

Legalities: What is copyright?

by Linda Joy Kattwinkel

Copyright starts with you

Copyright is the exclusive right to control reproduction and commercial exploitation of your artwork. Except under certain circumstances (see “work made for hire” below), you own the copyright in your work at the moment you create it in a “fixed” form of “expression.” A fixed form of expression is any tangible medium that can be perceived by humans, including traditional forms such as paintings, sculptures, writings, and new forms that require a machine to perceive (e.g., gif files, CD’s, websites).

. . . unless your work is “made for hire”

Generally, the person who creates a work is considered its “author” and automatically owns copyright in that work under copyright law. However, there is a limited exception under the “work made for hire” doctrine: if you are an employee, your employer is considered the author and automatic copyright owner of any work you create within the scope of your employment. In most cases, this doctrine applies only to full-time employees. (You may have seen “work made for hire” language in independent contractor agreements for graphic artists. Such provisions are left over from years ago, when the legal standards for establishing work made for hire were less stringent. They are not appropriate today. Under current law, work by independent contractors may be deemed work for hire only under very limited circumstances, essentially, for contributions to films or encyclopedias.)

Granting rights in your copyright

Copyright ownership stays with the author unless and until the author transfers that ownership to another person or entity in writing. Copyright can also be shared, however. Copyright is really a “bundle” of several different exclusive rights. For graphic artists, the relevant exclusive rights comprising copyright ownership are the rights to reproduce, display, and make adaptations (“derivative works”) based on your work. Each exclusive right in the bundle can be owned separately. For example, you can grant a newspaper

the exclusive right to reproduce your comic strip, and you can keep the right to adapt the strip for an animated film. Moreover, any subset of the bundled rights can be licensed on a nonexclusive basis. For example, you can grant a publisher the right to reproduce your painting as a book cover, and you can keep the right to reproduce it as a giclee print.

When you perform graphic art services for a client, the client is paying for some sort of right to exploit the end product, and thus is entitled to some sort of license or grant under your copyright. Identifying the scope of that license or grant can be the most important part of your agreement with your client, and unfortunately, it is often the most difficult to negotiate. (For the purposes of this discussion, we will not get into specifics of contract language or negotiations. I will be available for specific questions and discussions on those problems in future Legalities columns).

When should a client own your copyright?

Frequently, your client will want to own your copyright, which means that the entire bundle of rights is transferred to the client, and you no longer have the right to control how often, or in what manner, the work is used. Full assignment is not always necessary or appropriate. Generally, it is better for the scope of the license to closely track the client’s intended use of your work.

For example, suppose you are hired to do a spot illustration intended to accompany an article in a weekly magazine. Your fee is the standard, reasonable amount for that one time use. However, if your contract transfers copyright to the magazine, the magazine can use your illustration again, for example, it might adapt the illustration to create a logo for an ongoing weekly column, without any further compensation to you.

On the other hand, if your contract provides for a one-time license to reproduce the illustration, the magazine must seek your permission, in the form of another license with another fee, before it can legally adapt

Legalities: What is copyright?

by Linda Joy Kattwinkel

your illustration for the column logo. This is true even if you grant the magazine an exclusive license to reproduce the illustration, that is, if you agree not to allow any other entity to publish the illustration. The magazine's rights would still be limited to the one-time use identified in your contract.

Another important reason to retain copyright is to ensure that you have the right to create similar works for other clients. The legal standard for copyright infringement is "substantially similar expression." Under that standard, works that consumers would recognize as being based on the spot illustration would be infringements unless they are authorized by the copyright owner. When the copyright owner is the magazine, rather than yourself, if you create similar illustrations for another client, they could be considered infringements. In a recent case, a jury found such infringement with respect to two series of greeting cards. In that case, the same artists designed both sets of cards. They transferred their copyrights to the respective greeting card companies. The jury found that the second series of cards were substantially similar to the first set. Thus, the artists were held to have infringed their own work when they created the second series of cards for the defendant card company.

