RX FOR COPYRIGHT DEATH

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INTRODUCTION

Prior to the Copyright Revision Act of 1976,[1] the statutory protection accorded authors of creative works was divided into an initial and renewal term, each of twenty-eight years duration.[2] For most purposes these terms were regarded as separate legal entities.[3] Consequently, an author who conveyed the first term rights to his work retained the opportunity to profit from it again during the second term. Traditionally the proceeds received from publication of the original creation constituted the author's profits. The development of media communications, however, has greatly expanded the commercial marketability of creative works.[4] Today the value of motion picture rights in a novel or play often exceeds the publication value of the original work. It is not surprising, therefore, that authors frequently license the right to adapt their creation into other media while reserving their "copyright" in the underlying work. In such situations, the extent to which the legal status of the derivative work[5] is dependent on changes in the copyright status of the underlying work presents a number of intriguing issues.

This article examines the effect of the copyright law on three situations. In the first, the author of an underlying work licenses the creation of a derivative work for a fixed period. In the second, the contract between author and licensee is silent on whether it continues through the

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1. 17 U.S.C.A. § 304 (West Supp. 1977 app.) (effective January 1, 1978).

2. 17 U.S.C. § 24 (1970). *See* 2 M. NIMMER, COPYRIGHT § 113 (1963). Although the two-term system was abolished by the Copyright Revision Act of 1976 and replaced by a single-term system, all works copyrighted prior to January 1, 1978, the effective date of the new act, must be renewed in the twenty-eighth year of their existence or fall into the public domain. 17 U.S.C.A. § 304 (West Supp. 1977 app.). Thus, we will continue, at least in part, to live under a two-term system until midnight of December 31, 2005.

3. *See* notes 18-21 *infra* and accompanying text.

4. According to Nimmer, " 'copyright' is now a label for a collection of diverse property rights, each of which is separately marketable." 2 M. NIMMER, *supra* note 2, § 119.1.

5. A derivative work is created by substantially copying not only ideas but also their expression from a prior work, to an extent that would render the later work an infringement if the prior work were not in the public domain or its author did not consent to the derivative work. *See* 1 M. NIMMER, *supra* note 2, § 39.

underlying work's renewal period. And in the third situation, although the contract continues through the renewal period, the author of the underlying work dies before the renewal term begins. In all three cases, the principle of discontinuity between the initial and renewal terms of copyright protection mandates the same result: the derivative work becomes unavailable to the public, suffering what is here termed copyright death.

A typical case of copyright death involved a powerful and doomhaunted writer named Cornell Woolrich.[6] In 1942, Woolrich published a story about a man confined to a wheelchair who survived long, lonely nights by looking into the windows and lives of his apartment-house neighbors.[7] Twelve years later, Alfred Hitchcock adapted this story into one of his most famous films, *Rear Window*. Woolrich died in 1968, two years before the story's initial copyright term ended. A literary speculator subsequently purchased the rights to the story from the Woolrich estate. In 1971, *Rear Window* was broadcast on network television without the speculator's permission. This prompted him to bring a copyright infringement action against Hitchcock, the producing corporation, the television network, the sponsors, and the film's star, James Stewart.[8] Since that time, Hitchcock's movie has been legally unavailable for public exhibition, a victim of copyright death.[9]

Countless films have suffered a fate similar to *Rear Window* and many others escape copyright death only because of the inattention of potential litigants.[10] Yet to permit the denial of a creative work's legal existence is

6. For a sampling of Woolrich's fiction, an introductory essay, and a comprehensive checklist of his writings, see C. WOOLRICH, NIGHTWEBS (F. Nevins ed. 1971).

7. The story first appeared in the February 1942 issue of the pulp magazine *Dime Detective*, under the title *It Had To Be Murder*. In 1944, with the new title *Rear Window*, it was included in *After-Dinner Story*, a collection of Woolrich's short fiction, published under his pseudonym William Irish.

8. *See* note 41 *infra* for a discussion of multiple liability in copyright infringement actions.

9. Abend v. American Broadcasting Co., Civ. No. 74-2336 (S.D.N.Y., filed May 30, 1974). Under the settlement agreement in this case, *Rear Window* is permanently unavailable for viewing. According to Professor Donald Spoto, who has written the most comprehensive and insightful critical study of Hitchcock's work, *Rear Window* is one of five recent Hitchcock films "that cannot, as of this writing, be seen in the United States." D. SPOTO, THE ART OF ALFRED HITCHCOCK 237 (1976).

10. The works of Cornell Woolrich, whose novels and stories were adapted into many Hollywood films in the 1940s, provide a host of fascinating examples. *E.g., The Black Angel* (Universal 1946), based on Woolrich's 1943 novel; *Deadline at Dawn* (RKO 1946), based on Woolrich's 1944 novel; *The Chase* (United Artists 1946), based on Woolrich's 1944 novel; *Night Has a Thousand Eyes* (Paramount 1948), based on Woolrich's 1945

contrary to public policy, especially a work in a medium such as film, whose proprietors have long discouraged sales to consumers.[11] It is argued here that the same public policies that demand the preservation of the physical environment should apply to aesthetic entities like films. Therefore, the general rule of discontinuity between a grant of rights for the initial term of an underlying work and its renewal should not be enforced when it would result in the copyright death of a derivative work to which the author had previously voluntarily consented.

II. THE RENEWAL TERM

The Statute of 8 Anne[12] introduced the bifurcated system of copyright protection. It protected the author and assignees for an initial period of fourteen years after the work's publication and for a renewal term of the same length provided the author survived the first term. Although the English Parliament introduced a single term of copyright protection in 1814,[13] the bifurcation principle had gained acceptance in America by the end of the eighteenth century.[14]

Prior to the Constitutional Convention of 1789, seven of the original thirteen states had enacted legislation that provided for consecutive term copyright protection.[15] The first Federal Copyright Act[16] contained simi-

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novel; *The Window* (RKO 1949), based on Woolrich's 1947 short story; *No Man Of Her Own* (Paramount 1950), based on Woolrich's 1948 novel. Woolrich's untimely death in 1968 has resulted in the copyright death of all six films. Had he lived until 1977, all of them, including *Rear Window*, would be available today. The rights to at least three of the six Woolrich works on which the above six films were based have been purchased from the Woolrich estate by the same literary speculator who bought the rights to *Rear Window*.

11. *See* Nevins, *Copyright, Property and the Film Collector*, 29 RUTGERS L. REV. 2 (1975).

12. c. 19 (1709)

13. Statute of 54 Geo. 3, c. 156 (1814). The Copyright Act, 1911, 1 & 2 Geo. 5, c. 46 (1911), increased the term of protection to fifty years after the author's death. Effective January 1, 1978, this is also the term of copyright in the United States.

14. For an historical summary of the bifurcation principle in copyright protection, see Justice Frankfurter's classic opinion in Fred Fisher Co. v. M. Witmark & Sons, 318 U.S. 643, 647-56 (1943).

15. The seven states were Connecticut, New Jersey, Pennsylvania, Georgia, New York, Maryland, and South Carolina. Of the remaining six states, five—Massachusetts, New Hampshire, Rhode Island, Virginia, and North Carolina—had statutes providing single-term copyright protection for periods ranging from 14 to 21 years. Only Delaware had no copyright statute at all. Fred Fisher Co. v. M. Witmark & Sons, 318 U.S. 643, 649 (1943).

