Motion Picture Exhibition without a License:
Alchemy in the Second Circuit

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Motion Picture Exhibition Without a License: Alchemy in the Second Circuit?

By Marc R. Stein*

"Patents and copyrights approach, nearer to any other class of cases belonging to forensic discussions, to what may be called the metaphysics of the law, where the distinctions are, or at least may be, very subtle and refined, and, sometimes, almost evanescent.***

Introduction

For many years it has been a common practice for motion picture producers to purchase copyright renewal expectancies1 from the spouse and children of the author upon whose copyrighted literary work a motion picture is to be based. This practice was in large measure prompted by the landmark case of Miller Music Corp. v. Charles N. Daniels, Inc.,2 in which the Supreme Court held that notwithstanding an author's valid assignment of his renewal term interest, the assignee's renewal term proprietorship was cut off because the author died before his renewal rights vested.3 Instead, the

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1. The 1909 Copyright Act [hereinafter cited as 1909 Act] affords statutory copyright protection to a qualifying author for two consecutive 28 year terms. 1909 Act § 24. Under section 24 the right to renew copyright protection for a second 28 year term does not accrue until the expiration of the first 28 year term. See note 3 infra. If the author does not survive until the expiration of the initial 28 year term, the right to renew vests in his statutory successors. See text accompanying notes 3-7 infra. Thus the right of renewal prior to vesting at the lapse of the initial term of copyright is but a mere expectancy. See Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373 (1960), discussed at text accompanying notes 101-06 infra.
3. The precise language of section 24 is:
   [the author or his section 24 successors] shall be entitled to a renewal and extension of the copyright in such work for a further term of 28 years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright.
   This wording could be interpreted to fix the point at which renewal rights vest at different times: (1) the first day of the 28 year original term (2) the moment an application for renewal registration is filed with the copyright office, or (3) at the beginning of the renewal term. The better view seems to be that renewal rights vest at the time the renewal term actually commences. See generally 2 M. Nimmer, Nimmer on Copyright at § 116.2 (1976) [hereinafter cited as Nimmer].
right of renewal would vest in accordance with the chain of succession set forth in section 24 of the Copyright Act: in the author's widow or widower4 and surviving children,5 as members of a class;6 if the author left neither widow nor children, in the author's executor for the benefit of the author's legatees; or, in the absence of a will, in the author's "next of kin."7

Therefore, in order to more adequately protect themselves against the fortuity of an author-assignor dying prior to the vesting of his renewal rights, motion picture producers and distributors (hereinafter referred to as "users") purchased and continue to purchase, subject to commercial feasibility, renewal expectancies from those persons in whom rights of renewal are likely to vest under section 24 upon the author's death. While such expectancy purchases do not ensure that renewal rights will in fact vest in the assignee,8 they certainly enhance the probability of such a result.

In the recent case of Rohauer v. Killiam Shows, Inc.,9 however, the Second Circuit Court of Appeals carved out what appears to be an enormous exception to the rule announced in Miller Music. The court held that the exhibition, during the renewal term of the underlying novel, of a motion picture photoplay produced under a valid license secured during the initial term of copyright, was not an infringing use where that license had purported to cover the renewal term. Continued use was non-infringing even though the author-licensor did not survive to the point of renewal and the licensor's

4. The prevailing view is that "widow" (or widower) refers to the surviving spouse of the author "even if she [or he] has remarried prior to claiming renewal." Nimmer, supra note 3, at § 115.13. For purposes of this article, "widow" will be used to denote the surviving spouse of an author, irrespective of the author's sex.


6. It is unsettled whether the widow and children share on a per capita or per stirpes basis. See generally Nimmer, supra note 3, at § 115.11. But see Bartok v. Boosey & Hawkes, Inc., 523 F.2d 941, 942 n.2, 949 (2d Cir. 1975), in which both majority and dissenting judges assumed that the widow and children would share on a per capita basis.


8. It is possible that the person from whom the assignee has secured assignments of renewal expectancies will not in fact succeed to the renewal interest because of death or eclipse by independent circumstances. See Nimmer, supra note 3, at § 117.3. For example, when an author remarries, his former spouse will no longer be a widow within the meaning of section 24. Id. at § 115.12, citing Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 253 F. Supp. 841 (S.D.N.Y. 1965), rev'd on other grounds, 375 F.2d 639 (2d Cir. 1967). Likewise, children born after the assignment is given are considered children for purposes of section 24. Nimmer, supra note 3, at § 117.3.

9. 551 F.2d 484 (2d Cir. 1976), cert. denied, 431 U.S. 949 (1977) [hereinafter cited as Rohauer].
section 24 successor had properly renewed the underlying copyright in her own name. Although the court purported to deny the licensee any exclusive rights under copyright inhering in the underlying novel, it did uphold the licensee's "right of continued use" of the derivative work—that is, the right to exhibit the photoplay during the renewal term.

The Rohauer decision is important in several respects: first, it is probably a case of first impression despite its doctrinal antecedents; second, emanating from the highly respected Second Circuit, it will no doubt prove persuasive well beyond its jurisdictional borders; third, it will delight users who had been resigned to securing renewal term relicensing from their deceased licensor-author's successors, as it will dishearten those same successors who had anticipated the prospective benefits of that renewal term license; and fourth, but certainly not least for the copyright bar and the courts, the decision will create a number of immediate practical problems and raise a series of interesting doctrinal issues.

10. See text accompanying notes 85-106 infra. Whether this was a case of first impression seemed to provoke a lively argument between the litigants in Rohauer: "Appellants loudly assert this to be [a first impression]. Appellees concede we have a case of first impression, but only 'in the strictest possible sense.' For reasons later developed, we think it is a case of first impression simpliciter." Rohauer, 551 F.2d at 485 n.1.


12. The significance of the Rohauer decision can be gleaned from an example described in a recent article co-authored by Benjamin Melniker, former General Counsel and Executive Vice-President of Metro-Goldwyn-Mayer. The motion picture Gone With the Wind was produced under a license granted by novelist Margaret Mitchell, who died during the first term of copyright of her novel. The picture was not exhibited after the expiration of the first term of copyright presumably because such use was thought to have been an infringement of the underlying renewal copyright in the novel, which had vested in Ms. Mitchell's section 24 successors. Exhibition of the photoplay was not resumed until a license was secured from the section 24 successors for what was reportedly a substantial consideration. See Melniker & Melniker, Termination of Transfers and Licenses Under the New Copyright Law, 22 N.Y. L. Rev. 589, 616 (1977). It might also be noted that Margaret Mitchell licensed the motion picture and television rights to Gone With the Wind (prior to publication) for a reported $50,000. See 1 LINDEY, ENTERTAINMENT, PUBLISHING AND THE ARTS 296 (1963). It was recently reported that the total worldwide film rentals from Gone With the Wind have exceeded $127 million. Daily Variety, April 6, 1978 at 4, col. 1. Moreover, it was also reported that in the wake of the successful 1976 first run television broadcast (for a reported license fee of $5 million), a new 20 year exclusive license for domestic television has been granted for a reported consideration of $35 million. Id. at 1, col. 4.

13. The recently enacted Copyright Revision Act (Pub. L. No. 94-553 (1976)) provides for a single term of copyright protection for works created on or after January 1, 1978. 17 U.S.C. § 302(a) (1976). Works subsisting in their first term of copyright protection on that date, however, will be renewable for an additional 47 year term. 17 U.S.C. § 304(a) (1976). Furthermore, works already in their renewal term of copyright on the effective date of the new act will be extended for an additional 19 year period. 17 U.S.C. § 304(b) (1976). Therefore, implementation of the new act will not obviate this issue with respect to those licenses of works copyrighted prior to January 1, 1978.
This article will evaluate the propriety of the Rohauer decision as well as its doctrinal implications. This evaluation will be prefaced by a brief summary of the facts of that case and of the Second Circuit’s rationale for its decision. Next, the components of this rationale will be explored at some length. The final portion of the article will analyze the policy considerations proffered by the court in support of its decision.


In or about 1925 Edith Hull wrote "The Sons of the Sheik." The novel was published in the United States some time later that year by Small, Maynard & Company, which secured statutory copyright in the novel by virtue of an assignment from Ms. Hull (apparently for the original term of copyright only).

In December of 1925 Ms. Hull licensed the worldwide motion picture rights in and to the story to Joseph Moscowitz. The license included a grant of Ms. Hull's renewal rights in the novel. Pursuant to this license, a highly successful motion picture photoplay, entitled "The Son of the Sheik," was produced and released for exhibition in 1926. In August of 1926 copyright in the motion picture photoplay was secured by Feature Productions, Inc., an assignee of Mr. Moscowitz. The copyright was duly renewed in March of 1954 in the name of Arteinema Associates, Inc., the then current proprietor of the motion picture photoplay copyright. Thereafter, the renewal copyright in the film was assigned successively to Gregstan Enterprises, Inc. and to defendant Killiam Shows, Inc.

Ms. Hull died in 1943. In 1952 copyright in the novel was duly renewed in the name of Ms. Cecil Hull, the author's sole surviving child. In 1965 Cecil Hull assigned to plaintiff Rohauer all her "right, title and interest in and to the motion picture and television rights" to the novel, "Sons of the Sheik." In July of 1971 the motion picture photoplay "The Son of the Sheik" was broadcast on television station WNET by co-defendant Educational Broadcasting Corp. (EBC). The videotape required for this exhibition was made from a print supplied by defendant Killiam Shows. No license was secured from either Rohauer or Cecil Hull.

The plaintiff brought suit for copyright infringement against both Killiam Shows, Inc. and EBC, claiming that "upon the expiration

of the original term of the copyright in the novel and Miss Hull's succession to the renewal term, all the rights of defendants and their predecessors to authorize the exhibition of the motion picture had terminated. The court held for the plaintiff. The circuit court of appeals reversed the district court and held instead that Killiam's licensing of the film's exhibition, as well as exhibition by co-defendant EBC, did not infringe the renewal copyright.

