November 1997

Cases of Note-Copyright Registration

Jack G. Montgomery
University of Missouri

Anne F. Jennings
Sinkler & Boyd

Follow this and additional works at: <https://docs.lib.purdue.edu/atg>

Part of the [Library and Information Science Commons](#)

Recommended Citation

Montgomery, Jack G. and Jennings, Anne F. (1997) "Cases of Note-Copyright Registration," *Against the Grain*: Vol. 9: Iss. 5, Article 19.
DOI: <https://doi.org/10.7771/2380-176X.2921>

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.

Cases of Note — Copyright Registration

Column Editor: **Anne F. Jennings**, InfoFacto, The Legal and Business Research Center, LLC, 145 King Street, Suite 406, Charleston SC 29401; phone: 803-958-0303; fax: 803-958-0305 <infofacto_aj@charleston.net>

Fonar Corp. v. Domenick, 105 F.3d 99, 1997 Copr.L.Dec. P 27,604, 1997 Copr.L.Dec. P27,634, 41 U.S.P.Q.2d 1496 (2d Cir.(N.Y.) Jan 21, 1997) (NO. 96-7919, 699) Petition for Certiorari Filed, 66 USLW 3085 (Jul 02, 1997) (NO. 97-44).

Urantia Foundation v. Maaherra, 114 F.3d 955, 1997 Copr.L.Dec. P 27,653, 43 U.S.P.Q.2d 1001, 25 Media L. Rep. 1873, 97 Cal. Daily Op. Serv. 4369, 97 Daily Journal

D.A.R. 7285 (9th Cir.(Ariz.) Jun 10, 1997) (NO. 95-17093).

These two recently-decided cases address the subject of valid copyright registration. The first case, **Fonar Corp. v. Domenick & Magnetic Resonance Plus, Inc.** involves a software program owned by the plaintiff-appellant Fonar which was copied by defendant-appellee Magnetic Resonance Plus ("MR Plus") for the purpose of servicing Fonar-manufactured MRI scanners. The defendant MR Plus claims that plaintiff "failed to comply with the applicable regulations in registering the copyright" and that, as a result, the copyright is not valid.

The **Urantia Foundation v. Maaherra** case concerns the Urantia Book, a text which both parties believe was "authored by celestial beings and transcribed, compiled and collected by mere mortals." In **Urantia**, the defendant-appellee admits to copying and thereafter distributing the Book on a computer disk but asserts that the plaintiff-appellant failed to properly renew the copyright.

The Fonar Case

This case is an appeal from the district court summary judgment decision in favor of MR Plus on Fonar's claim of copyright infringement and unfair competition wherein the lower court ruled that "Fonar failed to comply with applicable regulations in registering the copyright and that the certificate of copyright registration therefore does not carry the ordinary presumption of copyright validity." The Second Circuit Court of Appeals vacated the summary judgment and order and remanded the case for further proceedings.

Plaintiff Fonar manufactures, markets and repairs MRI scanners and has developed computer software to assist repair technicians in the complicated process of servicing and repairing the same. The software is installed at each customer site and a contract with customers states that only Fonar employees are allowed to access the program. MR Plus is an independent maintenance service which maintains various types of equipment including MRI scanners. It was appar-

ently uncontested that MR Plus copied and used the Fonar software and schematic drawings without permission. Upon motion of the defendant, **District Court Judge Motley** granted summary judgment and dismissed Fonar's claims against MR Plus. While the court recognized "the presumption of copyright validity afforded by a copyright certificate," it held that in this case the presumption was overcome because the work was filed as a "collection" without satisfying the statutory requirement that collected works be "assembled in orderly form" 37 C.F.R. Sec. 202.3(b)(3)(i)(B). Relying on 37 C.F.R., Fonar had filed less than all of its software program. In fact, Fonar filed with the Copyright Office, which had obviously accepted the filing as sufficient, "the first 29 pages of the first module and the last 34 pages of the last." However, Judge Motley decided this was insufficient to identify the copyrighted work.

To establish copyright infringement a claimant must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." **Feist Pubs, Inc. v. Rural Tel. Serv. Co.**, 499 U.S. 340, 361 (1991). The Court of Appeals herein found that Fonar's certificate of copyright registration was "prima facie evidence that copyright is valid." 17 U.S.C. sec. 410 (c), **Folio Impressions, Inc. v. Byer Cal.**, 937 F.2d 759, 763 (2d Cir. 1991). As a result, the burden then shifted to MR Plus to prove the invalidity of the copyright and there it must rest unless the presumptions are rebutted.

