

Lawyers For The Talent

by

Richard Dooling

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Copyright Ownership

Who owns the rights?

§ 201 . Ownership of copyright

(a) **Initial Ownership.** — Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.

(b) **Works Made for Hire.** — In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.

[Copyright Act § 201](#)

Joint Authorship

The Copyright Act defines a “joint work” as:

a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

§ 101 - Definitions

Who Controls the Copyright?

In [All You Need to Know About the Music Business](#), Donald Passman uses the following simple example:

Suppose you and your cousin Louis write a brilliant work together.... [Section 201\(a\)](#) of the Copyright Act ... says that you and Louis have created a **joint work**, meaning it was created jointly by the efforts of two or more people. When you have a joint work, either of the authors/owners can deal *non-exclusively* with the *entire* composition, subject to the obligation to pay the other person his or her share of the proceeds. That means you can give all the non-exclusive licenses you want to record companies, film companies, etc., subject to paying Louie for his share of the song. And Louie can do the same.

What if you write only the music and Louie writes only the lyrics? Can you take back your music, cut out Louis, and ask somebody else to write new lyrics? No. Passman compares creating a joint work to adding water to a ball of clay and squishing it. Or scrambling the white and the yolk of an egg.

Passman puts it this way:

The law says that, even if two people create separate, distinct parts of a work, they each own an interest in the *whole copyright*, not just their own contribution. Thus, Louie owns half the music and half the lyrics, and so do you. You can't just pick up and leave each other. Even if you add new lyrics, Louis has a percentage of the song.

Copyrightable Contributions

To be considered joint authors, each author must:

1. Contribute *copyrightable* elements to the joint work, and
2. At the time the work was created, intend to merge their own contributions with the contributions of coauthors to form a unified whole.

These rules govern WHO OWNS THE COPYRIGHT at the outset. As always, the parties are free to adjust ownership by making deals for partial ownership of the copyright.

The person with noncopyrightable material who proposes to join forces with a skilled writer to produce a copyrightable work is free to make a contract to disclose his or her material in return for assignment of part ownership of the resulting copyright.

Childress v. Taylor, (2nd Cir. 1991)

Childress v. Taylor

United States Court of Appeals For The Second Circuit (1991)

- [case on Google Scholar](#)

Case summary

Clarice Taylor, an actress, wanted to develop a play about the life of “Moms” Mabley, an African-American vaudeville comedienne.

Taylor began to collect material about “Moms” Mabley, interviewing Mabley’s friends and family, collecting her jokes, and reviewing library resources.

In 1985, Taylor contacted Alice Childress, a professional playwright who had won an “Obie” award for her work and whose plays Taylor had acted in since the 1940s. Taylor wanted to hire Childress to write the play about “Moms,” and Childress eventually agreed.

Taylor turned over all of her research material to Childress, and later did further research at Childress’s request. Taylor also paid Childress \$2,500 as a down payment of sorts.

Taylor does NOT dispute that Childress wrote the play entitled “Moms: A Praise Play for a Black Comedienne.” Taylor argues however that she provided more than mere research to the project:

- Taylor sifted facts and helped select key pivotal elements to include in the play about Moms.
- Taylor also discussed general scenes and characters with Childress and whether they should be included in the play.
- Childress and Taylor spoke on a regular basis about the progress of the play.

Childress registered copyright in the play, and the two eventually had a falling out.

The question became: **Who owned the copyright in the work?** Childress alone? Or, as Taylor argued, Childress and Taylor jointly?

The court rejected Taylor's claim of joint authorship holding that a work qualifies as a "joint work" under the definition section of the Copyright Act, [17 U.S.C. § 101](#) only when:

both authors intended, at the time the work was created, "that their contributions be merged into inseparable or interdependent parts of a unitary whole," (quoting the Copyright Act)

And there was not enough evidence that Childress had such an intent at the time she wrote "Moms."

The Court said that copyright law requires that **the contributions of both authors to be independently copyrightable**, and that Taylor's contributions, which consisted of ideas and research, were NOT copyrightable.

Also no evidence suggested that Taylor's role ever evolved beyond helpful advice, the same kind of advice that might come from the cast, the directors, or the producers of any play.

Writing for the United States Second Circuit Court of Appeals, Judge Jon O. Newman put it this way:

A playwright does not so easily acquire a co-author.

Excerpts From *Childress* opinion

In common with many issues arising in the domain of copyrights, the determination of whether to recognize joint authorship in a particular case requires a sensitive accommodation of competing demands advanced by at least two persons, both of whom have normally contributed in some way to the creation of a work of value. Care must be taken to ensure that true collaborators in the creative process are accorded the perquisites of co-authorship and to guard against the risk that a sole author is denied exclusive authorship status simply because another person rendered some form of assistance. Copyright law best serves the interests of creativity when it carefully draws the bounds of "joint authorship" so as to protect the legitimate claims of both sole authors and coauthors....

The prevailing view strikes an appropriate balance in the domains of both copyright and contract law. In the absence of contract, the copyright remains with the one or more persons who created copyrightable material. Contract law enables a person to hire another to create a copyrightable work, and the copyright law will recognize the employer as "author." [§ 201\(b\)](#). Similarly, the person with non-copyrightable material who proposes to join forces with a skilled writer to produce a copyrightable work is free to make a contract to disclose his or her material in return for assignment of part ownership of the

resulting copyright. § 201(d). And, as with all contract matters, the parties may minimize subsequent disputes by formalizing their agreement in a written contract. § 101 (“work made for hire” definition of “specially ordered” or “commissioned” work includes requirement of written agreement). It seems more consistent with the spirit of copyright law to oblige all joint authors to make copyrightable contributions, leaving those with non-copyrightable contributions to protect their rights through contract.

There remains for consideration the crucial aspect of joint authorship—the nature of the intent that must be entertained by each putative joint author at the time the contribution of each was created. The wording of the statutory definition appears to make relevant only the state of mind regarding the unitary nature of the finished work—an intention “that their contributions be merged into inseparable or interdependent parts of a unitary whole.” However, an inquiry so limited would extend joint author status to many persons who are not likely to have been within the contemplation of Congress. For example, a writer frequently works with an editor who makes numerous useful revisions to the first draft, some of which will consist of additions of copyrightable expression. Both intend their contributions to be merged into inseparable parts of a unitary whole, yet very few editors and even fewer writers would expect the editor to be accorded the status of joint author, enjoying an undivided half interest in the copyright in the published work. Similarly, research assistants may on occasion contribute to an author some protectable expression or merely a sufficiently original selection of factual material as would be entitled to a copyright, yet not be entitled to be regarded as a joint author of the work in which the contributed material appears. What distinguishes the writer-editor relationship and the writer-researcher relationship from the true joint author relationship is the lack of intent of both participants in the venture to regard themselves as joint authors....

