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OFFICE

July 18, 1996

Dear Mr. Gerber:

This is in response to your letter dated March 29, 1996, sent on behalf of your client, Batjac Productions, Inc., requesting the Copyright Office to reconsider its decision to refuse unlimited registration for claims in two McLINTOCK screenplays.

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The Copyright Office's Board of Appeals carefully examined the claims and all relevant correspondence; it also considered all of the arguments raised in this correspondence. For the reasons given below, the Board of Appeals affirms the decision to refuse to register unlimited claims to copyright in these works.

Two different versions of the screenplay are at issue — one dated October 9, 1962, the other dated November 23, 1962. The Office's records indicate that the motion picture McLINTOCK, which consisted of 14 reels of film, was published on November 1, 1963, and registered under registration number Lp 26387. No renewal claim was made for the motion picture. Prior to publication of the motion picture several registrations were made for musical compositions as unpublished works; renewal claims for these works were registered in 1991. A video version of the motion picture, published April 2, 1993, was registered April 12, 1993, under registration number PA 617–166. According to the application, the claim for this 1993 version was in the "editing, remixing, [and] addition of new sound material."

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The controlling law for these claims is the 1909 Copyright Act. As we pointed out in our previous letters, publication of a work publishes all of the component parts embodied in the copies of the work as published. The Office's regulations and practices promulgated under that act emphasize that one registration of a copyrighted work covers all of the copyrightable component parts. Thus, the Office's practice is that a motion picture is an entity and that any copyrightable component part, such as a literary or musical work embodied on the soundtrack, is considered an integral part of the motion picture as a whole. 37 C.F.R. section 202.15(e) (1975).

In its letter of March 20, 1996, the Office asked whether the two scripts contained any material not present in the published motion picture; additionally, it stated that if there was such material, registration for that material could be considered.

In your March 22, 1996, letter on behalf of Batjac Productions, Inc., you indicated that "much but not all of the material in the screenplays is in the motion picture and videotape." However, you questioned the Office's understanding and operating policy that, under the law, publication of a motion picture publishes all components of that motion picture, including the screenplay. To this end, you cited the decision in Shoptalk, Ltd. v. Concorde–New Horizons[1] as support. Importantly, during a telephone conversation with Supervisory Examiner Hugh E. Clark on March 26, 1996, you indicated that your client was not interested in registering claims limited to the material not contained in the published motion pictures.

In our letter of March 28, 1996, we reconfirmed our position and once again refused to register unlimited claims in the two scripts. Also, we once again offered to register any new material in the scripts that was not embodied in the published motion picture. In your letter of March 29, 1996 you again expressed your disagreement with the Office's registration procedures; you essentially contend that the decision in Shoptalk must be taken as the definitive interpretation of the copyright law on the issue of publication of elements contained in motion pictures and the continuing existence of common law copyright in underlying works. We disagree.

As mentioned above, the controlling law is the Copyright Act of 1909; copyright was secured by publication of copies of the work with the required notice of copyright. Section 3 of that act provided that "the copyright provided by this Act shall protect all the copyrightable component parts of the work copyrighted." In accordance with that act, Batjac secured copyright in its entire motion picture upon publication. It submitted a claim to copyright based on the entire work and that claim was registered.

The Office's policy regarding separately identifiable works that are included in published copies is stated in The Compendia of Copyright Office Practices, I and II, which cover both the 1909 and 1976 laws. Section 3.1.1.IVa of Compendium I (1973) states that "publication of a portion of a work does not necessarily mean that the work as a whole has been published." The implication is clear—whatever is contained in the published work is published. This principle is reaffirmed and more directly stated in Compendium II (1984) covering the 1976 law. Section 910.04 states "the inclusion of an unpublished work in another work that is later published results in the publication of the first work to the extent that it is disclosed in the published work." Listed as an example is a preexisting unpublished screenplay contained in a published motion picture: "those elements of the screenplay disclosed in the motion picture are considered to be published at the same time the motion picture is published." Id.

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[1] 897 F.Supp. 144 (S.D.N.Y. 1995).

The holding in Classic Films v. Warner Bros., Inc. 453 F.Supp. 852 (D. Me. 1978), aff'd. 597 F.2d 13 (1978), clearly squares with the longstanding practice of the Copyright Office. There the court said:

> the expiration of defendant's statutory copyright in the 1937 version of the motion picture "A Star is Born" dedicated the film in its entirety to the public use, and defendant's common law copyrights in the dialogue, script, and musical score of the film afford no basis for its claim to the exclusive right to exhibit, distribute or otherwise use the film.

453 F.Supp. 856. On appeal, the First Circuit affirmed the ruling of the lower court that "by reason of the Copyright Act, the film could be freely used without the authority of the defendant; the status of the common law copyright in the underlying work was of no consequence." 597 F.2d at 14. The Court further explained that "a common law copyright in the underlying work cannot expand the statutorily created monopoly, the limitation of which is designed to place in the public domain not only the copyrighted matter but also the good will generated through the period of the monopoly. This is the price to be paid by the copyright holder in exchange for the exclusive statutory monopoly he enjoyed." Id. at 14–15.

