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Protecting Performance Rights under the Derivative Works Exception

Cover Page Footnote
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NOTE

PROTECTING PERFORMANCE RIGHTS UNDER THE DERIVATIVE WORKS EXCEPTION*

Typically, songwriters transfer the copyright ownership rights in their songs to music publishers. As copyright holder, a publisher will collect the generated royalties and distribute the income to the songwriter pursuant to the terms of the transfer. When a songwriter exercises his statutory right to terminate a transfer of the copyright in his original composition, all the copyright ownership rights revert to the songwriter.1 Included in this general reversion are the rights to collect performance royalties and to license others to create derivative works based on the original composition.2

One of the ways a publisher may choose to utilize a song is by licensing record companies to develop derivative works. With respect to a musical composition, a derivative work will most often be a sound recording. With few exceptions, sound recordings of musical compositions are derivative works based on the underlying original composition.3 A derivative work based on a musical composition will most often be a sound recording. A sound recording is the particular rendition of the composition reduced to a fixed form such as a master tape.4 Sound recordings may be developed only pursuant to a license.5 To exploit a sound recording without obtaining a license would constitute infringement.6 When sound recordings are publicly performed, such as radio or television broadcast, the underlying song generates performance royalties which are the exclusive province of the copyright holder of the underlying song.7

This Note addresses a problem that arises when a publisher, as copyright holder, has issued licenses to third parties, such as record

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* The topic of this Note was inspired by an issue presented in the 1991 Cardozo/BMI Moot Court Competition.
1. The termination and reversion rights at issue in this Note apply to works copyrighted prior to January 1, 1978, as provided in section 304(c) of The 1976 Copyright Act. See infra notes 9, 62-68 and accompanying text.
2. See infra notes 34-41 and accompanying text.
3. An exception would be where the sound recording is the first fixation of the composition; i.e., no lead sheet or other written or aural fixation of the composition.
4. See infra notes 37-39 and accompanying text.
5. See infra notes 24-30 and accompanying text.
companies, to develop derivative works based on a copyrighted composition. Specifically, if a publisher is collecting performance royalties generated by the broadcast of derivative works he has licensed, may he continue to collect performance royalties for the broadcasts of those derivative works once the author exercises his statutory right to terminate the grant to the publisher and reacquire the rights in the composition?

The relevant United States Supreme Court decision interpreting the applicable statutory provision does not address the issue of performance royalties. If read broadly, however, the Court's reasoning implies that the publisher's right to performance royalties generated by pre-termination sound recordings survives termination. This Note argues that the assignment of the performance right does not survive termination; the right to performance royalties is among the rights that should revert to the writer. I say "should" because it is a close question. Music publishers facing termination of their ownership interests in pre-1978 compositions would test this issue by making a demand on their performing rights society affiliate.

Part I of this Note provides a background summary of the law governing this issue. Part II discusses the relevant Supreme Court precedent, Mills Music, Inc. v. Snyder. Part III argues that the performance right is not protected by the Derivative Works Exception despite language in the Mills Music decision that implies that the right would survive termination. This Note concludes that with respect to a musical composition, the performance right stems solely from copyright ownership of the original composition; therefore, the Derivative Works Exception may not be read to protect the performance right from reversion to the writer.

8. See Mills Music, Inc. v. Snyder, 469 U.S. 153 (1985) (5-4 decision) (Stevens, J.). The Mills Music decision is discussed fully later in this Note. See infra notes 70-88 and accompanying text.

9. Works that have been copyrighted before January 1, 1978, are subject to termination of transfers. 17 U.S.C. § 304(c) (1988). The author, or other person so entitled under the statute, has a five-year window of opportunity within which to exercise the termination right, which vests fifty-six years after the date that copyright was secured. 17 U.S.C. § 304(c)(3). The right to terminate is limited by the requirement of timely written notice. Notice of termination must be given at least two and not more than ten years before the date of termination. 17 U.S.C. § 304(c)(4)(A).

As of the date of publication of this Note, the termination right has expired for works copyrighted before December 31, 1932. If a work was copyrighted on January 1, 1933, the window during which the author would have the right to terminate would begin on January 1, 1989 and end on December 31, 1994. Notice would have to be given on or before December 31, 1992. See also notes 64-68 and accompanying text.

10. Id.

11. See infra note 69 and accompanying text.
BACKGROUND AND SUMMARY OF LAW

The copyright laws of the United States protect the interests of authors and songwriters in their creative works. Prior to 1978, the original term of copyright existed for twenty-eight years from the date copyright was secured ("the First Term"). At the end of the First Term, the author had an option to renew the copyright for an additional twenty-eight years ("the Renewal Term"). After the expiration of the total fifty-six years (the two 28-year terms), the copyrighted material became part of the public domain.


14. For the purposes of this Note, unless otherwise specified, the terms "author" and "writer" refer to the person or persons who owns or is entitled to the author's termination interest. See infra notes 62-68 and accompanying text.

15. The renewal system was intended to serve a dual purpose. On one hand, the author could allow the copyright to lapse after twenty-eight years if he felt protection was no longer needed. But on the other hand, and more importantly, the renewal system provided an author with a valuable second chance to profit from his work:

If the work proves to be a great success and lives beyond the term of twenty-eight years, . . . it should be the exclusive right of the author to take the renewal term, and the law should be framed . . . so that he could not be deprived of that right.

H.R. REP. No. 2222, 60th Cong., 2d Sess. 14 (1909); S. REP. No. 1108, 60th Cong., 2d Sess. 14 (1909). See Frank R. Curtis, Protecting Authors in Copyright Transfers: Revision Bill § 203 and the Alternatives, 72 Colum. L. Rev. 799, 805-06 (1972). Critics argued that the renewal system failed to achieve this second purpose of protecting authors because the 1909 Act did not provide for situations in which the renewal term might be assigned in advance. See, e.g., Curtis, supra, at 806-09.

In 1943, the Supreme Court held that the renewal term was assignable in advance and that nothing in the 1909 Act prevented future assignments. Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943). Thus, the author was able to "enjoy a 'second chance' to profit from his work only if he [had] resisted publishers' efforts to secure an advance assignment." Curtis, supra, at 807. Critics were skeptical that such resistance to publishers' efforts to procure advance assignments would be forthcoming from authors whose bargaining power was slight. Id.