Examination of whether the putative co-authors ever shared an intent to be co-authors serves the valuable purpose of appropriately confining the bounds of joint authorship arising by operation of copyright law, while leaving those not in a true joint authorship relationship with an author free to bargain for an arrangement that will be recognized as a matter of both copyright and contract law. Joint authorship entitles the co-authors to equal undivided interests in the work, *see* § 201(a) ... That equal sharing of rights should be reserved for relationships in which all participants fully intend to be joint authors. The sharing of benefits in other relationships involving assistance in the creation of a copyrightable work can be more precisely calibrated by the participants in their contract negotiations regarding division of royalties or assignment of shares of ownership of the copyright, *see* § 201(d)....

There is no evidence that Childress ever contemplated, much less would have accepted, crediting the play as “written by Alice Childress and Clarice

Taylor.”

Childress was asked to write a play about “Moms” Mabley and did so. To facilitate her writing task, she accepted the assistance that Taylor provided, which consisted largely of furnishing the results of research concerning the life of “Moms” Mabley. As the actress expected to portray the leading role, Taylor also made some incidental suggestions, contributing ideas about the presentation of the play’s subject and possibly some minor bits of expression. But there is no evidence that these aspects of Taylor’s role ever evolved into more than the helpful advice that might come from the cast, the directors, or the producers of any play. A playwright does not so easily acquire a co-author.

Commentary on *Childress*

- Leslie J. Lott, Esq., *When does an Editor’s input create a Joint Work of Authorship?*

Works Made For Hire

So far, so good. If the author creates the work, the author owns the copyright. If the author creates the work *with* somebody else, and they created a [joint work](#), then they are both authors and coowners of copyright in the work.

But what about hired guns? What happens if somebody else pays the author to create the work? Shouldn’t the person who hired the author own the copyright in the work? Yes.

The copyright statute calls this a “work made for hire,” and says that “[the employer or other person for whom the work was prepared](#)” is considered the author of the copyrighted work.

For example, if the studio hires the screenwriter to create a screenplay, the studio owns the copyright to the screenplay, which is why writers are hired and fired until the script is just right. Yes, I am oversimplifying. The copyright statute’s definition of a “work made for hire” is more elaborate, but Hollywood screenwriters, especially *hired* screenwriters, create works made for hire, or works owned by somebody else.

Under [§ 101](#) of the Copyright Act, a “work made for hire” is—

1. a work prepared by an employee within the scope of his or her employment; or
2. a work specially ordered or commissioned for use
 - as a contribution to a collective work,
 - as a part of a motion picture or other audiovisual work,

- as a translation,
- as a supplementary work,
- as a compilation,
- as an instructional text,
- as a test,
- as answer material for a test,
- or as an atlas,
- if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire....

In the next case, the United States Supreme Court applies these straightforward provisions to a messy set of facts.

In the words of Francois La Rochefoucauld:

There is nothing more horrible than the murder of a beautiful theory by a gang of brutal facts.

Community For Creative Non-Violence v. Reid

United States Supreme Court (1989).

- [case on Google Scholar](#)
- [case on Westlaw](#)
- [Wikipedia](#).

Please read this case in its entirety by [downloading from Westlaw](#), or [reading at Google Scholar](#).

This case is an important United States Supreme Court case decided on its facts and on a careful reading of the work for hire provisions of the Copyright Act. It has major implications in many areas of the law (contract, employment, intellectual property, torts), because it addresses the crucial status of an artist as either employee or independent contractor.

Licensing

Courts must often apply old contract language to new technologies.

Suppose an author licenses a publisher to print her books in hardcover or paperback. Does that license also include the right to publish the same book as an e-book? What if e-book technology did not exist when the author made the original publishing deal?

What happens when a person with a license to exhibit a movie on television now wants to exhibit a movie using VCR tapes or DVD discs? What if these technologies didn't even exist when the artist made his deal with the studio?

That's the story of *Cohen v. Paramount*.

Cohen v. Paramount Pictures Corp.

United States Court of Appeals For The Ninth Circuit (1988)

- [case on Google Scholar](#)
- [case on Westlaw](#)

HUG, Circuit Judge:

This case involves a novel issue of copyright law: whether a license conferring the right to exhibit a film “by means of television” includes the right to distribute videocassettes of the film. We hold it does not.

FACTS

Herbert Cohen is the owner of the copyright in a musical composition entitled “Merry-Go-Round” (hereinafter “the composition”). On May 12, 1969, Cohen granted H & J Pictures, Inc., a “synchronization” license, which gave H & J the right to use the composition in a film called “Medium Cool” and to exhibit the film in theatres and on television. Subsequently, H & J assigned to Paramount Pictures all of its rights, title, and interest in the movie “Medium Cool,” including all of the rights and interests created by the 1969 license from Cohen to H & J. Sometime later, Paramount furnished a negative of the film to a videocassette manufacturer, who made copies of the film — including a recording of the composition — and supplied these copies to Paramount. Paramount, in turn, sold approximately 2,725 videocassettes of the film, receiving a gross revenue of \$69,024.26 from the sales.

On February 20, 1985, Cohen filed suit against Paramount in federal district court alleging copyright infringement. Cohen contended that the license granted to H & J did not confer the right to use the composition in a reproduction of the film in videocassettes distributed for home display. The parties stipulated to the facts and both filed motions for summary judgment. The district court entered judgment in favor of Paramount, and Cohen appeals. We have jurisdiction pursuant to 28 U.S.C. § 1291 (1982).

DISCUSSION

[...]

To resolve this case, we must examine the terms of the license, in order to determine whether the license conveyed the right to use the composition in making and distributing videocassette reproductions of “Medium Cool.” The

document begins by granting the licensee the “authority ... to record, in any manner, medium, form or language, the words and music of the musical composition ... with [‘Medium Cool’]... to make copies of such recordings and to perform said musical composition everywhere, *all in accordance* with the terms, conditions, and limitations hereinafter set forth....” (Emphasis added.)

Paragraph 4 states:

The ... license herein granted to perform ... said musical composition is granted for: (a) The exhibition of said motion picture ... to audiences in motion picture theatres and other places of public entertainment where motion pictures are customarily exhibited ... (b) The exhibition of said motion picture ... *by means of television* ... including ‘pay television’, ‘subscription television’ and ‘closed circuit into homes’ television.... ” (Emphasis added.)

