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THE "WORK FOR HIRE" DEFINITION IN THE COPYRIGHT ACT OF 1976: CONFLICT OVER SPECIALLY ORDERED OR COMMISSIONED WORKS

The work for hire doctrine developed as a theory of ownership entitling an employer to the copyrights of work prepared by an employee within the scope of his employment. In the Copyright Act of 1976 (the "1976 Act") Congress statutorily defined works made for hire to include for the first time certain types of works "specially ordered or commissioned."¹ The interpretation of this new statutory definition is the source of controversy among the federal courts.†

At common law² and under the Copyright Act,³ the fundamental legal question involved in every work for hire of 1909 (the "1909 Act") controversy was whether an employer should acquire, by the mere existence of an employment relationship, the immediate results of his employee's work as well as the copyrights to that work. The answer inevitably depended upon the courts' interpretation of the term "employee" under the work for hire doctrine. Courts formulated several standards for making that determination.⁴

Now, however, the 1976 Act's definition of "works made for hire" raises an altogether new question of ownership. Under the

¹ In the 1976 Act, Congress for the first time defined "works made for hire":

(1) a work prepared by an employee within the scope of his or her employment; or

(2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

17 U.S.C. § 101 (1976).

† As this Note was printed the United States Supreme Court resolved the controversy. *Community for Creative Non-Violence v. Reid*, 109 S.Ct. 2166 (1989).

² See *infra* notes 14-18 and accompanying text.

³ See *infra* text accompanying notes 26-46.

⁴ See *infra* text accompanying notes 26-32.

revised definition, are courts to decide at what point, if any, an independent contractor is so controlled by the commissioning party that he loses his independent status and becomes an employee for purposes of the work for hire doctrine? Or does the revised definition eliminate such speculation by the court and establish a *per se* rule based on the type of work created?

There are two interpretations of the specially ordered or commissioned works in clause two⁵ of the definition of works made for hire.⁶ One line of cases⁷ interprets clause two as the exclusive test for determining the work made for hire status of commissioned works: if the work is not within one of clause two's nine specified categories and specifically designated a work for hire by the required writing, then it is not a work made for hire. This "exclusive" interpretation supports the theory that Congress intended to radically change the work for hire doctrine in the 1976 Act by limiting the types of commissioned works eligible for work for hire status.⁸ The second line of cases⁹ expresses a more conservative view of the specially ordered or commissioned works category. Under this "non-exclusive" interpretation, commissioned works outside the nine categories of works in clause two can still qualify as works made for hire if the project was performed pursuant to basic standards of agency law.¹⁰

Part I of this Note discusses the evolution of the work for hire doctrine, with particular emphasis on the legislative history underlying the 1976 Act. Part II analyzes the two opposing interpretations of the 1976 Act's definition of works made for hire in light of competing policy arguments. Based on this analysis, Part III endorses the "exclusive" interpretation of the definition, arguing that, despite the lack of clearly articulated Congressional intent, the 1976 Act radically changed the concept of work for hire as it applies to commissioned works.

⁵ See *supra* note 1.

⁶ See O'Meara, "Works Made for Hire" Under the Copyright Act of 1976—Two Interpretations, 15 CREIGHTON L. REV. 523 (1982) (acknowledging two interpretations of works made for hire).

⁷ See *infra* notes 104-39 and accompanying text.

⁸ 1 M. NIMMER, COPYRIGHT § 5.03 [A], at 5-10 (1981). See generally Angel & Tannenbaum, *Works Made for Hire Under S.22*, 22 N.Y.L. SCH. L. REV. 209 (1976) (arguing that new definitions of works for hire under § 101 should narrow the potential areas of dispute).

⁹ See *infra* notes 90-103 and accompanying text.

¹⁰ See *Aldon Accessories Ltd. v. Spiegel, Inc.*, 738 F.2d 548 (2d Cir.), *cert. denied*, 469 U.S. 982 (1984); see also *infra* notes 26-32 and accompanying text.

I

THE EVOLUTION OF THE WORK FOR HIRE DOCTRINE

A. The Work For Hire Doctrine Under the Common Law

The United States Constitution empowers Congress to protect authors' efforts by securing to them the exclusive rights to their intellectual labors.¹¹ The Copyright Clause expresses the belief that protecting authors' rights is the best means to encourage and advance the arts.¹² Early legislative enactments of copyright law reflected that basic purpose.¹³ Yet, in the late 1800s federal courts began to formulate an equitable theory of ownership that vested all copyrights in an employer rather than in the actual "author" in the case of works made for hire.¹⁴ While earlier courts tended to narrowly construe any principle that deprived an author of copyrights without his express consent, the courts of the new industrial age viewed the employer-employee relationship as a manifestation of an employee's "express consent" to pass his copyrights to his employer.¹⁵

This novel "consent" theory may at first appear to contradict the basic protectionist purpose of the Copyright Clause by divesting the creator of his copyrights in the finished product. The courts, however, theorized that vesting the copyrights in the employer rather than the employee is wholly consistent with the policy behind the Copyright Clause.¹⁶ The courts reasoned that because the creativity and originality of the project flows directly from the employer, the employer is the true author of the work.¹⁷ Therefore, entitling the employer to the copyrights of works made for hire fulfills the basic purpose of copyright law, which is to create the most efficient and productive balance between protecting an author's rights, thereby providing him with appropriate incentives to continue his

¹¹ U.S. CONST. art. I, § 8, cl. 8 provides Congress with the power to "... Promote the Progress of Science . . . by securing for limited Times to Authors . . . the exclusive Right to their respective Writings. . . ."

¹² See *Hearings on H.R. 4347, H.R. 5680, H.R. 6831 and H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary, 89th Cong., 1st Sess., Pt. 1 95 (1966).*

¹³ The first copyright law of the United States was enacted by the first Congress in 1790 and revised in 1831, 1870, and 1909. 28 U.S.C. § 1338(a) (1982) confers exclusive jurisdiction to federal courts in the area of patents and copyrights.

¹⁴ Prior to the 1909 Act's codification of the work for hire doctrine, an employer was presumed to own the copyright to the products of salaried employees. See, e.g., *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903); *Colliery Engineer Co. v. United Correspondence Schools Co.*, 94 F. 152 (C.C.S.D.N.Y. 1899); *Little v. Gould*, 15 F. Cas. 612 (C.C.N.D.N.Y. 1852) (No. 8395).

¹⁵ See *Bleistein*, 188 U.S. at 245, 248 (1903).

¹⁶ *Id.* at 248 ("[T]he designs belonged to the plaintiffs [employers], they having been produced by persons employed and paid by the plaintiffs in their establishment to make those very things.").

¹⁷ *Gill v. United States*, 160 U.S. 426, 436 (1896).

creative efforts, and disseminating an author's work, thereby promoting societal learning, culture, and development.¹⁸

B. The Work For Hire Doctrine Under the Copyright Act of 1909

Congress first codified the work for hire doctrine in the Federal Copyright Act of 1909.¹⁹ The 1909 Act defined "author" to include an employer in the case of any work made for hire.²⁰ The Act failed, however, to define the term "work for hire," or to distinguish employees from independent contractors. As a result, courts had to develop a definition of work made for hire in light of the 1909 Act. More precisely, courts needed to decide whether an independent contractor could be a statutory employee for the purposes of works made for hire.

1. *Significance of the Work For Hire Determination*

The determination that a work was made for hire under the 1909 Act had a critical effect on ownership rights and related issues, such as duration and renewal rights.²¹ Because copyrights initially vest in the author of a work, and the Act provided that the term "author" included an employer in the case of a work made for hire, employers in the work for hire context became initial copyright owners. The work for hire employer thereby received all rights under the Copyright Act: ownership of the original work and any work derived from the original and exploitation of the work in other media.²²

In addition to the usage rights associated with initial ownership,

¹⁸ *Bleistein*, 188 U.S. at 239; *see also* *Goldstein v. California*, 412 U.S. 546, 555 (1973) (Copyright Clause describes Congress' objective to promote the progress of science and the arts and encourage people to pursue intellectual and artistic creation by granting to those individuals the exclusive rights to their works); *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (Copyright Clause reflects an economic philosophy that "encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and Useful Arts'").

¹⁹ Copyright Act of March 4, 1909, 35 Stat. 1075, *repealed by* Pub. L. No. 94-553, 90 Stat. 2541 (1976).

²⁰ *Id.* 17 U.S.C. § 9 (1947) provided "an author or proprietor" the right to secure a copyright. The Act also defined an "author" to include an employer in the case of works made for hire.

²¹ 17 U.S.C. § 24 (1947).