Public domain is the opposite of copyright . . . . It lacks the element of
The writer is the initial owner of the copyright in a musical composition. In the music industry, however, the typical songwriter's agreement requires the writer to transfer his ownership interest to the publisher, making the publisher the copyright holder. In exchange, the writer usually receives an advance on royalties, the benefit of the publisher's expertise, industry connections, administrative and promotional resources, and whatever other benefits for which he may contract.

Copyright law provides the copyright owner with certain rights.

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18. E.g., 2 Lindley, supra note 12, § 7.01. Songwriter's Agreement Form 7.01-1 paragraph 3(a):

Writer hereby assigns, transfers, sets over and grants to Publisher... each and every right and interest of every kind... in all musical compositions in any and all forms..., together with all copyrights and renewals and extensions thereof, which musical compositions have been written... by Writer... at any time prior to or during the term [of this agreement].

Id. The assignment of the copyright in a musical composition makes the assignee the holder of the copyright in the composition. Richcar Music Co. v. Towns, 53 A.D.2d 501, 385 N.Y.S.2d 778 (Kupferman, J.), modified on other grounds and aff'd, 67 A.D.2d 888, 413 N.Y.S.2d 705 (1976). See Mills Music, 469 U.S. at 170 n.37 (listing sources cited for the proposition that in modern music industry most copyrights are owned by publishers); see also Theodore R. Kupferman, Copyright and Judges, 19 Bull. Copyright Soc'y U.S. 343, 351 (1972).

19. See generally Shemel & Krasilovsky, supra note 16, at 133-337 (discussing in-depth the roles of music publishers and writers in today's music business).

20. The five fundamental rights ("bundle of rights") that the statute gives to copyright owners are the exclusive rights of reproduction, adaptation (derivative works), publication (distribution), performance, and display. Section 106 of the 1976 Act enumerates this bundle of rights:

Subject to sections 107 through 120, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
(1) to reproduce the copyrighted work in copies or phonorecords;
(2) to prepare derivative works based upon the copyrighted work;
(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership or by rental, lease, or lending;
(4) in the case of literary, musical, dramatic and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and
(5) in the case of literary, musical, dramatic and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

17 U.S.C. § 106. The music industry practically always treats these rights as inseparable. Thus the music publisher alone, as copyright holder, administers the dis-
These exclusive rights comprise the so called "bundle of rights" that is a copyright. The grant of an "exclusive" right means that the copyright owner is the only party legally entitled "to do and to authorize" any of the activities specified in the five numbered clauses which comprise section 106 of the 1976 Copyright Act ("the 1976 Act"). Among these "activities" are the exclusive rights of reproduction, adaptation, and performance.

RIGHT OF REPRODUCTION; COMPULSORY LICENSES; MECHANICAL ROYALTIES

The right of reproduction refers to the copyright owner's exclusive right "to reproduce a copyrighted work in copies or phonorecords." A "phonorecord" is the actual material reproduction of a sound recording—such as a tape cassette, phonograph record, or compact disk—which eventually is distributed to the public. The 1976 Act gives the copyright owner of "nondramatic musical
works” the exclusive right to be the first to “make and to distribute phonorecords of such works” or to authorize another to do so. Once the copyright owner exercises that right, however, the work is subject to “compulsory licensing”; i.e., anyone may record and distribute phonorecords of the work provided he complies with certain formalities. In addition, the right of reproduction requires record companies to make statutorily fixed payments to songwriters and

26. Nondramatic works such as musical compositions are distinguished from dramatic works, which contain elements pertaining to drama or the theater such as “plays, dramatic scripts designed for radio or television broadcast, pantomimes, ballets, musical comedies, and operas.” Shemel & Krasilovsky, supra note 16, at 214. Nondramatic performance rights (also called "small rights") are distinguished from dramatic performance rights ("grand rights"). The copyright owner of a dramatic work has the exclusive right to perform the work publicly, 17 U.S.C. § 106(4). "Thus the copyright owner of the dramatic work My Fair Lady has the absolute exclusive right to authorize or to withhold authorization of the recording or performance in public of the musical play." Shemel & Krasilovsky, supra note 16, at 214. In contrast, a nondramatic work is subject to compulsory licensing, which limits the copyright owner's "absolute exclusive" control over copyrighted nondramatic work. 17 U.S.C. § 115; see infra note 31 and accompanying text. See generally 1 Nimmer, supra note 16, § 2.06[D] (discussing distinction between a dramatic work and a musical work).

The licensing of nondramatic public performance rights is handled by performing-rights organizations. See infra notes 42-44 and accompanying text. ASCAP administers only nondramatic performance rights for its members. Shemel & Krasilovsky, supra note 16, at 215. BMI has only a limited right to license dramatic performance. Id. at 215-16. SESAC generally excludes "grand rights" from its contracts. Id. at 216.


Section 115 of the 1976 Act covers the scope, availability, and formalities of compulsory licensing:

When phonorecords of a nondramatic musical work have been distributed to the public in the United States under the authority of the copyright owner, any other person may . . . obtain a compulsory license to make and distribute phonorecords of the work. A person may obtain a compulsory license only if his or her primary purpose in making phonorecords is to distribute them to the public for private use.

17 U.S.C. § 115(a)(1) (emphasis added) (Compulsory license does not authorize the distribution of phonorecords for commercial use, such as background music services.)

A compulsory license includes the privilege of making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work, and shall not be subject to protection as a derivative work under this title, except with the express consent of the copyright owner.
publishers for the right to make and sell phonorecords. These payments generated from the sale of phonorecords are known as mechanical royalties.