Finally, paragraph 6 of the license reserves to the grantor:

all rights and uses in and to said musical composition, except those herein granted to the Licensee....”

Although the language of the license permits the *recording and copying* of the movie with the musical composition in it, in any manner, medium, or form, nothing in the express language of the license authorizes *distribution* of the copies to the public by sale or rental.

One of the separate rights of copyright, as enumerated in [section 106](#) of the Copyright Act, is the right:

to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.

[17 U.S.C. § 106\(3\)](#).

Thus, the right to distribute copies of the videocassettes by sale or rental remained with the grantor under the reservation of rights provision in paragraph 6, unless in some way it is encompassed within the right to *perform* the work.

The limitation on the right to perform the synchronization with the composition in it is found in paragraph 4 and that paragraph limits the right to perform, or to authorize others to perform, to:

4(a) exhibition of the motion picture to audiences in motion picture theatres and other places of public entertainment where motion pictures are customarily shown, and

4(b) exhibition of the motion picture by means of television, including pay television, subscription television, and “closed circuit into homes” television.

It is obvious that the distribution of videocassettes through sale and rental to the general public for viewing in their homes does not fit within the purpose of category 4(a) above, which is restricted to showing in theatres and other similar public places. Paramount argues that it fits within 4(b), in that the distribution of videocassettes for showing in private homes is the equivalent of “exhibition by means of television.” Paragraph 4(b) grants to Paramount the limited right to authorize broadcasters and cable television companies to broadcast the movie over the airwaves or to transmit it by cable, microwave, or some such means from a central location. The words of that paragraph must be tortured to expand the limited right granted by that section to an entirely different means of making that film available to the general public—the distribution of individual videocassettes to the general public for private “performances” in their homes. The general tenor of the section contemplates some sort of broadcasting or centralized distribution, not distribution by sale or rental of individual copies to the general public. Furthermore, the exhibition of the videocassette in the home is not “by means of television.” Though videocassettes may be exhibited by using a television monitor, it does not follow that, for copyright purposes, playing videocassettes constitutes “exhibition by television.” Exhibition of a film on television differs fundamentally from exhibition by means of a videocassette recorder (“VCR”). Television requires an intermediary network, station, or cable to send the television signals into consumers’ homes. The menu of entertainment appearing on television is controlled entirely by the intermediary and, thus, the consumer’s selection is limited to what is available on various channels. Moreover, equipped merely with a conventional television set, a consumer has no means of capturing any part of the television display; when the program is over it vanishes, and the consumer is powerless to replay it. Because they originate outside the home, television signals are ephemeral and beyond the viewer’s grasp.

Videocassettes, of course, allow viewing of a markedly different nature. Videocassette entertainment is controlled within the home, at the viewer’s complete discretion. A consumer may view exactly what he or she wants (assuming availability in the marketplace) at whatever time he or she chooses. The viewer may even “fast forward” the tape so as to quickly pass over parts of the program he or she does not wish to view. By their very essence, then, videocassettes liberate viewers from the constraints otherwise inherent in television, and eliminate the involvement of an intermediary, such as a network.

Television and videocassette display thus have very little in common besides the fact that a conventional monitor of a television set may be used both to

receive television signals and to exhibit a videocassette. It is in light of this fact that Paramount argues that VCRs are equivalent to “exhibition by means of television.” Yet, even that assertion is flawed. Playing a videocassette on a VCR does not require a standard television set capable of receiving television signals by cable or by broadcast; it is only necessary to have a monitor capable of displaying the material on the magnetized tape.

Perhaps the primary reason why the words “exhibition by means of television” in the license cannot be construed as including the distribution of videocassettes for home viewing is that VCRs for home use were not invented or known in 1969, when the license was executed. The parties both acknowledge this fact and it is noted in the order of the district judge. Thus, in 1969 — long before the market for videocassettes burgeoned — Cohen could not have assumed that the public would have free and virtually unlimited access to the film in which the composition was played; instead, he must have assumed that viewer access to the film “Medium Cool” would be largely controlled by theatres and networks. By the same token, the original licensee could not have bargained for, or paid for, the rights associated with videocassette reproduction. The holder of the license should not now “reap the entire windfall” associated with the new medium. As noted above, the license reserved to the grantor “all rights and uses in and to said musical composition, except those herein granted to the licensee....” This language operates to preclude uses not then known to, or contemplated by the parties. Thus, by its terms, the contract did not convey the right to reproduce and distribute videocassettes. That right, having not been granted to the licensee, was among those that were reserved.

Moreover, the license must be construed in accordance with the purpose underlying federal copyright law. Courts have repeatedly stated that the Copyright Act was “intended definitively to grant valuable, enforceable rights to authors, publishers, etc.... ‘to afford greater encouragement to the production of literary works of lasting benefit to the world.’” *Washington Publishing Co. v. Pearson*, (1939); *Scott v. WKJG, Inc.*, (7th Cir. 1967) (“A copyright is intended to protect authorship. The essence of a copyright protection is the protection of originality rather than novelty or invention.”) *Jondora Music Publishing Co. v. Melody Recordings, Inc.*, (3d Cir.) (as amended), *cert. denied*, (1975) (“The copyright law is enacted for the benefit of the composer....”). We would frustrate the purposes of the Act were we to construe this license — with its limiting language — as granting a right in a medium that had not been introduced to the domestic market at the time the parties entered into the agreement.

Paramount directs our attention to two district court cases, which, it contends, compel the opposite result. Both, however, involve licenses that contain language markedly different from the language in the license at hand.

Platinum Record Company, Inc. v. Lucasfilm, Ltd., (D.N.J.1983), involved

an agreement executed in 1973 in which plaintiff's predecessor in interest granted Lucasfilm, a film producer, the right to use four popular songs on the soundtrack of the motion picture *American Graffiti*. The agreement expressly conferred the right to

exhibit, distribute, exploit, market and perform said motion picture, its air, screen and television trailers, perpetually throughout the world *by any means or methods now or hereafter known*. (emphasis added).

Lucasfilm produced *American Graffiti* under a contract with Universal. The film was shown in theatres and on cable, network, and local television. In 1980, a Universal affiliate released the film for sale and rental to the public on videocassettes. Plaintiffs brought suit against Universal and its affiliate, alleging that the agreement did not give them the right to distribute the film on videocassettes.

