

COPYRIGHT LAW REVISION

STUDIES
PREPARED FOR THE
SUBCOMMITTEE ON
PATENTS, TRADEMARKS, AND COPYRIGHTS
OF THE
COMMITTEE ON THE JUDICIARY
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STUDIES 17-19

17. The Registration of Copyright
18. Authority of the Register of Copyrights To Reject Applications for Registration
19. The Recordation of Copyright Assignments and Licenses



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FOREWORD

This committee print is the sixth of a series of such prints of studies on "Copyright Law Revision" published by the Committee on the Judiciary Subcommittee on Patents, Trademarks, and Copyrights. The studies have been prepared under the supervision of the Copyright Office of the Library of Congress with a view to considering a general revision of the copyright law (title 17, United States Code).

Provisions of the present copyright law are essentially the same as those of the statutes enacted in 1909, though that statute was codified in 1947 and has been amended in a number of relatively minor respects. In the half century since 1909 far-reaching changes have occurred in the techniques and methods of reproducing and disseminating the various categories of literary, musical, dramatic, artistic, and other works that are subject to copyright; new uses of these productions and new methods for their dissemination have grown up; and industries that produce or utilize such works have undergone great changes. For some time there has been widespread sentiment that the present copyright law should be reexamined comprehensively with a view to its general revision in the light of present-day conditions.

Beginning in 1955 the Copyright Office of the Library of Congress, pursuant to appropriations by Congress for that purpose, has been conducting a program of studies of the copyright law and practices. The subcommittee believes that these studies will be a valuable contribution to the literature on copyright law and practice, that they will be useful in considering problems involved in proposals to revise the copyright law, and that their publication and distribution will serve the public interest.

The present committee print contains the following three studies: No. 17, "The Registration of Copyright," by Prof. Benjamin Kaplan, of the Harvard Law School; No. 18, "Authority of the Register of Copyrights To Reject Applications for Registration," by Caruthers Berger, Attorney-Adviser of the Copyright Office; and No. 19, "The Recordation of Copyright Assignments and Licenses," by Alan Latman, formerly Special Adviser to the Copyright Office, assisted by Lorna G. Margolis and Marcia Kaplan, of the Copyright Office.

The Copyright Office invited the members of an advisory panel and others to whom it circulated these studies to submit their views on the issues. The views, which are appended to the studies, are those of individuals affiliated with groups or industries whose private interests may be affected by copyright laws, as well as some independent scholars of copyright problems.

It should be clearly understood that in publishing these studies the subcommittee does not signify its acceptance or approval of any statements therein. The views expressed in the studies are entirely those of the authors.

JOSEPH C. O'MAHONEY,
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Committee on the Judiciary, U.S. Senate.*

COPYRIGHT OFFICE NOTE

The studies presented herein are part of a series of studies prepared for the Copyright Office of the Library of Congress under a program for the comprehensive reexamination of the copyright law (title 17 of the United States Code) with a view to its general revision.

The Copyright Office has supervised the preparation of the studies in directing their general subject matter and scope, and has sought to assure their objectivity and general accuracy. However, any views expressed in the studies are those of the authors.

Each of the studies herein was first submitted in draft form to an advisory panel of specialists appointed by the Librarian of Congress, for their review and comment. The panel members, who are broadly representative of the various industry and scholarly groups concerned with copyright, were also asked to submit their views on the issues presented in the studies. Thereafter each study, as then revised in the light of the panel's comments, was made available to other interested persons who were invited to submit their views on the issues. The views submitted by the panel and others are appended to the studies. These are, of course, the views of the writers alone, some of whom are affiliated with groups or industries whose private interests may be affected, while others are independent scholars of copyright problems.

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7. Notice of Copyright
8. Commercial Use of the Copyright Notice
9. Use of the Copyright Notice by Libraries
10. False Use of Copyright Notice

Fourth print:

11. Divisibility of Copyrights
12. Joint Ownership of Copyrights
13. Works Made for Hire and on Commission

Fifth print:

14. Fair Use of Copyrighted Works
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STUDY NO. 19
THE RECORDATION OF COPYRIGHT ASSIGNMENTS
AND LICENSES
BY ALAN LATMAN
ASSISTED BY LORNA G. MARGOLIS AND MARCIA KAPLAN
September 1958

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THE RECORDATION OF COPYRIGHT ASSIGNMENTS AND LICENSES

I. INTRODUCTION

The assignability of copyright has always been accepted in Anglo-American jurisprudence.¹ Recent judicial developments in this country reflect a trend toward even greater alienability of copyright. For example, in upholding the assignability of contingent renewal rights, Justice Frankfurter relied upon "the momentum of history."²

Commercial transactions involving complex transfers of copyright have received judicial support and appear to be increasing in number and size. Increases in the economic importance, variety, and complexity of copyright dealings may well be accelerated by the development of new media for the exploitation of copyrightable works. It thus appears particularly necessary to consider, in any revision of the law, provisions for a system of recording documents pertaining to the ownership of copyrights in order to—

- (1) permit the copyright owner to enjoy the benefits of constructive notice afforded by an effective recording scheme; and
- (2) furnish the prospective purchaser or user with reliable records of copyright ownership.

A recording system of this type would be even more necessary if the new copyright law adopted the principle of divisible copyright, thus facilitating more splintered transfers.

The complex nature of copyright transfers is but one of the reasons why an effective recording system seems warranted. Perhaps more basic is the intangible nature of the work copyrighted. A copyrighted work cannot be the subject of physical possession, and this fact would appear to make some system of notice of ownership essential. This argument is strengthened by the fact that intellectual works cannot be restrained geographically. Justice Holmes noted that a copyright "may be infringed a thousand miles from the owner."³

The importance of recording complex and economically significant transactions involving intangible and diffuse property has apparently been generally recognized. Thus, revision proposals, such as the Dallinger bill,⁴ eliminating formalities for obtaining copyright, nevertheless contained strong provisions for recordation of transfers. In fact, if the mandatory notice and registration requirements were eliminated or modified, recordation of transfers could be made to

¹ The Statute of Anne, 8 Anne c. 19 (1709), protected "the author and his assigns".

² See *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 656 (1943).

³ *White-Smith Music Publishing Co. v. Apollo Co.*, 209 U.S. 1, 19 (1908) (concurring opinion).

⁴ H.R. 8177 and 9137, 68th Cong., 1st Sess., Sec. 47 (1924).

perform an even more vital informative function.⁵ In any event, the scope, effect, and mechanics of recording transfers appear to raise more problems than the basic question of whether or not an effective system of recordation is desirable.

Section 30 of the present copyright statute provides:

Every assignment of copyright shall be recorded in the copyright office within three calendar months after its execution in the United States or within six calendar months after its execution without the limits of the United States, in default of which it shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, whose assignment has been duly recorded.⁶

The paucity of litigation involving this section does not reflect its commercial importance. An interest in maintaining or expanding this provision has been strong during all prior attempts to revise the Copyright Act of 1909. There is every indication that this interest persists with respect to the revision efforts now in progress.

The text and philosophy of the present recordation provision raise many of the issues that will be relevant to any revision of the copyright law. These include the following:

1. Scope of recordation

The fact that the present provision refers only to the recordation of "assignments" raises questions as to the scope of that term. Should partial transfers (which may also be denominated as "exclusive licenses") be within the sweep of recordable transfers? Should recordability be extended expressly to other documents relating to the ownership or use of copyrights, such as wills, documents of heirship, contracts, changes of names, etc.? Should recordability be extended to nonexclusive licenses? Similarly, should an exclusive or non-exclusive licensee be considered a "subsequent purchaser" for this purpose?

2. Requirements for effective recordation

What minimum standards—with respect to execution and acknowledgment, identification of parties and subject matter, the nature of the document recorded, etc.—should be met before recordation of a transfer can operate as constructive notice against third parties? And to what extent should the Register of Copyrights be given discretion to determine the recordability of a particular paper?