The Rohauer court relied heavily upon its reading of section 7 of the 1909 Copyright Act. This section affords copyright protection to authors of compilations or abridgements, adaptations, arrangements, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of the copyright in such works, or works republished with new matter.

The Second Circuit, however, appears to have concluded that section 7 confers on an author of such a derivative work a property right beyond the new matter which he has added. That is, the author of a photoplay produced under authority of a license from the copyright proprietor of the novel upon which the film was based can secure copyright protection not only in his contributions to the photoplay, but also in that portion of the photoplay which is not original to him—namely, the story line of the underlying novel.

The Second Circuit's ultimate conclusion is based upon a key concept: the vested renewal term rights of a section 24 successor terminate those of a copyright licensee of the author; but the right of "continued use" remains unaffected, owing its vitality to the derivative work copyright secured under section 7 of the Copyright Act.

As a second basis for sustaining its holding, the court purported to distinguish the case of G. Ricordi & Co. v. Paramount Pictures, Inc., which the plaintiff-appellee vehemently contended was dis-

15. Id. at 487.
17. 1909 Act § 7. This section was originally designated section 6 but was renumbered as section 7 by the 1947 amendment to the 1909 Copyright Act. Pub. L. No. 281, ch. 391, 61 Stat. 652 (1947). Hereinafter this article will refer generically to such works as "derivative works."
18. The Rohauer court thus propounded a variation of the theory which has been dubbed the "new property right" theory. See Nimmer, supra note 3, at § 45.1. The court, however, seems to have stopped short of according anything more than what it calls a "right of continued use" to the derivative work author.
positive of the issue presented in Rohauer. Finally, the court concluded its opinion by offering several policy arguments apparently designed to hone down any rough edges it might have left exposed as it attempted to carve out a satisfactory doctrinal basis for its holding. These policy considerations include a portrayal of the economic realities of the acquisition of literary properties and a reference to the recently enacted Copyright Revision Act.

II. Section 7 of the Copyright Act: The Scope of Protection for Derivative Works

The linchpin of the Rohauer court’s holding is that the copyrighting of a derivative work pursuant to section 7 of the Copyright Act confers upon the licensee a proprietary interest in more than the product of his own authorship (i.e., the “new matter”). The case law in this area is sparse indeed. While several cases suggest that the scope of copyright protection in a derivative work prepared under a license granted by the proprietor of the underlying work is limited to the new matter added by the derivative author, no reported decisions clearly so hold. However, section 7 is the source

20. For the moment, we will not examine the court’s characterization of the derivative proprietor’s interest in the underlying, pre-existing work, but will simply restate the court’s view that the derivative work proprietor has “some” right or interest in the underlying work by virtue of his derivative work copyright. Of course, it must be acknowledged that the court never states this proposition squarely. Such a reading must be inferred from the court’s oblique observations that:

We do not believe, despite language in the cases to the effect that the proprietor of a derivative copyright is “protected” only as to the “new matter” conceived by him and that a statutory successor obtains a “new estate” in the underlying copyright, that the vesting of renewed copyright in the underlying work in a statutory successor deprives the proprietor of the derivative copyright of a right, stemming from the § 7 “consent” of the original proprietor of the underlying work, to use so much of the underlying work as already has been embodied in the copyrighted work, as a matter of copyright law. Rohauer, supra note 9, at 492.

And “when the purchaser from Mrs. Hull embodied her story in a motion picture which was copyrighted under § 7, the vesting of the renewal right of the story in her daughter did not affect the property right in the copyrighted derivative work.” Id.


22. But see G. Ricordi & Co., v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir.), cert. denied, 342 U.S. 849 (1951), discussed at length at notes 90-100 and accompanying text infra. This case contains extremely strong language which indicates that copyright protection for a derivative work based on a licensed underlying work is limited to the new matter added.
of copyright protection for derivative works based on licensed copyrighted works as well as for derivative works based on public domain material. Moreover, the decisional law articulating the scope of protection commanded by derivative works based on public domain components is relatively rich.

A. The Scope of Protection Afforded Derivative Works Based Upon Public Domain Material

Section 7 of the 1909 Copyright Act provides in pertinent part that:

Compilations or abridgements, adaptations, dramatizations, translations, or other versions of works in the public domain or of copyrighted works when produced with the consent of the proprietor of copyrighted works or works republished with new matter, however, inasmuch as the Rohauer court purported to have distinguished Ricordi, discussion of this latter case will be deferred to a later portion of this article.

But cf. Filmvideo Releasing Corp. v. Hastings, 426 F. Supp. 690 (S.D.N.Y. 1976) (decided after the Rohauer district court decision but before the reversal by the court of appeals and not cited by the Second Circuit in Rohauer). In Filmvideo, the plaintiff had purchased negatives of "Hopalong Cassidy" motion pictures and proposed to televise them. Plaintiff brought an action for declaratory relief against the executor of the estate of the author of the original Hopalong Cassidy novels upon which the motion pictures were allegedly based.

The executor counterclaimed for injunctive relief and damages for copyright infringement. The counterclaim was premised on the fact that the plaintiff's Hopalong Cassidy motion pictures were derivative works of the copyrighted novels (produced under a license granted by the novelist). The defendant-counterclaimant alleged that the renewal copyright in the novels had vested in the executor from whom the plaintiff had no license. Therefore, to the extent that the motion pictures copied the storyline of the underlying novels, exhibition of the motion picture on television would constitute an infringement.

Although the reasoning of the court tends to incline against the holding of the Second Circuit in Rohauer, the impact of Filmvideo is very limited. First, the posture of the issue before the district court was on plaintiff's motion to dismiss the counterclaim for failure to state a claim (FED. R. Civ. P. 12(b)(6)). Although the court found that the counterclaim did indeed state a claim, it is not entirely clear upon what basis it reached that conclusion. Notwithstanding the court's language suggesting that the vesting of renewal rights in a section 24 successor (the executor) had cut off the author's prior licensee's right to exhibit the derivative work prepared under that license, a subsequent decision after a hearing on the merits turned instead on the scope of the author's license which contained an express reservation of television rights. Filmvideo Releasing Corp. v. Hastings, 446 F. Supp. 725 (S.D.N.Y. 1978). Indeed the court had denied the counterclaimant's motion for summary judgment on this precise ground: "Whether the parties intended the reservation to cover plaintiff's proposed [television broadcast of the motion pictures] is a question that must be determined at a later date." Filmvideo Releasing Corp. v. Hastings, 426 F. Supp. at 695.

Second, to the extent that Filmvideo can be said to turn on the principle that vesting in a section 24 successor of renewal rights in the underlying novel causes continued exhibition of a work based on the novel to be an infringing use, such a holding is clearly overruled by the Second Circuit's decision in Rohauer.
shall be regarded as new works subject to copyright under the provisions of this title. . . . 23

Thus, "compilations or abridgements, adaptations, dramatizations, translations" [hereinafter collectively referred to as "new versions"] of (1) works in the public domain and of (2) works under copyright to which consensual rights have been secured by the author of the "new version," are both entitled to copyright protection under section 7.

The statutory language does not suggest that the scope of protection afforded new versions of public domain works should differ from the protection accorded to new versions of licensed copyrighted works. Therefore, determining the scope of protection which new versions of public domain works are afforded should be persuasive as to what is the corresponding scope of protection which should be given a new version of a licensed work.

1. Pre-1909 Protection for Derivative Works Based upon Public Domain Materials

The principal legislative history accompanying the 1909 Copyright Act, House Report No. 2222, reveals that section 7 "reenacts existing law and permits the copyrighting of abridgements and new versions of works, or works republished with new matter." 24 Section 7 was in essence 25 a codification of the then existing case law of derivative works which had protected works such as compilations and arrangements of public domain material despite the absence of express statutory protection of such new works. 26

25. Prior to the 1909 Copyright Act, the question of whether abridgements should be accorded copyright protection as derivative works or whether the abridgement of an existing copyrighted work constituted an infringement was unclear. See, e.g., Story v. Holcombe, 23 F. Cas. 171 (C.C.D. Ohio 1847) (No. 13,497); see also 2 S. LADAS, THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY § 361, at 779 (1938).
26. The 1909 Copyright Act was the first in this country to provide explicit protection for derivative works, although § 5 of the 1891 Act had provided that new "alterations, revisions, and additions" made to books of foreign authors could be copyrighted, 26 Stat. 1108; § 4 of the 1865 Act provided that the "books" subject to copyright under the 1831 Act included "any second or subsequent edition which shall be published with any additions," 13 Stat. 540; and the 1856 Act made explicit the copyright protection of dramatic compositions, 11 Stat. 138, although the right to dramatize an underlying work was not reserved to the author of the work until 1870, 16 Stat. 212. Protection for derivative works was further provided under case law, which considered compilations, digests and translations as among the works subject to copyright. . . . Rohauer, 551 F.2d at 487 n.3.
In the early case of *Gray v. Russell* the court held that the defendant’s edition of a Latin grammar book infringed the plaintiff’s copyright in his own Latin grammar book. Although plaintiff’s book was admittedly based on a public domain work, *Adam’s Latin Grammar*, the court noted that “the plan, the arrangement, and the combination of [the plaintiff’s] notes in the form, in which they are collectively exhibited in [his book], belong exclusively to this gentleman. He is, then, justly to be deemed the author of them in their actual form and combination, and entitled to a copyright accordingly.” Mr. Justice Story then concluded his opinion by observing:

> It is, therefore, a clear infringement of Mr. Gould’s [the plaintiff] copyright, not, indeed, in Adam’s Latin Grammar *(for he has none in that)*, but in his own notes, first collected together by him in their present form, and in the plan and arrangements (also his own) in which they are actually embodied. (Emphasis added).

The significance for our purposes of Mr. Justice Story’s observation lies in the italicized parenthetical comment: the plaintiff, though he had a valid copyright in his plan and arrangement, “ha[d] none” in the public domain work upon which his protectible work is based.

