,* helpful in this respect to the thesis of this study, pointed out that a "narrower interpretation eventually *prevailed,* but not until after passage of the 1976 Act. *See Rohauer v. Killiam Shows, Inc.*"[78]

THE 1976 ACT AS GUIDE TO THE 1909 ACT

A court must grope to ascertain what would have been the thought of the 1909 Congress on an issue about which it almost certainly never thought at all.

. . . .

To such extent as it may be permissible to consider policy considerations, the equities lie preponderantly in favor of the proprietor of the derivative copyright.

. . . .

We find recognition of these policy considerations in §§ 203(b)(1) and 304(c)(6)(A) of the recently enacted copyright revision bill, 90 Stat. 2541 (1976).

. . . .

While it is true that this proviso was part of a package which extended the temporal rights of authors (but also of their assignees) and that the proviso thus does not deal with the precise situation here presented, we nevertheless regard it as evidence of a belief on the part of Congress of the need for special protection for derivative works.[79]

In applying these "policy considerations," Judge Friendly commented that:

In connection with a new plan whereby copyright in any work created on or after January 1, 1978 or created before that date but not then yet published or copyrighted shall, with certain exceptions, run for the life of the author plus 50 years, with any grant of a transfer or license subject to a right of termination between the 35th and 40th year of the grant; and the renewal term of any existing copyright is extended for another 19 years subject to a right of termination of any transfer or license at the end of the 28th year of the renewal term over a like period of five years, Congress expressly provided:

> A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.

[17 U.S.C.] §§203(b)(1), 304(c)(6)(A). While it is true that this proviso was part of a package which extended the temporal rights of authors (but also of their assignees) and that the proviso thus does not deal with the precise situation here presented, we nevertheless regard it as evidence of a belief on the part of Congress of the need for special protection for derivative works. We agree, of course, that provisions of the new Act cannot be read as varying clear provisions of the 1909 Act in cases to which the new Act does not apply.[80]

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77. *Id.* at 652 n.45 (citation omitted) (emphasis added). As noted at the beginning of this article, the Supreme Court may well address the issue if and when the present "Rear Window" litigation reaches the Court.

78. *Id.* at 655 n.7 (White, J., dissenting) (citation omitted) (emphasis added).

79. *Rohauer,* 551 F.2d at 486, 493, 494.

80. *Id.* at 494.

As to whether a court should look to what later Congresses felt when interpreting old statutes, Judge Friendly, quoting Judge Lumbard in *Goodis v. United Artists Television, Inc.*, said:

> However, the present situation fits rather well under Judge Lumbard's language in *Goodis v. United Artists Television, Inc.*:
>
> > Our decision today is that the result which the proposed legislation would compel is not precluded in any way by the decisions rendered under the present Copyright Act. As discussed earlier, the "problem" with which the proposed legislation deals is one which exists because of judicial dicta rendered in cases not apposite to the factual situation before us in this case.[81]

In *Abend II* defendants have a *stronger* case than in *Rohauer* in that *the 1976 Act* (as viewed by Judge Friendly) applies in part to the "independent" renewal copyright in the motion picture "Rear Window" under section 103(b) and sections 103 and 112 of the Transitional and Supplementary Provisions, which follow Chapter 8 of the 1976 Act. The original copyright in "Rear Window" was secured in 1954 under section 7 of *the 1909 Act* as a "new work," and renewed for 47 years in 1982 under *the 1976 Act.*

Thus, the section 7, 1954 copyright in "Rear Window" as a "new work" was extended in 1982 as an "independent" copyright under sections 103(b) and 304(a) of the 1976 Act—"independent" of the copyright in the Woolrich story. The cause of action in *Abend II* arose under the 1909 Act, under which "Rear Window" was created and first released, *and* under the 1976 Act when defendant Universal reissued "Rear Window" in 1983. And so, the 1976 Act applies to defendants' rights in *Abend II* for two reasons: the cause of action arose after the effective date of that Act, and the 1954 motion picture copyright had been renewed in 1982 under the 1976 Act.

To the extent that it may be permissible to consider legislative policy under the 1976 Act, as applicable to the 1982 copyright renewal of the motion picture "Rear Window," the congressional policy embodied in section 304(c)(6)(A), the derivative works exception, directs that the copyright owner of the motion picture shall continue to have the right to distribute that derivative work—the motion picture "Rear Window"—during the renewal copyright term of the underlying story on which that motion picture was based.