The district court granted summary judgment in favor of the defendants. It reasoned that the language in the agreement conferring the right to exhibit the film "by any means or methods now or hereafter known" was "extremely broad and completely unambiguous, and precludes any need in the Agreement for an exhaustive list of specific potential uses of the film.... It is obvious that the contract in question may 'fairly be read' as including newly developed media, and the absence of any specific mention in the Agreement of videotapes and video cassettes is thus insignificant."

Similarly, the district court in *Rooney v. Columbia Pictures Industries, Inc.*, (S.D.N.Y.1982), *aff'd*, (2d Cir.1982), *cert. denied*, (1983) found that the contracts in question, which granted rights to exhibit certain films, also gave defendants the right to sell videocassettes of the films. Like the contract in *Platinum*, the contracts in *Rooney* contained sweeping language, granting, for example, the right to exhibit the films

by any present or *future* methods or means, and by any other means *now known or unknown*." (emphasis added).

The court stated, "The contracts in question gave defendants extremely broad rights in the distribution and exhibition of [the films], plainly intending that such rights would be without limitation unless otherwise specified and further indicating that future technological advances in methods of reproduction, transmission, and exhibition would inure to the benefit of defendants."

In contrast to the contracts in *Platinum* and *Rooney*, the license in this case lacks such broad language. The contracts in those cases expressly conferred the right to exhibit the films by methods yet to be invented. Not only is this language missing in the license at hand, but the license also expressly reserves to the

copyright holder all rights not expressly granted. We fail to find the *Rooney* and *Platinum* decisions persuasive.

CONCLUSION

We hold that the license did not give Paramount the right to use the composition in connection with videocassette production and distribution of the film “Medium Cool.” The district court’s award of summary judgment in favor of Paramount is reversed.

REVERSED and REMANDED.

Notes on *Cohen v. Paramount Pictures Corp.*

In 1969, Herbert Cohen owned copyright in a song called “Merry-Go-Round.” Cohen granted a “synchronization” license which gave Paramount the right to use the song “Merry-Go-Round” in a film called *Medium Cool*.

The license also gave Paramount the right to exhibit the movie “by means of television, including pay television, subscription television, and closed circuit into homes television.”

Over a decade later, in the 1980s, Paramount made the film *Medium Cool* available on videocassettes and sold around 3,000 copies, receiving gross revenue of \$70,000 or so.

Cohen sued for copyright violation and won.

A license conferring the right to exhibit a film “by means of television” DOES NOT include the right to distribute videocassettes of the film.

The license Cohen granted held back:

all rights and uses in and to said musical composition, except those herein granted to the licensee . . .

The court found that this language limited uses to those known or contemplated by the parties.

When Cohen signed the deal in 1969, videocassette recorders (VCRs) had not been invented yet, so Cohen could not have known he was selling the right to display a movie using his song on videocassette.

Paramount argued that the terms of Cohen’s license were similar to agreements in two other early videocassette cases, in which an original grant of rights included videocassette rights, even though such rights did not exist at the time of the original deal.

1. A contract between *Platinum Record Co. v. LucasFilm* (DCNJ 1983) giving the right: “to exhibit, distribute, exploit, market and perform said motion picture, its air, screen and television trailers, **perpetually throughout the world by any means or methods now or hereafter known.**”
2. A contract in *Rooney v. Columbia Pictures* (SDNY 1982) which licensed the right to exhibit the films: **by any present or future methods or means and by any other means now known or unknown.**

The court ruled that these two licenses indeed included the right to make the work available on videocassette, but only because the terms used were far broader and more inclusive than the language in Cohen’s deal:

all rights and uses in and to said musical composition, except those herein granted to the licensee . . .

And the court noted that Cohen had expressly reserved any rights not transferred.

Effects Associates v. Cohen

United States Court of Appeals for the Ninth Circuit (1990)

Low-budget horror movie mogul Larry Cohen made a movie called *The Stuff* about a yogurt-like alien life form invading earth.

Cohen hired Effects Associates to make some special effects for the movie, including video showing the climactic explosion of a factory where *The Stuff* was mass-produced.

Cohen orally promised to pay Effects Associates \$64,000 for creating the special effects.

No written agreement and no discussion about who would own the copyright to the special effects footage.

Effects Associates delivered the special effects as promised, but Cohen was unhappy about the factory explosion, and so paid only half of the promised amount for that sequence, for a total of \$56,000.

Effects Associates made several demands for the rest of the agreed sum (a little over \$8,000), but Cohen refused to pay.

Cohen went ahead and used the footage (including the factory explosion sequence) in the film, and turned *The Stuff* over to New World Entertainment for distribution.

Effects Associates sued for copyright infringement, claiming that Cohen (along with his production company and New World) had no right to use the special effects footage unless Cohen paid Effects Associates the full contract price.

The court ruled that Effects Associates had not transferred copyright in the special effects footage because transfers of copyright must be **IN WRITING**. Cohen argued that regardless of what the Copyright Act says, the industry standard in the movie business was to have oral agreements.

Moviemakers do lunch, not contracts, Cohen argued. Moviemakers are too absorbed in developing “joint creative endeavors” to “focus upon the legal niceties of copyright licenses.” The Court disagreed with this notion, but noted that **nonexclusive licenses** need not be in writing and may be implied by the behavior of the parties. The Court found that since Effects made the footage to Cohen’s specifications and gave it to him, there was an implied license for Cohen to use it.

The court called copyright ownership “a bundle of rights”:

In granting a nonexclusive license to Cohen, Effects has given up only one stick from that bundle—the right to sue Cohen for copyright infringement. It retains the right to sue him in state court on a variety of other grounds, including breach of contract. Additionally, Effects may license, sell or give away for nothing its remaining rights in the special effects footage.

See for yourself! [YouTube: The Disputed Footage In Cohen](#).

[JUNE 29, 2015 9:53am PT by Eriq Gardner Appeals Court Rules Producer, Not Director, Gets Film Copyright](#)

Digital Sampling and Imaging

[Circular 56a](#), published by the United States Copyright Office, and entitled “Copyright Registration of Musical Compositions and Sound Recordings” explains the difference, for copyright purposes, between musical compositions and sound recordings.

A musical composition: consists of music, including any accompanying words, and is normally registered as a work of the performing arts. The author of a musical composition is generally the composer, and the lyricist, if any. A musical composition may be in the form of a notated copy (for example, sheet music) or in the form of a phonorecord (for example, cassette tape, LP, or CD). Sending a musical composition in the form of a phonorecord does not necessarily mean that there is a claim to copyright in the sound recording.

A sound recording: results from the fixation of a series of musical, spoken or other sounds. The author of a sound recording is the performer(s) whose performance is fixed, or the record producer who processes the sounds and fixes them in the final recording, or both. Copyright in a sound recording is not the same as, or a substitute for, copyright in the underlying musical composition.