The Harry Fox Agency

For the most part, compulsory licensing and distribution of mechanical royalties are handled by The Harry Fox Agency. The Harry Fox Agency administers mechanical licenses on behalf of the over 7800 publishers who use its services and oversees revenue collection from record companies. The mechanical license requires the manufacturer to account and pay for all phonorecords made and distributed. Licensees have the same general rights and obligations that users under the compulsory license provision (section 115) of


By guaranteeing certain rights to copyright owners, compulsory licensing was intended to promote the spread of creative ideas, but critics maintain that it has the opposite effect. Office of Technology Assessment, U.S. Congress, Copyright and Home Copying at 109 (1989) [hereinafter Copyright and Home Copying]. According to the Register of Copyrights, compulsory licensing is tough on copyright owners:

Once he exploits his right to record his music he is deprived of control over further recordings. He cannot control their quality nor can he select the persons who will make them. There have been many complaints of inferior recordings and of recordings by financially irresponsible persons.

Shemel & Krasovsky, supra note 16, at 152-53 (quoting Register of Copyrights). The record industry favors the compulsory license, while authors and publishers have argued heatedly but unsuccessfully against it. Id. at 153.


30. The statutory royalty rate is determined by the length of the song, the number of songs on the album, and net sales of the recording. The Copyright Royalty Tribunal sets mechanical royalty rates and adjusts the rate every two years based on the Consumer Price Index. The statutory royalty rate as of January 1, 1990, is 5.7 cents for each record made and distributed or 1.1 cent per minute or fraction thereof, which ever amount is greater. 37 C.F.R. § 307.3(e) (1990); National Music Publishers' Association, Inc., The Harry Fox Agency Inc., 1990 Brochure 5 (1990) [hereinafter The Harry Fox Agency Brochure]. The new statutory royalty rate effective January 1, 1992, will be 6.25 cents for each record made and distributed or 1.2 cent per minute or fraction thereof, which ever amount is greater. [author], [title], Billboard, November 23, 1991, at 86. "Compulsory mechanical license fees are seldom set at the statutory level, however. The user can often negotiate a lower rate with the copyright owner." Copyright and Home Copying, supra note 28, at 109-10 (footnotes omitted); The Harry Fox Agency Brochure, supra, at 5.

31. Shemel & Krasovsky, supra note 16, at 242-43. Compulsory licenses are practically always issued with some variation from the requirements of section 115 of the 1976 Act. The compulsory license that varies in its terms from the statutory requirements and is issued by The Harry Fox Agency is called a "mechanical license." In 1989, The Harry Fox Agency issued over 100,000 mechanical licenses while less than 50 compulsory licenses were issued during the same period. Id. at 243.

32. The Harry Fox Agency Brochure, supra note 30, at 4-5.
the 1976 Act have. 33

Right of Adaptation; Derivative Works; Sound Recordings

The right of adaptation is a shorthand phrase for the copyright owner’s exclusive right “to prepare derivative works based on the copyrighted work.” 34 A derivative work is “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.” 35 Derivative works contain an element of creative authorship and may be copyrighted independently of the underlying work. 36

A derivative work based on a musical composition is typically a sound recording. Sound recordings are “works that result from the fixation of a series of musical, spoken or other sounds, but not including the sounds accompanying a motion picture or other audiovi-

33. SHEMEL & KRASILOVSKY, supra note 16, at 243.
34. 17 U.S.C. § 106(2).
36. 17 U.S.C. § 103(b). For example, an author may copyright a novel she has written. A film producer may obtain a license and prepare a derivative work (a motion picture) based on the novel. The film producer may now copyright the motion picture, independently of the novel, and will be entitled to the rights afforded owners of copyrights in derivative works. Subsection 103(b) sets forth the scope of protection for derivative works:

The copyright in a . . . derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

Id. It is “fundamental” that “copyrights in derivative works secure protection only for the incremental additions of originality contributed by the authors of the derivative works.” Silverman v. CBS Inc., 870 F.2d 40, 49 (2d Cir.), cert. denied, 492 U.S. 907 (1989).

A derivative work may be prepared only with the permission of the owner of the underlying work. Russell v. Price, 448 F. Supp. 303 (C.D. Cal. 1977), aff’d, 612 F.2d 1123 (9th Cir. 1979), cert. denied sub nom., Drebin v. Russell, 446 U.S. 952 (1980). However, even an authorized derivative work must have sufficient elements of creative authorship to merit copyright protection. L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 491 (2d Cir.) (en banc) (“[T]o support a copyright there must be at least some substantial variation, not merely a trivial variation such as might occur in the translation to a different medium.”), cert. denied, 429 U.S. 857 (1976); see Durham Indus., Inc. v. Tomy Corp., 630 F.2d 905 (2d Cir. 1980); cf. Eden Toys, Inc. v. Florelee Undergarment Co., 697 F.2d 27, 34 (2d Cir. 1982) (Even a work having the “same aesthetic appeal” as an underlying work such as to constitute an infringement if unauthorized, might incorporate “non-trivial contributions” to the underlying work and thus be copyrightable if authorized.). On the other hand, a work is not derivative unless it has been substantially copied from a prior copyrighted work. Litchfield v. Spielberg, 736 F.2d 1352 (9th Cir. 1984), cert. denied, 470 U.S. 1052 (1985).
sual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied."\textsuperscript{37} Typically, a sound recording is the particular musical arrangement of the composition, including choice of instruments, vocalists, tempo, and so forth, as fixed in a reproductive medium, such as a master tape. Sound recordings are usually developed under mechanical license, but may be copyrighted independently as derivative works.\textsuperscript{38} The exclusive rights of the owner of the copyright in a sound recording are limited to the rights of reproduction, adaptation, and distribution, and specifically exclude any right of performance under section 106(4) of the 1976 Act.\textsuperscript{39}

**Right of Performance; Performance Royalties**

The exclusive right of performance belongs solely to the copyright holder and provides that the holder is the only person with the right to perform the work publicly.\textsuperscript{40} The copyright holder exer-