²² This distinction is particularly important with respect to foreign employers and/or authors because they are not subject to the manufacturing clause (17 U.S.C. § 16 (1947)), limiting importation and distribution of copies manufactured abroad, and *ad interim* provisions (17 U.S.C. §§ 22, 23 (1947)), imposing a five year cut off of copyright protection of copies manufactured abroad. Thus, if an American citizen is hired to develop a work for a foreign company, the foreign employer/author would be entitled to copyrights under the 1909 Act with no obligation to comply with the same requirements as American authors. *See NIMMER, supra* note 8, § 5.03[A], at 5-11 n.11.

only the author or his family could renew the copyright. The Act provided that the proprietor of any "work copyrighted by . . . an employer for whom such work is made for hire"²³ shall be entitled to renew and extend the copyright for an additional 28 years.²⁴ Thus, under the 1909 Act, it was crucial to determine the relationship between the creator of the work and anyone to whom he may have divested his rights in the original copyright term. If the courts determined that a work for hire relationship was one of "employment," then the employee-creator automatically divested himself of the renewal rights in favor of the employer or the employer's successor in interest, absent any agreement to the contrary.²⁵

2. *Whose Work Is Made For Hire?*

a. *Works Made Under an Employer-Employee Relationship*

Under the 1909 Act, the courts determined that an employer held the copyright to an employee's work created within the "scope of his employment."²⁶ Relevant factors courts used in determining whether a work was made within the scope of employment included the existence of an employment contract,²⁷ at whose instance, expense, time, and facility the work was created,²⁸ and the nature and amount of compensation, if any, received by the employee for his work.²⁹ The standard agency inquiry, however, remained the primary test for determining the existence of an employment relationship: did the employer have a right to direct and supervise the

²³ 17 U.S.C. § 24 (1947).

²⁴ *Id.*

²⁵ NIMMER, *supra* note 8, § 5.03[A], at 5-10.

²⁶ *See, e.g.,* Picture Music, Inc. v. Bourne, Inc., 314 F. Supp. 640, 651 (S.D.N.Y. 1970) (essential factors for determining whether work was made within the scope of employment were employer's rights to supervise, direct, and exercise control over the work).

²⁷ *See* NIMMER, *supra* note 8, § 5.03[B], at 5-13.

²⁸ *See* Siegel v. National Periodical Publications, Inc., 508 F.2d 909, 914 (2d Cir. 1974) (holding that no work for hire arrangement existed between the creator of a comic strip and the magazine that published it because the comic strip was "spawned" prior to any relationship with the publisher. Since the creation of the strip was not at the "instance and expense" of the publisher, the publisher could not claim any copyright in the strip); Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1217 (2d Cir.), *cert. denied*, 409 U.S. 997 (1972); Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565, 567-69 (2d Cir. 1966).

²⁹ *See* Bourne, 314 F. Supp. at 650-51; *see also* Murray v. Gelderman, 566 F.2d 1307 (5th Cir. 1978) (share of profits); Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697 (2d Cir. 1941) (advance payment against royalty); Tobani v. Carl Fischer, Inc., 98 F.2d 57 (2d Cir. 1938) (one may be an employee regardless of whether he is paid on a piece by piece basis or a conventional salary); Roy Export Co. Establishment v. Columbia Broadcasting Sys., Inc., 503 F. Supp. 1137 (S.D.N.Y. 1980) (no compensation at all). Brown v. Select Theatres Corp., 56 F. Supp. 438 (D. Mass. 1944) (advance payment against royalty).

performance of the work?³⁰

Using the above standards, courts interpreting the 1909 Act created a rebuttable presumption that, absent evidence of any contrary agreement between the parties, the copyright to the completed work vested in the employer as the statutory author.³¹ Basic concepts of equity justified this presumption. Because the employer directed and supervised the production of the work and bore the financial risks, it was only fair that the employer should reap the benefits of the finished product.³²

b. *Works Made Under a Hiring Party—Independent Contractor Relationship*

Although the 1909 Act included "employers" in the definition of author, it did not include commissioning parties. Likewise, whether the Act's work for hire provision was broad enough to cover an independent contractor's work was also unclear. Because the Act failed to address commissioned works, a question arose whether independent contractors could be considered statutory employees since, unlike ordinary employees, they are not necessarily subject to an employer's control.³³ That issue was resolved by the following gradual succession of case law.

³⁰ See NIMMER, *supra* note 8, § 5.03[B], at 5-11, 5-12; *see, e.g.*, Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639, 643 (2d Cir. 1967) (when songwriter hired to compose music was not subject to employer's right "to direct and supervise the manner in which the writer perform[ed] his work," he "was not an 'employee' in the substantial sense required by the Copyright Act"), *cert. denied*, 389 U.S. 1036 (1968); *see also* Murray v. Gelderman, 566 F.2d 1307, 1310-1311 (5th Cir. 1978) (author hired to write menu book was employee because hiring party had the right to direct and supervise the manner in which the work was performed); Picture Music, Inc. v. Bourne, Inc., 457 F.2d 1213, 1217 (2d Cir.) (parties who commissioned songwriter owned the copyright because they "controlled the original song" and had power to "accept, reject, or modify her work"), *cert. denied*, 409 U.S. 997 (1972).

³¹ *See, e.g.*, May v. Morganelli-Heumann and Assocs., 618 F.2d 1363 (9th Cir. 1980); Murray v. Gelderman, 566 F.2d 1307 (5th Cir. 1978); Scherr v. Universal Match Corp., 417 F.2d 497 (2d Cir. 1969); Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565 (2d Cir. 1966); Bernstein v. Universal Pictures, Inc., 379 F. Supp. 933 (S.D.N.Y. 1974), *rev'd on other grounds*, 517 F.2d 976 (2d Cir. 1975); Charron v. Meaux, 60 F.R.D. 619 (S.D.N.Y. 1973); Royalty Control Corp. v. Sanco, Inc., 175 U.S.P.Q. (BNA) 641 (N.D. Cal. 1972); Irving J. Dorfman Co. v. Borlan Indus., Inc., 309 F. Supp. 21 (S.D.N.Y. 1969); VanCleef and Arpels, Inc. v. Schechter, 308 F. Supp. 674 (S.D.N.Y. 1969); Kinelow Publishing Co. v. Photography in Business, Inc., 270 F. Supp. 851 (S.D.N.Y. 1967); Electronic Publishing Co., v. Zalytron Tube Corp., 151 U.S.P.Q. (BNA) 613 (S.D.N.Y. 1966), *aff'd*, 376 F.2d 593 (2d Cir. 1967). *See also* NIMMER, *supra* note 8, § 5.03[D], at 5-27 ("[I]nitial ownership of rights in a work made for hire are only presumed to be in the employer (or commissioning party), which presumption may be rebutted by an express agreement in writing between the parties.").

³² *See supra* notes 16-18 and accompanying text.

³³ B. VARMER, WORKS MADE FOR HIRE AND ON COMMISSION, SENATE COMM. ON THE JUDICIARY, 86TH CONG., 2D SESS., COPYRIGHT LAW REVISION, STUDY 13, at 142 (1958).

The differences in type of payment or regularity of working hours be-

Very few early cases involved commissioned works. However, those that did involved one-time works such as portraits, photographs and works of art, and generally held that the copyright vested in the person who commissioned the work.³⁴

In *Yardley v. Houghton Mifflin Co.*,³⁵ the Second Circuit presumed that any person who commissions another to create a copyrightable work is the statutory "author."³⁶ Without reference to the concept of "work for hire," the court held that under general contract law principles the commissioning party is presumed "to control the publication of copies . . . unless by the terms of the contract, express or implicit, the artist has reserved the copyright to himself."³⁷ This contractual assignment theory did not extend so far as to call the commissioning party the statutory author of the work because the court merely interpreted the contract, not the statute. Thus, the commissioning party's copyright under the assignment theory was not as extensive as the copyright that vested in an employer under the work for hire presumption.³⁸

In *Brattleboro Publishing Co. v. Winmill Publishing Corp.*,³⁹ the court merged the *Yardley* presumption into the work for hire doctrine.⁴⁰

tween the employment and commission situations would not seem to be crucial reasons for different treatment. . . .

However, the common law generally has differentiated between the employer-employee relationship and that of the parties to a contract for a commissioned product: in broad terms, the acts of an employee as such are imputed to his employer, but those of an independent contractor are not imputed to the person for whom he performs a special commission. Underlying this distinction is the premise that an employer generally gives more direction and exercises more control over the work of his employee than does a commissioner with respect to the work of an independent contractor. Perhaps in recognition of this principle, the statutory provisions in the United States regarding the employer's ownership of copyright in works made for hire . . . have not been extended to commissioned works generally.

