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## A Clarification of Indivisibility of Copyright

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## A Clarification of Indivisibility of Copyright

In 1945, David Goodis completed the novel *Dark Passage* and arranged for publication of the book. Before it was published, he sold the exclusive motion picture rights in the novel to Warner Brothers and the right of serialized publication to Curtis Publishing Co. *Dark Passage* was first published in eight installments of *The Saturday Evening Post*, a Curtis publication, with each issue containing a single copyright notice in the magazine's name. Later, the book was published containing a copyright notice in Goodis' name.

Warner Brothers produced a motion picture based on the novel and subsequently assigned their contract rights to United Artists, who produced a television film series entitled "The Fugitive," which was broadcast weekly by American Broadcasting Co. In 1965, Goodis filed suit in federal district court<sup>1</sup> against United Artists and American Broadcasting Co., claiming damages for copyright infringement.<sup>2</sup> Defendants were granted summary judgment on the theory that the work had fallen into the public domain because the copyright notice in the name of the magazine, a "licensee," did not preserve Goodis' rights in the novel upon first publication.<sup>3</sup> *Held, reversed and remanded*: Where a magazine has purchased the right of first publication under circumstances which show that the author has no intention to donate his work to the public, copyright notice in the magazine's name is sufficient to obtain a valid copyright on behalf of the author. *Goodis v. United Artists Television, Inc.*, 425 F.2d 397 (2d Cir. 1970).

### I. THE NATURE AND PURPOSE OF COPYRIGHT

The United States Constitution gives Congress the authority to enact copyright legislation.<sup>4</sup> The underlying purpose of copyright law is to "promote the progress of science and useful arts . . ."<sup>5</sup> This is accomplished by securing to authors the exclusive control of publicizing their work, thus enabling them to exploit freely the work's financial capabilities. With this purpose in mind, courts have stated that "the provisions of the copyright law are to be liberally construed to insure to the author the product of his brain,"<sup>6</sup> and they have often been very reluctant to hold that an author has suffered forfeiture of his copyright.<sup>7</sup>

<sup>1</sup> The district courts have exclusive jurisdiction of copyright cases. 28 U.S.C. § 1338(a) (1964).

<sup>2</sup> 17 U.S.C. § 101(b) (1964).

<sup>3</sup> 278 F. Supp. 122 (S.D.N.Y. 1968). The district court also held that the contract between Goodis and Warner Brothers clearly conveyed rights broad enough to encompass the television film series, and that there was in fact no infringement. This point was reversed and remanded, with a majority of the three-judge panel holding that the interpretation of the contract involved factual issues which should not have been determined on a motion for summary judgment. See FED. R. Civ. P. 56(c).

<sup>4</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>5</sup> *Id.*; *American Tobacco Co. v. Werckmeister*, 207 U.S. 284, 291 (1907).

<sup>6</sup> *Harper & Bros. v. M.A. Donohue & Co.*, 144 F. 491, 496 (C.C.N.D. Ill. 1905); *Holmes v. Donohue*, 77 F. 179, 180 (C.C.N.D. Ill. 1896).

<sup>7</sup> See, e.g., *Bisel v. Ladner*, 1 F.2d 436 (3d Cir. 1924); *Maurel v. Smith*, 271 F. 211 (2d Cir. 1921); *Harns v. Stern*, 229 F. 42 (2d Cir. 1916); *American Press Ass'n v. Daily Story Publish-*

The present Copyright Act<sup>8</sup> was enacted in 1947 and is based largely on the 1909 Act, which substantially revised the earlier copyright legislation.<sup>9</sup> Prior to the 1909 Act, a copyright was secured by the author or proprietor<sup>10</sup> depositing a copy of the title of his work with the clerk of the district court in the district of his domicile.<sup>11</sup> This procedure reflected the idea that an author was expected to have exclusive control over his literary work before he chose to publish it.<sup>12</sup> Under the 1909 Act and the present law, copyright is secured by actual publication of the work with notice of copyright in conformity with the Act.<sup>13</sup> If the work is published without such notice, it falls into the public domain.<sup>14</sup> Thus, initial publication is all-important, and authors must depend upon a publisher to secure copyright for them, unless they publish their work themselves. This has led to the common practice of the author assigning all rights in the work to the publisher, which obtains copyright in its own name and subsequently assigns the copyright to the author.