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38. Independent copyright of the sound recording as a derivative work requires the express permission of the owner of the underlying work and may not be effected under compulsory license. See supra notes 31-36 and accompanying text.
39. 17 U.S.C. § 114. The owner of a sound recording does not enjoy the exclusive right of performance. Anyone who obtains the phonorecord of a sound recording may "publicly perform" (see infra notes 40-41 for a definition of publicly perform), the sound recording without the permission of or any obligation to the owner of the sound recording. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 106-07 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5721-22. In effect, a radio station, for example, "publicly performs" both the song and the sound recording every time it plays a particular record over the air. Thus, two sets of ownership interests come into play: the interest of the author and publisher in the underlying work (the song itself), and the interest of the owner of the derivative work (the sound recording). See J. Gunnar Erickson, Edward R. Hearn & Mark E. Halloran, Musician's Guide to Copyright 16 (rev. ed. 1983). Because the owner of the song has the exclusive right of performance, the radio station must obtain a license which effectively grants the owner's permission to publicly perform the song and orders payment of performance fees. See 17 U.S.C. § 114(c). But because the owner of the sound recording does not enjoy the exclusive right of performance, his permission is not required nor must the station pay him performance royalties. See H.R. Rep. No. 1476, 94th Cong., 2d Sess. 106-07, reprinted in 1976 U.S.C.C.A.N. 5659, 5721-22; 17 U.S.C. § 114(a), (b).
40. 17 U.S.C. § 106. The legislative history of the 1976 Act clearly explains the idea of "performance":

The concepts of public performance ... cover not only the initial rendition or showing, but also any further act by which that rendition or showing is transmitted or communicated to the public. Thus, for example: a singer is performing when he or she sings a song; a broadcasting network is performing when it transmits his or her performance (whether simultaneously or from records); a local broadcaster is performing when it transmits the network broadcast; a cable television system is performing when it retransmits the broadcast to its subscribers; and any individual is performing whenever he or she plays a phonorecord embodying the performance or communicates the performance by turning on a receiving set.
cises his right to control public performance by granting licenses. The licensing scheme generates performance royalties.41

Performing Rights Societies

The copyright holder has the right to control the public performance of his copyrighted musical composition. Because it would be impractical for individual owners to attempt to monitor all such performances, organizations called performing rights societies were created to account for royalties generated by performance.42 A performing rights society is "an association or corporation that licenses the public performance of nondramatic musical works on behalf of the copyright owners."43 A performing rights society licenses the performance of the composition, collects a license fee from users such as broadcasters, monitors the performance of the composition, and distributes the appropriate royalties to the writer and publisher.44

The Copyright Act of 1976

In 1976 Congress substantially revised the copyright laws.45 One

41. Obviously, it would be impossible for every "performer" of a copyrighted composition to contact the writer individually. Performance rights are granted by license and are administered by large organizations called performing rights societies. See infra notes 42-44 and accompanying text.
44. A publisher and a songwriter each enter into separate agreements with a performing rights society. These agreements authorize the performing rights society to license nondramatic public performances of the composition. See Broadcast Music, Inc. v. Taylor, 10 Misc.2d 9, 55 N.Y.S.2d 94 (N.Y. Sup. Ct. 1945) (holding that the relationship between the writer, the publisher, and the performing rights society is basically that of a "joint venture for the commercial exploitation of the performing rights," 55 N.Y.S.2d at 102). The amount of the license fee paid by a radio or television broadcaster is based on a percentage of net revenues earned by the station. The money generated by license fees is distributed equally between the writer and the publisher. Theoretically, the royalties distributed are determined by the number of times the song is publicly performed. However, given how difficult it would be to monitor every performance on radio, television, and in live concerts, performing rights societies use an elaborate method of logging and statistical sampling to determine the amount of royalties a given composition generates. See sources cited supra note 42.
45. See supra note 12 and accompanying text.
of the objectives of the 1976 Copyright Act was to respond to certain inequities in the relationship between authors and publishers. In the typical pre-1978 scenario, the composer would bargain away his ownership interest in the composition for the entire 56-year copyright period. Unfortunately, due to the unequal bargaining position between most composers and music publishers, certain composers did not realize profits comparable to those of the music publishers. Frequently, the composer was unable to predict his success before his work was marketed. Thus, acquiescing to a disproportionate distribution of profits, the composer would assign his rights to a music publisher in exchange for the publisher's expertise. In response to this unfair situation, Congress altered the law to favor the composer's right to receive the compensation deserved for his creative work.

The 1976 Act specifically addresses three aspects of the relationship between music publishers and composers. First, the legislation provides for a longer duration of copyright protection. Second, it gives authors the right to terminate transfers and licenses so that such grants do not govern the extended renewal term. Third, the termination causes all rights "covered by the terminated grant" to revert to the author. The new statute gives the composer access to his composition notwithstanding any prior agreements.

Duration of Copyright Protection

Under the 1976 Act, duration of copyright protection depends on when the work was created or first copyrighted. Works that have been copyrighted or published fall into three categories: (1) new works created on or after January 1, 1978; (2) copyrights in their original term on January 1, 1978; and (3) copyrights in their re-

47. See Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943) (The 1909 Copyright Act does not nullify an agreement by an author, made during the original copyright term, to assign his renewal interest: an author may assign not only the initial 28-year term of the copyright in his work, but also the renewal term.). "Thus, assignees were able to demand the assignment of both terms at the time when the value of the copyrighted work was most uncertain. The termination provisions of the 1976 Act were designed to correct this situation." Mills Music, 469 U.S. at 186 (White, J., dissenting).
49. 17 U.S.C. §§ 302-305; see infra notes 52-56 and accompanying text.
50. 17 U.S.C. § 304(c); see infra note 62-68 and accompanying text.
52. Pre-1978 works that are not published or copyrighted are protected by federal copyright for the life of the author plus fifty years. 17 U.S.C. § 303.
newal term on January 1, 1978. The duration of copyright protection for new works created after 1977 is the life of the author plus fifty years.\textsuperscript{53} For works in their original term of copyright on January 1, 1978, copyright protection initially endures for twenty-eight years from the date the copyright was secured.\textsuperscript{54} At the expiration of the 28-year original term, subsection 304(a) provides a renewal and extension term of forty-seven years.\textsuperscript{55} For works in their renewal term on January 1, 1978, copyright protection is extended to endure for seventy-five years from the date copyright was originally secured.\textsuperscript{56} Thus, upon expiration of the renewal term, subsection 304(b) provides an automatic 19-year renewal and extension of copyright protection called the "Extended Renewal Term."

