

## Q & A: Copyright matters

### Why businesses should care about copyright issues

By Simon Shifrin

IDAHO BUSINESS REVIEW

Brad Frazer had his first taste of copyright issues as a kid hanging around the Boise radio stations owned by his father, Ralph Frazer: KATN-AM and KBBK-FM.

He recalls the periodic visits of auditors from the American Society of Composers, Authors and Publishers, better known as ASCAP, who would come to ensure that the radio stations were paying the correct amount of money in license fees for the songs that played on their airwaves.

"I remember being around the ASCAP auditors and being fascinated by the notion that people got paid money just because their songs were being played on the radio," he said. "That, of course, is all due to the effect of copyrights and copyright law."

Later, as an attorney, Frazer began practicing copyright law at Elam & Burke and then as an in-house attorney at Micron Electronics Inc., Interland Inc. and MPC Computers LLC.

In each setting, copyright law issues kept surfacing, including questions about registration, infringement and authorship, Frazer said. Because of his background, instead of referring those matters to outside counsel, he "dug into it and figured it out."

Now, as an intellectual property attorney at Hawley Troxell Ennis & Hawley, Frazer can draw on a deep well of knowledge and experience. He speaks, writes and blogs frequently on Internet and intellectual property law matters.

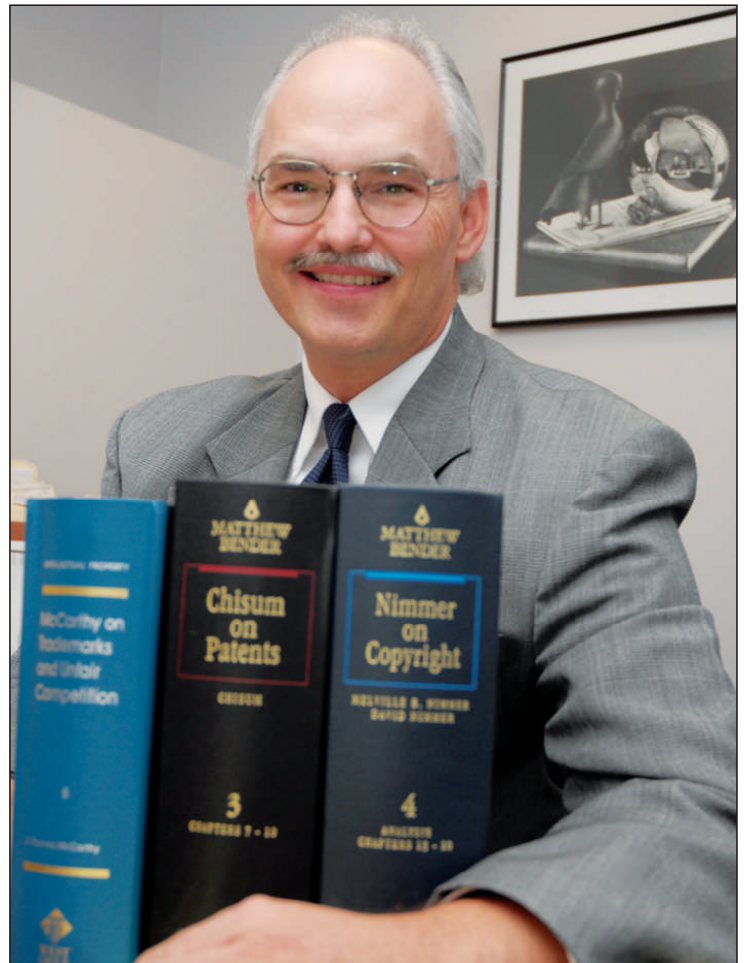
Recently, he offered a seminar on copyright law for Idaho Media Professionals, telling the group of writers, artists and public relations professionals that he could talk for hours on end about the subject because it continues to fascinate him. He even offered the group a lifetime offer of free follow-up questions.

His one plea, however, was that nobody ever call and ask him how "to copyright" something because he'd probably hang up, right after saying: "Copyright is not a verb."