## II. INDIVISIBILITY OF COPYRIGHT

The indivisibility doctrine states that "the bundle of rights which accrue to a copyright owner are 'indivisible,' that is, incapable of assignment in parts."<sup>15</sup> Thus, it requires a proprietor or assignee of a copyright to hold all the rights in a copyrighted work. This means that separable rights in the copyrighted work, such as magazine publication rights, book publication rights, motion picture rights, and television broadcast rights, cannot be the subject of separate assignment, but only of license. The full legal effect of this doctrine is unclear. This is due partly to the fact that some copyright text writers, who clearly indicate that Goodis' work would be in the public domain after the serialized publication, appear to have extended the doctrine further than the courts have.<sup>16</sup>

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ing Co., 120 F. 766 (7th Cir. 1902); *Quinn-Brown Publishing Corp. v. Chilton Co.*, 15 F. Supp. 213 (S.D.N.Y. 1936); *Harper & Bros. v. M.A. Donohue & Co.*, 144 F. 491 (C.C.N.D. Ill. 1905).

<sup>8</sup> 17 U.S.C. §§ 1-215 (1964), formerly Copyright Act of 1909, ch. 320, §§ 1-64, 35 Stat. 1075-88.

<sup>9</sup> Copyright Act of 1831, ch. 16, §§ 1-16, 4 Stat. 436-39. See *Washingtonian Publishing Co. v. Pearson*, 306 U.S. 30 (1939).

<sup>10</sup> In copyright law the term "proprietor" is apparently synonymous with "assignee." To qualify as a copyright proprietor one must be the assignee of all rights in the work. This result was first reached by an interpretation of the 1831 Copyright Act. *Mifflin v. R.H. White Co.*, 190 U.S. 260 (1903). This interpretation survived modifications made by the 1909 Copyright Act. See, e.g., *Quinn-Brown Publishing Corp. v. Chilton Co.*, 15 F. Supp. 213, 214 (S.D.N.Y. 1936); *Public Ledger Co. v. New York Times*, 275 F. 562 (S.D.N.Y. 1921).

<sup>11</sup> Copyright Act of 1831, ch. 16, § 4, 4 Stat. 437.

<sup>12</sup> At common law an author has an exclusive property right in his unpublished manuscript. He has every right to withhold it from publication. But this common-law right does not survive general publication. See H. HOWELL, *GENERAL PRACTICE—COPYRIGHTS* (1954). See also *American Tobacco Co. v. Werckmeister*, 207 U.S. 284, 299 (1907). The present Copyright Act expressly reserves this common-law right. 17 U.S.C. § 2 (1964).

<sup>13</sup> 17 U.S.C. § 10 (1964), formerly Copyright Act of 1909, ch. 320, § 9, 35 Stat. 1077.

<sup>14</sup> 17 U.S.C. § 8 (1964).

<sup>15</sup> M. NIMMER, *COPYRIGHT* § 119.1, at 510 (1970).

<sup>16</sup> See, e.g., A. FISHER, *STUDIES ON COPYRIGHT* 642 (mem. ed. 1963); A. LATMAN, *HOWELL'S COPYRIGHT LAW* 50 (rev. ed. 1962); M. NIMMER, *COPYRIGHT* § 119.32, at 517-20 (1970). A careful review of the cases cited by these writers reveals that they fall within the subsequent discussion of this section.

*Pre-1909 Development.* One authority<sup>17</sup> has stated that the indivisibility doctrine is the product of an 1854 English copyright case<sup>18</sup> and a nineteenth century American patent case,<sup>19</sup> and it appears to have been firmly settled in the United States as early as 1884 that a patent licensee could not sue for infringement in his own name.<sup>20</sup> The desire of the courts was to avoid subjecting a defendant to a multiplicity of lawsuits. This distinction between an assignment and a license soon became important in American copyright law, as the courts began to state that a copyright licensee could not sue for infringement.<sup>21</sup>

