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# Copyright Termination And Technical Standards

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## COPYRIGHT TERMINATION AND TECHNICAL STANDARDS

Jorge L. Contreras and Andrew T. Hernacki\*

### ABSTRACT

Technical standards, which enable products manufactured by different vendors to work together, form the basis of the modern technological infrastructure. Yet an obscure provision of the U.S. Copyright Act, enacted to allow authors and composers to profit from the later success of their works, now threatens to disrupt this critical technological ecosystem. Enacted in 1976, Section 203 of the Copyright Act permits the author of a copyrighted work to revoke any copyright license or assignment between thirty-five and forty years after the grant was made. For grants made in 1978, the first year to which Section 203 applies, terminations could first be made in 2013, and in the music and publishing industries such terminations, and the concomitant litigation, have already begun.

Technical standards are also treated as copyrightable works, and arguably the provisions of Section 203 apply to them. Numerous standards published in 1978 are still in use, and each year the number of standards potentially subject to Section 203 termination will grow. But unlike the composers and authors whom Section 203 was intended to protect, contributors to technical standards are usually engineers employed by large corporations, research institutions, or government agencies who make such contributions without additional compensation. Standards are thus unburdened by the copyright royalty obligations that characterize musical compositions, books, and other works of authorship. The termination of customary royalty-free copyright licenses granted by contributors to standards organizations or their heirs could thus have a significant disruptive effect on the standardization process and impose a substantial new cost on industries that are standards-dependent (a cost most likely to be passed through to consumers).

The application of Section 203 to technical standards, however, is not straightforward. This article, for the first time, assesses Section 203 in terms of its applicability to technical standards documents. In particular, it analyzes considerations of joint authorship, works-made-for-hire, and derivative works under Section 203 to an area that was clearly not contemplated by Congress when it enacted the

statute. We conclude that, although Section 203 is theoretically applicable to technical standards, several statutory obstacles would impede the wholesale termination of standards-related license grants. Nevertheless, in order to avoid costly and time-consuming litigation, we recommend that Congress or the courts explicitly acknowledge the inapplicability of Section 203 to technical standards.

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## I. INTRODUCTION

Since its release in 1978, the Village People's iconic song *Y.M.C.A.* has been a regular feature at weddings, school dances, and seventh-inning stretches. IETF RFC 749, also published in 1978, is a computer networking protocol relating to an Internet precursor known as Telnet.<sup>1</sup> There are few outward similarities between the catchy song ("Young man, there's no need to feel down . . .")<sup>2</sup> and the network protocol ("The SUPDUP-OUTPUT protocol provides a means to access the virtual display support provided by the SUPDUP protocol . . . within the context of a standard TELNET connection.")<sup>3</sup> Yet, these and other works published in 1978 and thereafter may soon share a common headache: copyright litigation.

In 2012, Village People front-man Victor Willis brought and won a lawsuit under Section 203 of the Copyright Act, successfully terminating the rights in *Y.M.C.A.* and other songs that he granted to his record label, Scorpio Music, back in 1978.<sup>4</sup> Broadly speaking, Section 203 permits the author of a copyrighted work to terminate the grant of any license or assignment of that work starting thirty-five years, and ending forty years, after the grant was first made.<sup>5</sup> Following such a termination, any transferred rights in the copyright revert back to the author or his heirs, notwithstanding any contractual language to the contrary.<sup>6</sup>

The reversion permitted by Section 203 of the Copyright Act,<sup>7</sup> was intended to enable authors who were young and unrecognized at the time of their initial grants to recover greater rewards if their works eventually became successful.<sup>8</sup> For example, in 1938 Jerry Siegel

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1. See Bernard Greenberg, *Request for Comments 749 – Telnet SUPDUP-OUTPUT Option*, INTERNET ENG'G TASK FORCE paras. 4–5, at 2 (Sept. 18, 1978), <http://tools.ietf.org/html/rfc749>.
  2. VILLAGE PEOPLE, *Y.M.C.A.*, on *CRUISIN'* (Casablanca Records 1978).
  3. Greenberg, *supra* note 1, at para. 4.
  4. Scorpio Music S.A. v. Willis, No. 11cv1557 BTM(RBB), 2012 WL 1598043, at \*1–2, 5 (S.D. Cal. May 7, 2012).
  5. 17 U.S.C. § 203(a) (2006).
  6. *Id.* § 203(b).
  7. For older works, Section 304 of the Copyright Act provides a similar reversion. 17 U.S.C. § 304 (2006).
  8. See Lydia Pallas Loren, *Renegotiating the Copyright Deal in the Shadow of the "Inalienable" Right to Terminate*, 62 FLA. L. REV. 1329, 1342–46 (2010); Peter S. Menell & David Nimmer, *Pooh-Poohing Copyright Law's "Inalienable" Termination Rights*, 57 J. COPYRIGHT SOC'Y U.S.A. 799, 804–08 (2010); Richard Busch, *Fighting*

and Joseph Shuster, the creators of the Superman comic book character, sold their rights to the predecessor of DC Comics for \$130.<sup>9</sup> Siegel and Shuster both died penniless in the 1990s, leaving nothing to their heirs.<sup>10</sup> Superman, in the meantime, earned billions for his corporate owners.<sup>11</sup>

Termination rights under Section 203 are not absolute, and there are several exceptions that exempt certain categories of works from its reach.<sup>12</sup> For example, grants covering works-made-for-hire are exempt from termination,<sup>13</sup> and if a single work has multiple authors, a majority is required to exercise a termination.<sup>14</sup> Moreover, termination under Section 203 only prohibits further exploitation of the original copyrighted work, but not of any authorized derivative works.<sup>15</sup> These exceptions, however, are poorly defined within the statute and untested in the courts.

The recent case involving the Village People, *Scorpio Music S.A. v. Willis*,<sup>16</sup> as well as others,<sup>17</sup> have thrust Section 203 into the limelight

*for the Right to Superman's Copyright: More Brutal than Anything Lex Luther Could Have Imagined*, FORBES (Nov. 1, 2012, 11:44 AM), <http://www.forbes.com/sites/richardbusch/2012/11/01/truth-justice-and-the-american-way-fighting-for-the-right-to-supermans-copyright-more-brutal-than-anything-lex-luthor-or-the-legion-of-doom-could-have-ever-imagined/>.

9. Busch, *supra* note 8.

10. *Id.*

11. *Id.* DC Comics' owner, Warner Brothers, spent a decade in litigation with Siegel's and Shuster's heirs. *Larson v. Warner Bros. Entm't, Inc.*, No. 2:04-cv-08400-ODW (RZx), 2013 WL 1694448, at \*6 (D.D.C., Apr. 18, 2013) (granting summary judgment for DC Comics and holding a 2001 agreement between Siegel's heirs and DC Comics was binding and, therefore, precluded exercising of their termination right); *DC Comics v. PAC Pictures Corp.*, No. CV-10-3633 ODW (RZx), 2012 WL 4936588, at \*8 (C.D. Cal., Oct. 17, 2012) (granting summary judgment in favor of DC Comics and holding that Schuster's heirs were not entitled to exercise their termination rights).

12. 17 U.S.C. § 203(a)–(b) (2006).

13. *See id.* § 203(a).

14. *See id.* § 203(a)(1).

15. *Id.* § 203(b)(1) (“A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.”).

16. No. 11cv1557-BTM(RBB), 2012 WL 1598043, at \*1 (S.D. Cal. May 7, 2012).

17. *See, e.g.*, Complaint at paras. 1–2, 6, 23, 43(b), *Ray Charles Found. v. Robinson*, 919 F. Supp. 2d 1054 (C.D. Cal. Mar. 28, 2012) (No. CV 12-02725 ABC (FFNX)) (alleging that seven of famed singer Ray Charles' children are not entitled, under Section 203, to terminate the transfer of over fifty of Charles' musical compositions to the Ray Charles Foundation); Complaint at paras. 1, 5–7, 65–69, *Coots Baldwin v.*

after lying dormant for three decades. While record labels and movie studios prepare for what will undoubtedly develop into plentiful litigation,<sup>18</sup> Section 203, by its terms, reaches beyond the entertainment industry and has the potential to disrupt the less glamorous, but more technologically critical, world of technical standards.

There is little doubt that Section 203 will have a significant impact on the music and publishing industries in the coming years, but how will it affect technical standards? In answering this question, this article examines how Section 203 may impact standards documents in the context of the following doctrines: (1) the creation of standards as joint works, (2) application of the work-made-for-hire exception, and (3) the role of the derivative works exception. Further, this article argues that the underlying purpose of the termination right—protecting authors against unremunerative transfers—is inapplicable in light of the non-remunerative nature of standards submissions to standards development organizations (SDOs). Accordingly, we suggest that technical standards should be legislatively or judicially exempted from the Section 203 termination right.

Part I gives an introduction to technical standards, and individuals', businesses', and manufacturers' increasing reliance on them. Part II summarizes the history and procedural requirements of Section 203. Part III analyzes the interplay between Section 203 and technical standards. Specifically, Part III.B analyzes the implications of joint authorship for Section 203 and technical standards, while Part III.C explores whether the works-for-hire exception is applicable in the standards-development context. Part III.D describes several instances in which the derivative works exception could apply to

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EMI Feist Catalog, Inc., No. 11-CV81354, 2011 WL 6359013 (S.D. Fla. Dec. 16, 2011) (alleging that statutory heirs of the author of the ubiquitous Christmas song *Santa Clause is Comin' to Town* are entitled to terminate a transfer of the copyright to a publisher under Section 203 where both the heirs and the author executed the grant).