Find out why in the following edited transcript of a conversation *Idaho Business & Law* conducted with Frazer.

**Q: So why is "copyright" not a verb?**

A: It is sort of an idiosyncratic belief of mine that copyright is a noun. People tend to say, 'I want to copyright this,' or 'I have copyrighted this.' There's nothing wrong with that from a layman's perspective. But from my point of view, that is technically a misnomer. It tends to provide a misunderstanding of what



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Brad Frazer is an intellectual property attorney at Hawley Troxell Ennis & Hawley.

a copyright is. I tend to think of copyright as a noun because it is a right that you own.

**Q: What is a copyright?**

A: Technically, it's an incorporeal or intangible property right that springs into existence at the moment a sufficiently creative idea is reduced into or expressed onto a tangible medium.

**Q: That's a mouthful. It magically springs into existence?**

A: Yes, it does. An important concept to remember is the author – the person who creates or owns a copyright. The

author is the one that puts the words on paper or sculpts the thing out of clay or types the code into the computer memory. Yes, quite literally the author creates that property right. Sure, it may spring into existence. And you own it at that point.

**Q: Why should businesses care about copyright issues?**

A: Because they are valuable, intangible assets that are created almost involuntarily. All it takes is for an author to reduce a sufficiently creative idea onto a tangible medium. Most businesses overlook the fact that they own many, many copyrights. Mostly, they don't know that they have these valuable, intangible assets. Unless you know you own something, you can't protect it. In this (digitally based) economy, more and more of a company's products are intellectual in nature. For software companies or Web design companies, their products are intangible by definition. Their stock and trade is copyright. What's in their warehouse isn't pallets full of bricks, but intangible assets. Copyrights are their inventory.

**Q: What should a business do if it wants to use a song, photo or image for which someone else owns the copyright?**

A: The first thing you have to do is determine who owns the copyright. Ninety-five percent of copyright issues begin with that question. Once you determine who owns it, it's a matter of gaining permission to use the work. It's called taking a license. Many times that's easier said than done. Many times it's not obvious. It is challenging to determine who the owner is, but it is important, because if you use that copyright without obtaining permission, you may be committing copyright infringement.

**Q: What if you want to use a photograph of – let's say – a barn, but you can't track down the person who created it and owns the copyright to it?**

A: You could do one of three things. You can not use the image, because if you use it without permission, you're exposing yourself to liability. You can try to bring your use within the "fair use" doctrine, but that's hard to do. Or you can go out and take your own photograph of the barn. Those are your options.

**Q: Let's say a company hires an independent contractor to build a Web site, take a photo or write a jingle for an advertisement. Barring any additional legal arrangements, who owns the copyright to the work – the company or the contractor?**

A: Strictly on those facts, the independent contractor will own the copyright.

**Q: Does that apply even to a logo that an independent contractor creates but that any reasonable person would associate with a particular company?**

A: The answer is yes. Copyright law transcends trademark law. Let's say for example a business has long been associated with the phrase "Two Potatoes," but it's never been reduced to a logo. But when we say "Two Potatoes," everybody associates it with Company X. That is a textbook definition of a trademark. If Company X hires an independent contractor to create a logo around the "Two Potatoes" theme, and (the contractor) comes up with a colorful image of two potatoes holding hands, or skiing, it's the contractor's distinct take on the "Two Potatoes" idea. Yes, the independent contractor will own the copyright to that logo.

**Q: So what should a business do to protect its intellectual property?**

A: Make sure that all its copyrighted subject matter is

authored by an employee, an actual statutorily supported employee – one who meets all the Internal Revenue Service tests for employee status. Or number two: if you're going to have subject matter that is created by an independent contractor, make sure that you have a written copyright assignment from the independent contractor giving back to the company the right to use the work. Going back to the "Two Potatoes" example, the owner would sign a written copyright assignment to the company.

**Q: What other steps should the company take?**

A: Number one: it should have a current inventory of all its copyrights. Number two: confirm that it owns those copyrights. It needs to verify that the works were created by an employee, and if not, to make sure that they have a written copyright assignment for every work in question. Number three is: register the copyrights. That's a process whereby you file a copyright registration with the Library of Congress.