The case of *Mifflin v. R.H. White Co.*<sup>22</sup> is worthy of special note because of its factual similarity to the *Goodis* case, and because it has frequently been cited for ideas related to the indivisibility doctrine.<sup>23</sup> The literary work in that case was published serially in a magazine. Only the last two issues of the magazine contained a general copyright notice in the publisher's name. Subsequently, the book was published and the author attempted to secure copyright in his own name. The primary issue was whether a valid copyright for the benefit of the author was obtained upon that part of the work contained in the last two issues of the magazine. Despite the fact that the publisher was a licensee, the Court indicated that the copyright would have been valid if the publisher had acted as agent of the author. After noting that the facts did not reveal any such agency relationship, the Court held that the magazine copyright did not protect the author's work, and that the serialized publication cast the entire work into the public domain. The holding of the Court was based upon the idea that the magazine's general copyright notice was inadequate to warn the public that copyright was claimed on the book.<sup>24</sup> Thus, the Court's interpretation of the 1831 Copyright Act, that the terms "proprietor" and "legal assign" are synonymous, was only dictum. Despite this fact and revisions made by the 1909 Act, that interpretation has survived<sup>25</sup> and has had a significant impact upon copyright law, because of the requirement that copyright notice appear in the name of the author or proprietor.<sup>26</sup> The Court's indication that a licensee might hold a copyright for the benefit of the author has apparently been overlooked.

<sup>17</sup> M. NIMMER, COPYRIGHT § 119.1, at 510 (1970).

<sup>18</sup> *Jeffreys v. Boosey*, 10 Eng. Rep. 681 (1854).

<sup>19</sup> *Waterman v. Mackenzie*, 138 U.S. 252 (1891).

<sup>20</sup> *Birdsell v. Shaliol*, 112 U.S. 485 (1884).

<sup>21</sup> See, e.g., *Mifflin v. R.H. White Co.*, 190 U.S. 260 (1903); *American Press Ass'n v. Daily Story Publishing Co.*, 120 F. 766 (7th Cir. 1902); *Fraser v. Yack*, 116 F. 285 (7th Cir. 1902).

<sup>22</sup> 190 U.S. 260 (1903).

<sup>23</sup> See *Public Ledger Co. v. Post Printing & Publishing Co.*, 294 F. 430, 434 (8th Cir. 1923); *Borden v. General Motors Corp.*, 28 F. Supp. 330, 334 (S.D.N.Y. 1939); *Quinn-Brown Publishing Corp. v. Chilton Co.*, 15 F. Supp. 213, 214 (S.D.N.Y. 1936); *Public Ledger Co. v. New York Times*, 275 F. 562, 563 (S.D.N.Y. 1921).

<sup>24</sup> See *West Publishing Co. v. Edward Thompson Co.*, 169 F. 833, 878 (C.C.S.D.N.Y. 1909). For situations in which the publisher had the requisite interest to secure copyright, the *Mifflin* case was effectively overruled by a provision in the 1909 Copyright Act that a general copyright notice for a composite work would protect all copyrightable component parts. Copyright Act of 1909, ch. 320, § 3, 35 Stat. 1076.

<sup>25</sup> See note 10 *supra*, and accompanying text.

<sup>26</sup> 17 U.S.C. § 19 (1964).

*Subsequent Developments.* Many of the cases which have been cited as support for the indivisibility doctrine involved only the question of standing to sue.<sup>27</sup> Most of these cases involved a publisher, qualifying only as a licensee, which had secured copyright in its own name and later attempted to sue for infringement.<sup>28</sup> The courts invariably held that the publisher lacked standing to sue. However, such a holding should not require that the copyright be held invalid for all purposes. Also, courts have frequently referred to the doctrine by way of dictum and then held the doctrine not applicable to the situation before them,<sup>29</sup> commonly because the plaintiff was found to be an assignee.<sup>30</sup> In a few such cases, the court even went so far as to state that a copyright obtained by a licensee is invalid,<sup>31</sup> thus implying that it could not be held for the benefit of the author.

Parallel to the development of the indivisibility doctrine, a number of cases were decided in which a copyright secured by a publisher was deemed to be held in trust for the author as beneficial owner.<sup>32</sup> Under this line of cases, an author might sue for infringement of a copyright secured in the name of a publisher which was less than an assignee of all rights in the work, if the author had requested or permitted the publisher to secure copyright for him. Such a relationship between the author and publisher might even be implied.<sup>33</sup> The result of these cases is that a copyright secured by someone who is not an author or proprietor may be valid and enforceable by the author.

### III. GOODIS v. UNITED ARTISTS

The decision in *Goodis*, that a copyright notice in the name of a licensee is sufficient to obtain a valid copyright on behalf of the author when the circumstances show that the author does not intend to donate his work to the public, serves to clarify the application of the indivisibility doctrine. The court expressly rejected the contention that its holding should have been precluded by this doctrine. In rejecting this contention, the court

<sup>27</sup> See, e.g., *Public Ledger Co. v. Post Printing & Publishing Co.*, 294 F. 430 (8th Cir. 1923); *Goldwyn Pictures Corp. v. Howells Sales Co.*, 282 F. 9 (2d Cir. 1922); *Saake v. Lederer*, 174 F. 135 (3d Cir. 1909); *Fraser v. Yack*, 116 F. 285 (7th Cir. 1902); *Public Ledger Co. v. New York Times*, 275 F. 562 (S.D.N.Y. 1921); *New Fiction Publishing Co. v. Star Co.*, 220 F. 994 (S.D.N.Y. 1915).

