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A BRIGHTER DAY FOR THE MAGIC LANTERN: THOUGHTS ON THE IMPACT OF THE NEW COPYRIGHT ACT ON MOTION PICTURES†

*by Peter F. Nolan**

I. INTRODUCTION

There is a certain benign innocence in the Egyptian-copyright law's reference to a motion picture projector as a "magic lantern."¹ Unfortunately, prior to passage of the Copyright Revision Act in 1976,² the copyright law in the United States reflected in many respects that same attitude toward motion pictures. Under the Copyright Act of 1909³ motion pictures were enumerated as protectible only as an afterthought.⁴ Few references were made in the 1909 Act to motion pictures, and the uncertainties that resulted when proprietors sought to protect their motion pictures were many. The situation was aggravated by technological advances in the motion picture field and other problems not foreseen in the early 1900's. The statute obviously did not expressly deal with sound tracks, broadcast television, community antenna television, videotape, videodisc, or tape and film piracy. The courts and the Copyright Office were nevertheless asked over the years to interpret the 1909 law as if that statute did cover those new areas of concern.

The United States now has a new federal copyright statute that does resolve (for better or worse) many of the issues about which there was doubt under the prior law. Moreover, it has changed the law in some instances, for the most part in favor of motion picture proprietors and, in some cases, has created its own quagmire of issues to confound and confuse the practitioner. This article will generally discuss and interpret

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1. Law Relating to the Protection of Copyright (No. 354), June 24, 1954, art. 6(i), Copyright Laws and Treaties of the World, United Arab Republic, Item 1.

2. Copyright Revision Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976) (to be codified at 17 U.S.C. §§ 101-810) [hereinafter cited as 1976 Act].

3. Copyright Act, ch. 320, §§ 1-62, 35 Stat. 1075 (1909) (current version at 17 U.S.C. §§ 1-216 (1970 & Supp. V 1975)) [the current version is hereinafter cited as 1909 Act].

4. 1909 Act § 5(l)-(m).

the new statute, in conjunction with its extensive legislative history, so that attorneys who might have to advise those involved with the motion picture industry may have at least a starting point for understanding the 1976 Act and the impact it has on his or her client's business.

II. HISTORICAL TREATMENT OF MOTION PICTURES

As alluded to above, motion pictures were not expressly protected under federal copyright law until adoption of the 1912 Townsend Amendment,⁵ three years after the previous copyright statute was enacted. Prior to that time motion pictures were protected, but only because the courts were willing to interpret the category "photographs" broadly.⁶ Section 5 of the 1909 Act, as changed by the Townsend Amendment in 1912, distinguished between two types of motion pictures: motion picture photoplays (Class L)⁷ and motion pictures other than photoplays (Class M).⁸ Motion picture photoplays came to be regarded as motion pictures containing a story or plot,⁹ while all other motion pictures such as travelogues and most television commercials, were classified in Class M.¹⁰

Although both types of motion pictures were copyrightable under the amended 1909 Act, the basis of protection available for each was different.¹¹ In the 1976 Act there is no distinction made between types of motion pictures: all motion pictures, except perhaps taped television news shows,¹² are treated essentially the same. Significantly, motion pictures are for the first time expressly defined in a federal copyright statute, the 1976 Act providing: "'Motion pictures' are audio visual works consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any."¹³ Finally, it must be remembered that motion pictures

5. Act of Aug. 24, 1912, ch. 356, 37 Stat. 488 (current version at 17 U.S.C. § 5 (1970)) [hereinafter cited as Townsend Amendment].

6. *Edison v. Lubin*, 122 F. 240, 242 (3d Cir. 1903); *American Mutoscope & Biograph Co. v. Edison Mfg. Co.*, 137 F. 262, 266 (C.C.D.N.J. 1905).

7. 1909 Act § 5(l) (current version at 17 U.S.C. § 5(l) (1970)).

8. *Id.* § 5(m) (current version at 17 U.S.C. § 5(m) (1970)).

9. 37 C.F.R. § 202.15(a) (1977); COMPENDIUM OF COPYRIGHT OFFICE PRACTICES § 2.14.1.III(a)(1) (1973) [hereinafter cited as COMPENDIUM]; *see, e.g., Rohauer v. Killiam Shows, Inc.*, 379 F. Supp. 723 (S.D.N.Y. 1974), *rev'd on other grounds*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

10. 37 C.F.R. § 202.15(b) (1977); COMPENDIUM, *supra* note 9, § 2.14.1.II(a)(2).

11. *See* text accompanying notes 113-18 *infra*.

12. *See* text accompanying note 156 *infra*.

13. 1976 Act § 101. Motion pictures also remain a specifically enumerated category of subject matter protectible under the federal copyright statute. *Id.* § 102(a)(6).

under the 1976 Act are a specie of the broader category of "audiovisual works,"¹⁴ which (as will be seen) is a matter of importance for a number of reasons.¹⁵

A. Videotapes

The Copyright Office had for a number of years registered copyright claims for motion pictures embodied only in the form of videotapes,¹⁶ and at least one court had held that works on videotapes were copyrightable.¹⁷

The definition of "audiovisual works" in the 1976 Act¹⁸ confirms that motion pictures need not be embodied on copies that are perceptible to the mere naked eye in order to be protected. Such works are required only to be "intrinsically intended to be shown by the use of machines or devices."¹⁹ The definition specifically declares that audiovisual works may be embodied and are protectible in materials such as tapes and videodiscs.²⁰

A constitutional challenge on this issue will undoubtedly be made on the ground that a work only embodied in a copy that cannot be visually perceived without the aid of a machine is not a "writing," within the meaning of that word in the copyright clause of the United States

14. *Id.* § 101. See also H.R. REP. NO. 83, 90th Cong., 1st Sess. 19 (1967) [hereinafter cited as 1967 House Report] which declared that the definition of audiovisual works under the proposed 1967 legislation encompassed the smaller class motion pictures.

15. See, e.g., text accompanying notes 135, 148, 156-57 *infra*.

16. 37 C.F.R. § 202.15(d) (1977); see COMPENDIUM, *supra* note 9, § 2.14.1.II(c).

17. *Trophy Prods., Inc. v. Telebrity, Inc.*, 185 U.S.P.Q. (BNA) 830 (N.Y. 1975). See *Walt Disney Prods. v. Alaska Television Network, Inc.*, 310 F. Supp. 1073 (W.D. Wash. 1969).

18. "Audiovisual works" are defined as works that consist of a series of related images which are intrinsically intended to be shown by the use of machines or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied. 1976 Act § 101.

19. *Id.*

20. *Id.* See H.R. REP. NO. 1476, 94th Cong., 2d Sess. 56 (1976) [hereinafter cited as 1976 House Report]; S. REP. NO. 473, 94th Cong., 1st Sess. 54 (1975) [hereinafter cited as 1975 Senate Report]. Section 102(a) of the 1976 Act, which sets forth the general criteria for the subject matter covered by the Act, requires *inter alia* that in order to be copyrightable works must be fixed "in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 1976 Act § 102(a). See also SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION Pt. 6, at 5 (Comm. Print 1965) [hereinafter cited as COPYRIGHT LAW REVISION Pt. 6].

Constitution.²¹ Such an argument should, however, fail for reasons similar to the unsuccessful attack on the constitutionality of the amendment to the 1909 Act granting antidubbing protection for performances on certain sound recordings.²²

B. Sound Tracks

When the 1909 Act was amended in 1912 by adding motion pictures to section 5, there were no sound motion pictures in existence and no need to provide for their copyrightability.²³ It was not until the 1971 amendment²⁴ that Congress specified that motion picture sound tracks were within the ambit of section 5.²⁵ Under the new law the sound track is by

21. U.S. CONST. art. I, § 8, cl. 8, permits Congress to enact copyright legislation only for the "writings" of an author. Writings have been defined by the Supreme Court to include all forms of "writing, printing, engraving, etching, etc. by which the ideas in the mind of the author are given visible expression." *Burrow-Giles Lithographic Co. v. Saroni*, 111 U.S. 53, 58 (1884). For an excellent presentation of the historical background and interpretive development of the word "writings" in the Constitution, see W. DERENBERG, 86TH CONG., 1ST SESS., STUDIES PREPARED FOR THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY PURSUANT TO S. RES. 53 THE MEANING OF "WRITINGS" IN THE COPYRIGHT CLAUSE OF THE CONSTITUTION—STUDY NO. 3 (Comm. Print 1960), one of the original studies prepared in the early stages in the latest effort to revise the United States copyright law.

22. *Shaab v. Kleindienst*, 345 F. Supp. 589 (D.D.C. 1972). The primary support for such an attack would probably be *White-Smith Publishing Co. v. Apollo Co.*, 209 U.S. 1, 18 (1908), which held that a material object not perceptible to the naked eye was not a "copy." The defendant in *White-Smith* was not, however, challenging the copyrightability of the plaintiff's two musical compositions. Rather, the defendant contended that perforated musical sheets were not tangible embodiments of the intellectual product which constituted the musical composition within the meaning of the statute. *Id.* at 7. In the author's opinion, reliance on the *White-Smith* decision would also be misplaced because there the Supreme Court was concerned only with interpreting language in a prior statute. *Id.* at 15. Moreover, both houses of Congress have, in adopting the 1976 Act, categorically repudiated the reasoning in *White-Smith* to the extent it might be applicable to the constitutional question of what constitutes copyrightable subject matter. 1976 House Report, *supra* note 20, at 52; 1975 Senate Report, *supra* note 20, at 51.

23. This problem was manifested by a spate of litigation over whether a grant of motion picture rights made during the era of silent movies included sound motion picture rights. See, e.g., *Murphy v. Warner Bros. Pictures*, 112 F.2d 746 (9th Cir. 1940); *Page & Co. v. Fox Film Corp.*, 83 F.2d 196 (1st Cir. 1936).

24. Act of Oct. 15, 1971, Pub. L. No. 92-140, § 1(f), 85 Stat. 391.

25. The House Report on the 1971 amendment stated:

This legislation extends copyright protection to sound recordings which . . . reflects the Committee's opinion that soundtracks or audio tracks are an integral part of the "motion pictures" already accorded protection under subsections (l) and (m) of Section 1 [sic] of title 17, and that the reproduction of the sound accompanying a copyrighted motion picture is an infringement of copyright in the motion picture.

H.R. REP. NO. 487, 92d Cong., 1st Sess. 5-6, reprinted in [1971] U.S. CODE CONG. & AD. NEWS 1566, 1570-71; S. REP. NO. 72, 92d Cong., 1st Sess. 5 (1971). Prior to the enactment of this statute, the Copyright Office took the position that performances or other works embodied on a motion picture sound track were not a copyrightable element of a motion

definition a copyrightable part of a motion picture.²⁶

However, an important distinction is made in the 1976 Act between a "sound track" and a "sound recording." The definition of the latter specifically excludes from its scope "sound accompanying a motion picture or other audiovisual works."²⁷ The significance of this statutory distinction is that the protection granted sound recordings is essentially limited to unauthorized dubbing.²⁸ Protected sound tracks, on the other hand, may not be reproduced without permission, nor may they be imitated or publicly performed absent the consent of the copyright owner.²⁹

Although a sound track is not specifically defined in the Act, the exclusionary language used in defining sound recordings supports a rather clear inference that a sound track is a work of sound that accompanies a motion picture.³⁰ Applying this implied definition of a sound track to motion picture industry practices is not, however, an easy task. More often than not, a producer will make a recording of a work of sound *for the purpose of accompanying* a motion picture, but will first release it on a phonorecord to promote the motion picture. Does the format of the first release determine whether the work of sound is a sound track or a sound recording? It is submitted that it does not. The point in time the work of sound is *created* determines whether it is a sound recording or a sound track.³¹ The primary intention of the producer appears to be the

picture. It would refuse to register a copyright claim to a sound track if that was the sole new matter in a deposited motion picture. COMPENDIUM, *supra* note 9, § 2.14.1.III(b). Interestingly, at the same time the Copyright Office disclaimed taking a position on whether a sound track was copyrightable. *Id.* § 2.14.1.III(a). That asserted position, of course, changed. 37 C.F.R. § 202.15a(c) (1977). Very few courts even discussed the issue. *See* Trophy Prods., Inc. v. Telebrity, Inc., 185 U.S.P.Q. (BNA) 830, 831-32 (N.Y. 1975); Blanc v. Lantz, 83 U.S.P.Q. (BNA) 137, 142 (Cal. Super. Ct. 1949) (common law copyright protection denied due to publication of motion picture incorporating sound track). *See also* Brylawski, *Copyrightability of Motion Picture Sound Tracks*, 18 BULL. COPYRIGHT SOC'Y 357 (1971).

26. The definition of "motion pictures" in § 101 includes the phrase "together with accompanying sounds, if any." 1976 Act § 101. 1976 House Report, *supra* note 20, at 56; 1975 Senate Report, *supra* note 20, at 54.

27. 1976 Act § 101.

28. *Id.* § 114(b).

29. *Id.* § 106.

30. Sound recordings are defined in § 101 as

works that result from the fixation of a series of musical, spoken, or other sounds, *but not including the sounds accompanying a motion picture* or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.

Id. § 101 (emphasis added).

31. *Id.* §§ 301(a), 302(a); *see* 1976 House Report, *supra* note 20, at 129-36; 1975 Senate Report, *supra* note 20, at 112-19.

critically important factor.³² Such intent is evidenced by whether or not there is an application of (or a manifest intention to apply)³³ the work of sound to a motion picture during the movie's preparation.³⁴

Can a sound track ever become a sound recording or, conversely, can a sound recording ever become a sound track? Examination of the 1976 Act legislative history provides little insight to this question, but what seems to be the most logical approach (if for no other reason than to avoid confusion) is to consider a work as always in one category or the other. Adopting such a view will ensure that a work will never lose the designated categorical rights while simultaneously precluding the advantages of the other type of work.