Renewal

"[T]he concept of copyright renewal applies only to pre-1978 works in their original term of copyright as of January 1, 1978."\textsuperscript{57} To secure copyright renewal for such works, the applicant must comply with a number of highly technical requirements.\textsuperscript{58} Renewal rights belong to the author (or his assignee) if he is alive at the time the original term expires.\textsuperscript{59} If the author dies before the expiration of the original term, section 304 gives the renewal and extension right to specified successors in a particular order of preference.\textsuperscript{60} The renewal copyright is independent of the first term and may be

\begin{itemize}
\item \textsuperscript{53} 17 U.S.C. § 302(a). In the case of a joint work, the duration of copyright is fifty years after the death of the last surviving author. 17 U.S.C. § 302(b). For the duration of copyright with respect to anonymous or pseudonymous works and works made by an employee-for-hire, see 17 U.S.C. § 302(c).
\item \textsuperscript{54} 17 U.S.C. § 304(a).
\item \textsuperscript{55} 17 U.S.C. § 304(a).
\item \textsuperscript{56} 17 U.S.C. § 304(b).
\item \textsuperscript{57} SHEMEL & KRASILOVSKY, supra note 16, at 165; 17 U.S.C. § 304(a).
\item \textsuperscript{58} See Copyright Office Regulation on Renewal of Copyright, 37 C.F.R. § 202.17 (1981) (reprinted in SHEMEL & KRASILOVSKY, supra note 16, at 470-72 app.); see SHEMEL & KRASILOVSKY, supra note 16, at 165-66. The Song Writers Guild of America has a service which keeps track of copyrights and files applications for its members at appropriate times. \textit{Id.} at 166.
\item \textsuperscript{59} 17 U.S.C. § 304(a). Where there is more than one author, filing for renewal by one of the collaborators is sufficient to protect the interests of all. SHEMEL & KRASILOVSKY, supra note 16, at 166. For certain works originally copyrighted by a proprietor, the proprietor holds the renewal right. 17 U.S.C. § 304(a) (1st proviso). Such works include any posthumous work, or periodical, cyclopedic, or other composite work, or work copyrighted by a corporation or employer which hired someone to create such work. \textit{Id.}
\item \textsuperscript{60} See 17 U.S.C. § 304(a) (2d proviso). The order of preference is (1) the author, if still living; (2) if the author is dead, the widow(er) or children of the author; (3) if no surviving widow(er) or child, the executor named in the author's will; (4) if no surviving widow(er) or child, and the author died intestate, the deceased author's next of kin. \textit{Id.}
\end{itemize}
assigned provided the author survives into the renewal year.61

Termination of Transfers and Licenses; Reversion

In the case of works existing in their original or renewal term on January 1, 1978, the 1976 Act provides that upon expiration of the term, the author62 or his heirs63 may terminate64 transfers or licenses65 covering the extended renewal term.66 "Termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant."67 Termination of the grant causes "all of a particular author's rights . . . that were covered by the terminated grant [to] revert" to the author or his heirs.68

Derivative Works Exception

According to the statute, the author’s reversion rights are subject to the following limitation called the Derivative Works Exception ("the Exception"): 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.69

The Exception protects the copyright owners of derivative works from having to renegotiate agreements prepared under the original grant. The public’s right to have access to the derivative work is

62. "In the case of a grant executed by a person or persons other than the author, termination of the grant may be effected by the surviving person or persons who executed it." 17 U.S.C. § 304(c)(1). If the grant is executed by more than one author of the work, termination may be effected by such an author "to the extent of a particular author’s share in the ownership of the renewal copyright." Id.
63. If the author is dead, the termination interest is owned and may be exercised by the surviving spouse and the author’s children or grandchildren as provided in subsection 304(c) clause (2). 17 U.S.C. § 304(c)(2)(A)-(C).
64. "Termination of the grant may be effected at any time during a period of five years beginning at the end of fifty-six years from the date copyright was originally secured, or beginning January 1, 1978, whichever is later." 17 U.S.C. § 304(c)(3).
65. Termination right applies to both exclusive and nonexclusive transfers or licenses other than by will. 17 U.S.C. § 304(c).
68. 17 U.S.C. § 304(c)(6). The term "or his heirs" refers to that party which owns that author's termination interest pursuant to subsection 304(c)(2). See supra note 63. Where a grant is executed by an entity other than the author, termination of the grant causes "all rights . . . covered by the terminated grant [to] revert" to the party who owns the termination interest pursuant to subsection 304(c)(1). 17 U.S.C. § 304(c)(6).
also protected, because absent the Exception, the owner of the reversion rights (who now holds the exclusive right of adaptation) could effectively block the use of the derivative work by refusing to grant a license or by demanding terms that would render use of the work unprofitable. The Exception also affects certain rights of music publishers with respect to derivative works licensed prior to termination of transfer.

**MILLS MUSIC, INC. v. SNYDER**

The primary United States Supreme Court case interpreting the Derivative Works Exception is *Mills Music, Inc. v. Snyder.*\(^{70}\) In *Mills Music* the Court held that a writer's termination of a publisher's interest in a copyright does not vitiate the publisher's contractual right to share in the mechanical royalties generated by derivative works prepared before termination. *Mills Music* involved a dispute between a composer ("Snyder") and a publisher over royalties generated by sound recordings of the song "Who's Sorry Now" ("the Song"). The heirs of the composer ("the Snyders"), exercising their right under the 1976 Act,\(^{71}\) terminated a "grant" (assignment of copyright) to the publisher, Mills Music, and reacquired the copyright in the Song. Prior to the termination, and pursuant to the grant from Snyder to Mills Music, Mills had issued over 400 licenses to record companies authorizing the use of the Song.\(^{72}\) Using a variety of different settings, these record companies prepared separate derivative works based on the original song.\(^{73}\) "Because each of these derivative works was a mechanical reproduction of the Song that was prepared pursuant to a license that Mills had issued, the record companies were contractually obligated to pay royalties to Mills\(^{74}\)"

The Snyders claimed that termination of the grant divested Mills Music of all further right to the mechanical royalties paid by the record companies even though these royalties were generated by the derivative works that Mills had authorized. The Snyders claimed that because all rights revert to the author in this situation under the 1976 Act, the Snyders were entitled to all royalty payments generated after termination of the grant. Mills contended that the Derivative Works Exception protected its contractual right to receive mechanical royalties for sound recordings of the Song which were prepared under the original grant. The Court recognized that resolution of the dispute hinged on scrutiny and interpretation of the lan-

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72. 469 U.S. at 158.
73. Id.
74. Id.
Performance Royalties

"Under the Terms of the Grant"

First, the Court determined that the word "grant" referred to the original grant between Mills Music and Snyder. With respect to the phrase "under the terms of the grant," however, the Court observed that the word "grant" must refer both to the original grant and to the specific terms of the licenses under which derivative works were prepared. The Court reasoned that because the "entire set of documents" (i.e., the original assignment of copyright to Mills Music plus the licenses that Mills granted to the record companies authorizing the preparation of derivative works) entitled Mills to obtain a share of the royalty income, the Exception permitted Mills to continue to collect royalty income after termination of the original grant.