16. Act of May 31, 1790, ch. 15, 1 Stat. 124 (current version at 17 U.S.C.A. §§ 101-810 (West Supp. 1977 app.)).

lar provisions. In 1831, Congress enacted the second Copyright Act,[17] which increased the initial term from fourteen to twenty-eight years and provided that if an author did not survive the end of the initial term, the renewal rights passed to his widow and children.

Early in the twentieth century, Congress considered replacing the two-term system with a single term of protection extending fifty years beyond the author's life. Although it ultimately retained the bifurcated system, Congress increased the renewal term to twenty-eight years.[18] The committee that revised the copyright law explained its decision:

> Your committee, after full consideration, decided that it was distinctly to the advantage of the author to preserve the renewal period. It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years, your committee felt that it should be the exclusive right of the author to take the renewal term, and the law should be framed as is the existing law, so that he could not be deprived of that right.[19]

Although that statement has been subjected to conflicting interpretations by courts and commentators,[20] the committee clearly believed that under a single-term system an author who conveyed "his copyright" deprived himself and his successors of a second chance to profit from the work if it became a success. The 1909 Act contained a two-term system which gave the author that second chance.

Cognizant of this second-chance policy, courts have generally held that the initial and renewal copyright terms are totally separate entities.[21]

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17. Act of Feb. 3, 1831, ch. 16, 4 Stat. 436 (current version at 17 U.S.C.A. §§ 101-810 (West Supp. 1977 app.)).

18. Act of March 4, 1909, ch. 320, 35 Stat. 1075 (current version at 17 U.S.C.A. §§ 101-810 (West Supp. 1977 app.)).

19. H.R. REP. NO. 2222, 60th Cong., 2d Sess. 14 (1909).

20. *See* Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943); 2 M. NIMMER, *supra* note 2, § 113.

21. For a detective story based on this principle of law, see Nevins, *The Kumquats Affair*, 66 ELLERY QUEEN'S MYSTERY MAGAZINE 52 (Oct. 1975). *See, e.g.*, Edward B. Marks Music Corp. v. Charles K. Harris Music Publishing Co., 255 F.2d 518, 521 (2d Cir.), *cert. denied*, 358 U.S. 831 (1958); G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951); Rossiter v. Vogel, 134 F.2d 908 (2d Cir. 1943); White-Smith Music Publishing Co. v. Goff, 187 F. 247 (1st Cir. 1911). In construing the renewal provision of the 1909 Act, the court in Harris v. Coca-Cola Co., 73 F.2d 370, 371 (5th Cir.), *cert. denied*, 294 U.S. 709 (1934), stated:

> The second period is intended, not as an incident of the first for the benefit of the then owner of the expiring copyright, but as a second recognition extended by the

Judicial deference to this principle has extended to contract law; whenever an assignment does not explicitly include the renewal term, courts have construed a grant of rights by an author as extending for the initial term only. Under such a construction, the grantee seeking to retain rights to the work during its renewal period must negotiate a new agreement with the author or his successors at the beginning of the second term.[22]

Although the 1909 Act was clearly designed to give the author a second chance, neither the Act nor the committee report considers whether the author possesses the power during term one to convey his contingent interest in term two. Courts interpreting the earlier copyright acts in England and the United States had assumed the author retained this power. Thus, in *Carnan v. Bowles*[23] the court held that an assignment of "all of my interest," without mention of the renewal term, conveyed the author's first term rights and contingent interest in the renewal term. In *Rundell v. Murray*,[24] Lord Chancellor Eldon said in dictum: "I conceive that an author will not be taken to have assigned his contingent right in case of his surviving the fourteen years, unless the assignment is so expressed as to purport to pass it . . . ."[25] This decision, like its predecessors, recognizes the power of an author to execute an assignment of contingent rights, despite the court's differing view as to when that power should be deemed to have been exercised.[26]

The same power was acknowledged in the copyright statutes of five out of the seven original states with a two-term scheme of protection.[27] All of these pre-1789 statutes conferred the renewal right on the author and "his heirs and assigns." Similarly, the Federal Copyright Act of

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law to the author of work that has proven permanently meritorious by giving to him . . . a supplementary copyright upon the terms stated in the statute.

See generally 2 M. NIMMER, *supra* note 2, § 113.

22. *See* notes 52-78 *infra* and accompanying text. 2 M. NIMMER, *supra* note 2, § 117. *Cf.* Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 647-52 (1943) (*when explicit*, assignment during initial term may validly assign renewal term rights if they subsequently vest).

23. 29 Eng. Rep. 45 (Ch. 1786).

24. 37 Eng. Rep. 868 (Ch. 1821).

25. *Id.* at 870.

26. More recent American cases have held that whether a document of assignment will be construed as a valid assignment of the renewal term is a matter of intention. *See* Venus Music Corp. v. Mills Music Inc., 261 F.2d 577 (2d Cir. 1958); Edward B. Marks Music Corp. v. Charles K. Harris Music Publishing Co., 255 F.2d 518 (2d Cir.), *cert. denied*, 358 U.S. 831 (1958); Rossiter v. Vogel, 134 F.2d 908 (2d Cir. 1943). *See generally* 2 M. NIMMER, *supra* note 2, § 117.1.

27. The five states were Connecticut, Georgia, New Jersey, New York, and Pennsylvania. *See* Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 649 (1943).

1790[28] conferred the right of renewal upon the author or his "executors, administrators or assigns." These state and federal Copyright Acts arguably provided only that an author who survived into the renewal term could then convey his rights by will or inter vivos agreement. Courts, however, reasoned that because legislatures did not *explicitly* reject the English precedent, the copyright acts permitted assignment of the contingent renewal right during the *initial* term.[29]

The second Federal Copyright Act[30] failed to provide that an author's "assigns" could renew a copyright. In subsequent cases, courts assumed that authors could still assign their renewal interest during the initial term. The policy of favoring authors of copyrighted works, however, led most courts to hold that absent express language granting rights in the renewal term the author did not *intend* by an assignment of copyright to convey his contingent right in the second term.[31] Nevertheless, these courts acknowledged the author's power to make a valid conveyance if he so intended.[32]

The power thus recognized by both English and American courts prior to the 1909 Copyright Act did not unequivocally benefit authors and their families. An author with little bargaining power could be pressured to sign an inter vivos agreement conveying all renewal term rights in his work. If the author died during the initial term, this agreement cut off the statutory renewal right of the surviving spouse and children.[33] Because the legislative history of the 1909 Act demonstrates a concern for author protection, it is reasonable to conclude that Congress intended to prohibit authors from conveying contingent interests. The Court of Appeals for the First Circuit so held in *White-Smith Music Publishing Co. v. Goff*.[34] In *White-Smith*, a songwriter assigned his copyright in his songs to a music publisher during the initial term and the publisher renewed the copyright during the renewal period. Subsequently, the publisher brought suit against an alleged infringer. The court held that under the 1909 Act

28. Act of May 31, 1790, ch. 15, 1 Stat. 124 (current version at 17 U.S.C.A. §§ 101-810 (West Supp. 1977 app.)).

29. *See* Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 650 (1943).

30. Act of Feb. 3, 1831, ch. 16, 4 Stat. 436 (current version at 17 U.S.C.A. §§ 101-810 (West Supp. 1977 app.)).

31. *See, e.g.*, Pierpont v. Fowle, 19 F. Cas. 652 (C.C.D. Mass. 1846) (No. 11,152).