Logic has never impeded legislation before and it appears that Congress did not break with that tradition by being consistent on this point. Both the House and Senate Committee Reports state that once a sound track is embodied in a phonorecord an unauthorized public performance of that phonorecord will not constitute an infringement of the sound track copyright. Nonetheless an owner may apparently stop the public performance of his sound track, if the performance takes place as the result of playing a copy (rather than a phonorecord) of the sound track.³⁵

32. According to § 101, a "work is 'created' when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time . . ." 1976 Act § 101. If applied literally, a work of sound could virtually never be a "sound track," only a "sound recording." This is because a sound track is in almost all cases first fixed on a master (a "phonorecord" under § 101 of the 1976 Act). The intended primary use of the work of sound at the time of creation is, therefore, the critical factor.

33. The producer's intention may often be determined by such factors as whether he utilizes the services of musicians under a motion picture collective bargaining agreement or a sound recording collective bargaining agreement.

34. Quite frequently, an "original sound track album" will contain substantial new matter which can be the basis for a separate copyright. See H.R. REP. NO. 487, 92d Cong., 1st Sess. 5, reprinted in [1971] U.S. CODE CONG. & AD. NEWS 1566, 1570; S. REP. NO. 72, 92d Cong., 1st Sess. 5 (1971). Such a sound recording copyright in the new matter will not, however, affect the status of the copyright in a pre-existing sound track. 1976 Act § 103.

35. 1976 House Report, *supra* note 20, at 64; 1975 Senate Report, *supra* note 20, at 60. Of course, as a practical matter, the owner of a sound track may wish to encourage its public performance. This because, assuming the producer or an affiliated company owns the public performance rights to music in the performed sound track, royalties from performing rights societies would be payable upon the public performance of that music. Moreover, such performances might promote the viewing of the motion picture of which the sound track was an integral part. It should be noted that § 114 of the 1976 Act sets forth a number of limitations on the scope of sound recording rights. It is not yet clear whether sound tracks embodied in a phonorecord will be subject to the provisions of § 114. See text accompanying note 28 *supra*.

C. Live Performances

The 1976 Act does not cover mere live performances, such as telecasts of live sports events, leaving protection for such works to the common law. If, however, such a performance is simultaneously "fixed," or embodied in at least one copy, the new law does protect the work, generally as a "motion picture."³⁶

III. NECESSARY FORMALITIES

A. Publication

Under the 1909 Act copyright protection for motion pictures was secured in one of two ways: registration for a motion picture in unpublished form³⁷ or by publication of the motion picture with an appropriate notice of copyright.³⁸ Most motion picture producers attempted to secure copyright protection for their work through the second method by asserting their work had been published with notice, and therefore it became important to determine when a motion picture was published under the prior statute. However, uncertainty prevailed in the absence of a clear judicial standard.³⁹

Because the new statute now protects motion pictures from the moment of creation,⁴⁰ one would have thought the concept of motion picture "publication" would be of interest only to legal historians. To the contrary, when a new motion picture is first published under the 1976 Act, it will still be an important question⁴¹ and, unfortunately, one that

36. 1976 Act § 102(a); 1976 House Report, *supra* note 20, at 52; 1975 Senate Report, *supra* note 20, at 51. For a detailed explanation of congressional intent with regard to such performances see 1967 House Report, *supra* note 14, at 15-16.

37. 1909 Act § 12. *E.g.*, *Patterson v. Century Prods., Inc.*, 93 F.2d 489 (2d Cir. 1937), *cert. denied*, 303 U.S. 655 (1938).

38. 1909 Act § 13. *E.g.*, *Stern v. Jerome H. Remick & Co.*, 175 F. 282, 284 (S.D.N.Y. 1910).

39. *See Patterson v. Century Prods., Inc.*, 93 F.2d 489 (2d Cir. 1937), *cert. denied*, 303 U.S. 655 (1938); *Blanc v. Lantz*, 83 U.S.P.Q. (BNA) 137 (Cal. Super. Ct. 1949); *Brandon Films, Inc. v. Arjay Enterprises, Inc.*, 230 N.Y.S.2d 56 (N.Y. 1962); *O'Neill v. General Film Co.*, 157 N.Y.S. 1028 (N.Y. 1916). *See Nolan, Copyright Protection for Motion Pictures: Limited or Perpetual?*, 18 ASCAP COPYRIGHT L. SYMP. 174 (1970). The distribution of copies of motion pictures to theaters, networks, or individual television stations was considered by the Copyright Office to constitute at least an investitive publication under the 1909 Act. COMPENDIUM, *supra* note 9, § 3.1.1.III(d) (Example 1).

40. 1976 Act §§ 301(a), 302(a).

41. Publication is significant for a number of reasons. For example: (1) the term of protection for a work will often depend upon whether or not it has been published, *id.* §§ 302(c), 303-304(b); (2) the notice provisions apply only to published works, *id.* § 401(a); (3) deposit must be made for works published in the United States, *id.* § 407(a); (4) statutory damages and attorneys' fees in certain infringement cases may be barred, depending upon whether the infringed motion picture is published or unpublished, *id.* § 412.

the statute in certain circumstances tends to make difficult to resolve. On the positive side, the 1976 Act ensures that at least initial copyright protection will be unaffected by publication.⁴²

The 1976 Act defines "publication" as the distribution of copies . . . of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies . . . to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.⁴³

Each sentence of the definition has significance and must be analyzed separately. Consistent with both case law⁴⁴ and a reference in the legislative history⁴⁵ of the 1909 Act, Congress has made plain in the last sentence of the definition of publication that the mere public screening of a motion picture, whether in a theater or on television, does not constitute a publication of a motion picture.⁴⁶ At the other end of the distribution spectrum, the mere making of a copy or copies of a motion picture is not a publication.⁴⁷

The first sentence of the definition clearly provides that the sale, rental or lease of one⁴⁸ or more copies of a motion picture to the public

42. Under the 1909 Act protection for works such as stories in manuscript form, periodicals and maps, could not be secured unless the works were first published. 37 C.F.R. §§ 202.4-.5 (1977). The new statute eliminates that necessity. 1976 Act § 301(a).

43. 1976 Act § 101.

44. *King v. Mister Maestro, Inc.*, 224 F. Supp. 101, 105-06 (S.D.N.Y. 1963); *Metro-Goldwyn-Mayer Distrib. v. Wyatt*, 21 COPY. DEC. 203, 205-06 (D. Md. 1932); *Columbia Broadcasting Sys., Inc. v. Documentaries Unlimited, Inc.*, 248 N.Y.S.2d 809, 812-13 (N.Y. 1964) (dictum); *DeMille Co. v. Casey*, 209 N.Y.S. 20, 28 (N.Y. 1923); *accord*, *Ferris v. Frohman*, 223 U.S. 424, 435 (1912).

45. In granting initial protection under the 1909 Act to "unpublished" dramatic works, the 60th Congress assumed that the mere performance was not a publication of such a work. H.R. REP. NO. 2222, 60th Cong., 2d Sess. S4 (1909), *reprinted in* F. BRYLAWSKI & A. GOLDMAN, LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT, at S4 (1976).

46. 1976 House Report, *supra* note 20, at 138; 1975 Senate Report, *supra* note 20, at 121.

47. The first two sentences of the statutory definition refer only to actual distribution of copies or an "offering to distribute copies," not to the mere making of copies. 1976 Act § 101.

48. Even though the first sentence of the publication definition refers to the plural "copies," the legislative history indicates that distribution of only one copy could constitute a publication. Both the House and Senate Reports contain the following sentence: "Under the definition in section 101, a work is 'published' if one or more copies . . . are distributed to the public . . ." 1976 House Report, *supra* note 20, at 138; 1975 Senate Report, *supra* note 20, at 121 (emphasis added). Also, in discussing § 106, both Reports state that "[t]he references to 'copies or phonorecords,' although in the plural, are

constitutes a publication. Application of this sentence of the definition to motion picture distribution practices does, however, present serious problems, due to the ambiguity in the word "public." Is, for instance, the distribution of copies to motion picture theaters, networks, or individual television stations a distribution to the public? The legislative history of the 1976 Act does not supply a ready answer. The House and Senate Reports refer to the public as "generally . . . persons under no explicit or implicit restrictions with respect to disclosure of [a particular work's] contents" ⁴⁹ Since motion picture theaters, networks, and individual television stations are virtually always restricted as to "disclosure"—when and how they can exhibit a distributed copy of a motion picture—they might well not be deemed a part of the public within the meaning of the publication definition. ⁵⁰

The offering to distribute copies of a motion picture to theaters or individual television stations would constitute a "publication" under the second sentence of the definition. ⁵¹ An offer to distribute such copies of a

intended here *and throughout the bill* to include the singular (1 U.S.C. § 1)." 1976 House Report, *supra* note 20, at 61; 1975 Senate Report, *supra* note 20, at 58 (emphasis added). 1 U.S.C. § 1, referred to in the Reports, reads in pertinent part: "In determining the meaning of any Act of Congress, unless the context indicates otherwise . . . words importing the plural include the singular"

49. 1976 House Report, *supra* note 20, at 138; 1975 Senate Report, *supra* note 20, at 91. At an early stage of the legislative process publication included the requirement of distribution of copies to the "public at large." STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION Pt. 3, at 18 n.14 (Comm. Print 1964) [hereinafter cited as COPYRIGHT LAW REVISION Pt. 3]. The words "at large" were deleted in subsequent drafts of the revision bill, possibly in part because works such as motion pictures might never be published under that proposed definition. STAFF OF SENATE COMM. ON THE JUDICIARY, 88TH CONG., 2D SESS., COPYRIGHT LAW REVISION Pt. 4, at 23 (Comm. Print 1964) [hereinafter cited as COPYRIGHT LAW REVISION Pt. 4].

50. One could also urge that virtually all persons who have sold, rented or leased a copy of a motion picture are restricted as to its disclosure in some manner and would not be considered part of the public. For example, super 8mm prints containing excerpts of motion pictures are normally licensed only for private performances. Additionally, the use of copies of motion pictures rented or leased to non-theatrical users are generally restricted as to time and place of utilization. However, Congress undoubtedly intended at least some renters of motion pictures to be considered part of the public in the definition, since the first sentence refers to distribution by "rental, lease, or lending." The issue is probably academic since offers of such sales, rentals and leases usually are made to *groups* of persons, and would therefore constitute a publication under the second sentence of § 101.

51. The rationale behind the addition of the second sentence: "The offering to distribute copies . . . to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication," of § 101 in 1971 is not revealed in scrutiny of the 1971 legislative history. *See* S. 644, 92d Cong., 1st Sess. § 101 (1971) in which the new language was added. Although the committee reports do not expressly address the issue, both the first and the second sentence of the definition of publication seem to presuppose the existence of copies to distribute. Presumably, the work must be

motion picture to a single network, however, might not constitute a publication, since the statute requires that the offer be made to a *group* of persons rather than to a single person. It is equally unclear whether an offer to distribute copies to all three networks is a publication.⁵²

Vagueness in the phrase "offering to distribute" copies in the second sentence creates further difficulties. Normally, the motion picture begins with the distributor sending *invitations* for offers by theatrical exhibitors to perform the film publicly during a certain time period. The exhibitors then submit such offers to the distributors, some of which are accepted and many rejected. Copies of the motion picture are later actually distributed to those exhibitors whose offers were accepted. Where in this process is there an "offering to distribute" copies? Technically, the first step is not an offer at all, at least not in the contract sense, rather it is no more than an invitation. Moreover, the theaters' responses are offers to exhibit, not offers to distribute copies. And the final step is not an offer, but an *acceptance* of the theaters' offer to exhibit.

At the time of this writing, the Copyright Office has not issued regulations on the subject of publication; hopefully, if regulations are issued, they will shed some light on this troublesome area.

B. Deposit Requirements

While the new law relaxes many of the old requirements, it nonetheless places on a copyright proprietor the obligation to deposit with the Copyright Office (for use by the Library of Congress)⁵³ two "best edition" copies⁵⁴ of motion pictures that have been published with notice

fixed in at least one copy before a publication of that work can occur, that is, there cannot be a publication of a work of which there are only "unborn" copies. It is also unlikely that a court will relate the time of publication back to the time an offer to distribute unborn copies of a work was made to when the copies are produced.

52. Indeed, Congress has apparently assumed that motion pictures offered to television networks are not published. The House Report in explaining the right of the Library of Congress under certain circumstances to reproduce unpublished motion pictures under § 407(e), stated: "These amendments are intended to provide a basis for the Library of Congress to acquire, as a part of the copyright deposit system, copies or recordings of *non-syndicated* . . . television programs, without imposing any hardships on broadcasters." 1976 House Report, *supra* note 20, at 152 (emphasis added). Similar language appeared in the Conference Committee Report with respect to the adoption of § 407(e). H.R. REP. NO. 1733, 94th Cong., 2d Sess. 79 (1976) [hereinafter cited as Conference Report]. It is arguable that an offer to distribute copies to a single television network constitutes a publication, but in light of the language in the aforementioned House and Conference Reports, it would appear that such an argument may well be unavailing.

53. 1976 Act § 407(b).

54. "Copies" includes film prints, videotapes and videodiscs. *Id.* § 101. The "best edition" of a work is that which the Library of Congress determines is most suitable for its purposes. *Id.* At this writing the Copyright Office has promulgated only proposed regula-

of copyright in the United States.⁵⁵ The proprietor has three months from publication of the motion picture to effectuate the deposit.⁵⁶ However, motion pictures published only outside the United States or motion pictures published in the United States without notice of copyright are exempt from the deposit requirements. Further, copies of unpublished motion pictures need not be deposited.⁵⁷ Fines, rather than forfeiture of copyright, are the only penalties for failure to make the required deposit.⁵⁸

In recognition of the substantial expense connected with depositing copies of motion pictures, Congress adopted a provision in the 1976 Act which allows, but does not require, the Register of Copyrights to issue regulations exempting works such as motion pictures from the requirement that two copies of the work be deposited.⁵⁹ Although the Register has not yet issued final regulations on this point, it is expected that the authority will be exercised and the regulations will exempt from deposit one of the two motion picture copies required by section 407(a).⁶⁰

C. Registration

Registration of copyright claims to published motion pictures, while not strictly required, is important to obtain under the 1976 Act.⁶¹ There are a number of incentives for prompt registration for both published and unpublished motion pictures, the most significant of which is the possibility of obtaining statutory damages and attorneys' fees in a copyright infringement action. Unless registration precedes the occurrence of an infringement, statutory damages and attorneys' fees in an infringement

tions on what constitutes the best edition of a motion picture. 42 Fed. Reg. 59,306 (1977) (to be codified at 37 C.F.R. § 202.19(b)(1)(i)).