Some six years later, in the famous case of *Emerson v. Davies*, Mr. Justice Story confronted a similar set of factual and legal issues. The court in *Emerson* held that the defendant’s mathematical instruction book infringed the plaintiff’s copyright in his own previously marketed mathematics text. In a long and well-reasoned opinion, Mr. Justice Story concluded that the plaintiff’s arrangement and organization of his book of lesson plans was a sufficient act of authorship to warrant copyright and that even if “none of the materials of the plaintiff’s book were new or invented by him . . . the combinations or arrangements, or illustrations of old materials would give title to a copyright.” Furthermore, copying such arrangement would be an infringement, although “the same [component] materials were certainly open to be used by any other author. . . .”

This strong implication in the *Emerson* case that plaintiff’s copyright protected only those elements of authorship which he himself had contributed was made even more explicit in the later case of

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27. 10 F. Cas. 1035 (C.C.D. Mass. 1839) (No. 5,728).
28. Id. at 1037-38.
29. Id. at 1039.
30. 8 F. Cas. 615 (C.C.D. Mass. 1845) (No. 4,436).
31. Id. at 620.
32. Id.
Ironically, the plaintiffs in this case were the executors of the estate of Justice Joseph Story, the author of both the *Gray* and *Emerson* opinions. The plaintiffs alleged that a book written and published by defendants infringed the copyright held by Justice Story in his book, *Commentaries on Equity Jurisprudence*. Although the court was somewhat preoccupied with the distinction between an abridgement and a compilation, it held that "the book must be considered an infringement of the work of the plaintiffs" due to the defendant's copying of extracts from Justice Story's work. The court concluded that the defendant "had a right to go to the original works, and copy from them; but he could not avail himself of the labor of Judge Story, by copying the extracts compiled by him. Nor could he copy the plan or arrangements of the subject of the Commentaries." The import of *Gray, Emerson* and *Holcombe*, as well as other pre-1909 Act cases, is that a copyright secured by an author of a work which in some way contributes original authorship to public domain material protects only that new quantum of authorship and does not affect the free accessibility by others to the public domain material.

2. Post-1909 Protection of Derivative Works Based on Public Domain Materials

The cases decided after the enactment of the 1909 Copyright Act tend to follow the pre-1909 decisional law in affording copyright protection for compilations and arrangements of public domain materials to the extent of the new matter added. Thus, where the plaintiff had taken public domain materials, added some original contributions and copyrighted the resulting telegraphic code book, the defendant who copied such code book was found to have infringed the plaintiff's copyright. The court clearly restricted the plaintiff's protectible interest to the "new matter" added.

33. 23 F. Cas. 171 (C.C.D. Ohio 1847) (No. 13,497).
34. See note 25 supra.
36. Id. The inference can be drawn from the language "by copying the extracts compiled by him," that copying of this public domain case report found in the plaintiff's work was an infringement of plaintiff's copyright. To this extent, *Story* tends to contradict the position that only "new matter" is protectible in a derivative copyright. But see discussion at text accompanying notes 46-65 infra.
37. See, e.g., *West Publishing Co. v. Lawyers' Cooperative Publishing Co.*, 64 F. 360 (C.C.N.D.N.Y. 1884) (original work of reporter such as headnotes and preliminary statements are protected by copyright, but compiler of digest had right to use non-protectible judicial opinions); compare *Banks v. McDivitt*, 2 F. Cas. 759 (C.C.S.D.N.Y. 1875) (No. 961); *Lawrence v. Dana*, 15 F. Cas. 26 (C.C.D. Mass. 1869) (No. 8,136).
39. If one takes matter which lies in public domain, or which has been dedicated
Similarly, where a work was found to copy a copyrighted translation of public domain work, an injunction was granted to the complaining proprietor of the derivative copyright. Moreover, an author who had written and copyrighted a play based on the public domain novel "The Scarlet Letter" by Nathaniel Hawthorne was denied relief as against an alleged infringer for the latter's photoplay, also based on "The Scarlet Letter." The court, though it affirmed the dismissal of the trial court on procedural grounds, noted in dicta that the plaintiff's derivative work protection "embraced nothing except copyrighted matter of which he is proprietor," thus strongly implying that any protection was strictly limited to those elements which plaintiff had contributed.

Several other cases decided under the 1909 Copyright Act also

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But cf. Hoffman v. LeTraunik, 209 F. 375 (N.D.N.Y. 1913), where the court, although it declined to grant a preliminary injunction on the ground that the plaintiff had failed to make a sufficiently strong showing of infringement to warrant injunctive relief prior to a full hearing on the merits, suggested that the defendant's work would not be found to have infringed unless he had "abstracted and used some of the complainant's new matter . . . ." Id. at 379. However, the case could be read merely as a statement that copyright protection may be obtained only as to the expression of an idea and not as to the idea itself.

41. McCaleb v. Fox Film Corp., 299 F. 48 (5th Cir. 1924).
42. Id. at 49.

43. Of course, this inference may be somewhat thin, inasmuch as the court did not reach the question of whether the defendant had copied directly from the plaintiff's dramatized version. However, the opinion strongly suggests that defendant's alleged copying was more likely than not from the plaintiff's dramatization rather than from the public domain work, inasmuch as the defendant's photoplay coincided in many instances with portions of plaintiff's dramatization which were not found in the original "The Scarlet Letter."

In quite a number of particulars appellant's [plaintiff] play deviates from the [public domain] book. It contains incidents, stage business, thoughts and suggestions not found in the book. In appellant's behalf it is claimed that the scenario [of defendant] so far similarly deviates from the book as to require the conclusion that it involved an unauthorized imitation and appropriation of the new matter contained in the play. It is not to be denied that there is ground for the contention that the similarities and coincidences are such as not to be satisfactorily explainable on the theory that they were due to the authors of the play and of the scenario by chance happening to have used practically identical conceptions, and not at all to suggestions made by the play to the writer of the scenario.

Id. at 49-50.
hold that the copyright protection afforded a derivative work proprietor is limited to the new matter contributed to the public domain work upon which the derivative work is based.\textsuperscript{44} There is, however, a line of cases which appears to conflict with that principle of law.\textsuperscript{45} These cases hold that a defendant who copies from the admittedly public domain portion of a plaintiff's copyrighted derivative work has infringed that plaintiff's copyright, and thus imply that copyright protection in such derivative works extends beyond the "new matter."

\section{The Direct Copying Cases}

The recent case of \textit{Axelbank v. Rony}\textsuperscript{46} affords an interesting example of what will be referred to as the "direct copying" cases. The plaintiff in \textit{Axelbank} had produced a motion picture which consisted solely of public domain newsreel footage of the Russian Revolution. The plaintiff had compiled and arranged this public domain footage and had duly secured statutory copyright in the resulting motion picture.

The defendant had compiled and arranged the identical public domain newsreel footage in the course of producing his own motion picture on the Russian Revolution. The plaintiff brought suit for copyright infringement, alleging that the defendant had copied his copyrighted work.

The court noted correctly that the plaintiff's "protection [was] limited to the new and original contribution of the author"\textsuperscript{47} and appropriately examined whether the sequential development—\textit{i.e.}, the compilation and arrangement—of plaintiff's motion picture had been copied by the defendant. Although the court affirmed the trial court's finding that no similarity existed between "the protectible parts"\textsuperscript{48} of plaintiff's film and the defendant's film, the court ap-


\textsuperscript{45} See, \textit{e.g.}, \textit{Axelbank v. Rony}, 277 F.2d 314 (9th Cir. 1960) (dictum); \textit{Hartfield v. Peterson}, 91 F.2d 998 (2d Cir. 1937); \textit{Leon v. Pac. Tel. & Tel. Co.}, 91 F.2d 484 (9th Cir. 1937); \textit{Jewelers' Circular Publishing Co. v. Keystone Publishing Co.}, 281 F. 83 (2d Cir.), \textit{cert. denied}, 259 U.S. 581 (1922).

\textsuperscript{46} 277 F.2d 314 (9th Cir. 1960).

\textsuperscript{47} \textit{Id.} at 317.

\textsuperscript{48} \textit{Id.} at 318.
ppended a footnote which graphically epitomizes the substance of the “direct copying” cases:

Of course, even though the source of the material in appellant's film was the public domain, this would not permit Rony to directly copy appellant's film. Rony could use a copy of the original newsreel films which were part of the public domain, but he could not copy appellant's copy thereof.44 (Emphasis added).

Thus, in Axelbank, despite the fact that the copyright in a derivative work protects only the compilation of the public domain elements, direct copying of only those public domain elements would constitute copyright infringement. Presumably, copying the public domain newsreel prior to its assemblage into a derivative work would not be an infringing act.50 It is this basic view which the following portion of this article will analyze at some length in order to trace its origin and development, and to evaluate whether these cases present a uniform line of decisions in basic conflict with the principle that copyright for derivative works is limited to the new matter.

One of the earliest suggestions of the direct copying theory in the reported cases was in Folsom v. Marsh.51 In that case, the copyright proprietor of a multi-volumed collection of the correspondence, papers and speeches of George Washington, including original commentary and notes, brought an infringement action against Marsh and others for allegedly publishing an infringing two-volume work on the life of George Washington. The plaintiff did not allege copying of

49. Id. at 317 n.4.

50. It is most interesting to note that the court in Axelbank in its penultimate sentence of note 4 quoted from the leading case of Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903) as follows: “Others are free to copy the original. They are not free to copy the copy.” Id. at 249. Presumably, reference to this famous summary of Mr. Justice Holmes was meant to support the Ninth Circuit view in Axelbank that copying from the plaintiff's compilation of public domain newsreel footage would be an infringement, whereas copying from the “original” uncut, unassembled public domain newsreel would not.

