The Transfer of Copyright Ownership to Periodicals

David G. Mayer
THE TRANSFER OF COPYRIGHT OWNERSHIP TO PERIODICALS

DAVID G. MAYER

I. INTRODUCTION

Authors seldom realize that every time they sell their work to a periodical publisher, they transfer valuable incorporeal property rights in the form of copyright. If authors become sensitive to the fact that a copyright exists in their work, they may contract with publishers for a grant of specific rights and for the preservation of their copyright. Thus, when a publisher offers to print a particular author's contribution, a problem of legal draftsmanship will ensue and what is said or unsaid in the contract will determine whether the author retains any rights in his work or loses them to the public domain or to the publisher.

Under prior law, if an author sold a work to a periodical, the publisher was presumed to acquire all rights in the work, absent an explicit reservation of rights by the author. If the publisher acquired all rights included in the copyright, the author obviously retained none. But if an author merely licensed a publisher to publish the work for the first time, and the work was published without the author's copyright notice, the work was considered to be in the public domain.

1. For the purposes of this Article, the term "periodical" will be used interchangeably with the term "magazine," according to the definition in Burton, Business Practices in the Copyright Field, 1952 Copyright Prob. Analyzed (CCCH) 87. "We have no case defining what a periodical is for copyright purposes, but it would seem fair to say, in the light of cases arising under the postal laws, that a periodical is a publication appearing at stated intervals, each number of which has separate articles by different authors, and of course, each number of which is a separate subject matter of copyright." Id. at 91.


In either case, the author suffered an unnecessary loss of his rights because he did not take adequate precautions to protect the copyright in his work. While the new Copyright Act (Act), effective January 1, 1978, makes fundamental changes and clarifications to avoid this result, the author should nevertheless take care to record the transfer of rights in writing so as to retain the economic and legal value of the copyright to which he is entitled.

This Article will explore the nature of the rights a publisher may acquire from an author, the meaning of those rights, and the crucial importance of specific contractual language in protecting the author's copyright. The basic thesis is that an author and his publisher should memorialize in specific terms the scope of the rights to be conveyed or retained.

II. FOUNDATIONS

Before considering the substance of an author's contractual relationship with a publisher, some basic concepts of the new Copyright Act should be reviewed.

A. What May Be Copyrighted

The Constitution authorizes the Congress to secure to authors for a limited time the "exclusive Right to their respective Writings." Under the 1909 Act, "all the writings of an author" could be subject to copyright protection. The new Act refers to "original works of authorship" rather than "writings" in order to avoid speculation that Congress intended to enact a copyright law that would extend to the interpretive limits of the term "writings" in the Constitution. In making the change, Congress exercised its power to enact a copyright law short of its full constitutional potential.

(articles or pictures); Caterini, Contributions to Periodicals, 10 ASCAP Copyright L. Symp. 321, 333-34 (1959). But cf. Goodis v. United Artists Television, Inc., 425 F.2d 397, 403 (2d Cir. 1970) ("Although placing a special notice in the author's own name on each installment appearing in the magazine would be a more careful practice than we find here, we do not think that failure to do so, by itself, should cause an author to suffer forfeiture."); National Comics Publications, Inc. v. Fawcett Publications, 191 F.2d 594, 598 (2d Cir. 1951) (negligence in protecting copyright does not amount to abandonment).

5. U.S. Const. art. I, § 8, cl. 8.
For the journalist or periodical writer, two fundamental prerequisites for copyright protection are of primary concern: originality and fixation in tangible form. Originality refers to expression and authorship, and not the novelty of the subject matter. An author may create original work by writing on precisely the same topic as a fellow author so long as he expresses it in his own individual way. Copyrights apply only to expression, and do not extend to "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied" in a work. Thus, the author who orally suggests to a periodical a better graphic presentation of the front page has no protectible copyright, while the author who submits the design itself for the front page will probably have a copyrightable interest in the design.

A further requirement for copyright protection is that the work must be "fixed in any tangible medium of expression." Congress intended to provide copyright protection to any such expression "now known or later developed" to avoid precluding protection for works not specifically mentioned in the Act or developed later with new technology. A periodical writer need not be concerned with this change since physical writings are now known and are obviously protectible if original and in tangible form. It should be noted that the Register of Copyrights may examine each work registered to insure that it constitutes copyrightable subject matter and that other legal and formal requirements of the Act have been met. A writer may write an article or a poem without fear that the Register may find it uncopyrightable provided that it is original and in fixed form, such as in a periodical. Further, the Act specifically includes literary works in the concept of authorship. Thus, it is highly unlikely that a poem, short story, or feature article would not qualify for copyright protection.

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2d Sess., Copyright Law Revision, Study No. 3—The Meaning of “Writings” in the Copyright Clause of the Constitution 67 (Comm. Print 1960).
12. § 102(a).
14. 17 U.S.C.A. § 410(a) (West 1977). Whether the Register in fact examines every work for originality is doubtful because of the huge volume of copyright materials received by the Copyright Office. Further, the decision of the Register not to register a copyright is open to challenge. See Reed, The Role of the Register of Copyrights in the Registration Process: A Critical Appraisal of Certain Exclusionary Regulations, 18 ASCAP Copyright L. Symp. 1 (1970).
B. Who May Obtain Copyright Protection

The Act makes it clear that copyright ownership vests initially in the author, who can thereafter secure the copyright on his work by following the necessary procedures. It is important for the author to be aware of this principle because, to protect his rights, the copyright owner must place his name in the copyright notice, register the claim of copyright, deposit copies in the Copyright Office of the Library of Congress, bring infringement actions and collect damages thereon, create all contracts with regard to the work, record all transfers, and, in his discretion, terminate most transfers and licenses within prescribed times.

The author's initial copyright ownership is made specifically applicable to collective works. A collective work is defined as a work in which "a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole." An anthology or a periodical is thus a collective work. It follows that a writer may secure a copyright in a short story, article, or poem which is placed in a periodical.

To qualify a published work for copyright protection, the author must satisfy a standard of national origin or one of several alternative tests. A work would qualify if, on the date of first publication, the author is a national or domiciliary of the United States. Also, if the United States has a copyright treaty with another nation, nationals or domiciliaries of that nation would be eligible for copyright protection. In the case of a stateless person, copyright protection is also available. The first publication of the work in the United States, or in a country which is a party to the Universal Copyright Convention, will enable the author to obtain copyright protection regardless of his national origin. Similarly, if the Organization of American States, the United Nations, or one of its agencies publishes the work for the

works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied." 17 U.S.C.A. § 101 (West 1977).

17. See notes 32-67 infra and accompanying text.
20. Id. § 104(b). Copyright protection is available for unpublished works without regard to nationality. Id. § 104(a).
21. Id. § 104(b)(1).
first time, the author will be entitled to copyright protection. These requirements seem to extend copyright protection to nations or groups which show mutual relationships in diplomatic or copyright areas or both. Under special circumstances, a work may be protected by a presidential proclamation.

Once an author qualifies under these standards, he is entitled to copyright protection. If an author is domiciled in the United States, his next step is to comply with the formalities to obtain copyright protection.

C. The Formalities in Securing Copyright Protection

Copyright protection is available to the author when he creates a work. Most of the formalities in copyright law arise upon publication. The new Act defines publication as the distribution of copies to the public by sale, transfer of ownership, rental, lease, or lending. While publication affects copyright protection, it no longer acts as the dividing line between common law copyright and statutory copyright. The dual system was impractical and complicated, and therefore the common law copyright of unpublished works has been abolished under the new Act in favor of a unitary statutory system. There is now statutory protection for both published and unpublished works. Further, the new unitary national system avoids conflicts between the application of state or federal law on questions of securing copyright protection by providing a broad federal preemption of other laws.