55. 1976 Act § 407(a).

56. *Id.*

57. 1976 House Report, *supra* note 20, at 151; 1975 Senate Report, *supra* note 20, at 134. It should be noted that Congress has authorized the Library of Congress to tape off the air and retain one copy of unpublished motion pictures transmitted (*i.e.*, televised) to the public in the United States *or* to demand the deposit of such a copy for the Library's archives. This right is, however, subject to a number of conditions. 1976 Act § 407(e); 1976 House Report, *supra* note 20, at 152.

58. 1976 Act § 407(d).

59. *Id.* § 407(c).

60. Under proposed regulations the Copyright Office would require the deposit of only one copy of a motion picture. 42 Fed. Reg. 59,306 (1977) (to be codified at 37 C.F.R. § 202.19(d)(2)(ii)).

61. 1976 Act § 408(a). Registration is a condition to copyright protection only if a large quantity of copies of a published work are publicly distributed without a copyright notice and registration for the work has not been made within five years after the omission occurred. *Id.* § 405(a).

action will not be awarded.⁶² There is, however, some flexibility in this otherwise harsh limitation, as the copyright owner of a published motion picture is granted a grace period of three months from the date of initial publication in which to register a copyright claim to his work.⁶³ Unfortunately, no such grace period is provided for unpublished motion pictures. It is therefore imperative that registration for such works be made as promptly as possible after fixation if there is a substantial risk that the work will be infringed before it is published.⁶⁴

In addition to the deposit requirements of section 407,⁶⁵ the 1976 Act also mandates the deposit of copies in order to avail oneself of registration. Importantly, the copies required to be deposited under the registration provisions are supplemental to and not inclusive of the general deposit requirements.⁶⁶ In the case of published motion pictures, two complete copies of the best edition are to be deposited. For unpublished motion pictures, only one copy need be deposited.⁶⁷ Section 408(c) of the Act does provide that the Register of Copyrights, at her discretion, may issue regulations that would permit limiting the registration deposit to one copy or identifying materials in lieu of copies.⁶⁸ The Register has not, at the time of this writing, fully exercised that regulatory authority.⁶⁹

At first blush it would appear that there is some incentive to contend a particular motion picture is "unpublished," since both the registration and deposit requirements for such works appear less burdensome. It should be noted, however, that section 407(e) grants options to the Library of Congress to tape a copy of unpublished motion pictures televised in the United States off the air for its archives, to demand a copy of the movie, or to demand certain payments relating to the unpublished motion picture.⁷⁰ This potential demand on proprietors may, at least for televised motion pictures, outweigh the supposed advantage of avoiding the more stringent registration and deposit requirements for

62. *Id.* § 412.

63. *Id.* § 412(2); 1976 House Report, *supra* note 20, at 153; 1975 Senate Report, *supra* note 20, at 140.

64. For example, there have been a few instances where unauthorized prints of a motion picture have been offered for sale in the piracy market, even before the theatrical distribution of the picture has taken place. If the infringement occurs prior to registration for such unpublished works, statutory damages and attorneys' fees would be unavailable.

65. See notes 53-60 *supra* and accompanying text.

66. *But see* text accompanying notes 74-75 *infra*.

67. 1976 Act § 408(b).

68. *Id.* § 408(c).

69. Proposed regulations allow the deposit of only one copy of a motion picture for registration. 42 Fed. Reg. 59,308 (1977) (to be codified at 37 C.F.R. § 202.20(c)(2)(ii)).

70. 1976 Act § 407(e).

unpublished works. A saving grace may be that the Library's exercise of its section 407(e) option by taping an unpublished motion picture off the air, may result in that copy being utilized to satisfy the registration deposit requirement.⁷¹

Contrary to provisions of the 1909 Act,⁷² the new law does not *require* the re-registration and further deposit of copies where there is a publication of a work for which registration had been made when it was unpublished.⁷³

The deposit for works under section 407 may be used to satisfy the section 408 deposit requirements, provided the section 407 deposit is accompanied by the prescribed application, fee, and other required materials.⁷⁴ The Register has indicated that she plans to enforce this provision rather strictly,⁷⁵ and it will behoove the claimant to make sure the required documents accompany every deposit intended to be made under section 408. Otherwise, the Copyright Office will deem the deposit to be made under section 407, requiring a further, and additionally expensive, deposit under section 408.

Under the 1909 Act the Copyright Office issued regulations allowing separate copyright registration for a work incorporated in a motion picture, such as original music, only if: (1) registration for the incorporated work was accomplished prior to publication of the motion picture; or (2) a separate copyright notice for the incorporated work was present on published prints of the motion picture.⁷⁶ This regulation, while prospective in application, did cast some doubt on the validity of copyright registrations made prior to the issuance of the regulation. Further, it caused at least some producers to change their practices to ensure that copyright registration for music embodied in sound tracks occurred prior to the publication of the motion picture. This separate registrability problem is now moot, since the new Act provides that registration for a

71. *Id.* § 408(b). The Register need not issue regulations which would allow use of a § 407(e) copy as a registration deposit if the copy was obtained pursuant to subsection (2) of that section. Section 407(e)(2) provides that such regulations shall set standards and procedures by which the Register may make written demand upon the owner of the right of transmission in the United States for the deposit of a copy of a specific transmission program.

72. 1909 Act § 12.

73. 1976 Act § 408(e).

74. *Id.* § 408(b).

75. Announcement from the Copyright Office, No. ML-152 (May, 1977). The Register may eventually allow a § 407 deposit to be used for registration purposes if the § 407 deposit is accompanied by at least a letter stating that the application for registration will be forthcoming. 42 Fed. Reg. 59, 307 (1977) (to be codified at 37 C.F.R. § 202.19(f)(1)(ii)).

76. 37 C.F.R. § 202.15(e) (1977).

published work may be made even though copies of the work were publicly distributed without a separate copyright notice.⁷⁷

The practice of registering a copyright claim in music prior to its publication in a motion picture still appears to be the most prudent course to follow, since the copyright owner of the music might otherwise be in the position of having to place a separate music copyright notice on the copies of a published motion picture embodying the music. If such a notice were not placed on the published copies, the copyright on the music could well be jeopardized even though registration for the music had been made on the basis of motion picture publication.⁷⁸

D. Notice of Copyright

There must be a copyright notice on all publicly distributed copies of a motion picture published in the United States or in any other country.⁷⁹ Nonetheless, some copies of published motion pictures need not carry copyright notices under the 1976 Act. Section 401(a) requires that only "publicly distributed copies" of published works carry a copyright notice. Unfortunately, there is no definition of the phrase "publicly distributed," but presumably it will take on the meaning of its ordinary usage. The phrase is certainly narrower than the concept of publication in the Act.⁸⁰

The normal distribution practices of the motion picture industry do not ordinarily, at least initially, permit copies of theatrical and television motion pictures to be distributed to the public. Copies are usually distributed only to individual motion picture theaters, television networks, or individual stations. Only after such initial exploitation will copies of motion pictures generally become available to the public through direct rentals. A question arises as to whether or not it is only at this second

77. 1976 Act § 405(a)(2). Even the intentional omission of a separate notice will not preclude registration. COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 105. This was a change from the earlier view that only inadvertent omission of a copyright notice would not invalidate a copyright. COPYRIGHT LAW REVISION Pt. 4, *supra* note 49, at 74.

78. Although registration for a work may be made despite the fact that copies of the motion picture have been publicly distributed without a copyright notice, the copyright owner is under an obligation once he discovers the notice omission to make a reasonable effort to add the notice to all copies publicly distributed in the United States. 1976 Act § 405(a)(2).

79. *Heim v. Universal Pictures Co.*, 154 F.2d 480 (2d Cir. 1946) (the proposition that the notice requirements extend only to copies published in the United States has been overruled).

80. "Publication," as defined in § 101, includes "offering to distribute," a concept which is not limited to actual distribution of copies. *See* text accompanying notes 37-52 *supra*.

level of distribution that prints need carry a copyright notice.⁸¹ Since the legislative history provides little help on the issue, the answer is necessarily speculative. The prudent producer, in the author's opinion, should save such rather academic argument for those cases where a copyright notice has not been affixed and an infringer raises the issue. It would, of course, be the better practice to affix a copyright notice on all copies that are to be distributed for exploitation purposes.

The notice requirements have in most respects been substantially relaxed under the new copyright statute.⁸² Nonetheless, there are exceptions, one of which involves motion pictures. Under the 1909 law the year date of first publication did not have to be present in the copyright notices for motion pictures other than photoplays (Class M).⁸³ Under the 1976 Act, however, the copyright notice requirements are more encompassing, necessitating use of a year date on copyright notices for *all* motion pictures, plus the name of the copyright owner and the word "Copyright," the abbreviation "Copr.," or the symbol "©."⁸⁴

At the present time it is unclear where the copyright notice must be located in order to comply with the new statute. The statutory standard for the location is one of "reasonableness."⁸⁵ The legislative history of section 401 does indicate that the notice need not be located on the print in such a fashion that it be visible when exhibited or televised.⁸⁶ Presumably, it is possible to place the notice on a leader to a copy of a motion picture rather than placing it *in* the motion picture itself. The Copyright Office is required to issue regulations on the manner in which the notice

81. Before the second sentence was added to the publication definition, it was assumed that "publicly distributed" copies were synonymous with "published" copies. COPYRIGHT LAW REVISION Pt. 4, *supra* note 49, at 67. It is only in the context of the broader language of the second sentence of the definition (in which the word "public" is missing) that the committee reports discuss theatrical and syndication distribution of motion picture copies, which would seem to support the contention that such distribution is not to the public and that a copyright notice need not be present on copies so distributed. 1976 House Report, *supra* note 20, at 138; 1975 Senate Report, *supra* note 20, at 121. See notes 51-52 *supra* and accompanying text.

82. See, e.g., 1976 House Report, *supra* note 20, at 143; 1975 Senate Report, *supra* note 20, at 126.

83. Section 19 of the 1909 Act required the year date of first publication only if the work involved was a "printed literary, musical, or dramatic work." The Copyright Office would register copyright claims to Class M (non-photoplay) motion pictures, 37 C.F.R. § 202.15(b) (1977), even though the copyright notice on such works contained no year date. COMPENDIUM, *supra* note 9, § 2.14.2.II(a)(2). See text accompanying notes 7-10 *supra* for a discussion of Class M and Class L works.

84. 1976 Act § 401(b).

85. *Id.* § 401(c).

86. 1976 House Report, *supra* note 20, at 143; 1975 Senate Report, *supra* note 20, at 126.

may appear and on the location of copyright notices,⁸⁷ and such regulations are to be considered conclusively correct.⁸⁸ On the other hand, the locations set forth in the regulations are not to be considered exhaustive.⁸⁹ At the time of this writing, final regulations on notice location have not been issued, but may eventually be helpful on this issue.

A copyright notice must also be present on videotapes and videodiscs containing motion pictures that are publicly distributed. The language in section 401 of the new statute requires that the notice be present on copies of a work, including those that are incapable of perception by the naked eye without the use of a machine.⁹⁰ It is uncertain whether the notice itself, as opposed to the copies on which the notice appears, must be read with the naked eye or whether the notice is valid if it can be read only with the aid of a machine.

As explained above, a motion picture sound track is not only copyrightable but may also be afforded broader copyright protection than a sound recording.⁹¹ Since the owner of the copyright to the visual part of a motion picture is in virtually all cases also the owner of the sound track, a separate copyright notice on the motion picture for the sound track is not required under the 1976 Act. But assuming a work of sound is considered a sound track and is published in the form of a phonorecord (that is, a sound track album), what kind of copyright notice, if any, should or need be present on the phonorecord? It is submitted that technically no copyright notice need be present on such a phonorecord in order to maintain copyright protection for the sound track. Section 401(a) of the 1976 Act requires a copyright notice for a motion picture sound track be present only on copies of a work;⁹² and consistent with some case law under the 1909 Act,⁹³ the new legislation does not consider a phonorecord a copy.⁹⁴ The section 401 notice is, therefore, not required on phonorecords. Nonetheless, the prudent attorney should recommend to his client (who is

87. 1976 Act § 401(c).

88. *Id.*

89. *Id.*; 1976 House Report, *supra* note 20, at 144; 1975 Senate Report, *supra* note 20, at 127.

90. COPYRIGHT LAW REVISION Pt. 4, *supra* note 49, at 67.

91. See text accompanying notes 27-35 *supra*.

92. The Act provides: "[A] notice of copyright . . . shall be placed on all publicly distributed copies from which the work can be visually perceived, either directly or with the aid of a machine device." 1976 Act § 401(a).

93. *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1955); *Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183 (S.D.N.Y. 1973), *aff'd*, 546 F.2d 461 (2d Cir. 1976); *Waring v. WDAS Broadcasting Station, Inc.*, 194 A. 631 (Pa. 1937).