However, the district court found that Fonar was disintitled to the presumption of validity because: (1) Fonar's filing with the Copyright Office failed to identify the works that are the subject of the copyright, and (2) the filing was not "assembled in an orderly form" as required by federal regulations. Responding to Judge Motley's rulings, the Court of Appeals deferred to the Copyright Office which has the power to review and accept applications for copyright registration. In this case, it was determined by the Copyright Office that "Fonar's filing of the first 29 and last 34 pages of the source code satisfied the technical filing requirements (and apparently substantive requirements) for a certificate of registration." With regard to the "orderly form" question, there was some dispute as to whether Fonar registered its software as a collection or single work.

Regardless, the Second Circuit disagreed with the lower court and again determined that "the programs are organized according to the functions they perform, and having been assembled in a way that has withstood the scrutiny of the Copyright Office." This case is on appeal to the United States Supreme Court.

The Urantia Case

As you probably noted, this opinion involves an unusual work authored by spiritual entities and compiled by the patients and followers of a Chicago psychiatrist, Dr. Sadler. The Book was first published in 1955 with the original certificate of copyright having been issued in 1956 to the Urantia Foundation. The Foundation renewed the copyright in 1983. The defendant, Maaherra, is

described as an avid reader of the Book who prepared a study guide which included the entire text which she distributed on computer disk free of charge.

The Court of Appeals noted that a threshold issue in this case was whether the work, claimed to embody the words of celestial beings, was copyrightable at all. "To qualify for copyright protection, a work must be original to the author." **Feist Publications, Inc. v. Rural Telephone Service Company, Inc.**, 499 U.S. 340, 345 (1991). The statute, 17 U.S.C. S102(a), provides:

"[c]opyright protection subsists in original works of authorship fixed in any tangible medium of expression,... from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."

"Original as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity." **Feist**, 499 U.S. at 345.

The defendant claimed that there could be no valid copyright in the Book because it lacked the requisite ingredient of human creativity. However, the copyright laws do not expressly require "human" authorship. Although the Second Circuit agreed with Maaherra that the copyright laws were not intended to protect divine beings, they found that "some element of human creativity must have occurred in order for the Book to be copyrightable." The Contact Commission, which collected the Papers and edited the

continued on page 56

Cases of Note
from page 54

Book, may have received some guidance from celestial beings, but it was their members who actually chose and formulated the specific questions asked. "These questions materially contributed to the structure of the Papers, to the arrangement of the revelations in each Paper, and to the organization and order in which the Papers followed one another." Therefore, the Court held that the human selection and arrangement of the revelations in the Book could not have been so "mechanical or routine as to require no creativity whatsoever." *Feist*, 499 at 362, and concluded that the "extremely low" threshold level of creativity required for copyright protection was met. See *Feist*, 499 U.S. at 345.

As to the issue of ownership of the copyright at the time of original publication, the district court found that even though a common law copyright was created at the time the Papers came into being, the Foundation itself had not adequately shown that it owned that copyright in 1955, when it published the Book, so as to entitle it to claim the statutory copyright. The district court opined that the Foundation had come into possession of the plates "serendipitously," and found that the Foundation failed to establish how it had become the "proprietor" of the copyright in the Book.

Under the 1909 Copyright Act, 17 U.S.C. SS 1, et. seq., an unpublished work was protected by common law copyright from the moment it was created, until it was either published with proper notice, or otherwise received protection under federal copyright law. *Twin Books Corp. v. Walt Disney Co.*, 83 F.3d 1162, 1165 (9th Cir. 1996). There-

tended to transfer, and did in fact transfer, their copyright in the Papers to the Foundation. Thus, when the Foundation published the Book in 1955, the original statutory copyright in the Book automatically vested in the Foundation."

Maaherra also contended that the Book was not a "work made for hire" and in this the Court found that she was probably correct. The Foundation was never the employer "of any of the spiritual beings, of Dr. Sadler, of the Contact Commission, or of any other entity that played a role in the creation of the Papers that were eventually transferred to the Foundation." Such a relationship is necessary at the time the work is created to claim renewal as the proprietor of a "work made for hire". 17 U.S.C. S 101; *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903); *Lin-Brook Builders Hardware v. Gertler*, 352 F.2d 298 (9th Cir. 1965); *Rohauer v. Friedman*, 306 F.2d 933 (9th Cir. 1962).

The district court found that the Foundation failed to establish "proprietorship" at the time the original copyright was secured because it had failed to show a "contractual arrangement entitling [it] to secure copyright in the various contributions." On this point, the Second Circuit held the court erred and stated "language of the trust instrument was, moreover, very broad, and sufficient to transfer not only the interest in the original copyright term, but in the renewal as well."

Maaherra next contended that even if the Foundation would have been entitled to secure the Book's renewal rights as the "proprietor of a composite work," the inaccuracy in the description of the claim in their application for renewal destroyed the validity of its renewal copyright. This was an

issue the district court did not decide.