32. *See, e.g.*, Paige v. Banks, 80 U.S. (13 Wall.) 608 (1871) (contract conveying all of author's rights in his work construed to include rights during renewal period).

33. Succession to the renewal interest under the 1909 Act is governed by 17 U.S.C. § 24 (1970).

34. 187 F. 247 (1st Cir. 1911).

an assignee had no power to renew a copyright under a first-term assignment and dismissed the suit.[35]

In 1943, however, the Supreme Court held in the landmark case of *Fred Fisher Music Co. v. M. Witmark & Sons*[36] that an author had the power during the first term to sign away his contingent rights in the renewal term. The *Fisher* decision remains the law and even Professor Nimmer, who disagrees with much of the reasoning in Justice Frankfurter's opinion, concedes that *Fisher* "is undoubtedly viable law with no reasonable expectation of its modification short of the enactment of a new law."[37]

The Supreme Court did not, however, resolve the copyright death conundrum. *Fisher* established that if an author clearly conveys the movie rights in his novel for both the initial and renewal terms and survives the first term, the movie can be exhibited during the renewal term by the assignee.[38] It did not consider situations in which either the contract failed to mention renewal term or the novelist died during the first term. Until recently, courts have applied the general rule that the initial and renewal terms are separate entities.[39] Consequently, the filmmaker may not exhibit the film in the renewal term until he has negotiated a new agreement with the author or his successors.[40] If the assignee exhibits the film during the second term because he is unaware of the novelist's untimely death or he fails to negotiate a new agreement, all parties to the exhibition, including the sponsors, are liable for infringement.[41] Moreover, if a literary speculator, knowledgeable in

35. *Id.* at 249.

36. 318 U.S. 643 (1943).

37. 2 M. NIMMER, *supra* note 2, § 117.21. The new Copyright Act abolishes the renewal term and uses the device of an inalienable "right of termination" to give the author a second chance to profit from the work. By providing in 17 U.S.C.A. § 203(a)(5) (West Supp. 1977 app.) that termination may be effected "notwithstanding any agreement to the contrary," Congress has restored the author to his status under the *Goff* case. *See* notes 34-35 *supra*.

38. 318 U.S. at 656, 657.

39. *See* note 21 *supra* and accompanying text.

40. If by operation of the succession provisions to the Copyright Act of 1909, devise, or intestate succession laws, the renewal interest is fragmented among several parties, the filmmaker may be unable to locate or obtain the unanimous agreement of all interest holders. In such a situation the film will suffer copyright death.

41. The leading cases on sponsors' liability for an infringing telecast are: 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. 1977); Bevan v. Columbia Broadcasting Sys., Inc., 329 F. Supp. 601 (S.D.N.Y. 1971); Davis v. E.I. DuPont de Nemours & Co., 240 F. Supp. 612 (S.D.N.Y.

copyright law, purchases the successors' renewal interests in the work, he can hold the work for ransom. If the filmmaker or publisher does not comply with the speculator's terms, the work will suffer copyright death.

III. THE DUBIOUS ROOTS OF THE NEW PROPERTY RIGHT THEORY

The judicial debate over the meaning of the renewal provisions of the 1909 Act reflects a basic policy disagreement. The protective policy gives the author and his successors a second chance to profit from his creativity. The laissez-faire policy, on the other hand, permits an author to convey his contingent interest in the renewal term as if it were an interest in real or personal property. Unfortunately, this judicial debate has failed to consider the policy favoring the continued existence of a creative work, and its derivative works, once that work exists. One interpretation of the copyright law supports this third policy consideration, but its analytical and historical roots are weak. Professor Nimmer describes this "new property right" theory:

> It has been suggested that once a derivative work is created pursuant to a valid license to use the underlying material, a new property right springs into existence with respect to the entire derivative work, so that even if the license is thereafter terminated the proprietor of the derivative work may nevertheless continue to use the material from the underlying work as contained in the derivative work.[42]

The origin of this theory may be found in *Edmonds v. Stern*[43] and *Sunset Securities Co. v. Coward McCann, Inc.*[44] *Edmonds* involves a dispute between a songwriter and a music company. Edmonds composed the words and music to a song which he subsequently sold to Stern. Stern, with Edmonds' knowledge and consent, used the song as part of an operetta and obtained a copyright on both the song and orchestral arrangement. After some litigation, Stern transferred the copyright in the song to Edmonds, but continued to sell copies of the orchestral arrangement to the operetta, which incorporated only the music of Edmonds' song. Edmonds brought a copyright infringement action against Stern, and the district court ruled in his favor. On appeal, the Second Circuit reversed, holding (1) that the resolution of the first action did not reduce Stern's rights in the orchestral arrangement, and (2) that

1965). The test of liability is the sponsor's power to supervise and control program content.

42. 2 M. NIMMER, *supra* note 2, § 45.1.

43. 248 F. 897 (2d Cir. 1918).

44. 297 P.2d 137 (1956), *rev'd*, 47 Cal. 2d 907, 306 P.2d 777 (1957).

> as matter of law the mere transfer of copyright in the song had no effect whatever on the copyright of the operatic score theretofore taken out. The two things were legally separate, and independent of each other; it makes no difference that such separate and independent existence might to a certain extent have grown out of plaintiff's consent to the incorporation of his melody in the orchestration. When that consent was given, a right of property sprang into existence, not at all affected by the conveyance of any other right.[45]

The court's second reason is dependent on the peculiar facts of the case and does not endorse the general principle that once a derivative work is lawfully created it is treated for all purposes as a new and independent work. It suggests, however, the position urged here: a recognition that for one particular purpose the legal status of a derivative work should not remain tied to that of the underlying work.

Sunset Securities Co. v. Coward McCann, Inc. arose under California contract law. In 1944 Dayton Stoddart, an obscure author, conveyed all rights in his novel *Prelude to Night* to his publishing firm, Coward McCann. Coward copyrighted the novel the following year and in 1946 signed a contract that gave a small, independent motion picture company the right to make, copyright, sell, and exhibit a movie based on the novel. The agreement, however, provided that at the end of ten years "all of the rights in and to the Property herein granted" to the studio would revert to Coward unless the studio exercised an option to buy these rights for an additional $25,000. The film, *Ruthless*, was made and copyrighted in 1948. Although today it enjoys an underground reputation due to the critical fame of its director, the *cineaste maudit* Edgar G. Ulmer,[46] the movie was a box office flop. The bank that financed the film foreclosed its mortgage, purchased the property at the foreclosure sale, and conveyed its rights to Sunset Securities. Sunset subsequently brought suit to quiet title to *Ruthless*,[47] without paying the additional $25,000 to Coward at the end of the ten-year period. In its counterclaim, Coward sought to quiet title to the motion picture rights in the novel *Prelude to Night*. The trial court granted Coward a summary judgment. On appeal, Coward asserted for the first time that under its contract with the producing company it owned all rights in *Ruthless* in addition to the right to sell

45. 248 F. at 898.

46. For discussions of Ulmer, see A. SARRIS, THE AMERICAN CINEMA 142-43 (1968); Meisel, *Edgar G. Ulmer: The Primacy of the Visual*, in KINGS OF THE BS 147-52 (T. McCarthy & C. Flynn eds. 1975).