18. Ted Johnson, *Rock and Recourse: Starting this Year, Artists Are Able to Reclaim Rights to Much of Their Music from 35 Years Ago*, VARIETY, Apr. 16, 2013, 49, 49 (“The Eagles filed notices of termination to their albums *The Long Run*, effective on Sept. 25, 2014, and *Eagles Live*, effective on Nov. 8, 2015. Rights are currently held by Electra Entertainment and Warner Music Group. Eagles member Don Henley has given notice to Geffen Records that he is reclaiming the recording of *Boys of Summer*, effective Oct. 26, 2019, while Devo, Huey Lewis and the News, and Fleetwood Mac have filed notices for some of their works, according to records from the U.S. Copyright Office. One of the first to file a notice is Kris Kristofferson, who in 2008 sought termination for *Risky Bizness* and *Spooky Lady's Revenge* from Resaca Music Publishing Co.”).

technical standards and considers the role of standards development organizations as contributors and publishers. In Part III.E we observe that technical standards, and the authors of technical standards, are fundamentally different from the traditional works of authorship and authors that Section 203 was enacted to protect. We conclude by proposing a legislative or judicial exclusion of technical standards from Section 203 termination.

## II. OVERVIEW OF TECHNICAL STANDARDS

Technical standards are documents that define features of products and services.<sup>19</sup> Standards can establish minimum requirements for product safety, criteria for judging quality, content, environmental sustainability and other product features, uniform metrics for measurement and assessment, and requirements for product interoperability.<sup>20</sup> This last category, so-called interoperability standards, enable computer networks, electronics, telecommunications devices, and other equipment sold by different vendors to interoperate in a manner that is virtually invisible to the consumer.<sup>21</sup> Interoperability standards pervade the technological marketplace. They include household names such as Wi-Fi, USB, Bluetooth, MP3, DVD, and http, as well as a host of less familiar acronyms. According to one recent study, a single laptop computer relies on more than 250 different standards for its normal operation.<sup>22</sup> The public benefits conferred by technical standards have been recognized widely by courts, regulators, and commentators.<sup>23</sup> These

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19. See COMM. ON TECHNICAL STANDARDIZATION, AM. BAR ASS'N, STANDARDS DEVELOPMENT PATENT POLICY MANUAL 25 (Jorge L. Contreras ed., 2007) [hereinafter PATENT POLICY MANUAL] (providing a general definition of the term "standard"); NATL. RES. COUNCIL, PATENT CHALLENGES FOR STANDARD-SETTING IN THE GLOBAL ECONOMY: LESSONS FROM INFORMATION AND COMMUNICATIONS TECHNOLOGY (Keith Maskus & Stephen A. Merrill, eds. 2013) [hereinafter NAS REPORT].

20. See PATENT POLICY MANUAL, *supra* note 19, at ix.

21. See NAS REPORT, *supra* note 19, at 16.

22. Brad Biddle et al., *How Many Standards in a Laptop? (And Other Empirical Questions)*, in PROCEEDINGS OF THE 2010 ITU-T KALEIDOSCOPE ACADEMIC CONFERENCE 123 (2010), available at [http://www.itu.int/dms\\_pub/itu-t/opb/proc/T-PROC-KALEI-2010-PDF-E.pdf](http://www.itu.int/dms_pub/itu-t/opb/proc/T-PROC-KALEI-2010-PDF-E.pdf) (identifying 251 technical standards implemented in a single laptop computer).

23. See, e.g., *Microsoft Corp. v. Motorola, Inc.*, 2013 U.S. Dist. LEXIS 60233, at \*9 (W.D. Wash., Apr. 25, 2013) ("Standards lower costs by increasing product manufacturing volume, and they increase price competition by eliminating switching costs for consumers who want to switch from products manufactured by one firm to those manufactured by another."); U.S. FED. TRADE COMM'N, THE EVOLVING IP MARKETPLACE: ALIGNING PATENT NOTICE AND REMEDIES WITH COMPETITION 191

benefits make interoperability standards key infrastructural elements of the modern technology ecosystem.<sup>24</sup> Without them, communications, computing, innovation, transportation, finance, and manufacturing would be crippled.<sup>25</sup>

Standards, like books, movies, and musical compositions, are, by most accounts, works of authorship that fall under the Copyright Act.<sup>26</sup> Most interoperability standards, however, are developed not by single authors or firms, but within volunteer-based SDOs that operate in particular technical areas.<sup>27</sup> Participation in SDOs is usually voluntary and open to all interested persons, including technology developers, product manufacturers, and industrial consumers, as well as occasional governmental and civil society representatives.<sup>28</sup> The resulting interoperability standards, the adoption and use of which are typically not mandated by the SDO,

(Mar. 2011), available at <http://www.ftc.gov/os/2011/03/110307patentreport.pdf> [hereinafter FTC, EVOLVING IP MARKETPLACE] (“In many IT industries, interoperability among products and their components is critical to developing and introducing innovative products that satisfy a range of consumer needs.”); Renata B. Hesse, Deputy Assistant Attorney Gen., U.S. Dep’t of Justice, Address at the 2nd Annual Antitrust Law Leaders Forum: IP, Antitrust and Looking Back on the Last Four Years, 16 (Feb. 8, 2013), available at <http://www.justice.gov/atr/public/speeches/292573.pdf> (“[C]ollaboratively-set industry standards may substantially reduce transaction costs . . . [S]tandards offer our economy great efficiencies and offer consumers and businesses new, advanced products . . .”).

24. FTC, EVOLVING IP MARKETPLACE, *supra* note 23, at 191.

25. *Id.*

26. *See Why Voluntary Consensus Standards Incorporated by Reference Into Federal Government Regulations are Copyright Protected*, AM. NAT’L STANDARDS INST., [http://publicaa.ansi.org/sites/apdl/Documents/News and Publications/Critical Issues/Copyright on Standards in Regulations/Copyright on Standards in Regulation.pdf](http://publicaa.ansi.org/sites/apdl/Documents/News%20and%20Publications/Critical%20Issues/Copyright%20on%20Standards%20in%20Regulations/Copyright%20on%20Standards%20in%20Regulation.pdf) (last visited Apr. 1, 2014). The copyrightability of technical standards is not, however, without controversy. *See, e.g.*, Pamela Samuelson, *Questioning Copyright in Standards*, 48 B.C. L. REV. 193, 215 (2007) (arguing that standards documents should not be amenable to copyright protection as numbering systems under the *scènes a faire* and merger doctrines). For purposes of this discussion, we will assume that standards are copyrightable works.

27. For a general description of the entities and processes involved in the development of technical interoperability standards, see PATENT POLICY MANUAL, *supra* note 19, at x–xi and Brad Biddle et al., *The Expanding Role and Importance of Standards in the Information and Communications Technology Industry*, 52 JURIMETRICS J. 177, 183–84 (2012). In this article we do not focus on standards produced by single companies such as Adobe’s Portable Document Format (PDF) or Microsoft’s .doc format. While such standards are undeniably important to the market, the copyright termination issues discussed herein are generally not salient to such standards.

28. PATENT POLICY MANUAL, *supra* note 19, at x.



are known as “voluntary consensus standards.”<sup>29</sup> For example, the 802.11 (Wi-Fi) wireless networking standards were developed by engineers from hundreds of different companies working under the auspices of the Institute of Electrical and Electronics Engineers (IEEE).<sup>30</sup> The standards that underlie the Internet were developed through the loosely-organized Internet Engineering Task Force (IETF)<sup>31</sup> and Worldwide Web Consortium (W3C);<sup>32</sup> many wireless telecommunications standards were developed through groups such as the Telecommunications Industry Association (TIA)<sup>33</sup> and the European Telecommunications Standards Institute (ETSI).<sup>34</sup>

The individual engineers who make technical contributions to an SDO and their employers typically assign or license the copyright in those contributions to the SDO for purposes of standards development, evolution, publication, and dissemination.<sup>35</sup> In almost all cases, this “transfer” of copyright is made without monetary consideration, and neither individual standards developers nor their employers (who typically fund their participation in SDO activities) receive any financial compensation for this work.<sup>36</sup> The copyright in

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29. See OFFICE OF MGMT. & BUDGET, CIRCULAR NO. A-119 REVISED, FEDERAL PARTICIPATION IN THE DEVELOPMENT AND USE OF VOLUNTARY CONSENSUS STANDARDS AND IN CONFORMITY ASSESSMENT ACTIVITIES (Feb. 10 1998), available at [http://www.whitehouse.gov/omb/circulars\\_a119](http://www.whitehouse.gov/omb/circulars_a119) (defining voluntary consensus standards).

30. *IEEE Standards Association History*, IEEE, [http://www.ieeeahn.org/wiki/index.php/IEEE\\_Standards\\_Association\\_History](http://www.ieeeahn.org/wiki/index.php/IEEE_Standards_Association_History) (last visited Apr. 1, 2014).

31. *The IETF Standards Process*, INTERNET ENG'G TASK FORCE, <http://www.ietf.org/about/standards-process.html> (last visited Apr. 1, 2014).

32. *About W3C*, WORLD WIDE WEB CONSORTIUM, <http://www.w3.org/Consortium/> (last visited Apr. 1, 2014).

33. *About ETSI*, EUR. TELECOMMS. STANDARD INST., <http://www.etsi.org/index.php/about> (last visited Oct. 31, 2013).

34. *TIA Standards Development Overview*, TELECOMMS. INDUS. ASS'N, <http://www.tiaonline.org/standards/tia-standards-overview> (last visited Apr. 1, 2014).

35. See, e.g., IEEE, IEEE POLICIES § 6.3.1(A)(7) (2013), available at [http://www.ieee.org/documents/ieee\\_policies.pdf](http://www.ieee.org/documents/ieee_policies.pdf) (“Prior to publication by the IEEE, all authors or their employers shall transfer to the IEEE in writing any copyright they hold for their individual papers. Such transfer shall be a necessary requirement for publication, except for material in the public domain or which is reprinted with permission from a copyrighted publication.”).