94. 1976 Act § 101 provides that "'Copies' are material objects, other than phonorecords."

the owner of a sound track) that a section 401 notice be placed on each publicly distributed phonorecord incorporating the sound track if for no other reason than to avoid misunderstandings and to advise the public of the broader copyright protection afforded the sound track. Moreover, as a practical matter, a sound track appearing on a phonorecord will often be somewhat different from the film version, altered by added material, editing, enhancing and the like. To protect such "new matter"⁹⁵ present on a sound track album, the owner should place on each phonorecord embodying that new matter a second copyright notice; that required under section 402.⁹⁶

If a work of sound is considered a sound recording, as opposed to a sound track, the publicly distributed phonorecords embodying the sound recording should bear only the section 402 notice even though the work of sound is later incorporated in a sound track of a motion picture. In the previous example of the sound track being published on a phonorecord it was possible to place both section 401 and section 402 notices on the phonorecords embodying the sound track. However, it would likely be considered a false use of a copyright notice if a section 401 notice appeared on a phonorecord embodying a work of sound first considered a sound recording. Such improper use of a copyright notice could subject the owner of the sound recording to certain criminal penalties under the new statute.⁹⁷

IV. TERM OF PROTECTION

A major and favorable impact of the new law is to provide an additional nineteen years of copyright protection for motion pictures.⁹⁸ For owners of existing "classic" motion pictures, whose timelessness makes them highly profitable for many years, this added term is extremely significant. For motion pictures already protected under the 1909 Act, the nineteen years are merely added onto the former renewal copyright term of twenty-eight years.⁹⁹ In order to obtain this extended protection

95. See note 34 *supra*.

96. Such notices should consist of the symbol (P), the year the new matter was first published, plus the name of the owner of the new matter. 1976 Act § 402(b).

97. *Id.* § 506(c) directs:

Any person who, *with fraudulent intent*, places on any article a notice of copyright or words of the same purport that such person knows to be false, or who, with fraudulent intent, publicly distributes or imports for public distribution any article bearing such notice or words that such person *knows to be false*, shall be fined not more than \$2500.00.

Id. (emphasis added).

98. Compare 1976 Act § 304(a), (b) with 1909 Act § 24.

99. *Id.*

for motion pictures in their original term of copyright protection under the 1909 Act, renewal registration must, of course, be made.¹⁰⁰ For motion pictures not registered under the 1909 Act, or created but not published prior to January 1, 1978¹⁰¹ and for motion pictures created on or after that date, the term of protection lasts generally for seventy-five years from the date the motion picture is published or one hundred years from creation, whichever occurs first.¹⁰² This term of protection for motion pictures stems from a definition of the section 302(c) language "works made for hire." Both judicial decisions¹⁰³ and the new law¹⁰⁴ consider motion pictures to fall within the definition of such works.

V. RIGHTS OF MOTION PICTURE OWNERS

The 1976 Act does provide the owner of motion pictures with new rights in some cases and, perhaps more importantly, with clarifications of some of the doubtful areas that existed under section 1 of the 1909 Act. The exclusive rights granted copyright owners of motion pictures are found in section 106, with the exception of the new right of importation which is found in section 602. As will be explained below, these rights are subject to some new limitations, but on the whole the motion picture industry significantly benefits from the new order of rights set forth in the 1976 Act. Among the most important rights granted the motion picture owner are the right to reproduce in copies or phonorecords,¹⁰⁵ the right to perform a motion picture publicly,¹⁰⁶ the right to distribute copies of a

100. 1976 Act § 304(a). It should be noted that while the period for renewing a copyright is still a year before the expiration of the twenty-eighth year of protection, the twenty-eighth year of protection now always ends on December 31. Hence, the period of renewal consistently extends from January 1 to December 31. *Id.* § 305; 1976 House Report, *supra* note 20, at 142-43; 1975 Senate Report, *supra* note 20, at 125-26.

101. The standards to be used to determine whether a motion picture has been published prior to January 1, 1978 are those of the 1909 Act, 1976 Act, Transitional and Supplementary Provisions §§ 103 (to be codified at 17 U.S.C. note preced. § 101), 109 (to be codified at 17 U.S.C. § 410 note), 112 (to be codified at 17 U.S.C. § 501 note).

102. 1976 Act §§ 303, 302(c).

103. *See, e.g.,* Metro-Goldwyn-Mayer Distrib. Corp. v. Bijou Theatre Co., 59 F.2d 70, 77 (1st Cir. 1932); Zahler v. Columbia Pictures Corp., 180 Cal. App. 2d 582, 589, 4 Cal. Rptr. 612, 617 (1960). In extraordinary circumstances involving a very early motion picture, a court has found a motion picture to be a creation of a single individual. Epoch Prod. Corp. v. Killiam Shows, Inc., 522 F.2d 737 (2d Cir. 1975), *cert. denied*, 424 U.S. 955 (1976) (regarding the 1914 production of D.W. Griffith's classic movie "Birth of a Nation").

104. COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 258. *Cf.* 1976 House Report, *supra* note 20, at 121; 1975 Senate Report, *supra* note 20, at 104 (discussing works made for hire).

105. *See* notes 109-12 *infra* and accompanying text.

106. *See* notes 113-26 *infra* and accompanying text.

motion picture to the public,¹⁰⁷ and the right of public display.¹⁰⁸

A. Right to Reproduce in Copies or Phonorecords

The right to copy under section 1(a) of the 1909 Act was for various reasons deemed inadequate;¹⁰⁹ and as a consequence the right to reproduce a copyrighted work in copies or phonorecords was expressly provided for in place of the 1909 provision.¹¹⁰ Section 106(1) grants the copyright owner of a motion picture the right to prevent the unauthorized reproduction of his work onto videotape or videodisc, even though the tape or disc is later erased.¹¹¹ This is consistent with prior law.¹¹²

B. Right to Perform a Motion Picture Publicly

Although this right was provided for in the prior statute,¹¹³ some confusion existed as to whether or not it applied to both photoplay and non-photoplay motion pictures. The courts had universally held that an unauthorized public screening of a motion picture photoplay was a violation of the public performance right in the 1909 Act.¹¹⁴ The courts had a more difficult time, however, interpreting the scope of protection afforded the copyright owner from unauthorized public exhibitions of non-photoplay motion pictures.¹¹⁵ In the landmark case of *Patterson v.*

107. See notes 127-33 *infra* and accompanying text.

108. See notes 134-35 *infra* and accompanying text.

109. See, e.g., *White-Smith Music Publishing Co. v. Apollo*, 209 U.S. 1 (1908) (interpreting the right to copy in a copyright statute that preceded the 1909 Act); *Corcoran v. Montgomery Ward & Co.*, 121 F.2d 572 (9th Cir. 1941) (recording of copyrighted poem on sound recording held not to violate the owner's exclusive right to copy). *But see Khan v. Leo Feist, Inc.*, 78 F. Supp. 754, 755 (S.D.N.Y. 1948) wherein a district court in the Second Circuit declined to follow *Corcoran*. Section 106(1) of the 1976 Act is also intended to include the rights formerly granted copyright owners under § 1(b) and, as they relate to recording, § 1(c), (e) of the 1909 Act. See COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 109.

110. Section 106(1) of the 1976 Act which relates to the owner's reproduction rights is discussed in COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 109.

111. COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 113, 116-17; COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 17-18.

112. *Walt Disney Prods. v. Alaska Television Network, Inc.*, 310 F. Supp. 1073 (W.D. Wash. 1969) (holding that when the defendant videotaped the plaintiff's televised program for non-simultaneous showing, he infringed the owner's rights).

113. 1909 Act § 1(d).

114. *Id.* See *United Artists Television, Inc. v. Fortnightly Corp.*, 392 U.S. 390, 395 (1968); *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir.), *cert. denied*, 364 U.S. 882 (1960); *Metro-Goldwyn-Mayer Distrib. Corp. v. Bijou Theatre Co.*, 59 F.2d 70, 77 (1st Cir. 1932); *Rohauer v. Killiam Shows, Inc.*, 379 F. Supp. 723, 728 (S.D.N.Y. 1974), *rev'd on other grounds*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977); *Vitaphone Corp. v. Hutchinson Amusement Co.*, 28 F. Supp. 526, 529-31 (D. Mass. 1939); *Tiffany Prods., Inc. v. Dewing*, 50 F.2d 911, 915 (D. Md. 1931).

115. See *Mitchell Bros. Film Group v. Cinema Adult Theater*, 192 U.S.P.Q. (BNA) 138 (N.D. Tex. 1976). At least one court stated that a public exhibition of a non-photoplay

Century Productions, Inc.,¹¹⁶ a distinguished panel of the United States Court of Appeals for the Second Circuit¹¹⁷ felt forced to hold that the exclusive right of public performance under section 1(d) did not attach to a motion picture which was not a photoplay. Rather, the court upheld the finding of an infringement on the ground that the unauthorized public exhibitor of such a work violated the companion right to copy. In affirming an injunction against the further public exhibition of plaintiff's travelogue film clips by the defendant, the court found that "when the film was shown the defendants who did that made an enlarged copy of the picture. It was to be sure temporary but still a copy while it lasted."¹¹⁸

The necessity for such judicial convolutions has been eliminated under the 1976 Act. If any motion picture, including a non-photoplay, is publicly exhibited without the consent of the appropriate copyright owner, such exhibition violates the exclusive right of public performance granted the copyright owner in section 106(4) of the 1976 Act.¹¹⁹

The performance of the motion picture must be public in order for there to be any infringement. What constituted a "public" performance was less than clear under the prior law. This was exemplified in *Metro-Goldwyn-Mayer Distributing Corp. v. Wyatt*.¹²⁰ The case involved the unauthorized exhibition of a motion picture photoplay before a rather large group of persons who were members of a private yacht club. The *Wyatt* court held that the screening was not public within the meaning of the statute, since only club members and not the public at large were invited to attend the screening.¹²¹

The section 101 definition of the word "publicly" is intended to overrule cases such as *Wyatt* and to make performances in "semi-public" places such as clubs, summer camps and, importantly, schools, subject to copyright protection. A place is "public" under the 1976 Act

motion picture is an infringement under § 1(b) of the 1909 Act. *Metro-Goldwyn-Mayer Distrib. Corp. v. Bijou Theatre Co.*, 3 F. Supp. 66, 73 (D. Mass. 1933) (dictum).

116. 93 F.2d 489 (2d Cir. 1937), *cert. denied*, 303 U.S. 655 (1938).

117. *Id.* (Learned Hand, Augustus Hand and Chase, JJ., heard the case in the Second Circuit).

118. *Id.* at 493.

119. 1976 Act § 106(4). Section 101 states, in relevant part, that to "perform" a work "means . . . in the case of a motion picture . . . to show its images in any sequence or to make the sounds accompanying it audible." See also 1976 House Report, *supra* note 20, at 63-64; 1975 Senate Report, *supra* note 20, at 59-61; REGISTER OF COPYRIGHTS, 87TH CONG., 1ST SESS., COPYRIGHT LAW REVISION Pt. 1, at 28-29 (Comm. Print 1961) [hereinafter cited as COPYRIGHT LAW REVISION Pt. 1].

120. 21 COPY. DEC. 203 (D. Md. 1932).

121. *Id.* at 206.

if gathered there are "a substantial number of persons outside of a normal circle of a family or its social acquaintances."¹²² To the extent that *Wyatt* was good law, this new definition will substantially broaden the copyright protection afforded owners and provide them with new authority to halt unauthorized screenings of motion pictures.

Although the public performance right will expressly extend to television for the first time,¹²³ that right is somewhat limited under the new Act. The original television broadcaster or cablecaster who televises a motion picture to the public without authority definitely infringes the public performance right.¹²⁴ As a general rule, however, the authorized simultaneous retransmission of signals broadcasting motion pictures for television reception will not constitute an infringement, provided the retransmitter complies with the compulsory license provisions of the new Act or one of the many exemptions available is applicable.¹²⁵ If the retransmitter does not comply with the compulsory license provision and is not otherwise afforded an exemption, he is liable for infringement.¹²⁶

C. Right to Distribute Copies of a Motion Picture to the Public

This right, found in section 106(3) of the 1976 Act, is intended to broaden and clarify the rights to vend and publish.¹²⁷ Under section 106(3) it is an infringement to distribute prints, videotapes or videodiscs of motion pictures to even one¹²⁸ member of the public. A sale of a copy of a motion picture or its distribution by gift, lease, loan or rental without the consent of the copyright owner of the motion picture is an infringement of the right to public distribution.¹²⁹

122. 1976 House Report, *supra* note 20, at 64; 1975 Senate Report, *supra* note 20, at 60-61.

123. The unauthorized television exhibition of a motion picture was, however, considered an infringement of the public performance right under § 1(d) of the 1909 Act. See *generally* Rohauer v. Killiam Shows, Inc., 379 F. Supp. 723 (S.D.N.Y. 1974), *rev'd on other grounds*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977); *Pickford Corp. v. DeLuxe Laboratories, Inc.*, 169 F. Supp. 118 (S.D. Cal. 1958). See COPYRIGHT LAW REVISION Pt. 1, *supra* note 119, at 23.

124. 1976 House Report, *supra* note 20, at 64-65; 1975 Senate Report, *supra* note 20, at 61.

125. 1976 Act § 111. See Meyer, *The Feat of Houdini or How the New Act Disentangles the CATV-Copyright Knot*, 22 N.Y. L. SCH. L. REV. 545 (1977).

126. 1976 Act § 111(c)(2)-(4).

127. COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 110.

128. Although § 106 refers to the plural "copies," the singular use of the word "copy" is also intended. See note 48 *supra*.

129. 1976 House Report, *supra* note 20, at 62; 1975 Senate Report, *supra* note 20, at 58-59.

The right to distribute can be violated even if the copies distributed were not lawfully made, that is, if the copies distributed were piratical.¹³⁰ Further, section 106(3) allows the copyright owner of a motion picture to prevent not only its unauthorized rental, but also its subrental.¹³¹ Under the 1909 Act the right to publish in section 1(a) did afford the copyright owner this capability, provided the license was drafted narrowly enough.¹³² Absent an effective license restriction, the owner's only recourse was in an action for breach of contract against the unauthorized subrenter.¹³³

D. Right of Display

This is a new right in United States copyright law and will have only limited application to motion pictures, though by its specific terms in section 106(5) it does extend to displays of individual, nonsequential, images of a motion picture.¹³⁴ If the images are displayed sequentially and create the impression of motion, such a display to the public would violate the public performance right of section 106(4) and not the right of display.¹³⁵

VI. RIGHTS ATTACHING TO UNDERLYING WORKS

In addition to being a copyright owner, the motion picture producer is a user of copyrighted works, and awareness of some of the more important rights relating to works which might be incorporated in motion pictures is, therefore, essential.