However, a careful reading of Bleistein reveals that the Axelbank court's reliance on Mr. Justice Holmes' famous quotation is misplaced. The “copy” to which Holmes was referring was clearly a work protected by copyright. Using the hypothetical employed by Holmes in Bleistein, if someone wishes to paint a portrait of the same subject chosen by Whistler, he is free to do so (assuming he does not copy indirectly by looking at the Whistler portrait to achieve the same angle, perspective, etc. See Nimmer, supra note 3, at § 101.6). He is not free to copy Whistler's portrait [copy] because it is protected by copyright. However, there is no reason to believe that one should be constrained not to copy a Whistler portrait which had fallen into the public domain, and was therefore no longer a “copy” in the sense of being a protected copy. Analogously, Bleistein would seem to lend no support to the contention that copying of the public domain footage directly from the plaintiff's film would constitute an infringement any more than copying from the “original” newsreel footage would.

51. 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4,901).
the narrative of his work, but complained that the defendant "has used the letters of Washington, and inserted, verbatim, copies thereof from the collection of [the plaintiff]."\footnote{52}

The court, per Mr. Justice Story, held that the portion of defendant's book comprising 319 pages of letters and documents of Washington never before published had been copied from plaintiff's book and therefore enjoined any further publication of defendant's book which contained said 319 infringing pages. The court found that 256 of those pages consisted of the private letters of George Washington. It noted that these private letters had been bequeathed by Washington to his nephew, through whom the letters had been acquired by the plaintiff. Because the private letters were first published by the plaintiff, who secured statutory copyright therein, the plaintiff's copyright did not consist solely in the arrangement or compilation of the letters, but, in the very letters themselves! Prior to this investing publication, the letters has been protected by common law copyright.\footnote{53}

With respect to the official reports and documents which comprised the remaining sixty-four pages, the \textit{Folsom} opinion is somewhat murky—the court reaches no clear conclusion as to whether the "official" letters were part of the public domain.\footnote{54} While the court inclined toward denying to private persons the right to publish official letters, it stopped short of finding that Washington had a common law copyright therein. Instead the court found it unnecessary to decide that question, inasmuch as it had already found infringement by the defendant as to the 256 pages of private letters. Moreover, the official letters comprised "not more than one-fifth"\footnote{55} of defendant's infringing work.

\textit{Folsom v. Marsh} is notable for our present discussion not because it is a paradigm "direct copying" case—for clearly it is not—but because it was incorrectly invoked for that proposition by a subsequent important direct copying case, \textit{Banks v. McDivitt}.\footnote{56}

In \textit{Banks}, the defendant was held to have infringed the plaintiff's compilation of the court rules of New York. The court did not limit the defendant's liability to the act of copying the plaintiff's arrange-

ment or manner of compiling the rules. The court stated that the copying of citations of decisions and statutes contained within plaintiff's notes accompanying the court rules, though admittedly public domain material, was "an unauthorized violation of the rights which are secured by the acts of Congress [copyright]." 57 Folsom v. Marsh 58 was one of the cases relied upon in support of this proposition.

In one of the early cases decided under the 1909 Copyright Act, Jewelers' Circular Publishing Co. v. Keystone Publishing Co., 59 the Second Circuit Court of Appeals held that the copying of an admittedly public domain portion of a plaintiff's trade directory constituted an infringement of copyright, although the copying of trademark illustrations secured from each independent jewelry firm would not have been an infringement. 60

Similarly, in the later case of Leon v. Pacific Telephone & Telegraph Co., 61 the Ninth Circuit Court of Appeals held that copying

57. Id. at 760. It is interesting to note that despite the language of the court's opinion requiring independent investigation of common sources of information, the case could be read to have turned on a finding that the defendants had copied the manner in which the citations were arranged, both as to where they were subsumed under a given court rule and as to how they were arranged within the note describing the history of that rule.

The conclusion that he copied the citations, in the first instance, from the plaintiffs' compilation, is derived from the fact, that, in a large majority of the notes, the citations are not only the same which are given in the plaintiffs' book . . . but are placed in precisely the same order in which they were arranged by plaintiffs. Id. at 761 (emphasis added).

Admittedly the above quoted portion of the opinion focuses on evidence of copying and not on the question of protectibility.

58. 9 F. Cas. 342 (C.C.D. Mass. 1841) (No. 4,901). The Banks opinion also cites Gray v. Russell, 10 F. Cas. 1053 (C.C.D. Mass. 1839) (No. 5,728), and Emerson v. Davies, 8 F. Cas. 615 (C.C.D. Mass. 1845) (No. 4,436), in support of its conclusion that the copying of public domain material infringes the copyright of the derivative work proprietor. No support for that proposition, however, is found in those cases. See discussion at text accompanying notes 24-32 supra. For a case which contains similar "direct copying" language, although its holding could be distinguished as turning on the question of what constitutes an abridgement, see Lawrence v. Dana, 15 F. Cas. 26 (C.C.D. Mass. 1869) (No. 8,136).

59. 281 F. 83 (2d Cir.), cert. denied, 259 U.S. 581 (1922).

60. Although the thrust of the Second Circuit Court of Appeals' opinion clearly supports the "independent efforts" line of cases, it is interesting to note that the finding of infringement in that case could be based on an alternate theory suggested by Judge Learned Hand in his district court opinion in Jewelers' Circular Publishing Co. v. Keystone Publishing Co., 274 F. 932 (S.D.N.Y. 1921). Although Judge Hand acknowledged that trademarks themselves could not be copyrighted, it was equally true that the cuts, prepared by the plaintiff, from which the illustrations in plaintiff's publications were made, were accorded copyright protection under section 5(j) of the 1909 Act, and Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903). See 274 F. at 934-35. Therefore, in Jewelers' Circular, the defendant's copying of plaintiff's trademark illustration was an infringement not because he failed to collect the trademarks himself, but because he copied copyrighted materials.

61. 91 F.2d 484 (9th Cir. 1937).
of the names, addresses and telephone numbers of East San Francisco Bay residents directly from plaintiff's copyrighted telephone directory constituted an infringement even though the defendant did not copy the plaintiff's arrangement or manner of compilation.\textsuperscript{62}

The "direct copying" line of cases is not really as uniform and solid as it may appear. The \textit{Banks} case insofar as it relies upon \textit{Folsom v. Marsh} and other inapposite authority is without firm support. \textit{Jewelers' Circular}, while a clear direct copying case, is analytically (though not precedentially) undermined by the incisive and persuasive alternative reasoning of the district court opinion of Learned Hand.\textsuperscript{63}

Those direct copying decisions which are not assailable as being based on a misreading of earlier cases and are not susceptible of explanation on alternative grounds—most notably \textit{Leon v. Pacific Telephone}—continue to imply that the public domain portions of derivative works are protectible apart from their new arrangement or compilation. It is submitted, however, that these few cases have been decided on principles which are inspired by the reluctance of courts to permit the alleged infringer to make advantageous use of the often tedious and prodigious efforts of the complaining compiler. As has been pointed out by at least one commentator,\textsuperscript{64} while such

\textsuperscript{62} For further commentary on this case, see \textsc{Nimmer}, supra note 3, at \$ 41.

\textsuperscript{63} \textsc{Nimmer}, supra note 3, at \$ 41. Although Professor Nimmer suggests (with caveat, see \textit{id.} at \$ 29.5 n.571) the possibility that the product of such research activity may be protectible under the rubric of unfair competition, it would appear that the shadow of preemption first cast by the companion cases of Sears, Roebuck \& Co. v. Stiffel Co., 376 U.S. 225 (1964) and Compco Corp. v. Day-Bright Lighting, Inc., 376 U.S. 234 (1964) has been further extended by the enactment of section 301 of the 1976 Copyright Revision Act, 17 U.S.C. \$ 301 (1976), and would now fully eclipse such an unfair competition action.

Section 301 provides in pertinent part that:

(a) On or after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by Section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by Sections 102 and 103, whether created before or after that date, and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statute of any state.

Whether the case of International News Service v. Associated Press, 248 U.S. 215 (1918) has managed to survive the broader preemptive sweep of section 301 is well beyond the scope of this article. It is interesting to note that in a very recent case decided under the 1909 Act, Wainwright Sec. v. Wall Street Transcript Corp., 558 F.2d 91 (2d Cir. 1977), \textit{cert. denied}, 434 U.S. 1014 (1978), the court cited \textit{INS v. AP} in an opinion which concluded by characterizing the defendant’s activities as “chiseling for personal profit.” 558 F.2d at 97. However, the opinion reveals that liability was predicated squarely on copyright infringement rather than on the \textit{INS v. AP} genre of misappropriation.
fact-collecting research may be socially useful, it does not constitute authorship within the meaning of the Copyright Act and the Copyright Clause of the Constitution.\textsuperscript{65}

Therefore, despite the presence of this arguably weak line of direct copying cases, the clear weight of authority supports the position that copyright protection for derivative works based on public domain elements is restricted to the new matter. Inasmuch as the source of protection for derivative works based on licensed material is also rooted in the identical section of the Copyright Act, the scope of protection for such derivative works should, by analogy, also be limited to the new matter added by the derivative work proprietor.

B. \textit{The Constitution and the Copyright Act May Compel That Only the New Matter Portion of a Derivative Work Be Copyrightable}

The scope of protection argument developed in the previous section is fortified by other portions of the Copyright Act and, to some extent, by the United States Constitution. It is well recognized that the source of congressional power to enact copyright laws lies in the Copyright Clause of the Constitution.\textsuperscript{66} Thus, the scope of protection that Congress can afford a derivative work (or any other, for that matter) is coextensive with the constitutional dimensions of the Copyright Clause.

1. \textit{Authorship}

It has long been held that an author, for the purpose of the Copyright Clause, means "'he to whom anything owes its origin; originator; maker. . . .'"\textsuperscript{67} Thus, a statute which purported to afford the copyright protection for a non-original work would be unconstitutional as being outside the scope of the Copyright Clause. Indeed, the Copyright Act, although it does not expressly require originality, has been consistently held to embody that concept within the mean-

\textsuperscript{65} This observation applies not only to the copyrightability of public domain portions of derivative works, but also to the copyrightability of those portions of a derivative work which are part of an underlying copyrighted work for which the derivative work proprietor has secured a license. See discussion at text accompanying notes 67-70 infra.