Obviously, for some types of work it is appropriate that the client own your entire copyright. Corporate identity packages, logos, web sites, and any other works that are intended to have an ongoing, exclusive marketing presence for your client should become that client's property. It would not be appropriate for you to re-license such works to other clients, and other clients won't want them anyway, since each corporate image needs to be unique. In that case, you should ensure that you have the continuing right to display and reproduce the work in your print and online portfolios; otherwise, you no longer need to worry about copyright.

Infringement happens

Copyright infringement happens whenever someone copies or commercially exploits a work without the copyright owners' permission. Unfortunately, this is a

common occurrence in the graphic arts. It can happen when your licensee re-uses your work beyond the scope of the license, as in the example above where the magazine adapts the illustration for a column logo. It can happen when someone downloads your work from the web, manipulates it electronically to produce an altered image, and resells that image for a magazine cover. It can happen when an ad agency makes copies of your portfolio, then uses one of your works in a presentation layout for a client (unfortunately, this is quite common, and even more egregious, sometimes another illustrator is hired to create the final art). It can happen when an illustrator copies the subject and composition of a photograph, when one illustrator copies the unique way another illustrator draws figures, or when one ad campaign replicates the design of another. All of these scenarios are real examples.

Register your copyrights!

For those copyrights you keep, it is very important to obtain federal copyright registration. Even though you have copyright ownership as soon as you create your work, under U.S. law you have no rights to enforce your copyright until you register. Moreover, generally you must have filed for copyright registration *before* the infringement occurs in order to have the full scope of copyright protection (the exception is if you filed within three months of the first publication of your work; in that case, you have full protection even if the infringement occurred earlier).

Full protection for such early registration includes two important remedies: the right to recover your attorneys' fees when you win the lawsuit, and the right to an award of statutory damages. Statutory damages means that the court can determine an amount of money to be awarded even if you cannot prove a specific monetary loss caused by the infringement. (Currently, the law sets a maximum of \$150,000 in statutory damages for willful infringement.)

Many artists know that they cannot afford litigation. Thus, they believe the remedies provided by early

Legalities: What is copyright?

by Linda Joy Kattwinkel

registration are not relevant. However, in the vast majority of cases, it is the possibility of a lawsuit, rather than actual litigation, that gives you the bargaining power to stop an infringement, and often, to collect some money in settlement of your claim. When defendants receive a letter raising an infringement claim, their first step is to determine whether you have a copyright registration that predates the infringement. If you do, they know that you are entitled to sue them for statutory damages, and moreover, that you can recover your attorneys fees. This means that (1) you are more likely economically to be able to sue; and (2) that they are more likely to be liable for a sizable sum (e.g., \$150,000 in statutory damages plus another \$100,000 or so in attorneys' fees if the case is fully litigated). Such a likelihood enhances their risk of monetary loss and thus encourages them to settle.

On the other hand, if they learn that you don't have an early registration, most defendants assume that you will not be able to sue them, and they will feel less inclined to negotiate in good faith for a reasonable settlement. In the worst cases, I have seen infringers simply ignore claims altogether, and continue infringing, because they assume that individual artists cannot afford to enforce their unregistered rights.

There is no substitute for early registration. Unfortunately, during my practice I've heard several incorrect theories about copyright protection. Some of these are leftover from earlier versions of copyright law that are no longer applicable except to older works. Here are some examples:

Copyright notice: Under the old copyright law, a copyright notice was required in order to secure your copyright once your work was published. This is no longer true. However, including a copyright notice on your work is a very good idea. Copyright notice lets others know that your work is copyrighted, and it prevents an infringer from arguing that he believed the work was in the public domain. It may also be the best way to discourage unauthorized copying in the first place. Nevertheless, copyright notice does not enable you to sue for infringement, nor entitle you to the full

protections of early registration. The standard form for a copyright notice is "© 2003 [your name]. All Rights Reserved."

Publication: Publication, which in copyright law means not only having your work printed, but any offering of copies of the work to the public, does not change copyright status. As noted above, you own copyright from the time of creation. (Under the old law, you lost copyright if you published your work without copyright notice, but that no longer applies.) When your work is published, the likelihood that it will be infringed increases, but you have no extra protection against infringement unless you register.

