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Katherine Grincewich: Good morning. I am very pleased to present Frank Rothwell who practices intellectual property law as the senior member of the firm he helped found, Rothwell, Figg, Ernst & Kurz, in Washington, D.C. He has practiced intellectual property law exclusively for the last 40 years. He represented the Episcopal Conferences of Ireland, England, Wales and Australia in connection with their copyrights involved in the *Costello*[1] antitrust case against the NCCB, and has advised the USCC in connection with some intellectual property matters for the past 20 years.

Frank Rothwell: Thank you, Katherine. I thought I'd start out with a little overview of the contents of the talk, followed by the approach I plan to take. In the contents of the talk, I will first examine intellectual property law subjects in general, to separate patents, copyrights and trademarks, move to what my partners have called The Seven Copyright Sins (yes, they trademarked that phrase), then talk about some new copyright statutes and other copyright issues not in the outline, and finally finish by any practice tips. The approach I plan to take, particularly with regard to copyright law, is to refer to the copyright statute, 17 U.S.C. § § 101-505 (1988).

OVERVIEW

Copyright law is simple in basics, or basically simple, but deceptively complex when in the details. I plan to stick to the basics.

The terminology of patents, trademarks and copyrights and

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* Rothwell, Figg, Ernst & Kurz

[1] Costello Pub. Co. v. Rotelle, 670 F.2d 1035 (D.C.Cir. 1981).

what they protect is very basic. Patents are granted by the Patent and Trademark Office after an examination based on an application. Patents protect inventions. Inventions include the technological items, computer hardware, computer software, biotech drug inventions, and aesthetic designs. Trademarks protect words, symbols or other forms of expression to identify the source of goods or services provided by a person or entity. As an example, in the computer field, trademarks include Apple, Compaq and Dell. The generic term "trademark" is also used to designate identification of service providers. America OnLine and Lycos are service marks. Slogans such as "Where there's life there's Bud," can function as a trademark. Copyrights protect the creative endeavors of authors as expressed in a fixed tangible medium of expression. That is a fairly broad subject and includes books, video, audio-visual materials and computer programs. As technology changes, copyright law necessarily changes with it. When the first computer programs were written, and the first biotech inventions were made, there were a number of disputes about the level of protection. The Internet, also a new area of technology, is forcing creation of new legal principles. It has taken years to develop new law and new applications of intellectual property law.

The Constitution (Article. I, Section 8) gave the Congress the power to "promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."[2] Trademarks are a statutory creation, having their basis in the Commerce Clause. Trademarks are based on state law and common law. Copyrights and patents, however, are created by federal law.

The following is an explanation of each of the items on the list of seven costly copyright sins.

I. SEVEN COSTLY COPYRIGHT SINS

1. Failure to recognize copyrights arise from creation. Who in this room owns copyright? The answer is, everyone. The reason is that copyright, according to the statute, "subsists . . . in original works of authorship fixed in any tangible medium of

[2] U.S. CONST. Art. I, § 8.

expression now known or later developed, from which they can be perceived, reproduced, or otherwise communicated either directly or with the aid of a machine. . . ."[3] My speech would not be the subject of copyright, if it were not being recorded. That is why speakers sign a copyright waiver, so that the organization can utilize the information. Any notes that you've taken are also copyrighted. You have fixed these notes in a tangible medium of expression, that is, you've written them on a piece of paper. There are no formalities required, no notice required, no registration required. The fact is that you own that copyright. If you write a letter to someone, you as the writer are the owner of the copyright in it. The recipient of the letter owns the document, but unless he or she has your permission, they cannot distribute it.

a. Requirements for copyright:

(1) Originality. The work has to be original with the author, that is, something that the author creates, rather than something that someone else creates. As an example, one person could take a photograph of the Washington Monument at a certain day at a certain time, and that person would own the copyright of that photograph. Another person could take another photograph of the Washington Monument and he would own the copyright in that photograph, even though the photographs were indistinguishable.

(2) Creativity. There is a very low level of creativity required for copyright. Even selection and arrangement of someone else's works involve enough creativity to establish copyright.

(3) Fixed in a tangible medium. If the work is recorded or if it is written down, it *is* fixed. The creator is the owner of the copyright, unless it is a work for hire. If it is a work for hire, the employer is the author.

b. The following is a summary of different types of subject matter which are copyrightable and the different classifications used by the Copyright Office:[4]

(1) Literary Works. That is probably the largest class.

(2) Musical Works, including accompanying words.

(3) Dramatic Works, including accompanying music,

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[3] 17 U.S.C. § 102 (1988).