\textsuperscript{66} U.S. Const. art. I, § 8, cl. 8.

ing of "author." Therefore, a reading of section 7 of the Copyright Act which would confer copyright proprietorship in non-original (e.g., non-new matter) material would render that section unconstitutional. Such a reading should therefore be spurned under the well-established doctrine of statutory construction, which prefers a constitutional construction of a statute to one which would invalidate the statute.

2. Exclusive Right

The issue of the statutory exclusivity conferred by the Copyright Act can be best examined in the context of the facts of *Rohauer v. Killiam Shows, Inc.* The court found that Ms. Hull, the statutory renewal term successor, succeeded to all the exclusive rights in the copyright inhering in the underlying novel. The defendant licensee's successor-in-title, by virtue of its copyright in the motion picture photoplay secured pursuant to section 7, had the right to continued use of the photoplay. Specifically, the court found that the defendant was entitled to exhibit the film.

It has long been the law that the exhibition of a motion picture constitutes a dramatization of the underlying novel upon which it is based. Therefore, the right of defendant Killiam to exhibit the photoplay based on the Hull novel constitutes the exercise of the right to dramatize the underlying novel. However, the Copyright Act of 1909 provides that a copyright proprietor "shall have the exclusive right . . . (b) to translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it is it be a non-dramatic work." Thus,

69. Chamberlin v. Uris Sales Corp., 150 F.2d 512 (2d Cir. 1945).
71. 551 F.2d 484 (2d Cir. 1977). See text accompanying notes 14-19 supra.
72. "[W]hen the purchaser from Mrs. Hull embodied her story in a motion picture which was copyrighted under § 7, the vesting of the renewal right of the story in her daughter did not affect the property right in the copyrighted derivative work." Id. at 492.
73. Id. at 494.
75. 1909 Act § 1(b). This exclusivity remains unaltered by the newly enacted Copyright Revision Act. The new act, effective on January 1, 1978, governs the scope of rights afforded a copyright proprietor whether he secured statutory copyright for his work before or after the effective date. The new act, while it provides for many limitations on the exclusive rights under copyright (see 17 U.S.C. §§ 107-18 (1976)), contains no suggestion that the exclusivity
the Rohauer court construed section 7 of the 1909 Act in such a manner as to confer upon Killiam a portion of the exclusive right of the copyright proprietor of the novel, thereby effectively leaving her with a non-exclusive right. If section 7 is deemed to protect more than the new matter added by the author of the photoplay, it will have the effect of cutting down the exclusivity which section 1 of the 1909 Act purports to confer.

A more fundamental question is whether the Congress, pursuant to its constitutional grant has the power to confer anything less than an exclusive right. For in addition to restricting the conferral of statutory copyright protection solely to "authors," the Copyright clause also prescribes the nature of the protection to be afforded to the qualifying author: "Congress shall have the power . . . to promote the Progress of Science . . . by securing . . . to Authors . . . the exclusive Right to their . . . writings . . . ." (Emphasis added). Although there are no reported cases construing what "exclusive" means in this context, it is arguable that a construction of section 7 which would permit the conferral of a non-exclusive right would render that section unconstitutional.

This would again—under the rule of construction which prefers a valid statute over one which is constitutionally infirm—supply a persuasive reason for reading section 7 to confer protection solely as to the new matter added by the derivative work author. The potential constitutional nonexclusivity problem would thereby be obviated.

This constitutional argument is hardly novel and was forcefully advanced by the opponents of the Compulsory Licensing provision afforded a copyright proprietor should be limited with respect to the facts of the Rohauer situation. Indeed, one of the exclusive rights enumerated by the new act is the right "to prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106(2) (1976).

76. Cf. United States v. Wise, 550 F.2d 1180 (9th Cir. 1977). "It is clear that any act which is inconsistent with the exclusive rights of the copyright holder, as enumerated in § 1, constitutes infringement." Id. at 1186.

Of course, a possible alternate argument, and one suggested by the court in Rohauer, is that Killiam retained its rights under the license from the author, Ms. Hull, and continued to exhibit the photoplay. This argument is bottomed on the theory that the grant from Ms. Hull "explicitly included rights to the derivative work during the renewal term." Rohauer, 551 F.2d at 491. However, for purposes of clarity of analysis, discussion of this aspect of the court's argument will be deferred to a later point. See discussion at text accompanying notes 85-118 infra.

77. U.S. Const. art. I, § 8, cl. 8.

78. See text accompanying notes 68-70 supra.

79. 1909 Act § 1(e) (1976).
of the 1909 Copyright Act. Although the House report accompanying the 1909 Act unequivocally rejected the contention that a compulsory licensing provision would be unconstitutional, the report seems to base such a conclusion upon the theory that such a provision would not offend the Due Process Clause rather than upon the exclusivity constraint of the Copyright Clause.

However, although neither Congress nor the courts have ever spoken clearly on the exclusivity question it is highly improbable that an exclusivity argument based on constitutional grounds would prevail. The absence of comment on this exclusivity from the House Report accompanying the 1909 Act and the enactment and over half-century endurance of the compulsory mechanical licensing provision certainly weakens this line of argument. Moreover, such a constitutional argument based on “exclusivity” is hardly enhanced

80. See Hearings on S. 2328 and H.R. 10353, 69th Cong., 1st Sess. 1 (1926). “The right to copy belongs solely and absolutely to the inventor of the musical idea . . . Any less rights . . . would be less than the ‘exclusive right’ mentioned and authorized by the constitution.” Id. at 309 (testimony of Nathan Burkan). See also id. at 222 (testimony of John Phillip Sousa).

81. A suggestion has been made that a compulsory license in copyright legislation would be unconstitutional. The great weight of opinion, however, is the other way. It is true that Congress could not legislate a man’s existing rights out of existence, for thereby it would impair the obligation of a contract; but in this case Congress is creating a new property right, and in creating new rights Congress has the power to annex to them such conditions as it deems wise and expedient. H.R. REP. No. 2222, 60th Cong., 2d Sess. 19 (1909).

There is no suggestion in this passage that the House report was addressing the alleged exclusivity requirement of the Copyright Clause. Moreover, the report’s subsequent citation of a portion of the famous case of Wheaton v. Peters accentuates this congressional silence on the exclusivity issue: “No one can deny that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to describe the conditions on which such rights shall be enjoyed. . . .” Wheaton v. Peters, 33 U.S. 591, 663-64 (8 Pet.) (1834) (emphasis added).

82. See note 81 and accompanying text supra.

83. Professor Nimmer has concluded that the compulsory license does not run afoul of the exclusivity language of the Copyright Clause. See NIMMER, supra note 3, at § 7. Nimmer argues that while the Copyright Clause vests in Congress the power to grant exclusivity, the Clause does not require Congress to do so.

Since Congress manifestly has the power either to grant complete exclusivity or no protection at all, it would seem that it may properly invoke protection somewhere between these two polar positions. Non-exclusivity under a compulsory license appears to constitute such a reasonable middle ground. It may, then, be concluded that the phrase “the exclusive right” imports words of authority, but not of limitation. Id.

However, even under Professor Nimmer’s reading of “exclusive right,” it seems that the court’s construction of section 7 conflicts with the statutory grant of exclusivity. For once the Congress had decided to use its powers to confer the exclusive right to dramatize, 1909 Act § 1(d), the court is constrained by the legislative decision and may not on its own motion limit such exclusivity.
by the recently enacted Copyright Revision Act which contains no fewer than six distinct provisions which limit the exclusive rights under copyright in addition to the 1909 Act compulsory license for phonorecords which has been substantially recodified.\(^{84}\)

III. Rohauer Did Not Write on a Blank Slate: The Confluent Effect of Ricordi and Miller Music

The Rohauer court freely acknowledged that it would be bound by the holding in *G. Ricordi & Co. v. Paramount Pictures, Inc.*,\(^{85}\) but it just as quickly rejected the appellee's contention that *Ricordi* addressed the issue facing the court in *Rohauer*.\(^{86}\) Similarly, the Second Circuit contended that the United States Supreme Court case of *Miller Music Corp. v. Charles N. Daniels, Inc.*\(^{87}\) had no real bearing on the issue before it.\(^{88}\)

In large measure, these two separate conclusions reached by the court—that *Ricordi* was not dispositive of the issue in *Rohauer* and that *Miller Music* was also not controlling of *Rohauer*—were correct.\(^{89}\) However, while neither case may by itself have been dispositive of the issue in *Rohauer*, the combined and complementary im-

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84. See 17 U.S.C. §§ 108 (library and archival reproductions), 110 (limitations on performance rights), 111 (cable compulsory license), 112 (ephemeral recordings), 115 (nondramatic musical works), 116 (juke box), 118 (noncommercial broadcasting) (1976).

85. 189 F.2d 469 (2d Cir.), cert. denied, 342 U.S. 849 (1951).

86. *Rohauer*, 551 F.2d at 490.