³⁴ See *Lin-Brook Builders Hardware v. Gertler*, 352 F.2d 298 (9th Cir. 1965); *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28 (2d Cir. 1939), *cert. denied*, 309 U.S. 686 (1940); *Lumiere v. Robertson-Cole Distrib. Corp.*, 280 F. 550 (2d Cir. 1922); *Dielman v. White*, 102 F. 892 (C.C.D. Mass. 1900); *Grant v. Kellogg Co.*, 58 F. Supp. 48 (S.D.N.Y. 1944); *Tumey v. Little*, 18 Misc.2d 462, 186 N.Y.S.2d 94 (1959). *But see* *Uproar Co. v. National Broadcasting Co.*, 81 F.2d 373 (1st Cir. 1936).

³⁵ 108 F.2d 28 (2d Cir. 1939), *cert. denied*, 309 U.S. 686 (1940).

³⁶ *Id.* at 31 (copyright in mural belonged to commissioning party, not painter).

³⁷ *Id.*

³⁸ Because the buyer in *Yardley* was merely an assignee and not the statutory author, he did not possess copyright renewal rights. Rather, the seller (an independent contractor) had the right to renew the copyright. *Cf. Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569, 570 (2d Cir. 1955) (holding that the buyer was the author under the work for hire language of the 1909 Act).

³⁹ 369 F.2d 565 (2d Cir. 1966).

⁴⁰ *Id.* at 567-68. The district courts within the Circuit followed *Brattleboro*, applying the work for hire doctrine to employer/independent contractor relationships. *See, e.g., Goldman-Morgen, Inc. v. Dan Brechner & Co., Inc.*, 411 F. Supp. 382, 391 (S.D.N.Y.

The rule that the employer is the statutory author of a work made for hire now included the presumption that a commissioning party is the statutory author of the commissioned work.⁴¹ Thus, in *Brattleboro*, the advertisers who paid a newspaper's staff to design advertisements it later reprinted in a competitor's newspaper were the statutory authors for purposes of determining copyright ownership. The court found that the work for hire doctrine, by which an employer is presumed to own the copyright "whenever the employee's work is produced at the instance and expense of his employer," applied where the parties bear the relationship of commissioning party and independent contractor.⁴²

*Picture Music, Inc. v. Bourne, Inc.*⁴³ affirmed the broad standard enunciated in *Brattleboro*. There the court held that the parties who commissioned a songwriter to assist in the adaptation of the song, "Who's Afraid of the Big Bad Wolf?," owned the copyright.⁴⁴ Applying the *Brattleboro* standard, the court determined that the patrons owned the copyright because "[t]hey controlled the original song, they took the initiative in engaging [the songwriter] to adapt it, and they had the power to accept, reject, or modify her work."⁴⁵

The expansion of the work for hire doctrine to commissioned works precipitated uncertainty and potential abuse in the contracting process between independent contractors and their commissioning parties. For example, commissioning parties could now acquire copyrights that were not contemplated at the time of contracting, and thus not reflected in the agreed-upon price for the work, simply by exercising greater supervision during the work process. This exploitation of authors was a major motivating force behind the 1976 revision of the work for hire doctrine.⁴⁶

1976); *Bernstein v. Universal Pictures, Inc.*, 379 F. Supp. 933, 939 (S.D.N.Y. 1974), *rev'd on other grounds*, 517 F.2d 976 (2d Cir. 1975); *Irving J. Dorfman Co. v. Borlan Indus., Inc.*, 309 F. Supp. 21, 23 (S.D.N.Y. 1969).

⁴¹ *Brattleboro*, 369 F.2d at 567. *But see id.* at 569 (Lumbard, C.J., concurring) (disagreeing with presumption "that one who commissions a work owns the copyright . . .").

⁴² *Id.* at 568 ("We see no sound reason why these same principles are not applicable when the parties bear the relationship of employer and independent contractor."). The court implied that the newspaper's staff were mere employees working pursuant to their employers' (advertisers') control, direction, and expense. *Id.* Hence, a newspaper company could not bring a copyright infringement suit upon a competitor who replicated the newspapers' ads at the advertisers' insistence.

⁴³ 457 F.2d 1213 (2d Cir.), *cert. denied*, 409 U.S. 997 (1972).

⁴⁴ *Id.* at 1215 (commissioned contributor's work was done for hire within the Act's definition of that term).

⁴⁵ *Id.* at 1217.

⁴⁶ *See infra* notes 53-89 and accompanying text.

C. The Work For Hire Doctrine Under the Copyright Act of 1976

The copyright law revision was the result of a legislative process that began with the Copyright Office Studies of 1955⁴⁷ and culminated twenty-two years later with the Copyright Act of 1976.⁴⁸ Given that 40 percent of copyrighted works in 1965 were "made for hire,"⁴⁹ artist groups and representatives of book publishers and motion picture companies hotly debated the provisions pertaining to this classification of works.⁵⁰ Although the work for hire provisions in the 1976 Act represent a series of compromises among these multiple concerns,⁵¹ the language reflecting those compromises creates an ambiguity as to what works are actually covered by the Act.⁵² To evaluate judicial attempts to resolve this ambiguity in Part II of this Note, it is necessary first to review the key legislative references and discussions of the points compromised and how the definition of "works made for hire" reflects those compromises.

1. *The Legislative History of the Revised Work For Hire Provisions*

The 1961 Report of the Register of Copyrights⁵³ noted that courts "have not generally regarded commissioned works as works 'made for hire.'"⁵⁴ Thus, the preliminary draft of the revised Copyright Act defined a work made for hire as "a work prepared by an employee within the scope of the duties of his employment, but not including a work made on special order or commission."⁵⁵ This last

⁴⁷ See *Hearings on H.R. 9203 Before the Subcomm. of the Senate Comm. on Appropriations*, 83rd Cong., 2d Sess. (1954).

⁴⁸ Major revisions of the 1909 Act were made in 1961, 1963, 1964 and 1965. See *supra* note 47 and *infra* notes 53-74 and accompanying text.

⁴⁹ HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION PART 6: SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL 92 (Comm. Print 1965) [hereinafter COPYRIGHT LAW REVISION, Pt. 6].

⁵⁰ *Id.* at 66.

⁵¹ Historical and Revision Note, Pub. L. 94-553, Title I, § 101, Oct. 19, 1976, 90 Stat. 2568: "The definition now provided by the bill represents a compromise which, in effect, spells out those specific categories of commissioned works that can be considered works made for hire under certain circumstances."

⁵² See *Easter Seal Soc'y v. Playboy Enters.*, 815 F.2d 323, 328 (5th Cir. 1987) ("The more we examine the statute and cases interpreting it, the more puzzled we become. The language of the statute is equivocal There are two completely distinct interpretations of the statute . . .").

⁵³ HOUSE COMM. ON THE JUDICIARY, 87TH CONG., 1ST SESS., COPYRIGHT LAW REVISION: REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW (Comm. Print 1961).

⁵⁴ COPYRIGHT LAW REVISION, Pt. 6, *supra* note 49, at 66.

⁵⁵ HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION, PART 3: PRELIMINARY DRAFT AND DISCUSSIONS AND COMMENTS 15 n.11 (Comm. Print 1964) [hereinafter COPYRIGHT LAW REVISION, Pt. 3].

clause, however, aroused strong opposition from the publishing and motion picture industries.⁵⁶

The publishing and motion picture industries asserted that exclusion of specially ordered or commissioned works from the definition of works made for hire would create "insuperable obstacles" and "major economic dislocation."⁵⁷ They emphasized the practical problems that would arise if the publisher did not own the copyrights in collective works which require a high level of creativity on the part of the publisher to compile the contributions.⁵⁸ For example, if encyclopedia were not covered under the work for hire provision, contributing authors would retain the right to terminate any assignment of rights previously made to the publisher. This termination right would severely constrain the publisher's ability to revise and update the original version.⁵⁹

Moreover, the publishing and motion picture industries argued that the legal and policy justifications behind the work for hire doctrine supported their view that the definition of works made for hire should include certain commissioned works.⁶⁰ They argued that, because a publisher or movie producer exercises the true creativity in composite works, he should be considered the author for copyright purposes.⁶¹ If the copyright did not vest in the commissioning party, the transaction costs of dealing with multitudes of authors would render the production of such works economically infeasible.⁶² In the end, one basic purpose of the Copyright Clause—to disseminate information and thereby enhance learning—would be frustrated.⁶³

In response to this criticism, the Copyright Office amended the preliminary definition of works made for hire to include "a work prepared on special order or commission if the parties expressly

⁵⁶ HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION, PART 4: FURTHER DISCUSSIONS AND COMMENTS ON PRELIMINARY DRAFT FROM REVISED U.S. COPYRIGHT LAW 274 (Comm. Print 1964) [hereinafter COPYRIGHT LAW REVISION, Pt. 4].