36. See, e.g., *id.* § 6.3.1(A)(8) (“In return for the transfer of authors’ rights, the IEEE shall grant authors and their employers’ permission to make copies and otherwise reuse the material . . .”). This no-charge transfer is entirely reasonable in the standards context, as participants in standards development projects wish to develop standards rapidly and efficiently in order to more quickly develop products that implement the standards or to seek patent royalties on such products.

the collective work that comprises a standard is often owned by the SDO, but individual contributors or, more frequently, their employers, retain ownership of the copyrights in their underlying contributions.<sup>37</sup> Thus, this article explores whether it may be possible for individual contributors, or their employers or heirs, to invoke Section 203 to terminate copyright grants made with respect to those contributions.

Suppose that a foundational data communications standard developed at SDO-X was published in 1978 based largely on the technical contributions of John Q. Engineer, an employee of Bigdata Corp. Like all participants in SDO-X, John (or Bigdata, if John has assigned the copyright to Bigdata under his employment agreement or the work-made-for-hire doctrine) has granted SDO-X a perpetual, irrevocable, worldwide, royalty-free license under the copyright in his contributions.<sup>38</sup> Since 1978, the standard has continued to evolve and is now an integral part of the global telecommunications infrastructure. However, notwithstanding the irrevocable license that John or Bigdata granted to SDO-X in 1978, beginning in 2013 either John or Bigdata (depending on their initial allocation of copyright ownership) could conceivably terminate that license under Section 203.<sup>39</sup>

The implications of such a termination could be serious. First, SDOs often charge modest fees for the sale and downloading of technical standards.<sup>40</sup> These fees help to support the administrative budgets of SDOs, which typically operate as non-profit corporations or membership associations.<sup>41</sup> If SDOs were required to fund copyright litigation, not to mention royalties to regain terminated rights, these costs would most likely be passed through to their members and, ultimately, to consumers.<sup>42</sup> More importantly, the termination of SDO grants to technical contributions would prevent

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37. See *infra* note 100 and accompanying discussion.

38. See *Rights Contributors Provide to the IETF Trust*, INTERNET ENG'G TASK FORCE 10 (Scott Bradner & Jorge Contreras eds., Nov. 2008), <http://tools.ietf.org/pdf/rfc5378.pdf>.

39. See 17 U.S.C. § 203(a)(3) (2006) ("Termination of the grant may be effected at any time during a period of five years beginning at the end of thirty-five years from the date of execution of the grant . . .").

40. See *Why Charge for Standards?*, AM. NAT'L STANDARDS INST., [http://www.ansi.org/help/charge\\_standards.aspx](http://www.ansi.org/help/charge_standards.aspx) (last visited Apr. 1, 2014).

41. See *id.*

42. Cf. Anthony Ciolli, *Lowering the Stakes: Toward a Model of Effective Copyright Dispute Resolution*, 110 W. VA. L. REV. 999, 1010 (2008) (arguing that less copyright litigation should result in more savings for consumers).

SDOs from further distributing those contributions, and from modifying or creating further derivative works of them. The adverse impact on enterprises depending on affected standards could be significant, as those standards could no longer evolve to accommodate future technological developments (e.g., the shift from 4G to 5G mobile communications, the upgrading of computer operating systems, or the introduction of new technologies).

Given these consequences, why would John, a dedicated engineer who originally made a voluntary technical contribution to SDO-X, suddenly decide to disrupt the technological infrastructure thirty-five years later? There are several possible reasons. First, John may simply wish to profit from the widespread adoption and success of the standard. It has long been recognized that the holder of intellectual property rights covering a technical standard gains the ability to charge elevated rents after the standard has been widely adopted by the industry.<sup>43</sup> This “hold-up” phenomenon is usually associated with patents, but could apply equally to a copyright owner who had the ability to impede the public utilization of a standard.<sup>44</sup> Thus, while John may have been inclined to make an initial grant to SDO-X without charge when the standard was in development and its success uncertain, he may now wish to capitalize on the success of the standard in the marketplace and renegotiate a license at a higher (i.e., non-zero) rate.<sup>45</sup> Moreover, after thirty-five years, it is possible that John is deceased and John’s heirs may feel no loyalty to SDO-X and simply wish to maximize the value of his estate’s assets. They may have no hesitation in terminating license grants that he made to SDO-X under Section 203 in the hope of renegotiating for increased compensation.<sup>46</sup>

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43. See, e.g., FTC, *EVOLVING IP MARKETPLACE*, *supra* note 23, at 5 (“Patent hold-up can overcompensate patentees, raise prices to consumers who lose the benefits of competition among technologies, and deter innovation by manufacturers facing the risk of hold-up.”); Joseph Farrell et al., *Standard Setting, Patents, and Hold-Up*, 74 *ANTITRUST L. J.* 603, 609 (2007).

44. See Andrea Pacelli, Note, *Who Owns the Key to the Vault? Hold-up, Lock-out, and Other Copyright Strategies*, 18 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1229, 1239–40 (2008). Copyright has typically not factored into the hold-up analysis due to the perpetual, irrevocable license grants that are usually made by contributors to technical standards. Section 203 has the potential to alter this balance.

45. Given that most SDOs are thinly-staffed non-profit entities, the financial burden of such royalty demands would likely fall on other implementers of the standard (product vendors), and eventually be passed through to consumers.

46. This article will discuss the ability of corporate “authors,” such as Bigdata, to exercise Section 203 termination rights. See *infra* Part II.

Typically standards are unburdened by the copyright royalty obligations that characterize musical compositions, books, and other works of authorship. In our experience, contributors to standards development projects, whether individual engineers or their employers, generally have no expectation of financial remuneration from the grant of a copyright license to the SDO. And the termination of customary royalty-free copyright licenses granted by contributors to SDOs could have a significant disruptive effect on the standardization process and impose a substantial new cost on industries that are standards-dependent (a cost most likely to be passed on to consumers).

In a recent article, Professor Timothy Armstrong observes, in a similar vein, that Section 203 terminations could adversely affect open source code software by enabling individual software developers to terminate their copyright grants to open source projects, thereby disrupting the many downstream uses of that software.<sup>47</sup> Professor Armstrong expresses concern that Section 203 terminations could adversely impact important open source projects, such as Linux and Wikipedia, and “chill the vibrant creative environment that presently surrounds the development and use of open-content works.”<sup>48</sup> His concern is well-founded. However, open source software is a relatively recent development.<sup>49</sup> The first version of the first widely used open source code license, the GNU General Public License (GPL), was originally published in 1989.<sup>50</sup> Thus, the first Section 203 termination of a GPL license could not occur until 2024, nearly a decade from now. The far more common GPL v.2 was released in 1991, meaning that no GPL v.2 license could be

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47. Timothy K. Armstrong, *Shrinking the Commons: Termination of Copyright Licenses and Transfers for the Benefit of the Public*, 47 HARV. J. ON LEGIS. 359, 405–09 (2010); see also Jon L. Phelps, *Copyleft Termination: Will the Termination Provision of the Copyright Act of 1976 Undermine the Free Software Foundation's General Public License?*, 50 JURIMETRICS J. 261–62 (noting that if open source code licenses are terminable under Section 203, the open source software movement could be severely impacted and proposing utilizing the Section 117 safe harbor for software copies to avoid termination problems while permitting continued open source code development).

48. Armstrong, *supra* note 47, at 363.

49. See Bruce Perens, *Open Source Definition*, in OPEN SOURCES: VOICES FROM THE OPEN SOURCE REVOLUTION 171, 172 (Chris DiBona et al. eds, 1999).

50. *GNU General Public License Version 1*, FREE SOFTWARE FOUND., INC., (Feb. 1989), <http://www.gnu.org/licenses/gpl-1.0.txt>. The more popular General Public License Version 2.0 was released in 1991. *GNU General Public License Version 2*, FREE SOFTWARE FOUND., INC., (June 1991), <http://www.gnu.org/licenses/gpl-2.0.html>.

terminated until 2026, at the earliest.<sup>51</sup> In the realm of standards, however, the risk of termination exists today.<sup>52</sup> Many technical standards that were first published in 1978 are still in use.<sup>53</sup> Moreover, the number of standards produced each year has grown steadily,<sup>54</sup> and with each year that passes the number of standards potentially subject to Section 203 termination will increase.

### III. HISTORY AND ELEMENTS OF SECTION 203

The Copyright Act of 1909 employed a two-term protection scheme under which authors enjoyed twenty-eight years of copyright protection with the option to renew for a second twenty-eight year term.<sup>55</sup> Only the author or his heirs had the right to renew the copyright, giving them a second opportunity to benefit from the success of a copyrighted work.<sup>56</sup> The Congressional record also indicates that the renewal right was intended to be inalienable, so as to vest it exclusively in authors and their heirs.<sup>57</sup>

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51. See *GNU General Public License Version 2*, *supra* note 50.

52. See Phelps, *supra* note 47, at 265.

53. See, e.g., Greenberg, *supra* note 1 (adopted Sept. 18, 1978); *ISO 5754:1978 Sintered Metal Materials, Excluding Hardmetals – Unnotched Impact Test Piece*, INT'L ORG. FOR STANDARDIZATION, [http://www.iso.org/iso/catalogue\\_detail.htm?csnumber=11880](http://www.iso.org/iso/catalogue_detail.htm?csnumber=11880) (last visited Apr. 1, 2014) (adopted 1978); *ISO 172:1978 Plastics – Phenol-formaldehyde Mouldings – Detection of Free Ammonia*, INT'L ORG. FOR STANDARDS, [http://www.iso.org/iso/catalogue\\_detail.htm?csnumber=4006](http://www.iso.org/iso/catalogue_detail.htm?csnumber=4006) (last visited Apr. 1, 2014) (adopted 1978); *NFPA 72E: Standard for Automatic Fire Detectors – Other Prior Editions*, NAT'L FIRE PROT. ASS'N, <http://www.nfpa.org/catalog/product.asp?pid=NFPA72EARCHIV&cookie%5Ftest=1> (last visited Apr. 1, 2014) (adopted May 18, 1978).