Newton v. Diamond

United States Court of Appeals Ninth Circuit (2003)

- [case on Google Scholar](#)

Opinion by Chief Judge SCHROEDER. Dissent by Judge GRABER.
SCHROEDER, Chief Judge:

This appeal raises the difficult and important issue of whether the incorporation of a short segment of a musical recording into a new musical recording, i.e., the practice of “sampling,” requires a license to use both the performance and the composition of the original recording. The particular sample in this case consists of a six-second, three-note segment of a performance of one of his own compositions by plaintiff, and accomplished jazz flutist, James W. Newton.

The defendants, the performers who did the sampling, are the members of the musical group Beastie Boys. They obtained a license to sample the sound recording of Newton’s copyrighted performance, but they did not obtain a license to use Newton’s underlying composition, which is also copyrighted.

Background and Procedural History

The plaintiff and appellant in this case, James W. Newton, is an accomplished avant-garde jazz flutist and composer. In 1978, he composed the song “Choir” ... Newton performed and recorded “Choir” and licensed all rights in the sound recording to ECM Records for \$5000. The license covered only the sound recording, and it is undisputed that Newton retained all rights to the composition of “Choir.” Sound recordings and their underlying compositions are separate works with their own distinct copyrights. [17 U.S.C. § 102\(a\)\(2\), \(7\)](#).

The defendants and appellees include the members of the rap and hip-hop group Beastie Boys, and their business associates. In 1992, Beastie Boys obtained a license from ECM Records to use portions of the sound recording of “Choir” in various renditions of their song “Pass the Mic” in exchange for a one-time fee of \$1000. Beastie Boys did not obtain a license from Newton to use the underlying composition.

The portion of the composition at issue consists of three notes, C — D flat — C, sung over a background C note played on the flute. When played on the sound recording licensed by Beastie Boys, the segment lasts for approximately six seconds. The score to “Choir” also indicates that the entire song should be played in a “largo/senza-misura” tempo, meaning “slowly/without-measure.” Apart from an instruction that the performer sing into the flute and finger simultaneously, the score is not further orchestrated....

Pursuant to their license from ECM Records, Beastie Boys digitally sampled the opening six seconds of Newton's sound recording of "Choir." Beastie Boys repeated or "looped" this six-second sample as a background element throughout "Pass the Mic," so that it appears over forty times in various renditions of the song. In addition to the version of "Pass the Mic" released on their 1992 album, "Check Your Head," Beastie Boys included the "Choir" sample in two remixes, "Dub the Mic" and "Pass the Mic (Pt. 2, Skills to Pay the Bills)." It is unclear whether the sample was altered or manipulated, though Beastie Boys' sound engineer stated that alterations of tone, pitch, and rhythm are commonplace, and Newton maintains that the pitch was lowered slightly....

Whether Defendants' Use was De Minimis

Assuming that the sampled segment of the composition was sufficiently original to merit copyright protection, we nevertheless affirm on the ground that Beastie Boys' use was de minimis and therefore not actionable.

For an unauthorized use of a copyrighted work to be actionable, there must be substantial similarity between the plaintiff's and the defendants' works. This means that even where the fact of copying is conceded, no legal consequences will follow from that fact unless the copying is substantial. The principle that trivial copying does not constitute actionable infringement has long been a part of copyright law. Indeed, as Judge Learned Hand observed over 80 years ago:

Even where there is some copying, that fact is not conclusive of infringement. Some copying is permitted. In addition to copying, it must be shown that this has been done to an unfair extent.

West Publ'g Co. v. Edward Thompson Co., (E.D.N.Y.1909).

This principle reflects the legal maxim, *de minimis non curat lex* (often rendered as, "the law does not concern itself with trifles").

The leading case on de minimis infringement in our circuit is *Fisher v. Dees*, (9th Cir.1986), where we observed that a use is de minimis only if the average audience would not recognize the appropriation.... ("[A] taking is considered de minimis only if it is so meager and fragmentary that the average audience would not recognize the appropriation."). This observation reflects the relationship between the de minimis maxim and the general test for substantial similarity, which also looks to the response of the average audience, or ordinary observer, to determine whether a use is infringing. To say that a use is de minimis because no audience would recognize the appropriation is thus to say that the works are not substantially similar....

This case involves not only use of a composition, as was the case in *Fisher*, but also use of a sound recording of a performance of that composition. Because

the defendants licensed the sound recording, our inquiry is confined to whether the unauthorized use of the composition itself was substantial enough to sustain an infringement claim. Therefore, we may consider only Beastie Boys' appropriation of the song's compositional elements and must remove from consideration all the elements unique to Newton's performance. Stated another way, we must "filter out" the licensed elements of the sound recording to get down to the unlicensed elements of the composition, as the composition is the sole basis for Newton's infringement claim.

In filtering out the unique performance elements from consideration, and separating them from those found in the composition, we find substantial assistance in the testimony of Newton's own experts. His experts reveal the extent to which the sound recording of "Choir" is the product of Newton's highly developed performance techniques, rather than the result of a generic rendition of the composition. As a general matter, according to Newton's expert Dr. Christopher Dobrian, "the contribution of the performer is often so great that s/he in fact provides as much musical content as the composer." This is particularly true with works like "Choir," given the nature of jazz performance and the minimal scoring of the composition ...

Whatever copyright interest Newton obtained in this "dense cluster of pitches and ambient sounds," he licensed that interest to ECM Records over twenty years ago, and ECM Records in turn licensed that interest to Beastie Boys. Thus, regardless of whether the average audience might recognize "the Newton technique" at work in the sampled sound recording, those performance elements are beyond consideration in Newton's claim for infringement of his copyright in the underlying composition. Having licensed away his interest in the recording of his performance, Newton's only claim is for a violation of his rights in the three-note sequence transcribed in the composition.

Once we have isolated the basis of Newton's infringement action—the "Choir" composition, devoid of the unique performance elements found only in the sound recording—we turn to the nub of our inquiry: whether Beastie Boys' unauthorized use of the composition, as opposed to their authorized use of the sound recording, was substantial enough to sustain an infringement action. In answering that question, we must distinguish between the degree and the substantiality of the works' similarity. The practice of music sampling will often present cases where the degree of similarity is high. Indeed, unless the sample has been altered or digitally manipulated, it will be identical to the original. Yet as Nimmer explains, "[if] the similarity is only as to nonessential matters, then a finding of no substantial similarity should result." ... This reflects the principle that the substantiality requirement applies throughout the law of copyright, including cases of music sampling, even where there is a high degree of similarity...."