A. Synchronization Right

The right to reproduce includes the so-called "synchronization right," which is the right to record copyrighted works onto a sound track of a motion picture in timed relation with the action in the movie.¹³⁶ In

130. *Id.*

131. 1976 House Report, *supra* note 20, at 80; 1975 Senate Report, *supra* note 20, at 73.

132. *Twentieth Century-Fox Corp. v. Peoples Theatres of Ala., Inc.*, 24 F. Supp. 793 (M.D. Ala. 1938); *Vitaphone Corp. v. Hutchinson Amusement Co.*, 19 F. Supp. 359 (D. Mass. 1937).

133. It should be noted, however, that the exclusive right to public distribution is limited by the first sale doctrine. *See* text accompanying notes 199-216 *infra*.

134. Section 106(5) provides an exclusive right "including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly." 1976 Act § 106(5).

135. 1976 House Report, *supra* note 20, at 64; 1975 Senate Report, *supra* note 20, at 60. Like public distribution rights, the right of display is limited by the first sale doctrine as discussed in text accompanying notes 199-216 *infra*. *See also* text accompanying notes 144-46 *infra* regarding the right of display with respect to underlying works.

136. 1976 Act § 106(1).

practice, the exclusive synchronization right is most frequently exercised in connection with musical compositions.¹³⁷

There was no reference to such a synchronization right in the 1909 Act or its legislative history and there was some uncertainty regarding its statutory source.¹³⁸ At least one commentator argued that the compulsory license provision found in section 1(e) applied to the synchronization right and that the movie producer could, as a result, record music on the film sound track without the consent of the music's copyright owner.¹³⁹

The producer under this theory could have merely paid two cents for every copy of the motion picture he had manufactured. Such an argument, to the extent it was viable at all (this notion was apparently never seriously tested by any producer),¹⁴⁰ is silenced under the 1976 Act. In particular, the legislative history of the new section 115 compulsory license provision for musical compositions expresses Congress' intent that the recording of music on sound tracks is not within the scope of that section.¹⁴¹ Consequently, the industry practice of negotiating synchronization licenses will undoubtedly continue.

B. Right to Prepare Derivative Works

Section 106(2) grants to copyright owners the exclusive right to prepare derivative works based upon their copyrighted work. It includes the right to prepare a "motion picture version" of a copyrighted work.¹⁴² This right is analogous to a right granted to authors under the 1909 Act.¹⁴³

137. The right to reproduce is not, however, so limited. It applies to every type of work protected under the statute. 1976 House Report, *supra* note 20, at 61; 1975 Senate Report, *supra* note 20, at 57.

138. The courts held that § 1(e) of the 1909 Act could be interpreted to provide authority for synchronization rights for musical compositions. *Famous Music Corp. v. Melz*, 28 F. Supp. 767 (W.D. La. 1939); *accord*, *Foreign & Domestic Music Corp. v. Licht*, 196 F.2d 627 (2d Cir. 1952) (dictum). The basis for the right to record other types of works onto sound tracks was found in other parts of § 1, since § 1(e) applied only to musical compositions. *But see* note 109 *supra*.

139. Dubin, *Copyright Aspects of Sound Recordings*, 26 S. CAL. L. REV. 139 (1953).

140. In dictum, one court held the compulsory license provision was not applicable to recording musical compositions onto a motion picture sound track. *Jerome v. Twentieth-Century Fox Film Corp.*, 67 F. Supp. 736, 741 (S.D.N.Y. 1946).

141. 1976 Act § 115(a)(1); 1976 House Report, *supra* note 20, at 108; 1975 Senate Report, *supra* note 20, at 88.

142. A "derivative work" is defined as a "work based upon one or more preexisting works, such as a . . . motion picture version . . ." 1976 Act § 101.

143. *E.g.*, *Twentieth Century-Fox Film Corp. v. Stonesifer*, 140 F.2d 579, 582 (9th Cir. 1944); *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 53-54 (2d Cir. 1936); *International Film Serv. Co. v. Affiliated Distributions*, 283 F. 229, 234-35 (S.D.N.Y. 1922). *See Kalem Co. v. Harper Bros.*, 222 U.S. 55, 62-63 (1911).

C. Right of Display

While this right may not be of major significance to copyright owners in protecting their motion pictures,¹⁴⁴ it is important for owners of pictorial, graphic and sculptural works¹⁴⁵ used in motion pictures. The presence of such a work in a motion picture could well violate the right of display when the motion picture is publicly exhibited, even though the pictorial, graphic or sculptural work is merely in the background of a scene.¹⁴⁶ The producer who uses such a work in a motion picture should be certain, except in clearly de minimus situations, to obtain the consent of the copyright owner before releasing that motion picture for distribution.

VII. LIMITATIONS ON RIGHTS

Like first amendment freedoms, the rights of copyright owners under the new Act are not absolute. Rather, the 1976 Act contains multiple limitations on the exercise of otherwise exclusive rights.

A. Fair Use and Cable TV Compulsory License Requirement

There are two highly significant limitations on the rights of motion picture copyright owners: fair use and the compulsory cable television license. Each area is of sufficient complexity to form the basis of a separate article, and they are consequently not considered here beyond noting that their impact on exclusive rights is considerable. The 1976 Act's treatment of these subjects has been analyzed in detail elsewhere and the reader is invited to review those studies.¹⁴⁷

144. See text accompanying notes 134-35 *supra*.

145. "Pictorial, graphic, and sculptural works," a class of subject matter protected by the 1976 Act under § 102(a)(5), includes all of the works formerly protected in §§ 5(f) (Class F—"maps."), 5(g) (Class G—"Works of art; models or designs for works of art."), 5(h) (Class H—"Reproductions of a work of art."), 5(i) (Class I—"Drawings or plastic works of a scientific or technical character."), 5(j) (Class J—"Photographs."), and 5(k) (Class K—"Prints and pictorial illustrations including prints or labels used for articles of merchandise."). 1909 Act § 5(f)-(k). See 1976 House Report, *supra* note 20, at 54; 1975 Senate Report, *supra* note 20, at 53.

146. See COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 192; COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 30.

147. See, e.g., Freid, *Fair Use and the New Act*, 22 N.Y. L. SCH. L. REV. 497 (1977); Meyer, *The Feat of Houdini or How the New Act Disentangles the CATV-Copyright Knot*, 22 N.Y. L. SCH. L. REV. 545 (1977); Seltzer, *Exemptions and Fair Use in Copyright: The "Exclusive Rights" Tensions in the New Copyright Act*, 24 BULL. COPYRIGHT SOC'Y 215 (1977).

B. Copying by Libraries

Section 108, which permits libraries and archives to reproduce certain copyrighted works without permission, generally excludes motion pictures from its coverage.¹⁴⁸ There are, however, several noteworthy exceptions to this general exclusion. A copy of an *unpublished* motion picture, already a part of an institution's collection, may be reproduced and distributed in a limited way by certain libraries¹⁴⁹ or archives for preservation or security purposes or for sending a copy to another similar library or archives for research purposes.¹⁵⁰ Because this right of reproduction and distribution only applies to "unpublished" motion pictures,¹⁵¹ it is expected that this exemption will have little if any serious effect on the commercial motion picture industry which usually publishes¹⁵² such works.

A more serious exemption is found in subparagraph (c) of section 108, which grants the same type of library or archives the right to reproduce for its own collection a copy of a *published* motion picture to replace a damaged, deteriorating, lost or stolen copy already in its collection.¹⁵³ The only significant impediment to exercising this right is that the archives or library must first make a presumably good faith determination, after reasonable effort, that an unused replacement cannot be obtained at a "fair price."¹⁵⁴ Of course, exactly what a fair price is will differ from one entity or film to another. It can only be hoped that the archives and libraries utilizing this exemption will not abuse it by adopting their own standards of fair price in lieu of those of the marketplace.¹⁵⁵

Another exemption, but of limited application to the motion picture industry, relates to "audiovisual news" programs. The covered libraries

148. 1976 Act § 108(h); 1976 House Report, *supra* note 20, at 78-79.

149. The library must be open to the public or to all who are doing research in a specialized field. This category essentially excludes commercial libraries. 1976 Act § 108(a)(2); 1976 House Report, *supra* note 20, at 74; 1975 Senate Report, *supra* note 20; at 67.

150. 1976 Act § 108(b).

151. 1976 House Report, *supra* note 20, at 75; 1975 Senate Report, *supra* note 20, at 68.

152. *But see* text accompanying notes 38-52 *supra*.

153. 1976 Act § 108(c) provides:

The right of reproduction under this section applies to a copy . . . of a published work duplicated in facsimile form solely for the purpose of replacement of a copy . . . that is damaged, deteriorating, lost, or stolen, if the library or archives has, after a reasonable effort, determined that an unused replacement *cannot be obtained at a fair price*.

(emphasis added).

154. *Id.*

155. *See, e.g.,* Department of Highways v. Wall, 32 So. 2d 718, 719 (Ct. App. La. 1947) ("fair price" in an eminent domain statute held to mean market value).

and archives may freely copy these shows, provided that only a limited number of copies are made and loaned.¹⁵⁶ This is the so-called "Vanderbilt University Amendment" to the Act.¹⁵⁷

C. *Educational Institutions—Public Performance and Display*

A major limitation on the exclusive rights of motion picture proprietors not found in section 108 allows non-profit educational institutions and their faculty to exhibit motion pictures or to display portions of them in face to face teaching activities.¹⁵⁸ The exhibition or display must occur in a classroom or a similar place of instruction. Additionally, the person responsible for the exhibition or display must not have had reason to believe that the copy of the motion picture being exhibited was not "lawfully made."¹⁵⁹ Face to face teaching activities include television transmission of a motion picture by the school, as long as the television receiver is in a classroom *and* the transmitter is located in the same building as the television receivers.¹⁶⁰

VIII. COPYRIGHT RENEWAL

A. *Registration*

The new law eliminates the need to renew copyrights first secured under the 1976 Act.¹⁶¹ Unfortunately, the nuisance of renewing copy-

156. 1976 Act § 108(f)(3); 1976 House Report, *supra* note 20, at 76-77. A related section, § 113(b) of the Transitional and Supplementary Provisions, allows the Library of Congress to reproduce off the air regularly scheduled newscasts and on-the-spot coverage of news events for the Library's archives and for limited loan purposes. 1976 Act, Transitional and Supplementary Provisions § 113(b) (to be codified at 2 U.S.C. § 170).

157. CBS, Inc. had brought a copyright infringement action against Vanderbilt University for taping off the air, on a daily basis, programs of the "CBS Evening News" and for the unauthorized rental of the tapes of those programs. The University was able to persuade one of Tennessee's United States Senators, Howard Baker, to introduce an amendment to the copyright revision legislation that, upon adoption, made the lawsuit moot, at least as to activities after January 1, 1978. *See* Conference Report, *supra* note 52, at 73. The CBS lawsuit was dropped after the new law, with the Vanderbilt University Amendment, was enacted.

158. 1976 Act § 110(1); 1976 House Report, *supra* note 20, at 82-83; 1975 Senate Report, *supra* note 20, at 73-74.

159. If the institution or teacher acquired possession of a copy of a motion picture pursuant to a license agreement that restricted a particular type of exhibition allowed under § 110(1) (for example, televising the motion picture), the school or teacher responsible for such an exhibition would not be liable for copyright infringement, but could nevertheless be subject to an action for breach of contract. 1976 House Report, *supra* note 20, at 82; 1975 Senate Report, *supra* note 20, at 74.

160. *Id.* There is some question whether or not the exemption covers a transmitter located outside the building in which the receivers are situated. It is certainly clear that the transmitter must be located in the same cluster of buildings containing the receivers.

161. 1976 Act § 302(c).

rights to motion pictures in their original term of protection as of January 1, 1978 still remains. The second, or renewal term of copyright protection, does last, however, for forty-seven years for those subsisting works,¹⁶² rather than twenty-eight years as under the prior statute.¹⁶³

It is important to note that the period for copyright renewal has changed. For motion picture copyrights secured under the 1909 Act, the renewal period will always begin on January 1 of the year in which the twenty-eighth year of protection ended and terminate on December 31 of that same year.¹⁶⁴

Except for the alteration in the renewal period, the renewal provision of the 1976 Act regarding copyrights subsisting on January 1, 1978 has remained virtually the same as under the 1909 Act. This is true even though that provision contained ambiguous language and generated much litigation.¹⁶⁵ Using a kind of reverse logic, Congress decided not to change the language for fear it would affect interests vested long ago and further recognized that the courts had over the years interpreted the provision and had given it a fairly certain meaning.¹⁶⁶

B. Reversion of Rights

Because the renewal provision has not been changed, motion picture producers and distributors will continue to be subject to a reversion of United States rights if, for instance, the author of a work incorporated in a motion picture dies prior to the vesting of the renewal copyright for that work.¹⁶⁷ It was thought by many that a reversion of the motion picture rights to such underlying works could subject the motion picture producer and distributor to a copyright infringement action for the further distribution and exhibition of the film, unless the consent of the owner of the renewal copyright was obtained.¹⁶⁸

162. *Id.* § 304(a), (b).

163. 1909 Act § 24.

164. 1976 Act § 305.

165. *See, e.g.*, *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960); *DeSylva v. Ballentine*, 351 U.S. 570 (1956); *Fred Fisher Music Co., v. M. Witmark & Sons*, 318 U.S. 643 (1943); *Fox Film Corp. v. Knowles*, 261 U.S. 326 (1923); *Rohauer v. Killiam Shows*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977); *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir. 1975).

