COPYRIGHT LAW SYMPOSIUM

Number Thirty-Seven

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MEMORIAL COMPETITION

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ASCAP

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Foreword

THE INTERACTION of copyright law and new technology has always been fertile ground for scholars. We were reminded of the fact by the circumstances that, with the exception of the First Prize paper, the other four prize-winning essays in this year's Nathan Burkan Memorial Competition were won for papers dealing with the subject of copyright and computers.

Robert Penchina of New York University School of Law was awarded first prize for his essay, "The Creative Commissioner: Commissioned Works Under the Copyright Act of 1976." He examines the history of the works-made-for-hire doctrine and its development under the Copyright Acts of 1909 and 1976. His view is that the 1976 Act should be revised to allow commissioning parties who have dictated the expression of creative works to be deemed the authors of such works. His analysis was cited in the Supreme Court's recent decision in *Community for Creative Non-Violence v. Reid.*

Second prize was awarded to John H. Pilarski of the University of Wisconsin Law School for "User Interfaces and the Idea-Expression Dichotomy, or Are the Copyright Laws User Friendly?" He reviews user interfaces and their legal background and assesses the difficulty courts have had applying the idea/expression distinction to cases relating to user interfaces. Mr. Pilarski suggests a policy resolution by which courts balance the competing interests of promoting progress by disseminating information while encouraging individual ingenuity by granting a limited monopoly.

The third prize-winning essay, "Copyright and Computer

Databases: Is Traditional Compilation Law Adequate" by Jack B. Hicks of the University of Texas at Austin School of Law, addresses the issue of whether copyright law, as applied to traditional compilations, provides adequate protection for computer databases. The author concludes that it does.

David W. Bonser, also of the University of Texas at Austin School of Law, wrote on "Preemption of 'Shrink-Wrap' Legislation by the Copyright Act." He examines the history and rationale behind software license agreements designed to combat piracy and the legislation validating them. He suggests that state laws are not only ineffective in catching pirates, but also infringe on the rights of legitimate users. This paper was awarded fourth prize.

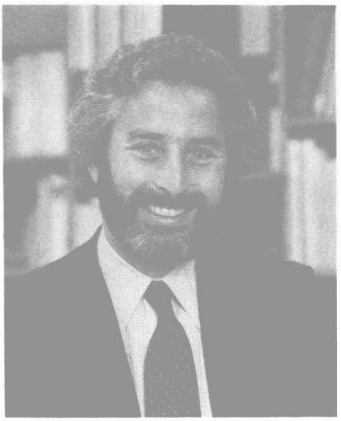
The fifth prize paper, "Applying the Merger Doctrine to the Copyright of Computer Software," went to Stephen R. Mick of the University of Pennsylvania Law School. Mr. Mick discusses problems in applying traditional copyright law concepts in the area of computer software and cautions against too much protection for software.

The high quality of the papers entered in this year's Competition confirms what we have seen in teaching law: there is great and increasing student interest in copyright law and the result is a rise in the level of scholarship in this fascinating field.

Professor Paul Goldstein
Stanford Law School

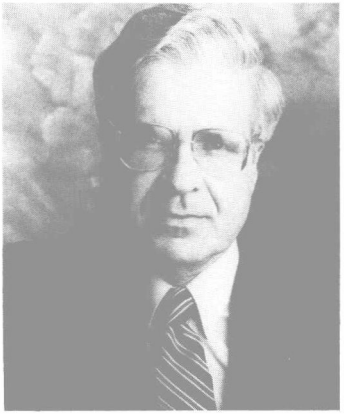
Professor Robert A. Gorman
University of Pennsylvania
Law School

Professor Arthur R. Miller
Harvard Law School



PROF. PAUL GOLDSTEIN

PROF. ROBERT A. GORMAN



ARTHUR R. MILLER

Preface

THE NATIONAL WINNERS of the Forty-Ninth Nathan Burkan Memorial Competition were chosen by three distinguished teachers of copyright law. It is a measure of both the Competition's success and its longevity that all were National First Prize winners of the Competition.