88. The court indicated two reasons: (1) "All these cases [citing, inter alia, *Miller Music*] were concerned with the relative rights of persons claiming full assignment or ownership of the renewal term of an underlying copyright." *Rohauer*, 551 F.2d at 490. (2) "None [of the cases, including *Miller Music*] involved the question here presented of effecting a proper reconciliation between the grant of derivative copyright in § 7 and the final proviso of § 24 with respect to renewals of underlying copyrights." *Id.*

89. Insofar as the dispositive effect of *Ricordi* is concerned, the thrust of Nimmer's observations on *Ricordi* would tend to indicate his disagreement with this view. For Professor Nimmer argues that *Ricordi* "in effect repudiated" the new property right theory, *Nimmer*, supra note 3, at § 45.1, which he no doubt would trace to the root of the *Ricordi* court decision. Although I must agree that the logical extrapolation of *Ricordi* would militate against the *Rohauer* court's decision, it does not seem that the holding of the *Ricordi* case itself would preclude the result reached in *Rohauer*. For actually, the *Ricordi* court never reached the issue (and such issue was not before it) of whether the proprietor of the derivative work could continue to mount public performances of his opera after his right to the underlying novel has been lost by virtue of the vesting of the renewal term copyright in the novelist's section 24 statutory successor. Thus, in a narrow sense, the issue at the heart of *Rohauer*—continued use—remained unsettled by *Ricordi*. See Engel, *Importation and Protection of Works of American Authors Manufactured Abroad via the U.C.C. Exemption from Formalities: How Sacred the Cow?*, 12 COPYRIGHT BULL. 83, 119-20 n.126 (1964), cited in *Rohauer*, 551 F.2d at 490.
pact of Ricordi and Miller Music seems to preclude the holding reached in Rohauer.

Before attempting to portray the confluent effect of these two leading cases, this article will discuss briefly each case to determine whether or to what extent each case by itself should have controlled the result in Rohauer.

A. G. Ricordi & Co. v. Paramount Pictures, Inc.90

In Ricordi, the plaintiff brought an action for declaratory relief based upon its claimed motion picture rights in the copyrighted opera Madame Butterfly (in which it owned the renewal copyright). Ricordi also sought to enjoin defendant Paramount from interfering with the exercise of its rights.

The chain of title traced by each side is somewhat complex but is the source of the significance of the case. Both chains of title stemmed from John Luther Long, who, in 1897 had written and copyrighted a novel entitled Madame Butterfly. In 1900, Long licensed the dramatic rights to the novel to one Belasco, who wrote a play based upon the Long novel and which was eventually copyrighted in 1917. Thereafter, in 1901 Long and Belasco licensed to plaintiff Ricordi the exclusive right to make a libretto for an opera based on Long's original theme and upon Belasco's dramatic version thereof. The opera was written by Puccini and copyrighted in 1904. This copyright in the opera was apparently renewed for its second term by Puccini's son, from whom the plaintiff, Ricordi, acquired the renewal copyright.

Defendant Paramount Pictures acquired the renewal copyright in the novel in 1932 from the administrator of the estate of John Long, who had renewed the copyright in his novel in 1925, prior to his death. Defendant also obtained, in 1932, from the trustee under Belasco's will, the motion picture rights in Belasco's play.

The court found that the license from Long to the plaintiff did not include the renewal term of Long's copyright. It therefore determined that after the expiration of the renewal term of copyright in the novel, plaintiff was left only with those rights "in the new matter which it added to the novel and [Belasco's] play. It follows that the plaintiff is not entitled to make general use of the novel for a motion picture version of Long's copyrighted story; it must be re-

90. 189 F.2d 469 (2d Cir.), cert. denied, 342 U.S. 849 (1951).
stricted to what was copyrightable as new matter in the operatic version.'”

Now it would seem that this language of the Ricordi court would be dispositive of the issue posed in the Rohauer case. However, there are two grounds upon which to suggest that Ricordi does not resolve the essential issue in Rohauer. First, the Ricordi court chose to use the somewhat cryptic language of “general use.”" If the plaintiff was not permitted to make general use of Long's novel, was there some narrower use to which it could put the novel? The negative implication is certainly plausible and was seized upon by the court in Rohauer. Second, the court in Ricordi, in affirming the judgment of the district court, held that the plaintiff was the “rightful owner and sole proprietor of the valid renewal copyright in the opera entitled Madame Butterfly and of all its rights and interests therein, including the sole and exclusive motion picture rights. . . .” Again, the court in Rohauer quoted approvingly from Mr. Engel’s article which inferred from the Ricordi court’s opinion that continued performances of the opera would not be infringing.

Reliance upon these inferences drawn from the Ricordi case may be misplaced, for another interpretation of the term “general use” is possible. It is certainly plausible to read “general” not as the equivalent of “broad,” as opposed to “minimal,” but as being descriptive of the breadth of exclusive rights accorded to the owner of the copyright in the novel. Thus, “general” could well mean that the copyright proprietor of the novel had not only the exclusive motion picture rights, but dramatic rights, translation rights and all other new version rights. Therefore, the use of “general” by the Ricordi court may not have been limitative but, to the contrary, inclusive.

91. Id. at 471.
92. See text accompanying note 91 supra.
93. This is the thrust of the argument offered by Engel, supra note 89, at 119-20 n.126.
94. 551 F.2d at 493.
96. See, Engel, supra note 89, at 119-20 n.126.
97. In some respects this is a somewhat similar argument to the one made by Professor Nimmer in his criticism of Duchess Music Corp. v. Stern, 458 F.2d 1305 (9th Cir. 1972) in which the court of appeals interpreted the phrase “similar use” in the compulsory licensing provision of the 1909 Copyright Act to exclude a use which was identical. Nimmer, Photocopying and Record Piracy: Of Dred Scott and Alice in Wonderland, 22 U.C.L.A. L. Rev. 1052, 1059-65 (1975). Professor Nimmer argued cogently that “similar” was a word ordinarily connoting minimum rather than maximum degrees of likeness. Analogously, it is arguable that “general use” connotes the broadest use, which includes any partial or lesser use.
The second inference drawn from Ricordi is that acknowledgement of sole copyright proprietorship in the opera, including the exclusive motion picture rights in the opera, is tantamount to holding that continued exhibition of the opera would not infringe the underlying novel. However, the Ricordi court pointed out more than once that the proprietorship of the opera copyright was solely in the new matter added by the operatic version. This repeated observation, if it is not mere surplusage, must logically mean that some parts of the opera were not copyrightable. Under the facts of Ricordi, this non-copyrightable portion may well refer to those parts of the opera based upon the Long novel. Insofar as the opera copies the story of Long's novel, it infringes one of the exclusive rights under copyright reserved to Long or his assignee, Paramount. Since Ricordi did not have a license from Paramount to use the copyrighted story-line, it seems inescapable that continued exhibition of the Madame Butterfly opera, to the extent that it contains portions which copy the protected story-line, would constitute an infringement.

98. See text accompanying note 91 supra.

99. Another possibility, of course, is that portions of the opera were based upon Belasco's play, which had passed into the public domain for failure to renew.

100. See Grove Press, Inc. v. Greenleaf Publishing Co., 247 F. Supp. 518 (E.D.N.Y. 1965). In Grove, the plaintiffs brought a copyright infringement action against defendant Greenleaf, which had published an unlicensed English translation of Jean Genet's copyrighted novel Journal du Voleur. The defendant had admittedly produced its translation by photographing a 1954 English translation of the original work. The court found that the 1954 translation was in the public domain, due to noncompliance with the ad interim provision of U.S. copyright law. However, the court found that the defendant, although it had copied physically only from the 1954 public domain work, had in fact copied the underlying French version for which copyright protection had subsisted from its publication in 1949. The court held that insofar as the defendant's work copied more than the new matter added to the underlying work by virtue of the translation (which new matter was in the public domain) it infringed the plaintiff's copyright in the underlying work.

The court's reasoning process and prominent reference to both G. Ricordi & Co. v. Paramount Pictures, Inc. and Kalem Co. v. Harper Bros (see note 74 and accompanying text supra) were significant. After outlining the facts of Ricordi, Judge Bartels observed that: "The Court [of Appeals] held that the 'Madame Butterfly' novel could not be employed for any purpose without the consent of the proprietor or licensee of the copyright, and that only the new matter that Belasco had added to Long's novel was dedicated." Id. at 526 (emphasis added).

The significance of this observation is accentuated by Judge Bartels' previous reference to the Kalem case. Judge Bartels thereby impliedly concluded that the motion picture "Ben Hur" had infringed the underlying copyrighted novel in Kalem just as Greenleaf's translation had infringed the underlying Genet French version novel. By extension, the Ricordi opera, "Madame Butterfly," would presumably stand in that same position with respect to the Long novel and thus support the position asserted in the text: to the extent that the opera contained a part of the Long novel, its continued performance would constitute an infringement of Paramount's rights. The appropriateness of this inference is further supported by Judge
It must be acknowledged, however, that despite these logical extrapolations from Ricordi, the language of that case may be too uncertain to control the narrower issue raised in Rohauer. Certainly the Second Circuit was not completely unjustified in holding that Ricordi did not dispose of the issue before it in Rohauer.

B. Miller Music Corp. v. Charles N. Daniels, Inc.101

In Miller Music, the Supreme Court decided that notwithstanding an author’s prior assignment of his renewal right, the author’s residuary legatees succeeded properly to his renewal right by virtue of section 24 of the Copyright Act. Although Miller Music was asserted by the appellees in Rohauer to be dispositive of the issue before the court, the Second Circuit Court of Appeals rejected this characterization of Miller Music and denied that it had “any real bearing on the issue here before us, either in holding or in opinion.”102 The Rohauer court proceeded to distinguish Miller Music and its Supreme Court antecedents103 on the grounds that:

Bartels’ review of the cases holding that the unlicensed use of a story line of an underlying work as it appears in an unprotected derivative work does not insulate the copier from infringement liability. See id. at 526-27.

Finally, inasmuch as the Grove court was faced with a situation in which the defendant had copied from a public domain derivative work, that portion of the court’s opinion denying the defendant’s Petition for Reconsideration and/or Rehearing is extremely revealing:

One of the old arguments which the defendants attempt to repeat in a new form, is a suggestion that if a derivative work were fully copyrighted, only the permission of the derivative author would be necessary to make a copy of the derivative work because that right was already granted by the author of the underlying work. Such a statement may or may not be true, depending upon the facts of the particular case. If the derivative work cannot be copied without automatically copying the pattern of the underlying work, then the authority to grant third parties the right to make a copy of the copyrighted underlying work or its pattern is not included in the mere authority given to a derivative author to create the new work. Id. at 528-29 (emphasis added).