3. Effects of recordation

The provision in the present law for a 3 or 6 months period for recording, and the requirement that a subsequent purchaser must himself record to obtain protection raise questions of priority as between two transferees: Should the initial 3 or 6 months period be maintained? Should priority in recording, with or without the initial 3 or 6 months period, be controlling? What are the proper dimensions of the concepts of "valuable consideration" and "notice" on the part of a subsequent purchaser? To what extent should recordation be

⁵ Memorandum of Edith Ware for Committee on Patents, June 29, 1939, 3 Shotwell Papers 385. The broadcasters, on the other hand, felt it unfair and inconsistent to remove registration requirements for authors, while at the same time imposing on grantees and users an obligation to record every grant of a right in a copyright. The Shotwell Committee examined the copyright law and its problems in the late 1930's and drafted proposed revisions. The Committee's efforts culminated in the bill introduced in Congress by Sen. Thomas, S. 3043, 76th Cong., 3d Sess. (1940). The minutes, memoranda, and proposals of this Committee, though unpublished, are collected and paginated in the U.S. Copyright Office. This collection will be referred to herein as "Shotwell Papers." *Id.* at 6, 17-19.

⁶ 17 U.S.C. § 30 (1952).

related to copyright formalities such as registration or notice of copyright?

Some of these questions have been answered in provisions in foreign laws and in previous proposals for domestic legislative revision. These will be considered, along with relevant interpretations of the present provision and its counterpart in the patent and trademark statutes, insofar as they cast light on the appropriate structure of the recording provisions in a new law.

II. SCOPE OF RECORDATION

A. PARTIAL TRANSFERS

Section 30 speaks only of the recordation of "assignments." Under the judicial theory of indivisible copyright, partial transfers of rights, that is, transfers of some but less than all of the rights comprised in a copyright, have usually been considered "exclusive licenses" rather than "assignments."⁷ The distinction is apparently based on whether, by reason of the nature or extent of the rights granted or the intention of the parties, a transfer of proprietorship in the entire copyright, or merely a contract licensing certain rights, was effected.⁸ Acceptance of this distinction would lead to the conclusion that licenses, exclusive as well as nonexclusive, are not within the sweep of the language in section 30. On this assumption, an assignee or subsequent licensee would presumably take subject to any outstanding licenses, exclusive or not, recorded or not.

A contrary result is suggested in a 1916 opinion by Judge Learned Hand. In *Photo-Drama Motion Picture Co. v. Social Uplift Film Corp.*,⁹ the author of a novel had granted exclusive dramatic rights to D, who failed to record this grant. The author later purported to grant motion picture rights to M by a document which was then recorded. Judge Hand deemed the first grant an assignment rather than a license; but he also stated that, even if it had been a license, recordation would have been necessary to perfect D's rights. This result was based on the conclusion that—

* * * it would be absurd to protect a subsequent purchaser against a prior unrecorded assignee and leave him open to prior unrecorded licenses which should defeat him.¹⁰

Whether intentionally or inadvertently, the *Photo-Drama* case ignored the traditional distinction between copyright assignments and licenses. In the patent field, the cases have drawn a clear line between assignments of a patent and exclusive or nonexclusive licenses under the patent,¹¹ it has long been held that a patent license need not be recorded.¹² In the field of copyrights, it is generally agreed that there is no requirement for recordation of nonexclusive licenses, but the necessity for recording exclusive licenses is still open to some question.

In adopting the principle of divisibility of copyright, the previous bills to revise the 1909 statute have uniformly attempted to remove

⁷ Kaminstein, *Divisibility of Copyright* [Study No. 11 in the present series of Committee Prints].

⁸ See, e.g., Henn, *Magazine Rights—A Division of Indivisible Copyright*, 40 CORN. L. Q. 411, 434, n. 99 (1955).

⁹ 213 Fed. 374 (S.D.N.Y. 1913), *aff'd*, 220 Fed. 448 (2d Cir. 1915).

¹⁰ 213 Fed. 377. Cf. *Brady v. Reliance Motion Picture Corp.*, 229 Fed. 137 (2d Cir. 1916). See Macloone v. Vitagraph, Inc. 30 F. 2d 634, 635 (2d Cir. 1929).

¹¹ See *Waterman v. Mackenzie*, 138 U.S. 252 (1891).

¹² E.g., *Farrington v. Gregory*, 8 Fed. Cas. 1088, Case No. 4688 (C.C.E.D. Mich. 1870). See WALKER ON PATENTS § 381 (Deller's Ed. 1937). Cf. 35 U.S.C. § 261 (1962).

the ambiguity of section 30 which survived the *Photo-Drama* case. For example, the 1924 Dallinger bills provided for the recordation of—
* * * any assignment of copyright either in whole or in part, or any license or mortgage or other disposition of any copyright or interest therein.¹³

Since indivisibility is a theory unique in American copyright law, distinctions between assignments and exclusive licenses have apparently not created problems in the administration of foreign recordation laws. Thus, the Canadian law covers “* * * any grant of an interest in a copyright, either by assignment or license.”¹⁴ And “alterations and assignments” of copyright, “whether total or partial” are subject to recording in several Latin-American countries.¹⁵

As a matter of practice, the Copyright Office accepts for recordation any transfers of rights or grants of licenses. Such latitude would not seem capable of expanding the effect of the statutory provision, since recordation of an instrument not entitled to recordation cannot effect constructive notice of the instrument.¹⁶ Yet, the administrative practice of the Copyright Office has been relied on in judicial utterances in other contexts. For example, in *Witwer v. Harold Lloyd Corp.*¹⁷ the court stated:

While the circumstance is not controlling, it may be noted that the instrument apparently is deemed sufficient as an assignment by the Copyright Office, as it was regularly registered therein as an assignment.¹⁸

And Mr. Justice Frankfurter, dissenting in *Commissioner v. Wodehouse*,¹⁹ observed that—

* * * the Copyright Office will record these partial assignments, thus protecting the transferee and increasing the marketability of the separate rights.²⁰

The recordability of exclusive licenses is a facet of divisibility.²¹ If the new law makes it clear that copyright is divisible, the distinction between assignments and exclusive licenses would disappear—at least as far as recordation is concerned. Even if the theoretical distinction were retained, the policy in favor of providing a record of interests in a copyright would still appear to make the recordation of exclusive licenses desirable. Arguments emphasizing the commercial necessity of including such licenses in the Copyright Office records have often been made,²² and counterarguments have apparently never been offered.

Mandatory recording of nonexclusive licenses might be less appropriate. Thus, the broadcasters have argued that not every permission to use a work could be in writing, much less recorded; to require recordation of all licenses from performing rights societies “would block normal dealing in nonexclusive rights.”²³

A further question arises if the present distinctions between assignments and exclusive licenses are maintained. Should an exclusive

¹³ Section 47(a), H.R. 8177 and H.R. 9137, 68th Cong., 1st Sess. (1924). Cf. Section 17, Perkins bill, H.R. 11258, 68th Cong., 2d Sess. (1928); Section 7, Sirovich bill, H.R. 10364, 72d Cong., 1st Sess. (1932).

¹⁴ CAN. REV. STAT. c. 55, Sec. 40 (1952).

¹⁵ Argentina, Law of Sept. 28, 1933, Art. 58; Colombia, Law of Dec. 20, 1946, Art. 52.

¹⁶ WEIL, AMERICAN COPYRIGHT LAW, 563 (1917).

¹⁷ 46 F. 2d 792 (S.D. Cal. 1930), *rev'd on other grounds*, 65 F. 2d 1, *cert. denied*, 296 U.S. 669 (1933).

¹⁸ 46 F. 2d 795.

¹⁹ 337 U.S. 369 (1949).

²⁰ *Id.* at 401.

²¹ See Kaminstein, *op. cit. note 7 supra* at 16.