The notice requirements for securing a copyright have been changed. The position of the notice, complicated under the 1909 Act, is now to be affixed "in such manner and location as to give reasonable notice of the claim of copyright." The form of the notice may be a

24. Id. § 104(b)(3).
27. Id. § 101.
31. Id. § 301.
32. Under prior law, the proper position varied. In the case of a book, the notice would be affixed to the title page or the page immediately following. Henn, supra note 2, at 451. In periodicals with no cover pages in the usual sense, notice could be placed on the cover, masthead, or table of contents. If, on the other hand, a magazine had a traditional cover page, the notice would be affixed to the title page of each separate number or under the title. Id. The location of notice was important because it determined whether copyright protection would be preserved or the work lost to the public domain. See Booth v. Haggard, 184 F.2d 470 (8th Cir. 1950).
33. 17 U.S.C.A. § 401(c) (West 1977). See generally Gottlieb & Cooper, Copyright Notice,
small letter "c" in a circle, or the word "Copyright," or the abbreviation "Copr." followed by the first year of publication and the name of the copyright owner. For example, "© Author's Name 1977" is proper under the new Act. Alternatively, "Copyright Author's Name 1977" is acceptable. The year may be earlier than, but not more than one year after, the first year of publication. A contribution to a periodical can be copyrighted separately and can bear a notice of its own. If, for example, an author contributes a work to a periodical, the story may be copyrighted in the author's name and a notice may be

Deposit and Registration Under S. 22, 22 N.Y.L. Sch. L. Rev. 255, 255-58 (1976). The Copyright Office has sought to clarify further what will constitute reasonable notice: "Manner of Affixation and Position Generally. (1) In all cases dealt with in this section, the acceptability of a notice depends upon its being permanently legible to an ordinary user of the work, and affixed to the copies in such manner and position that it is not concealed from view upon reasonable examination. (2) Where, in a particular case, a notice does not appear in one of the precise locations prescribed in this section but a person looking in one of those locations would be reasonably certain to find a notice in another somewhat different location, that notice will be acceptable under this section." Proposed Rule of Copyright Office on Methods of Affixation and Positions of the Copyright Notice, 42 Fed. Reg. 64,377 (1977) (to be codified in 37 C.F.R. § 201.20(c)).

34. 17 U.S.C.A. § 401(b) (West 1977).
35. Id. § 406(b).
36. Id. § 404(a). "Contributions to Collective Works. For a separate contribution to a collective work to be considered to 'bear its own notice of copyright,' as provided by 17 U.S.C. 404, a notice reproduced on the copies in any of the following positions is acceptable:

(1) Where the separate contribution is reproduced on a single page, a notice is acceptable if it appears: (i) Under the title of the contribution on that page; (ii) adjacent to the contribution; or (iii) on the same page if, through format, wording, or both, the application of the notice to the particular contribution is made clear;

(2) Where the separate contribution is reproduced on more than one page of the collective work, a notice is acceptable if it appears: (i) Under a title appearing at or near the beginning of the contribution; (ii) on the first page of the main body of the contribution; (iii) immediately following the end of the contribution; or (iv) on any of the pages where the contribution appears, if: (A) The contribution is reproduced on no more than twenty pages of the collective work; (B) the notice is reproduced prominently and is set apart from other matter on the page where it appears; and (C) through format, wording, or both, the application of the notice to the particular contribution is made clear;

(3) Where the separate contribution is a musical work, in addition to any of the locations listed in paragraphs (1)(1) and (2) of this section, a notice is acceptable if it is located on the first page of music of the contribution;

(4) As an alternative to placing the notice on one of the pages where a separate contribution itself appears, the contribution is considered to 'bear its own notice' if the notice appears clearly in juxtaposition with a separate listing of the contribution by full title and author: (i) On the page bearing the copyright notice for the collective work as a whole, if any; or (ii) in a clearly-identified and readily-accessible table of contents or listing or acknowledgments appearing near the front or back of the collective work as a whole." Proposed Rule of Copyright Office on Methods of Affixation and Positions of the Copyright Notice, 42 Fed. Reg. 64,377 (1977) (to be codified in 37 C.F.R. § 201.20(f)).
placed at the bottom of the first page of his work to give reasonable notice of his copyright.

Errors in the form of the notice, or even publication without any notice, need not place the work in the public domain, as was sometimes the case under prior law.\(^\text{37}\) Publication without notice does not matter if the notice was omitted from "a relatively small number of copies," and it can be cured in other cases by registration of the work within five years of publication if a "reasonable effort" is made to add the notice to the copies distributed after discovery of the omission.\(^\text{38}\) Where the work is published without notice in violation of a written agreement with the copyright owner, the omission will not invalidate the copyright.\(^\text{39}\) Errors in name will not affect the copyright except as a defense in infringement actions brought against good faith transferees or licensees of the person named in the notice, and errors in date have limited importance.\(^\text{40}\)

Once copyright protection is secured by publication with proper notice, three separate formal actions should follow: registration, deposit, and recording. First, the copyright owner, who may be the author or his transferee, should register the work with the Copyright Office.\(^\text{41}\) While registration is not mandatory to secure copyright protection, the certificate of registration returned by the Copyright Office is prima facie evidence of the validity of the copyright and the facts stated in the certificate.\(^\text{42}\) Further, registration is a prerequisite to an infringement suit.\(^\text{43}\) Therefore, registration serves at least two useful purposes beyond that of providing the Copyright Office with a record of the owner’s copyright.

The application for registration is made on a form provided by the Copyright Office. The official seal placed on the certificate of registration is prima facie evidence of the validity of the copyright and the facts stated in the certificate.\(^\text{44}\) The certificate constitutes prima facie evidence if made within five years of the first publication. After that, the evidentiary weight is within the court’s discretion. See also American Greetings Corp. v. Kleinfab Corp., 400 F. Supp. 228, 231 n.2 (S.D.N.Y. 1975) (decided under the former Act).

\(^\text{37}\) See note 3 supra and accompanying text.
\(^\text{39}\) Id.
\(^\text{40}\) Id. § 406. Where the date in the notice is incorrect, the term of the copyright under id. § 302, see note 63 infra and accompanying text, will be computed from the year of the notice, except that where the year is later than one year after that of first publication, the notice will be treated as having been omitted, see notes 37-39 supra and accompanying text.
\(^\text{42}\) 17 U.S.C.A. § 410(c) (West 1977). The certificate constitutes prima facie evidence if made within five years of the first publication. After that, the evidentiary weight is within the court’s discretion. See also American Greetings Corp. v. Kleinfab Corp., 400 F. Supp. 228, 231 n.2 (S.D.N.Y. 1975) (decided under the former Act).
\(^\text{43}\) 17 U.S.C.A. § 411(a), 501(b) (West 1977). "[A] copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he cannot enforce his rights in the courts until he has made registration." H. Rep., supra note 8, at 157, [1976] U.S. Code Cong. & Ad. News 5773.
tion denotes the Register's approval of the work as copyrightable subject matter which complies with all the formalities. On the form, the copyright claimant must state how he obtained ownership of the copyright, the title of the work, the year its creation was completed, and other data as to the name or nationality of the author. In addition, the Copyright Office requires information on whether the work is for hire, the name and address of the claimant, and various other data concerning qualification of the work for copyright protection in the United States.

Functionally related to registration is the second requirement that copies of the work be deposited in the Copyright Office. There are limited exceptions to the deposit requirement where fewer than five copies of the work are published or where the work is published in limited editions making the deposit unfair or burdensome or unreasonable. An author or other copyright owner may deposit copies at the same time as he submits his registration forms. The Act prescribes that "two complete copies of the best edition" of works published in the United States shall be deposited in the Copyright Office. The "best edition" is defined as the edition "published in the United States at any time before the date of deposit." It would seem that the new Act intends some broadening of the discretion of the Copyright Office in determining what it will accept as a "best edition." A contributor to a periodical would probably send two copies of the issue in which his copyrighted contribution first appeared. This deposit requirement, unlike registration or recording, is mandatory within three months of publication. Failure to deposit a work can result in an initial fine of up to $250, and a repeated failure to deposit a work can produce an

45. Id. § 409.
46. Id. § 409(4). The subject of works for hire, while related to transfer of ownership rights to periodicals, will not be considered here in detail. For a discussion of works for hire in relation to the language of the new Act, see Angel & Tannenbaum, Works Made for Hire Under S. 22, 22 N.Y.L. Sch. L. Rev. 209 (1976).
48. Id. § 407(c).
49. Id. § 407(a)(1). For works published abroad, the deposit requirement becomes effective when copies of the work are imported or become part of an American edition. See H. Rep., supra note 8, at 151, [1976] U.S. Code Cong. & Ad. News 5767.
additional fine of $2,500.\textsuperscript{52} With this power, the Copyright Office should be able to collect editions for its public record. It should be clear that, despite these fines, the failure to deposit a work does not invalidate the copyright protection as under the prior law.\textsuperscript{53}

Unlike the deposit requirement, recordation of a transfer of copyright ownership is permissive.\textsuperscript{54} Any transfer may be recorded\textsuperscript{55} for a fee\textsuperscript{56} in the Copyright Office. Recordation gives all persons constructive notice of the facts stated in the recorded document, provided that the record specifically identifies the work so that it can be found after a reasonable search of the index of records and registration has been made for the work.\textsuperscript{57} Also, recordation of any transfer is a prerequisite to an infringement suit by the transferee.\textsuperscript{58} In the event of a conflict between various transfers of ownership or between a transfer of ownership and a nonexclusive license, the new Act establishes a system of priorities.\textsuperscript{59}