54. See *ISO: Standards Development*, INT'L ORG. FOR STANDARDS, [http://www.iso.org/iso/home/standards\\_development.htm](http://www.iso.org/iso/home/standards_development.htm) (last visited Apr. 1, 2014).

55. Pub. L. No. 349, ch. 320, §§ 23–24, 35 Stat. 1075, 1080–81 (1909). The 1790 Act afforded copyright protection for an initial term of fourteen years with the right to renew for another fourteen years. Copyright Act of 1790, ch. 15, § 1, 1 Stat. 124, 124 (1790) (repealed 1802). The 1831 Act doubled the length of both the initial and renewal terms to twenty-eight years. Copyright Act of 1831, ch. 16, §§ 1, 16, 4 Stat. 436, 436, 439 (1831).

56. The House Report accompanying the 1909 Act states: “It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years, your committee felt it should be the exclusive right of the author to take the renewal term, and the law should be framed as is the existing law, so that he could not be deprived of that right.” H.R. REP. NO. 60-2222, at 14 (1909).

57. *Id.*; see also *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 497 (2001) (reciting the characterization of the termination right as “inalienable”); *Stewart v. Abend*, 495 U.S.

Despite these provisions, in 1943 the U.S. Supreme Court refused to recognize the inalienability of a copyright renewal interest.<sup>58</sup> In *Fred Fisher Music Co. v. M. Witmark & Sons*, the composer of the song *When Irish Eyes Are Smiling* transferred “all copyrights and [renewal rights]” in the song to the publishing firm M. Witmark & Sons.<sup>59</sup> After twenty-eight years, both the composer and Witmark independently applied for renewal with the Copyright Office, and the composer assigned his renewal interest to another publisher, Fred Fisher Music Co.<sup>60</sup> Fisher subsequently began selling copies of the song, and Witmark filed suit to enjoin Fisher’s sales based on the composer’s earlier assignment of the renewal right to Witmark.<sup>61</sup> The Court upheld the initial assignment, refusing to recognize the renewal right as inalienable because the statute did not explicitly impose such a restriction.<sup>62</sup> This decision, arguably in conflict with the legislative intent, controlled the copyright-renewal landscape for the next thirty-five years.<sup>63</sup>

The 1976 Copyright Act amendments represented the culmination of fifteen years of legislative debate.<sup>64</sup> Spurred in large part by a desire to overturn *Fisher*, the Copyright Office in 1961 submitted a comprehensive study to Congress suggesting, among other things, that the original Congressional intent “would seem to require that the

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207, 229–30 (1990) (characterizing the termination right as “inalienable” in spite of any contract that purportedly transfers the right to the grantee).

58. See *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 659 (1943); see also Menell & Nimmer, *supra* note 8, at 804–06 (discussing *Fred Fisher Music Co.*, and its legislative aftermath).

59. *Fred Fisher Music Co.*, 318 U.S. at 645.

60. *Id.* at 646.

61. *Id.*

62. *Id.* at 655–56 (“If Congress . . . had any intention of altering what theretofore had not been questioned, namely, that there were no statutory restraints upon the assignment by authors of their renewal rights, it is almost certain that such purpose would have been manifested.”).

63. Notably in *Fisher*, the author survived to renew. See *id.* at 645–46. If an author died prior to the renewal date, the assignment of the renewal term (treated as an expectancy/contingent assignment) was void. The renewal right did not belong to the decedent, but rather to the statutory heir. *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 376 (1960).

64. Beginning in 1961, representatives of a wide range of interests affected by the copyright law participated in “numerous meetings and discussions under the auspices of the Copyright Office.” H.R. REP. NO. 94-1476, at 47 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5660.

renewal right be made unassignable in advance.”<sup>65</sup> The Draft Committee agreed and incorporated the report’s suggestions in the first draft of the revised copyright bill.<sup>66</sup> Specifically, the Draft Committee articulated the concept of inalienability by providing that “termination of the grant may be effected notwithstanding any agreement to the contrary.”<sup>67</sup> Although Congress would not enact the final version of the bill until 1976, the underlying rationale that the reversionary interest must be inalienable in order to “safeguard[] authors against unremunerative transfers” consistently reappeared throughout debates and other legislative reports.<sup>68</sup> Further, Congress explained the need for a restraint on alienation of the renewal right as stemming from “the unequal bargaining position of authors, resulting in part from the impossibility of determining the work’s value until it has been exploited.”<sup>69</sup>

With this purpose in mind, Congress crafted statutory language to effectuate this underlying rationale.<sup>70</sup> As a preliminary matter, it eliminated the two-term renewal system and replaced it with a longer, unitary copyright term in order to conform with the requirements of the Berne Convention for the Protection of Literary and Artistic Works.<sup>71</sup> After adopting a unitary term of the author’s life plus fifty years,<sup>72</sup> the concept of recapturing renewal rights became moot.

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65. STAFF OF H. COMM. ON THE JUDICIARY, 87TH CONG., REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 53–54 (Comm. Print 1961).

66. See 1964 Revision Bill, H.R. 11947, 88th Cong. §§ 16(a), 22(c) (1964) (codified at 17 U.S.C. §§ 203(a), 304(c) (1976)).

67. 17 U.S.C. §§ 203(a)(5), 304(c)(5) (1976).

68. S. REP. NO. 94-473, at 108 (1976); H.R. REP. NO. 94-1476, at 47.

69. S. REP. NO. 94-473, at 108; H.R. REP. NO. 94-1476, at 47; see also *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 172–73 (1985) (explaining that “the concept of a termination right itself[] [was] obviously intended to make the rewards for the creativity of authors more substantial . . . [and] expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made *before the author had a fair opportunity to appreciate the true value of his work product.*”) (emphasis added).

70. See S. REP. NO. 94-473, at 108.

71. H.R. REP. NO. 94-1476, at 135 (“[T]he disparity in the duration of copyright [between the U.S. and Berne Convention countries] has provoked considerable resentment and some proposals for retaliatory legislation . . . . The need to conform the duration of U.S. copyright to that prevalent throughout the rest of the world is increasingly pressing in order to provide certainty and simplicity in international business dealings.”).

72. In 1998, Congress increased the duration of the copyright term by twenty years, bringing the total term to the author’s life plus seventy years. See *Sonny Bono*

Congress thus implemented the termination provision of Section 203 to provide similar protection during the life of the unitary copyright term.<sup>73</sup> Congress eventually created a window, between thirty-five and forty years after a grant is made,<sup>74</sup> during which time the author can terminate the transfer of any copyright (whether by express grant or exclusive or non-exclusive license).<sup>75</sup> The timing applicable to a hypothetical post-1978 copyright grant would thus work as shown in Table 1 below:

Table 1 – Timing of Section 203 Termination

| Event  | Date          |
|--|---------------|
| Date of grant  | June 15, 1980 |
| Earliest possible date to serve notice of termination (10 years before earliest possible termination date) | June 15, 2005 |
| Earliest possible date of termination (35 years after grant)   | June 15, 2015 |
| Latest possible date to serve notice of termination (2 years before latest possible termination date)      | June 15, 2018 |
| Latest possible date of termination (40 years after grant)   | June 15, 2020 |

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Copyright Term Extension Act, Pub. L. No. 105-298, 111 Stat. 2827 (1998) (codified as amended at 17 U.S.C. §§ 108, 203, 301, 304 (2006)).

73. See H.R. REP. NO. 94-1476, at 124 (implementing the termination right as a “practical compromise that will further the objectives of the copyright law while recognizing the problems and legitimate needs of all interests involved.”).
74. See STAFF OF H. COMM. ON THE JUDICIARY, 89TH CONG., REP. OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 75 (Comm. Print 1965) (“The basic 35-year figure represents a compromise which, we believe, is short enough to be of benefit to authors and long enough to avoid unfairness to publishers and other users.”).
75. 17 U.S.C. § 203(a) (2006). For works created prior to 1978, Section 304(c) allows the author to terminate any grant of the renewal right between fifty-six and sixty-one years after the date the copyright was secured. However, because it is extremely rare for the authors of contributions to technical standards to register or renew their copyrights in such contributions, Section 304(c) is largely inapplicable to this discussion. See generally Menell & Nimmer, *supra* note 8 (discussing current controversy regarding Section 304 termination).



It is important to note that only the author of a work (or his heirs) is entitled to exercise the right of termination under Section 203.<sup>76</sup> Thus, subsequent transferees and assignees of the author's rights do not have standing to terminate under Section 203, nor, arguably, do corporate successors in interest to a corporate author.<sup>77</sup>

#### IV. SECTION 203 TERMINATION AND TECHNICAL STANDARDS

##### A. *Technical Standards and Copyright*

Interoperability standards for technology products typically result from collaboration among technical experts who are full-time employees of corporations, government agencies, and research institutions having an interest in the standardized technology.<sup>78</sup> These individuals may either submit a complete document to an SDO for consideration as a standard, or interact with other SDO participants to write a joint document.<sup>79</sup> In either case, such contributions are generally modified and evolved by one or more working groups within the SDO as they progress along the "standards track," until such time as they are approved by the requisite body within the SDO.<sup>80</sup> To assist in the standards development process, the SDO often employs administrative staff.<sup>81</sup> These SDO employees are usually non-technical personnel who assist with document

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76. *Id.* § 203(a).