⁵⁷ *Id.*

⁵⁸ See HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION, PART 5: 1964 REVISION BILL WITH DISCUSSIONS AND COMMENTS 149 (Comm. Print 1964) [hereinafter COPYRIGHT LAW REVISION, Pt. 5].

⁵⁹ *Id.* at 149-50 (To exempt specially ordered or commissioned works from the definition of works made for hire "would result in negotiations for revision with respect to anywhere from five to . . . ten thousand individual contributors to . . . composite works and collective works [I]t would not be feasible for those works to be published. . . .").

⁶⁰ COPYRIGHT LAW REVISION, Pt. 6, *supra* note 49, at 66-67.

⁶¹ See *supra* note 58 and accompanying text.

⁶² See *supra* note 59 and accompanying text.

⁶³ See *supra* note 18 and accompanying text.

agree in writing that it shall be considered a work made for hire."⁶⁴ This amendment incensed authors' organizations who feared that authors who agreed to do a specific project, with payment in advance royalties or on a lump sum basis, might be construed as working "on special order or commission," thereby losing all rights to their work product.⁶⁵ They feared that the proposed definition would convert many works presently not considered works made for hire to that status.⁶⁶

In addition, the authors' representatives argued that the writing requirement offered virtually no protection to authors. They claimed that, because authors generally have no economic bargaining power, they cannot insist on the exclusion of a clause that specifies the work is made for hire.⁶⁷ In time, clauses expressly stating that the work was made for hire would become part of the standard form contract. While admitting that authors often do not read their agreements carefully, author organizations insisted that such valuable rights should not hinge on such a technical point.⁶⁸

The Revisory Committee thus faced the difficult task of determining which commissioned works should not be considered works made for hire. The publishing and motion picture industries insisted upon the treatment of certain works as made for hire. Examples of such works are translations, maps and illustrations in books, front matter and appendices, contributions to dictionaries and encyclopedia, and parts of motion pictures.⁶⁹ Both sides agreed, however, that many other works made on special order or commission should not be elevated to work for hire status.⁷⁰ Examples of such works included operas, choreographic schemes, novels, and paintings.⁷¹

In light of the serious consequences envisioned by both sides of the debate, defining works for hire was extremely problematic. Arguably, to exclude commissioned works from the work for hire provision would cripple the production of and public access to

⁶⁴ COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 301.

⁶⁵ COPYRIGHT LAW REVISION, PT. 4, *supra* note 56, at 313-14.

⁶⁶ COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 239 ("Books are often published under contracts executed before the work is written, or completed. These could be deemed written 'on special order or commission'; but they are not now considered 'works made for hire.'").

⁶⁷ COPYRIGHT LAW REVISION, PT. 4, *supra* note 56, at 313; COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 239.

⁶⁸ COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 147.

⁶⁹ COPYRIGHT LAW REVISION, PT. 6, *supra* note 49, at 67.

⁷⁰ *Id.*; see also COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 145 ("There are commissioned works, such as operas and serious music, and various works of that sort that most people would find hard to accept as 'works made for hire.'").

⁷¹ COPYRIGHT LAW REVISION, PT. 5, *supra* note 58, at 145; COPYRIGHT LAW REVISION, PT. 6, *supra* note 49, at 67.

composite works;⁷² yet, to include commissioned works would jeopardize authors' due rights.⁷³ In an effort to reconcile these conflicts, the 1965 bill defined a work made for hire as:

- (1) a work prepared by an employee within the scope of his employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture, as a translation, or as a supplementary work,⁷⁴ if the parties expressly agree in writing that the work shall be considered a work made for hire.⁷⁵

Although the definition that was adopted added a few important categories of work to this definition,⁷⁶ the 1965 bill truly represents the culmination of years of study, consultation and debate. Under clause two of the 1976 Act's definition, to qualify as a work made for hire a specially ordered or commissioned⁷⁷ work must fall within one of the specified categories,⁷⁸ and must be designated a

⁷² See *supra* notes 57-63 and accompanying text.

⁷³ See *supra* notes 65-68 and accompanying text.

⁷⁴ See COPYRIGHT LAW REVISION, PT. 6, *supra* note 49, at 67, defining the term "supplementary work" as:

. . . a work prepared for publication adjunct to a work by an author for the purpose of introducing, illustrating, explaining, commenting upon, or assisting in the use of the other work, such as forewords, introductions, prefaces, pictorial illustrations, maps, charts, tables, editorial notes, tests and answers, bibliographies, appendixes, and indexes.

⁷⁵ *Id.*

⁷⁶ See *supra* note 1.

⁷⁷ Throughout the revisions of the work for hire definition, there is no definition of "specially ordered or commissioned works." However, the legislative history indicates that the term refers only to those specified categories of works and not to commissioned works in general. Congress believed that only those nine categories of specially ordered or commissioned works bore significant indicia of "employment" to constitute a work for hire:

The status of works prepared on special order or commission has been a continuing issue in the development of the definition of "work made for hire." The basic position of book publishers and certain other groups on this issue has been that, while some commissioned works concededly should not be regarded as made for hire, there are others to which all of the factors calling for special treatment of works made for hire apply with full force. They argued that, in the case of a wide range of works . . . the distinction between "employment" or "commission" is fundamentally meaningless, since in either case the work is prepared at the employer's initiative and risk and under his direction.

COPYRIGHT LAW REVISION, PT. 6, *supra* note 49, at 67 (quoting H.R. Rep. No. 2237, 89th Cong., 2d Sess. (1966) (submitted with H.R. 4347) and S. 597, 90th Cong., 1st Sess., at 114-16 (1967)).

⁷⁸ See *id.* at 67-68:

The thought here is that, in the . . . special cases specifically mentioned, the work will be considered a "work made for hire," but only if it is in fact "specifically ordered or commissioned" for that purpose and if there is an express agreement in writing that the work be considered "made for

work for hire in a written instrument signed by both parties.⁷⁹

2. *The Definition of Works Made For Hire in the Copyright Act of 1976*

The 1976 Act adopted the basic principle of the work for hire doctrine.⁸⁰ Under clause one of section 101, any work made by an employee in the scope of his or her employment is made for hire.⁸¹ Clause one adopts the 1909 Act's definition of works made for hire. Like the 1909 Act, this clause makes no provision for the treatment of independent contractors.

Clause two,⁸² however, departs from the 1909 Act's definition of works made for hire. For the first time in copyright law, Congress distinguished works produced by traditional employees from those produced by independent contractors.⁸³ Under clause two, three facts must be established before a commissioned work may be deemed a work made for hire: (a) the work must be specially ordered or commissioned; (b) the work must fall within one of the nine specified categories; and (c) both parties must expressly agree in writing that the work is made for hire.⁸⁴

Thus, clause one retains the basic premise of the 1909 work for hire doctrine while clause two reflects an effort to differentiate the works of traditional employees from those of independent contractors. Clause two specifies which works arising out of a non-employee relationship may be works made for hire. As a result, the broad presumption of the 1909 Act⁸⁵ that initial ownership auto-

hire." Other works made on special order or commission would not come within the definition.

See *supra* note 1, delineating the nine specified categories: (1) contributions to collective works; (2) parts of motion pictures or audiovisual works; (3) translations; (4) supplementary works; (5) compilations; (6) instructional tests; (7) tests; (8) answer materials for tests; (9) atlases.

⁷⁹ See *supra* note 1.

⁸⁰ 17 U.S.C. § 201 (1982) (Historical and Revision Notes: House Rep. No. 94-1476) ("Section 201(b) . . . adopts one of the basic principles of the present law: that in the case of works made for hire the employer is considered the author of the work, and is regarded as the initial owner of copyright unless there has been an agreement otherwise."). Section 201(b) reads:

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

17 U.S.C. § 201(b) (1982).

⁸¹ 17 U.S.C. § 101(1) (1982); see *supra* note 1.

⁸² 17 U.S.C. § 101(2) (1982); see *supra* note 1.

⁸³ See *supra* notes 53-79 and accompanying text.

⁸⁴ See *supra* text accompanying notes 77-79.

⁸⁵ See *supra* notes 31-45 and accompanying text.

matically vests in the employer has been limited to traditional employer-employee relationships under clause one and extends to commissioned works only in limited instances under clause two.⁸⁶

The definition of works made for hire in section 101,⁸⁷ combined with the assignment of ownership in section 201,⁸⁸ appear to institute a straightforward dichotomy between traditional employees and employers and independent contractors and commissioning parties. Section 101 defines a work made for hire as one "prepared by an employee within the scope of his or her employment" or one of nine categories of "work specially ordered or commissioned." Under section 201, "the employer or other person for whom the work was prepared" shall be considered the author of a work for hire for copyright purposes.