²² E.g., Statement of John Schulman, *Hearings Before House Committee on Patents*, 72d Cong., 1st Sess. 95 (1932); Statement of Rep. Dies, *id.* at 105; Statement of Sidney Struble, March 28, 1939, 2 Shotwell Papers 169.

²³ Memorandum, April 5, 1939, 2 Shotwell Papers 218.

license taken in good faith be defeated by an earlier unrecorded assignment, or should the subsequent licensee enjoy the same immunity as a subsequent assignee? The present law affords no answer; foreign provisions and prior domestic proposals generally equate an exclusive license with assignments for all purposes. Again, it seems difficult to justify treating a subsequent licensee—nonexclusive as well as exclusive—differently from a subsequent assignee in this situation.

B. MORTGAGES

Section 28²⁴ provides that statutory copyright may be mortgaged by a written, signed instrument. It may be noted that this section does not give the Federal courts jurisdiction to foreclose a mortgage of copyright²⁵ and State law may determine whether a copyright has been mortgaged.²⁶

While the concept of indivisibility may exclude licenses from the scope of the term "assignment," it seems clear that the same is not true of mortgages. One copyright case suggests that mortgages are to be treated as "assignments,"²⁷ and this view is supported both by the interpretation of a similar provision in the patent law²⁸ and by the structure of section 30 itself.²⁹ There would appear to be little reason to distinguish mortgages from absolute transfers for purposes of recordation.

C. OTHER DOCUMENTS

The pertinent regulation of the Copyright Office³⁰ indicates a practice of recording, in addition to assignments, "other papers relative to copyrights," including, as examples, "powers of attorney, licenses to use a copyrighted work, agreements between authors and publishers covering a particular work or works and the rights thereto, mortgages, certificates of change of corporate title, wills, and decrees of distribution." In view of the language of section 30, this type of recording would appear to be permissive rather than mandatory. Recordation of a document of this type would probably not constitute constructive notice, and no penalties would be attached to a failure to record.

Permissive recordation of papers other than assignments, exclusive licenses, and mortgages appears to be a convenient and appropriate device for conveying important information; and although the practice of recording miscellaneous documents may add somewhat to the administrative burdens of the Copyright Office, it avoids the necessity for the Office to construe the legal effect of particular instruments and to judge between recordable and unrecordable ones. The difficulties of indexing and searching created by the recordation of these miscellaneous documents seems clearly to be outweighed by the advantages of having them on public record.

²⁴ 17 U.S.C. § 28 (1952).

²⁵ Republic Pictures Corp. v. Security-First National Bank, 197 F. 2d 767 (9th Cir. 1952).

²⁶ Independent Film Distributors, Ltd. v. Chesapeake Industries, Inc., 250 F. 2d 951 (1958).

²⁷ In re Leslie-Judge Company, 272 Fed. 886 (2d Cir. 1921).

²⁸ Waterman v. Mackenzie, 138 U.S. 252 (1891).

²⁹ See Kaplan, *Literary and Artistic Property (Including Copyright) As Security: Problems Facing the Lender*, 19 LAW & CONTEMP. PROB. 254, 257, n. 12 (1954).

³⁰ Regulations of the Copyright Office, 37 C.F.R. § 201.4 (1956).

III. REQUIREMENTS FOR EFFECTIVE RECORDATION

A. IN GENERAL

Section 28 of the copyright statute provides that—

Copyright secured under this title or previous copyright laws of the United States may be assigned, granted, or mortgaged by an instrument in writing signed by the proprietor of the copyright, or may be bequeathed by a will.³¹

It will be noted that this section accomplishes three things:

First, it recognizes that statutory copyright is transferable, absolutely and by mortgage.³² It thus reinforces section 27,³³ which speaks of the "transfer of copyright," as a transaction to be distinguished from a conveyance of the material object embodying the copyrighted work.

Second, it conditions transfer on the use of a written instrument, signed by the copyright owner.³⁴ Such a requirement is not imposed on the transfer of common law literary property, which may be assigned by parol.³⁵

Third, it specifies that a copyright may be bequeathed.

Section 28 specifies—both directly and by implication—the formalities necessary for effecting a transfer of copyright as between the immediate parties;³⁶ these, of course, affect recordability. The section lays down two explicit requirements for assignments of copyright: they must be in writing, and they must be signed by the proprietor of copyright. In addition, there are probably several implicit requirements arising from the nature of an assignment as a legal instrument: these include identification of the subject matter of the transfer (at least in general terms), identification of the transferee, and words suggesting a present intention to convey ownership. A requirement that the document recorded be an original or true copy of the instrument of transfer, and that it be complete by its own terms, may also be inferred.

Several of the earlier revision bills contained express statements of formal requirements for recordation.³⁷ Section 7 of the first Sirovich bill,³⁸ required that either the original or a sworn copy of an instrument be presented for recordation. A similar proposal in one of the earlier drafts of the 1909 act³⁹ to permit the presentation of a sworn copy was criticized in the hearings as possibly opening the door to fraud.⁴⁰ Neither this proposal, nor the approach of the patent law requiring recordation of the original, was adopted, and the present law contains no explicit provision. Thus, while the Copyright Office generally seeks to obtain the original document for purposes of recor-

³¹ 17 U.S.C. § 28 (1952).

³² See H.R. REP. NO. 2222, 60th Cong., 2d Sess. 19 (1908).

³³ 17 U.S.C. § 27 (1952). This section provides:

"The copyright is distinct from the property in the material object copyrighted, and the sale or conveyance, by gift or otherwise, of the material object shall not of itself constitute a transfer of the copyright, nor shall the assignment of the copyright constitute a transfer of the title to the material object; but nothing in this title shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work the possession of which has been lawfully obtained."

The distinction made in this section has long been emphasized judicially. See, e.g., *Stevens v. Cady* (55 U.S. 528 (1822)).

³⁴ *Davenport Quigley Expedition Inc. v. Century Productions Inc.*, 18 F. Supp. 974 (S.D.N.Y. 1937).

³⁵ See *Callaghan v. Meyers*, 128 U.S. 617, 658 (1888).

³⁶ See *Public Ledger Co. v. Post Printing and Publishing Co.*, 294 Fed. 430, 433 (8th Cir. 1923).

³⁷ For example, Section 48 of the Dallinger bills provided that "no such paper shall be recorded or registered unless it is executed."

³⁸ H.R. 10364, 72nd Cong., 1st Sess. (1932).

³⁹ Section 43, H.R. 19853, 59th Cong., 1st Sess. (1906).

⁴⁰ *Arguments Before the Committees on Patents of the Senate and House of Representatives, Conjointly on the Bills S. 6330 and H.R. 19853*, 59th Cong., 1st Sess. 181 (June 1906).

dation, a photostat or other copy may be recorded where the original is said to be unavailable.⁴¹

A new law might well specify some or all of the rudimentary formalities discussed above. Thus, the requirements of a writing, due execution by the owner, and the submission of reliable documents would seem to be fundamental conditions of an effective recording system and yet not an undue burden on the person seeking recordation. Other requirements which would enhance the informative value of a document might include clear identification of the work or works involved, the transferee, and the nature and extent of the rights assigned. Such requirements might be imposed upon the recordability of documents without affecting their efficacy to transfer title as between the immediate parties or as against infringers.

It is natural to assume that any formal requirements the law establishes for assignments would be enforced by refusal of the Copyright Office to record documents not meeting these requirements. This is not the only possible approach however. For example, rather than making incomplete instruments unrecordable, section 16 of the Thomas bill,⁴² denied such instruments effect as "constructive notice"; under this system recordation could still lead to actual notice.

The burden of error in indexing or filing within the Copyright Office must also be considered in this connection. The Thomas bill sought to require the instrument to give sufficient information to permit full indexing, but apparently placed the burden of inadequate or erroneous indexing on the subsequent purchaser or user: submission of the earlier transfer for recordation in proper form was sufficient to achieve constructive notice. The burden of discovering the assignment may sometimes be a heavy one; the document may occasionally be indexed or recorded incorrectly. More often, however, the terms of the document itself may be so vague, general, or inaccurate that clear indexing is impossible. Section 31 of the present law⁴³ imposes the duty to record on the Register of Copyrights, but is silent as to the effect of an error in recording or filing. Perhaps clarification of this question by definition of the term "recorded" or by a "constructive notice" provision is warranted.