<sup>28</sup> *Id.*

<sup>29</sup> See, e.g., *American Tobacco Co. v. Werckmeister*, 207 U.S. 284 (1907); *Egner v. E.C. Schirmer Music Co.*, 139 F.2d 398 (1st Cir. 1943); *Mail & Express Co. v. Life Publishing Co.*, 192 F. 899 (2d Cir. 1912); *Morse v. Fields*, 127 F. Supp. 63 (S.D.N.Y. 1954); *Kaplan v. Fox Film Corp.*, 19 F. Supp. 780 (S.D.N.Y. 1937).

<sup>30</sup> See, e.g., *Egner v. E.C. Schirmer Music Co.*, 139 F.2d 398 (1st Cir. 1943); *Mail & Express Co. v. Life Publishing Co.*, 192 F. 899 (2d Cir. 1912); *Kaplan v. Fox Film Corp.*, 19 F. Supp. 780 (S.D.N.Y. 1937).

<sup>31</sup> See, e.g., *Egner v. E.C. Schirmer Music Co.*, 139 F.2d 398 (1st Cir. 1943); *Mail & Express Co. v. Life Publishing Co.*, 192 F. 899 (2d Cir. 1912); *Morse v. Fields*, 127 F. Supp. 63 (S.D.N.Y. 1954).

<sup>32</sup> See *Bisel v. Ladner*, 1 F.2d 436 (3d Cir. 1924); *Harms v. Stern*, 229 F. 42, 46 (2d Cir. 1916); *National Comics Publications v. Fawcett Publications*, 93 F. Supp. 349 (S.D.N.Y. 1950); *Cohan v. Richmond*, 19 F. Supp. 771 (S.D.N.Y. 1937); *Quinn-Brown Publishing Corp. v. Chilton Co.*, 15 F. Supp. 213 (S.D.N.Y. 1936).

<sup>33</sup> See *White-Smith Music Publishing Co. v. Apollo Co.*, 139 F. 427, 429 (C.C.S.D.N.Y. 1905); *Press Publishing Co. v. Falk*, 59 F. 324, 326 (C.C.S.D.N.Y. 1894).

pointed out that: (1) many of the decisions upon which the doctrine appears to be based involved a suit by a licensee;<sup>34</sup> (2) a frequently cited policy for applying the doctrine is to avoid multiple infringement actions;<sup>35</sup> and (3) the doctrine appears to be partially founded upon judicial dictum in cases where the doctrine was held inapplicable.<sup>36</sup> The court stated that nothing in the established cases required extension of the logic of those precedents to a case where an author is plaintiff. Obviously different considerations apply when the author is plaintiff, as indicated by the stated purpose of the Copyright Act<sup>37</sup> and the decisions in which courts have recognized this purpose in an attempt to avoid holding that the author suffered forfeiture.<sup>38</sup>

The court further stated that the Copyright Act supports a distinction between applying the indivisibility doctrine to cases where the issue is standing to sue for infringement and to cases where the issue is protection of the author's interest. The court recognized that one of the purposes of the 1909 Act was to reduce the number of forfeitures for technical noncompliance.<sup>39</sup> As additional support for the distinction, the court discussed the change in the method of securing copyright made by the 1909 Act, and then stated that "[t]o require full proprietorship by the initial publisher would too often provide a trap for the unwary author who had assumed the publisher would attend to copyrighting the work in his behalf."<sup>40</sup> This latter argument appears to be invalid. Surely not many authors will just assume that a publisher will obtain copyright on their behalf; but even if they did, a resulting forfeiture should not be considered harsh. If the author requests the publisher to secure copyright for him, the situation will fall within the purview of the "constructive trust"<sup>41</sup> cases, and the work will not be cast into the public domain even if the copyright notice appears in the name of a licensee. It is not at all unreasonable to expect this minimal amount of action on the part of an author as a condition precedent to obtaining the statutory benefit of copyright. However, it seems that this argument of the court could have been validly presented under the topic of "business practices," of which the court took judicial notice later in the opinion.<sup>42</sup> For example, in view of the present-day diverse means of exploiting a creative written work, it would be unreasonable to require the initial publisher to have full proprietorship in order to secure copyright for the author.