Utilization

Second, the Court determined that the word "utilized" is defined by the "terms of the grant" (i.e., the "total contractual relationship"). Thus, the total contractual relationship entitled Mills Music to prepare "duly authorized derivative works" and to collect royalties from record companies pursuant to the terms of their licenses.

75. 469 U.S. at 156. The Derivative Works Exception reads as follows: 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.

469 U.S. at 156 n.5 (quoting 17 U.S.C. § 304(c)(6)(A)).

76. Id. at 165.

77. Id. at 166-67.

78. In reaching its conclusion, the Supreme Court specifically rejected the reasoning of the Court of Appeals below, see 469 U.S. at 166-67 (quoting and rejecting Harry Fox Agency, Inc. v. Mills Music, Inc., 720 F.2d 733 (2d Cir. 1983), rev'd sub nom. Mills Music, Inc. v. Snyder, 469 U.S. 153 (1985)), which held that the original grant from Snyder to Mills Music was entirely separate from the later "grants" from Mills to the record companies and that the "terms of the grant" referred only to the subsequent "grants" to the record companies. The Court of Appeals determined that after the Snyders terminated the original grant, the license agreements between Mills Music and the record companies were all that remained. The Court of Appeals reasoned that because Mills' authority to license the Song to the record companies stemmed solely from the original grant from Snyder to Mills, termination of the original grant left Mills without rights under the license agreements, and the Snyders, to whom all rights had reverted, now stood in Mills' place. Therefore, the record companies under the terms of the licenses were obligated to pay the royalties to the Snyders. Harry Fox Agency, 720 F.2d at 738-39.

79. 469 U.S. at 169.
Countervailing Purposes

Third, reading the legislative history of the 1976 Act, the Court determined that although the principal purpose of the Act as a whole was to provide added benefits to authors, the purpose of the Exception specifically was to "preserve the right of the owner of derivative work to exploit it, notwithstanding the reversion." Thus, the Court recognized two countervailing purposes in the 1976 Act: on one hand, to protect authors from bad bargains; but on the other hand, to preserve the right of publishers (i.e., utilizers of derivative works) to enforce certain grants even though they were "manifestly unfair to the author." The Court reasoned that in order to balance these countervailing purposes, consideration of two critical factors would determine which purpose should control in a particular case: (1) the scope of the duly authorized grant, and (2) the date the derivative work was prepared. In holding these factors conclusive, the Court rejected the argument that the position of the publisher as middleman did not merit protection because the publisher's mere ownership interest was inferior to the interests of a party involved on a creative level, such as an author or a record company. The Court was also unpersuaded by the policy argument that the purpose of the Exception was to ensure public accessibility to derivative works after the exercise of an author's termination rights.

Applying the above two-factor test, the Mills Music Court held for the publisher, Mills, because (1) the derivative works in question were prepared before the Snyders' termination, and (2) the total contractual relationship between the parties entitled Mills to a share in the royalties.

Criticism of Mills Music

Criticism of Mills Music began within the Court itself; Mills Music was a 5-4 decision with a vigorous dissent. Members of Congress were unhappy with the result as well. Immediately after the deci-

80. Id. at 173 (quoting Further Discussions and Comments on Preliminary Draft for Revised U.S. Copyright Law, 88th Cong., 2d Sess., Copyright Revision Part 4 (H. Judiciary Comm. Print 1964), at 39 (statement of Barbara Ringer, Register of Copyrights)).
81. Id.
82. Id. at 174.
83. Id. at 175-76 ("[W]e are in no position to evaluate the function that each music publisher actually performs in the marketing of each copyrighted song." Id. at 175.).
84. Id. at 176-78. The gist of the argument is that "[w]ithout the Exception, the reversion that an author's termination effected would have given the author the power to prevent further utilization of [derivative works], or possibly to demand royalties that [utilizers] were unwilling to pay," and thereby inducing the utilizers to take the derivative work off the market. Id. at 177.
85. See supra text accompanying note 82.
sion, bills were proposed in both the House of Representatives and
the Senate to legislatively overrule Mills Music.86 Senator Specter
attempted to clarify Congressional intent:

The exception was intended to protect the actual owners of deriv-
ative works from having to renegotiate rights in underlying works,
when an author exercised termination rights with regard to the
underlying work . . . . The benefit should go to the authors, who
were the intended beneficiaries, in general, of the entire termina-
tion scheme. The Court's decision in Mills Music seriously under-
cuts what Congress intended and deprives authors of benefits that
are rightfully theirs.87

Although up to now these bills have not been enacted into law, they
nevertheless demonstrate Congressional disapproval of the interpre-
tation of the Derivative Works Exception in Mills Music. Commenta-
tors have been critical of the decision as well.88

DISCUSSION

Once the author89 exercises his termination right, the 1976 Act
explicitly provides that "all rights under [the 1976 Act] that were
covered by the terminated grant revert" to the author.90 Thus, when
a writer terminates the grant to a publisher of the exclusive right of
performance, that right of performance reverts to the writer and may

(1985).

87. Copyright Act's "Derivative Works Exception" Is Subject of Hearing, 31
PAT. TRADEMARK & COPYRIGHT J. (BNA) 82 (November 28, 1985). Senator Specter
would legislatively overrule the Mills Music decision by adding the following sub-
section to § 304(c):

(7). Notwithstanding any other provision of law, where an author or his
successor, . . . has exercised a right of termination pursuant to this section
and a derivative work continues to be utilized pursuant to subsection
(c)(6)(A) of this section, any right to royalties from the utilization of the
derivative work shall revert to the person exercising the termination right.