In interpreting the copyright renewal provisions of section 304(a) of the 1976 Act, which track the renewal provisions of section 24 of the 1909 Act, the courts in *Abend II* will likely be called upon to con-

81. *Id.* at 494 (citation omitted) (quoting Judge Lumbard in *Goodis v. United Artists Television, Inc.*, 425 F.2d 397, 403 (2d Cir. 1970)).

sider "pre-1978" cases including *Rohauer v. Killiam Shows, Inc., Russell v. Price*[82] and *Filmvideo v. Hastings,*[83] as well as the comment on *Rohauer* in *Mills Music, Inc. v. Snyder* by four Justices of the United States Supreme Court that *Rohauer* "eventually *prevailed.*"[84]

"GONE WITH THE WIND"

Issues similar to those decided in 1977 in *Rohauer* might have been litigated as early as 1964 as to distribution rights in "Gone With The Wind." The novel was published in 1936, its author, Margaret Mitchell, died in 1949, and the copyright in the novel was timely renewed by Stephens Mitchell, her statutory successor. MGM, the distributor, elected to confirm its United States distribution rights by a 1963 agreement with Stephens Mitchell.

In 1984, questions concerning sequel rights in the novel came to court, in *Trust Company Bank, as Executor of the Last Will of Stephens Mitchell v. MGM/UA Entertainment Co.* In the course of its opinion, the district court, probably referring to United States *distribution* rights in MGM's classic motion picture, said that "MGM had to enter into a contract with Stephens Mitchell or lose its rights to Gone With The Wind in 1963, when the copyright expired and when Stephens Mitchell would have been free to contract with anyone else regarding rights to Gone With The Wind."[85]

The district court's decision, that sequel rights in the novel are owned by plaintiff (author's brother's estate) and not by MGM/UA, was affirmed on appeal by the Court of Appeals for the Eleventh Circuit in September of 1985.[86]

The *Rohauer* decision, which came some fourteen years after the 1963 MGM agreement with Stephens Mitchell, is not referred to in the foregoing 1984 and 1985 opinions in *Trust Company Bank v. MGM/UA.*

RUSSELL V. PRICE (PYGMALION)

Of greater significance as a practical matter to the present "Rear Window" litigation, *Abend II,* is the 1979 opinion of the Court of Appeals for the Ninth Circuit in *Russell v. Price* (Pygmalion),[87] in

82. *See infra* notes 87-97 and accompanying text.

83. *See infra* notes 98-104 and accompanying text.

84. *Mills Music,* 105 S. Ct. at 655 n.7 (White, J., dissenting) (citation omitted) (emphasis added). *See supra* notes 6 and 27 and accompanying text.

85. 593 F. Supp. 580, 584, 223 U.S.P.Q. 1046, 1049-50, COPYRIGHT L. DEC. (CCH) ¶ 25,745 at 19,359 (N.D. Ga. 1984), *aff'd,* 772 F.2d 740 (11th Cir. 1985).

86. 772 F.2d 740 (11th Cir. 1985).

87. 612 F.2d 1123, 205 U.S.P.Q. 206, 43 COPYRIGHT OFF. BULL. 768, COPYRIGHT L. DEC. (CCH) ¶ 25,125 (9th Cir. 1979), *cert. denied,* 446 U.S. 952 (1980). *See* Moyles, *Russell v. Price: A Limitation on the Use of Derivative Works,* 11 GOLDEN GATE U.L.

which that court commented critically on *Rohauer.* In something of a switch in roles, *Rohauer* was cited to the court by the defendant, who in *Russell* had used the derivative work without the consent, not only of the producer of the motion picture, then in the public domain, but also *without license at any time from the author of the underlying play.*[88]

In distinguishing *Russell* from *Rohauer,* the court was quick to point out fundamental and "significant differences" in fact and in theory between the two,[89] and said it would "express no opinion about the merits of *Rohauer v. Killiam Shows, Inc.*"—although the court proceeded to do so nonetheless.[90] Writing for the Court of Appeals, Judge Goodwin noted:

> First, the *Rohauer* court placed heavy emphasis on the nongratuitous intent of the nonsurviving author to convey film rights in the novel's renewal term, a promise which had been bargained for in the initial assignment. The defendants here have never bargained with Shaw or his successors for anything, nor do they enjoy any relationship with anyone who had so bargained.
>
> A second important difference between the favored party in *Rohauer* and the defendants here is that the defendant Killiam there was the proprietor of the still valid copyright in the film. By virtue of that copyright, Killiam was held to have sufficient rights in the matter derived from the novel to continue showing it as part of the film.[91]

In *Russell,* the author of the underlying stage play, George Bernard Shaw, did not die during the original copyright term of the play, which expired in 1941. Shaw lived on into the renewal term of the play, and timely renewed that copyright. Shaw did not die until 1950. Thus, the issue in *Russell* did *not* involve conflicting claims between the statutory successor of an author and a distributor of a motion picture. It did not matter, indeed, under the copyright law that Shaw had died, and it did not matter that the copyright in the play was in its extended 19 year renewal term.[92]

The question in *Russell* would have been the same if Shaw were living and the action had arisen during the first 28 years of the copyright renewal term of play. Judge Goodwin framed the issue as follows:

REV. 323 (1981). For the Ninth Circuit's most recent reference to *Russell,* "our leading film case," see Lone Ranger Television, Inc. v. Program Radio Corp., 740 F.2d 718, 722, 223 U.S.P.Q. 112, 115, COPYRIGHT L. DEC. (CCH) ¶ 25,691 at 19,090 (9th Cir. 1984). *See also* N. BOORSTYN, I COPYRIGHT L.J. 51-54 (1984-85).

