

United States District Court, C.D. California.

John MARASCALCO, etc.
v.
FANTASY, INC., etc.
No. CV 88-675 TJH(TX).

Oct. 24, 1990.

HATTER, District Judge:

In 1956, John Marascalco and Robert A. Blackwell co-wrote the song "Good Golly Miss Molly" ["the Song"]. At the time, Blackwell was employed by Specialty Records, dba Venice Music ["Venice"], as an "artists and repertoire man." His primary responsibilities included finding material for artists to record, auditioning prospective talent, and overseeing the production of recordings.

On July 23, 1956, in exchange for royalties, Marascalco and Blackwell assigned their copyright interests in the Song, including "any and all renewals of copyright" to Venice. Venice registered the Song with the Copyright Office on January 22, 1957, naming Venice as the copyright owner and Marascalco and Blackwell as the authors. On October 15, 1959, Blackwell assigned his royalties back to Venice. In 1973, Venice assigned its interest in the Song to Argosy Ventures, which, in turn, assigned the interest to Fantasy, Inc. ["Fantasy"].

On January 18, 1985, Marascalco renewed the Song's copyright in his name and Blackwell's name. Two months later, Blackwell died. Blackwell's death occurred during the twenty-eighth year of the original term of the Song's copyright. Blackwell's two daughters, Kelly Blackwell and Sandra Blackwell McClendon, inherited their father's estate, including any interests he had in the Song's copyright. On March 15, 1986, Blackwell's daughters assigned their interests in the Song's copyright to Marascalco in exchange for royalties.

Fantasy's refusal to recognize Marascalco as the assignee of Blackwell's interest prompted this action for a declaration of rights. Marascalco does not contest Fantasy's ownership of the other one-half interest of the copyright.

The issues presented are whether Blackwell's authorship of the Song was a "work made for hire," and whether Blackwell's renewal interest in the Song's copyright was vested at the time of his death?

Work Made for Hire

A "work made for hire" is any "work prepared by an employee within the scope of his or her employment." 17 U.S.C. § 101. The copyright, along with the right to renew and extend the copyright, of a

"work made for hire" is owned by the employer. 17 U.S.C. §§ 201(b) and 304(a).

Fantasy asserts that Blackwell co-wrote the Song within the course and scope of his employment with Venice. If this were true, then Fantasy would own the renewal interest as Venice's successor in interest. However, based on the evidence presented, Blackwell co-wrote the Song as an independent songwriter, and, therefore, was a co-owner of the Song's original copyright.

In reaching this conclusion, the Court relies on the Standard Songwriters Contract ["the Contract"], executed in 1956, in which Blackwell assigned his copyright interest, as an author of the Song, to Venice, as the Song's publisher. The Contract contains an integration clause, and does not identify Blackwell's contribution to the Song as a work made for hire. Moreover, if Blackwell had written the Song in the scope of his employment, he would have had nothing to assign, and the Contract, as it relates to him, would have been meaningless.

The Court also relies on the 1957 Application for Registration of a Claim to Copyright ["the Application"]. The directions on the Application state that "[i]n the case of a work made for hire the employer is the author." Nevertheless, Venice listed Blackwell and Marascalco as the authors, rather than itself. The registration certificate issued for the Application constitutes *prima facie* evidence of the facts stated in the Application. 17 U.S.C. § 410(c) (in effect at the time of registration as section 209 of the Copyright Act of 1909).

Fantasy has failed to provide sufficient evidence to rebut the presumption that Blackwell was an author of the Song. Accordingly, the Court finds that the Song was not a "work made for hire."

Vesting of Renewal Rights

The key question presented by this case is at what point does an author's copyright renewal interest vest so as to invoke the rights of his successors. Section 304(a) of the Copyright Act of 1976 provides that:

Any copyright, the first term of which is subsisting on January 1, 1978, shall endure for twenty-eight years from the date it was originally secured . . . And provided further, . . . the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, . . . shall be entitled to a renewal and extension of the copyright in such work for a further term of forty-seven years when application for such renewal and extension shall have been made to the Copyright Office and duly registered therein within one year prior to the expiration

of the original term of the copyright. . . .
17 U.S.C. § 304.

When the Copyright Act of 1909 was reenacted in 1976, the renewal provision of section 24 of the 1909 Act was preserved as section 304 of the 1976 Act. Section 305, added to the 1976 Act, altered the calculation method for expiration dates. Section 305 states that “[a]ll terms of copyright provided by ... [section 304] run to the end of the calendar year in which they would otherwise expire.” 17 U.S.C. § 305.

Therefore, under the 1909 Act, Marascalco and Blackwell’s original copyright term expired January 22, 1985, with the renewal period—the one year period prior to the copyright’s expiration during which time the copyright can be renewed—extending from January 22, 1984 to January 22, 1985. However, after the enactment of section 305, the renewal period ran from December 31, 1984 through December 31, 1985. Thus, Blackwell died during the renewal period, but after Marascalco had timely effected a renewal registration in both authors’ names.