Id.

88. See, e.g., Howard B. Abrams, Who's Sorry Now? Termination Rights and the
places "language of a statute at war with itself and with its underlying purposes");
Jessica D. Litman, Copyright, Compromise and Legislative History, 72 CORNELL L.
Rsv. 857, 901-03 (1987) (decisions such as Mills Music create threat of systematic
distortion of 1976 Act); Virginia E. Lohmann, Note, The Errant Evolution of Termi-
nation of Transfer Rights and the Derivative Works Exception, 48 OSNO LR. L.J. 897
(1987). The Former Register of Copyrights, Barbara Ringer, who actually wrote the
derivative works exception section, indicated that the Court's decision is "just dead
wrong." Copyright Act's "Derivative Works Exception" Is Subject of Hearing, 31
PAT. TRADEMARK & COPYRIGHT J. (BNA) 81, 82 (November 28, 1985).

89. See supra note 63. Unless otherwise specified, the term "author" will refer
to the person or persons who owns or is entitled to the author's termination interest.

90. 17 U.S.C. § 304(c)(6); see supra notes 62-68 and accompanying text.
be reassigned to another publisher. In general, the reversion divests the terminated publisher of all the rights covered by the grant. As a result, royalties generated by subsequent public performance of the composition accrue to the holder of the reversion, whether it be the author or his assignee. The general reversion is limited however by the Derivative Works Exception. Given such general reversion, a claim that the terminated copyright holder of the underlying work retains the right to royalties generated by the public performance of pre-termination sound recordings licensed as derivative works can be maintained only by operation of the Derivative Works Exception. Assuming that the Exception does apply in such a situation, the question becomes whether the publisher-owner's collecting of performance royalties constitutes utilization of the derivative work. According to the Supreme Court's interpretation of the Exception in Mills Music, the answer appears to be yes.


92. Even where the writer has assigned his ownership interest to a publisher, performing rights societies distribute performance royalties equally between the writer and the publisher: writer's royalties to the writer and publisher's royalties to the publisher. See supra note 44. Therefore, as a practical matter, any reversion or reassignment of the performance right only affects the publisher royalties; the writer royalties accrue to the writer regardless of to whom he assigns the performance right.

93. See supra note 69 and accompanying text.

94. A straightforward application of the Court's rationale in Mills Music seems to indicate that a terminated publisher retains the right to performance royalties as a utilizer of a derivative work. The Court's interpretation of the Exception identified two critical factors to be applied to determine a terminated copyright owner's rights: (1) the scope of the duly authorized grant, and (2) the date that the derivative work was prepared. First, a typical songwriter contract refers to or is subject to independent agreements between the Writer, the Publisher and a Performing Rights Society regarding performance royalties; therefore, the Publisher's right to performance royalties is within the scope of the grant. Second, the performance royalties demanded are generated by derivative works prepared by the Publisher before termination. Thus the Publisher retains the right to performance royalties generated by the derivative works prepared before termination.

The counter-argument is that Mills Music concerned the distribution of mechanical royalties paid by a record company not the distribution of performance royalties paid by a performing rights society. The Court wanted to preserve the long-term, existing contracts between the publisher and record companies. Its unstated rationale was that since the statute preserves the rights of the transferee (record company) the Court should stretch the language of the statute to preserve the rights of the transferor (publisher) as well. Under this view, to stretch the statute's language even further to preserve the short-term performance licenses, which are issued on a prospective basis, is unwarranted. This view advocates a narrow reading of the Court's holding: The interpretation of the Exception with respect to the right of reproduction (distribution of mechanical royalties) cannot apply to an interpretation of the statute with respect to the right of performance (distribution of performance royalties). Under a narrow reading of Mills Music, the only form of utilization
First, the Mills Music Court indicated that the "terms of the grant" refer to both the "original grant" between the author and publisher and the subsequent grants from the publisher to the record companies. The "original grant" is the songwriter contract that contains the writer's assignment of copyright to a music publisher. Such contracts practically always provide, or incorporate existing agreements, for the distribution of performance royalties through affiliation with a performing rights organization. Thus the "original grant" includes the performance royalty distribution agreement, which names the publisher as a distributee. Second, the Court held that Mills Music "utilized" the derivative works it had licensed the record companies to prepare. As utilizer, Mills Music was entitled to those rights that escape reversion to the author: "The 'terms of the grant' as existing at the time of termination govern the author's right to receive royalties; those terms are therefore excluded from the bundle of rights that [revert to the author]." Because the grant entitled the publisher to performance royalties before its termination, a rational reading suggests that the publisher may continue to collect performance royalties after its termination.

A flaw in this reasoning is that it ignores the fact that ownership rights in sound recordings exclude the right of performance. When a sound recording is prepared as a derivative work, copyright law gives the owner of the sound recording the exclusive rights of reproduction, adaptation, and distribution only, and specifically excludes that terminated copyright owners may continue to exercise is the right to collect mechanical royalties from record companies for the pre-termination derivative works. According to the narrow-reading view, the Court's reasoning that "utilization" is defined by the total contractual relationship must be understood in light of the Mills Music factual setting, which concerned only the right to mechanical royalties. Furthermore, the subsequent legislative history indicates that the purpose of the Exception was to protect the creative parties involved and should not be expanded to include protection of non-creative middlemen. See supra note 82 and accompanying text.

96. See, e.g., Songwriter Contract Form of The Songwriters Guild of America ¶ 2 (reprinted in Shemel & Krasilovsky, supra note 16, at 612 app.):
2. In all respects this contract shall be subject to any existing agreements between the parties hereto and the following small performing rights licensing organization with which Writer and Publisher are affiliated: (ASCAP, BMI, SESAC). Nothing contained herein shall, or shall be deemed to, alter, vary or modify the rights of Writer and Publisher to share in, receive and retain the proceeds distributed to them by such small performing rights licensing organization pursuant to their respective agreement with it.
98. Id. at 174.
100. See supra note 39 and accompanying text.
cludes the right of performance. With respect to a sound recording, no amount of utilization will ever generate performance royalties for its owner. The publisher’s right to performance income stems not from his status with respect to the sound recording, but solely from his status as owner of the underlying work.