When viewed in relation to Newton's composition as a whole, the sampled portion is neither quantitatively nor qualitatively significant. Quantitatively, the three-note sequence appears only once in Newton's composition. It is difficult to measure the precise relationship between this segment and the composition as a whole, because the score calls for between 180 and 270 seconds of improvisation. When played, however, the segment lasts six seconds and is roughly two percent of the four-and-a-half-minute "Choir" sound recording licensed by Beastie Boys. Qualitatively, this section of the composition is no more significant than any other section. Indeed, with the exception of two notes, the entirety of the scored portions of "Choir" consist of notes separated by whole and half-steps from their neighbors; the remainder of the composition calls for sections of improvisation that range between 90 and 180 seconds in length. Although the sampled section may be representative of the scored portions of the composition, Newton has failed to offer any evidence as to this section's particular significance in the composition as a whole. Instead, his experts emphasize the significance of Newton's performance, the unique elements of which Beastie Boys properly licensed.

Yet Newton maintains that the testimony of his experts creates a genuine issue of material fact on the substantiality of the copying. To the extent the expert testimony is relevant, it is not helpful to Newton. On the key question of whether the sample is quantitatively or qualitatively significant in relation to the composition as a whole, his experts are either silent or fail to distinguish between the sound recording, which was licensed, and the composition, which was not. Moreover, their testimony on the composition does not contain anything from which a reasonable jury could infer the segment's significance in relation to the composition as a whole: rather, Dr. Dobrian described the three-note sequence at issue as "a simple 'neighboring tone' figure." The district court cited two pieces by Gyorgy Ligeti and Jacob Druckman employing similar figures. *Newton*. This evidence is consistent with the opinion of Beastie Boys' expert, Dr. Lawrence Ferrara, who stated that the sampled excerpt from the "Choir" composition "is merely a common, trite, and generic three-note sequence, which lacks any distinct melodic, harmonic, rhythmic or structural elements." Dr. Ferrara also described the sequence as "a common building block tool" used over and over again by major composers in the 20th century, particularly the '60s and '70s, just prior to James Newton's usage.

Having failed to demonstrate any quantitative or qualitative significance of the sample in the "Choir" composition as a whole, Newton is in a weak position to argue that the similarities between the works are substantial, or that an average audience would recognize the appropriation. In this respect, the minimal scoring of the "Choir" composition bears emphasis, as does the relative simplicity of the relevant portion of the composition. On the undisputed facts of

this case, we conclude that an average audience would not discern Newton's hand as a composer, apart from his talent as a performer, from Beastie Boys' use of the sample. The works are not substantially similar: Beastie Boys' use of the "Choir" composition was de minimis. There is no genuine issue of material fact, and the grant of summary judgment was appropriate.

Conclusion

Because Beastie Boys' use of the sound recording was authorized, the sole basis of Newton's infringement action is his remaining copyright interest in the "Choir" composition. We hold today that Beastie Boys' use of a brief segment of that composition, consisting of three notes separated by a half-step over a background C note, is not sufficient to sustain a claim for copyright infringement. We affirm the district court's grant of summary judgment on the ground that Beastie Boys' use of the composition was de minimis and therefore not actionable.

AFFIRMED.

GRABER, Circuit Judge, dissenting:

I respectfully dissent. The majority has laid out correctly the legal principles that apply in this case, and I agree with the majority's assumption that the sampled portion of "Choir" qualifies as "original" and therefore is copyrightable. However, on the record before us, a jury reasonably could find that Beastie Boys' use of the sampled material was not de minimis. Therefore, summary judgment is inappropriate.

As the majority observes, a use is de minimis only if an average audience would not recognize the appropriation. [*Fisher v. Dees*, n. 2 \(9th Cir.1986\)](#). The majority is correct that James Newton's considerable skill adds many recognizable features to the performance sampled by Beastie Boys. Even after those features are "filtered out," however, the composition, standing alone, is distinctive enough for a jury reasonably to conclude that an average audience would recognize the appropriation of the sampled segment and that Beastie Boys' use was therefore not de minimis.

Newton has presented evidence that the compositional elements of "Choir" are so compositionally distinct that a reasonable listener would recognize the sampled segment even if it were performed by the featured flautist of a middle school orchestra. It is useful to begin by observing that the majority's repeated references to the sampled segment of "Choir" as a "3-note sequence" are overly simplified. The sampled segment is actually a three-note sequence sung above a fingered held C note, for a total of four separate tones. Even passages with relatively few notes may be qualitatively significant. The opening melody of

Beethoven's Fifth Symphony is relatively simple and features only four notes, but it certainly is compositionally distinctive and recognizable.

The majority is simply mistaken in its assertion that Newton's experts did not present evidence of the qualitative value of the compositional elements of the sampled material sufficient to survive summary judgment. The majority is similarly mistaken when it says, *id.*, that Newton's experts failed to distinguish between the sound recording and the composition. To the contrary, Newton presented considerable expert evidence that the composition *alone* is distinctive and recognizable.

[Judge Graber quotes from letters sent by two professors attesting to the distinctiveness of the musical composition, and not just the sampled recording of Newton's performance.]

The majority, then, misreads the record when it states that Newton failed to offer evidence that the sampled material is qualitatively significant. In fact, Newton presented evidence, as described above, to show that an average and reasonable listener would recognize Beastie Boys' appropriation of the *composition* of the sampled material.

Because Newton has presented evidence establishing that reasonable ears differ over the qualitative significance of the composition of the sampled material, summary judgement is inappropriate in this case. Newton should be allowed to present his claims of infringement to a jury. I therefore dissent from the majority's conclusion to the contrary.

Note on *Newton v. Diamond*

For anyone interested, in 2012, Bloomberg Law made a short [Youtube video](#) on the Beastie Boys' legal troubles that features the 3-note sample in question in this case.

Bridgeport Music, Inc. v. Dimension Films

United States Court of Appeals Sixth Circuit (2005)

- [case on Google Scholar](#)
- [case on Wikipedia](#)

AMENDED OPINION ON REHEARING

RALPH B. GUY, JR., Circuit Judge.

This action arises out of the use of a sample from the composition and sound recording "Get Off Your Ass and Jam" ("Get Off") in the rap song "100

Miles and Runnin” (“100 Miles”), which was included in the sound track of the movie *I Got the Hook Up* (*Hook Up*)....