When a copyright is protected by registration, deposit, and recording, it can be defended in an infringement suit.\textsuperscript{60} The available remedies include an injunction, the impounding or destruction of infringing materials, actual or statutory damages, the award of attorney's fees, criminal penalties for willful infringement with intent to gain commercial advantage, and seizure and forfeiture of all materials produced.\textsuperscript{61} A criminal proceeding must be commenced within three years "after the cause of action arose" and a civil case "within three years after the claim accrued."\textsuperscript{62}

The copyright, under which all these rights and remedies arise, has a basic duration of the life of the author plus fifty years.\textsuperscript{63} Most nations operating under the Universal Copyright Convention\textsuperscript{64} have adopted this term. The longer life expectancies of authors and the world

\textsuperscript{52} 17 U.S.C.A. § 407(d) (West 1977).
\textsuperscript{54} 17 U.S.C.A. § 205 (West 1977).
\textsuperscript{55} Id. § 205(a).
\textsuperscript{56} Id. § 708(a)(4) (basic fee of $10, with 50¢ additional for each page over six).
\textsuperscript{57} Id. § 205(c).
\textsuperscript{58} Id. § 205(d), 501(b).
\textsuperscript{59} Id. § 205(e)-(f).
\textsuperscript{60} See Wasserstrom, An Analysis of the Infringement Sections of the Copyright Code and Chapter 5 of S. 22, 22 N.Y.L. Sch. L. Rev. 271 (1976).
\textsuperscript{62} Id. § 507.
\textsuperscript{63} Id. § 302.
\textsuperscript{64} See note 23 supra.
interrelationships of creators and their copyright transferees convinced Congress to adopt the fifty-year period. Furthermore, Congress devised complicated procedures for the author or his heirs to terminate a grant of copyrights. In this way, Congress secured to the author extensive protection for the works of his creation.

III. Transfer of Copyright Ownership

A. Some Preliminaries

An established principle of copyright law is restated in the new Act: the source of copyright ownership is the author. All rights and title initially vest in him. Thereafter, the author may transfer his copyright ownership. Any of the exclusive rights that a copyright owner may have can be transferred and owned separately. Thus, the new Act contains the first explicit recognition in our law of the principle of divisibility of copyright.

Generally, the ownership of a copyright may be transferred by any means of conveyance or by operation of law. This is qualified somewhat in section 204(a) which states that “a transfer of copyright ownership, other than by operation of law, is not valid unless an in-

69. Id. § 201(d)(x). There is a distinction between copyright ownership and ownership of the material object in which the copyrighted work is embodied. One can be owned without the other. Thus, if an author sends his manuscript to a publisher and lets the publisher keep it, the latter has ownership of the material object, while the author retains the copyright. Conversely, the author can transfer the copyright to the publisher, but keep the manuscript in his possession. See id. § 202.
70. These include the rights to reproduce the work, to prepare derivative works, to distribute copies, to perform the work publicly, and to display the work publicly. Id. § 106; see notes infra and accompanying text.
72. H. Rep., supra note 8, at 123, [1976] U.S. Code Cong. & Ad. News 5738-39. Prior to the new Act, a copyright was deemed indivisible. Only the whole copyright could be transferred and not just its marketable parts. The concept of indivisibility of copyright is discussed at notes infra and accompanying text.
73. 17 U.S.C.A. § 201(d)(x) (West 1977). Although a copyright may be transferred by operation of law, no government authority can compel involuntary transfer. Id. § 201(e). This reaffirms the basic principle that the exclusive right under a copyright shall be secured to the author, and cannot be taken away by involuntary transfer. It is unclear if this means, for example, that the Internal Revenue Service cannot secure a tax lien upon an author's copyright.
instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent." This provision, in effect, encourages authors and publishers to memorialize their transfer in writing. As will be shown, the specific language in the written agreement will be crucial in determining what rights are conveyed.

A "transfer of copyright ownership" is defined as an "assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license." Thus, a grant of an exclusive right to publish for a limited period would fall within the definition. Even though such exclusive rights may be limited in nature, the new Act permits their transfer regardless of limitations in time or place of effect. However, a transfer of a nonexclusive license would not qualify as a "transfer of copyright ownership," and might therefore be made orally since it would not fall within the section 204(a) writing requirement. To illustrate, an author could orally transfer nonexclusive publication rights to various periodicals at the same time. Such nonexclusive grants would seem to be valid under the new Act even without a writing. On the other hand, an author could not orally grant to various periodicals the same exclusive rights to publish his work. Transfer of such exclusive rights in writing is not only required but is also advisable since an infringement action cannot be brought without recording the written transfer of ownership rights.

The requirement of written transfer is incorporated into section 201(c), which refers to contributions to collective works such as periodicals. Each contribution constitutes a separate and independent part of an entire collective work. For example, a fiction story may fit into a section of short stories in a periodical, and the author may own rights in the work separate from those of the publisher. Under

74. Id. § 204(a).
75. See notes 109-12 infra and accompanying text.
77. The "rights" that may be transferred are a hybrid of incorporeal property rights and contract rights. See generally White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908).
78. See text accompanying note 76 infra.
79. The exact scope of the writing requirement is not determinable even with regard to exclusive rights. For example, it would appear that the exclusive right to publish a contribution to a collective work may be granted without a writing, but the right would be limited to that of initial publication. See 17 U.S.C.A. § 201(c) (West 1977).
80. Id. §§ 205(a), 411(a), 501(b).
81. Id. § 201(c).
prior law,82 the author who sold his story to a periodical without expressly reserving any rights was presumed to have transferred all rights to the publisher. The new Act reverses this presumption. Section 201(c) provides that, in the absence of an express written transfer, the author retains ownership of the copyright in his contribution and the publisher acquires "only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series."83 This provision, when taken in conjunction with the section dealing with copyright notice,84 seems to preserve the author's copyright in his contribution even if the contribution does not bear a separate notice, assuming there has otherwise been no unqualified transfer of rights to the owner of the collective work.85 To illustrate the principle, suppose an author writes a novelette and allows a periodical to publish it. In the absence of a contract between the publisher and author, the publisher will be presumed to have only the right to publish the novelette for the first time. Congress believed that the presumption in favor of the author was "fully consistent with present law and practice, . . . [representing] a fair balancing of

82. See note 2 supra and accompanying text.
83. 17 U.S.C.A. § 201(c) (West 1977). For brevity, this statutory language will hereinafter be referred to as the right to publish the work for the first time.
84. Id. § 404.
85. "[A] single notice applicable to the collective work as a whole is sufficient to satisfy the requirements of sections 401 through 403 [dealing with the form of copyright notice] with respect to the separate contributions it contains . . . , regardless of the ownership of copyright in the contributions and whether or not they have been previously published." Id. § 404(a). Where the single copyright notice is in the name of the publisher rather than the author of the separate contribution, "the case is governed by the provisions of section 406(a) [dealing with errors in name or date in the notice of copyright]." Id. § 404(b). That section provides that where the person named in the copyright notice is not the copyright owner, "the validity and ownership of the copyright are not affected," but that one who innocently infringes the copyright may defend an action for infringement by showing that he is a good faith transferee or licensee of the person named in the copyright notice. Id. § 406(a). Even this defense of good faith may be cut off where the copyright owner registers the work in his own name or the person named in the copyright notice records a document showing the actual ownership of the copyright. Id. However, where the publisher places a single notice in his own name on the magazine and registers the copyright himself, the author who thereafter seeks to register his separate contribution in his own name may run afoul of the "general rule against allowing more than one registration for the same work." H. Rep., supra note 7, at 155, [1976] U.S. Code Cong. & Ad. News 5771. The Copyright Office is considering allowing multiple registrations in such a situation. "Where someone other than the author is identified as the copyright owner in the earlier basic registration, and the author is now seeking a basic registration in his or her own name as copyright owner, there may be grounds for permitting the author to do so." Copyright Office Notice of Inquiry, 42 Fed. Reg. 48,945 (1977). A prudent author might prefer to avoid the problem by having the work published initially under his own separate copyright.
Periodical publishers, on the other hand, objected to this presumption as "discriminatory." From the author's point of view, however, it is he who has created the work, and under the Constitution, the author is to be rewarded with exclusive rights for a limited term. Therefore, it should follow that the publisher must purchase the specific rights embodied within the author's copyright at a price that reflects the value of each of those rights. In the absence of such an agreement, the publisher would be deemed to have purchased only the right to publish the work for the first time. The new law may theoretically strike a rough balance between the parties because the publisher is probably in a better bargaining position, while the author has the presumption in his favor. The balance may be illusory, however, because a periodical publisher will likely draft a contract which transfers any rights it desires, and thereby overcome the presumption. Except for an established writer, authors will not be in a position to negotiate with a periodical. In short, they may still have to "take or leave" the opportunity to publish on the periodical's terms. Despite these practical difficulties, the author should at least be aware of the nature of the rights he can, and does in fact, transfer to the publisher.