The statutory division between "employee—employer" and "work specially ordered or commissioned—other person for whom the work was prepared" first appears simple to apply. The cases decided after the 1976 Act took effect on January 1, 1978 indicate, however, that some federal courts are unwilling to take sections 101 and 201 at face value. In an effort to determine which commissioned works constitute works made for hire, courts have developed two interpretations of clause two of section 101: Congress either intended clause two to be the exclusive test for commissioned works or it intended clause two to act as a mere safeguard for those nine specified types of works by requiring both parties to sign a writing designating the work as one made for hire.⁸⁹

⁸⁶ See *supra* note 77. The definition in section 201 specifically allows the parties to allocate ownership rights through a written agreement. The 1909 Act did not allow this type of allocation. See *supra* notes 31-45 and accompanying text; see also *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28, 44 (2d Cir. 1939) (presumption that copyrights are assigned to the commissioning party under the contract), *cert. denied*, 309 U.S. 686 (1940).

⁸⁷ See *supra* note 1.

⁸⁸ See *supra* note 80.

⁸⁹ It is important to note the consequences of a work for hire determination under the 1976 Act to understand what rights are at stake.

Three important changes were made in the Act that affect the treatment of works made for hire. First, the 1976 Act lengthens the duration of copyright in "anonymous works, pseudonymous works and works made for hire" from the maximum term of 56 years from publication under the 1909 Act to a term of "seventy-five years from the year of its first publication, or a term of one hundred years from the year of its creation, whichever expires first." 17 U.S.C. § 302(c) (1982). This alternative term is "roughly equivalent" to works that are not made for hire whose copyright "subsists from its creation and . . . endures for a term consisting of the life of the author and 50 years after his death." 17 U.S.C. § 302(a) (1982). The reason for the alternative term is to encourage publication of these works by placing a 100-year limitation on the duration of the copyright if the work is not published.

Second, the author's right to terminate transfers and licenses of copyright is not applicable to works made for hire. 17 U.S.C. § 304(c) (1982). This same rule applies for termination of transfers and licenses covering subsisting copyrights. The result of these

II

INTERPRETATIONS OF THE COPYRIGHT ACT OF 1976:
CURRENT CASE LAW

A. The "Non-Exclusive" Interpretation

The "non-exclusive" interpretation of the 1976 Act's definition of works made for hire represents the conservative position that copyright law, as it pertains to works made for hire, is essentially the same as under the 1909 Act. This interpretation holds that clause two of section 101 is not the exclusive test for determining whether commissioned work constitutes work made for hire. Rather, a specially ordered or commissioned work outside of the nine categories of clause two can still qualify as a work for hire under clause one if the commissioning party exercises control over the work. The proponents of this view⁹⁰ argue that the nine specified categories were problem areas that required the additional safeguard of a writing signed by both parties. They claim that as to all other categories of commissioned works, the law as it existed prior to January 1, 1978 has not changed. Therefore, if a commissioning party actually controls an independent contractor, the latter assumes the status of an employee under agency law and his work is treated as a work made for hire under clause one of section 101.

1. *The Leading Case: Aldon Accessories Ltd. v. Spiegel, Inc.*

In 1984, the Second Circuit formulated a new standard for determining whether a work was made for hire. The court in *Aldon Accessories Ltd. v. Spiegel, Inc.*⁹¹ held that an employer-employee relationship could be found where the employee "was not a regular or formal employee,"⁹² if the employer actually supervised and controlled the work production. The *Aldon Accessories* standard restricts the effect of clause two to only those nine categories listed.

In *Aldon Accessories*, the plaintiff commissioned a company to design statuettes that Spiegel, the defendant, subsequently copied. On appeal, the defendant argued that the district court erroneously interpreted clause two of section 101 when it instructed the jury that

A work for hire is a work prepared by what the law calls an em-

two sections is that the copyright to a work made for hire will not revert to the employee or independent contractor.

Third, the right to renew the copyright vests in the employer. 17 U.S.C. § 304(d) (1982). Thus, the employer, rather than the independent contractor or employee, or their representatives has the right to renew subsisting copyrights for a renewal term of forty-seven years.

⁹⁰ See *infra* notes 91-103 and accompanying text.

⁹¹ 738 F.2d 548 (2d Cir.), *cert. denied*, 469 U.S. 982 (1984).

⁹² *Id.* at 552.

ployee working within the scope of his employment. What that means is, a person acting under the direction and supervision of the hiring author, at the hiring author's instance and expense. It does not matter whether the for-hire creator is an employee in the sense of having a regular job with the hiring author. What matters is whether the hiring author caused the work to be made and exercised the right to direct and supervise the creation.⁹³

Affirming the decision below,⁹⁴ the Second Circuit found that clause two did not apply to this situation. The court framed the issue in terms of whether the contractor was "independent" or was so controlled and supervised by the employing party when creating the work that an employer-employee relationship existed.⁹⁵ In determining the status of the contractor, the court focused on the terms "employee" and "scope of employment" in clause one. The court determined that, because the Act did not define those terms, Congress intended courts to interpret those terms using general agency law principles as applied in prior copyright cases.⁹⁶ Relying on the supervision and control test rooted in the cases interpreting the 1909 Act, the court held that these commissioned artists were traditional employees under clause one of section 101 because the work was made at the hiring party's instance and expense *and* because the hiring party exercised the right to direct and control the creation.⁹⁷

2. Circuit Court Cases Supporting the Non-Exclusive Interpretation

Other circuits have adopted the *Aldon Accessories* "non-exclusive" interpretation. In *Evans Newton, Inc. v. Chicago Systems Software*,⁹⁸ the parties agreed that the defendant would develop a computer program for Project Basic, a program used by educational institutions. After completing its work on the program, the defendant attempted to market its own manual and computer program to compete with Project Basic. Relying on *Aldon Accessories*, the Seventh Circuit found that section 101 of the 1976 Act retained the 1909 Act's flexible definition of the term "employee."⁹⁹ The court held that because the defendant was an employee of the plaintiff under agency principles, the copyright vested in the plaintiff as a work for hire employer.¹⁰⁰

⁹³ *Id.* at 551.

⁹⁴ *Id.* at 549.

⁹⁵ *Id.* at 552.

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ 793 F.2d 889 (7th Cir.), *cert. denied*, *Chicago Systems Software v. Evans Newton, Inc.*, 479 U.S. 949 (1986).

⁹⁹ *Id.* at 894.

¹⁰⁰ *Id.*

The *Aldon Accessories* interpretation recently gained further support from the Fourth Circuit. In *Brunswick Beacon, Inc. v. Schock*,¹⁰¹ a newspaper sued a competitor for copyright infringement arising out of the competitor's publication of advertisements designed by plaintiff's employees. The Fourth Circuit held that clause two of section 101 is "permissive only and . . . effective only if both parties execute a written agreement that the work is for hire."¹⁰² Relying on clause one of section 101, the court used general agency law to determine that the newspaper whose employees prepared the ads owned the copyright in those ads unless it signed a written agreement with the advertiser stating that the work was for hire.¹⁰³

B. The "Exclusive" Interpretation

The "exclusive" interpretation of the work for hire definition in the 1976 Act reinforces the notion of compromise embodied in the Act.¹⁰⁴ Under this interpretation, Congress' definition of works made for hire fundamentally changed the copyright law pertaining to independent contractors. The advocates of this interpretation consider clause two the exclusive test for determining whether an independent contractor's work was for hire.¹⁰⁵ Thus, the only commissioned works that qualify for work for hire status with its attendant legal consequences are those nine specified types of work in clause two. Moreover, those nine categories are considered works made for hire only if accompanied by a writing signed by both parties designating the work as for hire.

1. *The Leading Case: Easter Seal Society v. Playboy Enterprises*

In *Easter Seal Society for Crippled Children and Adults of Louisiana, Inc. v. Playboy Enterprises*,¹⁰⁶ the plaintiff contracted with a public television station to videotape a Mardi Gras-style parade to be used for the National Easter Seal Telethon. Without any idea of the buyer's

¹⁰¹ 810 F.2d 410 (4th Cir. 1987).

¹⁰² *Id.* at 413.

¹⁰³ *Id.*

¹⁰⁴ See *supra* notes 51-79 and accompanying text.

¹⁰⁵ See NIMMER, *supra* note 8, § 5.03[B], at 5-19, 5-20 ("If a work does not fall within one of the above categories then even if it has been prepared by one person upon the special order or commission of another, it will not qualify as a 'work made for hire,' with the special legal consequences which flow from this designation"). In discussing the narrowing effect of the 1976 Act on the rights of commissioning parties, Nimmer distinguishes the 1909 Act since, under the former Act, "a commissioning party could claim copyright as against the independent contractor regardless of whether or not the work fell within one of the prescribed categories of works discussed above." *Id.* at 5-22.2.