77. *See id.*

78. *See* Andrew Updegrave, *Forming a Successful Consortium – Part I – Business Considerations*, CONSORTIUMINFO.ORG, <http://www.consortiuminfo.org/essentialguide/forming1.php> (last visited Apr. 1, 2014).

79. *See* Tyler R.T. Wolf, Note, *Existing in a Legal Limbo: The Precarious Legal Position of Standards-Development Organizations*, 65 WASH. & LEE L. REV. 807, 813–15 (2008); *see also* Andrew Updegrave, *Creating a Standard Setting Organization Technical Process*, § 4.1, CONSORTIUMINFO.ORG, <http://www.consortiuminfo.org/essentialguide/creating.php> (last visited Apr. 1, 2014).

80. *See, e.g.*, *How Are Standards Made?*, IEEE, <http://standards.ieee.org/develop/process.html> (last visited Apr. 1, 2014).

81. *See* Updegrave, *Creating a Standard Setting Organization Technical Process*, *supra* note 79.

formatting and editing.<sup>82</sup> SDO employees do not generally contribute technical content to standards.<sup>83</sup>

SDOs vary considerably in their structure, policies, and objectives.<sup>84</sup> As noted in Part I of this article, many SDOs are organized as non-profit corporations or membership associations.<sup>85</sup> Accordingly, these SDOs have corporate charters and bylaws that outline the scope and composition of the board, voting practices, and duties of corporate officers and board members.<sup>86</sup> Additionally, many of these SDOs have membership agreements that dictate terms and conditions with which a member must comply in order to participate in the standards development process. Often included in such charters, bylaws, policies, and agreements are the terms under which the participant must license textual contributions to the SDO.<sup>87</sup> The typical license is structured as a perpetual, nonexclusive license granting all rights under the copyright in the contribution to the SDO.<sup>88</sup> These licenses are almost always granted to the SDO without any pecuniary compensation.<sup>89</sup>

### B. Technical Standards as Joint Works

One of the key provisions of Section 203 addresses the way in which joint authors of a single copyrighted work can terminate a prior transfer of that joint work.<sup>90</sup> The Copyright Act defines “joint work” as “a work prepared by two or more authors with the intention

82. *See id.*

83. *See id.* § 4.2.1.

84. Brad Biddle et al., *The Expanding Role and Importance of Standards in the Information and Communications Technology Industry*, *supra* note 27, at 180.

85. *See id.*

86. *See id.*

87. For a discussion of the enforceability of such SDO commitments in the patent licensing context, see Jorge L. Contreras, *Market Reliance and Patent Pledges* \_\_ UTAH L. REV. \_\_ (2015, forthcoming), available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2309023](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2309023) and Mark A. Lemley, *Intellectual Property Rights and Standard-Setting Organizations*, 90 CAL. L. REV. 1889, 1925 (2002).

88. *See* Lemley, *supra* note 87, at 1949.

89. *See id.*

90. 17 U.S.C. § 203 (2006). *See* Daniel Gould, *Time's Up: Copyright Termination, Work-for-Hire and the Recording Industry*, 31 COLUM. J. L. & ARTS 91 (2007) (discussing impact of joint authorship in the recording industry on statutory termination rights); Melville B. Nimmer, *Termination of Transfers under the Copyright Act of 1976*, 125 U. PA. L. REV. 947, 963–67 (1977) (describing requirements for termination by joint authors).

that their contribution be merged into inseparable or interdependent parts of a unitary whole.”<sup>91</sup> Joint authors must share a common design and each author must contribute at least a minimal amount of creative expression beyond mere editorial revisions.<sup>92</sup> Joint authors each own an undivided interest in the entire joint work, enabling each joint author to grant nonexclusive licenses to third parties, provided the licensor accounts for profits to his joint authors.<sup>93</sup> Section 203 requires that a majority of the authors who executed a grant in a joint work act together to terminate that grant.<sup>94</sup> Thus, to the extent that a standard is considered a joint work, a single author (or his employer or heirs) acting alone could not terminate the grant of rights under Section 203.<sup>95</sup>

### 1. Joint or Collective?

A joint work, however, should not be confused with a collective work, which comprises multiple distinct works by different authors combined into a single body, such as an anthology.<sup>96</sup> Collective works lack the merger and unity requirements of joint works and represent instead an aggregation of independent works into a single

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91. See 17 U.S.C. § 101 (2006 & Supp. V 2012). Notably, the Act does not explicitly define “joint author.” However, as Professor Nimmer points out, this definition practically serves as establishing the circumstances under which joint authors create a joint work, not the parameters for joint ownership. See MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 6.01 (Sept. 2013).

92. See *Childress v. Taylor*, 945 F.2d 500, 504, 509 (2d. Cir. 1991) (noting that “helpful advice” is insufficient to establish joint authorship, and expounding the idea that “[c]are must be taken to ensure that the true collaborators in the creative process are accorded the perquisites of co-authorship and to guard against the risk that a sole author is denied exclusive authorship status simply because another person rendered some form of assistance”).

93. *Id.* at 505; *Erikson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 1068 (7th Cir. 1994) (citing *Weinstein v. Univ. of Ill.*, 811 F.2d 1091, 1095 (7th Cir. 1987)) (“[E]ach author as co-owner has the right to use or to license the use of the work, subject to an accounting to the other co-owners for any profits.”).

94. 17 U.S.C. § 203(a)(1) (2006). Section 203(a)(2) addresses the scenario in which one or more joint authors have died, imposing the same majority requirement as Section 203(a)(1) but permitting statutory survivors to work as a “unit” in order to reach the necessary 51% mark. *Id.* § 203(a)(1)–(2).

95. *Id.* § 203(a)(1).

96. See 17 U.S.C. § 101 (2006 & Supp. V 2012) (defining “collective work” as “a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.”).

collection.<sup>97</sup> Though the individual authors of contributions to the collective work retain ownership of the copyrights in their contributions (absent contractual terms to the contrary), a separate copyright exists in the collective work itself, which is owned by the compiler (usually the editor or publisher of the collective work).<sup>98</sup>

Though Section 203 requires that the majority of joint authors of a work act together in order to terminate a copyright grant made with respect to their joint work, no such requirement exists for collective works.<sup>99</sup> Thus, an individual contributor to a collective work could independently terminate a grant with respect to his individual contribution to the collection. This distinction makes it important to determine whether technical standards should be classified as joint works or collective works for purposes of Section 203.

Some SDOs seek to treat finalized standards documents as collective works and claim ownership of the copyright in those collective works, while acknowledging that individual contributors retain copyright in their individual contributions.<sup>100</sup> If a standard is considered a collective work, then Section 203 would permit an author, or his heirs, to terminate a license to his individual contribution to the collection, potentially rendering the standard incoherent.

## 2. Joint Authorship of Standards.

While it is possible that in some cases standards may represent compilations of individual contributions, the typical standards-development process appears far more likely to result in joint works. Standards are often written or substantially reviewed by committee, and each committee member who meaningfully participates in the drafting or revision of a standard likely has a claim as a joint

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97. See H.R. REP. NO. 94-1476, at 120 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5736 (explaining that in contrast to a collective work, “a work is ‘joint’ if the authors collaborated with each other, *or* if each of the authors prepared his or her contribution with the knowledge and intention that it would be merged with the contributions of other authors as ‘inseparable or interdependent parts of a unitary whole.’”) (emphasis added). For a discussion of the confusion some courts have had over whether the disjunctive “or” actually creates two distinct categories of joint works, see WILLIAM F. PATRY, 2 PATRY ON COPYRIGHT § 5.4 (2011).

98. See 17 U.S.C. § 201(c) (2006).

99. 17 U.S.C. § 203(a)(1).

100. See, e.g., *Rights Contributors Provide to the IETF Trust*, *supra* note 38, § 5.9 (“Subject to each Contributor’s (or its sponsor’s) ownership of its underlying Contributions . . . each Contributor hereby acknowledges that the copyright in any RFC in which such Contribution is included . . . shall be owned by the IETF Trust.”).

author.<sup>101</sup> The key to joint authorship is intent, and while the parties need not work together physically or have an express collaboration agreement, they must have a common design to merge their contributions into an inseparable, unitary work.<sup>102</sup> Joint authorship status, however, depends on the level of contribution by an individual committee member.<sup>103</sup> One who attends committee meetings, for example, but does not actually participate in writing or revising the standard may have difficulty proving the required level of contributed expression.<sup>104</sup> On the other hand, one who can prove contribution through meeting notes, e-mail exchanges, or phone records will have a much stronger claim.<sup>105</sup>

Several cases have recognized joint authorship in standards developed by committee. In *American Dental Ass'n v. Delta Dental Plans Ass'n*,<sup>106</sup> the Seventh Circuit overruled an Illinois District Court's holding that the ADA's billing guidelines, the "Code on Dental Procedures and Nomenclature," was not copyrightable because it was created by a committee.<sup>107</sup> The Seventh Circuit rejected the lower court's reasoning that committees are categorically incapable of achieving the requisite level of creativity to qualify the

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101. It is unlikely, however, that editorial or formatting contributions by an SDO employee would rise to the level of expressive contribution necessary to qualify the SDO as a joint author of the underlying standard, though some "thin" copyright may exist in these superficial contributions.

102. 17 U.S.C. § 101 (2006 & Supp. V 2012).