The only clear statutory requirement for

copyright renewal of a work whose original statutory copyright was secured prior to January 1, 1964, was timeliness. The renewal statute in effect at the time the Foundation renewed its copyright in the Book required the claimant to apply for and register its renewal claim within the last year of the original copyright term. 17 U.S.C. S 304(a) (1983). According to statute, the Foundation had to renew the Book's copyright by December 31, 1983, when the original copyright term was to expire. The Foundation applied for timely renewal in January of 1983.

Maaherra contended that timeliness was not enough. Focusing on the language of the first proviso of Section 304(a), and on a Copyright Office regulation which provides the manner in which renewal registrations may be corrected, 37 C.F.R. S 201.5(b)(2)(iv), she argued that because the renewal certificate described the Foundation as the "proprietor of a work

made for hire" rather than as the "proprietor of a composite work", the renewal registration is not valid.

The regulation upon which Maaherra relied, 37 C.F.R. S 201.5(b)(2)(iv) (1983), provided in 1983:

"Supplementary registration to correct a renewal claimant or basis of a claim in a basic renewal registration may be made only if the application for supplementary registration and fee are received in the Copyright Office within the statutory time limits for renewal. If the error or omission in a basic renewal registration is extremely minor, and does not involve the identity of the renewal claimant or the legal basis of the claim, supplementary registration may be made at any time. Supplementary registration is not appropriate to add a renewal claimant."

The regulation would have permitted the Foundation to file a supplementary registration to correct its basic registration at any time during the renewal period, if the error was minor and did not "involve the identity of the renewal claimant or the legal basis for the claim." Corrections to the "identity" of the claimant or to the "legal basis of the claim" could only have been made within the statutory time limits for renewal, which in this case would have expired December 31, 1983.

Maaherra asserts that because the error the Foundation made in describing the nature of its proprietorship involved "the legal basis of the claim," the error could not be corrected and the Book became public domain in 1983. The Court of Appeals found the following problems with this argument: (1) It was not clear that the regulation's reference to the "legal basis of the claim" contemplates the identification of a particular type of proprietorship described in the first proviso of section 304(a). Given the structure of the statute, the general term "proprietor" was probably sufficient to identify the "legal basis" of the renewal claim in 1983. (2) The Court could find no case that ever held a renewal invalid for lack of an adequate description of the basis of the claim. The only cases in which renewals were forfeited involved those filed by the wrong claimant. Therefore, the Foundation was found to be a proper renewal claimant because it was the "proprietor" of the Book both in 1955 and in 1983.

In light of the above, even if the Foundation could no longer correct the "work made for hire" description, the Foundation's renewal copyright would not be invalid. But, the Court found even more compelling authority for this result in the overwhelming case law which holds that "inadvertent mistakes on registration certificates do not invalidate a copyright and thus do not bar infringement actions, unless the alleged infringer has relied to its detriment on the mistake, or the claimant intended to defraud the Copyright Office by making the misstatement." *Nimmer*, S 7.20 at 7-201 and n.6. *S.O.S, Inc. v. Payday*, 886 F.2d

continued on page 58

"Original as the term is used in copyright, means only that the work was independently created by the author..."

fore, the Book was protected by common law copyright from the moment it was created by the members of the Contact Commission until its publication. The question then was if those humans transferred that copyright to the Foundation.

Although the precise words "assign" or "transfer" did not appear in the trust instrument, it was clear that the members of the Contact Commission demonstrated their intent to transfer the common law copyright to the Foundation both through the language of the trust instrument itself, and by delivery of the printing plates to the Foundation.

Under the 1909 Act, a common law copyright could be assigned without the necessity of observing any formalities, *D. Nimmer & M.B. Nimmer, Nimmer on Copyright*, S 10.03[B][2], at 10-45 (1996) ("Nimmer"). The Court of Appeals found that the members of the Contact Commission also "in-

Juris Libris
from page 52

can speak coherently with an attorney and be proactive in planning an estate. It covers life insurance, annuities, business agreements, and charitable giving.

The Five-Minute Lawyer's Guide to Estate Planning by Michael Allan Cane, New York: Dell Books, c1995. Written in simple, easy-to-understand language, attorney Michael Cane explains basic estate planning concepts by using a question and answer format and analogies. He covers wills, trusts, durable power of attorneys, life insurance, joint tenancies, gifts to minors, gift and estate taxes, and probate procedure. He outlines the basic elements of a will. However, he does not give any examples. This book is not intended to be a guide to writing a will. Its purpose is to explain why a person should have a will and basic estate planning techniques. He does tell people where they can go to purchase will kits and the approximate prices for these kits. But his book alone could not be used to draft a will. I would recommend adding this book to your estate planning collection.

