Introduction

The cultural importance of works of creative expression are of such significance that the Framers of the U.S. Constitution devoted a specific section—Article 1, Section 8—of that seminal document to address the right and obligation of the U.S. Congress to pass laws that encourage their development. Congress, in discharging that obligation, has recognized and acknowledged that the trope of the “starving artist” has a basis in reality, and that the focus and passion required to create works of expression often leave their creators with little time or interest in the business side of the exploitation of those works. As a consequence, those creators have historically been taken advantage of by publishers, promoters, distributors, and others in the business of marketing and distributing the products of the creative process.

Throughout the twentieth century, and continuing on in the twenty-first century, Congress has attempted to enact legislation to protect the interests of artists and other creators. The focus of these legislative efforts has been on offering protections to creators under copyright law. A particular concern was the unequal bargaining power between an established publisher and a creator who had scant experience or established reputation. I avoid characterizing the creator as a young person, because in some cases that wasn’t true—the author may have been middle-aged or even older, but lacked experience or history as a creator. Congress viewed such creators as at a commercial disadvantage in their negotiations with publishers, and felt it could remedy that imbalance by giving the creators a “second bite at the apple”—an opportunity to re-negotiate their contracts at a later point in their careers, hopefully at a point where their reputations had grown to the point that they had increased bargaining power and could get better contract terms in a new contract.

So in the 1909 Act, Congress broke the term of copyright into two twenty-eight-year periods, thereby giving creators a second time period with which to bargain. On its face, it was an attractive concept, but Congress didn’t take into account the powerful motivation publishers, aided by their attorneys, had to avoid having to pay more for the same works, in their renewal term. Publishers started adding a clause to copyright transfer or license agreements requiring that authors transfer their rights for both terms. In *Fisher v. Witmark* (125 F. 2d 949 (2d Cir. 1942)), the Second Circuit found that this practice did not violate authors’ rights—reasoning that Congress, in creating the two-term structure, could not have meant to abrogate the freedom of contract to which authors were entitled.

Thirty-four years after *Fisher v. Witmark*, Congress tried again to level the playing field for artists by providing them with the power to terminate prior grants of copyright, and to recapture those rights so they could negotiate better
terms for their continued exploitation. This right was codified in two sections of the revised Copyright Act of 1976. But once again, industry responses and the decisions of a number of courts of appeal have, in key respects, thwarted Congress’s good intentions.

There is a rich body of academic scholarship addressing, in a piecemeal process, various aspects of the 1976 Act. Bits and pieces of legislative history are cited. By offering a heretofore unavailable, detailed and fully comprehensive look at the legislative history and process Congress went through in creating the termination and recapture provisions of the revised copyright law over the nearly 15-year period of the legislative process that was involved in enacting the Copyright Act of 1976, and how that work has since been interpreted in the courts, I hope to offer practitioners and scholars a rich vein of material to mine for use in briefs, argument, and scholarship about these fascinating, and somewhat effective, laws.

I began my legal career in 1976 when I entered law school—the same year Congress enacted the revised copyright law. My career as an attorney specializing in copyright and entertainment law, and later as a full-time law professor with a concentration in intellectual property law, has allowed me first-hand opportunities to witness and participate in the successes—and failures—of that historic revision of copyright law.

I began to focus more narrowly on the termination and recapture sections of the Copyright Act of 1976 when I researched, and then wrote, a book about the intersection of law with the creative process in the field of comic art. That book, Comic Art, Creativity and the Law (Edward Elgar Publishing, 2014), contained case studies of several cases, reproduced in edited form here, that tracked the impact that copyright law in general, and termination rights in particular, had on the creative process. It piqued my interest in learning more about how these sections of the Copyright Act of 1976 came into being, and whether they had proved to be effective expressions of congressional intent.

It didn’t hurt, as I began work on this book, to find that the comic art genre has become one of the dominant areas of popular culture, driven by feature motion pictures, television shows, computer and online games, and a dizzying array of products and other expressions that have given rise to the concept of “transmedia” projects. Comic book publishers have become divisions of large corporations, with the largest publishers, Marvel Comics and DC Comics, being purchased and operated by Warner Bros. and the Disney Company.

The comic book characters that anchor these companies—Superman, Batman, and Wonder Woman for DC, and Spiderman, the Avengers, and the Fantastic Four for Marvel—were all created before 1976. As such, they became the subject of some of the first major litigation cases involving the application of 17 U.S.C. §§ 203 and 304, the termination and recapture sections of the 1976 Act. A summary of those cases, and the lessons we have learned about the interpretation and application of the law from the holdings of the court in each of these cases, is included in the form of case studies that appear throughout this book.
The broad structure of this book divides into two main sections, focused first on policy, and then moving to a section on practice. In the policy section, Chapter One describes the unequal bargaining power authors have historically had with respect to the rights to their works, notably how copyright was a right authors rarely had the ability to protect.