B. ACKNOWLEDGMENT OF ASSIGNMENTS EXECUTED ABROAD

Section 29 provides:

Every assignment of copyright executed in a foreign country shall be acknowledged by the assignor before a consular officer or secretary of legation of the United States authorized by law to administer oaths or perform notarial acts. The certificate of such act under the hand and official seal of such consular officer or secretary of legation shall be *prima facie* evidence of the execution of the instrument.⁴⁴

Unlike the provisions of section 28, discussed above,⁴⁵ which go to the basic validity of an assignment, the provisions of section 29 have been considered "at most only a matter of form going to the proof" of due execution of the document—such execution being provable by other means.⁴⁶ Thus, while compliance with the provisions of section 29

⁴¹ Copyright Office Circular No. 10 (1956).

⁴² S. 3043, 76th Cong. 3d Sess. (1940). See note 5 *supra*.

⁴³ 17 U.S.C. § 31 (1952).

⁴⁴ 17 U.S.C. § 29 (1952).

⁴⁵ See p. 116, *supra*.

⁴⁶ See *Houghton Mifflin Co. v. Stackpole Sons, Inc.* 104 F. 2d 306 (2d Cir. 1939); *LADAS, THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY* 801 (1938).

may be necessary to produce "prima facie evidence of the execution of the instrument," it is not deemed a requirement of recordability,⁴⁷ much less a requirement for efficacy as between the parties.

The provisions of section 29 may be criticized as involving minor details inappropriate for an organic copyright statute. The justification for a separate section devoted to acknowledgment is probably the need for some special rule concerning the disposition of federally created property; this appears to be the reason underlying similar provisions in the Federal statutes relating to patents⁴⁸ and registered trademarks.⁴⁹ Unlike the patent and trademark statutes, however, the effect of section 29 is limited to foreign assignments, and it is unclear why domestic assignments are denied this evidentiary advantage. Consideration might be given to granting similar advantages to domestic assignments executed before a notary public.

Further possibilities of improving the present provision may be gleaned from the patent and trademark laws in other respects. For example, it may be that the class of officers before whom a foreign assignment may be acknowledged should be expanded. This was in fact proposed in section 11 of the Vestal bill,⁵⁰ which included—

any notary public, judge or magistrate of any foreign country authorized to administer acts in such country and whose authority shall be proved by certificate of a diplomatic or consular officer of the United States.

C. DISCRETION OF THE REGISTER OF COPYRIGHTS AS TO RECORDATION

Every public official with the power and duty to record certain documents is often faced with the problem of determining whether particular papers offered for record meet the specified requirements. As indicated earlier⁵¹ the Copyright Office is extremely liberal in recording papers submitted to it. This latitude would seem justifiable in view of the lack of clear statutory directions concerning the scope of recordable documents. A stricter attitude could probably be adopted under the present law, however; the cases dealing with the authority of ministerial officers such as recorders of deeds appear to agree that such officers can determine the types of documents they have power to record, and can refuse recordation for other types.⁵²

In an attempt to avoid any possible abuse of administrative discretion in the area of recording copyright transfers, the Vestal bill provided:

The register of copyrights shall, upon payment of the prescribed fee, record any assignment of copyright, or any grant, license, or mortgage of any right pertaining to the copyright in any work protected under this Act or any previous Acts of the United States * * *. The register of copyrights shall have no discretion to refuse to record any instrument presented to him for record as aforesaid.⁵³

This provision failed to solve the problem of what constructive notice is effected by recordation of an instrument not entitled to record. And it probably would have left the Register with discretion to determine whether a particular document constituted an "assignment

⁴⁷ See Copyright Office Circular No. 10 (1956).

⁴⁸ 35 U.S.C. § 261 (1952).

⁴⁹ 15 U.S.C. § 1060 (1952).

⁵⁰ H.R. 12540, 71st Cong., 2d Sess. (1930). Cf. Section 13(2)(a)(b), Thomas bill, S. 3043, 76th Cong., 3d Sess. (1940).

⁵¹ See pp. 113-115, *supra*.

⁵² See *Litchfield v. Register and Receiver*, 76 U.S. 575 (1869).

⁵³ Section 58, H.R. 10434, 69th Cong., 1st Sess. (1926).

of copyright" or a "grant, license, or mortgage of any right pertaining to copyright in any work * * *."⁵⁴

IV. EFFECTS OF RECORDATION

A. PRIORITY IN RECORDING

Section 30 provides that "every assignment of copyright shall be recorded * * *." While this provision at first glance seems mandatory, the remainder of the section makes it clear that the consequences of failure to record are limited. The relationship between the immediate parties, and the validity of the assignment itself as between them, are not affected by the recording provisions.⁵⁵ And, since the mere failure to record also has no effect on the validity of the copyright, it cannot be used as a defense in an ordinary infringement action.⁵⁶

Moreover, the consequences of failure to record within the time periods specified are limited even as to subsequent transferees. A subsequent purchaser can take advantage of the failure to record an earlier transfer only if his own purchase was made without notice of the earlier transfer,⁵⁷ for a valuable consideration, and was duly recorded. And even if a subsequent purchaser has satisfied these requirements and records first, he cannot prevail against an earlier assignment that is recorded within 3 or (for transfers executed abroad) 6 months after its execution.

The present provision relies on a system combining three basic features:

1. A requirement that, to prevail, the subsequent purchaser's transfer must itself be duly recorded;
2. A requirement that the subsequent purchaser must not have had actual or constructive notice of the earlier assignment; and
3. The allowance of a period of time for recording the earlier transfer before a later transfer can acquire priority.

It might be argued that the first of these features—requiring the second purchaser to record in order to prevail over the first—is anomalous, on the ground that recordation by the subsequent purchaser does not seem to affect the equities between him and the first purchaser one way or the other. However, reliance on someone's failure to record by a person who himself has failed to record might raise questions of "clean hands." The requirement can also be defended on the ground that the first purchaser who may wish to record his transfer at a later date, as well as future purchasers, are entitled to notice of the second transferee's instrument. Prior revision bills have generally included such a requirement.⁵⁸

An alternative approach to the second feature might be exclusive reliance on priority of recordation without regard to actual notice. Under this system, the purchaser who records first prevails, regardless of which purchase took place first, and regardless of whether the second

⁵⁴ The administrative difficulties raised by this provision were described by former Register Solberg. *Hearings Before House Committee on Patents on H.R. 1044*, 69th Cong., 1st Sess., at 239 (1926). He later testified that under then existing practices "the Register of Copyrights never attempts to pass upon the sufficiency or validity of any document presented for recordation." *Hearings Before Senate Committee on Patents on H.R. 12549*, 71st Cong., 3d Sess. at 234 (1931).

⁵⁵ See Banks Law Pub. Co. v. Lawyers Co-operative Pub. Co., 169 Fed. 386, 387 (2d Cir. 1909).

⁵⁶ See New Fiction Publishing Co. v. Star Co., 220 Fed. 994, 996 (S.D.N.Y. 1915). Cf. Webb v. Powers, 28 Fed. Cas. 511, Case No. 17, 323 (O.C.D. Mass. 1847).

⁵⁷ Edward B. Marks Music Corp. v. Charles K. Harris Music Pub. Co., 225 F. 2d 513 (2d Cir. 1958).