Of central importance is the distinction between the rights that attach to the Song—the underlying work—and those that attach to the sound recording—the derivative work. In essence, there are two sets of ownership interests involved: the Song-owner’s interest and the Sound Recording-owner’s interest. The Song-owner is typically the publisher; the Sound Recording-owner is the record company. The Sound Recording-owner’s (record company’s) utilization of the sound recording basically consists of reproduction and distribution, i.e., sales. The money that the Sound Recording-owner makes is from the sale of reproductions of the sound recording.

The Song-owner (publisher) has rights in the sound recording as well. The Song-owner’s rights in the sound recording stem from the fact that the Sound Recording-owner (the record company) may not record the song (i.e., prepare a derivative work) without obtaining a license to do so. This license, called a mechanical license, authorizes the record company to prepare the sound recording. The Song-owner’s rights in the sound recording are determined by the terms of that mechanical license. The Song-owner makes money from the sale of the sound recording because the mechanical license provides the Song-owner with a percentage of the revenue generated by the sale of reproductions of the sound recording (mechanical royalties).

The question in Mills Music was whether this collecting of mechanical royalties by the Song-owner/publisher constituted “utilization” of the derivative work, so as to bring the publisher’s right to the mechanical royalties within the Derivative Works Exception. According to the Mills Music decision, the Song-owner’s mechanical licensing of the song qualifies him as a utilizer of the sound recording. Such a qualification seems illogical because the right to grant mechanical licenses derives from ownership of the song, not from ownership of the sound recording. What the Song-owner is utilizing under mechanical license is the song, not the sound recording. Nevertheless, under Mills Music, the Song-owner is a utilizer of the sound recording; his right to mechanical royalties therefore continues under the Derivative Works Exception.

101. 17 U.S.C. § 114(a); see supra note 39.
102. The publisher’s authority to license the preparation of derivative works stems from the publisher’s status as owner of the underlying work as well. Calling the publisher’s exercise of this right “utilization” of the derivative work is illogical. But this is what the Supreme Court held in Mills Musicit’s the law.
103. See supra note 39.
The effect of the above is that both the Song-owner/publisher and the Sound Recording-owner/record company are utilizers of the particular sound recording. The Song-owner’s rights as utilizer of a sound recording, however, are necessarily limited to the rights that attach to copyright ownership of the sound recording. The Song-owner cannot have greater rights in the sound recording than does the Sound Recording-owner. Because the Sound Recording-owner has no right to performance royalties as utilizer of the sound recording, neither can the Song-owner as utilizer of the sound recording.  

The Song-owner does have an exclusive right that goes beyond those held by the Sound recording-owner, but this right stems solely from ownership of the Song and in no way from utilization of the sound recording. Because it is the utilization of a derivative work that is protected from reversion by the Derivative Works Exception, and because the performance right attaches not to the utilizer or owner of a sound recording but to the Song-owner, the performance right is not protected by the Exception and is among the rights that revert to the author upon termination. Thus, the terminated copyright holder of an original Song loses the right to continue to collect performance royalties generated by pre-termination sound recordings that were licensed by the terminated owner and prepared while the terminated owner held the copyright.  

This conclusion is consistent with ASCAP, BMI, and SESAC policy, which upon reversion or assignment, simply substitutes the new copyright owner and pays him all the performance income generated by the Song regardless of when, or by whom, particular sound recordings were prepared. Most songwriter contracts contain provisions that explicitly require parties to abide by performing rights societies’ guidelines.

104. There is nevertheless a strong argument against segregation of the rights that flow from the sound recording from those that flow from the underlying work. Public broadcast of a sound recording generates performance income because the underlying work is being publicly performed. But the sound recording is also being publicly performed, and this is undoubtedly a form of utilization of the sound recording. It cannot be ignored that utilization of the sound recording by public performance necessarily coincides with public performance of the underlying work. On can argue that because this kind of utilization of the sound recording before termination generated performance income for the owner of the underlying work, continued public performance of the sound recording after termination should continue to generate royalties for the party who “under the terms of the grant” was owner of the underlying work when the derivative work was prepared.

105. This Note does not address the considerable practical difficulties that would stem from the performing rights organization having to determine which sound recording of the song is being performed and to distribute the performance royalties generated by individual songs to more than one publisher.

106. See supra note 96. On the other hand, performing rights societies enter separate agreements with the writer and publisher. Royalties are paid to the publisher
CONCLUSION

Once a writer exercises his statutory right of termination, the exclusive right of performance reverts to the writer. A terminated copyright owner does not retain the right to performance royalties generated by pre-termination sound recordings because it is ownership of the underlying work, and not utilization of the sound recording, that entitles one to performance royalties. Copyright ownership of a sound recording excludes the right of performance. Although the terminated copyright holder may continue to utilize the sound recording under the terms of the grant after termination, the utilization simply does not include the right to performance royalties. Therefore, termination of the grant divests a publisher of the right to performance royalties. Performance rights should revert to the writer or his successor regardless of prior utilizations by the publisher and notwithstanding the contrary result implied by the Supreme Court's decision in Mills Music.

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independently from those paid to the writer. The publisher may argue that when the writer terminated the original grant between the writer and publisher, the agreement between the publisher and the performing rights society was unaffected because no privity existed between the writer and the society regarding the agreement between publisher and the society. Without privity the writer had no legal right to terminate the agreement between the publisher and the society; nor did the writer have the right to designate another publisher as the party to whom the performance income must be paid. The performance royalties should be paid to the publisher under its separate and independent agreement with the Performing Rights Society, which neither the writer nor his heirs had the right to terminate. When the writer and publisher entered into their original agreement, however, they agreed to follow a Performing Rights Society's system of distribution of royalties. The known practice of a Performing Rights Society was to substitute the new assignee for any terminated copyright owner. Therefore, the author or his assignee, as current copyright owner, is entitled to receive all a Performing Rights Society royalties.

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