Mailing a copy of your work to yourself: This is a popular but legally untenable theory of copyright protection. It does not affect your copyright. The only thing this practice does is prove the date you mailed the envelope.

Long-term public access: Some artists believe that the longer their work has been available to the public, the stronger its copyright protection. Others think that once their work has been available for a long time, it loses protection. Neither theory is correct. Public availability of your work does not affect your copyright. Generally, your copyright lasts for your lifetime plus 70 years, whether or not it has been published or registered. (Under the old law, copyright terms began upon publication, and sometimes had to be renewed, but this is no longer true.) Even if your work has been published for 20 years, you cannot sue for infringement unless you have a registration.

Registration by your client: Many artists believe that their client's registration is sufficient to protect their own copyright. This is the hardest misconception to deal with because until recently, it was considered correct by most copyright lawyers. The copyright statute requires only that "a registration" be made for the work in order to provide full protection. It does not say that the registration must be made by the author. The publisher's copyright registration for a collective work, such as the weekly magazine in which your spot

Legalities: What is copyright?

by Linda Joy Kattwinkel

illustration was published, should protect all works included in that issue, regardless of whether you have retained some copyright in your illustration. However, recently several courts have held that a publisher's copyright registration protects only those contributions to the magazine for which it owns the entire bundle of copyrights. In the most egregious case so far, the court held that a magazine's registration does not protect a spot illustration even where the magazine has an exclusive license to publish it. The plaintiff's case was thrown out of court because she did not have her own registration.

Most courts consider the registration prerequisite satisfied once you have filed your copyright application, but increasingly, other courts are requiring that you actually have the registration certificate in hand before you can bring suit. The copyright office is a typical government bureaucracy with a large backlog. It can sometimes take a year from the date you file for you to

receive the registration certificate.

Now more than ever it is very important that you file yourself for copyright registration, and that you do it early. You should register any work that will be seen by the public or potential clients, including your portfolio. Especially now that many artists are displaying their work online, unauthorized copying is temptingly easy, and infringements are common. Early registration is the best proactive step you can take to ensure that you will have the full power to react in the unfortunate event that your work is infringed.

Next month, I'll discuss the nuts and bolts of filing for copyright registrations, including special tips for unpublished works, graphic design, web sites, etc. Meanwhile, you are invited to submit questions for consideration in upcoming *Legalities* columns. Please send your questions to legalities@owe.com.

LegalitiesSM is a service mark of Linda Joy Kattwinkel. © 2003 Linda Joy Kattwinkel. All Rights Reserved. The information in this column is provided to help you become familiar with legal issues that may affect graphic artists. Legal advice must be tailored to the specific circumstances of each case, and nothing provided here should be used as a substitute for advice of legal counsel.

Linda Joy Kattwinkel received her graphic arts training at Virginia Commonwealth University, where she graduated cum laude with a B.F.A. in communication arts, and thereafter worked for thirteen years as a professional graphic designer and illustrator in editorial, corporate and advertising design and typography. Today she continues making visual art as a painter in her studio at Hunter's Point Shipyard.

Ms. Kattwinkel received her law degree cum laude from Hastings College of the Law in 1991. As a member of the small firm Owen, Wickersham & Erickson in San Francisco, she represents a wide range of clients in the fine and graphic arts with respect to intellectual property and arts law issues such as copyright and trademark protection, infringement, licensing and gallery contracts. Since 1987, she has been a mediator and arbitrator for California Lawyers for the Arts, a non-profit organization helping artists of all disciplines with legal issues. She also offers private mediation and arbitration services.

Linda Joy Kattwinkel can be reached at 415-882-3200 or ljkk@owe.com.

***Legalities** is an ongoing online column published by the Northern California Chapter of the Graphic Artists Guild. Additional *Legalities* columns on a variety of subjects may be viewed at <http://norcal.gag.org>.*