88. *Russell,* 612 F.2d at 1126-27.

89. *Id.* at 1126-28.

90. *See infra* text accompanying note 94.

91. 612 F.2d at 1127.

92. The 1976 Copyright Act, 17 U.S.C. § 304.

> Defendants' main contention on the primary issue in this litigation is simply stated: Because the film copyright on "Pygmalion" has expired, that film is in the public domain, and, consequently, prints of that film may be used freely by anyone. Thus, they argue that their renting out of the film does not infringe the statutory copyright on Shaw's play.[93]

Defendants' reliance on *Rohauer* was misplaced. Nevertheless, the Court commented on *Rohauer* in several footnotes, each of which no doubt will be recalled in *Abend II*:

> 12. It is on this basis that the court in *Rohauer v. Killiam Shows, Inc.* distingushed *Ricordi* and *Fitch v. Shubert.* The court noted, for example, that the "fundamental reason" *Ricordi's* holding, that the renewal copyright in the derivative work extended only to the new matter in that version, was not determinative in *Rohauer* was that in the former the assignment agreement
>
> > "* * * did not purport to run beyond the original term of [the] copyright on the novel * * *. To conclude that the renewal term of a copyright is a new estate free from previous licenses is one thing when, as in *Ricordi,* the parties have never bargained for renewal rights, and another when, as in the [*Rohauer*] case * * *, the assignment agreement explicitly included rights to the derivative work during the renewal term."
>
> 13. We note that the so-called "new property rights" theory which *Rohauer v. Killiam Shows, Inc.* seems partially to adopt, had been consistently rejected in earlier decisions as well as by the nation's foremost authority on copyright law. Professor Nimmer states the theory as follows:
>
> > "* * * [O]nce a derivative work is created pursuant to a valid license to use the underlying material, a new property right springs into existence with respect to the entire derivative work, so that even if the license is thereafter terminated the proprietor of the derivative work may nevertheless continue to use the material from the underlying work as contained in the derivative work."
>
> 16. A copyright proprietor has an exclusive monopoly over *all* uses of the protected work, including the right to copy, print, vend, publish, make other versions of, perform or exhibit the work. 17 U.S.C. §1. Thus, we find Judge Friendly's attempt to limit *G. Ricordi & Co. v. Paramount Pictures, Inc.*, to its specific facts unconvincing. The 1909 Act made no distinction between a copyright owner's right to authorize copying or exhibition of the work as it appears in an existing derivative work and the right to authorize creation of a new derivative work. Nor did the court in a case involving essentially the same question as that which confronts us. *Filmvideo Releasing Corp. v. Hastings.*[94]

Nevertheless, Judge Goodwin noted that:

> A prominent rationale in that case [*Rohauer*] for awarding those limited rights in favor of the owner of the derivative copyright is the protection and encouragement of the "large and independently copyrightable" "literary, musical and economic" contributions of the "person who with the consent of the author has created an opera or a motion picture film" from a copyrighted novel.[95]

This form of derivative work which, as a "new work," is entitled to its own section 7 copyright, was distributed in *Rohauer* with the original "nongratuitous intent" of the author; in *Russell,* "defendants

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93. 612 F.2d at 1126.
94. *Id.* at 1127 nn.12-13, 1128 n.16 (citations omitted) (emphasis in original).
95. *Id.* at 1127 (citation omitted).

neither stand in the shoes of, nor are in privity with, anyone else . . . who might arguably still enjoy some right of distribution."[96]

The words, "new estate," in relation to the copyright renewal term, ought to be used carefully in the light of the facts—if no rights have been granted into the renewal term (*Fitch, Marks* and *Ricordi*), then, indeed, it is harmless to characterize the renewal as a new estate free and clear of all licenses granted during the original term.[97]

FILMVIDEO V. HASTINGS (HOPALONG CASSIDY)

In *Filmvideo Releasing Corp. v. Hastings* (Hopalong Cassidy),[98] the Second Circuit in 1981 had the *Russell* issue before it—whether the unlicensed exhibition of a public domain motion picture prevails over the rights of the copyright owner of the underlying literary work. The court specifically said, "We agree with the Ninth Circuit, *Russell v. Price*, . . . that the answer is 'No.' "[99] Without commenting on other interesting issues in the "Hopalong Cassidy" litigation, such as the copyrightability of the characters,[100] the Second Circuit disposed

96. *Id.* at 1125 n.3.