103. *Childress v. Taylor*, 945 F.2d 500, 507 (2d. Cir. 1991) ("It seems more consistent with the spirit of copyright law to oblige all joint authors to make copyrightable contributions, leaving those with non-copyrightable contributions to protect their rights through contract."). Some scholars and courts have taken the position that anything more than a *de minimis* contribution is sufficient to qualify for joint authorship status, reasoning that the lower threshold incentivizes collaboration, rewards authors, and permits contracts designed to circumvent a default joint authorship rule through assignment of rights or work for hire agreements. See *Gaiman v. McFarlane*, 360 F.3d 644, 658–61 (7th Cir. 2004). However, some courts have determined that the mere contribution of independently copyrightable expression is still insufficient to establish joint authorship. See *Aalmuhammed v. Lee*, 202 F.3d 1227, 1232–34 (9th Cir. 2000) (stating that control, in addition to intent, is central to a determination of joint authorship).

104. See *Cabrera v. Teatro Del Sesenta, Inc.*, 914 F. Supp. 743, 767–68 (D.P.R. 1995) (explaining that mere regular attendance at meetings with the author does not raise one's level of contribution to that of a joint author).

105. See *id.* at 764–65 (describing the spectrum of contribution required to establish authorship status).

106. *Am. Dental Ass'n v. Delta Dental Plans Ass'n*, 126 F.3d 977 (7th Cir. 1997).

107. *Id.* at 977–78.

work as copyrightable.<sup>108</sup> The court went on to explain that committees are, in fact, capable of original authorship and therefore entitled to copyright protection, noting that “[b]lood is shed in the ADA’s committees about which [billing] description is preferable.”<sup>109</sup>

The Court of Federal Claims addressed similar arguments in *Herbert v. United States*.<sup>110</sup> In *Herbert*, a committee of the National Academy of Sciences developed a report entitled *10th Recommended Dietary Allowances*.<sup>111</sup> The committee held regular meetings and reviewed numerous drafts “line-by-line.”<sup>112</sup> Though the committee members did not have final editorial control over the report, the court held that the entire committee as a whole, and not just the individual authors, had control over the draft manuscript; and therefore the report qualified as a joint work.<sup>113</sup> Accordingly, each committee member had a valid claim as a joint author.<sup>114</sup>

If a copyright grant to the SDO was made collectively by joint authors, then termination under Section 203 would require the action of a majority of the joint authors or their heirs.<sup>115</sup> Given the long periods required between the grant and termination (thirty-five to forty years), it will probably be difficult for multiple authors or heirs to coordinate the exercise of termination rights under Section 203, particularly since individuals may be deceased and their employers may be defunct, acquired, or substantially reorganized since initial grants were made.<sup>116</sup> Moreover, the fact that initial grants to SDOs are without compensation means that such grants will generally not be recorded in corporate books of account, tracked for royalty purposes or, in many cases, retained in written form by the author.<sup>117</sup> Thus, if technical standards are viewed as joint works in which copyright grants have been made collectively by the contributors, the likelihood of successful Section 203 termination will probably be low.

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108. *Id.* at 978–79.

109. *Id.* at 979.

110. *Herbert v. United States*, 36 Fed. Cl. 299, 306–09 (Fed. Cl. 1996).

111. *Id.* at 302.

112. *Id.* at 309.

113. *Id.*

114. *Id.* at 310.

115. 17 U.S.C. § 203(a)(1) (2006).

116. *Id.* § 203(a)(3).

117. See *Why Voluntary Consensus Standards Incorporated by Reference Into Federal Government Regulations are Copyright Protected*, *supra* note 26, at 3.

### 3. Individual Grants in Joint Works.

But even assuming that a committee-drafted technical standard is, in fact, a joint work, it is not necessarily the case that the contributors have jointly granted rights to the SDO for purposes of Section 203. Though the statute contemplates a scenario, common in the music and literary worlds, in which joint authors jointly grant rights to a publisher or producer, this approach is generally not used in the standards context.<sup>118</sup> Rather, each individual author or firm typically grants a license to the SDO with respect to its contributions on an individual basis.<sup>119</sup> The co-authors of a standard seldom execute a joint assignment or license.<sup>120</sup>

*Scorpio Music S.A. v. Willis*<sup>121</sup> illustrates how a court may view attempts to terminate by a single author of a joint work. Willis, the original lead singer of the Village People, sought to terminate his post-1977 grants of thirty-three musical compositions to Can't Stop Music (CSM), the exclusive United States sub-publisher of compositions owned by Scorpio Music.<sup>122</sup> Copyright registrations for the songs listed Willis as one of *several* writers.<sup>123</sup> In a series of separate agreements between 1977 and 1979, however, Willis independently transferred his copyright interest in the songs to CSM—who in turn assigned these rights to Scorpio—in exchange for royalties of 12% to 20%.<sup>124</sup> In January 2011, Willis served on CSM and Scorpio a notice of termination under Section 203 for all thirty-three songs, and Scorpio challenged the termination's validity.<sup>125</sup>

Scorpio's main argument was that in order to effect a valid termination under Section 203, a majority of all authors who transferred their interests in the joint work (whether separately or in a single transaction) must join the termination.<sup>126</sup> Accordingly, Scorpio argued that Willis' termination notice was invalid because Willis was the only author named.<sup>127</sup> However, the court reasoned that Willis

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118. See Keith Barritt, *Copyright Ownership of Voluntary Consensus Standards*, FISH & RICHARDSON (Aug. 13, 2009), <http://www.fr.com/Copyright-Ownership-of-Voluntary-Consensus-Standards/>.

119. *See id.*

120. *See id.*

121. *Scorpio Music S.A. v. Willis*, No. 11cv1557 BTM(RBB), 2012 WL 1598043, at \*1 (S.D. Cal. 2012).

122. *Id.*

123. *Id.*

124. *Id.*

125. *Id.* at \*1, \*5.

126. *Id.* at \*1.

127. *Id.*

was the sole party to his own contracts with CSM—his co-authors had entered into separate agreements—and his termination notice was valid based on the clear statutory allowance that “[i]n the case of a grant executed by one author, termination of the grant may be effected by that author.”<sup>128</sup> The court therefore concluded that a “joint author who separately transfers his copyright interest may unilaterally terminate that grant.”<sup>129</sup>

If a contributor’s grant of his interest in a joint work was *individually* made to an SDO then, under the reasoning of *Scorpio*, it is likely that the individual contributor may terminate his individual grant in the joint work under Section 203. This situation could result in more terminations than the scenario described in Part III.B.2 above, in which co-authors of a joint work *jointly* make a grant to the SDO, requiring a majority of their number to effect a termination under Section 203. But even this result may not be catastrophic to SDOs, as any joint author has the right to grant the SDO a license under the joint copyright.<sup>130</sup> Thus, if other non-terminating joint authors continue to license the SDO, a single joint author’s termination would have no effect.

### C. *The Works-Made-for-Hire Exception*

The work-made-for-hire exception is arguably the most important and least clear element of the Section 203 termination right. The Section expressly applies to “any work *other than* a work made for hire.”<sup>131</sup> Thus, to the extent that a work can be characterized as a work-made-for-hire, it will not be subject to the termination provisions of Section 203.<sup>132</sup>

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128. *Id.* at \*1–2.

129. *Id.* at \*2, \*4.

130. *See supra* note 93 and accompanying text.

131. 17 U.S.C. § 203(a) (2006) (emphasis added). A similar exclusion for works made for hire appears in Section 304 governing termination of pre-1978 grants or transfers. 17 U.S.C. § 304(c)–(d) (2006).

132. *See id.* § 203(a); *see also*, Emily Burrows, *Termination of Sound Recording Copyrights & the Potential Unconscionability of Work for Hire Clauses*, 30 REV. LITIG. 101 (2010) (questioning work-for-hire clauses in the recording industry); Michael H. Davis, *The Screenwriter’s Indestructible Right to Terminate Her Assignment of Copyright Once a Story is “Pitched,” A Studio Can Never Obtain All Copyrights in the Story*, 18 CARDOZO ARTS & ENT. L.J. 93 (2000) (discussing the work-made-for-hire doctrine and Section 203 termination in the context of studio pitches); John Molinaro, *Who Owns Captain America? Contested Authorship, Work-for-Hire, and Termination Rights under the Copyright Act of 1976*, 21 GA. ST. U. L. REV. 565 (2004) (discussing the dispute over whether the author of the Captain



Section 101 of the Copyright Act defines a “work made for hire” as: “(1) a work prepared by an employee within the scope of his or her employment,”<sup>133</sup> or “(2) a work specially ordered or commissioned” and falling into one of nine specific categories.<sup>134</sup> When a work-made-for-hire is created, the employer is automatically deemed to be the “author” of the work, and the employee never obtains ownership of any copyright interest.<sup>135</sup> A key rationale behind the exclusion of works-made-for-hire from Section 203 was to assure employers that works created by their employees would not subsequently be recaptured.<sup>136</sup> In effect, the statute recognizes that an

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America comics created them as a work-made-for-hire and the impact of that determination on his termination rights under Section 203).