Therefore, by extension, where the authority of the derivative author to copy the underlying work himself has expired, the derivative author may not utilize his derivative work in such a way as to copy the pattern of the underlying work. See discussion accompanying text at notes 107-118 infra.

See also Russell v. Price, 448 F. Supp. 303 (C.D. Cal. 1977) holding that to the extent that a motion picture is a derivative work of a copyrighted play (Pygmalion by George Bernard Shaw), consent to exhibit the motion picture must be secured from the copyright proprietor of the play even though the motion picture has fallen into the public domain.


102. Rohauer, 551 F.2d at 490. Actually, the Rohauer court referred not only to Miller Music, but also to the line of cases preceding Miller Music: DeSylva v. Ballentine, 351 U.S. 570 (1956); Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943); and Fox Film Corp. v. Knowles, 261 U.S. 326 (1923). The discussion in this article will, however, be limited to Miller Music, as it is that case which is crucial to the issues raised by Rohauer.

103. See note 102 supra.
These cases were concerned with the relative rights of persons claiming full assignment or ownership of the renewal term of an underlying copyright. None involved the question here presented of effecting a proper reconciliation between the grant of derivative copyright in § 7 and the final proviso of § 24 with respect to renewals of underlying copyrights.  

In a narrow sense, the Rohauer court was correct in holding that Miller Music does not on its own facts deal with a situation in which a derivative work was prepared under the authority of a grant from the underlying copyright proprietor. Furthermore, although the vast majority of commentators has considered any such derivative rights from the author to be cut off by the vesting of renewal rights in the author's section 24 successors, there have been no reported cases which have passed squarely on that issue.

C. The Confluent Effect of Ricordi and Miller Music

Assuming arguendo that neither the Ricordi nor Miller Music cases control the issue raised in Rohauer, the confluent effect of these two cases should preclude the result reached in Rohauer—at

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104. 551 F.2d at 490.
106. In Fitch v. Shubert, 20 F. Supp. 314 (S.D.N.Y. 1937), the court held that the copyright purchasers did not have any rights during the play's renewal term because the play's author had died prior to the vesting of his renewal rights, and his statutory successor (the plaintiff) had properly filed for renewal pursuant to section 24. "[I]t is clear that the plaintiff acquired a new and independent right in the copyright, free and clear of any rights, interests, or licenses attached to the copyright for the initial term." Id. at 315 (emphasis added). Despite this language strongly pointing to the opposite result reached by the Rohauer court, the Second Circuit in Rohauer attempted to distinguish Fitch by pointing out that the original license was given subsequent to the author's death by a charitable legatee of the author. Therefore, the Rohauer court concluded that the defendant's license could not have covered the renewal period because the licensor did not have the renewal rights (nor even the renewal expectancy) to convey. For this reason, the Rohauer court held that the Fitch language does not reach the Rohauer situation because the license in Rohauer did cover the renewal term.

Although this analysis is flawed (see text accompanying notes 112-18 infra), it does reveal the heavy emphasis which the Rohauer court placed on the fact that the Rohauer grant included renewal rights. This analysis was quite apart from the court's alternate theory concerning the scope of copyright protection derived under section 7 of the 1909 Act.

But see Davis v. DuPont De Nemours & Co., 240 F. Supp. 612 (S.D.N.Y. 1965), in which the court hints, in rather opaque dictum, that copyrighting a derivative work prepared under a license during the initial term of copyright may insulate the licensee from infringement liability where the author-licensor's section 24 successor has renewed in his own name and where no renewal license for the derivative work has been secured. Id. at 627 n.76.
least on the rationale that the court employed to distinguish *Ricordi*. Indeed, the court in *Rohauer* acknowledged that the *Ricordi* decision would have controlled the *Rohauer* case\(^\text{107}\) but for one purported crucial factual difference in those two Second Circuit cases: in *Ricordi*, the grant of opera rights in the novel by Long did not cover the renewal term; in *Rohauer*, Ms. Hull’s grant of motion picture rights to Killiam’s predecessor-in-interest included a grant of the author’s renewal rights.\(^\text{108}\)

Before turning to a closer analysis of whether this factual difference should produce a different result, the basic rights existing between the licensor and his licensee should be examined. Consider, for example, the following situation. Suppose that A, the author of a copyrighted novel, licenses the dramatic rights (expressly including the motion picture rights) in his novel to B for a term of twenty years. B then produces a motion picture photoplay based on A’s novel and duly secures copyright on his derivative work. It would see clear that twenty years after the granting of A’s license, B’s right to dramatize A’s novel would (by terms of the license) lapse,\(^\text{109}\) and that any subsequent exhibition of the photoplay would constitute an infringement of A’s copyright.\(^\text{110}\) Similarly, if B’s license had been for the initial term of copyright (twenty-eight years), as was *Ricordi’s*,\(^\text{111}\) one would expect that B would have no rights beyond the twenty-eighth year. In short, the right to exploit a copyrighted work is coextensive with the scope or duration of the grant allowing such otherwise infringing use.

Returning to the facts of *Rohauer*, the court held *Ricordi* not to be determinative “for a fundamental reason. . . . [I]n the case of Mrs. Hull . . . the assignment agreement explicitly included rights to the derivative work\(^\text{112}\) during the renewal term.”\(^\text{113}\) It is clear that had Mrs. Hull survived to the time at which her right of renewal vested, her grant to Killiam’s predecessor-in-interest would have

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\(^{107}\) 551 F.2d at 490.

\(^{108}\) Id. at 491.


\(^{110}\) *Kalem Co. v. Harper Bros.*, 222 U.S. 55 (1911). Of course, this presumes that B’s derivative copyright protects only the new matter he has added. See discussion at text accompanying notes 23-65 supra.

\(^{111}\) “Ricordi neither sought nor obtained operatic rights in the renewal term of the novel . . . .” *Rohauer*, 551 F.2d at 491.

\(^{112}\) More accurately, the grant conveyed motion picture rights to the story during the renewal term. The court’s formulation is somewhat misleading.

\(^{113}\) *Rohauer*, 551 F.2d at 491.
been binding, and Killiam would have enjoyed the motion picture rights in the novel for the renewal term. However, the fact is that Mrs. Hull failed to survive the twenty-eighth year of the initial term and, therefore, the renewal rights in her novel never vested in her, but in her daughter, in accordance with the doctrine announced in *Miller Music Corp v. Charles N. Daniels, Inc.* Under *Miller Music*, Mrs. Hull never possessed anything other than a mere expectancy of renewal rights in her novel. Thus, the effect of her purported renewal term grant of motion picture rights to Killiam's predecessor-in-interest was null. Like the assignee in the *Miller Music* case, Jenkins' purported assignment of the renewal term in the song was a nullity, inasmuch as Jenkins had received only the right from Sumner to the lyrics for the original term of copyright and therefore could not have assigned to the plaintiff any renewal interest in the lyrics. More importantly for our purposes, although defendant Vogel claimed renewal rights in the song based upon an assignment from Sumner, Vogel succeeded only to Sumner's renewal right in the lyrics, the new matter, and its publishing of the song during the renewal period constituted an infringement of plaintiff's copyright in the music.

The grant obtained through the renewal of a copyright is a 'new estate,' one which is acquired free and 'clear of all rights, interests or licenses granted under the original copyright'. G. Ricordi & Co. v. Paramount Pictures, Inc. [citation omitted]; Fitch v. Shubert [citation omitted]; Silverman v. Sunrise Pictures Corp. [citation omitted]. A publisher, who is the owner of a copyright of a 'new work,' is entitled to the exclusive use of the old material in conjunction with the new, only during the original term of the copyright of the old material, unless he acquired the renewal interest of the author of the old material. See G. Ricordi & Co. v. Paramount Pictures, Inc. 115 F. Supp. at 760 (emphasis added).
Music case, Killiam's predecessor-in-interest received "nothing."

Despite the fact that the grant by Mrs. Hull purported to cover the renewal term, and Long's grant to Ricordi did not, the fact is that both Mrs. Hull's licensee and Ricordi ended up with precisely the same thing: no rights at all to their respective renewal terms. Thus, the factual difference in Rohauer underscored by the court did not supply the basis for a legal distinction. Under the impact of Miller Music, the Ricordi case should have controlled the result in Rohauer.

IV. Weighing the Equities

In the concluding portion of its opinion in Rohauer, the Second Circuit paused briefly to discuss the policy considerations which no doubt helped to shape the conclusion it reached. The court somewhat precipitously concluded that "the equities lie preponderantly in favor of the proprietor of the derivative copyright." While this may or may not be true, the court's reasoning towards this end is less than satisfying.

The court began its rather truncated discussion by advancing the notion that a derivative work proprietor "will have often made contributions both literary . . . and economic as great or greater than the original author." In considering these two types of contributions separately, the working example of a derivative proprietor who has produced a motion picture based on an underlying copyrighted novel may be helpful.

A derivative proprietor's literary contribution in his derivative authorship is in fact recognized by the conferral of the full panoply of rights under copyright as to the new matter which he has contrib-

Although the circuit court reversed, holding that the song was a joint work thereby giving both the lyricist and the composer undivided interests in the entire song during the renewal period, the district court's reasoning as to the extent of rights subsisting in a derivative licensee once the underlying work goes into the renewal term was not challenged.

118. "Until [the time of renewal] arrives, assignees of renewal rights take the risk that the rights acquired may never vest in their assignors. A purchaser of such an interest is deprived of nothing. Like all purchasers of contingent interests, he takes subject to the possibility that the contingency may not occur." Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373, 378 (1960) (emphasis added).

119. 551 F.2d at 493.

120. Id. The court also singled out "musical" contribution, but in the interest of clarity of argument, this categorization will be subsumed under the "literary" heading connoting "artistic" contribution.
uted. Whether his derivative literary contribution is more or less remarkable from an aesthetic point of view than the underlying work of authorship does not seem to be a sound basis for expanding the scope of copyright protection afforded to the derivative work proprietor.