166. 1976 House Report, *supra* note 20, at 139; 1975 Senate Report, *supra* note 20, at 122.

167. *See Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960). This assumes that the producer had not already obtained assignments of the *renewal expectancy* from the appropriate statutory successor(s) of the author.

168. *See, e.g.*, A. LATMAN, *HOWELL'S COPYRIGHT LAW* 123 (1962); M. NIMMER, *NIMMER ON COPYRIGHT* § 118 (1976).

The producer's vulnerability to such a reversion of rights will, however, be somewhat reduced because of the relatively recent case of *Rohauer v. Killiam Shows, Inc.*,¹⁶⁹ which involved the motion picture use of a story the author of which died prior to the copyright renewal vesting. The successor-owner of the renewal copyright brought an action against a distributor who had licensed the televising of the motion picture during the story's renewal term of protection.¹⁷⁰ In *Rohauer*, the Second Circuit held that the assignee of the producer who had made the film pursuant to a license agreement with the author could continue to manufacture and distribute copies of the picture for exhibition during the story's renewal period of protection, even though the ownership of the renewal copyright had reverted to the author's statutory successors.

C. Certificate of Copyright Renewal

A problem related to the renewal of copyrights already subsisting as of January 1, 1978 is the evidentiary value of the certificate of renewal copyright. In another fairly recent infringement case, *Epoch Producing Corp. v. Killiam Shows, Inc.*,¹⁷¹ it was held that the certificate of renewal copyright is not prima facie evidence of copyright renewal ownership. The court found that the language of section 209 of the 1909 Act granting a prima facie effect to a certificate of copyright registration applied only to the certificate for the original term of copyright protection, and not to the certificate for the renewal term. Since the only new fact present in the renewal certificate that is generally not present in the certificate for the first copyright term is the ownership statement, the *Epoch* case would appear only to require plaintiffs to present evidence on the renewal ownership issue in order to establish a prima facie case of copyright validity. Thus, for motion pictures the copyrights to which were secured under the 1909 Act, it would appear that the *Epoch* decision dictates that the renewal owner present written copyright assignment(s) proving his title, if the registered copyright owner for the original term differs from the renewal copyright owner. Also, if the certificate of registration for the first term does not contain a statement on the authorship line that indicates in some way that the person or firm listed as the

169. 551 F.2d 484 (2d Cir.), cert. denied, 431 U.S. 949 (1977).

170. One point the court did not need to decide, and did not discuss, was whether the result would have been the same had the producer not made a motion picture based on the author's story during the initial 28 years of copyright protection. The issue remains to be resolved in some future case.

171. 522 F.2d 737 (2d Cir. 1975), cert. denied, 424 U.S. 955 (1976).

author was an employer in the case of a work made for hire,¹⁷² the plaintiff/copyright owner probably has the burden of producing evidence that the infringed motion picture was, in fact, a work made for hire.¹⁷³ Such evidence could include relevant employment contracts, pay records, or other employment documents relating to the supervisory personnel who actually made the motion picture while employed by the picture's author.

It is submitted that the *Epoch* case has not been overruled by the 1976 Act. The first sentence of section 410(c) states that only certificates of registration made before or within five years after first publication of the work covered by the registration will be entitled to prima facie evidence of both copyright validity and of the facts stated in the certificate.¹⁷⁴ Since renewal registrations can be made no sooner than twenty-seven years after publication,¹⁷⁵ the facts recited in renewal certificates for published motion pictures are not assured prima facie effect under section 410(c).

Renewal certificates for unpublished motion pictures may, however, be treated differently. At least for published motion pictures, the evidentiary value of renewal copyright certificates appears to be covered by the second sentence of section 410(c), which allows the court discretion in determining the evidentiary weight to be accorded all certificates to which the first sentence of section 410(c) does not apply. Renewal certificates for unpublished motion pictures may, however, always be granted

172. If the authorship statement in the certificate of registration for the original term does refer to the author as an employer, rather than as an individual author, it should be granted prima facie effect. The authorship statement appearing in the certificate of registration for the initial copyright term is not subject to the *Epoch* limitation, since that decision applied only to renewal copyright certificates. The two registration certificates for the motion picture involved in *Epoch* apparently referred merely to D.W. Griffith, the individual, as the author.

173. This assumes that the renewal owner claimed in his application that he was a proprietor of a work made for hire. 1976 Act § 304(a). It is arguable that *Epoch* is applicable only to motion pictures produced in the very early stages of the industry's development. The extensive unionization of the modern motion picture industry testifies to the fact that it has not been possible for some time to produce, as a practical matter, a motion picture without it being a work made for hire. The days of D.W. Griffith, the individual producer of the motion picture involved in the *Epoch* case, have long been over.

174. Section 410(c) provides:

In any judicial proceedings the certificate of registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the fact stated in the certificate. The evidentiary weight to be accorded the certificate of a registration made thereafter shall be within the discretion of the court.

1976 Act § 410(c).

175. *Id.* § 304(a).

prima facie effect, since renewal registration for such works must by definition occur before publication.

IX. RIGHT OF TERMINATION

Although there is no reversion of rights resulting from a renewal for works first protected under the 1976 Act,¹⁷⁶ the new law does provide authors of those works a "right of termination" in section 203. The expressed purpose for the elimination of the old renewal provision for such works was to avoid unnecessary litigation.¹⁷⁷ Unfortunately, section 203 will probably create its own plethora of court cases attempting to interpret its provisions. Its terms and conditions are many and, in some cases, ambiguous, despite an attempt in the House and Senate reports to clarify the language in the relevant sections.

The right of termination is also applicable to works protected under the 1909 Act. Thus, sections 203 and 304(c) operate together to create for such works a possibility of a reversion of rights separate from and in addition to the one that exists under the renewal section. Hence, the copyright owner of such a motion picture must not only continue to be concerned about the renewal reversion of at least nonexclusive¹⁷⁸ rights to underlying works protected under the prior statute, but he must also be aware of a second and new risk of a reversion of underlying rights under sections 203 and 304(c).

Section 304(c) allows certain designated persons to terminate contracts involving works at the end of their fifty-sixth year of protection under the 1909 Act. Consequently, the section has an immediate impact on the motion picture industry. Its purpose is to grant the author or his heirs the chance to receive compensation for the additional nineteen years of protection¹⁷⁹ granted in the 1976 Act.¹⁸⁰

176. *Id.* §§ 302, 303. Congress felt that the renewal provisions under the prior law had caused unjust loss of copyright in numerous cases and decided to eliminate it, except for works protected under the 1909 Act. 1976 House Report, *supra* note 20, at 124, 134; 1975 Senate Report, *supra* note 20, at 108, 117-18. See the discussion of reversion of rights in text accompanying notes 167-70. An interesting statistic cited by the Register of Copyrights in the early stages of copyright revision was that 30% of all motion picture copyrights were not renewed. COPYRIGHT LAW REVISION Pt. 1, *supra* note 119, at 51.

177. COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 71.

178. Under the holding of *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977), a producer may continue to exploit a motion picture he produced under license even after a renewal reversion, but he apparently may not stop the owner of the reverted rights from licensing a third party to make a motion picture based on the same work. His rights after the renewal reversion become, in a sense, nonexclusive in the United States.

179. 1976 House Report, *supra* note 20, at 140; 1975 Senate Report, *supra* note 20, at 123.

180. See notes 98-99 *supra* and accompanying text.

It is noteworthy that section 304(c) affects assignments or licenses, whether exclusive or nonexclusive, consummated prior to January 1, 1978,¹⁸¹ and only involves works protected under the prior Act. For example, a purchase agreement dated December 31, 1977 or before, which conveys exclusive motion picture rights to an unpublished story not registered¹⁸² under the 1909 Act, would not be subject to the right of termination under section 304(c).¹⁸³ Further, transfers concerning only works made for hire are not covered by this new reversion right.

The mechanics of how and when one may exercise the right of termination under section 304(c) are beyond the scope of this article;¹⁸⁴ but it is important to note that there are several conditions for exercising that right under section 304(c), and the owner of motion picture rights should be careful to see that all of them have been met before even impliedly acknowledging that a right of termination is being properly exercised.¹⁸⁵

It will be some time before the right of termination under section 203 will have any great significance, since that right relates only to contracts

181. STAFF OF HOUSE COMM. ON THE JUDICIARY, 89TH CONG., 1ST SESS., COPYRIGHT LAW REVISION Pt. 5, at 241 (Comm. Print 1965) [hereinafter cited as COPYRIGHT LAW REVISION Pt. 5]; COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 95.

182. Most stories had to be published in order to be protected, but some stories in dramatic or dramatic-musical form or lectures or similar productions prepared for oral delivery, were registrable in unpublished form under § 5 (c) and (d) of the 1909 Act. 37 C.F.R. § 202.6 -.7 (1977).

183. Section 304(c) applies only to works "subsisting in either [their] first or renewal term on January 1, 1978." 1976 Act § 304(c). This language eliminates works not protected by copyright under the prior Act from the section's coverage. See COPYRIGHT LAW REVISION Pt. 4, *supra* note 49, at 41, 53. A pre-1978 grant that concerns a work not published or registered *at the time of the grant* but for which copyright was secured under the prior Act would, in the author's opinion, still not be subject to the right of termination under § 304(c). Both the House Report and Senate Report in describing the operation of § 304(c) state: "In the case of either a first-term or renewal copyright already subsisting when the new statute becomes effective, any grant of rights *covering the renewal copyright in the work*, executed before the effective date, may be terminated . . ." 1976 House Report, *supra* note 20, at 140; 1975 Senate Report, *supra* note 20, at 123 (emphasis added). An unpublished unregistered work does not at the time of the grant have a renewal copyright that can technically be covered by the grant. Moreover, the major reason behind the adoption of § 304(c) was to allow authors or their successors the opportunity to take advantage of the new windfall of 19 years of additional protection. When the parties made the bargain, the story had perpetual protection under common law. The windfall is, therefore, not lost, because what was bargained for was perpetual protection.

184. See 37 C.F.R. § 201.10(f)(4) (1977); Karp, *Transfer and Termination and Fair Use*, 13 BULL. COPYRIGHT SOC'Y 13 (1965); Nimmer, *Termination of Transfer Under the Copyright Act of 1976*, 125 U. PA. L. REV. 947 (1977); Stein, *Termination of Transfers and Licenses Under the New Copyright Act: Thorny Problems for the Copyright Bar*, 24 UCLA L. REV. 1141 (1977).

185. The recordation of a notice of termination by the Copyright Office does not in any way create a presumption that the notice is valid. 37 C.F.R. § 201.10(f)(4) (1977).

entered into on or after January 1, 1978 and may be fully exercised no earlier than thirty-five years after the contract was executed,¹⁸⁶ a period so far attenuated from the present that analysis of its impact must be limited. Like section 304(c), section 203 does not cover contracts involving only works made for hire and, significantly, it applies only to contracts involving the work's author.¹⁸⁷ Again, as with section 304(c), the owner of motion picture rights should be vigilant in assuring that all conditions to an attempted exercise of this right of termination have been met before recognizing that an effective exercise has taken place. The conditions are plentiful and intricate.

The right of termination was fought tooth and nail by the motion picture industry.¹⁸⁸ To obtain industry support for at least some form of termination right, some concessions had to be made, two of which are especially important to the motion picture producer and distributor.

First, the owner of a derivative work, such as a motion picture legitimately made under the contract being terminated, can continue to exploit that derivative work without the consent of those entitled to terminate.¹⁸⁹ This does not mean that the owner of a motion picture made under license could make another motion picture containing the same derivative story line or make a sequel to such a motion picture; rather, it allows the owner to continue to distribute the already completed motion picture.¹⁹⁰ Also, all pre-existing works incorporated in a motion picture, even those incorporated without change, will be considered derivative works for purposes of sections 304(c) and 203 and may be exploited as part of that motion picture, even after a right of termination has been exercised as to those works.¹⁹¹

The second major concession to those opposed to the existence of a right of termination was the preferential bargaining position that the grantee or his successor is given. Only that person can make a binding

186. 1976 Act § 203(a)(3).

187. *Id.* § 203(a).

188. *See, e.g.*, STAFF OF HOUSE COMM. ON THE JUDICIARY, 88TH CONG., 1ST SESS., COPYRIGHT LAW REVISION Pt. 2, at 360-62 (Comm. Print 1963); COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 280-81; *Proposed Revision of the U.S. Copyright Law: Hearings on H.R. 4347, 5680, 6831, 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 1st Sess. 996-97 (1965) [hereinafter cited as 1965 House Hearings].

189. 1976 Act §§ 304(c)(6)(A), 203(b)(1). A motion picture based on a story is considered a derivative work. *Id.* § 101; COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 75. *See* note 142 *supra*.

190. 1976 House Report, *supra* note 20, at 127; 1975 Senate Report, *supra* note 20, at 111; *accord*, 1965 House Hearings, *supra* note 188, at 997.

191. 1976 House Report, *supra* note 20, at 127; 1975 Senate Report, *supra* note 20, at 111.

contract reacquiring the rights from those entitled to terminate prior to the actual termination or reversion of United States rights. No one but the grantee or his successor is in a position to make such an agreement. The preferential bargaining period begins when the notice of termination is served and ends when the termination becomes effective.¹⁹² Since the notice of termination may not be served earlier than ten years nor later than two years before the effective date of termination,¹⁹³ the preferential bargaining period can extend from a minimum of two years to a maximum of ten.

One further and related benefit to the grantee or his successor results from the fact that the right of termination affects only the United States rights,¹⁹⁴ which in practical effect may preclude the owner(s) of the reverted motion picture rights from selling those rights to third parties.