47. 297 P.2d at 138-39.

movie rights in the novel to another studio. The California Court of Appeals reversed and awarded judgment to Sunset, "quieting its title to the film *Ruthless*, to the copyright of *Ruthless*, and to all rights of exploitation of *Ruthless*."[48] In interpreting the contract, the appellate court noted that under the Copyright Act[49] a derivative work is an entity separate from its source and independently copyrightable. This is the only recognition by the court of a new property right theory. The California Supreme Court subsequently vacated the appellate court's decision, reinstated the ruling of the trial court, and held that "the Property" which would revert to Coward absent the $25,000 additional payment included the film *Ruthless* as well as the film rights to Stoddart's novel.[50] The California Supreme Court's judgment rested entirely on contract interpretation and mentioned neither *Edmonds v. Stern* nor the new property right theory.[51]

IV. COMPULSORY RENEGOTIATION OR COPYRIGHT DEATH: THE LEADING CASES

The two most significant copyright death cases concern the extent to which a derivative work is treated as a new entity, free from copyright ties to the underlying work from which it sprang. *G. Ricordi & Co. v. Paramount Pictures, Inc.*[52] dealt with John Luther Long, a forgotten author, who in 1897 published the novel *Madame Butterfly*. In 1900 the theatrical impresario David Belasco wrote a stage play based on the novel with Long's oral consent. The following year, Belasco and Long entered into a contract with G. Ricordi, the famous music publishing company, in which the authors conveyed to Ricordi "the exclusive right for all countries of the world in all languages to make a Libretto for an opera" based on the Belasco play which was based on Long's novel; "the said Libretto and all rights therein dramatic or otherwise" would be the exclusive property of Ricordi.

As a result, Puccini wrote his classic opera, *Madame Butterfly*, which Ricordi copyrighted in the United States in 1904. In 1917 David Belasco

48. *Id.* at 141.

49. 17 U.S.C. §§ 5(1), 27 (1970).

50. 47 Cal. 2d at 911-12, 306 P.2d at 779-80.

51. Inquiry at the offices of Coward-McCann has proved fruitless in determining whether the publisher ever made any use of the unusual rights awarded it by the *Sunset* decision.

52. 92 F. Supp. 537 (S.D.N.Y. 1950), *modified*, 189 F.2d 469 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951).

copyrighted the play he had written seventeen years earlier.[53] In 1925 John Luther Long renewed the copyright in his novel and died shortly thereafter. In 1932, Ricordi renewed the United States copyright in Puccini's opera, and in the same year Paramount purchased from the fiduciaries of the Long and Belasco estates the motion picture rights to Long's novel and Belasco's play.[54] In 1945, because no one had renewed its copyright, Belasco's play entered the public domain.

A few years later, Ricordi determined to license a motion picture studio to make a film based on the Puccini opera.[55] Ricordi maintained that its 1901 contract with Long and Belasco implicitly granted Ricordi the right to make or license a second-order derivative work (i.e. a movie based on the opera) in addition to the right to make the primary derivative work. Paramount countered that Ricordi had no motion picture rights in the opera since Paramount owned the movie rights to the underlying novel and play; without these rights, a film of the opera could not be made.[56] Ricordi sought a declaratory judgment to the effect that it was the sole owner of movie rights in the opera and an injunction to prohibit Paramount from claiming these rights. The District Court agreed with Ricordi and granted the requested relief. The court concluded that the agreement authorizing the creation of the derivative work also granted the right to make a second-order derivative work based on the primary one.[57] The court's description of the opera as "a piece of property wholly separate and independent from the novel and drama,"[58] seems implicitly to recognize a new property right theory. On appeal, the Second Circuit modified the judgment,[59] distinguishing between the initial and renewal

53. It has long been held that performance of a play does not constitute publication divesting one of his common-law copyright. Ferris v. Frohman, 223 U.S. 424 (1912). Consequently, no matter how many times the Belasco play might have been performed between 1900 and 1917, such performances had no effect on the validity of the 1917 copyright registraton of the play.

54. Pursuant to these purchases and a special arrangement with Ricordi covering the use of certain music from the opera, Paramount released a movie of *Madame Butterfly* in 1933 starring Sylvia Sidney and Cary Grant. In 1915, a corporate predecessor had released a silent version, starring Mary Pickford. By a 1913 contract, John Luther Long gave the studio movie rights to his novel for five years. *See* G. Ricordi & Co. v. Paramount Pictures, Inc., 92 F. Supp. 537, 539 (S.D.N.Y. 1950), *modified*, 189 F.2d 469 (2d Cir.), *cert. denied*, 342 U.S. 849 (1951).

55. The opinion of the district court states that 1946 trade papers reported a sale by Ricordi of the movie rights to the opera. *Id.* at 542.

56. *Id.* at 540.

57. *Id.*

58. *Id.* at 540-41.

59. 189 F.2d 469 (2d Cir. 1951).

terms of copyright and stressing the absence of any reference to the renewal term in the 1901 contract. Consequently, the court held that even if the contract granted Ricordi the right to film its opera, the grant endured only for the initial copyright terms of the underlying works.[60] Thus, insofar as the opera contained material from Long's novel, Ricordi's film rights in the opera expired with the novel's initial term in 1925. As owner of film rights in the novel during its renewal term, Paramount could forbid Ricordi "to make general use of the novel" in any film based on the opera.[61] Paramount's 1932 purchase of movie rights in the play, however, did not affect Ricordi's right to exploit material in the opera based on Belasco's play, because the play was in the public domain.[62] The court thus concluded that Ricordi could make or license a movie using the new matter in the opera and the play but could not make cinematic use of matter in the novel, while Paramount could make a movie out of the novel or the play but could not use Puccini's music and lyrics for the opera.[63] In short, the court declared a stalemate, ruling that unless the parties reached an agreement, neither of them could make a movie any audience would want to see or hear.[64]

The court clearly arrived at a just result. The right to create a second-order derivative work based on the primary derivative is not within the usual scope of the parties' expectations when a derivative work is licensed. Hence, it should be recognized only when the contract with the author of the underlying work clearly and unambiguously conveys it. The court could have reasonably concluded that the contractual language granting Ricordi "all rights . . . dramatic or otherwise" in the opera was not sufficiently clear and unambiguous to encompass a movie of the opera. On the other hand, it is uncertain that the film version of the opera as contemplated by Ricordi in the late 1940s was a second-order derivative work. Ricordi may have contemplated no more than a static filmed record of a performance of *Madame Butterfly*. Such a film arguably should be classified as the exploitation in a new medium of the primary derivative. Courts have generally recognized this right;[65] the classic

60. *Id.* at 471.
61. *Id.* at 472.
62. *Id.* at 471.
63. *Id.* at 471-72.
64. In 1955, after Long's novel had fallen into the public domain, *Madame Butterfly* was filmed again as an Italo-Japanese coproduction. *See* J. L. ANDERSON & D. RICHIE, THE JAPANESE FILM 247 (1959).
65. *See, e.g.*, Bartsch v. Metro-Goldwyn-Mayer, Inc., 391 F.2d 150 (2d Cir.), *cert. denied*, 393 U.S. 826 (1968).

situation is the exhibition of theatrical motion pictures on television.[66] Nevertheless, Ricordi may have contemplated a fresh work that would employ cinematic techniques such as location shooting and camera angles. Such a production would clearly be a second-order derivative work, and both the district and appellate courts were correct in holding that permission of the owner of the rights in the underlying work was required. That result, however, should have been based on the lower court's reasoning that the 1901 contract did not clearly convey rights to second-order derivative works.