[4] *See id.*

pantomimes, choreographic works.

(4) Pictorial, Graphic and Sculptural Works.

(5) Motion Picture and Audio/Visual Works.

(6) Sound Recordings and Architectural Works.

Also, in addition to what is copyrightable, the Copyright Act includes a list of what is not subject to copyright. Copyright does not "extend to any idea, procedure, process, system, method of operation, concept, principle, discovery. . . ."[5] Blank forms, names, computing and measuring devices, like calendars and charts, are not protected.

Two important types of copyrighted works are compilations and derivative works. A derivative work is a work that is based on, or derived from, another work. These include translations, musical arrangements, dramatizations, fictionalization of a historical happening, art reproductions, and condensations. Derivative works are copyrightable, but that does not affect the ownership or rights of the underlying work from which the derivative work is created. If you translated something from a foreign language, you would own the copyright in the translation that *you* created as an original work, but it would not affect the copyright in the original foreign language work.

2. Failure to recognize international nature of copyright. Most countries are members of copyright treaties and copyright conventions which have been enacted into the law in their countries. Therefore, they have basically the same laws that we do with regard to protection without registration or notice. We have changed United States law to conform with the law of many of the foreign countries, and so that we could be members of the various copyright conventions. The Copyright Office has a circular which lists the various conventions and their members, including the Berne Convention, the Buenos Aires Convention, and the Satellite Universal Copyright Convention. Most of the major civilized countries of the world are members of one or more of the copyright conventions, which provide protection for works that are created abroad and vice versa. Under the conventions, if you have copyrighted work in the United States, it is also protected in other countries without any effort. This is significantly different from patents where protection in other countries is costly.

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[5] *See id.*

3. Failure to recognize what constitutes infringement.

The owner of a copyright has exclusive rights to:

1. Reproduce the work in copies or records.
2. Prepare derivative works based on his work.
3. Distribute copies of the copyrighted work to the public.
4. Perform the work publicly.
5. Display the work publicly.
6. Prevent circumvention of the copy, that is, prevent others from disabling a work's copyright protection. Further, it is a violation of copyright law to change the name of the author or make changes in the information that is in the copyright management database.

If someone other than the copyright owner of a work does 1 through 6 above, without the permission of the copyright owner, that person has infringed the copyright owned by the creator of the work.

4. Failure to recognize scope of fair use.

Fair use is a limitation on the exclusive rights of the authors. Not all uses of a copyright work constitute infringement. There are four factors to recognize whether or not a use is a fair use. They are:

1. The purpose and character of the use. Obviously, if you criticize someone else's work, that is a fair use. On the other hand, you couldn't use just the cover of criticism to copy the whole work. Rather, you would copy the portions that you need to criticize.

2. The nature of the copyrighted work. Some types of work are more important than others in terms of copyright protections. Fictional works have greater protection in copyright law and are less subject to fair use rights.

3. The substantiality of the portion used. The smaller the amount you can use, the better.

4. The effect on the potential market or value of a copyrighted work. The effect on the potential market or value of the copyrighted work is usually the critical factor in evaluating fair use. For example, my firm receives advance sheets of cases in our field of interest. We won't dare make copies of those and distribute them to the attorneys in our office. People who have done that have been sued and lost. This is more than fair use because it has an effect on the potential market value of the copyrighted work. In other words, Bureau of National Affairs is

losing three subscriptions if we make photocopies of the advance sheets and circulate them.

5. Failure to register.

As I said earlier, this needs to be done if you are going to offensively pursue an infringer. It's easy, inexpensive, and it affects the availability to obtain damages and attorneys' fees. The evidentiary advantage is that it becomes *prima facie* evidence that a work has copyright protection.[6] To register a copyright, you must provide the Copyright Office (part of the Library of Congress) with a copy of the work that you want to protect. If it is unpublished you just provide one copy; if it is published you provide two copies of your best work.[7]

6. Failure to use copyright notice.

Another offensive tactic is to use the copyright notice. The practical effects are that it puts people on notice that you claim copyright in publicly-circulated works. It also precludes a claim of innocent infringement. The copyright notice can have three elements.

1. The symbol for copyright (the word copyright or the abbreviation for copyright ©).

2. The year.

3. The name of the copyright proprietor.[8]

The last two items can be switched. Before a change in the law in the late 1980s,[9] notice of copyright was mandatory and a number of products, including some belonging to my clients, fell into the public domain for failure to put a copyright notice on them. The copyright notice also provides a place to look for the copyright owner for permission to use the work.