There does not appear to be a great deal a motion picture producer can do beforehand to protect his motion picture against an exercise of the right of termination. The right may not be contracted or waived away before it has actually been exercised.¹⁹⁵

Because works made for hire are not subject to the right of termination,¹⁹⁶ the producer of a motion picture can at least limit his exposure to the consequences of termination by making certain that, where practicable, the works incorporated in his film are works made for hire. Creating and retaining documentation establishing that works in a motion picture are indeed works made for hire would appear to be the prudent path to follow. The fact that contracts involving works made for hire are not subject to the right of termination also means that most long term motion picture distribution agreements¹⁹⁷ are free from the reversion

192. 1976 Act §§ 304(c)(6)(D), 203(b)(4); 1976 House Report, *supra* note 20, at 127. The Justice Department strongly opposed such a preferred bargaining position for grantees, without success. 1965 House Hearings, *supra* note 188, at 1129; *Proposed Amendments to the U.S. Copyright Law: Hearings on S. 1006 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 89th Cong., 1st Sess. 55 (1965); H.R. REP. NO. 83, 90th Cong., 1st Sess. 95 (1967).

193. 1976 Act §§ 304(c)(4)(A), 203(a)(4)(A).

194. *Id.* §§ 304(c)(6)(E), 203(b)(5). See COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 75.

195. 1976 Act §§ 304(c)(6)(D), 203(b)(4).

196. See notes 183-85 *supra* and accompanying text.

197. The right of termination is not relevant to transfers of less than 35 years duration consummated on or after January 1, 1978 (1976 House Report, *supra* note 20, at 128; 1975 Senate Report, *supra* note 20, at 111), or to contracts executed before January 1, 1978 whose term expires before the right of termination can be exercised.

An intriguing suggestion of, whenever possible, acquiring perpetual exclusive rights to title of a work and the characters therein, including their names, to avoid the effects of § 203 was made in a recently published article. Stein, *Termination of Transfers and Licenses*

established by sections 304(c) and 203.¹⁹⁸

X. FIRST SALE DOCTRINE

One of the more perplexing problems facing the motion picture industry in recent years has been the first sale doctrine as defined in the 1909 Act. The last clause in section 27 sets forth the basic element of that doctrine under the prior law: "[N]othing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained."¹⁹⁹

This section, while seemingly clear, was not always easy to apply. For instance, if the owner of a motion picture sold copies of his film to third parties, what rights, if any, did he retain in his work? Could he have halted the public exhibition of that copy of his motion picture if he did not grant the purchaser that right? Although the answer was eventually decided in the affirmative, it took a landmark case, *Hampton v. Paramount Pictures Corp.*,²⁰⁰ to resolve the question.

In the *Hampton* case Paramount, the copyright owner, had licensed a third party to manufacture and sell 16mm prints of its copyrighted motion picture photoplay "The Covered Wagon." Hampton had purchased a legitimate 16mm print of the film and publicly exhibited the motion picture in his theater. Paramount sued for the infringement of its right of public performance under section 1(d) of the 1909 Act, and Hampton defended on the ground that under the first sale doctrine, as expressed in section 27, the copyright owner parted with his right of public performance when he sold a copy of his copyrighted motion picture.²⁰¹ After all, Hampton contended, there were no express restrictions against public performance on either the copy he purchased or on its packaging.²⁰² The United States Court of Appeals for the Ninth Circuit disagreed and stated that the sale of a copy of a copyrighted motion picture did not automatically transfer to the purchaser the separate right of public performance.²⁰³

The *Hampton* case is just one example of the problems that developed with regard to the first sale doctrine under the 1909 Act.²⁰⁴ The first sale

Under the New Copyright Act: Thorny Problems for the Copyright Bar, 24 UCLA L. REV. 1141, 1161-62 (1977).

198. See text accompanying notes 103-04 *supra*.

199. 1909 Act § 27.

200. 279 F.2d 100 (9th Cir.), *cert. denied*, 364 U.S. 882 (1960).

201. *Id.* at 103.

202. *Id.*

203. *Id.*

204. For a study of some of the other problems the courts had in interpreting the proviso in § 27, see Nolan, *All Rights Not Reserved After the First Sale*, 23 BULL. COPYRIGHT SOC'Y 76 (1975).

doctrine under the 1909 Act also presented serious evidentiary problems. The members of at least the theatrical motion picture industry have had a long standing practice of never selling copies of their motion pictures,²⁰⁵ except for short excerpts (usually in 8mm). However, so-called "film collectors" (and out and out pirates) were raising the first sale doctrine as a defense in actions brought against them by producers and distributors to recover copies of their motion pictures. This effort forced the plaintiffs in one case, *American International Pictures, Inc. v. Foreman*,²⁰⁶ to prove the negative that they had not sold any prints of the motion pictures involved in the suit.

Other courts, disagreeing with the *Foreman* decision, have required the defendants to prove legitimate title to the motion picture copy in their possession, if they choose to raise the first sale doctrine as a defense.²⁰⁷

The first sale doctrine of today, as embodied in sections 109, 202, and 204(a) of the 1976 Act, should solve most of the problems that existed with the doctrine under prior law. Once title²⁰⁸ to a copy of a protected motion picture is transferred, the owner of that copy will have the right to dispose of it in any fashion, including rental, transfer of ownership, or destruction.²⁰⁹ The owner will also be able to display the copy under certain circumstances.²¹⁰ On the other hand, because the copyright owner

205. See, e.g., 1976 House Report, *supra* note 20, at 79; 1975 Senate Report, *supra* note 20, at 71.

206. 400 F. Supp. 928, 933 (S.D. Ala. 1975), *appeal docketed*, No. 75-3581 (5th Cir. 1976).

207. See, e.g., *Avco Embassy Pictures Corp. v. Korshnak*, 189 U.S.P.Q. (BNA) 303 (M.D. Pa. 1974); *Walt Disney Prods. v. Brown*, No. IP 76-167-C (S.D. Ind., filed March 23, 1976); *American Int'l Pictures, Inc. v. Cylinder*, No. 76-724 (E.D. Pa., filed March 18, 1976). In criminal cases under the 1909 Act the Ninth Circuit appears to have taken a contrary position. *United States v. Atherton*, 561 F.2d 747 (9th Cir. 1977); *United States v. Drebin*, 557 F.2d 1316 (9th Cir. 1977); *United States v. Wise*, 550 F.2d 1180 (9th Cir. 1977).

208. Section 27 of the 1909 Act referred to "possession" of a copy as triggering the first sale doctrine, but courts uniformly held that transfer of title was needed. See, e.g., *Platt & Munk & Co. v. Republic Graphics, Inc.*, 315 F.2d 847 (2d Cir. 1963); *Platt & Munk & Co. v. Playmore, Inc.*, 218 F. Supp. 267 (S.D.N.Y. 1962). The 1976 Act makes plain that title must be conveyed in order for § 109 to become operative. 1976 Act § 109(c); 1976 House Report, *supra* note 20, at 80; 1975 Senate Report, *supra* note 20, at 72-73.

209. 1976 Act § 109(a). With regard to the particular copy conveyed, the right of public distribution is for all practical purposes conveyed to the purchaser. One interesting sentence in both the House and Senate Reports states, in essence, that even though no public distribution or display restrictions may be imposed by reason of the copyright law, there may be a possibility of enforcing such restrictions by means of contract law. 1976 House Report, *supra* note 20, at 79; 1975 Senate Report, *supra* note 20, at 72. Whether this sentence would, however, have enough force to overrule a case such as *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1908) is uncertain.

210. 1976 Act § 109(b).

will have been presumed under section 202 to have reserved all rights other than the right to transfer and display a particular copy, the owner of a copy of a protected motion picture will (in the absence of a separate transfer of the rights) be unable to reproduce the work, to prepare derivative works based on it, to perform it publicly or to import it.²¹¹ As an example, the purchaser of a legitimate 8mm print containing an excerpt of a copyrighted motion picture would have the right to resell that print, but he would not be able to exhibit the print publicly, whether the exhibition took place in a theater or in a pizza parlor.²¹² This is, of course, consistent with the *Hampton*²¹³ case, decided under the prior law.

Congress, recognizing that it is unreasonable to place on copyright owners the burden of proving that a particular copy of a motion picture has not been sold, has specifically overruled the trial court's decision in the *Foreman*²¹⁴ case in its enactment of section 109 of the 1976 Act. The House Report stated as follows:

During the course of its deliberations on [section 109], the Committee's attention was directed to a recent court decision holding that the plaintiff in an infringement action had the burden of establishing that the allegedly infringing copies in the defendant's possession were not lawfully made or acquired under Section 27 of the [1909 Act]. *American International Pictures, Inc. v. Foreman* The Committee believes that the court's decision, if followed, would place a virtually impossible burden on copyright owners. The decision is also inconsistent with the established legal principle that the burden of proof should not be placed upon a litigant to establish facts particularly within the knowledge of his adversary. . . . It is the intent of the Committee, therefore, that in an action to determine whether a defendant is entitled to the privilege established by Section 109(a) and (b), the burden of proving whether a particular copy was lawfully made or acquired should rest on the defendant.²¹⁵

211. *Id.* §§ 106(1), (2), (4), 602. To come within § 109(a) and (b) the copy of the copyrighted motion pictures must have been "lawfully made," thus excluding pirated copies of motion pictures from its coverage. 1976 House Report, *supra* note 20, at 79; 1975 Senate Report, *supra* note 20, at 72.

212. 1976 House Report, *supra* note 20, at 79; 1975 Senate Report, *supra* note 20, at 72. The rental of such a legitimately acquired copy for public exhibition would also constitute an infringement of the public performance right. See COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 16.

213. 279 F.2d 100 (9th Cir.), *cert. denied*, 364 U.S. 882 (1960).

214. 400 F. Supp. 928 (S.D. Ala. 1975), *appeal docketed*, No. 75-3581 (5th Cir. 1976).

215. 1976 House Report, *supra* note 20, at 80-81.

Hence, at least in actions for infringements occurring after January 1, 1978,²¹⁶ the defendant who raises the first sale doctrine defense must prove that he lawfully acquired or made the copy involved in the suit. This statement of congressional intent clearly puts film pirates on notice that cases such as *Foreman* now offer them no hope of avoiding the legal consequences of their activities.

Finally, it should be noted that section 109 does not distinguish between civil and criminal cases, and presumably the burden of proof on the first sale doctrine will be the same whether raised in either type of action.

XI. RECORDATION OF AGREEMENTS

Recordation of documents at the Copyright Office, at least ones involving grants of exclusive rights, is much more critical under the 1976 Act than under the prior statute. Technically, only assignments came within the scope of the section 30 recordation provisions of the 1909 Act.²¹⁷ Although transfers of less than the entire bundle of rights²¹⁸ were, in fact, generally afforded the benefits of the bona fide purchaser provision,²¹⁹ one could never be certain of that result. Under sections 205(a) and (b) of the new law, the Copyright Office is required to record any document pertaining to a copyright, including transfers of less than the total bundle of rights granted by the statute;²²⁰ and, assuming all other

216. 1976 Act, Transitional and Supplementary Provisions § 112 (to be codified at 17 U.S.C. § 501 note).

217. Section 30 read, in relevant part, as follows: "Every *assignment* of copyright shall be recorded in the copyright office . . . in default of which it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, whose assignment has been duly recorded." 1909 Act § 30 (emphasis added).

218. As a general rule, under the so-called indivisibility doctrine, transfers of the total bundle of rights under the 1909 Act were considered "assignments," while those that conveyed less than the total were considered "licenses." See A. KAMENSTEIN, 86TH CONG., 1ST SESS., STUDIES PREPARED FOR THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY PURSUANT TO S. RES. 53, DIVISIBILITY OF COPYRIGHT STUDY NO. 11 (Comm. Print 1960). There were, nevertheless, court-made exceptions to this rule, which made it difficult to predict how or whether the rule would be followed. *E.g.*, *Goodis v. United Artists Television, Inc.*, 425 F.2d 397, 401-02 (2d Cir. 1970).

219. In practice, the Copyright Office did record documents other than assignments. 37 C.F.R. § 201.4 (1977); COMPENDIUM, *supra* note 9, § 12.1.2.II. The courts did grant certain of those documents assignment status under § 30. *Vidor v. Serlin*, 199 N.Y.S.2d 669 (N.Y. 1960) (license of motion picture rights considered an assignment for purposes of the recording provision); *accord*, *Photo Drama Motion Picture Co. v. Social Uplift Film Corp.*, 213 F. 374 (S.D.N.Y. 1914), *aff'd*, 220 F. 448 (2d Cir. 1915).

220. 1976 House Report, *supra* note 20, at 128; 1975 Senate Report, *supra* note 20, at 112. This is consistent with the fact that the indivisibility doctrine under the prior statute has been abandoned in the new law. 1976 Act § 201(d)(2).

conditions are met, bona fide purchaser benefits attach to such recorded documents.²²¹

The new bona fide purchaser subsection differs somewhat from its counterpart in the 1909 Act. The grace period for recording has been shortened in the 1976 Act from three months to one month in the case of domestically executed documents and from six months to two months for documents executed outside the United States.²²² As under the 1909 Act,²²³ after the grace period has lapsed innocent purchasers of exclusive rights must be the first to record in a race to the Copyright Office to obtain the statute's benefits.²²⁴

A new element of the bona fide purchaser provision is that even if a transfer of rights has been recorded, registration for the work involved must be made in order to charge an innocent purchaser with constructive notice of that transfer.²²⁵ An innocent subsequent purchaser of exclusive rights to an unregistered work may be able to gain a priority if he records his grant and registers the work first. For motion picture producers, this is especially important in the area of purchase agreements involving stories to be made into motion pictures. Because the 1976 Act covers published stories,²²⁶ plus certain stories not previously protected under the 1909 Act,²²⁷ consideration should be given to recording all story purchase agreements consummated after January 1, 1978, as well as those entered into before that date. Moreover, registration for such stories should be made.²²⁸

A correlative question arises as to whether story purchase agreements recorded at the Copyright Office prior to January 1, 1978 are afforded constructive notice under the 1976 Act. Any such recorded document concerning a work for which copyright was secured under the 1909 Act will clearly satisfy the provisions of section 205(c) of the new law, even without a registration for the work.²²⁹ However, if the recorded document

221. 1976 Act § 205(c).

222. *Id.* § 205(e).