It is well settled that an author may assign his copyright’s renewal interest at any time during the copyright’s original term. *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643, 63 S.Ct. 773, 87 L.Ed. 1055 (1942). However, until the renewal interest vests, the assignee has nothing more than a mere expectancy interest. The “assignees of renewal rights take the risk that the rights acquired may never vest in their assignors.” *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 80 S.Ct. 792, 4 L.Ed.2d 804 (1960).

Thus, the question becomes when does a copyright’s renewal interest vest. Three possibilities exist: 1) At the commencement of the copyright’s renewal period; 2) When an application for renewal is filed or duly registered in the Copyright Office; or 3) At the commencement of the copyright’s renewal term. The Ninth Circuit and the Supreme Court have yet to resolve this question.

Marascalco argues that the renewal interest does not vest until the beginning of the renewal term—in this case, January 1, 1986. Accordingly, since Blackwell was not alive at the commencement of the renewal term, the renewal rights passed to Blackwell’s daughters, under section 304(a), and then to Marascalco via assignment. Conversely, Fantasy argues that the renewal rights vested on the date Marascalco registered for renewal, January 18, 1985. Accordingly, since Blackwell was alive on that date, the renewal interest vested in Fantasy.

Since the earliest copyright statutes, Congress has protected the rights and interests of authors and their families. The first copyright laws split an author’s term of ownership into an original term and a renewal term

so that the author could renew his copyright if he were living at the expiration of the original term. *Copyright Act of May 31, 1790*, Ch. XV, § 1, 1 Stat. 124. In 1831, Congress changed the law to allow authors to assign their contingent interests in the renewal term, but such assignment did not divest an author’s spouse or children of the renewal rights. *See Copyright Act of Feb. 3, 1831*, Ch. XVI, 4 Stat. 436. The change gave authors and their families a second chance to control and benefit from the author’s works. *Miller Music Corp.*, 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed.2d at 804; *Stewart v. Abend*, 495 U.S. 207, 110 S.Ct. 1750, 109 L.Ed.2d 184 (1990).

Congress expressed the same concerns for authors and their families when it enacted the Copyright Act of 1909. Congress recognized that authors often made outright sales of their copyrights, to publishers, for comparatively small sums. Therefore, the creation of a separate renewal term permitted authors, originally in a poor bargaining position, to renegotiate the value of their works once tested in the marketplace. *Stewart*, 495 U.S. at ---, 110 S.Ct. at 1759, 109 L.Ed.2d at 199. Thus, if a work is a great success and survives beyond its original 28 year copyright term, the author is not deprived of his rights, and neither is his family deprived of theirs. *Stewart*, 495 U.S. at ---, 110 S.Ct. at 1759, 109 L.Ed.2d at 199. Accordingly, Congress preserved the renewal term provision in the 1909 Act and in the revised 1976 Act. 17 U.S.C. §§ 304(a) and (b).

Since the congressional intent of the renewal term was to protect the rights of authors and their families, the Supreme Court, in *Miller Music Corp.*, 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed. at 804, concluded that the author’s estate retains the renewal interest if an author assigns his interest but dies before the commencement of the copyright’s renewal period. However, the *Miller* Court did not reach the issue of when the renewal rights vested because the author died prior to the renewal period. Nevertheless, the Court did determine that the author’s assignment of his copyright interest was merely an assignment of an expectancy interest. *Miller*, 362 U.S. at 375, 80 S.Ct. at 794, 4 L.Ed.2d at 804; *Stewart*, 495 U.S. at ---, 110 S.Ct. at 1759, 109 L.Ed.2d at 199. Furthermore, the Court in *Stewart*, 495 U.S. at ---, 110 S.Ct. at 1760, 109 L.Ed.2d at 200, concluded that Congress intended to provide authors’ families with a “new estate” if an author died before the beginning of his copyright’s renewal period. Therefore, an author’s assignment cannot affect his family’s renewal rights if he does not survive to the beginning of the renewal period. *Stewart*, 495 U.S. at ---, 110 S.Ct. at 1760, 109 L.Ed.2d at 200.

Judicial precedent and the Copyright Act’s history directs this Court to conclude that a copyright’s renewal interest does not vest until the commencement of the

copyright's renewal term. Prior to the commencement of the renewal term, an assignee merely takes an expectancy interest. If the author does not survive to the renewal term, his assignment automatically extinguishes, and the second chance to control and benefit from his work belongs to his successors.

Since Blackwell died before the commencement of

the renewal term of the Song's copyright, Fantasy's expectancy interest did not vest. Therefore, Blackwell's renewal interest in the Song's copyright passed to his daughters, and they, in turn, effectively assigned their interest to Marascalco.

It is so Ordered.