The reasoning of the Second Circuit, based on the assumption of discontinuity between initial and renewal term rights, may have undesirable results if extended beyond its factual context. Consider the result if, instead of Paramount, the plaintiff in *Ricordi* had been the estate of John Luther Long. It follows from the appellate court's reasoning that Ricordi had no right to *Madame Butterfly* during the renewal term of Long's novel. Thus, any performance of the opera after 1925 would have been illegal.[67] It was irrelevant whether Long survived into the renewal term: absent renegotiation with Long or his successors—assuming such successors could be found and would agree—the court's reasoning would result in copyright death for the opera from 1925, the year the renewal term of Long's novel began, to 1953, the year it entered the public domain. Such an aesthetic calamity was avoided only by the accident that the Long estate did not sue Ricordi.

The *Ricordi* court's potential to condemn a derivative work to copyright death remained dormant until a federal district court in New York decided *Rohauer v. Killiam Shows, Inc.* in 1974.[68] WNET, New York City's educational television station, presented a series of early movies entitled *The Silent Years*. Silent film authority Paul Killiam assembled the film series which was financed by Bowery Savings Bank. Among the movies televised was *The Son of the Sheik* (1926), starring Rudolph Valentino. The movie was based on a romantic novel written and copyrighted by the once popular Edith M. Hull in 1925. Late that year, the

66. *Id.*

67. The district court clearly recognized this implication of Paramount's contentions, as did the studio. "Defendant [Paramount] also claims that [Ricordi's] rights, if any, expired in 1925 with the original term of the copyright in the Long novel. . . . If I understand defendant's claim in this respect it is that [Ricordi] has no rights of any kind in the Opera." 92 F. Supp. at 542.

68. 379 F. Supp. 723 (S.D.N.Y. 1974), *rev'd*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

author conveyed to a movie studio "all the motion picture rights in and to the said story for the entire world, together with the sole and exclusive right to make motion picture versions thereof" for the initial and renewal terms of her novel. The agreement purported to bind the heirs and successors of the parties. The resulting movie was a box office smash. Hull died in 1943, leaving as sole heir-at-law a daughter, Cecil W. Hull. In 1952, Cecil renewed the copyright in her mother's novel, and in 1954 the copyright proprietor of the Valentino film renewed the copyright in the movie. Between 1952 and 1965 the film was extensively televised in the United States under the auspices of Paul Killiam. At no time did Cecil Hull object to such exhibitions; indeed, there is no evidence that she was even aware of them. In 1965 Cecil assigned to Raymond Rohauer, a film speculator, "all of [her] right, title and interest (if any) in and to the motion picture and television rights of every kind and character throughout the world and in all languages" in her mother's novel. Rohauer immediately advised Killiam that any further exhibition of the Valentino film without Rohauer's permission would constitute copyright infringement. As a result of WNET's broadcast of the film in 1971, Rohauer brought suit against Killiam's corporation, Killiam individually, the television station, the corporation that owned the station, and the Bowery Savings Bank. Although the district court dismissed the action against the bank and Killiam personally,[69] it held the other defendants liable under *Ricordi*:

> [W]hen an author of a copyrighted work dies prior to the expiration of the copyright term, and the next of kin applies for renewal before the term expires, he acquires "a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term."[70]

Moreover, the trial court, quoting Professor Nimmer, summarily disposed of the defendant's assertion that Cecil Hull was bound by her mother's 1925 contract which purported to bind the author's successors:

> If the author . . . is not living when the renewal rights vest, then those persons who by statute succeed to the renewal rights are not bound by any assignment executed by the author . . . so that the assignee takes nothing.[71]

Finally, Nimmer satisfied the court that the television exhibition of a film

69. *Id.* at 736.
70. *Id.* at 727 (quoting Fitch v. Shubert, 20 F. Supp. 314, 315 (S.D.N.Y. 1937)).
71. *Id.* (quoting 2 M. NIMMER, *supra* note 2, § 117.3).

during the renewal term of the underlying work was an infringing act absent proper permission.[72]

At trial the defendants relied on the new property right theory,[73] insisting that a "motion picture is an independently copyrighted derivative work, the use of which cannot be controlled by the holder of the renewal copyright in the underlying work."[74] The court held that the defendants' position was unsupported by precedent.[75] Its decision would have resulted in copyright death for the film until the year 2000.[76]

Fortunately, the Second Circuit reversed the trial court on appeal.[77] Judge Friendly, writing for the court, held that there was a sharp distinction between *Ricordi*, in which the contract between the authors of the underlying and derivative work did not consider the underlying work's renewal term, and *Rohauer*, in which the author of the underlying work clearly conveyed renewal term rights but died prior to the renewal term's commencement. In the latter situation, the court held:

> [t]he equities lie preponderantly in favor of the proprietor of the derivative copyright . . . . A person who with the consent of the author has created an opera or a motion picture film will often have made contributions both literary, musical and economic as great as or greater than the original author.[78]

Consequently, when the author of the underlying work dies before the renewal term begins, the 1909 Act does not countenance copyright death for the derivative work. Nevertheless, when the contract fails to mention rights in the underlying work's renewal term, the *Rohauer* court upheld the *Ricordi* rule. Thus, the problem of copyright death in this situation remains acute.

V. BALANCING EQUITIES: SECOND CHANCE FOR THE AUTHOR VS. AVAILABILITY TO THE PUBLIC

A solution to the copyright death problem will depend on the relative weight courts assign to (1) insuring an author or his successors an

72. *Id.* (quoting 2 M. NIMMER, *supra* note 2, § 118).

73. *See* note 42 *supra* and accompanying text.

74. 379 F. Supp. at 727.

75. *Id.*

76. Under the Copyright Revision Act of 1976, the duration of the copyright in the novel is governed by 17 U.S.C.A. § 304(b) (West Supp. 1977 app.), which provides: "The duration of any copyright, the renewal term of which is subsisting at any time between December 31, 1976, and December 31, 1977, inclusive, . . . is extended to endure for a term of seventy-five years from the date copyright was originally secured.

77. 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

78. *Id.* at 493.

opportunity to profit from the underlying work, and (2) insuring the public availability of derivative works. Although judicial attention has centered almost exclusively on the first value, an occasional decision has been heavily influenced by the second. *Bartsch v. Metro-Goldwyn-Mayer, Inc.*[79] is an excellent example. The Second Circuit was asked in *Bartsch* to interpret a contract between the proprietor of an underlying work and a movie studio from the early talking picture era. The contract conveyed movie rights in the underlying work but, like most movie contracts of the time, failed to mention the unknown television rights. The court ruled that, absent a contractual provision to the contrary, the film producers could televise the movie without renegotiating an agreement with the proprietor of the underlying work.[80] Judge Friendly noted that the court's decision:

> provides a single person who can make the copyrighted work [i.e., the movie] available to the public over the penumbral medium, whereas [a decision to the contrary] involves the risk that a deadlock between the grantor and the grantee might prevent the work's being shown over the new medium at all.[81]