Paul Goldstein, Stella W. and Ira S. Lillick Professor of Law at Stanford Law School, is a graduate of Brandeis University and Columbia University School of Law. He has taught law for over twenty years and written numerous articles and a three-volume Treatise on Copyright. He is Chairman of the United States Office of Technology Assessment, Advisory Panel, Intellectual Property Rights in an Age of Electronics and Information.

Robert A. Gorman is a graduate of Harvard College and the Harvard Law School. He followed his clerkship with Judge Irving R. Kaufman of the United States Court of Appeals for the Second Circuit with private practice, after which he began teaching at the University of Pennsylvania Law School in 1965. He has served as Associate Dean and is currently Kenneth W. Gemmill Professor of Law. Professor Gorman is the author of articles on copyright law and co-author of the casebook, *Copyright for the Nineties*. He has served as President of the American Association of University Professors and on the Executive Committee of the Association of American Law Schools. Professor Gorman is a member of the American Law Institute and a Judge on the World Bank Administrative Tribunal.

Arthur R. Miller is a graduate of the University of Rochester and the Harvard Law School, where he is Bruce Bromley Professor of Law and has taught since 1971. Before joining that faculty, he practiced law in New York City and taught at the Law Schools of the Universities of Minnesota and Michigan. He is nationally known for his work on federal procedure and has written on copyright and unfair competition. He is author of *The Assault on Privacy: Computers, Data Banks, and Dossiers* (1971). Since July 1980, Professor Miller has been making weekly appearances as a law commentator on ABC's *Good Morning America* program and since 1987 he has led discussions on the nationally syndicated television program, *Headlines on Trial.* He has also been a moderator on the PBS series, *The Constitution: That Delicate Balance; Managing Our Miracles: Health Care in America; Terrorism;* and *The Presidency,* winning an Emmy award for *The Sovereign Self.* Professor Miller has been a member on the United States Commission on New Technological Uses of Copyrighted Works (CONTU) and Reporter for the Advisory Committee on Civil Rules for the United States Supreme Court, among other public services.

The ASCAP Board of Directors and President Morton Gould join me in our deep appreciation to these distinguished scholars for serving as Judges of the Nathan Burkan Memorial Competition.

BERNARD KORMAN

Rules Governing the Competition

1. *Participating Law Schools:* All accredited law schools are invited to participate in the Competition.
2. *Eligible Students:* Third-year students. In the discretion of the dean, second-year students may also be eligible, but such students who receive an award are not eligible for an additional award in their third year.
3. *Subject Matter:* Any phase of *Copyright Law.*
4. *Determination of Awards:* The prizes will be awarded to the students who shall, in the sole judgment of the dean—or such other person or committee as he may delegate—prepare the two best papers. The dean may in his discretion withhold the awards entirely, if in his opinion no worthy paper is submitted, or may award only the first or second prize. *Students are not eligible for more than one prize in any Competition.*
5. *Prizes: A first prize of $500* and a *second prize of $200* at each participating law school, to be paid through the dean, upon his written certification. Winning papers will be entered in the National Competition, in which the best papers will be considered for awards of $3,000, $2,000, $1,500, $1,000 and $500 (see Rule 10, *infra*).
6. *Requirements as to length and form of manuscript:*
   (a) Manuscript must be typewritten (double-spaced) on 8½" × 11" paper, 1" margin all around. All quotations exceeding four lines must be indented and single-spaced.
   (b) Manuscript must not exceed 50 pages, including footnotes. No paper which exceeds this limit may receive an award; any paper received which exceeds this limit will be returned.
   (c) Citations must be in approved law review form.
   (d) Table of Contents (subject matter) must appear inside front cover.

