November 2013

Cases of Note -- Copyright -- Captain America Battles for § 304 (c) and the American Way Of Aiding Battered Authors

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Recommended Citation
Strauch, Bruce (2003) "Cases of Note -- Copyright -- Captain America Battles for § 304 (c) and the American Way Of Aiding Battered Authors," Against the Grain: Vol. 15: Iss. 3, Article 29.
DOI: https://doi.org/10.7771/2380-176X.4128

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Copyright - Captain America Battles For § 304 (c) and the American Way Of Aiding Battered Authors

Copyright Act of 1976
The Supreme Court made a hash of Congress' attempt to save the comic book industry. The court held that Congress had given the copyright owners too much power. In a battle over whether a company that made a line of comic books could claim the rights to the characters that appeared in its books, the court ruled that the company did not have the rights to the characters.

Issue Preclusion
Collateral estoppel bars parties from re-litigating an issue of fact or law that was fully and fairly litigated in a prior action. See Boguslavsky v. Kaplan, 159 F.3d 715, 719-20 (2d Cir. 1998). This applies when: (1) the identical issue was raised in a previous proceeding; (2) the issue was actually litigated and decided in the previous proceeding; (3) the party had a full and fair opportunity to litigate the issue; and (4) the resolution of the issue was necessary to support a valid and final judgment on the merits.

Soyou'd think Marvel would have him here.
But a stipulation of settlement "unaccompanied by findings" does not "bind the parties on any issue...which might arise in connection with another cause of action." Lawlor, 349 U.S. at 327.

"To have a preclusive effect on specific issues or facts, however, a voluntary dismissal also must be accompanied by specific findings sufficient for a subsequent court to conclude that certain matters were actually decided." Motrandi v. Richlazen, Inc., 1998 U.S. Dist. LEXIS 2904 (S.D.N.Y. March 11, 1998).

Let's do this. Simon might have settled because his wallet was exhausted. While the facts would have shown it was not a work for hire.

And incredibly, the Settlement Agreement was detailed as to who authored Captain America but had nothing about whether it was a work for hire.

Termination and the 1976 Act
§304(c)(5) says the author can terminate "agreement to the contrary." Simon unambiguously agreed in the settlement that he had done a work for hire. Is this an agreement to the contrary?

Marvel argued that if Simon got his way, no settlement agreement could be had as to issues of authorship.

The Second Circuit looked to the intent of Congress as elucidated by the Supreme Court.

"The principal purpose of the amendments in § 304 was to provide added benefits to authors. More particularly, the termination right was expressly intended to relieve authors of the consequences of ill-advised and unrecompensatory grants that had been made before the author had a fair opportunity to appreciate the true value of his work product." Mills Music, 469 U.S. at 172-73.

So an agreement post creation that a work was for hire is an "agreement to the contrary," which can be disavowed. Any other interpretation would permit "litigation-savvy publishers" to force authors to agree the work was continued on page 77.

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one for hire before it would be published the first time.

The effect would be a repeat of the Fred Fisher decision and once again blow away Congressional intent.

"The parties to a grant may not agree that a work shall be deemed one made 'for hire' in order to avoid the termination provisions if a 'for hire' relationship ... does not in fact exist between them. Such an avoidance device would be contrary to the statutory provision that 'termination of the grant may be effected notwithstanding any agreement to the contrary.' ... It is the relationship that in fact exists between the parties and not their description of that relationship, that is determinative." 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 11.02[A][2] (2000 ed).


Likewise, under agency law, one is not an agent merely because the parties have used the word "agent." The designation does not control facts that show something contrary. 3 Am. Jur. 2d Agency § 19 (2002).

Despite Marvel's dire prediction, all publishers would have to do in a settlement is comply with the demands of collateral estoppel and file detailed factual findings on the employment status of the author with the court.

Another of Those Estoppels You've Always Wondered About But Been Too Shy To Ask

The doctrine of equitable estoppel applies "where the enforcement of the rights of one party would work an injustice upon the other party due to the latter's justifiable reliance upon the former's words or conduct." Kovach v. New Rochelle Radiology Assocn., P.C., 274 F.3d 706, 725 (2d Cir. 2001).

Marvel's final contention was they would have gone on to trial had they known Simon would later disavow the agreement. And they would have called as witnesses Martin Goodman and Jack Kirby. And both have now died.

But there was full discovery with cross-examination in the depositions. Aren't those admissions in evidence?

However the Second Circuit said Marvel was overlooking the intent of § 304(c). Congress intended for authors to be able take back their promises. Otherwise, § 304(c) would always be trumped by equitable estoppel.

And further, Simon's claim didn't arise until a decade after the agreement. There is no detriment to Marvel which has reap the cash harvest for the twenty-eight year renewal period. And even should Simon prove at trial he was not working for hire, Marvel can continue to profit from all Captain America works prior to the termination date.

Questions & Answers — Copyright Column

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QUESTIONS: A professor wants to photocopy several cases handed down by the United States Supreme Court. Since U.S. government documents are fair use, how does this apply if he is copying the cases from a textbook, not the Supreme Court Reporter. Does that make any difference?

ANSWER: Actually, U.S. government documents are public domain rather than fair use which means that the works may be copied, edited, etc., without seeking permission from the copyright owner or applying the four fair use factors. The official U.S. Reports, available from GPO, is a government publication and therefore may be freely reproduced, edited, translated, etc. The Supreme Court Reporter, published by West Publishing Company, is a commercially published law reporter, and it contains features that make the volume copyrightable as a compilation such as the headnotes, the editorial features, and the like. However, if the faculty member copies only the case itself without the headnotes, the text of the court opinion, even from the West publication, is also public domain.

Taking a court opinion from a textbook presents a different issue since most text or casebooks contain edited versions of cases. Has the editor done enough work to qualify the cases as derivatives work that would be separately copyrightable? Perhaps. The faculty member then has several alternatives to stay within the law: (1) reproduce the

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