The Second Circuit's reasoning in *Bartsch* provides a conceptual basis for refusing to apply the principle of discontinuity between the initial and renewal copyright terms when its application would result in the copyright death of a derivative work. Once the author of an underlying work consents to the creation of a derivative work, regardless of whether the renewal term is mentioned in the contract, he and his successors as well as the derivative work's owner should be held responsible for the derivative work's continued availability. A judicial rule favoring such availability should prevail not only when the problem arises from a lacuna in a contract, as in *Bartsch*, but also when a difficulty is created by Congress' lack of foresight. Just as the draftsmen of movie contracts prior to the 1940s could not anticipate the future significance of television exhibition of films, so the draftsmen of the 1909 Copyright Act could not foresee the significance of movies themselves. The only derivative works known in 1909 were evanescent, live performances such as drama and opera, which had no tangible form and left only the residue of spectators' memories. The embryonic phonograph record and film industries were so little understood by Congress that the 1909 Act failed to provide copy-

79. 391 F.2d 150 (2d Cir.), *cert. denied*, 393 U.S. 826 (1968).
80. *Id.* at 155.
81. *Id.*

right protection for either. Moreover, until 1912,[82] motion picture protection depended on two early judicial decisions which held movies copyrightable as a species of photograph;[83] the Act did not protect sound recordings until 1971.[84] The possibility of a technologically "captured" derivative work such as a movie was not envisaged by the 1909 Congress, and therefore, lawmakers could not have appreciated the need for a public policy favoring the availability of these "captured" works.

Because copies of phonograph records are made available to the public, their continued existence is ensured even after the record is withdrawn from the catalogue. Similarly, the preservation and availability of out-of-print books or periodicals is ensured by the vast network of secondhand book dealers. Film studios, however, have been reluctant to sell prints of films to the public. Consequently, when a movie is withdrawn from theatrical and television exhibition, it becomes unavailable to a greater extent than most other artistic works.[85]

Film studios hold inconsistent attitudes toward their films. On the one hand, they want to retain complete control over their product and force the customer to pay each time he views a film.[86] On the other hand, unless the movie is a box office success, they consider it to be worthless. Indeed, during Hollywood's golden age, studios were completely indifferent to the aesthetic and historic value of films and ignorant of their future economic value. Companies often destroyed all known prints of an old film when they were about to market a remake.[87] In the mid-1950s

82. 17 U.S.C. §§ 5(*l*), 5(m) (1970) (originally enacted as Act of Aug. 24, 1912, ch. 356, § 5, 37 Stat. 488).

83. Harper & Bros. v. Kalem Co., 169 F. 61 (2d Cir. 1909), *aff'd*, 222 U.S. 55 (1911); Edison v. Lubin, 122 F. 240 (3d Cir. 1903).

84. 17 U.S.C. § 5(n) (Supp. V 1975) (originally enacted as Act of Oct. 15, 1971, Pub. L. No. 92-140, § 1(b), 85 Stat. 391).

85. Nevertheless, there are substantial numbers of film collectors, used film dealers, and "underground" sources from which at least some films can be obtained in somewhat the same manner as an out-of-print book can be obtained. *See* Nevins, *supra* note 11.

86. The film industry is currently considering ways to make the spectator pay afresh for watching films on television, such as a system of " 'two way pay cable,' where a subscriber will pay a flat fee for service plus an extra charge to watch a specific program," or in other words, "a box office in everyone's home." *Legal Affairs: The New Territory Copyrights Will Cover*, BUS. WEEK, Nov. 22, 1976, at 90 (quoting Peter W. Kuyper, Vice-President, Paramount Pictures Corp.).

87. It is reported, for example, that MGM burned the negative and all known prints of its 1933 version of *Dr. Jekyll and Mr. Hyde*, for which Fredric March won an Oscar as best actor of the year. The reason for the destruction was that MGM was about to release a remake in 1940. *See* Ziniewicz, *The Case for Film Piracy*, 81 CASE & COMMENT 12, 15 (1976).

Universal destroyed its library of silent film prints rather than absorb the expense of transferring the films from flammable nitrate to acetate stock.[88] Although film archives exist in abundance today, many studios still permit their early movies to disintegrate in their own vaults.

It is not surprising, therefore, that these studios rarely insisted on contractual provisions maximizing their ability to exhibit a film during the underlying work's renewal term.[89] Only with the most profitable films did studios negotiate new agreements, and thereby save the films from copyright death. Moreover, upon the transfer from one studio or company to another of ownership or distribution rights in a block of films, the conveyee frequently found it unprofitable to renegotiate for rights in the renewal term. Consequently, many important films "become consigned to a celluloid no-man's-land and eventually are doomed to extinction, since if nobody actually owns them, [or more precisely, if nobody can exhibit them without fear of infringement suits] nobody is likely to spend money on their preservation."[90]

The same blind indifference to the potential of their own products has permeated film studios' policies relating to other media. For many years these studios saw television as the enemy, never anticipating the bonanza that would come from the licensing of old (and not so old) movies to TV stations. Today, film studios are similarly hostile toward hobbyist film collectors and purchasers of home videotape recorders. Once again they are blind to the potential bonanza that could result from the sale of prints and cassettes of films for the private home enjoyment of the cinephile.[91] The law, however, should not be shortsighted; rather, courts should interpret the copyright law to correct at least some of the damage the studios have permitted.

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88. J. Tuska, *The American Western Cinema: 1903-Present*, in FOCUS ON THE WESTERN 25, 30 (J. Nachbar ed. 1974).

89. The most that a studio could do under the 1909 Act was (a) require explicit contractual language conveying movie rights for both the initial and renewal terms of the underlying work, and (b) obtain conveyances of contingent rights in the underlying work for its renewal term, signed by the then spouse and children, if any, of the author. Under the *Fred Fisher* principle, such conveyances of renewal-term rights during the initial term are clearly valid. Nevertheless, if the author died during the initial term and was survived by a spouse or children who did not convey their rights, the studio had to renegotiate the contract with such successors or let the film suffer copyright death.

90. W. K. EVERSON, THE ART OF W. C. FIELDS 108 (1967).

91. *See* Nevins, *supra* note 11, at 33. Such hostility may be slowly diminishing as the companies become aware of the potential profits to be reaped by turning the televiewers of America into videotape cassette collectors.

Two rationales exist to ensure the exhibition of films during the renewal term. First, the distinction between the initial and renewal terms could be discarded. Second, the privilege of fair use could be invoked when the public exhibition of a film is threatened by copyright death. The district court in *Rohauer* defined fair use as " 'a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without his consent, notwithstanding the monopoly granted to the owner,' "[92] and recognized that the doctrine empowers a court occasionally to " 'subordinate the copyright holder's interest in a maximum financial return to the greater public interest in the development of art, science and industry.' "[93] The court weighed four factors in determining whether the doctrine applied to the continued exhibition of *The Son of the Sheik*:

> (1) was there a substantial taking, qualitatively or quantitatively; (2) if there was, did the taking materially reduce the demand for the original copyrighted property; (3) does the distribution of the infringing material serve the public interest in the free dissemination of information; (4) does the preparation of the material require the use of prior materials dealing with the same subject matter.[94]

Focusing on the third criterion, the court concluded:

> [t]here is no discernible public interest in the dissemination of "The Son of the Sheik" sufficient to justify the infringement . . . . It can scarcely be argued here that the enduring fame of Rudolph Valentino or the intrinsic literary and historical merit of "The Son of the Sheik" (whatever it may be) serves any public interest sufficient to endow these defendants with the privilege of fair use.[95]

The district court's discussion of fair use is the weakest part of its opinion. Two interpretations are possible. On the one hand, the opinion *may* hold that *The Son of the Sheik* does not merit the privilege. Such a holding would be clearly incorrect; as Justice Holmes states: "It would be a dangerous undertaking for persons trained only in the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits."[96] The trial judge's

92. Rohauer v. Killiam Shows, Inc., 379 F. Supp. 723, 732 (S.D.N.Y. 1974), *rev'd*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977) (quoting H. BALL, COPYRIGHT AND LITERARY PROPERTY 260 (1944)).