¹⁰⁶ 815 F.2d 323 (5th Cir.), *reh'g denied*, 820 F.2d 1223 (5th Cir. 1987), *cert. denied*, 108 S. Ct. 1280 (1988).

intended use, the public television station sold the plaintiff's footage to a Canadian filmmaker who used it in the production of an adult film entitled *Candy, the Stripper*. Easter Seal sued Playboy, the producer of *Candy*, for copyright infringement. The court determined that the public television station who produced the original footage was not Easter Seal's "employee" within the 1976 Act's work for hire doctrine; hence, the television station owned the copyright to the footage.¹⁰⁷

In *Easter Seal*, the Fifth Circuit explicitly rejected *Aldon Accessories'* non-exclusive interpretation of the work for hire definition.¹⁰⁸ The Court held that a work is made for hire under clause one of section 101 only if the seller is an employee within the meaning of agency law or under clause two if the buyer and seller comply with that clause's three requirements.¹⁰⁹ The court determined that clause two reversed the 1909 Act's presumption that any person who paid another to create a work automatically became the statutory author of that work.¹¹⁰

2. Circuit Court Cases Supporting the Exclusive Interpretation

Recently, the District of Columbia and Ninth Circuits adopted the exclusive interpretation of clause two of the work for hire definition. In *Community for Creative Non-Violence v. Reid*,¹¹¹ the plaintiff hired Reid to sculpt three people with a shopping cart of belongings, symbolizing the plight of the homeless, for use in the annual Christmas Pageant of Peace in the District of Columbia.¹¹² The plaintiff specified the subject matter of and materials to be used in the sculpting, assumed responsibility for creating an adjunct base for the sculpting, financed the entire project, and monitored the development of the piece.¹¹³ After the Pageant, Reid took possession of the sculpture to repair it and then refused to deliver the sculpture back to the plaintiff for a tour of several cities.¹¹⁴ He filed a certificate of copyright in March 1986 and arranged to display the sculpture in a less ambitious tour of his own design. Plaintiff filed a competing certificate of copyright in June 1986. The district court, relying on agency standards, developed in cases dealing with works made for hire under the 1909 Act, held that the work for hire doctrine applied to this case and rendered judgment in favor of the

¹⁰⁷ *Id.* at 334-36.

¹⁰⁸ *Id.* at 333-34.

¹⁰⁹ *Id.* at 334-35.

¹¹⁰ *Id.* at 335.

¹¹¹ 846 F.2d 1485, (D.C. Cir.) *aff'd*, 109 S. Ct. 2166 (1989).

¹¹² *Id.* at 1487.

¹¹³ *Id.* The sculptor, Reid, donated his services to the organization.

¹¹⁴ *Id.* at 1488.

plaintiff.¹¹⁵

On appeal, the District of Columbia Circuit held that the case law developed under the 1909 Act did not apply to commissioned works under clause two of the 1976 Act.¹¹⁶ The court specifically rejected the *Aldon Accessories* interpretation and adopted the *Easter Seal* interpretation.¹¹⁷ Applying the exclusive interpretation, the court stated:

It follows from this that "Third World America" does not qualify as a work made for hire, for Reid was an independent contractor and not an employee of CCNV within the rules of agency law;¹¹⁸ furthermore, sculpture surely is not a category of commissioned work enumerated in § 101(2), and no written agreement existed between CCNV and Reid.¹¹⁹

The Ninth Circuit first construed the work for hire provisions of the 1976 Act in *Dumas v. Gommerman*.¹²⁰ In *Dumas*, the widow of a graphic artist claimed that her husband was an independent contractor when he created the works in question. As such, she contended that under the 1976 Act he retained the copyright to those works and, upon his death, she assumed the copyrights as his successor in interest.¹²¹ The defendant, appealing from a preliminary injunction restraining it from reproducing and marketing the works, contended that the late artist was an employee of the company from which the defendant purchased the copies and copyrights of the remaining works. The plaintiff, upon learning of the defendant's acquisition, notified them of her copyright claim and filed a registration of copyright.

¹¹⁵ 652 F. Supp. 1453, 1457 (D.D.C. 1987).

¹¹⁶ *Reid*, 846 F.2d at 1494.

¹¹⁷ *Id.* at 1489-94.

¹¹⁸ The court noted that

Reid, a fine artist, donated his services, worked in his own studio, and personally engaged assistants when he needed them. Creating sculptures was hardly 'regular business' for CCNV. Given these matters of fact, see Restatement (Second) of Agency § 220 (1958), we think it evident that Reid was not CCNV's employee, nor do we understand CCNV to contend otherwise.

Id. at 1494 n.11.

¹¹⁹ *Id.* at 1494. Having resolved the work for hire issue, the court addressed the possibility that Reid was not the exclusive author of the work. The court found that "were it not for the prevailing confusion over the work for hire doctrine, this case . . . might qualify as a textbook example of a jointly-authored work in which the joint authors co-own the copyright." *Id.* at 1497.

¹²⁰ 865 F.2d 1093 (9th Cir. 1989). The Ninth Circuit had anticipated its interpretation of the 1976 Act in *May v. Morganelli, Heumann & Assocs.*, 618 F.2d 1363 (9th Cir. 1980). There the court indicated in dicta that, had the 1976 Act applied to that case, it would have followed the literal interpretation of the Act. *Id.* at 1368 n.4; see also *infra* note 130 and accompanying text.

¹²¹ *Id.* at 1094.

On appeal, the court considered only whether the district court applied the correct legal standard in determining whether the artist was an employee or independent contractor under the 1976 Act.¹²² After a thorough discussion of the history of both the 1909 Act and the 1976 Act,¹²³ the court concluded that "only the works produced by formal, salaried employees are covered by . . . § 101(1). Only certain types of specially commissioned works qualify as 'work made for hire' under § 101(2) Therefore, . . . [these works] are not 'works made for hire.'"¹²⁴

The court discussed the division between those Circuits favoring the *Aldon Accessories* interpretation¹²⁵ and those favoring the *Easter Seal* interpretation.¹²⁶ The court rejected the *Aldon Accessories* interpretation, noting that such an analysis "simply fails to acknowledge the changes wrought by the 1976 Act, . . . misapprehends the significance of legislative silence in the context of the development of the 1976 Act,"¹²⁷ "distorts the balance reached in the 1965 compromise"¹²⁸ and "undercuts the intent of the drafters of § 101 to increase certainty over whether a work is made for hire."¹²⁹

3. *Other Support for the Exclusive Interpretation*

The first cases addressing the 1976 Act's definition of works made for hire did so primarily in dicta, and generally tended to favor the "exclusive" interpretation of section 101.¹³⁰ The first decision to discuss the legislative background of the Act and its work for hire provision was *Mister B Textiles, Inc. v. Woodcrest Fabrics, Inc.*¹³¹

In *Mister B*, a textile company sought a preliminary injunction to prevent the defendant fabric manufacturer from selling certain fabrics allegedly infringing the plaintiff's copyrighted fabrics. An

¹²² *Id.* at 1095.

¹²³ *Id.* at 1096-1101.

¹²⁴ *Id.* at 1105. The court adopted the *Easter Seal* literal interpretation, *id.* at 1102-05, but rejected its conclusion not to limit the term "employee" to formal, salaried employees. *Id.* at 1105.

¹²⁵ See *supra* notes 91-103 and accompanying text.

¹²⁶ *Id.* at 1103-05; see *supra* notes 106-10 and accompanying text.

¹²⁷ *Id.* at 1102.

¹²⁸ *Id.* at 1103.

¹²⁹ *Id.*

¹³⁰ See, e.g., *May v. Morganelli-Heumann & Assocs.*, 618 F.2d 1363, 1368 n.4 (9th Cir. 1980) (under the 1976 Act, plaintiff-architect would have been an independent contractor, not an employee, so under section 101 of the 1976 Act, his drawings would not have been subject to the work for hire doctrine because of the absence of a written agreement so providing and because the drawings did not fall within one of the prescribed categories of work); *Meltzer v. Zoller*, 520 F. Supp. 847, 854-855 (D.N.J. 1981) (architectural drawings not considered works for hire under the 1976 Act because they were not among the nine specified categories).