Chapter Two addresses the first effort Congress made to remedy that unequal bargaining power, by creating the two-term, twenty-eight-year per term system of copyright duration that is embodied in the Copyright Act of 1909. The purpose and motivation of this effort is examined as well.

Chapter Three delves into a detailed discussion of the *Fisher v. Witmark* decision, dissecting not only the majority opinion, but also the prescient dissent by Judge Jerome Frank. Judge Frank’s interpretation of Congress’s intent in adopting the two-term copyright duration structure, rejected by the majority, would come to be adopted in significant part by Congress in the enactment of the 1976 Act.

The legislative history of the enactment of that Act is the focus of an extensive review and discussion in Chapter Four. I examine the legislative history both early in the process and again as it was expressed shortly before the final enactment of the revised law, devoting particular attention to the history of Sections 304 and 203, and to the important changes made in the definition and application of the doctrine of “work made for hire.”

This critical doctrine is the subject of Chapters Five, Six and Seven. It plays a major role in Sections 304 and 203 because Congress added a detailed definition of the phrase “work made for hire” and then exempted works that fit under this definition from the newly created rights of termination.

Chapter Five offers an overview of the “work made for hire” doctrine, and explains the rationale behind transferring a work created by an employee, as well as by an independent contractor, to the employer of both groups of creators. The deficiencies of the definitions of both of these categories are also highlighted and discussed.

Chapter Six focuses on the application of the “work made for hire” doctrine to the traditional employer-employee context. Here, the definitional issues become all the more important, and the value of a written employment agreement that establishes the transfer of copyright in works created in the course and scope of employment—a document with which practitioners in this area of the law need to become familiar—is discussed.

Chapter Seven is the most extensive in this policy section—it deals with the vexing problem of how to deal with works of expression created by independent contractors. The analysis begins by discussing the state of the law prior to January 1, 1978, when the Copyright Act of 1976 went into effect. I briefly discuss the state of the law for independent contractors in that era who signed a contract transferring ownership of their works—a brief chapter because those instances have not given rise to much litigation, and those cases that do exist are focused on contract law issues, as opposed to copyright. Far and away the most controversial area for
termination and recapture of copyright lies in the cases dealing with independent contractors who created commissioned works without a formal contract. I devote considerable attention to this category of cases, and offer two case studies: that of comic creator Marv Wolfman and his litigation battle with Marvel Comics over the rights to dozens of characters he created; and the extensive and bitter battle fought by the heirs of Jack “King” Kirby over the rights to an even more iconic, and valuable, set of Marvel characters, including such household names as the Avengers and the Silver Surfer.

These cases pertaining to pre-1978 grant recapture efforts, which did not lead to successful recaptures of the work, are then contrasted with the post-1978 case of Gaiman v. McFarlane, where the impact of the new definition of “work made for hire” yields a very different, and positive, result for creator Neil Gaiman. This case study offers practitioners an understanding of how the changes of the law may be used to the advantage of grantors claiming their right of ownership in work for which there is no contract transferring ownership.

At this point, the focus of the book moves from the policy discussion to the issues that arise for practitioners who are presented with clients who wish to make a claim to terminate a grant of copyright under these 1976 Act sections of the law. Chapter Eight parses each of the requirements under the sections of the statute, as well as Copyright Office rules for the submission of a claim. All stages of the process are discussed, from initial client meetings to the preparation and service of a claim. Key differences in the limitations periods for both types of claims are discussed in detail, with reference to relevant case law as well.

This chapter is anchored by the last case study, which dissects in detail the final chapter in the more than seventy years of periodic litigation cases pertaining to the transfer, and effort to recapture, the copyright to the character of Superman, the first and most famous of the comic superheroes. The case offers a convoluted history of battles that arose, in many cases, over formalities in the termination claims process, and offers a number of cautionary tales, and lessons to be learned, by practitioners who want to enter this complex arena of copyright litigation.

Chapter Nine brings the book to its conclusion with a brief discussion of some proposals for legislative reform of the termination, recapture, and work made for hire definition sections of the 1976 Act. These are my ideas and suggestions, which have grown out of the work I’ve done on this book. They do not constitute the official opinion or position of the ABA and should not be viewed in that light.

I hope readers find this book of use, both in their practice and in their study of this endlessly fascinating and complex area of the law.