223. 1909 Act § 30. See A. LATMAN, 86TH CONG., 1ST SESS., STUDIES PREPARED FOR THE SUBCOMM. ON PATENTS, TRADEMARKS AND COPYRIGHTS OF THE SENATE COMM. ON THE JUDICIARY PURSUANT TO S. RES. 53, THE RECORDATION OF COPYRIGHT ASSIGNMENTS AND LICENSES STUDY No. 19 (Comm. Print 1960).

224. 1976 Act § 205(e).

225. *Id.* § 205(c)(2).

226. *Id.* § 301(a).

227. See notes 42 & 182 *supra*.

228. See text accompanying notes 161-66 *supra*, discussing registration under the new Act.

229. 1976 Act, Transitional and Supplementary Provisions § 109 (to be codified at 17 U.S.C. § 301). Documents not attaining the status of "assignments" should still be given the benefit of constructive notice. See note 219 *supra*.

relates to a work not protected under the 1909 law, would constructive notice be given to the transfer once registration for the work was obtained under the 1976 Act? In the author's opinion, such documents will probably not be accorded the constructive notice benefit because both Congressional Reports to the Act contain the following language in discussing section 109 of the Transitional and Supplementary Provisions:

Several provisions of the bill *including Section 205(c)(2), 205(d)* . . . prescribe . . . recordation as a prerequisite for certain purposes. Where the work involved is covered by a *subsisting* copyright when the new law becomes effective, it is intended that any . . . recordation made under the [1909 Act] would satisfy these provisions.²³⁰

This explanatory language relates only to works protected under the 1909 Act, which excludes from its coverage most unpublished works.²³¹

Documents not related to works protected under the 1909 Act but nevertheless recorded at the Copyright Office prior to January 1, 1978 should be recorded again under the 1976 Act. Once registration under the 1976 Act is made for the works referred to in those documents, constructive notice will attach to the recorded agreements.

A practice in the motion picture industry has for years been to record not the complete document evidencing a transfer of rights, but rather, a so-called "short form assignment," which is often just a compilation of the grant clauses (plus other miscellaneous clauses) from the more complete document. The reason for recording this shorter document is that the short form assignment does not disclose to the public the financial terms of the transfer. This practice is still justifiable under the 1976 Act, as section 205(c) affords constructive notice of all the facts stated in the recorded document, which in the case of a short form assignment would include all of the necessary facts to protect the producer from a subsequent purchaser.²³²

Motion picture producers should take heed of another important recordation provision embodied in section 205(f) of the new Act. An unrecorded and prior *nonexclusive* license (for example, a nonexclusive grant of motion picture rights to a story) will have priority over a later but exclusive transfer, even though the exclusive agreement was recorded at the Copyright Office before the nonexclusive one. This provision was adopted despite strenuous efforts on the part of the motion picture

230. 1976 House Report, *supra* note 20, at 181-82; 1975 Senate Report, *supra* note 20, at 160-61 (emphasis added).

231. See notes 42 & 182 *supra*.

232. See COPYRIGHT LAW REVISION Pt. 3, *supra* note 49, at 304.

industry to persuade Congress that such a provision would cause them serious difficulties. The Congress nonetheless decided that such arguments were outweighed by other factors.²³³

XII. REMEDIES

A. *Civil*

After registration, the legal or beneficial owner of any of the exclusive rights granted by the 1976 Act may bring an action for infringement of those rights.²³⁴ For instance, an exhibitor of a copyrighted motion picture, if he acquired the exclusive right to perform that picture within a certain area, would be entitled to bring an action for the exhibition of that film within his exclusive territory. In those circumstances, in order for the first exhibitor to have standing to sue the second exhibitor, registration for the motion picture would have to have been made, and most importantly, the agreement granting him exclusive public performance rights would have to have been recorded at the Copyright Office.²³⁵ Of course, a producer or exhibitor may avoid such litigious conflicts by making his exhibition agreements nonexclusive or by providing for the complete control of infringement actions relating to the exclusive rights granted in his exhibition agreements.

The owner of exclusive rights to a motion picture continues to have available to him the injunction and the writ of seizure remedies that were provided under the 1909 Act.²³⁶ Moreover, it appears from the legislative history of section 503 that the Supreme Court rules on the writ of seizure will remain viable.²³⁷ By such a writ a court can order the seizure and impoundment (during the pendency of the trial) of infringing copies of a motion picture and the apparatus used to produce the infringing copies.²³⁸ Additionally, under the 1976 Act a court may order the impoundment of non-infringing (that is, legitimately made) copies of motion pictures that

233. Congress felt that the impracticalities and burdens associated with recordation of nonexclusive licenses outweighed the limited advantages of their mandatory recordation. See 1976 House Report, *supra* note 20, at 129; 1975 Senate Report, *supra* note 20, at 112.

234. 1976 Act § 501(a), (b). The term "beneficial owner" is not defined in the statute. An example of such an owner, however, is an author who has parted with legal title to the copyright to his work in exchange for royalty percentages. 1976 House Report, *supra* note 20, at 159; 1975 Senate Report, *supra* note 20, at 141.

235. 1976 Act §§ 501(b), 411, 205(d). Under § 501(b), the basic copyright owner of the motion picture would also have to be notified of the pending action.

236. Compare 1976 Act §§ 502, 503(a) with 1909 Act § 101(a), (c).

237. 1976 House Report, *supra* note 20, at 160; 1975 Senate Report, *supra* note 20, at 152.

238. SUP. CT. RULES OF PRACTICE: INFRINGEMENT PROCEEDINGS 3-13.

were used in violation of section 501.²³⁹ This may go farther than prior law.

Under the new law, after trial a court may still order the destruction or other reasonable disposition of the infringing copies or legitimate copies used in an infringing way and the apparatus used to reproduce the infringing copies.²⁴⁰

Perhaps the most dramatic changes in civil remedies from prior law concern actual damages, profits and statutory damages. The damages section of the 1909 Act had been a nightmare to apply. Its peculiar language forced courts to come to diverse interpretations.²⁴¹ One unique problem related to motion pictures was the uncertainty of the statutory damages that would accrue in the case of multiple unauthorized exhibitions of a film.²⁴²

The new law resolves many of these uncertainties, while retaining the remedy of actual damages for injuries caused by an infringement.²⁴³ Furthermore, to the extent they are not actual damages, the infringer is liable for the profits resulting from the infringing activities.²⁴⁴ Like prior law, the copyright owner need only present evidence proving the gross revenues of the infringer. It is then the burden of the infringer to show his deductible expenses and his profits from other activities.²⁴⁵

As a practical matter, it is often difficult if not impossible to prove actual damages in a copyright infringement case. Hence, in lieu of proving actual damages and profits, the new law continues to provide the copyright owner with statutory damages which he may elect to receive as an award at any time prior to final judgment.²⁴⁶ The copyright owner cannot, however, ask for statutory damages if he also asks for profits.²⁴⁷

239. 1976 House Report, *supra* note 20, at 160; 1975 Senate Report, *supra* note 20, at 142-43.

240. 1976 Act § 503(b).

241. *Compare, e.g.*, Shapiro Bernstein & Co. v. 4636 S. Vermont Ave., Inc., 367 F.2d 236 (9th Cir. 1966) and Sid & Marty Kroft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977) with Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc., 329 F.2d 194 (2d Cir. 1964).

242. *Compare* Jewell-La Salle Realty Co. v. Buck, 283 U.S. 202 (1931) with Twentieth Century-Fox Film Corp. v. Septum, Inc., No. C-75-1775-A (N.D. Ga., filed Nov. 19, 1976). See Robert Stigwood Group, Ltd. v. O'Reilly, 530 F.2d 1096 (2d Cir. 1976).

243. 1976 Act § 504(a)(1).

244. *Id.*

245. *Id.* § 504(a)(1), (b); 1976 House Report, *supra* note 20, at 161; 1975 Senate Report, *supra* note 20, at 143.

246. 1976 Act § 504(a)(2), (c)(1).

247. 1976 House Report, *supra* note 20, at 161; 1975 Senate Report, *supra* note 20, at 143.

This limitation was also applied by at least one circuit under the 1909 Act.²⁴⁸

The maximum statutory damages one can obtain in an infringement action has generally been increased, but in one situation has actually been reduced. The new ceiling for statutory damages is ten thousand dollars or, if willfulness can be satisfactorily proven, fifty thousand dollars.²⁴⁹ This is a change from a maximum of five thousand dollars for non-willful infringement and no ceiling for willful infringement.²⁵⁰

If an individual infringes only one work a number of times (even over a long period of time), it is clear that the copyright owner is limited to only one award of statutory damages.²⁵¹ For example, if an infringer acquires a legitimate print of a motion picture and publicly exhibits that print without proper consent over a ten week period two hundred fifty times at four of his theaters, the maximum statutory damages obtainable under the new law could well be limited to ten thousand dollars. Under the 1909 Act, however, one could have argued that there were possibly up to two hundred fifty infringements (the number of performances).²⁵²

If more than one motion picture had been involved in such a hypothetical infringement case, a separate statutory damages award under the 1976 Act would be possible for each movie infringed.²⁵³ Further, if the infringer was a distributor who licensed theaters not owned by him to exhibit the motion picture, the distributor²⁵⁴ would be liable for a separate statutory damages award for each exhibitor who was guilty of such an infringement.²⁵⁵ The number of minimum statutory damages awards a

248. See *Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc.*, 329 F.2d 194 (2d Cir. 1964).

249. 1976 Act § 504(c).

250. 1909 Act § 101(b).

251. 1976 House Report, *supra* note 20, at 162; 1975 Senate Report, *supra* note 20, at 144.

252. 1909 Act § 101(b); *Twentieth Century-Fox Film Corp. v. Septum, Inc.*, No. C-75-1775-A (N.D. Ga., filed Nov. 19, 1976).

253. The limiting phrase of "with respect to any one work" is used in 1976 Act § 504(c)(1). A distinction is made between "works" and "copyrights." If only one work is involved in an action, but many copyrights covered that single work, only one statutory damages award can be made. See 1976 House Report, *supra* note 20, at 162, example no. 3; 1975 Senate Report, *supra* note 20, at 144; *accord*, COPYRIGHT LAW REVISION Pt. 4, *supra* note 49, at 136.

254. The distributor, who authorized the infringement, would be liable as a contributory or vicarious infringer. 1976 Act § 106; 1976 House Report, *supra* note 20, at 61, 159-60; 1975 Senate Report, *supra* note 20, at 57, 141-42.

255. Each exhibitor is a separate infringer and would ordinarily be joined together only for purposes of convenience. The court is required to grant a separate statutory damages award for each infringer. The fact that the distributor is jointly liable with each infringing exhibitor does not affect the necessity of making such separate awards. See 1976 House Report, *supra* note 20, at 162, example nos. 2, 4; 1975 Senate Report, *supra* note 20, at

court is required to grant is equal to the product of the number of works infringed multiplied by the number of infringers (joint infringers to be considered as one unit) in a particular case.

Finally, it should be noted that costs and attorneys' fees are discretionary with the court, the latter being recoverable only by the prevailing party.²⁵⁶

B. Criminal

The criminal penalties for an infringement of a copyright to a motion picture have been strengthened in the new Act. For a first offense the penalties possible are imprisonment of less than one year and a fine of no more than ten thousand dollars. For a subsequent offense, the possible penalties are increased to imprisonment of not more than two years and a fine of not more than fifty thousand dollars.²⁵⁷ Upon conviction the court is also required to order the forfeiture or other disposition of all infringing copies and apparatus used in manufacturing infringing copies.²⁵⁸ Such penalties have long been needed to put teeth in the criminal sanctions against film and tape pirates.

Under section 506(a), to find a party guilty of criminal copyright infringement it is necessary to prove willfulness and that the infringement was for commercial advantage or private financial gain. It thus appears that activity not considered criminal activity under the 1909 Act may rise to criminally culpable conduct under the new Act.²⁵⁹

XIII. CONCLUSION

On the whole, the copyright owners of motion pictures have had the protection of their works strengthened by the 1976 Copyright Act. The

144. A perhaps clearer explanation of what was intended by the statutory damages provision in cases involving multiple infringements was made by the late Register of Copyrights, Abraham Kaminstein, in his 1961 Supplementary Report. See COPYRIGHT LAW REVISION Pt. 6, *supra* note 20, at 136-37; accord COPYRIGHT LAW REVISION Pt. 5, *supra* note 181, at 203, 269. An additional multiple could be inserted into the statutory damages formula if a second copyright owner joined in the action. For instance, the copyright owners of music embodied in an infringed motion picture could join in an action against a defendant who publicly performed the picture without permission, and would be entitled to a separate award of statutory damages.

256. 1976 Act § 505.

257. Compare 1976 Act § 506(a) with 1909 Act § 104.

258. 1976 Act § 506(b).

259. Under the 1909 Act one had to infringe willfully and "for profit." 1909 Act § 104. The words "for commercial advantage" may be broader in scope than "for profit," although the Congressional Reports used the two phrases synonymously. 1976 House Report, *supra* note 20, at 163; 1975 Senate Report, *supra* note 20, at 145.

longer term of protection, the extension of the performance right to all motion pictures, and the partial elimination of the renewal process are three of the more favorable changes. The industry benefits most, however, where the new statute takes positions on various troublesome issues that arose under the 1909 Act. The *Wyatt* and *Foreman* cases are specifically overruled, and protection for motion pictures embodied only on videotapes and for sound tracks is expressly confirmed. The new limitations on the rights of motion picture copyright owners, including the right of termination, do not present insurmountable problems. Indeed, it will probably be the uncertainties resulting from the numerous unintentionally ambiguous provisions of the 1976 Act that will present the most difficulties. Undoubtedly, changes in the 1976 Act will have to be made, as experience reveals what provisions are not workable and as new technology is developed. Those changes should, however, turn out to be few in number, for the 1976 Copyright Act confronts most of the copyright problems the motion picture industry might anticipate encountering through the remainder of the twentieth century.