¹³¹ 523 F. Supp. 21 (S.D.N.Y. 1981).

independent contractor designed the fabrics for the plaintiff company. The defendant argued that the revised work for hire doctrine in section 101 of the Act would operate in an independent contractor relationship only if the work is one of the nine specified types in clause two.¹³² Because the fabric design did not fall within any of those categories, the defendant argued that the independent contractor owned the copyright as the statutory author and the plaintiff could not now claim the copyright without a written transfer of rights from the independent contractor.¹³³

Indicating an initial preference for the exclusive interpretation of the work for hire definition, the court observed that the statute and legislative history supported the defendant's argument.¹³⁴ In deciding the ownership issue, however, the court found dispositive the fact that the independent contractor created the work "with the participation of" plaintiff's employee and under her "direction."¹³⁵ The court theorized that the plaintiff's employee was a joint owner of the copyright with the independent contractor.¹³⁶ Because the work for hire doctrine as applied to the traditional employer-employee relationship remained intact under clause one, the ownership rights of the plaintiff's employee passed directly to the plaintiff, making it joint owner of the copyright.¹³⁷

Since the 1976 Act took effect, the federal courts have not resolved the proper application of the work for hire doctrine to independent contractors. The *Aldon Accessories* court attempted to maintain the flexibility of the 1909 Act by adopting an "actual control" standard for applying the work for hire doctrine to independent contractor situations.¹³⁸ *Easter Seal*, on the other hand, established a *per se* rule under which only works within the nine categories of work enumerated in clause two can be considered works made for hire in an independent contractor situation, and even

¹³² *Id.* at 24.

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.* at 24-25.

¹³⁶ *Id.* at 25.

¹³⁷ The "exclusive" interpretation advanced by the defendant and accepted by the court as accurate in *Mister B* continued to influence courts in their interpretation of the 1976 work for hire provisions. See, e.g., *Everts v. Arkham House Publishers, Inc.*, 579 F. Supp. 145, 148 (W.D. Wis. 1984) ("... if the 1976 statute was applicable, the admitted lack of a written agreement between the parties and the type of work involved here (a book of poetry written by a single author) would summarily dispose of Everts' work-for-hire argument and his claim to the copyright"); *Childers v. High Soc'y Magazine, Inc.*, 557 F. Supp. 978, 983 (S.D.N.Y. 1983) (even if a work falls within a specified category, it will not be considered a work for hire unless the parties agree in writing that the work is such).

¹³⁸ See *supra* notes 91-97 and accompanying text.

then, only if the parties agree in writing.¹³⁹ While the courts in both these cases sought to resolve much of the confusion, they merely crystallized the dichotomy between the two interpretations of section 101.

III

RESOLVING THE ISSUE

The definition of works made for hire in the Copyright Act of 1976 represents over two decades of legislative hearings and numerous revisions. Lacking expertise in the copyright field, Congress relied heavily on the recommendations of experts in copyright law and groups economically interested in the copyright law revision. The result is a series of compromises of those multiple concerns.¹⁴⁰ Although these compromises created facial ambiguities in section 101, the legislative history reveals that Congress intended to radically change the existing law.

A. The Constitutional Implications of the 1976 Act's Definition of Works Made For Hire

A work for hire determination necessarily raises constitutional concerns. The Copyright Clause strives to protect and thereby motivate the individual whose creativity produces a work that will enhance the culture and development of society.¹⁴¹ Copyrights should vest, therefore, in those from whom the creativity of the project is derived. Theoretically, treating the employer in an employer-employee relationship as the "author" in the case of work made for hire is consistent with the policy behind the Copyright Clause.¹⁴² Because the work for hire employer conceives of the project, instructs the employee, participates actively and regularly in its production, and assumes the financial risks, it is fair to consider the employer the "author" for copyright purposes.¹⁴³

¹³⁹ See *supra* note 1; see also *supra* notes 106-10 and accompanying text.

¹⁴⁰ See *supra* note 51 and accompanying text.

¹⁴¹ See *supra* notes 11 and 12 and accompanying text.

¹⁴² See *supra* notes 16-18 and accompanying text. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 (1903) ("[A] very modest grade of art has in it something irreducible, which is one man's alone. That something he may copyright unless there is a restriction in the words of the act."). "The right to useful inventions seems . . . to belong to the inventors. The public good fully coincides . . . with the claims of individuals." *The Federalist*, No. 43, at 278, quoted in *Copyright Law Revision*, Studies 1-4, Derenberg, Study No. 3, The Meaning of "Writings" in the Copyright Clause of the Constitution 61, at 70 (1956); see also *supra* notes 11 and 12 and accompanying text.

¹⁴³ See, e.g., *Aldon Accessories, Ltd. v. Spiegel, Inc.*, 738 F.2d 548, 553 (2d Cir.) (employer's supervision and direction of employee conclusive in finding that employer owned copyright), *cert. denied*, 469 U.S. 982 (1984); see *supra* notes 30-32 and accompanying text.

In the nine specified categories of commissioned works listed in clause two of section 101, the same considerations are evident. In those categories, the publisher or producer is responsible for the concept, the selection of included pieces, the compilation of the parts into the whole, any revision and updating, as well as the financing. Given the involvement of publishers and producers, including specific composite works in the definition of works made for hire is consistent with the purpose underlying the Copyright Clause.

The "non-exclusive" interpretation and its "actual control" standard, however, contradict that basic purpose of the Copyright Clause. Such an interpretation ignores the Copyright Office Revisory Committee's conclusion that some commissioned works should never be considered works made for hire.¹⁴⁴ Such works, according to the Revisory Committee, find their creative base deep within the artist or author and not with the commissioning party, regardless of the level of control exercised.¹⁴⁵ To treat these works as works made for hire under a strict application of the "actual control" standard would be to vest the copyright in an individual who is not the creator. Thus, this interpretation extends the work for hire doctrine well beyond its constitutional limits by protecting, at the creator's expense, an individual who is not truly the author.

B. The Congressional Intent Behind the Definition of Works Made For Hire

The preliminary draft of the copyright law revision defined works made for hire specifically to exclude all "works made on special order or commission."¹⁴⁶ When this exclusion raised strenuous opposition from publishers and motion picture companies, Congress retreated, amending the definition of works made for hire to include specially ordered or commissioned works if expressly agreed to in writing that the work would be considered a work made for hire.¹⁴⁷ At this point in the revision process, any and all commissioned works could constitute works made for hire if the parties so agreed.

However, artists' groups vehemently opposed such a sweeping enlargement of the work for hire doctrine.¹⁴⁸ They sought to narrow the scope of the definition from treating all specially commissioned works as potential works for hire to treating as potential

¹⁴⁴ COPYRIGHT LAW REVISION, Pt. 6, *supra* note 49, at 67 ("[T]here are many works . . . that are written 'on special order or commission' but that should not be regarded as works made for hire. "); *see also supra* notes 70 and 71 and accompanying text.

¹⁴⁵ *Id.*

¹⁴⁶ *See supra* note 55 and accompanying text.

¹⁴⁷ *See supra* note 64 and accompanying text.

¹⁴⁸ *See supra* notes 65-68 and accompanying text.

works for hire only "composite work[s] in which the producer brings together the efforts of many creative skills and talents and merges them in a new work."¹⁴⁹ To reconcile the business needs of the publishing and motion picture industries with artists' needs for protection from the potential abuses of unequal bargaining strength, the Revisory Committee effected a compromise in the 1965 Revision Bill.¹⁵⁰ The compromise satisfied the publishers and producers by maintaining commissioned works in the definition, but also satisfied authors and artists by limiting those commissioned works eligible for work for hire status.¹⁵¹

It is clear from these legislative hearings and commentaries that Congress intended the second clause of section 101 to serve as the exclusive test for determining whether a commissioned work was made for hire. Had Congress intended to retain the 1909 Act's more expansive treatment of commissioned works, as the "non-exclusive" interpretation holds, it would have adopted the 1964 definition.¹⁵² The legislative history reveals that the discontent among authors and artists over an all-encompassing definition caused the subsequent refinement of the definition to include only those categories where a work for hire relationship effectuates the purpose of the Copyright Clause, to motivate the party who most truly represents the creative force behind a given project.¹⁵³

1. *The "Exclusive" View*¹⁵⁴

The 1976 Act's legislative history emphasized the difficulties of determining which commissioned works should be treated as works made for hire: "The basic problem is how to draw a statutory line between those works written on special order or commission that should be considered as 'works made for hire,' and those that should not."¹⁵⁵ The Committee hearings stressed the importance of determining which "works" should be considered commissioned works under clause two of section 101. The emphasis was on the actual type of work, not on who prepared the work, the manner in which it was prepared or under what conditions it was prepared. For example, the 1965 Revision Bill conceded that some works, like composer music and choreography, although they are commis-

¹⁴⁹ COPYRIGHT LAW REVISION, PT. 3, *supra* note 55, at 274 (comments by Irwin Karp, representing Authors League of America).

¹⁵⁰ *See supra* notes 72-76 and accompanying text.

¹⁵¹ *See supra* text accompanying note 150.

¹⁵² *See supra* notes 64 and 148 and accompanying text.