⁵⁸ E.g., Perkins bill, H.R. 11258, 68th Cong., 2d Sess. (1925).

purchaser had actual notice of the first transfer. This system might in some cases reward the unscrupulous, but it may have advantages in placing a premium on early recordation and avoiding fact issues regarding actual notice. The new Mexican law, for example, provides that—

When two or more persons are assignees of the same rights in a given work, the assignment first registered shall prevail, but without prejudice to the right to impugn the register, or to the corresponding penal action.⁵⁹

The approach of legislative proposals in this country has generally been to require that a subsequent purchaser be free of actual notice of a prior conflicting grant in order to prevail. The 1940 Thomas bill apparently required such "good faith" and lack of notice at the time the subsequent grantee recorded his grant. Once recorded under these circumstances the grant prevailed over earlier grants not yet recorded.

B. TIME LIMITS FOR RECORDATION

Section 30 prescribes that an assignment "shall be recorded in the Copyright Office within 3 calendar months after its execution in the United States or within 6 calendar months after its execution without the limits of the United States."⁶⁰ This language presents several questions which have not been illuminated by authoritative interpretation. For example, the 3 and 6 months provision is ambiguous in its applicability to the obligation of the second purchaser to record. Must the second purchaser, in order to take advantage of the first purchaser's failure to record, record his own assignment within this period to qualify as one "whose assignment has been duly recorded"? Such a requirement seems unnecessary, and it is doubtful whether it would be supported under the present law, but a clarification of the statutory language is obviously desirable.

A more pressing question involves the precise effect of a delay in recording beyond the 3- or 6-month period on the part of the first transferee. Is recordation during this initial period the only means of obtaining protection against subsequent purchasers;⁶¹ or is it sufficient if the first assignment is recorded before the second is executed, or at least before the second is recorded?

The patent law is clear in protecting the first purchaser as long as he records before execution of the second purchase.⁶² A literal reading of section 30 suggests that the situation may be different in the case of copyright assignments, and that a failure to record within 3 or 6 months defeats the assignment against any subsequent purchaser. There would seem to be little reason, however, why copyright assignments should be treated differently from patent assignments for this purpose.

⁵⁹ Article 123, Diario Oficial, Vol. 219, No. 50, Dec. 31, 1956.

⁶⁰ 17 U.S.C. § 30 (1952).

⁶¹ This question was involved in *Edward B. Marks Music Corp. v. Charles K. Harris Music Pub. Co.*, note 56 *supra*, but was not considered in view of the court's determination that the second purchaser had actual notice of the first transaction.

⁶² 35 U.S.C. § 261 (1952). See *Why Corp. v. Super Ironer Corp.*, 128 F. 2d 539 (6th Cir. 1942).

The recording of an assignment, even after the initial period, affords the type of notice which recording statutes seek, and could well prevent a subsequent purchaser from taking "without notice." In the long run, it produces a more complete record, since the incentive to record survives the initial period. There thus appear to be strong arguments in favor of a revision along the lines of the patent law, protecting the first purchaser if he records "within three months * * * or prior to the date of such subsequent purchase or mortgage."⁶³ Another possibility, going even further, would be to protect the first purchaser if he records "within three months * * * or prior to the recording of such subsequent purchase or mortgage."

On the other hand, the advantages of allowing any initial period for recording must be weighed against the fact that, at any point in time, a prospective purchaser can never be completely certain that the silence of the record insures his protection. He cannot detect from the record a prior purchase which has not yet been recorded; and the later recordation of the prior purchase will defeat him if it takes place within 3 months after its execution.

The concept of an initial period is deeply rooted in U.S. copyright law. It furnished an integral part of the first statutory provision for the recordation of transfers, in which the prescribed period was 60 days.⁶⁴ Moreover, a 3-month period is provided in both the Federal patent and trademark statutes.⁶⁵ Yet, such periods do not appear to be common in recording provisions in foreign laws,⁶⁶ and several of the revision bills proposed recording provisions without this feature.⁶⁷

Statutes providing for recording of interests in real property now rarely provide initial time periods.⁶⁸ The same seems to be true with respect to chattel mortgages.⁶⁹ On the other hand, some sort of protective time period is specified in a number of conditional sales statutes.⁷⁰ The Uniform Conditional Sales Act provides for a 10-day period during which a purchaser is protected against subsequent purchasers even if he has not yet recorded.⁷¹ The drafters of the Uniform Act in 1922 considered such a period warranted by considerations of distances and unavoidable delays.⁷² Such considerations appear much less persuasive in the light of modern facilities for transmission of documents. On the other hand, recordation in one place, i.e., the Copyright Office in Washington, D.C., of transactions occurring throughout the United States might call for some period of grace.

Whether or not the 3- or 6-month provision serves a useful and realistic function can be tested to some extent by commercial practice. A survey of 545 documents of all types recorded in the Copyright

⁶³ This approach was taken in the recent design protection proposal. See Section 20(c), H.R. 8873, 85th Cong. 1st Sess. (1957).

⁶⁴ Act of June 30, 1834, 4 STAT. 728.

⁶⁵ See notes 48 and 49 *supra*.

⁶⁶ But see Article 163, Lebanese Law (Decree No. 2385, Jan. 17, 1924; Amendatory decree, No. 526, Sept. 22, 1926) (Abstract of act of assignment must be sent to Director of Protection Office within fifteen days of execution).

⁶⁷ E.g., Section 16, Sirovich bill, H.R. 10364, 72d Cong., 1st Sess. (1932); section 16, Thomas bill, S. 3043, 76th Cong., 3d Sess. (1940).

⁶⁸ IV AMERICAN LAW OF PROPERTY § 17.32 (1952).

⁶⁹ 2 JONES, LAW OF CHATTEL MORTGAGES AND CONDITIONAL SALES § 261a (Bowers ed. 1933).

⁷⁰ *Id.* § 1067.

⁷¹ Section 5.

⁷² 2 U.L.A. p. 9.

Office between February 5, 1958, and March 3, 1958, produced the following information concerning the timelag between execution and receipt in the office for recordation:

Period between execution and receipt	Instruments executed in the United States		Instruments executed outside the United States	
	Number	Percent	Number	Percent
Less than 1 month.....	328	65.6	10	22.2
1-2 months.....	110	22.0	13	28.8
2-3 months.....	12	2.4	11	24.4
3-4 months.....	10	2.0	1	2.2
4-5 months.....	4	.8	1	2.2
5-6 months.....	4	.8	2	4.4
6-12 months.....	6	1.2	3	6.7
1-27 years.....	15	3.0	4	8.9
27-28 years.....	5	1.0		
No date of execution given.....	6	1.2		
TOTAL		450	91.0	
Less than 3 months.....	44	9.0		
More than 3 months.....			38	84.4
Less than 6 months.....			7	15.6
More than 6 months.....				

There is not much doubt from these figures that commercial copyright practice favors early recordation of transfers. The figures also suggest that requiring recordation within a reasonable period results in little or no inconvenience in the vast majority of cases, and that the present periods of grace might even be shortened without serious results. It is also possible to infer that a relatively short period serves a realistic purpose in encouraging early recordation, although this seems more conjectural. It is difficult to predict what the time lag between execution and recordation would be if the grace periods were abolished; a trend toward later recordation might result, or recordation might be made more promptly if the first of two conflicting transfers to be recorded were to prevail.

C. CONCEPTS OF "NOTICE" AND "VALUABLE" CONSIDERATION

The requirement that a purchaser, to be protected against prior unrecorded transfers, must be "without notice," poses certain questions which have not yet been fully answered. For example, must the purchaser be free from notice both at the time of this purchase and at the time his transfer is "duly recorded"? And, under what circumstances is a purchaser charged with notice by reason of facts that called for inquiry on his part?

The latter question was involved in *Brady v. Reliance Picture Corp.*⁷³ The court there characterized the plaintiff's position as follows:

What this allegation amounts to is that, where a publisher copyrights a work of an author, there must of necessity exist some arrangement between them, and that, perchance, the author may have reserved something undisclosed which the person dealing with the owner of the copyright should have suspected although an examination of the recorded title provided for by law shows good title.⁷⁴

The court rejected this argument as an undue commercial burden not contemplated by the copyright law.