B. Exclusive Ownership Rights in Copyrighted Works

While not clearly stated in the 1909 Act, the courts accepted the indivisibility of the copyright as an established notion. At the same time, however, the concept was criticized and, in the commercial context, practically ignored. The indivisibility theory, as defined by one author, means that a work embodied in concrete form, or a separable part of the work, could at one time, in any particular jurisdiction, consist of only one incorporeal legal title known as the copyright, which included a bundle of rights recognized under applicable law.

88. Even Mark Twain is said to have "sold the copyright for Innocents Abroad for a very small sum." Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 653 (1943).
89. See Curtis, Protecting Authors in Copyright Transfers: Revision Bill § 203 and the Alternatives, 72 Colum. L. Rev. 799 (1972). "The unadvised fledgling author may be tempted to jump at the first offer received, may not realize the potential economic importance of derivative uses, may not fully understand the agreement drafted by the publisher, and may not be aware of the alternative contractual provisions available to protect his rights." Id. at 811.
90. See, e.g., Goldwyn Pictures Corp. v. Howells Sales Co., 282 F. 9 (2d Cir. 1922), cert. denied, 262 U.S. 755 (1923); Henn, supra note 2, at 418 n.36.
91. Cambridge Research Institute, Omnibus Copyright Revision 107 (1973).
92. Henn, supra note 2, at 418 n.36.
93. Id. at 417-18.
Under the former Act, a copyright owner had the exclusive rights to print, reprint, publish, copy, vend, translate, publicly perform, reproduce, and distribute the copyrighted work. These rights were exploited in the commercial markets by transferring them in the form of equitable rights since the copyright was held to be indivisible. Thus, an author could simultaneously sell serial rights in a story to a publisher, and motion picture rights in the same work to a studio. These equitable rights could, however, be cut off by a bona fide purchaser of the entire copyright. Thus, if a third party acquired all of the rights from the author, the equitable rights of both the studio and the publisher would be cut off.

To protect against such losses of property rights in a copyright, and in recognition of criticisms of the indivisibility theory, Congress enacted section 106 of the new Act. This section gives the copyright owner five fundamental rights, reproduction, adaptation, publication, performance, and display. Despite simplification as compared with the language of the former Act, these five enumerated rights may be subdivided indefinitely, and in connection with the ownership provisions of section 201, "each subdivision of an exclusive right may be owned and enforced separately." Thus, if an author grants the exclusive right to A magazine to publish his article within the State of New York, the periodical becomes the owner of that specific right and may enforce it against the world after complying with the applicable formalities. However, B magazine may hold the same rights for California and, like A magazine, will be entitled to enforce its rights against anyone else. The rights of both periodicals are subdivisions of the exclusive rights to publish and distribute copies under section 106.

95. Henn, supra note 2, at 421.
96. E.g., Brady v. Reliance Motion Picture Corp., 229 F. 137 (2d Cir. 1916); see Miller, Problems in the Transfer of Interests in a Copyright, 10 ASCAP Copyright L. Symp. 131 (1959).
97. For a review of the legislative history outlining the attempts to provide for divisibility, see Senate Comm. on Judiciary, 86th Cong., 2d Sess., Copyright Law Revision, Study No. 11—Divisibility of Copyrights 31-37 (Comm. Print 1960)
100. Apparently, either periodical could register the copyright for the work and this would protect the right of the other without separate registration. The Copyright Office plans to permit "supplementary registrations" by various owners of exclusive rights in a single work under certain circumstances. "[I]t will be possible under the new Act for the owner of only one or part of the exclusive rights in a work to make the basic registration for that work, without identifying other owners and their rights. (The author of the work will be identified.) As indicated earlier, we
A writer for a periodical would want to be especially familiar with the first three rights of the five mentioned—reproduction, adaptation, and publication—since these cover all copyrights except those of performance and display. The right to reproduce the copyrighted work means "the right to produce a material object in which the work is duplicated, transcribed, imitated, or simulated in a fixed form from which it can be 'perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.'" For example, if an author grants A magazine the exclusive right to reproduce a feature article in any compilation, and B magazine prints a substantial portion of the same article a month later in another periodical, tabloid, or journal, A magazine would have a cause of action under the new Act against B magazine for infringement of the exclusive right to reproduce.

The second fundamental right in a copyrighted work is the right to prepare derivative works. While this right overlaps the reproduction right, it is broader. A derivative work is one based upon a preexisting copyrighted work. It includes, but is not limited to, 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." Derivative works even encompass editorial revisions of a copyrighted work, "annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship." Thus, if A magazine has the right to reproduce a work, B magazine cannot believe that a basic registration made by any one owner is sufficient to secure the statutory benefits of registration to the author of the work and all other owners of rights in the work. However, where the basic registration for a work has been made by the author or the owner of one or more exclusive rights, and the owner or owners of other exclusive rights wishes those rights to be made a matter of public record, the Office does plan to permit a supplementary registration under section 408(d), 'to amplify' the information given in the basic registration for the work. At the same time it must be understood that a supplementary registration made to place the ownership of additional specified rights on public record will not serve as a substitute for recordation of the instrument under which that owner has acquired the rights." Copyright Office Notice of Inquiry, 42 Fed. Reg. 48,945 (1977) (footnotes omitted). These plans, however, have not been reflected in the currently effective regulations. "Supplementary registration is not appropriate: (A) as an amplification, to reflect the ownership, division, allocation, licensing, or transfer of rights in a work, whether at the time basic registration was made or thereafter . . . ." Copyright Office Interim Regulation, 43 Fed. Reg. 773 (1977) (to be codified in 37 C.F.R. § 201.5(b)(2) (iii) (effective Jan. 1, 1978).

103. Id. § 106(2).
104. Id. § 101.
105. Id.
place the same work in its publication, for this violates A magazine's reproduction right. Further, suppose B magazine altered the story, but kept it in substantially the same form. A magazine may argue that B magazine infringed on either its derivative rights or reproduction rights. In this way the two exclusive rights may overlap.

Public distribution is the third fundamental right. It involves the right to distribute by sale or other transfer of ownership, or to make gifts, loans, or rental agreements. Infringement may occur when, if A magazine has the exclusive right to distribute, B magazine makes unauthorized public distribution of the same work.\textsuperscript{106}

In summary, an author must be aware that many exclusive rights are embodied in his copyright and that each can be subdivided, transferred, and enforced separately.

C. The Nature of Periodical Rights

When periodicals accept an author's work for publication, the publisher will probably not ask in the language of section 106\textsuperscript{107} for the exclusive right to reproduce, prepare derivative works, distribute copies, perform, or display the work.\textsuperscript{108} Instead, publishers may ask for some or all of these rights in terms unique to the publication trade. In a specific agreement, the author, for example, would expect to be asked for "first serial rights," "one-time rights," "simultaneous rights," "all rights," or "foreign serial rights."\textsuperscript{109} Most of these terms, while accepted in the trade, suffer from legal imprecision and may therefore breed confusion in agreements to publish and lead ultimately to litigation.

Since these terms arise from trade practice, they would seem to derive their meaning from the customary method of doing business.\textsuperscript{110} There are limits to what courts will enforce under the name of custom and trade practice,\textsuperscript{111} and here the trade practice appears to cover not

\textsuperscript{108.} See discussion in text accompanying notes 97-106 supra.
\textsuperscript{110.} See 21 Am. Jur. 2d Customs and Usages §§ 22, 24 (1965). There may be some question as to whether a federal law of interpreting transfers of copyright is intended under the new Act. This may have some importance in determining applicability of state rules of parol evidence, requirements for contractual formalities, or standards of contract interpretation. In De Sylva v. Ballentine, 351 U.S. 570 (1956), the Court applied state law in deciding whether certain individuals were entitled to renew a copyright under the former Act. "The scope of a federal right is, of course, a federal question, but that does not mean that its content is not to be determined by state, rather than federal law." Id. at 580. But see note 31 supra and accompanying text.
\textsuperscript{111.} See Murphy v. Warner Bros. Pictures, Inc., 112 F.2d 746 (9th Cir. 1940); Avedon v.
only a method of doing business, but also certain conclusions of law. When a periodical acquires rights in an author's work, the scope of those rights is defined by a contract between the parties. In trade practice, the contract is often informal, taking the form of a legend printed on the back of the publisher's remittance check. Such a stamp would include information such as the title of the contribution, the author's name, and the type of material, such as a story, poem, or feature article. The check stub may also define which rights the periodical acquires in a work. On occasion, the publisher may send a letter along with the check to further explain the scope of the rights it intends to purchase. Typically, no formal contract is executed.