¹⁵³ *See supra* notes 11-13, 16-18, 142-44 and accompanying text.

¹⁵⁴ *See supra* notes 104-39 and accompanying text.

¹⁵⁵ H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 121 (1976).

sioned, should not constitute works made for hire.¹⁵⁶ As a result, clause two does not apply to choreographic artists even though such artists are generally commissioned for a specific job.¹⁵⁷

This shift in inquiry from "who prepared the work?" to "what type of work is involved?" is significant. It reflects Congress's intent to exclude independent contractors' work from work for hire status unless they fall within one of the nine specified categories in clause two of section 101. For example, the Act treats both staff writers and commissioned writers for a motion picture equally. Because the project fits one of clause two's specified categories, the copyrights to the finished screenplay vest in the motion picture production company regardless of whether the writer was a regular employee or a commissioned writer.¹⁵⁸

2. *The "Non-Exclusive" View*

The "non-exclusive" interpretation¹⁵⁹ violates Congress's intent to apply the work for hire doctrine only to specified commissioned works. Under the "non-exclusive" interpretation, any commissioned work can be treated as if made for hire under clause one if, applying agency law standards, the independent contractor is the equivalent of an "employee."¹⁶⁰ However, the standards of the 1909 Act¹⁶¹ are present in virtually every commissioned situation: the work is always at the commissioning party's instance and expense and the commissioning party always retains some control. Applying such an interpretation would result in treating every commissioned work as one made for hire—even those commissioned works Congress specifically excluded from the definition.¹⁶²

The *Aldon Accessories* court¹⁶³ probably realized this potential outcome because it held that the mere "right to control" was an insufficient basis for finding an employer-employee relationship. The court determined that Congress intended courts "to look at the

¹⁵⁶ COPYRIGHT LAW REVISION, PT. 6, *supra* note 49, at 67.

¹⁵⁷ *Id.*

¹⁵⁸ Moreover, staff personnel can lose any claim to a copyright under either clause one, because they are employees working within the scope of their employment, or clause two, because they are working on one of the specified types of works. Independent contractors, by definition, are excluded from clause one. They can only lose a claim to a copyright under clause two. Thus, in this example, they can only lose their copyright if they also signed a writing designating their work as work for hire.

¹⁵⁹ See *supra* notes 90-103 and accompanying text.

¹⁶⁰ See *supra* note 93-97 and accompanying text.

¹⁶¹ See *supra* notes 26-32 and accompanying text.

¹⁶² See *supra* note 145.

¹⁶³ 738 F.2d 548 (2d Cir.), *cert. denied*, 469 U.S. 982 (1984); see also *supra* notes 91-97 and accompanying text.

general law of agency as applied by prior copyright cases."¹⁶⁴ Ironically, though purporting to apply prior case law, the court formulated a whole new standard of "actual control."¹⁶⁵ Under this stricter standard, the commissioning party must actually exercise control over the independent contractor in order to convert the independent contractor into an "employee" for purposes of characterizing work as made for hire pursuant to clause one of section 101's work for hire definition.¹⁶⁶

The *Aldon Accessories* agency test is flawed because it treats any commissioned work outside of clause two's nine specified categories as a work for hire whenever the commissioning party plays an active role in the project. Such an interpretation of clause one introduces a huge loophole in clause two's limitation of categories of commissioned works that can be treated as works for hire. The Copyright Office specifically addressed this problem during its revision process, citing it as one of the major reasons for limiting the categories of commissioned works.¹⁶⁷ In deciding which types of commissioned works are made for hire, Congress selected only those types where "the distinction between 'employment' or 'commission' is fundamentally meaningless."¹⁶⁸ For the courts to expand the work for hire definition by interpreting commissioned relationships in light of general agency law, when Congress has already spoken, violates the express legislative design of the statute.

C. Co-Authorship versus Work For Hire Status

The "non-exclusive" interpretation extends the work for hire doctrine to commissioned works beyond clause two's specified categories whenever the commissioning party exercises "actual control" over the project. Carrying this proposition to its logical conclusion, however, the work should not be considered a work for hire and the commissioning party should not be the sole "author" of the work under the work for hire doctrine. Rather, under the 1976 Act, the project is a joint work¹⁶⁹ with the commissioning party at best becoming a joint author with the independent contractor.¹⁷⁰

¹⁶⁴ *Id.* at 552.

¹⁶⁵ *Easter Seal Soc'y v. Playboy Enters.*, 815 F.2d 323, 333 (5th Cir. 1987).

¹⁶⁶ *Aldon*, 738 F.2d at 552-53. *See supra* text accompanying note 91.

¹⁶⁷ COPYRIGHT LAW REVISION, Pt. 6, *supra* note 49, at 67-68.

¹⁶⁸ *See supra* note 77.

¹⁶⁹ H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 121 (1976). Section 201(a) defines a joint work as one "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." The 1976 Act emphasizes the intent of the authors at the time of their respective contributions.

¹⁷⁰ *See, e.g., Mister B Textiles, Inc. v. Woodcrest Fabrics, Inc.*, 523 F. Supp. 21 (S.D.N.Y. 1981) (as one of the authors of a joint work by participating in its creation,

Differential treatment of commissioning parties under the opposing interpretations is clear in *Aldon Accessories* and *Mister B Textiles, Inc. v. Woodcrest Fabrics, Inc.*¹⁷¹ In each case the court faced a situation where an "exclusive" interpretation of the statute would result in unjustly enriching a third party infringer. The *Mister B* court groped to justify finding a work for hire relationship. It determined that because an employee of the plaintiff had exercised sufficient control over the work, she was a co-author of the end product. As a co-author, the copyrights vested in the plaintiff's employee as a tenant in common with the independent contractor. In turn, as a traditional employee, her copyrights passed to her employer under clause one of section 101.¹⁷²

The *Aldon Accessories* court faced the same dilemma but arrived at a contrasting result. Like the court in *Mister B*, the *Aldon Accessories* court looked at the level of control exercised by the commissioning party. In *Aldon Accessories*, however, the court determined that the exercise of "actual control" rendered the independent contractor an employee of the commissioning party. The *Mister B* court, on the other hand, determined that sufficient control rendered the commissioning party a co-author.

Mister B's result is more harmonious with the other sections of the Act dealing with the issue of ownership. One main premise of the work for hire doctrine is that the parties intend at the time of contracting that the work shall be made for hire.¹⁷³ Requiring both parties to sign a writing specifying their intent that the work be made for hire attempts to prevent abuse of the doctrine. Thus, under the "non-exclusive" interpretation, a commissioned work not designated a work for hire at the time of contracting may be converted thereafter by the commissioning party's exercise of "actual control" in the production process. Such exploitation of the artist is exactly the result many authors and artists' groups participating in

commissioning party was a joint owner of the work), *Community for Creative Non-Violence v. Reid*, 846 F.2d 1485 (D.C. Cir.) (there existed "various indicia of the parties' intent, from the outset, to merge their contributions into a unitary whole, and not to construct and separately preserve discrete parts as independent works"), *aff'd*, 109 S. Ct. 2166 (1989); see also NIMMER, *supra* note 8, § 5.03[B], at 5-20:

Moreover, even if the work is prepared on commission, and there is no written instrument as between the parties, if in addition to commissioning the work, the commissioning party also materially contributed as an author to the creation of the work, he may be held to be a joint author together with the independent contractor.

¹⁷¹ See *supra* notes 131-37 and accompanying text.

¹⁷² See *supra* notes 136-37 and accompanying text.

¹⁷³ See NIMMER, *supra* note 8, § 5.03[B], at 5-21 (determining in whom the copyright in commissioned works vested has always depended on the intention of the parties, whenever that intention was ascertainable).

the copyright law revisions feared.¹⁷⁴ A primary reason that clause two of section 101 was limited to nine categories and required a written designation of the work for hire intentions of the parties was precisely to eliminate the potential for such abuse.

CONCLUSION

Congress revised the Copyright Act to better achieve the basic constitutional purpose of the Copyright Clause: to provide protection for authors as an incentive to continue producing works that enhance the culture, learning, and development of society. Congress revived that purpose when it refined the definition of works made for hire to include only specified categories of commissioned works. The legislative history of the redrafting process reveals that the actual control standard advocated by proponents of the “non-exclusive” interpretation expands the categories of commissioned works beyond that envisioned by the Copyright Office’s Revisory Committee or that intended by Congress. Rather, the “exclusive” interpretation, limiting work for hire eligibility of specially ordered or commissioned works to nine codified categories and requiring a signed written instrument acknowledging the parties’ intentions to create a work made for hire, best effectuates both Congress’s intent and the underlying purpose of the Copyright Clause.

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¹⁷⁴ See *supra* notes 64-67 and accompanying text.