Bridgeport and Westbound claim to own the musical composition and sound recording copyrights in “Get Off Your Ass and Jam” by George Clinton, Jr. and the Funkadelics.... There seems to be no dispute either that “Get Off” was digitally sampled or that the recording “100 Miles” was included on the sound track of *I Got the Hook Up*.

Defendant No Limit Films, in conjunction with Priority Records, released the movie to theaters on May 27, 1998. The movie was apparently also released on VHS, DVD, and cable television....

Westbound’s claims are for infringement of the sound recording “Get Off.” Because defendant does not deny it, we assume that the sound track of *Hook Up* used portions of “100 Miles” that included the allegedly infringing sample from “Get Off.” The recording “Get Off” opens with a three-note combination solo guitar “riff” that lasts four seconds. According to one of plaintiffs’ experts, Randy Kling, the recording “100 Miles” contains a sample from that guitar solo. Specifically, a two-second sample from the guitar solo was copied, the pitch was lowered, and the copied piece was “looped” and extended to 16 beats. Kling states that this sample appears in the sound recording “100 Miles” in five places; specifically, at 0:49, 1:52, 2:29, 3:20 and 3:46. By the district court’s estimation, each looped segment lasted approximately 7 seconds. As for the segment copied from “Get Off,” the district court described it as follows:

The portion of the song at issue here is an arpeggiated chord—that is, three notes that, if struck together, comprise a chord but instead are played one at a time in very quick succession—that is repeated several times at the opening of “Get Off.” The arpeggiated chord is played on an unaccompanied electric guitar. The rapidity of the notes and the way they are played produce a high-pitched, whirling sound that captures the listener’s attention and creates anticipation of what is to follow.

Bridgeport, 230 F.Supp.2d at 839....

Digital Sampling of Copyrighted Sound Recordings

At the outset it is important to make clear the precise nature of our decision. Our conclusions are as follows:

1. The analysis that is appropriate for determining infringement of a musical composition copyright, is not the analysis that is to be applied to determine

- infringement of a sound recording. We address this issue only as it pertains to sound recording copyrights.
2. Since the district court decision essentially tracked the analysis that is made if a musical composition copyright were at issue, we depart from that analysis.
 3. We agree with the district court's analysis on the question of originality. On remand, we assume that Westbound will be able to establish it has a copyright in the sound recording and that a digital sample from the copyrighted sound recording was used in this case.
 4. This case involves "digital sampling" which is a term of art well understood by the parties to this litigation and the music industry in general. Accordingly, we adopt the definition commonly accepted within the industry.
 5. Because of the court's limited technological knowledge in this specialized field, our opinion is limited to an instance of digital sampling of a sound recording protected by a valid copyright. If by analogy it is possible to extend our analysis to other forms of sampling, we leave it to others to do so.
 6. Advances in technology coupled with the advent of the popularity of hip hop or rap music have made instances of digital sampling extremely common and have spawned a plethora of copyright disputes and litigation.
 7. The music industry, as well as the courts, are best served if something approximating a bright-line test can be established. Not necessarily a "one size fits all" test, but one that, at least, adds clarity to what constitutes actionable infringement with regard to the digital sampling of copyrighted sound recordings.

Analysis

[...]

Get a license or do not sample. We do not see this as stifling creativity in any significant way. It must be remembered that if an artist wants to incorporate a "riff" from another work in his or her recording, he is free to duplicate the sound of that "riff" in the studio. Second, the market will control the license price and keep it within bounds. The sound recording copyright holder cannot exact a license fee greater than what it would cost the person seeking the license to just duplicate the sample in the course of making the new recording. Third, sampling is never accidental. It is not like the case of a composer who has a melody in his head, perhaps not even realizing that the reason he hears this melody is that it is the work of another which he had heard before. When you sample a sound recording you know you are taking another's work product.

This analysis admittedly raises the question of why one should, without infringing, be able to take three notes from a musical composition, for example, but not three notes by way of sampling from a sound recording. Why is there no *de minimis* taking or why should substantial similarity not enter the equation. Our first answer to this question is what we have earlier indicated. We think this result is dictated by the applicable statute. Second, even when a small part of a sound recording is sampled, the part taken is something of value. No further proof of that is necessary than the fact that the producer of the record or the artist on the record intentionally sampled because it would (1) save costs, or (2) add something to the new recording, or (3) both. For the sound recording copyright holder, it is not the “song” but the sounds that are fixed in the medium of his choice. When those sounds are sampled they are taken directly from that fixed medium. It is a physical taking rather than an intellectual one.

This case also illustrates the kind of mental, musicological, and technological gymnastics that would have to be employed if one were to adopt a *de minimis* or substantial similarity analysis. The district judge did an excellent job of navigating these troubled waters, but not without dint of great effort. When one considers that he has hundreds of other cases all involving different samples from different songs, the value of a principled bright-line rule becomes apparent. We would want to emphasize, however, that considerations of judicial economy are not what drives this opinion. If any consideration of economy is involved it is that of the music industry. As this case and other companion cases make clear, it would appear to be cheaper to license than to litigate....

[T]here is no Rosetta stone for the interpretation of the copyright statute. We have taken a “literal reading” approach. The legislative history is of little help because digital sampling wasn’t being done in 1971. If this is not what Congress intended or is not what they would intend now, it is easy enough for the record industry, as they have done in the past, to go back to Congress for a clarification or change in the law. This is the best place for the change to be made, rather than in the courts, because as this case demonstrates, the court is never aware of much more than the tip of the iceberg. To properly sort out this type of problem with its complex technical and business overtones, one needs the type of investigative resources as well as the ability to hold hearings that is possessed by Congress.

These conclusions require us to reverse the entry of summary judgment entered in favor of No Limit Films on Westbound’s claims of copyright infringement. Since the district judge found no infringement, there was no necessity to consider the affirmative defense of “fair use.” On remand, the trial judge is free to consider this defense and we express no opinion on its applicability to these facts.

Future of Sampling

“If you sample, you must license” seems to be the rule following *Bridgeport*. But why? Why is this not subject to a simple fair use analysis?

Good Copy Bad Copy

Please watch the first 14 minutes of [GOOD COPY BAD COPY](#), a documentary about the current state of copyright and culture, featuring Girl Talk, Danger Mouse, and many others.

- [Why Hasn't The Recording Industry Sued Girl Talk?](#)
- [Why The Music Industry Isn't Suing Mashup Star 'Girl Talk'](#)

How To Acquire Music For Films

In general, there are 3 ways music is acquired for a film: (1) the filmmaker licenses music that already exists prior to filming, (2) the filmmaker hires an artist to re-record music for the film (usually used when you can't acquire a license), or (3) an artist or composer is hired to make new music specifically for the film being produced.