The immediate problems for the author upon receiving such a letter or check are two. First, if the author has published little, he may be mainly interested in seeing his work in print and therefore reluctant to refuse payment on whatever terms the publisher requests. Second, the check stub as filled in or the letter as written may not adequately define the scope of the periodical's rights in the work. Nevertheless, a writer may at this point bargain to retain the maximum rights in his work so that he can market it further and reap the rewards. Faced with such problems, the writer ought to preserve a written record of the transfer of rights in his work, specifically stating which rights the periodical shall acquire.

Under prior law, acceptance of the check by the author seemed to operate as a grant of the rights requested on the back of the check or in the accompanying letter. However, as discussed above, the new Act invalidates a transfer of copyright ownership unless reduced to writing and signed by the owner of the rights. This indicates that the agreement between the parties may have to be more formalized than was the case under prior law. For example, suppose a publisher sends a check to an author, together with a letter contract asking the author to return a copy of the contract with his signature. If the author

Exstein, 141 F. Supp. 278 (S.D.N.Y. 1956). Even where there is a contract between author and publisher, a court will look not only to the words used, but also to the object of the contract and the rights granted. The court will take care to read the document as a whole to avoid misapprehending the meaning of the language. April Prods., Inc. v. G. Schirmer, Inc., 308 N.Y. 366, 377, 126 N.E.2d 283, 290 (1955).


113. Id.

114. See note 74 supra and accompanying text.

115. There may be some question as to what kind of writing will be sufficient as “an instrument of conveyance, or a note or memorandum of the transfer” under 17 U.S.C.A. § 204(a) (West 1977). It is unclear whether the legend stamp where the blanks are filled in by a publisher will be sufficient. If sufficient, the writing requirement may not in fact make any difference in present trade practice.
never returns the contract, yet cashes the check, and the publisher thereafter prints the work, the conveyance letter is apparently not effective to transfer the copyright because the author neither signed nor returned it to the publisher. Since the work is published without an express written transfer, the presumption in favor of the author should operate, and the publisher will receive only the right to publish the work for the first time. Even if the publisher bargained to acquire the total exclusive rights comprised in the author's copyright, the failure to obtain the signed contract may nevertheless forfeit all but that limited right of first publication.

Assuming the publisher avoids this problem by insisting upon the return of the signed contract, a further problem may exist as to the meaning of the trade terms it contains. Because the terms will govern what the author retains and the publisher acquires, their meanings deserve special attention.


The definition of "serial rights" is by no means a settled question. The term, according to one source, "does not mean publication in installments, but refers to the fact that libraries call periodicals 'serials' because they are published in a serial or continuing fashion." The Canadian Copyright Act defines "serial" to mean "any book that is first published in separate articles or as a tale or short story complete in one issue in a newspaper or periodical." A more complete definition of "serial rights" was given in New Fiction Publishing Co. v. Star Co. as follows: "The words 'serial rights' have... a definite meaning among publishers, and are understood to comprehend all publishing rights, including magazine and newspaper publishing rights, and excepting only book, dramatic, and moving picture scenario rights."

In applying these various definitions to the phrase "serial rights" as used in a contract between an author and publisher, a great deal of uncertainty is inevitable. For example, the New Fiction definition expressly excepts book rights, while the Canadian definition expressly includes rights relating to first publication of a book in separate articles. It has been suggested, moreover, that there are exceptions

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116. See note 96 supra and accompanying text.
118. Id. For a similar definition of the term, see Henn, supra note 2, at 422 n.53.
120. 220 F. 994 (S.D.N.Y. 1915).
121. Id. at 995.
122. See Henn, supra note 2, at 421-2 2 n.53.
today to the New Fiction definition beyond those specifically listed in that opinion ("book, dramatic and moving picture scenario rights")\(^{123}\). As technology has developed and communication has become multilingual and worldwide, the scope of such exceptions has arguably broadened. Since New Fiction was decided in 1915, when global circulation of magazines was uncommon, it is doubtful that the court considered all potential publication rights. Thus, it is unlikely that the New Fiction court considered whether its definition should exclude distribution abroad. Yet today even remote geographical areas may have a separate market potential, and the right to distribute in such areas may not be included in "serial rights." Similarly, the definition does not expressly exclude the right to translate and publish in every conceivable language. However, today the right to such translations may not be understood to have been transferred, absent specific language to that effect. Since subsequent court decisions have not further defined "serial rights," authors and publishers can only speculate on the present scope of this term.

To confound this uncertainty, there are several variations of the term "serial rights." "[F]irst serial rights," according to Professor Henn, can be construed as combining the right to publish in magazine or newspaper form with the right of first publication or use in any form or media, the word "first" serving the purpose of a twofold limitation: (1) to bar prior or simultaneous publication or use by the author or persons acting under his authority, and (2), to bar subsequent republication or re-use by the magazine publisher or by persons acting under its authority . . . .\(^{124}\)

A second contrasting definition, based on actual contracts used in the industry, states that "first-serial rights generally authorize (1) the publisher or his sublicensee (2) to publish the work—in full as a serial or in a condensed version of two or more installments (3) in magazines or newspapers (4) before the first trade edition comes out."\(^{125}\) A third definition of "first serial rights" is that the writer thereby simply offers the newspaper or periodical the right to publish his work for the first time in their periodical.\(^{126}\)

When applied, the three definitions yield different results in the same or similar situations. For example, suppose the author grants A magazine "first serial rights" to publish a story. Under the Henn definition, B magazine may not publish it before A magazine, and A magazine may never use it again. Under the suggested industry

\(^{123}\) 220 F. at 995.
\(^{124}\) Henn, supra note 2, at 422 n.53.
\(^{126}\) Sandhage Letter, supra note 117.
definition, A magazine basically has priority in time to publish the story before B magazine, and can serialize or condense the story for installments. While the Henn definition may not explicitly refer to rights to publish the work in the same series or installments, his idea may implicitly reach the same result. However, contracts for rights for an author's story should not be left to implication where explicit terms can be stated. In the third definition, there is neither an express nor an implied right to publish an author's story in installments, thereby leaving open the question of whether publication by installment or by single publication of the total work is intended.\textsuperscript{127}

Yet, the method of publication of the work may be critical to the author. He may want to publish an article elsewhere immediately after a periodical publishes it for the first time, provided the work is not to appear in installments. For example, suppose the complete text of the article was published in A magazine on February 1. The author could then seek to publish it again on March 1. However, if the article appears in installments on February 1, March 1, and April 1, the author would lose two months during which he could not have it published elsewhere. Such a delay would affect the marketability of many timely articles. If B magazine does publish the work immediately after the first installment has appeared, A magazine may have a cause of action for infringement on its "first serial rights." Thus, whether "first serial rights" includes publication in installments is significant. In general, it may be said that parties are dealing with rights of an uncertain scope when they use the term "first serial rights." When the meaning of this term is read together with that of "serial rights,"\textsuperscript{128} the confusion can become unmanageable. Thus, instead of using these terms, the parties ought to specify which rights the publisher shall acquire.

Rather than avoid this confusion, the industry has further subdivided the term "serial rights." For example, a publisher could ask for "first North American serial rights."\textsuperscript{129} The term is supposed to mean

\textsuperscript{127} Such uncertainties have long been associated with the term. "Do 'first serial rights' indicate the medium, so that the work is publishable only in magazines as distinguished from newspapers; or do such rights mean first publication of the work irrespective of medium, so that upon the completion of initial publication there is no further right to publish? . . . . Moreover, does the word 'serial' in this context necessarily imply that the work must be published in installments, or is it neutral in that regard, so that the work may be published as a so-called 'one-shot'?" Wasserstrom, Magazine, Newspaper and Syndication Problems, 1953 Copyright Prob. Analyzed (CCH) 159, 164-65.

\textsuperscript{128} See notes 117-23 supra and accompanying text.

\textsuperscript{129} One association of writers has incorporated this term in its recommended standards for working arrangements between writers and periodicals: "That publications purchase first North American serial rights only, all other rights (for foreign sales, anthologies, reprints, etc.) being
that a periodical can publish the work in both the United States and Canada for the first time.\footnote{130} This would not include first publication in Mexico, notwithstanding that country's apparent location in North America. Nor does the term shed light on where in the particular country the piece may be published. Even if one assumes the work can be published anywhere in Canada or Mexico, the term “first North American serial rights” neither expresses nor implies whether in Canada the piece may be published in French or, if in Mexico, whether the work can be translated into Spanish. Since a translation can change the precise meaning of a poem or story, the author may want some control over the translated version. However, if the term is interpreted to include translation rights, the author may inadvertently sign away the right to review translations.