⁷³ 232 Fed. 259 (S.D.N.Y. 1916).

⁷⁴ *Id.* at 262.

The term "valuable consideration" has also been the subject of judicial construction. In *Rossiter v. Vogel*,⁷⁵ a promise to pay royalties was held not to constitute valuable consideration within the meaning of section 30. And recently, a court disregarded a recital and testimony that the assignor had received one dollar as consideration.⁷⁶

The contours of "notice" and "valuable consideration" have been dealt with in only a few cases construing these terms with specific reference to section 30. But these concepts have developed considerable judicial gloss in other general areas of law—negotiable instruments, contracts, etc.—as well as in other types of recording statutes. Thus, the court in the *Rossiter* case relied on the meaning of "valuable consideration" in recording acts generally, as disclosed in a treatise on trusts⁷⁷ and in cases outside the realm of 17 U.S.C. 30. These terms therefore have fairly well fixed meanings which are appropriately applicable in the copyright context. There would seem to be no necessity to define these terms further in the copyright statute.

D. THE RELATIONSHIP OF RECORDATION TO COPYRIGHT FORMALITIES

The recordation of transfers is not, in any true sense, a copyright formality. Thus, recording is not a condition for the subsistence of copyright protection but is a requirement for establishing, against third persons, a transferee's acquisition of ownership of a subsisting copyright. If this requirement is to have any meaning, it must be combined with sanctions for failure to record—and these sanctions would almost necessarily limit the transferee's ownership though they would not affect the subsistence of the copyright with some other person as the owner. Thus, the present law sanctions the failure to record an "assignment" by depriving the assignee of ownership as against subsequent purchasers.

The present law also contains another provision under which the failure to record, coupled with the naming of the assignee as the owner in the copyright notice, may result, under the requirements governing copyright notices, in invalidating the copyright. This results indirectly from section 32 of the present statute, which provides:

When an assignment of the copyright in a specified book or other work has been recorded the assignee may substitute his name for that of the assignor in the statutory notice of copyright prescribed by this title.⁷⁸

The notice of copyright prescribed by section 19, must include "the name of the copyright proprietor."

Section 32 was introduced to the law in 1909, as part of a general effort to liberalize the notice provisions.⁷⁹ The need for a more flexible notice requirement had been demonstrated by two celebrated decisions of the Supreme Court in 1903. In *Mifflin v. White*⁸⁰ the Court held that publication of Holmes' "The Professor at the Breakfast Table" in book form with notice in the name of the author invalidated the copyright obtained when the work had been first published serially with notice in the name of the periodical publisher. The same result

⁷⁵ 134 F. 2d 908 (2d Cir. 1943).

⁷⁶ *Venus Music Corp. v. Mills Music Inc.*, 156 F. Supp. 753 (S.D.N.Y. 1957).

⁷⁷ 134 F. 2d at 911.

⁷⁸ 17 U.S.C. § 32 (1952).

⁷⁹ H.R. REP. NO. 2222, 60th Cong., 2d Sess. (1909), quoted in HOWELL, THE COPYRIGHT LAW 275 (3d ed. 1952).

⁸⁰ 190 U.S. 260 (1903).

was reached in *Mifflin v. Dutton*,⁸¹ where the order of publication was reversed.

Forfeitures of this nature can now be avoided under the provisions of section 32. But apparently its provisions are to be read literally. In *Group Publishers, Inc. v. Winchell*,⁸² it was held that substitution of the assignee's name in the notice can be made without forfeiture only if the assignment has been recorded.⁸³ It still appears that the word "may" in section 32 indicates that substitution is merely permissive; notice in the name of the assignor may be continued. But where substitution of the assignee's name is desired, it can be made only pursuant to a recorded assignment.

Since the provisions of section 32 link the recordation of assignments with the notice requirement, it is not surprising that their counterpart is not found in foreign laws or in those revision proposals making no provision for a notice of copyright. The provisions of section 32 were adopted with respect to optional notice in the Dallinger bill⁸⁴ and were retained with respect to the requirement of notice in the Dill⁸⁵ and Duffy⁸⁶ bills.

Section 32 is open to criticism on policy grounds, and its revision has been suggested.⁸⁷ If future revisions of the law retain the mandatory copyright notice, the interest underlying the provision (encouragement of recordation and an effort to aid the public in locating the copyright owner) must be weighed against the likelihood of unintended forfeitures. Or perhaps such forfeitures could be avoided, while encouraging recordation, by a general provision that errors in the notice may be cured by the subsequent recordation of corrective data.⁸⁸

A different situation is presented if a revised copyright law provides for optional notice or optional registration, or both. In that event there appears to be sentiment favoring even more stringent sanctions for recording transfers than those contained in the present law. It has been suggested that, while omission of, or errors in the notice should not forfeit copyright, the public should at least be entitled to deal safely with the person identified as the copyright owner in the notice, unless the Copyright Office records reveal different ownership. Under this system, errors or omissions in the notice might be cured by registration or recordation of documents, and registration or recordation would be required to establish ownership in a person other than the one named in the notice.

Similarly, it has been suggested that the present system of registering copyright claims be dropped in favor of a more elaborate approach to the recordation of transfers of copyrights. The key to an effective recording system is its completeness, and ideally all links in a chain of title should be placed on record. In the absence of a basic registry system, identifying the work, the first owner of the copyright, the date from which the term is computed, and other pertinent information, the recording of transfers would often fail to identify the work

⁸¹ 190 U.S. 265 (1903).

⁸² 86 F. Supp. 573 (S.D.N.Y. 1949).

⁸³ See *Wrench v. Universal Pictures*, 104 F. Supp. 374, 378 (S.D.N.Y. 1952).

⁸⁴ Section 49, H.R. 8177, 68th Cong. 1st Sess. (1924).

⁸⁵ Section 16, S. 342, 73d Cong. 1st Sess. (1933).

⁸⁶ S. 3047, 74th Cong., 1st Sess. (1935) which left Sect' on 32 of the present law unchanged.

⁸⁷ American Bar Association Copyright Committee, Report of Subcommittee on Proposed Amendments to § 21 (mimeo. In Copyright Office Library 1950).

⁸⁸ The question of the assignee's name in the notice appears to be a matter for consideration primarily in connection with the copyright notice problem. See Doyle et al., *Notice of Copyright* [Copyright Law Revision Study No. 7 in the present series of Committee Prints], pp. 18 and 48.

covered by the transfer, the term of the copyright, and especially the derivation of the transferee's claim to ownership. On the other hand, it may be contended that it is asking too much of an assignee not only to record his own assignment but also to register the initial claim and to record any intervening assignments.

V. RECAPITULATION OF BASIC ISSUES

A. Should a system for the recordation of transfers of copyright be maintained in a revised law?

B. If so, should the scope of recordable documents expressly include—

1. Exclusive licenses?
2. Mortgages?
3. Nonexclusive licenses?
4. Other documents?

C. Assuming that a subsequent bona fide assignee should be entitled to rely upon the absence of any record of a prior assignment, should a subsequent exclusive licensee be entitled to the same protection? a subsequent nonexclusive licensee?

D. Should the elements of the present recording system be modified so as to—

1. Eliminate the requirement that the second purchaser must himself record in order to prevail against a prior unrecorded transfer?

2. Eliminate the requirement that the second purchaser be free from actual notice, thus leaving priority in recording as the basic criterion?

E. Should the initial 3- and 6-month period or some other period of grace be retained? If so, should a transferee who records after such period prevail if he records before a subsequent transfer is executed? or before a subsequent transfer is recorded?

F. To what extent should the recordation of transfers be used as a supplement to or substitute for the present formalities of notice and registration?

G. Should the recordability of documents, or the constructive notice they afford, be conditioned upon compliance with formal requisites such as—

1. Submission of a signed original or a certified copy?
2. Specification of—
 - (a) The transferee?
 - (b) The subject matter of the transfer?
 - (c) The nature of the rights transferred?