93. *Id.* at 732-33 (quoting Berlin v. E.C. Publication, Inc., 329 F.2d 541, 544 (2d Cir. 1964)).

94. *Id.* at 733 (citing Marvin Worth Prods. v. Superior Films Corp., 319 F. Supp. 1269, 1274 (S.D.N.Y. 1970)).

95. *Id.* at 733.

96. Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 251 (1903).

admission that he had not seen the film "since the time I was taken by my parents as a young boy,"[97] renders a denial of the fair use defense based on the movie's presumed lack of merit even more incredible. Alternatively, the opinion may hold that *no* work of the imagination, regardless of its aesthetic merits, can satisfy the public interest criterion of the fair use doctrine. This interpretation is buttressed by the court's references to the Zapruder film of President Kennedy's assassination[98] and the letters of Julius and Ethel Rosenberg[99] as examples of works that would satisfy the public interest criterion.

Although this reading of the trial court's decision in *Rohauer* is less dangerous than the first interpretation, it is nevertheless narrow-minded. Suppose the film at issue had not been a Valentino sex-and-sand epic, but rather one of the early Western films directed for Universal Studios by John Ford. In view of this director's acknowledged preeminence and the huge gaps in our knowledge about his early works due to destruction of all known prints,[100] the court should rule that the public interest requires the preservation and availability of Ford's films. If, however, some films deserve the privilege, it should be available to all; otherwise the law will be utterly dependent on the highly fallible aesthetic views of judges, and we will lose sight of the public interest in the preservation and availability of creative works. To paraphrase the French film savant Henri Langlois, we have no way of knowing what films the people of tomorrow will decide are worth seeing, so we must save everything. Unfortunately, Judge Friendly failed to address the lower court's treatment of fair use in *Rohauer* beyond commenting that "[i]f we were obliged to rule on [this defense], we would regard [it] as warranting somewhat more consideration than did the district judge."[101]

VI. THE COPYRIGHT REVISION ACT OF 1976

The Copyright Revision Act of 1976 gives appropriate recognition to the public interest. It replaces the present structure of two copyright

97. 379 F. Supp. at 726 n.2.

98. Time, Inc. v. Bernard Geis Assocs., 293 F. Supp. 130 (S.D.N.Y. 1968).

99. Meeropol v. Nizer, 361 F. Supp. 1063 (S.D.N.Y. 1973). For later developments in this case, see 505 F.2d 232 (2d Cir. 1974); 381 F. Supp. 29 (S.D.N.Y. 1974); 417 F. Supp. 1201 (S.D.N.Y. 1976).

100. Of the 38 films Ford directed at Universal during 1917-21, only one "has survived the ravages of archaeological irresponsibility." A. SARRIS, THE JOHN FORD MOVIE MYSTERY 16 (1975).

101. 551 F.2d at 495.

terms and compulsory renegotiation before a derivative work can be used during the underlying work's renewal term with a single copyright term covering the author's life plus fifty years.[102] It further provides that the "grant . . . of any right under a copyright" may be terminated by the author or his successors at any time between the thirty-fifth and fortieth anniversaries of the grant.[103] This termination right is clearly the equivalent of the compulsory renegotiation rule under the 1909 Act. The new Act, however, contains a specific limitation on this right:

> A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.[104]

Thus, an author who conveys the movie rights in his 1978 novel may later exercise his termination right to prevent any remake or sequel film, but the termination judgment may not be used to frustrate the continuing availability of the original film. On the other hand, if the author conveys the live dramatic rights in the same novel and later exercises the right of termination, it is arguable that the licensee may not thereafter authorize any performances of the play; each such performance may fall within the category of "other derivative works," which are expressly excepted from the section 203(b)(1) limitation. The committee reports explicitly state that under this section "a film made from a play could continue to be licensed for performance after the motion picture contract has been terminated but any remake rights covered by the contract would be cut off."[105] Although the legislative history does not indicate the rationale for these provisions, their effect is unmistakable: under the 1976 act, the author retains his second chance to profit from his underlying work, but no technologically fixed derivative work is condemned to copyright death.

These provisions apply, however, only to grants "executed by the

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102. 17 U.S.C.A. § 302(a) (West Supp. 1977 app.) (applicable to works created on or after January 1, 1978).

103. 17 U.S.C.A. § 203(a) (West Supp. 1977 app.) (applicable to assignments executed on or after January 1, 1978). Section 203(a)(5) overrules the Supreme Court's decision in the *Fred Fisher* case, *supra* note 36, and removes the author's power to sign away second-chance rights, by providing that "Termination of the grant may be effected notwithstanding any agreement to the contrary . . . ."

104. 17 U.S.C.A. § 203(b)(1) (West Supp. 1977 app.).

105. S. REP. NO. 94-473, 94th Cong., 1st Sess. 111 (1975); H.R. REP. NO. 94-1496, 94th Cong., 2d Sess. 127, *reprinted in* [1976] U.S. CODE CONG. & AD. NEWS 6089, 6173.

author on or after January 1, 1978."[106] In *Rohauer*, the defendants quoted the language of section 203(b)(1) and asked the district court to read the essence of that provision into the 1909 Act. The court declined, commenting: "[a]lthough this might well be deemed an admirable statement of what the law should be, it is scarcely persuasive of what the law is."[107]

The 1976 Act contains another provision that may have the effect of engrafting the crucial part of the new property right theory onto some transactions that predate the new law. Section 304(c) provides for an inalienable termination right applicable to any "grant of a transfer or license of the renewal copyright or any right under it, executed *before* January 1, 1978 . . . ."[108] Termination of a grant under section 304(c) may be effected at any time between the fifty-sixth and sixty-first anniversaries of the original copyright, or January 1, 1978 and January 1, 1983, whichever five-year period is later.[109] The committee reports indicate that the purpose of this provision was to confer the benefit of the new Act's longer copyright period upon those authors or authors' successors who had already signed away some or all of their renewal rights.[110] The Act provides further that any termination under either section 203(a) or 304(c) is subject to the limitation that "[a] derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination . . . ."[111]

Unfortunately, these provisions are limited to renegotiations for renewal term rights in the underlying work consummated prior to January 1, 1978. In such cases, the exercise of the new statutory termination right will not cause the copyright death of the film. When, however, the author or his successors have not *renegotiated* the contract but merely renewed a copyright in the underlying work, the predicate for the operation of section 304(c), a "grant of a transfer or license of the renewal copyright or any right under it," does not exist. In that situation, the film is copyright dead—at least if the original contract failed to consider the renewal term—until or unless the contract is renegotiated.

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106. 17 U.S.C.A. § 203(a) (West Supp. 1977 app.).

107. Rohauer v. Killiam Shows, Inc., 379 F. Supp. 723, 728 (S.D.N.Y. 1974), *rev'd*, 551 F.2d 484 (2d Cir.), *cert. denied*, 431 U.S. 949 (1977).