**Q: How hard is it to register a copyright?**

A: The copyright office has made it easy because you have to do it frequently, especially if you have a work that is changing frequently, like a Web site. They understand that copyrights spring into existence all the time, millions of times a day. They've made it easy to do. Very recently, they've even made an online interface at [www.copyright.gov](http://www.copyright.gov). It's easy procedurally. It costs \$35. Underlying all this is the assumption that you own the copyright. If you start registering everything that you don't own, that's bad. That's called fraud.

**Q: Why should a company take the step of actually registering a copyright?**

A: In the U.S., registration is a jurisdictional prerequisite to filing a copyright infringement lawsuit. You cannot sue for copyright infringement – or many times invoke other remedies – unless you have a copyright registration. If you can't say yes to that question, many times your case will be dismissed. And unless you register timely, even if you have a registration, you can't get statutory damages or attorney fees. The textbook requirement is that you must register within three months of the date of first publication. Otherwise, important rights will be lost. However, you should always register, even if you're past the three months. As a prevailing plaintiff, you are entitled to recover damages, but if you cannot recover statutory damages because you failed to timely register, you'll have to prove actual damages, which are often difficult to prove.

**Q: Does it make any difference if you print a © on the work you want to copyright?**

A: No. © has no bearing on authorship, ownership or registration. It means none of those. The only thing that a © does for you is put the world on notice that you're claiming a copyright, which may or may not be true.

**Q: You've compared copyrights to the layers of an onion. Can you explain?**

A: Copyright law protects only the creative expression of an idea, not the underlying idea. We begin with an idea, and we add layers of creative expression. We begin with the kernel or seminal idea of a catastrophic shipwreck. Depending on the layers of creative expression, we end up with James Cameron's "Titanic" or Daniel Defoe's "Robinson Crusoe." We start with the seminal kernel of an idea. At the end, we have an onion. Conversely, let's go backward. Let's assume you have a novel you want to deconstruct. How do you do it without committing copyright infringement? Peel away the layers of the onion until you arrive

at the seminal, unprotected kernel. It's merely an idea. You always add your own layers of creative expression, as long as you don't copy the creative expression.

**Q: Are there any cases where you don't need permission to use a work protected by copyright?**

A: Yes, there are. We always begin with the question, 'Who owns the copyright?' It might be that the work is so old that it's fallen into the public domain. But if we can't verify with 100 percent certainty, we do so at the risk that we might be infringing on someone's protected copyright. We can also try to bring our use within the "fair use" doctrine. The "fair use" doctrine doesn't say, "This isn't a copyright infringement." It says, "We all agree this is copyright infringement. But there are certain cases where we allow you to a copy because it's important for the public good." If you can't get confident that it's in the public domain, or it's a fair use, you always have to get permission or else you will be subject to liability. It's always better to get permission or create your own work rather than to rely on public domain or fair use.

**Q: What's the most bizarre situation you've ever encountered that arose out of a copyright issue?**

A: A client asked me if they could use that famous photograph of Marilyn Monroe wearing the potato sack as a dress. We attempted to find out who owns the copyright. And I couldn't.

This was many years ago and the search instruments weren't as good as they are now. I had to advise my client that we probably shouldn't use the famous photograph of Marilyn Monroe in an Idaho potato sack. I'd be interested to know if there's a current copyright and who owns it. The questions I was asking were: Who's the author? Did that author own the copyright? When was the copyright created? Have they done anything to get the copyright registered? Is that copyright enforceable today? It's difficult to determine the status of an older work because of all those issues. It's challenging.

**Q: Let me try to stump you. Who owns the copyright to a photograph of a painting? Is it the photographer or the painter?**

A: That happens all the time, where someone takes a photograph of a preexisting work of art. Who owns the copyright of the photograph? It's the person who clicked the shutter. That's easy. But the more interesting issue here is if the photographer infringed on the copyright of the author of the painting, even asserting that the photographer owns a copyright of the photograph.

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