H. Should the present statute be clarified as to the discretion of the Register of Copyrights in recording or refusing to record documents?

COMMENTS AND VIEWS SUBMITTED TO THE
COPYRIGHT OFFICE
ON
THE RECORDATION OF
COPYRIGHT ASSIGNMENTS AND LICENSES

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COMMENTS AND VIEWS SUBMITTED TO THE COPYRIGHT OFFICE ON THE RECORDATION OF COPYRIGHT ASSIGN- MENTS AND LICENSES

By Walter J. Derenberg

SEPTEMBER 30, 1958.

I have read with much interest the study on Recordation of Copyright Assignments and Licenses. It is, of course, difficult to take a position with regard to the problem of recordation without simultaneous consideration of the problem of registration of copyright as a whole, which is dealt with in Professor Kaplan's study.

In considering the recordation problem with regard to assignments and licenses separately, I do have the following comments: It has always been my view that Section 32 of the present Copyright Act of 1909 is an anachronism and should be eliminated altogether. As you know, this Section has been construed so as to invalidate the copyright where the assignee substitutes his name before the recordation of the assignment. We have here one of those numerous pitfalls whereby an author's validly copyrighted work would fall into the public domain because of a technicality which is easily overlooked and for which no rational basis can be found.

In addition to eliminating Section 32, I would also favor the elimination of the mandatory time limit presently provided in Section 30 of the Act. In my opinion, the treatment of this matter in the Patent Code, to which Mr. Latman's study refers in footnote 62, is much preferable. Moreover, the effect of the present Section on the status of the second assignee is quite ambiguous, as is ably pointed out on pages 120 and 121 of the study.

On the overall question whether a system of recordation should be retained, I would be inclined to answer this question in the affirmative to the extent that, similar to the present practice in the Patent Office, recordation of assignments and exclusive licenses should be made available for the protection of those who seek to rely on the records of the Office in connection with such transactions, or the absence thereof. I would see no objection to permitting also the mere recordation of nonexclusive licenses.

I would favor the elimination of unnecessary formalities, such as may be found in the present Section 29 with regard to assignments executed abroad. If, on the other hand, it is deemed important to retain that part of Section 29 which provides for a *prima facie* evidence of execution of the instrument, then I would agree with Mr. Latman's suggestion that similar procedural advantages should be available with regard to domestic assignments and licenses. Moreover, the procedure presently incorporated in Section 29 might well be simplified by adopting the proposal made in Section 11 of the Vestal bill, referred to at page 118 of the study, and presently in effect in patent and trademark cases. Recent experience in dealing with foreign patent and trademark matters would seem to indicate that even the more liberal provisions now in effect with regard to assigning and licensing of these properties are somewhat cumbersome and might well lend themselves to further simplification.

WALTER J. DERENBERG.

By Robert Gibbon

(The Curtis Publishing Co.)

OCTOBER 24, 1958.

THE RECORDATION OF COPYRIGHT ASSIGNMENTS AND LICENSES

Here, again, our concern (as a magazine publisher) is to protect and enhance the right of our writers. Recordation of partial assignments, licenses, etc., would probably create a tremendous problem for the Copyright Office. The person who would gain substantially from a change in the law requiring this recordation would be the second assignee of an exclusive interest. We are not persuaded that there exists a sufficient problem of this nature to justify the procedures which would be required.

ROBERT GIBBON.

By Ralph S. Brown

NOVEMBER 12, 1958.

It seems to me that the requirement of registration of the work as a starting point for recordation of transfers of any interests in the work is an effective way to encourage registration for its own sake and to strengthen the recordation system. One need not go so far as to compel registration by the original author if he is unavailable or uncooperative at the time when an attempted recordation of a transfer creates a need for registration. Ordinarily, however, it would appear to be to the author's advantage to see to it that his own first transfer of any substantial interest was properly connected to registration of the work.

Unlike the differences of opinion with respect to registration, there seems to be little if any opposition to the existence of the system of recordation. It does appear from the Latman study, however, that the present statute could be improved. Certainly mortgages and exclusive licenses should be put on a parity with assignments. I do not have any grasp of the problems involved with respect to "other documents" (such as wills), and I do not see that it makes any great difference whether nonexclusive licenses are recorded; but there certainly seems to be no harm in admitting them to recordation, simply for the sake of completing the record. It seems plausible to say that anyone who has attempted to rely on the state of the record should be able to claim against an exclusive transferee who has failed to record. This proposition would permit a subsequent non-exclusive licensee to prevail, but there would still be no compelling reason why he himself should record. I suppose it is true that outstanding nonexclusive licenses considerably diminish the value of a purported transfer of exclusive rights. From that standpoint, recordation of nonexclusive licensees would be helpful. But this advantage appears to be wholly overbalanced by the impracticality of expecting the multitudes of nonexclusive licensees, especially in the music field, to bring their numberless transactions into the recordation system.

It appears that the statute could also be improved in some other respects, for example, by shortening the initial period of grace. One month would seem to be ample under present conditions of communication.

RALPH S. BROWN.

By Samuel W. Tannenbaum

NOVEMBER 19, 1958.

The Copyright Office study, "The Recordation of Copyright Assignments and Licenses," by Alan Latman, is an intelligent and detailed survey of the problems of recordation, particularly under our system of copyrights.

Perhaps the most significant feature of the provisions for recordation under the present Copyright Act (Sec. 30) is the limitation of compulsory registration to assignments of copyright. Such limitation is unrealistic and anachronistic in view of the great number of licenses and grants under copyright, mortgages, powers of attorneys and divers miscellaneous instruments currently recorded, even though the above section merely provides for the recording of assignments. At the time of the enactment of the 1909 Copyright Act, some doubt was expressed in the Congressional Report (No. 2222), "as to the right to convey a copyright in mortgage;" nor did the report give consideration to instruments other than assignments.

It would be desirable to expand our registration system, so that absolute assignments, mortgages, satisfaction and cancellation thereof, exclusive licenses and powers of attorney should be required to be recorded, while nonexclusive licenses and instruments dealing with copyrights obtained pursuant to the provisions of the Universal Copyright Convention could be recorded, if desired.

As the purpose of recording is to constitute constructive notice of the contents of the instruments, in view of the long established practice of the Copyright Office to also record instruments other than assignments, clearly defined statutory provisions should be enacted to codify this practice and accomplish the basic purpose.

Instead of being required to file lengthy documents containing terms which the parties may feel should not be made public, the parties should have the option of filing an executed short form instrument, which would include the names of the assignor, grantor, or licensor, the assignee, grantee, or licensee, the title and author of the work involved, as well as identifying copyright data, such as copyright date and entry number, and a brief statement of the nature of the instrument, such as absolute assignment of copyright, exclusive grant of motion picture rights, performing rights, etc. Reference might be made to the parties, date, and substance of the original lengthy agreement.

All instruments to be recorded should contain a form of acknowledgment by a notary, commissioner of deeds, or other officer having the authority to administer an oath, similar to the usual provisions with respect to the recordation of instruments affecting the title of real property.

Very truly yours,

SAMUEL W. TANNENBAUM.

By Edward A. Sargoy

NOVEMBER 26, 1958.

This concise and useful study by Alan Latman, with the assistance of Lorna G. Margolis and Marcia Kaplan, discusses the present law on the recording of transfers, and points up significant questions which must be considered with respect to revision of the law. I appreciate that it supplements that part of Professor Kaplan's study on "The Registration of Copyright" which gave an historical review and discussed to some extent the related system of recording transfers of copyright.