133. 17 U.S.C. § 101 (2006 & Supp. V 2012). The Supreme Court addressed the question whether an independent contractor can constitute an “employee” for purposes of the work-made-for-hire doctrine in *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 739–42 (1989). In *Community for Creative Non-Violence*, the Court found that a contractor engaged by the city to create a sculpture was not an employee, even though the city directed the contractor’s work to ensure the sculpture met their specifications. The Court instead relied on a number of factors weighing in favor of finding that the contractor was independent, such as the skilled nature of the work, the contractor’s independent ownership of tools and studio space, the one-time nature of this specific project, and the relatively short time period of the work. *Id.* at 752–53.
134. 17 U.S.C. § 101. More specifically as to the second prong, the work must be “specially ordered or commissioned for use as a contribution to a collective work, as part of a picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an ‘instructional text’, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a ‘supplementary work’ is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an ‘instructional text’ is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.” *Id.*
135. 17 U.S.C. § 201 (2006). Courts have held that a corporate entity, though incapable of exercising intellect, can be a “person” and fall within the scope of the term “author” under the copyright laws. *Vitaphone Corp. v. Hutchinson Amusement Co.*, 28 F. Supp. 526, 529 (D. Mass. 1939) (rejecting the argument that a movie distribution company cannot be an author “because it is not capable of exercising intellectual labor, nor does it possess the mental endowment necessary to produce photoplays”); *see also* *Dan Kasoff, Inc. v. Palmer Jewelry Mfg. Co.*, 171 F. Supp. 603, 605–06 (S.D.N.Y. 1959) (finding that a corporation may be a “proprietor” through the actions of its employees and can therefore fall within the scope of “author or proprietor of any work”).
136. *See* H.R. REP. NO. 94-1476, at 124 (1976), *reprinted in* 1976 U.S.C.C.A.N. at 5659, 5739–40 (providing that Section 203 should include a provision which protects

employee's wages should be sufficient compensation for any works produced within the scope of employment, and does not allow the employee or his heirs to terminate such rights years later in the hope of receiving additional compensation.<sup>137</sup> Thus, even if an employee produced a work while earning the minimum wage, and even if that work later became wildly successful and earned the employer enormous profits, the employee would have no right under Section 203 to terminate the assignment and renegotiate for greater remuneration. The employer is considered the work's author from the moment it is created and Section 203 simply does not apply.<sup>138</sup>

Despite the seemingly straightforward statutory language and underlying rationale, the Section 203 exclusion of works-made-for-hire leaves open several questions. Most importantly, does the Section 203 exclusion apply to (1) any work that is a work-made-for-hire *for the grantee* (that is, the rights-holder against which the 203 termination right is exercised), or (2) any work that is a work-made-for-hire *at all*? This distinction is critical. Scenario (1) appears to have been contemplated by Congress when it sought to protect employers from subsequent terminations by their employees.<sup>139</sup> Scenario (1) is illustrated in Figure 1:

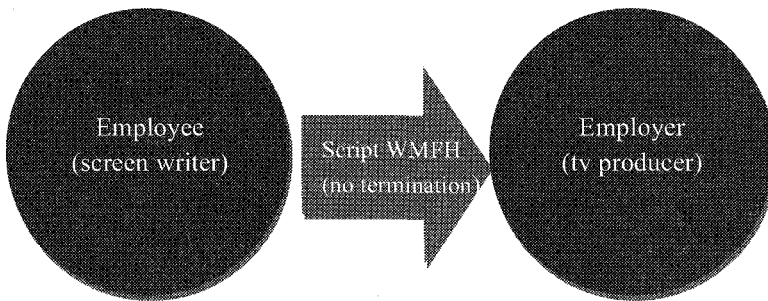


Figure 1 – Work-made-for-hire for Grantee (No Termination)

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authors against unremunerative transfers due to the “unequal bargaining position of authors”). *See id.* at 121 (“[t]he [presumption] that initial ownership rights vest in the employer for hire is well established in American copyright law”).

137. 17 U.S.C. § 203 (2006).

138. *Id.*

139. *See* H.R. REP. NO. 94-1476, at 127.

In Scenario (1), the application of the Section 203 exclusion is straightforward. An employee creates a script for her employer (a television producer). The script is within the scope of her employment and thus constitutes a work-made-for-hire. Under Section 203, the employee script writer is not permitted to terminate the transfer of copyright to her employer.<sup>140</sup> Scenario (2), however, is also included within the literal wording of Section 203. It is illustrated by Figure 2:

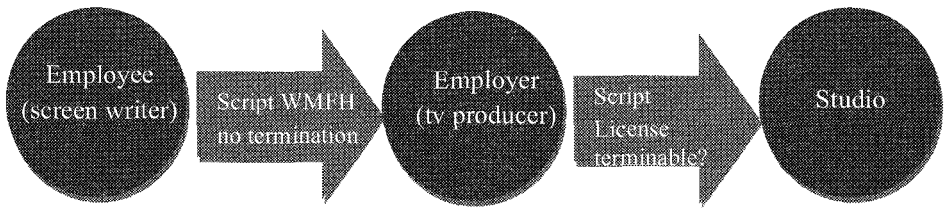


Figure 2 – Work-made-for-hire – Not for Grantee (terminable)

In Scenario 2, the employee produces the same script for her employer, a producer. It is a work-made-for-hire, and the employee has no right to terminate her transfer under Section 203. However, sometime after receiving the script, the employer licenses it to a studio. Can the employer, which is deemed to be the author of the script under the work-made-for-hire doctrine, terminate the license to the studio under Section 203? Ordinarily, one might think this termination would be possible, as the script was not made by an employee of the *studio* (i.e., it was not a work-made-for-hire for the grantee (the studio)). However, the script *was* a work-made-for-hire for the producer. Under Section 203, does the fact that a work was originally a work-made-for-hire forever brand it as a work-made-for-hire as to which Section 203 does not apply? Or is Section 203 intended to exclude from termination only works-made-for-hire *for the grantee*? This question, which is highly relevant to the standards

140. 17 U.S.C. § 203; see H.R. REP. NO. 94-1476, at 125 (providing that “the right of termination would not apply to ‘works made for hire’”); see also Richard D. Palmieri, *Who’s the Author? A Bright-Line Rule for Specially Commissioned Works Made for Hire*, 46 U. RICH. L. REV. 1175, 1176–77 (2012) (“U.S. copyright law grants to an author of a work other than a work made for hire a right to terminate any transfers (except testamentary transfers) she has made of her copyright, with the result being that ownership of the copyright reverts to the author of the work. This termination right is a powerful one; it is inalienable and the author retains the right to terminate transfers ‘notwithstanding any agreement to the contrary.’”).

development context, appears to be unanswered by the legislative history of Section 203 as well as the case law.

The typical standards-development arrangement (engineer – employer – SDO) resembles the three-party example illustrated in Figure 2 (screen writer – producer – studio).<sup>141</sup> An individual engineer creates a contribution to a standard within the scope of his employment, that contribution is treated as a work-made-for-hire, and his employer is therefore recognized as the contribution's author. The employer then grants the SDO a license to that contribution. The contribution was made by the engineer for his employer, but it is clearly not a work-made-for-hire for the SDO.<sup>142</sup> Is the initial character of the contribution as a work-made-for-hire enough to exempt the contribution from the termination right under Section 203?

As noted, the statute is ambiguous in this regard. However, we believe that the policy considerations leading to the enactment of Section 203 militate *against* allowing a corporate author to terminate a copyright grant with respect to works made by its employees. There are several reasons for this conclusion. First, the plain language of the statute excludes all works-made-for-hire from the scope of Section 203.<sup>143</sup> Nothing in the legislative history indicates that any particular varieties of works-made-for-hire should be immune from this exclusion.<sup>144</sup> Second, corporate authors were clearly not the class of persons that Section 203 sought to protect.<sup>145</sup>

As demonstrated in its legislative history, Section 203 was intended to benefit relatively unknown authors who sold significant works to far more powerful publishers and thereby failed to reap the financial benefits of their work.<sup>146</sup> Section 203 was not intended to give corporations the right to terminate commercial licensing

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141. See Biddle et al., *The Expanding Role and Importance of Standards in the Information and Communications Technology Industry*, *supra* note 27, at 192 (discussing a three-party arrangement in an informal contractual-based technical collaboration).

142. The SDO neither employs engineers nor commissions work from them in the statutory sense, as the SDO pays nothing for the work and does not specify the parameters of the work, as the commissioner of a work typically would. And even if work could be construed as commissioned, technical standards do not fall into one of the nine statutory categories under which commissioned works will be deemed works-made-for-hire. See 17 U.S.C. § 101 (2006 & Supp. V 2012).

143. See *supra* note 131 and accompanying text.

144. See *supra* note 136 and accompanying text.

145. H.R. REP. NO. 94-1476, at 124 (1976), *reprinted in* 1976 U.S.C.C.A.N. at 5659, 5739–40.

146. *Id.*

arrangements simply because their employees created the works at issue.<sup>147</sup> In fact, the statutory mention of authors' deaths and heirs, and the lack of any mention of corporate authors, indicates that Section 203 was intended to apply to individuals, and not to corporate "persons."<sup>148</sup>

Finally, if employees themselves are not permitted to take advantage of the termination right under Section 203 after their works-made-for-hire are transferred to their employers, employers should not be permitted to protect their own financial interests by terminating downstream license grants with respect to those very employee-created works.<sup>149</sup> Employers were intended to be protected by the works-made-for-hire exception under Section 203, but only to prevent subsequent terminations by employees long after works had been created.<sup>150</sup> The employer's protection should not be doubled by also enabling it to exercise its own termination right under Section 203 with respect to downstream grants. Accordingly, we believe that the works-made-for-hire exclusion of Section 203 should prevent employers from terminating copyright grants in their employees' contributions to technical standards.

#### D. *The Derivative Works Exception*

Another key exception of Section 203 is a provision permitting grantees to continue to exploit derivative works even after the grant in an underlying work is terminated.<sup>151</sup> However, this exception does not authorize the creation of *new* derivative works based on the original contribution after the grant has been terminated.<sup>152</sup> Thus, the right to exploit existing derivative works created under the authority of a grant is non-terminable, while the right to create *new* derivative works is terminable.<sup>153</sup>

Section 101 of the Copyright Act offers only a vague definition of a derivative work: a work that is "based upon one or more preexisting

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147. *See id.* at 125.

148. *See* 17 U.S.C. § 203 (2006); H.R. REP. NO. 94-1476, at 124-25.

149. H.R. REP. NO. 94-1476, at 124-28.

150. *Id.* at 127-28.

151. 17 U.S.C. § 203(b)(1) ("A derivative work prepared under the authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant."). *See* Nimmer, *supra* note 90, at 961-63 (describing termination rights as to derivative works).