97. *See supra* text accompanying note 55.

98. 668 F.2d 91, 218 U.S.P.Q. 750, COPYRIGHT L. DEC. (CCH) ¶ 25,339 (2d Cir. 1981).

99. *Id.* at 92.

100. In the district court, Judge Werker held that the characters, including Hopalong Cassidy, that were created by Clarence E. Mulford, were "copyrightable" and protected from infringement by copyright law. Filmvideo Releasing Corp. v. Hastings, 509 F. Supp. 60, 212 U.S.P.Q. 195, COPYRIGHT L. DEC. (CCH) ¶ 25,222 (S.D.N.Y. 1981). The issue was critical because some of the motion pictures that had been exhibited without license from the copyright owner of the underlying literary works were based on original story lines (not on the licensed stories in the Mulford books), and thus infringement would depend on whether "the Cassidy shown in the motion pictures was that different from the character in the books." *Id.* at 65. Judge Werker stated, "In my opinion, these characters and others were sufficiently delineated, developed and well known to the public to be copyrightable." *Id.* at 66. *See* Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights, and the Public Interest*, 28 UCLA L. REV. 715 (1981); Nevins, *The Doctrine of Copyright Ambush: Limitations on the Free Use of Public Domain Derivative Works*, 25 ST. LOUIS U.L.J. 58 (1981).

A few months after his January 1981, decision in *Filmvideo*, Judge Werker in July 1981 wrote the opinion deciding Burroughs v. Metro-Goldwyn Mayer, Inc. [Tarzan], 519 F. Supp. 388, 215 U.S.P.Q. 37, COPYRIGHT L. DEC. (CCH) ¶ 25,277 (S.D.N.Y. 1981), *aff'd with issue expressly left open*, 683 F.2d 610, 621, 631 (2d Cir. 1982) (as noted by Judge Newman for the Second Circuit in Warner Bros. Inc. v. ABC, 720 F.2d 231, 240, 222 U.S.P.Q. 101, 108, COPYRIGHT L. DEC. (CCH) ¶ 25,584 at 18,449 (2d Cir. 1983)). In *Burroughs*, Judge Werker stated, "It is beyond cavil that the character 'Tarzan' is delineated in a sufficiently distinctive fashion to be copyrightable." *Id.* at 391. One year earlier, on June 24, 1980, denying a motion for preliminary injunction in the same "Tarzan" litigation, Burroughs v. Metro-Goldwyn Mayer, Inc., 491 F. Supp. 1320, 210 U.S.P.Q. 579, 44 COPYRIGHT OFF. BULL. 176, COPYRIGHT L. DEC. (CCH) ¶ 25,165

of the issue whether the underlying copyrighted stories were thrown

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(S.D.N.Y.), *aff'd without opinion*, 636 F.2d 1200 (2d Cir. 1980), Judge Werker had stated: "Whether the Tarzan characters appearing in the author's works are copyrightable or not, it is clear that the 1931 agreement was not intended to, and did not purport to, grant MGM any copyright interest." *Id.* at 1324 (citations omitted).

On the appeal of Judge Werker's 1981 decision on the merits of the "Tarzan" litigation, the United States Court of Appeals for the Second Circuit affirmed. 683 F.2d 610, 215 U.S.P.Q. 495, COPYRIGHT L. DEC. (CCH) ¶ 25,406 (2d Cir. 1982). The court noted,

> Changing its earlier view that the 1931 Agreement was not intended to grant MGM a copyright interest, the [district] court held that the character "Tarzan" was sufficiently unique to be copyrightable and that the grant of a license to use the character "Tarzan" was a copyright interest subject to termination under § 304.

Id. at 620 (citations omitted).

Holding that the section 304 (c) termination notice failed for procedural reasons, and therefore that it was unnecessary to decide the issue whether the Tarzan character was a sufficiently copyrightable interest to be subject to termination, Judge Kearse, writing for the Court of Appeals, referred to "the venerable question as to whether and in what circumstances an author's creation of a fictional character can be protected by copyright . . . [as to which] we express no view." *Id.* at 621. In a footnote, Judge Kearse further stated that "[i]f 'Tarzan' is not copyrightable, ERB, Inc.'s grant of the right to use the character was not a right under copyright, and thus was not subject to termination under 17 U.S.C. § 304(c)." *Id.* at 621 n.11. In his concurring opinion, Judge Newman, for purposes of reaching the question whether the termination notice was adequate, made "the assumption that the character Tarzan is sufficiently delineated to support a copyright . . . ." *Id.* at 631.