Referring to the recapitulation of basic issues at the end of the study, my present thoughts are:

A. A system for the recordation of transfers of copyright should be maintained in a revised law.

B. I feel it would serve a most useful purpose to have a central repository, such as the Copyright Office in Washington, D.C., for recordation of documents pertaining to copyrights or rights thereunder. I would include all forms of grant of any right or rights secured to the author or other owner under the Act, as well as any chose in action for infringement thereof, to the extent of the interest of such author or other owner. As to the word "grant", I would utilize something along the lines of Section 13 of the so-called Shotwell Bill introduced by Senator Thomas on January 8, 1940 (S. 3043, 76th Cong., 3d Sess.), to indicate its scope, how the same may be validly accomplished, and the legal effect thereof. Subsection (1)(a) of such Section, for example, refers to "grants" of any right or rights secured to the author or other owner under the Act, or any chose in action for infringement thereof, to the extent of the interest of such author or other owner, "by way of assignment, conveyance, transfer, license, mortgage, pledge, or other alienation or disposition thereof, either wholly or partially; and any such grant may be general, restricted, assignable, nonassignable, exclusive, nonexclusive, limited in time, or for a specified place or territory, for one or more works;". I would also include among "grants" the instruments by which any right or rights or any chose in action for infringement thereof, to the extent of the interest of the author or other owner, devolves or is to be administered, upon the death or incompetence of the owner thereof. I think we might also give consideration to provisions: along the lines of subsection (2) of said Section 13 of the Shotwell Bill, to the effect that no such grant, or agreement to grant, shall be valid unless it or a note or memorandum thereof is in writing signed by the author or other owner of the right in respect of which the grant or agreement is made, or by a duly authorized agent of such author or other owner (subject to the proviso therein in respect of certain types of infringement by radio or television broadcasting); and along the

lines of subsection (3) of Section 13 in respect of the copyright in any work, or any right or interest in such copyright, when it is part of the property of a debtor in reorganization, receivership, or insolvency proceeding, or of a bankrupt.

C. I would provide, as in subsection (3) of Section 16 of the Shotwell Bill, that no recordation of any grant of copyright or of any right or interest therein shall be required, but any person may submit for recordation, and the Register of Copyrights shall record, any such grant or other instrument submitted, which contains the matter provided in subsections (1) and (2) of Section 16. I would further provide, as in subsection (4) of Section 16, that for the purposes of the Act, a recordation shall be deemed to put all persons upon notice of the grant or other written instrument so recorded to the extent of the statements therein contained, provided that such grant or other written instrument contains sufficient statement therein for the purpose of indexing, so that if fully indexed by the Register of Copyrights, the recordation of such grant or other written instrument would be revealed upon reasonable search of the indexes and records of the Copyright Office.

I would then provide, as in said subsection (4), that a grantee, for a valuable consideration, who records a grant or other written instrument in good faith, and without notice of a prior conflicting grant, shall prevail from and after the date of recordation thereof over the grantee in any such prior conflicting grant, regardless of priority as to the date of execution of said grants. Accordingly, in answer to the basic issue posed by "C", a subsequent exclusive licensee as well as a subsequent nonexclusive licensee would be entitled, as much as a subsequent bona fide assignee, to rely upon the absence of any record of a prior conflicting grant.

Since no one is obligated to record his grant, the likelihood is that many grantees of exclusive licenses, particularly in the field of performing rights where the exclusivity may be a matter of days within a very restricted area (such as, for example, in the case of the so-called "clearance" or exclusivity of motion picture exhibition rights given to one theatre licensee over one or more theatres in the competing exhibition area for a specified number of days), the exclusive licensee may not feel it practical to record his grant of such an exclusive short-term license. The licensee will in all likelihood depend upon the licensor not to breach his contract of exclusivity by a conflicting grant of license to another exhibitor. No one records such licenses under the present law. However, if any such exclusive grantee desired to record his exclusive license, under the above proposal, he could do so, although as a practical matter he probably would not bother.

The provisions of subsections (1) and (2) of said Section 16 of the Shotwell Bill, above referred to, provided that the Register of Copyrights, upon receipt of the fee, shall record in the Copyright Office any written grant of copyright, or of any right or rights therein, and any other written instrument signed by the grantor, or by the duly authorized agent of the grantor, and shall return such grant or instrument to the person submitting the same, with a certificate of recordation attached under the seal of the Copyright Office. Said subsection (2) provided that the grant or other instrument was to contain the names of the author or grantor, and the grantee, a statement whether it includes any rights in works thereafter to be created or owned by the author or grantor, the nature of the grant, the date of beginning and duration of such grant, and when the grant itself specifically enumerates individual works, a description of the work or works included in such grant, such as the title or titles and the nature thereof, and when the grant includes specific rights in any or all works of a particular author or owner, such fact shall be stated in such instrument. It also provided for the appropriate officers before whom such grant or other instrument might be executed in a foreign country, and for the certificate of such officer before whom executed under seal to be prima facie evidence of the execution of such grant or other instrument.

The provisions for the "other instrument" above mentioned would permit a short form instrument containing the essential features of the grant necessary for record, and to serve as notice when indexed, to be utilized as a substitute for a long and involved original agreement containing, among other matters, a grant.

Subsection (5) of said Section 16 of the Shotwell Bill usefully further provides that the certificate of recordation issued by the Register, or a certified copy thereof, shall be admitted in any court as prima facie evidence that such grant or other instrument has been recorded on the date specified therein.

D. With regard to the basic issues posed by "D", I would—

(1) Not eliminate the requirement that the second grantee must himself record in order to prevail against a prior unrecorded grant.

(2) Not eliminate the requirement that the second grantee be free from actual notice. I would not leave priority in recording as the basic criterion if the second grantee had actual notice of the prior unrecorded grant.

The foregoing could be effected as in subsection (4) of Section 16 of the Shotwell Bill by providing that: "A grantee, for a valuable consideration who records a grant or other written instrument in good faith and without notice of a prior conflicting grant, shall prevail from and after the date of the recordation thereof over the grantee in any such prior conflicting grant regardless of priority as to the date of execution of such grants."

E. I would not be inclined to retain the initial 3- and 6-month period, or some other period of grace.

F. I do not think that recordation of transfers shall be used as a supplement to or substitute for the present formalities of notice and registration. I think these formalities should become permissive rather than mandatory. I would think that registration of copyright by an owner other than the author, particularly if statutory copyright is to comprehend works in their unpublished as well as published stages should require a recordation of the rights under which the owner seeking to register the copyright claims his right of ownership, such recordation to be held before or at the time such application for registration is made. As to the question of whether registration be required as a prerequisite to recording transfers of interests in the copyright, I would be inclined to look sympathetically upon such a requirement if it can be practically framed. Requiring exclusive licensees of small rights, if they should desire to record their grants, to effect a registration of the copyright may be too burdensome or impracticable, although if a major part of the copyright is involved in the recorded transfer, it would be useful to have a registration.

G. (1) Recordability, as well as the constructive notice thereby afforded should not necessarily be conditioned upon compliance with such formal requisites as a signed original or a certified copy of the grant. As indicated in my discussion of "B" above, I would be inclined to follow the lines of Sections 13 and 16 of the Shotwell Bill under which the original grant itself, or other short-form instrument thereof, signed by the grantor, or by the duly authorized agent of the grantor, may be recorded, with the Copyright Office returning such grant or other instrument to the person submitting the same, with a certificate of recordation attached under the seal of the Copyright Office. Such other instrument, for example, might well be a note or memorandum in writing, signed by the author or other owner of the right in respect of which the grant, or agreement to grant, is made, or by a duly authorized agent of such author or other owner, where the original grant itself may have been oral. This provision of Section 13(2) of the Shotwell Bill in effect applies the statute of frauds rule to grants of copyright or rights or interests thereunder; and the instrument to be signed by the grantor, or his duly authorized agent, for recordation purposes, may be a short-form grant, in lieu of recording the main agreement containing the grant.

(2) In any event, the grant or other instrument so recorded should be conditioned upon specification of (a) the author or grantor, and the grantee; (b) the subject matter of the grant; and (c) the nature of the rights granted.

H. The statute should be clarified as to the discretion of the Register of Copyrights in recording or refusing to record documents.

Sincerely yours,

EDWARD A. SARGOY.