[From ASCAP.com:](#)

Frequently Asked Questions For Student and Independent Filmmakers

Q: What Licenses Must I Get To Use A Song In My Film?

A: If you are using a pre-recorded song or another pre-recorded piece of music in your film, there are two rights you need to clear; that is to say, you need to get two different licenses to use the music.

- **Synchronization License:** This is the right to synchronize a song or a piece of music with your visual image. It must be obtained from the copyright owner of the music, which is usually the publisher. You can find out who the publisher is by using ASCAP's Clearance Express (ACE) at www.ascap.com/ace. Songs that are not represented by ASCAP might be found at the National Music Publishers' Association "Songfile" website (www.nmpa.org). You will be provided with a contact at the publisher's Business Affairs or Licensing Department.
- **Master Use License:** This is the right to reproduce a specific recording of a song in your film. You clear this right with the record label who owns the specific recording you would like to use; see the liner notes of the recording to find out which company this is. Alternatively, you can get contact information for record labels by calling ASCAP's Film/TV Department.

You will be provided with a contact at the record label's Business Affairs Department.

[Note: It's not a bad idea for filmmakers to also secure a **Performance License** and a **Videogram License**, which allows the film containing the song to be broadcast on television and copies of the film to be made and sold. Interestingly, in the United States, no special license is required to show the movie in a movie theater.]

Q: Can I Use These Songs On My Soundtrack Album?

A: If you intend to use these songs on a soundtrack album, you will need to negotiate additional soundtrack rights with the publisher and record label as you negotiate the synch and master use rights for your film.

Find Out Who Owns Music Rights

- [AllMusic.com](#). The near-equivalent to IMDB in the music world is Like IMDB it lists credits, albums, and songs of all musicians. But to my knowledge there is no “Pro” feature providing information about representation. The American Society of Composers, Authors and Publishers ([ASCAP](#)) and Broadcast Music, Inc. ([BMI](#)) also provide databases where you can search for music by title or by artist and discover the publisher for each song:
 - [ASCAP title search](#)
 - [BMI repertoire search](#)

Music Licensing Agreements

Once a copyright owner agrees to let a filmmaker license their song for a film, best practice requires drawing up an official licensing contract. This license will usually be nonexclusive, meaning that the owner can allow anyone else they want to use the song as well (exclusive licenses are rarer and, understandably, harder to negotiate). A good licensing agreement will set forward **where the license applies** (the one receiving the license will want this to be broad as possible – “the world”, for example; but it will cost less to license for local use – say, for a local television ad), all **forms of media** where the song will be used (not just “film”, but broadcast, cable, and satellite television, in-flight movies, DVD, etc. – again, the filmmaker will want this to be as broad as possible), and the **license fee** (for popular songs, a license can run you tens of thousands of dollars, and some copyright owners will want royalties, as well). If the filmmaker will be modifying the song in any way, they will need to include this in the license agreement.

Re-recording and Sound-Alike Recordings

Some filmmakers choose to re-record a song in an effort to save some money on licensing fees. This option still requires obtaining licenses from the publishing company (you will still need a synchronization license, and performance and videogram licenses, if applicable). You will also need to hire musicians to do the new recording (which can have its own contracting foibles).

But, could you hire a cover band that sounds exactly like the artist denying your request to re-record the song so that the audience will be fooled into thinking it's the original song (known as a "sound-alike recording")? Probably not, as this may violate the original artist's right of publicity (this falls under the laws of unfair competition).

Commissioning Music

Often, filmmakers want new music made specifically for their movie (think of the great movie composers, like John Williams or Hans Zimmer). Filmmakers will then negotiate a composer's service agreement that structures the relationship as a work made for hire. This solves the issue of ownership – the rights to the recording and the composition itself will belong to the production company, not the composer.

Film Options

Five Stages of Film Production

1. Development: Script gets written and approved.
2. Pre-production: Cast and crew are hired, locations are selected, and sets are built.
3. Production: The raw elements for the finished film are recorded. (First Day of Principal Photography! Payday for many!)
4. Post-Production: The film is edited; music composed, performed, and recorded.
5. Sales and distribution: The film is screened for potential buyers (distributors), who then distribute the film to its cinema and/or home media audience.

Why Option?

Licensing songs is one thing. Licensing film rights to a hot story property (novel, graphic novel, magazine article, hot nonfiction book) is a more expensive proposition.

During development and pre-production (see 5 stages above), producers and studios are reluctant to buy or license film rights outright, because they are EXPENSIVE. The project could fall through at any time. Dozens of people all have to say “yes” on the same day to get a green light. Until then, while in the early stages of film production, writers, producers, and studio execs like to OPTION film rights instead of buying them outright.

The Movie Option 3 Essential Terms

1. The option period
2. The option payment
3. The purchase price

1. The Option Period How many months or years will the option period last? Shorter is better for the copyright owner. Longer is better for the option owner (more time to attempt to get the project set up).

- Usually 6, 12, 18 months, sometimes two years.
- Often includes an option to renew.

2. The Option Payment

- How Much Does the Option Cost? The price varies greatly.
- Rule of thumb: 10% of purchase price.
- AKA: The “small” money.

3. The Purchase Price What will happen if the buyer EXERCISES the option to buy? Mainly how much? \$50k, \$100k, usually more.

- Often a percentage of the total movie budget.
- 1-3%, with a cap.
- The “big” money.

Totally Optional Reading & Viewing

- *GOOD COPY BAD COPY*, a documentary about the current state of copyright and culture, featuring Girl Talk, Danger Mouse, and many others.
- *Copyright Criminals*, a documentary that examines the creative and commercial value of sampling in music. Featuring Public Enemy, De La Soul, QBert and more.

- [Are actors employees or independent contractors?](#) (An actress sues Google to takedown the controversial “Innocence of Muslims” video claiming that she still owns the copyright to her performance.
- [More on “Innocence of Muslims”](#)
- Lawsuit alleges Jay Z hit ‘Run This Town’ [illegally sampled 1960s funk song](#)
- [Frank Ocean’s ‘Super Rich Kids’ Named in Copyright Lawsuit](#)
- [Wikipedia Defends the Monkey Selfie](#)

Totally Optional: For Musicians & Recording Artists

- [Harvard Law School Recording Artists Project: Copyright Basics.](#)
- [Hit Charade: Meet the bald Norwegians and other unknowns who actually create the songs that top the charts.](#)
- [The Song Machine: Inside the Hit Factory Hardcover – October 5, 2015 by John Seabrook.](#)