Since courts in particular cases may disagree as to whether characters are copyrightable, sequel rights and termination rights under section 203 and section 304(c) of the 1976 Act may be at risk.

On these issues of copyrightability of characters, sequel rights, reversions and termination rights, see Ellingson, *The Copyright Exception for Derivative Works and the Scope of Utilization*, 56 IND. L.J. 1, 35-37 (1980), 29 COPYRIGHT L. SYMP. [ASCAP] 83, 125-28 (1983); Cohen, *Derivative Works Under The Termination Provisions of the 1976 Act*, 28 BULL. COPYRIGHT SOC'Y 380, 407 n.73 (1980-81); Stein, *Termination of Transfers and Licenses Under The New Copyright Act: Thorny Problems For The Copyright Bar*, 24 UCLA L. REV. 1141, 1149-64 (1977), 26 COPYRIGHT L. SYMP. [ASCAP] 1, 24-32 (1981). *See also* Brylawski, *Protection of Characters—Sam Spade Revisited*, 22 BULL. COPYRIGHT SOC'Y 77 (1974-75); Zissu, *Whither Character Rights: Some Observations*, 29 J. COPYRIGHT SOC'Y 121 (1981-82); R. WINCOR, FROM RITUAL TO ROYALTIES (1962); Davidow, *Copyright Protection for Fictional Characters: A Trademark-Based Approach to Replace Nichols*, 8 ART & THE LAW 513 (1984). On trademark protection for the Tarzan mark, covering a wide variety of goods, see Edgar Rice Burroughs, Inc., v. Mann Theatres, 195 U.S.P.Q. 159 (C.D. Cal. 1976).

Copyrightability of literary characters (as distinguished from cartoon characters) remains an open question in the Court of Appeals for the Second Circuit. As Judge Newman noted in Warner Bros. Inc. v. ABC (Superman v. The Greatest American Hero):

> Copyrightability of a literary character has on occasion been recognized, *Burroughs v. Metro-Goldwyn-Mayer, Inc.*, 519 F. Supp. 388, 391 (S.D.N.Y 1981) (Tarzan), *aff'd with issue expressly left open*, 683 F.2d 610, 621 (2d Cir. 1982). However, there has been no doubt that copyright protection is available for characters portrayed in cartoons, even before *Nichols* . . . .

720 F.2d 231, 240 (2d Cir. 1983).

By way of reflection on renewals, terminations and copyrightability of characters, Professor Ralph S. Brown has recalled:

> I still have my notes on it, marking my discovery of such arcane concepts as the divided term, 28 years renewable for another 28. That's been abolished in favor of something even more arcane called "termination of grants" that I will

into the public domain when the copyrights on the derivative motion pictures were not renewed, stating that "[s]ince the proprietor of a derivative copyright cannot convey away that which he does not own, it follows that he cannot release that which he does not own into the public domain."[101] Judge Van Graafeiland, writing for the court, continued, "To the extent that *Rohauer v. Killiam Shows, Inc.* may have departed from the doctrine established in the above cited cases, the aberration was a minor one, and it is not dispositive of the issues in the instant case."[102]

It is not clear why the court felt that *Rohauer* "departed from the doctrine established" in previous cases, except perhaps in the sense that the *Rohauer* defendant was permitted to continue to use the underlying work to the extent embodied in the derivative work—a far cry from saying that the underlying work was thrown into the public domain, free for anyone to use. As noted by the Ninth Circuit in *Russell*, "[b]y virtue of that [section 7] copyright, Killiam was held to have sufficient rights in the matter derived from the novel to continue showing it as part of the film."[103] That this is probably what Judge Van Graafeiland meant by referring, in a limited way, to *Rohauer* as an "aberration," albeit "a minor one," may become clearer on reading the balance of Judge Graafeiland's discussion:

> The precise holding in *Rohauer* was that a derivative copyright proprietor who had been promised a reconveyance of his license rights upon renewal of the underlying copyright, could enforce that promise as against the statutory successors of the deceased proprietor of the underlying copyright. The successors did not lose the protection inherent in the underlying copyright except to the limited extent that a right of derivative use had been granted the licensee. The licensee received no more than the right of use covered by the terms of the licensing agreement. His derivative copyright was not expanded to encompass that which was borrowed from the underlying work; he could not reproduce the borrowed material in other forms or versions as if it were his own original contribution. In short, he had no proprietary interest in the underlying copyrighted material which would enter the public domain upon the lapse of his own copyright.
>
> Indeed, as Judge Friendly noted in *Rohauer*, a purpose of Congress in enact-

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spare you any elucidation of, largely because I barely understand it myself (in this I am not alone — there is a recent complex case before the Second Circuit about Tarzan of the Apes in which those very able judges Kearse and Newman each politely suggest, and at some length, that the other doesn't fully understand it).