In \textit{Eliot v. Geare-Marston, Inc.},\footnote{131} an author had sold her work outright to a publisher, who later assigned back to the author “all rights in the article, except American serial rights.”\footnote{132} After printing the story in its own periodical, the publisher allowed a third party to print the story in a house organ with limited distribution. The author then sued to enjoin this further use. The court denied the injunction, basing its decision on testimony that “American serial rights included the right to republish in various publications, including trade papers, or other papers which are not competitive with a first class magazine (such as the Saturday Evening Post).”\footnote{133} It followed, then, that certain lesser rights were encompassed within “American serial rights,” including the right to allow others to republish. Thus, “American serial rights” seemed to grant (1) the right to publish initially in a first class periodical, (2) the right to republish except in competition with first class periodicals, and (3) all lesser included rights. In today’s market, it would be difficult to separate those periodicals which are first class from those which are not. Therefore, the first of the three \textit{Eliot} rights is problematic. As to the second, the same problem of what constitutes first class may arise, and an author may have no idea that such a grant could involve repeated publication outside of the first class American market. Unless the rights are more clearly stated, the author may find himself unable to contest republication in a particular periodical. For example, suppose an author grants “American serial rights” to \textit{A}

\textit{reserved to the writer unless a specific prior agreement states otherwise . . . .}” PEN American Center, PEN Standards for Magazine and Periodical Assignments.

\footnote{130. 1978 Writer’s Market 26 (J. Koester & B. Hillman eds. 1978).}
\footnote{131. 30 F. Supp. 301 (E.D. Pa. 1939). For a discussion of this case in relation to the new Act, see notes 185-87 \textit{infra} and accompanying text.}
\footnote{132. 30 F. Supp. at 302.}
\footnote{133. \textit{Id.} at 303.}
magazine which publishes his work and sends him a check. Subsequently, the periodical sells the work to B magazine, in a different market, which republishes it. The author has been paid once, yet two periodicals have profited from his work. To avoid such a result, the uncertain term “American serial rights” should be avoided. This conclusion is further supported by the generality of the third element of the Eliot definition, which grants all lesser rights. Since these lesser rights are undefined, an author might have difficulty in challenging a publisher’s continued use of his work. To illustrate, suppose a periodical has “American serial rights” to the author’s story and publishes it. The publication of the story may create considerable beneficial publicity for the periodical. Therefore, the publisher will desire to use excerpts of the story in subsequent issues for publicity. If the author attempts to challenge this use, the publisher could argue that he has all lesser rights to the work, including publicity uses. In the absence of an express agreement defining the rights transferred, the writer may not be able to prove that his retained rights were infringed. The new Act is not particularly helpful to the author who fails to retain precisely defined rights in his contract with the publisher. The exclusive rights in copyrighted works listed in section 106\(^{134}\) may be subdivided indefinitely,\(^{135}\) and the grant of any of these rights may prove more generous than would a transfer of “serial rights” as discussed above.\(^{136}\)

In summary, “serial rights,” “first serial rights,” and their derivatives cannot be clearly defined. Therefore, the terms should be avoided wherever possible. The parties ought to specify the language to be used and name the markets, such as the United States, Canada, and Mexico. The duration, or termination date, of the grant should also be precisely stated. Finally, the wording of the grant should be specific.\(^{137}\) A sample contract phrase might state:

The author grants to A magazine the exclusive right to publish “X” story for the first time only. This grant shall not include the right to publish the work again in any form as part of the same series or otherwise. Publication shall occur solely within the United States, in the English language, for a term to terminate sixty days after first publication.

The first sentence is a general grant of rights to publish for the first time. The second sentence further limits the right to publish by excluding any subsequent use of the work in the same series of A magazine or otherwise. The third sentence states the market, the

\(^{135}\) See notes 97-99 supra and accompanying text.
\(^{136}\) See notes 117-23 supra and accompanying text.
\(^{137}\) See Shapiro, supra note 125, at 138.
language to be used, and the term of the grant. This would seem to be a proper transfer of "copyright ownership," since such transfers may be limited in time or place.\textsuperscript{138} While the clause may seem unduly restrictive, it nevertheless suggests the difference between what can be clearly stated and what the term "first serial rights" leaves to conjecture.

Another common term is "second serial rights." This is also referred to as "reprint rights"\textsuperscript{139} or "syndication rights."\textsuperscript{140} Just as "serial rights" and "first serial rights," "second serial rights" has various definitions. Generally, it refers to rights in a publication other than that in which the work first appeared, perhaps subsequent to a grant of serial rights.\textsuperscript{141} More specifically, it usually allows a newspaper or periodical to print an article, poem, or story after it has appeared in some other newspaper or periodical. The term may also refer "to the sale of part of a book to a newspaper or magazine after the book has been published, whether or not there has been any first serial publication."\textsuperscript{142}

Curiously, even though "second serial rights" is a derivative of the term "serial rights," it seems to have a life of its own. The definition is separate and seems to be free of much of the confusion surrounding the parent term. Under these circumstances, it has problems that can be solved by adding information as to the language of the reprint, the markets in which the reprint may appear, and the duration of the grant. But if a clause contains this additional information, the trade term "second serial rights" becomes superfluous. Such a clause might read as follows: "The author grants to A magazine the exclusive right to reprint in the English language, in the United States and Canada, the 'X' story for a term to end sixty days after such publication." In one sentence, the author specifies the nature of the rights granted to reprint his story, the language of the publication, the markets in which

\textsuperscript{140} Henn, supra note 2, at 423 n.53. "Syndication rights" do not necessarily mean the same as "second serial rights." As a subdivision of "serial rights," these rights grant to a syndicated publication, such as a newspaper, the right to print a work throughout its chain. For example, a book publisher may sell the rights to a newspaper syndicate to publish a book in 12 installments in each of 20 major newspapers. "Syndication rights" can be coupled with "first" or "second serial rights." For example, if a book is published in the 20 papers prior to book publication, the newspaper would be syndicating "first serial rights." On the other hand, if the book came out in installments after book publication, the publisher would be syndicating "second serial rights." Thus, "second serial rights" and "syndication rights" are not necessarily synonymous, and this adds to the confusion of industry terms. See Sandhage Letter, supra note 117.
\textsuperscript{141} Henn, supra note 2, at 423 n.53.
\textsuperscript{142} Sandhage Letter, supra note 117.
the story may be published, and the terms of the grant. With a few extra words, the possible confusion arising from the trade terms "second serial rights," "syndication rights," or "reprint rights" can be avoided. Further protection might be secured by providing that any rights not specifically granted under the agreement are reserved to the author.

2. "Simultaneous" and "Nonexclusive Rights"

"Simultaneous rights" and "nonexclusive rights" appear to have similar overlapping meanings. A grant of "nonexclusive rights" would permit the grantee to publish the work without threat of an infringement suit by the grantor, but would not bar similar grants to others. A publisher's purpose in obtaining such rights may be to pay an author a minimal sum for his work, while adding it to a collective work or compilation with a value greater than that paid for its component parts. Such a license may also be intended to secure rights only in a particular language or in certain parts of the literary world. Thus, the editor of A, a one-time publication printed for a special purpose, may seek only to acquire from an author the "nonexclusive world rights in the English language." If the author receives such a contract, it would be difficult to determine exactly what uses the publisher intends to make of his work. Despite an absence of interpretive case law, the new Act provides some indirect clarification of what such language transfers. In section 101, a "copyright owner" is defined as anyone holding one of the "exclusive" rights comprised in a copyright. Since the license above is a nonexclusive right, the periodical would not be a copyright owner, and would have no right to sue for infringement. Therefore, the author would seem to have retained the future value of his copyright.

The term "simultaneous rights" would apply to articles and stories sold to publications such as religious periodicals, house organs, or club publications, which do not have overlapping circulations. "Simultaneous rights," unlike "nonexclusive rights," seems to be exclusive, limiting publication to markets that do not overlap. In short, "simultaneous rights" seems to grant an exclusive right to publish in a limited geographic or market area. For example, one company in Los Angeles and one in Maine may publish the same article on toolmaking at the

143. See note 158 infra and accompanying text.
145. 17 U.S.C.A. § 101 (West 1977). Note that the term "transfer of copyright ownership" expressly excludes nonexclusive licenses as transferable property interests.
146. Id. § 501.
same time in their respective company newsletters without infringing upon the other's "simultaneous rights." Both publications may distribute and publish simultaneously, but they are limited geographically to their respective markets. However, since the "simultaneous rights" are exclusive, the Los Angeles company could sue as a "copyright owner" if the Maine publication was distributed in Los Angeles.