7. Failure to recognize scope of work for hire and need for assignment.

The author of a copyright is the owner. But, of course, like any other property, it can be assigned. If there are co-authors, they are co-owners. An employee for hire means that his employer is considered the author under copyright law.[10] Several examples of employment for hire the copyright office gives are:

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[6] *See* 17 U.S.C. § 410 (1988).

[7] *See id.* § 408.

[8] *See id.* § 401.

[9] *See* Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (1988).

[10] *See* 17 U.S.C. § 201 (1988).

1. A software program created within the scope of the duties of the staff programer of X computer corporation.

2. The newspaper article written by a staff journalist of a newspaper that employs him to write articles.

In order for a commissioning party to own a work being created by an independent contractor, both parties must sign a written agreement stating that the commissioning party shall be the copyright owner. Such a writing must be signed before work commences. One of the biggest problems that consistently arises is when a company commissions an outside party to create a computer program, to write a book, or to do anything else which is an original work of authorship without a contract. That company thinks that because it pays the outside party, it owns the copyright. That is not true. And that result makes clients very upset. It occurs, of course, because the company did not check first with attorneys or did not know that he who creates a work owns it. Avoiding this problem is very simple; you create a letter which states that in consideration for the money the company pays the independent contractor to create a work, the contractor promises to assign whatever he/she has already created, or the contractor promises to assign the copyrights and all rights to the copyright to the company when it is created. This is a serious problem with a simple solution.

Of these seven sins, the three cardinal sins would be three, Failure to recognize what constitutes infringement;" four, "Failure to recognize fair use;" with seven being the most important. As a simplistic practice tip, my advice would be not to copy without permission unless the work is in the public domain.

New Matters

Congress enacted two new copyrights statues last year, the Digital Millennium Copyright Act,[11] and the Sonny Bono copyright extension.[12]

The Digital Millennium Act has five separate titles, one of which is the so-called housekeeping of the copyright office. The other four titles relate to technology. The most controversial is the first title which prohibits circumvention of technical devices used by copyright owners to protect their work. The record and

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[11] The Digital Millennium Copyright Act (DMCA), Pub. L. No. 105-304, 112 Stat. 2860 (1998).

[12] The Sony Bono Copyright Extension, Pub. L. No 105-304, 112 Stat. 2827 (1998).

film industry have devised ways to prevent their works from being copied. Anything which defeats the protection is considered circumvention and therefore copyright infringement.

The second title limits liability for online service providers for copyright infringement. If the online service provider is merely transmitting materials without editing, it is not liable if someone posts a copyright infringement on its service.

The third title creates an exemption from copyright infringement if one makes a copy of a computer program or activates a computer for the purpose of maintenance and repair. The Sonny Bono Copyright Extension Act has basically extended the term of copyright by an additional twenty years. It is now one hundred and twenty years from the day of creation, ninety-five years from the day of publication for corporate owners, and for individual authors, the life of the author plus seventy. To add some perspective to these new terms, when I first started practicing, the term of copyright was fourteen years.

Remedies for copyright infringement.

Remedies for copyright infringement are draconian, and include injunction and impoundment of infringing articles and the means of making those articles. Copyright owners can receive (1) actual damages, and any additional profits of the infringer, and (2) statutory damages, which can be elected by the copyright owner any time before the final judgement of the court. The statutory damages are $500 to $20,000 per work, per infringer, with damages for willful infringement up to $100,000.[13] Additionally, the copyright owner can receive court costs, usually including reasonable attorneys fees to the prevailing party.[14] This sometimes works out favorably if you have been unjustly accused of copyright infringement, because you can persuade the other side to go away by pointing out that if you prevail, the accuser must pay your attorneys fees. Infringement actions have a three-year statue of limitation.

The questioner - Thank you, could you give us the citation on the website of the Copyright Office?

Rothwell - Yes, it's www, it is loc.gov/copyright. You can download forms from the Copyright Office.

The questioner - I did want to thank you very much for

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[13] 17 U.S.C. § 504 (1988).

[14] *See id.* § 505.

coming down. We don't hear a great deal about this subject, and we all appreciate this information. Assuming you were trying to find out the actual owner of a website that uses a known *non de plume* should one sue and ask for the information through discovery? I was curious to learn what success you've had or what efforts you undertake to actually ascertain the name of the website owner.

Rothwell - I've not tried to do that. When you apply for a name for a website with Network Solutions, you must give them your name. The Copyright Office has a provision for searching public records, and if the website has registered a copyright in the name of their *nom de plume*, you could search in that name and then see what comes up.

The questioner - Thank you, and finally, I did want to ask you whether or not under the new statute there can be liability imposed on the service provider if in fact they're placed on notice that they're aiding and abetting copyright violations?