Brown, *The Joys of Copyright*, 30 J. COPYRIGHT SOC'Y 477, 478 (1982-83), *reprinted from* YALE L. REP. 20-23 (Fall/Winter 1982-83).

101. 668 F.2d at 93 (citations omitted).

102. *Id.* The "above cited cases" include *Ricordi v. Paramount Pictures. See supra* note 61 and accompanying text.

103. 612 F.2d at 1127.

> ing the above quoted portion of section 7 was to ensure that a failure of the derivative copyright would not diminish the statutory protection afforded the underlying copyright. Appellant Filmvideo, which had no rights under the 1935 licensing agreement, could not dispute appellees' claim to protection under the Mulford copyright.[104]

It is essential at this point to reemphasize the impact of section 7 of the 1909 Act, which distinguishes this renewal issue from all others reviewed in *Fitch, Marks* and *Ricordi.* The fundamental principle is that a motion picture or other derivative work is a "new work" entitled to an independent and separate copyright under section 7.

FAIR USE

In the present "Rear Window" litigation, *Abend II,* defendants' Answers raise fair use as an affirmative defense, asserting that any and all of defendants' alleged uses of the "Rear Window" story constitute a fair use.[105] That the use of a story, as transformed into motion picture form, may fit within the rubric of fair use, is a striking and novel approach, first invoked by the district court in *Rohauer.* Considered particularly in light of the fact that in each such case *the author had consented* to use of the underlying literary work in the making of the motion picture, fair use may well be an additional support for the section 7 new work copyright. In *Rohauer,* Judge Bauman wrote for the district court:

> Defendants next argue that even if their showings did infringe plaintiffs' copyright, such showings constituted a "fair use" of plaintiffs' work. Our Court of Appeals considered the nature and justification of the fair use doctrine in *Rosemont Enterprises, Inc. v. Random House, Inc.,* 366 F.2d 303 [150 U.S.P.Q. 715] (2nd Cir. 1966), *cert. denied,* 385 U.S. 1009 [152 U.S.P.Q. 844] (1967). Fair use, it stated, "is a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner." *See* Ball, Copyright and Literary Property 260 (1944). Citing *Berlin v. E.C. Publications, Inc.,* 329 F.2d 541 [141 U.S.P.Q. 1] (2d Cir. 1964), it noted that "courts in passing upon particular claims of infringement must occasionally subordinate the copyright holder's interest in a maximum financial return to the greater public interest in the development of art, science and industry." Hence whether an infringer will be entitled to the benefit of the fair use privilege depends on the nature of the infringing work; the most important consideration is whether the distribution of such work "would serve the public interest in the free dissemination of information." Not surprisingly, therefore, the fair use privilege has been most frequently extended to works in the fields of science, law, medicine, history and biography. *See also Public Affairs Associates, Inc. v. Rickover,* 268 F. Supp. 444 [153 U.S.P.Q. 598] (D.D.C. 1967); *Eisenschiml v. Fawcett Publications, Inc.,* 246 F.2d 598 [114 U.S.P.Q. 199] (7th Cir.), *cert. denied,* 355 U.S. 907 [115 U.S.P.Q. 426] (1957).
>
> The factors bearing upon a court's inquiry into a fair use defense have been well stated by Judge Lasker in *Marvin Worth Productions v. Superior Films Corporation,* 319 F. Supp. 1269 [168 U.S.P.Q. 693] (S.D.N.Y. 1970). The court

104. 668 F.2d at 93 (citation omitted).

105. Defendants' Answers, Sixth Affirmative Defense, Abend v. MCA Inc., No. 84-2483 AAH (C.D. Cal. filed June 21, 1984).

> must determine: (1) was there a substantial taking, qualitatively or quantitatively; (2) if there was, did the taking materially reduce the demand for the original copyrighted property; (3) does the distribution of the infringing material serve the public interest in the free dissemination of information; (4) does the preparation of the material require the use of prior materials dealing with the same subject matter. 319 F. Supp. at 1274 [168 U.S.P.Q. at 697-98].
>
> A consideration of but one of these factors is sufficient to dispose of defendants' claim. There is no discernible public interest in the dissemination of "The Son of the Sheik" sufficient to justify the infringement. Even a cursory examination of those cases in which courts have recognized a significant countervailing public interest in infringing material indicates how far short defendants' argument falls.
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> In *Time Incorporated v. Bernard Geis Associates,* 293 F. Supp. 130 [159 U.S.P.Q. 663] (S.D.N.Y. 1968), sketches based on a film of President Kennedy's assassination were found justified as a fair use because of the "public interest in having the fullest information available" on that event. In *Meeropol v. Nizer,* 361 F. Supp. 1063 [179 U.S.P.Q. 660] (S.D.N.Y. 1973), the publication of letters of Julius and Ethel Rosenberg was deemed justified by "the continuing interest in and importance of the celebrated Rosenberg case." It can scarcely be argued here that the enduring fame of Rudolph Valentino or the intrinsic literary and historical merit of "The Son of the Sheik" (whatever it may be) serves any public interest sufficient to endow these defendants with the privilege of fair use.[106]