Alternatively, the Maine company and the Los Angeles company could each obtain a "nonexclusive license" to publish the article on toolmaking. Where the circulations of the two newsletters do not overlap, "simultaneous rights" and "nonexclusive rights" in effect both give the same right to each company to publish the same work at the same time. "Nonexclusive rights" is a less restrictive term, however, because it permits the two publishers to overlap the distribution of the toolmaking article in their respective periodicals. Rather than leaving such subtleties latent in their agreement, the parties may prefer either to avoid these terms or to define their meaning adequately. This will avoid unfortunate misunderstandings. For example, assume A magazine wants to ensure that its circulation does not overlap that of B magazine, but acquires "nonexclusive rights" rather than "simultaneous rights." B magazine's circulation competes with and reduces A magazine's sales. Since A magazine's rights are not exclusive, it cannot maintain any copyright action against the other magazine. The point is that a contract should set out exactly the elements of the publication rights for both magazines. Here, the rights of the publishers would be prejudiced, and litigation might ensue, merely because precise language was not used in a contract acquiring copyrights.

3. "All Rights" or "Complete Rights"

No rights which may be transferred by an author are more important than "all rights" or "complete rights." To part casually with these rights may result in the loss of every right included in the author's copyrighted work. If "all rights" are given to a periodical, the author may not use his work for television, theater, or any other commercial enterprise. It is no longer his property. He, the creator, is a stranger to his work, and can be sued for infringing upon it. Even if his name appears at the end of the story, the periodical owns every conceivable right to it. The author cannot even prevent revisions in his work by the publisher. If the copyright is considered as divisible into an infinite number of lesser included rights, the publisher owns them all.148

148. Notwithstanding, the author would still seem to be considered a "copyright owner" for the purposes of registering the copyright in his work. "We are considering whether, after an author has transferred 'all rights' in a work, that author may seek a basic registration. Where an author retains a royalty interest in the exploitation of his or her work by a transferee of the rights,
Unfortunately, the meaning of "all rights," like that of other commercial rights, is not always self-evident. In *Geisel v. Poynter Products, Inc.*, the famous Dr. Seuss tried to enjoin the defendant from producing dolls and cartoons based on his characters. The plaintiff introduced evidence of magazine trade usage that the terms "all rights" or "complete rights," which were admittedly what he contracted to transfer, merely included the "right to publish that particular piece of material in a single issue... or, in the case of serial rights, to publish parts of the material in several or more issues." Dr. Seuss further set forth causes of action based on the Lanham Act, the right to privacy, unfair competition, defamation, and prima facie tort, basically alleging that "all rights" did not give the defendant the right to convert his stories into dolls or cartoons that injured his reputation.

"All rights" in the context of sales to periodicals could arguably mean only all rights in the first publication of the work, wherever it is to be published, and in whatever form or language. A periodical's business is primarily initial publication. Nevertheless, the *Geisel* court found that "all rights" or "total rights" meant the "totality of rights... without qualification" and decided for the defendants on all causes of action. In view of such potential misunderstandings, the parties would be well advised not to leave such critical questions open.

One writer has described the situation in this way:

Of course, these questions arise only when the agreement between the parties is silent on the subject. As such, they are remediable deficiencies that might have been obviated had the parties expressly or by necessary implication spoken on the point. Not infrequently the parties deal so meagerly with this important question of the scope of rights that no more than a short abbreviated legend or notation will be found on the face or back of the publisher's payment check or on the detachable voucher accompanying it. This seems strange indeed, since the parties involved are men whose

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The author remains a beneficial owner of the copyright and, we believe, should be entitled to make a basic registration for the work. Even where the author has not retained a continuing financial interest in the exploitation of the work, it appears questionable whether that author should be considered any less a copyright owner for the purpose of registration, or be otherwise deprived of the right to secure a basic registration for the work he or she has created." Copyright Office Notice of Inquiry, 42 Fed. Reg. 48,945 (1977) (footnote omitted).

150. Id. at 339.
151. Id. at 351-58.
152. Cf. Burton, *Business Practices in the Copyright Field*, 1952 Copyright Prob. Analyzed (CCH) 87, 98 ("In connection with the purchase of fiction stories the question of split rights arises. If there is equal bargaining power between the parties, the magazine gets the magazine rights, while the book rights, screen rights, etc., may be reserved to the author.").
153. 295 F. Supp. at 342; see 2 M. Nimmer, Copyright § 119.32, at 520 (1976). Nimmer doubts that, given the importance of the commercial value of exclusive rights, the *Geisel* decision remained sound even under the old Act. Id.
business it is to deal in words—editors and authors. Yet, I have frequently found them reluctant to formalize or even to say out in reasonable detail just what rights are involved.\textsuperscript{154}

Thus, whether there be a full contract or a mere legend stamp, the parties should take care to define the scope of their rights to avoid transferring away what they in fact intended to keep.

IV. The Significance of the Transfer of Copyright Ownership

A. A Comparison of the New and Old Copyright Acts

Prior law gave only the author or his assignee the right to secure the copyright in a work.\textsuperscript{155} Since the copyright was indivisible,\textsuperscript{156} it followed that a transfer of less than all of the rights included in the author’s copyright gave the transferee nothing which he could secure under the copyright law. A transfer of less than all of the rights included in a copyright was a mere “license” rather than an “assignment.”\textsuperscript{157} Since a licensee could not sue upon or secure a copyright as could an assignee, the distinction was crucial, and much has been written about it.\textsuperscript{158}

Licenses are usually personal, contractual rights and are strictly construed. “Any assignment of a copyright which does not convey the entire unqualified monopoly of the copyright proprietor . . . is to be deemed a license rather than an assignment.”\textsuperscript{159} Also, a license may be exclusive or nonexclusive. If nonexclusive, according to Professor Henn, “the grant operates as a covenant by the licensor not to sue the licensee for exercising rights under the license.”\textsuperscript{160} If, on the other hand, the license is exclusive, the licensor promises that he will neither sue the licensee for using the rights, nor grant similar rights to another, preserving the exclusive rights in trust for the benefit of the licensee.\textsuperscript{161}

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\textsuperscript{154} Wasserstrom, Magazine, Newspaper and Syndication Problems, 1953 Copyright Prob. Analyzed (CCH) 159, 165.

\textsuperscript{155} Mifflin v. R.H. White Co., 190 U.S. 260, 262 (1903).

\textsuperscript{156} See note 90 supra and accompanying text.

\textsuperscript{157} 2 M. Nimmer, Copyright § 119.1 (1976).

\textsuperscript{158} Senate Comm. on Judiciary, 86th Cong., 2d Sess., Copyright Law Revision, Study No. 11—Divisibility of Copyrights 1-81 (Comm. Print 1960); 2 M. Nimmer, Copyright §§ 119-30 (1976); Bergstrom, The Businessman Deals with Copyright, 3 ASCAP Copyright L. Symp. 249, 266 (1940); Caterini, Contributions to Periodicals, 10 ASCAP Copyright L. Symp. 421 (1959).

\textsuperscript{159} A. Weil, American Copyright Law 545-46 (1917).

\textsuperscript{160} Henn, supra note 2, at 431.

Usually, in the absence of agreement between the proprietor and licensee, the rights cannot be sublicensed.\textsuperscript{162}

The distinction of exclusive, indivisible copyrights and other lesser rights or licenses was important in the area of periodical rights. One case that underlined this importance was \textit{Dam v. Kirk La Shelle Co.},\textsuperscript{163} which involved the sale of a story by Dam, the author, to Smart Set magazine. As was the custom in the trade, the only writing involved was a check stub stating that it was “in full payment for the story entitled, ‘The Transmogrification of Dan.’”\textsuperscript{164} The story was then published under the general copyright notice of the periodical, with no separate author’s notice on the story. Notwithstanding its brevity, the check stub served to determine Dam’s rights in his work. If the stub was effective to transfer all possible rights to the periodical, then the publisher would have been the copyright proprietor and its general copyright notice would have secured all rights in the story. But if only the right of first publication was transferred, then the periodical was a licensee, not entitled to secure a copyright,\textsuperscript{165} and the story would have entered the public domain.\textsuperscript{166} Assisting the unfortunate author to keep his rights, the court construed the situation so as to find the publisher the copyright proprietor, a status which permitted the periodical’s notice to protect the copyright, which had been assigned back to Dam.\textsuperscript{167}

The decision showed the dangers of the indivisibility theory, and authors since then have fought to change it.\textsuperscript{168} As stated earlier,\textsuperscript{169} the fight was successful and the indivisibility theory has been abolished. Were the \textit{Dam} case to be decided under the new law, the author would prevail without having to find a transfer and assignment back of the copyright.