Although the court recognized existing cases where the publisher was deemed to hold copyright for the benefit of the author,<sup>43</sup> it apparently

<sup>34</sup> See cases cited in note 27 *supra*.

<sup>35</sup> See *New Fiction Publishing Co. v. Star Co.*, 220 F. 994 (S.D.N.Y. 1915).

<sup>36</sup> See cases cited in note 29 *supra*.

<sup>37</sup> See note 5 *supra*, and accompanying text.

<sup>38</sup> See cases cited in note 7 *supra*.

<sup>39</sup> See *Washingtonian Publishing Co. v. Pearson*, 306 U.S. 30 (1939).

<sup>40</sup> 425 F.2d at 402.

<sup>41</sup> This term is used to describe those cases in which a publisher who had taken out copyright in his own name was deemed to hold legal title for the benefit of the author. See note 32 *supra*, and accompanying text.

<sup>42</sup> 425 F.2d at 403.

<sup>43</sup> *Bisel v. Ladner*, 1 F.2d 436 (3d Cir. 1924); *Maurel v. Smith*, 271 F. 211 (2d Cir. 1921);

could not base its holding on the authority of those cases. The court referred to those cases in recognition of the fact that courts have been reluctant to invoke the indivisibility doctrine in cases where the author is plaintiff. In light of the preceding discussion, those cases could also have been cited for the proposition that the decision of the court was compatible with the indivisibility doctrine as developed by positive case law.

The opinion is conspicuously bare of any discussion of which facts in *Goodis* constitute "circumstances which show that the author has no intention to donate his work to the public . . ."<sup>44</sup> The subsequent publication of the book with Goodis' copyright notice cannot be considered evidence of his intention to copyright the work at the time he made the serialization agreement with Curtis, in light of several cases which have held that an attempt by an author to secure copyright subsequent to earlier publication indicated that the author had not intended for the work to be copyrighted by the earlier publication.<sup>45</sup> However, prior to his agreement with Curtis, Goodis had taken steps to market his work, and copyright would obviously be required to secure maximum realization from such marketing. Without the protection of copyright, anyone would be free to publish and market the work after initial publication. The Court may have considered these to be the important "circumstances," but it appears that the court merely used this qualifying statement as a prop, in an attempt to lean on the authority of those cases applying the constructive trust doctrine. In those cases which have applied the constructive trust doctrine,<sup>46</sup> there were stronger facts on which to base a conclusion that the author communicated, expressly or impliedly, an intention for the publisher to secure copyright for his benefit.

#### IV. CONCLUSION

Despite the fact that *Goodis* may have surprised some people familiar with the area of copyright law,<sup>47</sup> it does not appear to have been precluded by existing case law.<sup>48</sup> The decision should effectively limit the application of the indivisibility doctrine to the question of standing to sue, as opposed to the interest required to validly copyright a work. This was obviously the intent of the court.<sup>49</sup> But at the same time the court may have created a trap for "unwary authors." In reliance on the *Goodis* case, many authors might assume that a general copyright notice in the name of their publisher will secure copyright for them, and then get caught by a future

Harms v. Stern, 229 F. 42 (2d Cir. 1916); Quinn-Brown Publishing Corp. v. Chilton Co., 15 F. Supp. 213 (S.D.N.Y. 1936); Harper & Bros. v. M.A. Donohue & Co., 144 F. 491 (C.C.N.D. Ill. 1905).

<sup>44</sup> 425 F.2d at 399.

<sup>45</sup> See, e.g., Mifflin v. R.H. White Co., 190 U.S. 260, 263 (1903); Egner v. E.C. Schirmer Music Co., 139 F.2d 398, 400 (1st Cir. 1943).

<sup>46</sup> See cases cited in note 32 *supra*.

<sup>47</sup> See note 16 *supra*, and accompanying text.

<sup>48</sup> Search by this author has not revealed any case in which an express holding is overruled by the *Goodis* case. See note 16 *supra*, and accompanying text.

<sup>49</sup> "Although we hold Curtis had sufficient interest to obtain copyright in behalf of Goodis, we express no opinion on whether a publisher in Curtis' position could maintain an infringement action without joining the author." *Goodis v. United Artists*, 425 F.2d 397, 401 (2d Cir. 1970).