152. 17 U.S.C. § 203(b)(1).

153. *See id.*

works.”<sup>154</sup> But what does “based upon” actually mean in the context of technical standards? Debates over the existence of derivative works often occur in suits for infringement, in which courts have routinely held that infringement stems from the existence of “substantial similarity” in the protectable expression of two works.<sup>155</sup> Examples of derivative works include: a movie based on a play, a sculpture based on a drawing, a drawing based on a photo, and a musical arrangement based on an older work.<sup>156</sup> As a general matter of copyright law, protection for authors of derivative works only extends to new additions or changes and does not affect the rights of the author of the underlying original work.<sup>157</sup>

The Supreme Court addressed the issue of the derivative works exception to the termination right under Section 304 (mirroring the language of Section 203)<sup>158</sup> in *Mills Music v. Snyder*.<sup>159</sup> In *Mills Music*, Ted Snyder, author of the copyrighted song *Who’s Sorry Now*, granted the copyright, including Snyder’s renewal interest, to music publisher Mills Music.<sup>160</sup> Mills Music then licensed the song to over 400 record companies, who in turn hired separate artists to record variations of the song.<sup>161</sup> Snyder’s heirs subsequently sought to exercise their statutory right of termination, but Mills Music claimed that this termination did not apply to the *derivative* versions of the song recorded by other artists.<sup>162</sup> The Court agreed with Mills Music, determining that a publisher may continue to share in the royalties generated from the licensing of derivative works even after termination of the underlying grant by the original author.<sup>163</sup> The Court focused its interpretation on the meaning of “utilized under the terms of the *grant* after its termination,” eventually concluding that

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154. 17 U.S.C. § 101 (2006 & Supp. V 2012).

155. *See, e.g.*, *Peter Lettersee & Assocs., Inc. v. World Inst. of Scientology Enters., Int’l*, 533 F.3d 1287, 1299–1302 (11th Cir. 2008); *Mulcahy v. Cheetah Learning*, 386 F.3d 849, 853 (8th Cir. 2004); *Kohus v. Mariol*, 328 F.3d 848, 853–54 (6th Cir. 2003); *Alcatel USA, Inc. v. DGI Techs., Inc.*, 186 F.3d 772, 789–90 (5th Cir. 1999).

156. U.S. COPYRIGHT OFFICE, CIRCULAR NO. 14.0713, COPYRIGHT IN DERIVATIVE WORKS AND COMPILATIONS 1 (2013), available at <http://www.copyright.gov/circs/circ14.pdf>.

157. *See id.* at 2.

158. *See supra* note 75 (discussing termination under Section 304).

159. *Mills Music, Inc. v. Snyder*, 469 U.S. 153 (1985).

160. *Id.* at 154–55.

161. *Id.* at 158.

162. *Id.* at 154–56.

163. *Id.* at 155–56, 178.

the derivative sound recordings were prepared under the authority of the original grant.<sup>164</sup>

Turning to technical standards, the derivative works exception will apply in the standards context if a standard can be characterized as a derivative work of the individual contributions on which it is based.<sup>165</sup> This characterization may be more or less accurate depending on the specific facts of each case. For example, a standard could represent a synthesis of three independent technical contributions or it could simply be a reformatted version of an already-mature contribution by a single contributor. In the first case, it is likely that the standard would be considered a derivative work of each underlying contribution. But in the latter case, treatment as a derivative work is less likely.

If a standard were considered a derivative work of an underlying contribution, then if the contributor terminated the SDO's grant to that contribution, the SDO could no longer publish that contribution or any *new* modifications, updates, or standards "based upon" the original contribution.<sup>166</sup> The SDO could only continue to distribute versions of the standard that were published at the time of termination.<sup>167</sup> Given that standards are frequently updated, corrected, modified, and improved, an SDO's right to distribute only pre-termination versions of a standard is far from ideal.

#### *E. Underlying Policy Considerations*

Moving beyond the specific language of the statute, it is useful to consider the original policy goals of Section 203 when evaluating its application to technical standards. As discussed in the Introduction, Section 203 was enacted to ensure that authors and artists who granted their copyrighted works to large publishers and record labels for low initial sums could terminate those grants and renegotiate their financial returns if the works were still successful thirty-five years

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164. *Id.* at 164–65; *see also* *Woods v. Bourne Co.*, 60 F.3d 978, 987–88 (2d Cir. 1995) (explaining that determinations of derivative work status in the context of the termination right requires an examination of the rights to which each party was entitled *before* the point of termination).

165. *See* 17 U.S.C. § 101 (2006 & Supp. V 2012) (defining a derivative work as "a work based upon one or more preexisting works").

166. 17 U.S.C. § 203(b)(1) (2006); *cf.* *Mills Music, Inc.*, 469 U.S. at 173 & n.40 (1985) (applying similar statutory language to a derivative work and finding that only previously existing derivative works are excepted).

167. *Cf. Mills Music, Inc.*, 469 U.S. at 173 & n.40 (applying similar statutory language to a derivative work and finding that only previously existing derivative works are excepted).

later.<sup>168</sup> Thus, the underlying goal of the statute is to secure fair financial returns to the creators of copyrighted works, even though they may have lacked sufficient bargaining power at the time of their initial grants.<sup>169</sup>

The scenario could not be more different in the case of technical standards. First, there is no imbalance of power in the negotiation of standards-related copyright licenses.<sup>170</sup> The firms that employ engineers engaged in standardization are among the largest in the world, and SDOs are typically organizations formed and run by their members. Thus, there is no need to protect the authors of standards documents from unfair bargains, as there is with young and unknown authors and artists.

Second, firms engaged in standardization willingly contribute copyrighted material to SDOs without compensation. There is no expectation that the copyright transfer will ever be remunerative.<sup>171</sup> The firms that participate in SDOs do so in order to influence the technical direction of future products, to ensure that their products will be interoperable with others, and to gain valuable market intelligence regarding the technical direction of the industry.<sup>172</sup> These motivations differ from those of individual authors and artists, whose sole reward for the transfer of their copyrights is typically the remuneration received from the grantee publisher or record label.<sup>173</sup> Thus, the motivation for Section 203, which allows an author to increase his compensation for a work that was difficult to value at the time of its initial exploitation, does not exist in the standards context.<sup>174</sup>

Finally, the entire market relies on the system of no-compensation, perpetual copyright licenses granted with respect to technical standards.<sup>175</sup> Allowing authors to revoke copyright grants thirty-five years after they are made could wreak havoc with a voluntary

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168. 17 U.S.C. § 203(a)(3); *Mills Music, Inc.*, 469 U.S. at 172–73 & n.39; H.R. REP. NO. 94-1476, at 124 (1976), reprinted in 1976 U.S.C.C.A.N. at 5659, 5739–40.

169. H.R. REP. NO. 94-1476, at 124.

170. See Biddle et al., *The Expanding Role and Importance of Standards*, supra note 27, at 178.

171. H.R. REP. NO. 94-1476, at 124.

172. See Biddle et al., *The Expanding Role and Importance of Standards*, supra note 27, at 178.

173. See H.R. REP. NO. 94-1476, at 116–19.

174. H.R. REP. NO. 94-1476, at 51, 124.

175. See IEEE, IEEE POLICIES, supra note 35, § 6.3.1(A)(8) (noting the reliance of the technical standards system on no-compensation for developers or employees).



consensus standards system that itself is the source of substantial economic benefits and social welfare.<sup>176</sup>

## V. CONCLUSION

Both the formal permissibility and the technical feasibility of terminating copyright grants under Section 203 in the context of technical standards are dubious. In order to effect such a termination, either a copyrighted contribution to an SDO must be an individual contribution, or a majority of the authors must act in concert, which is unlikely after four decades. During that time, authors may die or lose track of their commitments. Section 203 expressly prohibits termination in the case of works-made-for-hire, which likely represent the majority of standards contributions.<sup>177</sup> And even if a Section 203 termination were successfully invoked against a contribution to a standard, the standard itself could continue to be distributed as a derivative work of the underlying contribution.

Nevertheless, the outcomes described above may be achieved only after litigation and the expenditure of significant time and money. And, as with all litigation, such outcomes are subject to the vagaries of the facts before the court (reflecting the old adage “bad facts make bad law”). Thus, we recommend that Congress act promptly to clarify, in a categorical fashion that Section 203 does not apply to voluntary consensus standards.<sup>178</sup> The time for such legislative action is ripe, as the House Judiciary Committee has recently begun the first review of comprehensive copyright reform in nearly forty years.<sup>179</sup> Alternatively, such legislation could be effected through a relatively modest amendment to the Standards Development Organization Advancement Act of 2004,<sup>180</sup> a statute enacted a decade ago to insulate SDOs from certain antitrust claims. In either case,

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176. See Armstrong, *supra* note 47, at 408–09; see also OFFICE OF MGMT. & BUDGET, *supra* note 29.

177. 17 U.S.C. § 203 (2006).

178. In this recommendation we join Professor Armstrong, who has expressed a similar view in order to correct similar inequities in the potential application of Section 203 to the termination of open source code licenses. Armstrong, *supra* note 47, at 416–19.

179. Press Release, U.S. House of Representatives Comm. on the Judiciary, Chairman Goodlatte Announces Comprehensive Review of Copyright Law (Apr. 24, 2013), available at <http://judiciary.house.gov/index.cfm/2013/4/chairmangoodlatteannouncescomprehensivereviewofcopyrightlaw>.

180. Standards Development Organization Advancement Act of 2004, Pub. L. No. 108-237, §§ 101–108, 118 Stat. 661, 661–665 (2004) (codified at 15 U.S.C. § 4301, *et seq.*).

such clarification is needed in order to avoid the disruption and uncertainty in the standardization system that could be caused by the attempted termination of copyright grants under Section 203.