As now articulated in section 107 of the 1976 Act, the four statutory fair use "factors" reflect "the purpose and general scope of the judicial doctrine of fair use . . . one of the most important and well-established limitations on the exclusive right of copyright owners . . . given express statutory recognition for the first time in section 107."[107]

Merely listing the four fair use factors recognized by section 107, and thinking of the facts in *Rohauer* and in *Abend II,* is instructive:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
(2) the nature of copyrighted work;
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.[108]

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106. 379 F. Supp. 723, 732-33, 183 U.S.P.Q. 592, 39 COPYRIGHT OFF. BULL. 665, (S.D.N.Y. 1974), *discussed in* W. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW 420-24 (1985).

107. H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 65-66 (1976), *reprinted in* N. BOORSTYN, COPYRIGHT LAW, App. A:4 at 498 (1981 & Supp. 1985), M. NIMMER, 4 NIMMER ON COPYRIGHT 4-25, 4-27 (1985), 1976 U.S. CODE CONG. & AD. NEWS 5659, 5678-79, 17 G. GROSSMAN, OMNIBUS COPYRIGHT REVISION LEGISLATIVE HISTORY (1977).

108. The 1976 Copyright Act, 17 U.S.C. § 107.

For the most recent (and only, in recent decades) decisions on fair use in the United States Supreme Court, see Sony Corp. of America v. Universal City Studios, Inc., [Betamax], 464 U.S. 417, 220 U.S.P.Q. 665, COPYRIGHT L. DEC. (CCH) ¶ 25,615, 27 P.T.C.J. 259 (1984), *reh'g denied,* 465 U.S. 1112 (1984); Harper & Row Publishers, Inc.

Examination of the third factor may be the most important of the four in this situation.[109] Regardless of how much of the original story "appears on the screen," it takes the screenwriters' craft, the director's art and the performers' talent to transform the story into a motion picture. Rather than advocate a rule that will depend on "the amount" of the story used, it is suggested that judicial notice be taken of the major differences in form and substance between any story and its motion picture version.[110] This magical transformation of the

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v. Nation Enters., 557 F. Supp. 1067, 220 U.S.P.Q. 210, COPYRIGHT L. DEC. (CCH) ¶ 25,506 (S.D.N.Y.), *rev'd,* 723 F.2d 195, 220 U.S.P.Q. 321, COPYRIGHT L. DEC. (CCH) ¶ 25,604 (2d Cir. 1983), *rev'd,* 105 S. Ct. 2218, 225 U.S.P.Q. 1073, COPYRIGHT L. DEC. (CCH) ¶ 25,793, 30 P.T.C.J. 63, 77 (1985). *Harper & Row* is noted in N. BOORSTYN, II COPYRIGHT L.J. 2-6 (1985-86).

For Bills which would affect home audio (not video) recording, see H.R. 2911, 99th Cong., 1st Sess., 131 CONG. REC. E3108-09 (daily ed. June 27, 1985), COPYRIGHT L. REP. (CCH) ¶ 20,324 (the proposed Home Audio Recording Act) and S. 1739, 99th Cong., 1st Sess., 131 CONG. REC. S12795-99 (daily ed. Oct. 7, 1985), COPYRIGHT L. REP. (CCH) ¶ 20,330 (Senator Charles McC. Mathias, Jr. et al.), on which a Hearing was held on October 30, 1985, by the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks. COPYRIGHT L. REP. (CCH) ¶ 20,336 (1985). For discussion of the Hearing, see N.Y. Times, Nov. 21, 1985, at 20, col. 1.

On fair use, see generally, M. NIMMER, 3 NIMMER ON COPYRIGHT § 13.05 (1985); N. BOORSTYN, COPYRIGHT LAW §§ 5:2, 10:27 (1981 & Supp. 1985); N. Boorstyn, *The Doctrine of Fair Use,* I COPYRIGHT L.J. 1-12 (1984-85); W. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW (1985); Latman, *Fair Use of Copyrighted Works,* Copyright Office Study No. 14 (1958), *reprinted in* 2 STUDIES ON COPYRIGHT 781 (Arthur Fisher Memorial ed. 1963), *cited in* Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 451 n.34 (majority opinion by Stevens, J.), 465-66, 465 n.13 (Blackmun, J., dissenting); Hon. Robert W. Kastenmeier, *Alan Latman—A Congressional Tribute,* 32 J. COPYRIGHT SOC'Y 7 (1984), *reprinted in* Tributes to Alan Latman, 6 Kaminstein Project, *supra* note 54, at iv-xxi (1985).