The Complete Book of Wills and Trusts, With Checklists and Forms, by Albert M. Lehrman, Englewood Cliffs, N.J.: Institute for Business Planning, c1978. This book is an exhaustive treatment of wills and trusts. It has checklists of everything an attorney needs to gather together to draft a will, checklists of

everything to do to properly execute a will and exhaustive treatment of the law and will clauses. It also has samples of complex wills and trusts, as well as simple ones. The book's only drawback is that it is dated. The laws of wills and trusts have changed in many areas since 1978. For example, the Unified Credit is now \$600,000, while the Unified Credit Table stops at 1981. (This is amazing since the reprint date is 1979!) This is the only book that I found with actual checklists to ensure that everything was done correctly. However, one must weigh the usefulness of the checklists against the datedness of the law in the charts. Much of the book is still useful. The danger is whether the patron would know to update the research. If the library's clientele are highly educated, this book would be an excellent resource for them. If the library has patrons who only want one book to show them everything, this is not the one book to own!!

A Layman's Guide to Louisiana Wills and Trusts published by Juris Press, c1983. This book describes the basic laws of property, intestacy, forced heirship, and estate taxes in Louisiana in plain English so that the lay person can determine whether he or she needs to write a will. The book explains what one can do with a will and what one cannot do. It contains one chapter on holographic wills, but it takes the position that the lay person should not attempt to write his or her own will. The book contains no forms, but does contain a comprehensive estate planning data sheet which

anyone could use as a guide to getting their affairs in order. Simply put, this book is useful for any library which may have patrons who are residents of Louisiana due to the background information on Louisiana estate law. This book, in connection with a book with forms, would be beneficial to *pro se's* attempting to write their own wills.

Other Necessary Books

In addition to books on wills and trusts, the estate planning collection should contain a few other books as well. The most important non-will book is a legal dictionary. I would recommend a recent edition of ***Black's Law Dictionary*** by Henry Campbell Black, St. Paul, Minn.: West Publishing Co. Although

some of the above-listed books have glossaries, there are always some terms which are not defined clearly. A law dictionary is a definite asset to any self-help collection.

Another book or set of books which are recommended is a set of your state's statutes, or if your state publishes it, a separate volume which contains all the laws on wills for your particular state. This is necessary (unless you have purchased a volume which is updated frequently) because the laws of wills could potentially change each year. Although in reality much of the laws of wills has stayed the same since the 1800's, sometimes the legislature throws a curve ball. For example, the Oklahoma legislature has set out in the statutes the proper signatory clause for Oklahoma wills, the official self proving clause for a self-proving will, and the official Living Will in its entirety. Their actions made portions of the wills books held by libraries invalid as to these clauses. It is important that the *pro se* patron have access to their state's statutes of wills.

Conclusion

A basic estate planning collection is an asset to any library which is frequented by adult patrons. Due to the cost of professional estate planners, many patrons prefer to draft their own estate planning documents or research their options before consulting an estate planner. A viable collection can be maintained on a tight budget if books are chosen which contain statutory appendices (updating these yearly or as new editions are published), forms, and basic estate planning concepts. A legal dictionary should also be added to the collection. Estate planning books are always a good investment because they will be heavily used and may attract new patrons to your library.

Cases of Note
from page 56

1081 (9th Cir. 1989); ***Harris v. Emus Records***, 734 F.2d 1329 (9th Cir. 1984).

Finally, Maaherra argued that the Foundation's claim was barred under the holdings of these cases because the Foundation intended to defraud the Copyright Office when it stated it was the "proprietor of a work made for hire" and she asserts that the "Foundation did not want to reveal to the Copyright Office that the 'authors' were celestial beings because the Copyright Office would have rejected the application." The Court also found no merit to this contention. The Foundation deposited two copies of the Book with the Copyright Office and the Book "clearly describes its own origin as having been created at the instance of: 'Planetary celestial supervisors [who initiated] those petitions that resulted in the granting of the mandates making possible the series of revelations of which this presentation is a part.'"

In concluding, the Second Circuit Court of Appeals reversed and remanded the lower court opinion holding that the Foundation's renewal copyright was valid and that Maaherra had infringed upon the same.

LIBRAIRIE - BOOKSELLER

**Bookseller & subscription agent
for material from France and
French speaking countries.**

For information on our services contact
Edna Laughrey, 291 Tower Dr. Saline, MI 48176
Phone 313-429-1029 Fax 313-429-1711
E-mail elaughey@aol.com

62, Avenue de Suffren 75015 Paris, France
Phone (33-1) 45.67.18.38
Fax (33-1) 45.66.50.70
E-mail aal@auxam.fr