Rothwell - I think the answer is yes.

The questioner - Thank you.

The questioner - Yes, Chuck Reynolds from the Archdiocese of Santa Fe. If you have volunteers, for instance, diocesan volunteers who are working on a written manual for an archdiocese ministry, is that a work for hire?

Rothwell - That is a situation where a writing specifying that the diocese is the copyright owner of the manual would prevent problems.

The questioner - Pat McGinnis for the diocese of Beaumont. My question has to do with architects. Is it better to have a waiver of their copyright or an assignment? Will you please give me the elements that I need to have in that waiver or assignment to make sure that they're properly waived and assigned? I think I have to do something pro active to get architects to either waive or assign their rights so that later on when we want to add onto the project, or do another project, we won't have to get their permission to use their drawings.

Rothwell - I would recommend getting an assignment, not a waiver. The assignment should include the names of the two parties, the identification of what's being assigned, and consideration. In your case, the consideration would be the money you're going to pay them to design it. The subject to be assigned is all rights and any copyright in the drawings that they

have created for you, including all rights of a copyright owner. If there has been past infringement, that is not ordinarily conveyed with an assignment.

The questioner - Generally, the architect will send the owner a marked-up version of the AIA architect agreement which is not favorable toward the owner.

Rothwell - To say the least.

The questioner - To say the least. I'm a believer that he who draws up his own contract wins, so generally what I do is strike language or add language to level the playing field. Is it infringement for me to copy what they have sent me and do my redlining and language additions do it? They tell us that they have to use an AIA form in order to get bonding and insurance. What I ultimately want to do was to take the AIA language they like and redraft a standard form contract for all architects that are going to do business with the diocese which is more favorable toward us. What do I need to do to do that? Do I need to get permission from the AIA?

Rothwell - I think there could be a question of whether or not this is fair use, how much of it is used and whether it's original to them. I think it would be a good idea to get permission through the AIA to use portions of their contract, especially if you're going to it more than once, and make a lot of copies of it.

The questioner - I've just ordered their disk. I haven't received the disk and I'm sure there's probably some language on the disk about using those documents.

Rothwell - Yes, they may give you permission automatically. Many people who copyright and publish a work grant permission to copy.

The questioner - Thank you.

Rothwell - You are welcome.

The questioner - Just a follow up question from earlier on, if there is a lawyer in a law firm that's asked to prepare, for example, a sexual harassment policy for the dioceses, what result if that lawyer leaves the law firm and then claims copyright in the manual?

Rothwell - I think that if a lawyer that is employed by the law firm to draft contracts, his contracts are the result of a work for hire. The law firm would own the contracts.

The questioner - Hi, Jay Mercer, Indianapolis. I'm confused about using websites. Most websites don't have copyright

symbols. My concern is, if I find a web page, for example, maybe a law firm site for promotional purposes, may I download a form they have included on their site?

Rothwell - I would say that's fair use. You're only making a copy of it for your own use and you're not destroying any commercial value they had.

The questioner - Okay, I'll take it a step farther. What if I send a copy of that to my client?

Rothwell - As your work?

The questioner - No, not as my work, but to support my conclusion. I send them an opinion letter saying "and here's some information they've cited some cases and looks like they have done a good job here."

Rothwell - I would say that is also still fair use, as long as you just send it to one client.

The questioner - The materials in our book, and the materials that you've provided us with, are those copyrighted?

Rothwell - Yes, and I give anyone permission to copy them except the statutes. The statues are not copyrighted. On the other hand, the selection and arrangement of those statues are copyrighted, but everyone has permission to copy that or anything I say. I'm not very security conscious.

The questioner - Joe DiVito, Diocese of St. Petersburg. We have a high school that pays for a license to use materials for putting on the school play. Is it fair use if the school video tapes the performance and makes that available to the parents?

Rothwell - I would say so just to the parents to cover the cost of the video tape. However, does the license specifically prohibit that? You should review the license.

The questioner - We've been approached by an organization called Motion Picture Licensing Corporation. It offers a blanket license for our schools and parishes to use all different kinds of video tapes in settings more like baby sitting than educational work. I'm just curious if anyone else is using that and how effective it is or if it's worth doing?

Rothwell - That's a question for the audience.

The audience - I understand the Archdiocese of Chicago has a blanket license. They determined that they had so many schools, hospitals, and nursing care facilities using video cassettes for recreational use, that they should get a blanket license. The Motion Picture Licensing Corporation is a

legitimate organization reorganized as valid licensor by the Copyright Office.