108. 17 U.S.C.A. § 304(c) (West Supp. 1977 app.) (emphasis added).

109. 17 U.S.C.A. § 304(c)(3) (West Supp. 1977 app.).

110. S. REP. NO. 94-473, 94th Cong., 1st Sess. 123 (1975); H.R. REP. NO. 94-1476, 94th Cong., 2d Sess. 140, *reprinted in* [1976] U.S. CODE CONG. & AD. NEWS 6089, 6186.

111. 17 U.S.C.A. § 304(c)(6)(A) (West Supp. 1977 app.).

From an aesthetic ecology perspective, this result is unsatisfactory. The decision in the *Rohauer* situation, in which the original contract conveyed renewal term rights but the author of the underlying work died before the expiration of the initial term, should prevail in the *Ricordi* situation in which the original contract failed to mention the renewal term. This development would eliminate the possibility of copyright death in two of the three situations presented earlier.[112]

VII. THE PROBLEM OF CONTRACTUAL DEATH

Although the application of *Rohauer* to the *Ricordi* fact pattern would alleviate the threat of copyright death in two of the foregoing situations, that threat would remain when the grant of rights was restricted to a specified period by the free choice of the parties. Because nothing in the Copyright Act contributes to this problem, it is more appropriate to refer to the unavailability of the derivative work at the conclusion of the specified period as contractual, rather than copyright, death.

This situation is illustrated by the *Sunset Securities* case.[113] It was common practice in some of the smaller, more budget-conscious movie studios to purchase rights in a work for a period of five to ten years. Frequently, these contracts did not include an option to extend the term by the payment of an additional sum, although a renewal option could be added to a contract later if the profits from a particular film justified it. Republic Pictures, which made the best action films of Hollywood's golden age, entered many such short-term contracts to obtain the rights to produce cliffhanger serials about the exploits of heroes and heroines such as Red Ryder, Zane Grey's King of the Royal Mounted, and Edgar Rice Burroughs' Jungle Girl.[114] Such contracts typically included a clause that provided:

> Upon the expiration of rights as to any picture or chapter, the purchaser [i.e. the studio] shall deliver to the owner [i.e. the author of the underlying work], or shall destroy, the negative and positive prints of such picture, provided that Republic may retain such negatives and prints as it may desire for library purposes.[115]

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112. *See* text accompanying notes 5-6 *supra*.

113. *See* notes 46-51 *supra* and accompanying text.

114. The distribution term for the Red Ryder serial was set at seven and one-half years from the date of general release. For the two chapter plays about King of the Royal Mounted the term was eight and one-half years. The contract with Edgar Rice Burroughs for the Jungle Girl serial provided for a seven-year distribution term, although modifications extended the term through 1955. *See* J. MATHIS, VALLEY OF THE CLIFFHANGERS 147, 156, 180, 217 (1975).

115. Quoted in *id.* at 156.

The Republic serials, *Adventures of Red Ryder* (1940), *King of the Royal Mounted* (1940), *Jungle Girl* (1941), and *King of the Mounties* (1942) were all directed or codirected by William Witney, the supreme director of pure action films.[116] From the perspective of film history and aesthetic ecology, the public unavailability of these films is a loss as unfortunate as that of *The Son of the Sheik*. Nevertheless, it resulted from the free choice of the parties. To expect the courts to declare such contractual provisions against public policy is as fruitless as awaiting the imminent arrival of Godot.

The film pirate, that unsung hero of aesthetic ecology, may provide relief from the contractual death problem. It is reasonable to assume that at least a few prints of contractually dead films exist somewhere, and that the projected profits from making these films available again are insufficient to justify negotiation of a new contract. Thus, only if a film pirate duplicates existing prints and sells them to collectors for private use, will such films be available.[117] Although it is unlikely that a film copyright owner would bring a civil infringement action for duplication and sale of prints of a contractually dead film, because by hypothesis he no longer has any rights in the film, the owner of rights in the underlying work could bring an action for the unauthorized copying and sale of a derivative work based on the underlying work. In addition, the pirate could be prosecuted for criminal copyright infringement, a misdemeanor.[118] Even if no civil or criminal action results, the contractually dead film is not completely revived, because commercial exhibition of such a film constitutes a separate act of infringement (although a private screening by a collector does not).[119] Nevertheless, unless legislation is enacted to rejuvenate contractually dead films through some form of compulsory license, the only solution to the problem of contractual death lies in violating the copyright law.

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116. For a career study of this director, see Nevins, *William Witney*, in CLOSE-UP: THE CONTRACT DIRECTOR 189-227 (J. Tuska ed. 1976).

117. "Obviously a man who duplicates and sells materials to which he has no title is a pirate. Just as obviously, if there had been no pirates, we should be without a number of the films we prize most highly." W. KERR, THE SILENT CLOWNS 315 (1976). Chapter 32 of Kerr's book, despite many errors on the legal aspects of the problem, is an otherwise excellent treatment of lost films and the hobby of film collecting.

118. 17 U.S.C. § 104 (1970). *See* United States v. Atherton, No. 76-1597 (9th Cir. Sept. 19, 1977); United States v. Drebin, 557 F.2d 1316 (9th Cir. 1977); United States v. Wise, 550 F.2d 1180 (9th Cir. 1977).

119. *See* Nevins, *supra* note 11, at 12-18.

VIII. CONCLUSION

Legal treatment of literary property has differed from treatment of real and personal property, primarily with regard to duration. Perpetual ownership of a creative work has long been impossible under English law, and in the United States is forbidden by the Constitution.[120] After the period for private exploitation of the work expires, the owner's interest in the work is subordinated to the public's.

The law's treatment of an author's rights in areas other than duration, however, has traditionally been analogous to treatment of an owner's rights in other forms of property. Thus, an owner can do with his property largely as he pleases.

More recent and enlightened approaches have developed in such diverse fields as first amendment law,[121] land-use controls,[122] and air and water pollution legislation,[123] which impose a variety of limitations on the property owner's freedom to ignore the public interest. This philosophy, however, has not been applied to copyright law. The various compulsory license provisions of the 1976 Act provide a beginning. The interpretations of copyright principles proposed in this article represent a further step in the establishment of the general principle that no owner of intellectual property may make decisions about the exploitation or nonexploitation of that property in disregard of the public's interest in the availability of all creative work.

Courts deciding cases in this area may profit more from analogies to the law of child support than to principles of traditional property law. No one is obliged to be a parent, but once a child is born its parents are responsible for the child's continued existence and welfare. Similarly, once an author gives birth to a creative work, he should be responsible for the work's continued existence. When the work in question is derivative, both the owner of the derivative work and the author of the underlying work who consented to the derivative's creation should be responsible for the continued existence and availability of the work within reasonable limits. Judicial recognition and appropriate use of such principles would eliminate the aesthetically disastrous losses the public has suffered as a result of copyright death.

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120. U.S. CONST. art. I, § 8, cl. 8.

121. Marsh v. Alabama, 326 U.S. 501 (1946).

122. Just v. Marinette County, 56 Wis. 2d 7, 201 N.W.2d 761 (1972).

123. Clean Air Act, 42 U.S.C. §§ 1857-1858a (1970 & Supp. V 1975); Water Pollution Control Act Amendments, 33 U.S.C. §§ 1251-1376 (Supp. V 1975).