In addition to Classic Films, other cases have supported the fundamental principle that common law copyright in preexisting material is lost upon embodiment in a published motion picture. See, e.g., O'Neill v. General Film Co., 157 N.Y.S. 1028 (N.Y. App. Div. 1916). The Office's position is also supported by the well known treatise, Nimmer on Copyright[2]. Regarding publication of works incorporated in derivative works, Nimmer states, "[s]ince a derivative work by definition to some extent incorporates a copy of the preexisting work, publication of the former necessarily constitutes publication of the copied portion of the latter."[3]

With respect to Shoptalk, to the extent that the court finds that the screenplay, as it was embodied in the published motion picture, is not published, we disagree. Shoptalk was a declaratory judgment action brought to determine rights under a contract. On a motion for summary judgment the court found that the defendants' right to royalties based on the use of the motion picture, published in 1960, expired with the work's copyright but that defendants retained the right to royalties based on use of the screenplay. The underlying screenplay was registered in 1982 as an unpublished motion picture; the registration was ostensibly based on new materials not incorporated in the published motion picture.

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[2] 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §4.12[A] (1994) [hereinafter NIMMER] (discussion of the general rule that an authorized publication of a derivative work constitutes a publication of the preexisting works upon which it is based).

[3] Id. at 4–57.

To the extent that the court declined to find that publication of the motion picture published the underlying screen play, we believe the holding is erroneous and inconsistent with both prior case law and the practices of the Office.

We note that the court in Shoptalk relied on Henson Productions[4] and Stewart v. Abend[5] for the proposition that publication of a derivative work does not vitiate the common law rights or the statutory copyright in the original work. However, both Henson and Abend are distinguishable because rights in the original works in question were reserved to the extent that their contents and features were not found, divulged, or made known through the publication of the derivative works. Additionally, the Shoptalk court seemed to be unduly influenced by the fact that plaintiffs continued to pay royalties to screenwriter Griffith, who co–owned the copyright in the screenplay with the defendant. 897 F. Supp. 144, 147, n.4 (S.D.N.Y. 1995).

As noted above, the Office believes that Shoptalk, is not controlling. More importantly, on April 17, 1996, in a case involving the video of McLINTOCK, the Ninth Circuit affirmed the district court's summary judgment for the defendant, Goodtimes. Maljack Productions, Inc., v. Good Times Home Video Corp. 81 F.3d 881 (9th Cir. 1996). Plaintiff based its copyright claim on an assertion that it owned the synchronization rights for the music; the music is still protected by copyright because the music copyrights were renewed by the defendant's predecessor, United Artists. At issue was the scope of a 1962 contract between Batjac and United Artists.

The court rejected all of the copyright claims noting that the motion picture entered the public domain in 1991. In doing this the court stated:

> Maljack does not argue that the synchronization rights were part of the motion picture copyright, because they would have expired when the motion picture copyright expired. It also does not argue that the synchronization rights existed separately from the motion picture and music copyrights; if that were the case, because Batjac did not copyright the synchronization rights, they would be part of the public domain.

Id. at 885 n.3.

Moreover, although we didn't mention it in our earlier correspondence, the Copyright Office's interpretation was specifically confirmed in the North American Free Trade Agreement Implementation Act (NAFTA) of December 8, 1993, 107 Stat. 2057, 2115 which provides that certain works, i.e., "motion pictures" and "any work included in such motion picture that is first

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[4] Jim Henson Productions v. John T. Brady & Assoc's., 867 F. Supp. #175 (S.D.N.Y. 1994).

[5] Stewart v. Abend, 493 U.S. 990 (1989).

fixed in or published with such motion picture," that were in the public domain in the United States for failure to include a copyright notice during a specified period of time could have their copyright in the United States restored if a notice of intention to restore the copyright was filed in the Copyright Office during a specified period of time.

In 1994 Congress passed the Uruguay Round Agreements Act, 108 Stat. 4809; the Statement of Administrative Action that accompanied it refers to NAFTA. It states that the NAFTA Implementation Act authorized "the restoration of copyright protection to certain Mexican and Canadian motion pictures and works included in those films."

The Copyright Office in its NAFTA implementing regulations, 37 C.F.R. 201.31, set out procedures for "copyright restoration in the United States for certain motion pictures and their contents...." In subsection (2) the Office included in the definition of eligible works "any work that was first fixed or published with" a motion picture "if the work entered the public domain in the United States because it was first published...without the notice required by 17 U.S.C. 401, 402 or 403...."

It is clear that the United States Congress, as well as the Copyright Office and the courts, believes that the publication of a motion picture publishes all of its component parts, and that it therefore was essential to provide for the copyright to be restored in works, such as screen plays or musical compositions, which might be in the public domain in the United States because copies of the motion picture did not contain the required copyright notice.

In conclusion, the Board of Appeals concurs with the previous decision that unlimited claims in the two McLINTOCK scripts, which you admit are substantially embodied in the published motion picture, are not possible. This is in accordance with the long standing practices of the Copyright Office which we believe are supported by the law itself and the weight of authority. This decision constitutes final agency action.

Sincerely,

Marybeth Peters

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Register of Copyrights

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