Under the new Act, the owner of any one of the exclusive rights is a copyright owner and can bring suit to protect against infringement of the rights he holds. The exclusivity of a transferred right is not tested by the license-assignment distinction, as in \textit{Dam}. The broad scope of the definition of a “transfer of copyright ownership”\textsuperscript{170} would change

\textsuperscript{163.} 175 F. 902 (2d Cir. 1910).
\textsuperscript{164.} \textit{Id.} at 903.
\textsuperscript{165.} \textit{See, e.g.,} Mail & Express Co. v. Life Pub. Co., 192 F. 899 (2d Cir. 1912).
\textsuperscript{166.} \textit{See note 3 supra} and accompanying text.
\textsuperscript{167.} 175 F. at 904-05.
\textsuperscript{168.} Senate Comm. on Judiciary, 86th Cong., 2d Sess., Copyright Law Revision, Study No. 11—Divisibility of Copyrights 5 (Comm. Print 1960).
\textsuperscript{169.} \textit{See notes} 98-99 \textit{supra} and accompanying text.
\textsuperscript{170.} \textit{See note} 76 \textit{supra} and accompanying text.
the analysis in the case. Whether or not the check stub was an assignment of all rights becomes irrelevant, and the inquiry as to whether the author could divide his copyright into limited parts is moot. The deciding factor would be that Dam had no written contract with Smart Set, and therefore the periodical would be presumed to have acquired only the privilege of reproducing and distributing his story for the first time. The check stub sent with payment would not amount to an express transfer of ownership rights, since a transfer of copyright ownership must be in writing and signed by the owner to be valid.

At the time of that publication, no determination of whether the periodical is a "proprietor" would be necessary to determine whether the general copyright notice protected the work. Dam would be the owner of all rights comprised in his copyright, except for that of first publication, since all rights initially vest in the author. The publication of the story without separate notice would not put his work into the public domain since a general notice on a collective work is sufficient to protect an individual contribution. Yet the general notice would be defective in that it names Smart Set as the owner, and it would be advisable for the author to register his copyright separately. Registration of the copyright is a prerequisite to an infringement suit. Having satisfied the prerequisites, Dam could successfully sue the defendant for infringement, using all available remedies, with some reduction in damages if the defendant showed that he infringed the copyright innocently.

While the Dam case illustrates the role of the new Act in protecting authors, the case did not clarify what rights a periodical might acquire in a contract using trade terms, such as "American serial rights." To demonstrate the significance of such a transfer under present law, Eliot v. Geare-Marston, Inc. may be reconsidered. In Eliot, the author sold "all rights" in her story to a publisher, and the publisher later assigned back to her "all rights in the article, except American serial rights." In applying the assignment-license distinction which

171. *See* note 83 *supra* and accompanying text.
172. *Id.* § 204(a).
173. *Id.* § 201(a).
174. *Id.* § 404(a).
175. *See* note 85 *supra*.
176. *See* note 43 *supra* and accompanying text.
178. *See* id. § 405(b).
180. *See* prior discussion in text at notes 131-36 *supra*.
181. 30 F. Supp. at 302.
was then crucial, the court held that the author was a mere licensee since the publisher evinced no clear intent to reconvey the entire copyright to the author.\textsuperscript{182} As one writer put it:

In other words, the magazine publisher . . . was termed the proprietor, while the author, having all the other rights, was deemed a mere licensee. This left the contributor in the awkward position of having the entire copyright, other than magazine rights, but with no right to transfer or sub-license these rights, as a licensee cannot transfer or sub-license any of his rights as licensee without the consent of the licensor. This is indeed an anomaly, as the greatest commercial value inherent in the various rights embodied in a copyright lies in the power to transfer such rights for a consideration. Yet, here the author—the person the Constitution intended to protect in order to promote the progress of the arts—is left in a precarious position.\textsuperscript{183}

Thus, the author in \textit{Eliot}, though in control of most of her copyright, was blocked from further marketing of her work. The \textit{Eliot} decision, in effect, converted limited periodical rights into the controlling interest of the author’s copyright. Thus, not only was it difficult to define the meaning of a term such as “American serial rights,”\textsuperscript{184} but prior law also tended to include in these rights more control than a periodical may have wanted or needed.

Under the new Act, an author such as Eliot could likewise transfer all of the rights included in her copyright to a periodical, provided the transfer was in writing.\textsuperscript{185} The periodical would probably demand such a writing since, in the absence of a writing signed by Eliot, it could only acquire the right to publish the work for the first time.\textsuperscript{186} The periodical would record the transfer of copyright ownership, and Eliot would do the same when rights were assigned back to her.\textsuperscript{187} Upon this reassignment, Eliot would possess all of the exclusive rights in copyright except “American serial rights,” and could subsequently transfer ownership rights to display the work or create derivative works. To know the full scope of rights reconveyed to her, Eliot should have agreed to a clearer expression of which rights the periodical could keep, since the meaning of “American serial rights” is not self-evident. In this way, she might not only have avoided infringing on the periodical’s retained rights, but also could have marketed her story to the greatest degree.

In summary, a review of the \textit{Eliot} and \textit{Dam} cases in light of the new

\textsuperscript{182.} Id. at 306.
\textsuperscript{183.} Caterini, \textit{Contributions to Periodicals}, 10 ASCAP Copyright L. Symp. 320, 345-46 (1959) (footnotes omitted).
\textsuperscript{184.} See notes 131-36 \textit{supra} and accompanying text.
\textsuperscript{185.} 17 U.S.C.A. § 204(a) (West 1977).
\textsuperscript{186.} Id. § 201(c); see note 83 \textit{supra} and accompanying text.
\textsuperscript{187.} Id. § 205.
Act suggests three important points. First, the assignment-license distinction is no longer controlling, since all transfers must be viewed in terms of copyright ownership. Second, an error such as that in Dam's notice would today be curable because the new Act deemphasizes the role of notice. Finally, Dam could today successfully maintain an infringement suit after registering his copyright, provided he did so promptly and affixed notice on the copies of Smart Set not yet purchased by the public. As for Eliot, her rights under the new Act would depend on whether the transfers in question were written, signed, and recorded, and on how clearly the transferred rights were defined.

B. Commercial and Economic Significance of Copyright Ownership

While there is an economic analysis to the effect that copyright should be limited because it increases costs and restricts competition, much can be said to encourage the use of copyright. Today, many authors are completely unaware that they can preserve for themselves the fruits of their labor. The promotion of the arts can be advanced through a business-like approach that encourages authors to derive the maximum economic benefit from their skills. The new Copyright Act should be understood by writers so that they may choose whether or not to use its protections. Yet, copyright may guarantee little in a business sense. For example, a timely human interest piece on coal miners may be interesting today for periodical publication, but have little future value. Therefore, an author of such a piece will consider whether the cost of registration and depositing best editions outweighs the limited value of securing the copyright. An author who writes a feature article on a movie star for a periodical may find that the copyrighting cost exceeds the probable future value of the work.

Even when it makes economic sense to secure a copyright, the author may have little power to bargain with a publisher who will not print the story unless the author surrenders all rights in it. Should authors avoid such periodicals and forego the possibility of publishing in them? When copyright is viewed from a practical standpoint, the really hard question may not be the meaning of trade terms or the need for a written contract, but rather whether or not the author can publish while retaining significant rights. Only a seasoned author can command such a balance. The copyright law should operate for new writers and freelancers of all sorts just as it does for established

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authors, or the statutory protections of copyright may prove to be illusory.

V. Conclusion

Articles, poems, stories, and all other writings for periodical publication can be protected under the copyright laws. Copyrights may be transferred in the form of ownership rights. These rights may be subdivided indefinitely, and may be exclusive or nonexclusive. Periodicals may seek to acquire these rights by using trade terms which lack definition and precision. Accordingly, an author should negotiate to ensure that any written agreement to transfer rights in his work is specific, avoiding or defining these trade terms and limiting grants in time and place. Markets and languages should also be specified. This is important because income is derived from the exploitation of these rights, and the author-copyright owner should attempt to maximize the legal and economic rights in his own creation.

While it may increase the cost of books and restrict competition, the author's copyright is guaranteed by the Constitution and copyright protection encourages the creation of the arts. Thus, a copyright owner should preserve his rights, and at the same time undertake to earn a profit from his creation. An author should be aware that the transfer of copyright ownership involves significant commercial and economic rights. In the new Copyright Act, Congress has emphasized the importance of a written conveyance of such rights. All parties who convey rights after January 1, 1978, should, in the interests of both authors and the periodicals in which their works are published, follow this congressional intent.