Admittedly, this conferral of rights on a derivative work author might prove somewhat evanescent during the renewal term should the renewal rights in the underlying work vest in the author's section 24 successors: protection only as to the new matter contributed to

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121. 1909 Act § 7. See text accompanying notes 20-26 supra.
122. Suppose that the underlying work was clearly aesthetically superior and that, despite the fact that the derivative work added a minimal quantum of originality to warrant a derivative work protection, it clearly owed its commercial marketability to that underlying work. It is clear that in such a case the underlying author would not be accorded any proprietary interest in a derivative work. Cf. Gilliam v. American Broadcasting Co., 538 F.2d 14 (2d Cir. 1976).
123. See Emerson v. Davies, 8 F. Cas. 615 (C.C.D. Mass. 1845) (No. 4,436), where Mr. Justice Story concluded that a work creatively combining less remarkable public domain material warranted copyright protection.

I must confess that it strikes me that the plaintiff's method is a real and substantial improvement upon all the works which had preceded his, and which have been relied on in the evidence; but whether to be better or worse is not a material inquiry in this case. If worse, his work will not be used by the community at large; if better, it is very likely to be so used. But either way, he is entitled to his copyright, "valere quantum valere potest." Id. at 621.

124. The Rohauer court also took note of Justice (then Professor) Benjamin Kaplan's remark that "the distinction extrapolated from the Fred Fisher case [and made explicit by Miller Music] as between authors who do or do not survive the original term 'may operate in a peculiarly perverse way where on the faith of a transfer from the now-deceased author, the transferee has created a 'derivative work,' say a movie based on the original novel.'" Rohauer, 551 F.2d at 493.

It is not unlikely that Justice Kaplan's observations that the operation of Miller Music would be "peculiarly perverse" with regard to derivative works was greatly influenced by the Justice's view that the permissible scope of non-infringing use by a derivative author of an underlying work should be drawn quite broadly.

It is surely wrong to assume that what Hollywood is content to call a dramatization or screen treatment of a novel or play would necessarily be an infringing copy if not licensed. The fundamental that "use" is not the same as "infringement," that use short of infringement is to be encouraged, is relevant to these transformation cases. Kaplan, An Unhurried View of Copyright 57 (1967).

Thus, the fact that the right to renewal term exhibition of a motion picture produced under an initial term license from the novelist on which the film is based is cut off by the vesting of the novel's renewal rights in the author's section 24 statutory successors would probably, in Justice Kaplan's view, owe its perversity at least as much to the requirement of original licensing as to the operation of section 24.

Where to draw the evanescent line between the accessible idea and the protected expression has engaged the attention of some of the most eminent jurists for over a century. See, e.g., Emerson v. Davies, 8 F. Cas. 615 (C.C.D. Mass. 1845) (No. 4,436) (Story, J.); Nichols v. Universal Pictures Corp., 45 F.2d 119 (2d Cir. 1930) (L. Hand, J.). It has also sparked some of the most fascinating and scholarly legal commentaries on the subject of copyright. See,
a feature photoplay is of doubtful value where that new matter is
inextricably fused in the film with the story-line of the underlying
work.\textsuperscript{125}

As far as the economic component of the derivative proprietor's
contribution is concerned, motion picture investment is undeniably
a high-risk activity. Spectacular financial successes are all too rare.
Those infrequent spectacular successes which possess the commer-
cial endurance of a \textit{Gone With the Wind} are even rarer. Given this
economic reality, it is hardly unreasonable for a producer-investor
who has committed to a multi-million dollar production budget to
expect that his ability to reap that rare phenomenal commercial
success will not be impaired by improvident divestment. However,
for the \textit{Rohauer} court to single out this potentially injurious eco-

nomic risk and then remark that "the author can always protect his
heirs by imposing a contractual limit upon the assignment"\textsuperscript{126}
is somewhat historically myopic. The clear congressional purpose in
structuring two-term copyright protection was to protect the author
and his family from early unremunerative copyright transfers. Any
such unremunerative transfer would be limited to the first twenty-
eight year term, after which period the author or his family would
be able to command a more substantial bargaining position from
which to sell his work for exploitation during the renewal term.\textsuperscript{127}

This intention of the Congress was subsequently frustrated by the
landmark case of \textit{Fred Fisher Corp. v. M. Witmark & Sons}\textsuperscript{128} in
which the Supreme Court held that an author's renewal rights were
freely assignable and that such an assignment would be enforced
should the author survive the time in which his renewal rights

discussed at note 100 supra.
\textsuperscript{126.} 551 F.2d at 493-94.
\textsuperscript{127.} It was urged before the Committee that it would be better to have a single
term without any right of renewal, and a term of life and fifty years was suggested.
Your Committee, after full consideration, decided that it was distinctly to the
advantage of the author to preserve the renewal period. 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 28 years,
your Committee felt that it should be the exclusive right of the author to take the
renewal term, and the law should be framed . . . so that he could not be deprived
of that right.' H.R. REP. No. 2228, 60th Cong., 2d Sess. 1, 14 (1909). See also note
12 supra.
\textsuperscript{128.} 318 U.S. 643 (1943).
vested. For the Rohauer court to thus suggest in light of Fred Fisher that an author can preserve his heirs' rights to enjoy renewal term proprietorship, presumably by limiting the term of his transfer to twenty-eight years, ignores the commercial reality of many authors' bargaining position—a reality of which the Congress took special recognition as it fashioned the renewal provisions of the 1909 Copyright Act.

Admittedly, the Miller Music decision\(^{129}\) mitigated the impact of Fred Fisher by forcing users to obtain assignments of renewal expectancies from the author's family. However, to the extent to which Miller Music enhanced the possibility of renewal term preservation by the author's family, this development has now been largely eroded by the Rohauer decision.

Furthermore, although the court purported to limit its holding to those situations in which a derivative work is created, presumably as opposed to a case like Miller Music where an assignment is given and no derivative work is prepared, it is questionable whether very much of Miller Music has survived. Consider, for example, the following hypothetical situation. Suppose an author assigns his rights in a copyrighted musical composition upon which a new arrangement is then composed. Suppose further that the arrangement is sufficiently original to warrant copyright protection as a derivative work\(^{128}\) but is similar enough to the original work so as to effectively preempt the commercial market for the original musical composition. Is it not then illusory to say that the section 24 successors of the original work's author are unharmed since they are free to exploit their author-predecessor's composition?\(^{131}\)

The Rohauer case may have carved out an exception to Miller Music which threatens to negate the arguably salutary impact of that case. Although the equities may have preponderated on the side of the derivative work proprietor under the facts before the

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\(^{129}\) See discussion at text accompanying notes 101-06 supra.

\(^{130}\) See NIMMER, supra note 3, at § 40.

\(^{131}\) Consider, for example, the situation involving a translation of a copyrighted work. Suppose that La Peste by Albert Camus is protected by U.S. copyright. Under a license from the copyright proprietor, an English language translation is written and derivative work protection is duly secured. Notwithstanding the artistic contribution that may well distinguish the translator's work (Baudelaire's remarkable translations of Edgar Allan Poe's stories are notable examples), it would be hard to imagine arguing that the basic substance of The Plague is not attributable to Camus' original novel. It is not unlikely that the ability to continue marketing the English translation of La Peste, despite a revesting in section 24 successors of the French version, would seriously undermine any possibility of such successors consummating an economically advantageous sale of English translation rights.
court in *Rohauer*, the reasoning of the court\footnote{132. The court also pointed to the termination provisions of the recently enacted Copyright Act, 17 U.S.C. §§ 203, 304(c) (1976), which are analogues to the present renewal provisions. See generally Stein, *Termination of Transfers and Licenses Under the New Copyright Act: Thorny Problems for the Copyright Bar*, 24 U.C.L.A. L. Rev. 1141 (1977). Briefly stated, the termination provisions permit an author or his designated statutory successor to terminate a transfer of copyright interest after an initial 35 to 40 year period. An express exception to this right to retrieve such transferred copyright interest is that “a derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of this grant after its termination.” 17 U.S.C. §§ 203(b)(1), 304(c)(6) (1976). Although the *Rohauer* court acknowledged that the above quoted proviso “was part of a package which extended the temporal rights of authors” and did “not deal with the precise situation here presented,” it found the proviso to be persuasive evidence of congressional solicitude toward affording “special protection for derivative works.” *Rohauer*, 551 F.2d at 494. And although the court acknowledged the tenuoussness of reading provisions of the 1976 Act to clarify the 1909 Act in cases to which the new Act does not apply, it found support for its holding in that proviso. Resort to such an interpretive method, however, should be tempered by Mr. Justice Douglas’ observation in *Miller Music Corp.*, commenting on a not wholly different contention raised by Mr. Justice Harlan’s dissent in the *Miller Music* case: “We have said enough, however, to indicate that there is symmetry and logic in the design of Section 24. Whether it works at times an injustice is a matter for the Congress, not for us.” 362 U.S. 373, 378 (1960).} fails to adequately support that conclusion, especially where arguably settled legal principles incline so strenuously against the court’s decision.

**Conclusion**

The decision rendered in *Rohauer v. Killiam Shows, Inc.* extends the scope of copyright protection for derivative work beyond the new matter added to the underlying copyrighted work. This extension clashes with long-established decisional law and the Copyright Act, and arguably violates the constraints of the Copyright Clause. Moreover, although the *Rohauer* court purported to decide a case of first impression, the confluent effect of *G. Ricordi & Co. v. Paramount Pictures, Inc.* and *Miller Music Corp. v. Charles N. Daniels, Inc.* dictates the opposite result reached by the Second Circuit in *Rohauer*. *Rohauer* will no doubt be heralded by those who acquire literary rights for motion picture production as welcome insulation of their investment from fortuitous divestment under section 24 of the Copyright Act. However, in avoiding the results of such a fortuitous vesting, the Second Circuit may well have frustrated the original salutary intentions underlying the congressional enactment of section 24.