One reads the tribute of the late Professor Melville B. Nimmer (who passed away on November 23, 1985), 32 J. COPYRIGHT SOC'Y 11-12 (1984-85), to the late Professor Alan Latman (who died on July 20, 1984) with difficulty. Professor Nimmer acknowledges Professor Latman's contribution to the law of Fair Use, quoting in his Treatise from the argument by Professor Latman at the Supreme Court of the United States in Williams & Wilkins Co. v. United States, 420 U.S. 376, 184 U.S.P.Q. 705 (1975), affirming, by an equally divided court, 4 to 4, Justice Blackmun not participating, the 4 to 3 decision of the Court of Claims, 487 F.2d 1345, 203 Ct. Cl. 74, 180 U.S.P.Q. 49 (1973). M. NIMMER, 3 NIMMER ON COPYRIGHT § 13.05[E], at 13-108 to 13-109 n.122 (1985).

For Justice Blackmun's views disapproving of the Fair Use decision by the Court of Claims in *Williams & Wilkins,* see his dissenting opinion for four Justices of the Supreme Court in Sony Corp. of America v. Universal City Studios, Inc., 105 S. Ct. 417, 467 n.16.

See Colby, *Tribute to Professor Melville B. Nimmer,* 11 NEW MATTER (Journal of the Intellectual Property Section of the State Bar of California), No. 1, Spring 1986, at 7.

109. Notwithstanding Justice O'Connor's statement for the court in *Harper & Row Publishers, Inc. v. Nation Enterprises:* "Finally, the Act focuses on 'the effect of the use upon the potential market for or value of the copyrighted work.' This last factor is undoubtedly *the single most important element of fair use.* See 3 Nimmer [on Copyright] § 13.05[A], at 13-76, and cases cited therein." 105 S. Ct. 2218, 2234 (1985) (emphasis added).

110. *Cf. Rohauer,* 551 F.2d at 487 ("new versions of copyrighted works might involve a degree of intellectual effort and expense quite as great as or considerably

printed word into a three-dimensional art form, requiring the participation of so many other talents, would generally suggest that a fair use defense may well be applicable—where the author had consented to the making of a motion picture based on the author's story.[111]

CONCLUSION

If the plaintiff in the present "Rear Window" litigation, *Abend II,* is able to overcome various, serious obstacles to judgment indicated in the pleadings, the District Court and the Ninth Circuit and ultimately the Supreme Court of the United States may at last have the opportunity to address the *Rohauer* issue, which the Supreme Court elected not to hear in 1977. On balance, textual analysis of the 1909 Act, policy considerations, the equities, legislative policy formulated in the development of the Copyright Act of 1976, and the views of commentators (with some division) indicate that the *Rohauer* rule as enunciated by Judge Friendly in 1977 should prevail.

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greater than the contribution of the author of the underlying work . . . ."). *See also* Mills Music Inc. v. Snyder, 105 S. Ct. 638 (1985):

> As a matter of fact—or of judicial notice—we are in no position to evaluate the function that each music publisher actually performs in the marketing of each copyrighted song. But based on our reading of the statute and its legislative history . . . we find no reason to differentiate between a book publisher's license to a motion-picture producer and a music publisher's license to a record company.

Id. at 651. *See supra* note 27.

111. In its last copyright case in the 1984-85 Term, Dowling v. United States, 105 S. Ct. 3127, 226 U.S.P.Q. 529, COPYRIGHT L. DEC. (CCH) ¶ 25,795 (1985), the Supreme Court developed definitional tools which would seem to presage their application to new issues on the copyright horizon, such as the first sale doctrine and the distribution right under section 106(3) and section 109(a), and the distinction under section 202 between a material object (copy or phonorecord) and a copyright which may be embodied in that material object. "Thus, the *property rights* of a copyright holder have a character distinct from the *possessory interest* of the owner of simple 'goods, wares, [or] merchandise' . . . ." *Id.* at 3133 (emphasis added). *Dowling* is noted in N. BOORSTYN, II COPYRIGHT L.J. 14-16 (1985-86).

Contrast the right to "vend," in United States v. Minor, 756 F.2d 731, 226 U.S.P.Q. 28, COPYRIGHT L. DEC. (CCH) ¶ 25,807 (9th Cir. 1985), *judgment vacated and remanded for further consideration,* 106 S. Ct. 401 (1985), in light of *Dowling,* to the "distribution" right, 17 U.S.C. § 106(3). For a broader view, see Colby, *The First Sale Doctrine—The Defense That Never Was?, supra* note 35.