(e) *Three* copies of manuscript must be submitted.
(f) Cover for manuscript: any standard form stiff cover with label on outside showing title of paper, author's name, and permanent *home address.*

7. *Submission of papers and publication:*
   (a) Winning papers will be forwarded in *triplicate* by the dean to the Society, which may authorize publication.
   (b) Papers may appear in Law Reviews, provided their entry in the Nathan Burkan Memorial Competition is duly noted.
8. As papers are presumed to represent individual study, collaboration with others in their preparation (other than the usual law review supervision) is not permitted.
9. *Closing date:* June 15th—or any earlier date the dean may specify. Winning papers must be certified to the Society not later than June 30th.
10. *National Awards:* The five best papers selected by a National Awards Panel will receive awards of $3,000, $2,000, $1,500, $1,000 and $500, respectively. Only papers which conform to these rules will be considered for a National Award. The award papers will be printed in the *ASCAP Copyright Law Symposium.*

Contents

NATIONAL FIRST PRIZE

*The Creative Commissioner: Commissioned Works Under the Copyright Act of 1976**

ROBERT PENCHINA

NEW YORK UNIVERSITY SCHOOL OF LAW

COPYRIGHT IS THE right of an author[1] to control the reproduction of his intellectual creation.[2] United States copyright law is based on the constitutional provision empowering Congress "to Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[3] Under the Copyright Act of 1976 (1976 Act),[4] as under prior copyright law, initial ownership of copyright vests in the

[1] An early case defined an author as " 'he to whom anything owes its origin; originator; maker; one who completes a work of science or literature.' " Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 58 (1884) (citation omitted). In addition to writers of prose and poetry, the term "author" includes artists, composers, photographers, architects, sculptors, cartographers, and compilers. 1 M. NIMMER, NIMMER ON COPYRIGHT § 1.06[B] (1985).

[2] REGISTER OF COPYRIGHTS, 87th Cong., 1st Sess. COPYRIGHT LAW REVISION: REPORT OF THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 3 (Comm. Print 1961) [hereinafter REPORT OF THE REGISTER].

[3] U.S. CONST. art. I, § 8, cl. 8.

[4] 17 U.S.C. §§ 101–810 (1982 & Supp. III 1985).

* An earlier version of this Note received the first place award in the 1987 Nathan Burkan Memorial Copyright Competition at New York University sponsored by the American Society of Composers, Authors and Publishers.

author of a work.[5] The provision of the 1976 Act treating works made for hire specifies who will be deemed the author in two types of work relationships: (1) the employer-employee relationship, which covers works produced by regular employees within the scope of their jobs, and (2) the commissioner-independent contractor relationship, which involves works ordered from someone whose services are sold outside the hirer's regular business organization.[6] The provision specifies that when a work is prepared by an employee within the scope of his or her employment, or is one of nine enumerated types of specially ordered or commissioned works,[7] the employer or commissioner not only is granted ownership of the copyright in the work but also is deemed to be the author of the work for the purposes of the 1976 Act.[8] In addition to determining the initial ownership of copyright, classification of the work as a work made for hire is important to the application of various other copyright provisions.[9]

[5] *Id.* § 201(a).

[6] *See id.* § 101. A problem with the 1976 Act is that it fails to define "employer" or "independent contractor."

[7] 17 U.S.C. § 101. The 1976 Act defines a work made for hire as

> (1) a work prepared by an employee within the scope of his or her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

Id. Thus, only nine types of commissioned works are eligible to become works made for hire. For a commissioned work in one of these nine categories to be a work made for hire, there must be a signed, written instrument evidencing the parties' intention that they considered the work as such. *Id.*

[8] The 1976 Act provides:

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

Id. § 201(b) (emphasis added).

[9] For example, while copyright endures in most other works for the life of the author plus fifty years, copyright in a work made for hire lasts seventy-five

The 1976 Act's treatment of works made for hire was "a difficult and hotly contested issue"[10] that Congress believed to "represent a carefully balanced compromise"[11] between the interests of authors and those who employ them.

On the one hand, copyright exists to promote creativity.[12] It is granted primarily as an incentive to the creation of works for the benefit of the public,[13] and the private interests of authors are of secondary concern.[14] The rationale for copyright law lies in "the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors."[15] Thus, creativity is encouraged by rewarding authors for their contribution to society.[16] On the other hand, the works-made-for-hire provision implies congressional recognition of the tension between cre-

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years from publication or 100 years from creation of the work, whichever is shorter. *Id.* § 302(a), (c). Provisions allowing authors to terminate transfers of rights in their work are available to the authors of most works but do not apply to works made for hire. *See id.* §§ 203, 304(c). The parties eligible to renew the copyright in an existing work vary depending on whether the work is a work made for hire. *See id.* § 304(a). Application of the 1976 Act to a work may hinge on the citizenship of its author, which may vary depending on whether the employer or employee is deemed the author. *See id.* § 104(b)(1)–(2).

[10] REGISTER OF COPYRIGHTS, 89th Cong., 1st Sess., SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE UNITED STATES COPYRIGHT LAW: 1965 REVISION BILL 66 (Comm. Print 1965) [hereinafter SUPPLEMENTARY REPORT].

[11] H.R. REP. NO. 1476, 94th Cong. 2d Sess. 121, reprinted in 1976 U.S. CODE CONG. & ADMIN. NEWS 5659, 5737.

[12] *E.g.*, Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 429 (1984) ("[Copyright] is intended to motivate the creative activity of authors. . . .").

[13] REPORT OF THE REGISTER, *supra* note 2, at 5 ("[T]he ultimate purpose of copyright legislation is to foster the growth of learning and culture for the public welfare, and the grant of exclusive rights to authors for a limited time is a means to that end.").

[14] *E.g.*, Mazer v. Stein, 347 U.S. 201, 219 (1954) ("'The copyright law . . . makes reward to the owner a secondary consideration.'" (quoting United States v. Paramount Pictures, 334 U.S. 131, 158 (1948)).

[15] *Id.*

[16] REPORT OF THE REGISTER, *supra* note 2, at 5; *see also Mazer*, 347 U.S. at 219 ("Sacrificial days devoted to . . . creative activities deserve rewards.").

ativity and economic risk. The works-made-for-hire provision is based not on creativity but on the theory that the best way to advance public welfare through the talents of authors is to grant copyright to the party at whose economic risk the work was created.[17]

The works-made-for-hire provision of the Copyright Act of 1909 (1909 Act),[18] the predecessor of the 1976 Act, had broad reach covering works prepared by both employees and independent contractors.[19] In revising the works-made-for-hire provision in 1976, Congress intended to give more protection to the creative independent contractor in "situations where the contractor did all of the creative work and the hiring party did little or nothing."[20] The resulting provision reflects the congressional attempt to narrow the scope of the provision so that creative independent contractors would not be deprived of the rights to their works.[21] In striving to protect the creative independent contractor, however, Congress apparently neglected to consider the effect of the new provision on the creative commissioner—a commissioner who not only orders a work but also conceives of and dictates its expression.[22] A recent case, *Aldon Accessories Ltd. v. Spiegel, Inc.*,[23] illustrates the problem that has been created. In *Aldon*, the court stretched the literal meaning of the works-made-for-hire provision and held that the commissioner of a sculpture, a work not among those enumerated as eligible to become a work made for hire, could nevertheless be deemed author of the

[17] *See* text accompanying notes 52–55 *infra*.

[18] Ch. 320, 35 Stat. 75 (1909), repealed by Copyright Act of 1976, Pub. L. No. 94–553, 90 Stat. 2541 (1976) (codified as amended at 17 U.S.C. §§ 101–810 (1982 & Supp. III 1985)).

[19] *See* text accompanying notes 46–51 *infra*.

[20] Aldon Accessories Ltd. v. Spiegel, Inc., 738 F.2d 548, 552 (2d. Cir.) (citing H.R. Rep. No. 1476, *supra* note 11, at 21, 1976 U.S. Code Cong. & Admin. News at 5737), *cert. denied*, 469 U.S. 982 (1984).

[21] *See* text accompanying notes 87–90 *infra*.

[22] For an example of a creative commissioner, *see* text accompanying notes 113–16 *infra*.

[23] 738 F.2d 548 (2d Cir.), *cert. denied*, 469 U.S. 982 (1984).