

1 contend that, in light of defendants' concession, McClure's role as a prospective
2 hiring party for a work made for hire may be ignored, but thereafter structure their
3 analysis of the relevant agreements to reach their desired conclusion that the
4 creation of the newspaper strips enured solely (and was so intended to enure
5 solely) to McClure's benefit. Such an analysis is favored by plaintiffs because it
6 seemingly forecloses a conclusion that the newspaper strips were made at
7 Detective Comics' instance and expense.

8 Although each side frames the issue differently, both do so in a manner
9 that limits the analysis of the work for hire issue to the artists and Detective
10 Comics. (Pls.' Opp. to Defs.' Sur-Reply at 6; Defs.' Reply at 9 n.8). However
11 tempting it is to follow suit, the Court cannot so easily unburden itself from
12 confronting the relevant evidence in the record and is instead tasked with
13 attempting to give legal meaning to that evidence.

14 In determining the significance of McClure's role, the Court does not write
15 on an empty slate. The significance from a copyright perspective of the terms in
16 these very agreements was previously litigated and adjudicated by the courts, a
17 fact which neither party brought to the Court's attention in their briefs, at oral
18 argument, or in the numerous unsolicited post-hearing briefs submitted.

19 In 1941, Detective Comics filed suit against Fawcett Publications, alleging
20 that Fawcett's comic book character Captain Marvel, a character who possessed
21 super strength and super speed, who wore a skin-tight costume with a cape, and
22 who hid his superhero identity by way of a radio-reporter alter ego, infringed the
23 copyright to Superman. Thus began a twelve-year legal battle. As a defense to
24 the action, Fawcett argued that the copyright to Superman had entered the public
25 domain due to asserted defects in the manner and form in which McClure had

26 _____
27 ¹⁴(...continued)
28 Professor Nimmer observed, such judge-made exceptions effectively
"administered a death blow" to the doctrine "even under the 1909 Act." 3 NIMMER
ON COPYRIGHT § 10.01[B] at 10-9.

1 affixed copyright notices on the publications of the Superman newspaper strips.
2 See National Comics Publications, Inc. v. Fawcett Publications, Inc., 93 F. Supp.
3 349, 356 (S.D.N.Y. 1950) (cataloguing the various forms to which McClure affixed,
4 or in some cases did not even attempt to affix, a copyright notice for the
5 newspaper strips). Detective Comics' response was that it could not be charged
6 with any defects in the copyright notice as those "were errors and omissions of
7 McClure, by which it is not bound, for McClure was merely a licensee, and a
8 licensee cannot relinquish or abandon the rights of his licensor." Id. at 357. Thus,
9 the relationship of the parties to one another in the 1938 newspaper syndication
10 agreement vis-à-vis ownership of the copyrights to the Superman newspaper
11 strips assumed critical importance in resolving the case. See Detective Comics,
12 Inc. v. Fawcett Publications, Inc., 4 F.R.D. 237, 239 (S.D.N.Y. 1944) (noting that
13 Fawcett's defense would render "the status of McClure, insofar as 'Superman' is
14 concerned, and the validity of its copyrights relating thereto, . . . a material
15 inquiry").¹⁵

16 At trial, the district court rejected Detective Comics' argument that McClure
17 was merely a licensee. Instead, the district court determined that the arrangement
18 put in place by the newspaper syndication agreement was in the nature of a joint
19 venture. See Fawcett Publications, 93 F. Supp. at 357 ("I think that this
20 contention is unsound, as the agreement with McClure was not a mere license to
21 use the strips but an agreement of joint adventure"). As explained by the district
22 court:

23 The agreement with McClure contains all the
24 elements of a joint adventure. The subject matter of
25 the joint enterprise was the use of the "Superman"
26 strips for the sole purpose of newspaper syndication.
The artists agreed to create and draw the strips,
Detective agreed to pay them for their work and to
furnish the strips to McClure, and McClure agreed to

27 _____
28 ¹⁵ When Detective Comics later merged into and became National Comics
Publications, Inc., the latter was substituted as plaintiff.

1 sell the strips to newspapers. Both the artists and
2 Detective agreed to cooperate with McClure. The
3 proceeds of the sales (there could be no losses) were
4 to be divided between Detective and McClure.

5 Id. The district court held that McClure took a valid copyright to the newspaper
6 strips, but not because it was an "author, . . . proprietor, . . . [or] an assign"; rather,
7 the district court held that the agreement's provision permitting McClure to
8 copyright the strips in its name (which later reverted to Detective Comics) was a
9 permissible manner by which a valid copyright could be taken. Id. at 358.

10 In light of this finding, the district court determined that "the errors and
11 omissions of McClure" were indeed "chargeable to Detective," observing that "the
12 rights and obligations of joint adventurers are substantially those of partners, and
13 each participant in a joint adventure is an agent for the other." Id. The district
14 court thereafter found that "with few exceptions," the newspaper strips were
15 published without proper copyright notices and therefore the copyrights in the
16 material for the same were abandoned into the public domain. Id.

17 On appeal, the Second Circuit, in a decision by none other than Judge
18 Learned Hand, reversed and remanded. At the outset, the court noted that
19 although characterizing the parties' agreement as one of joint venture would have
20 "the same effect upon the copyrights in suit as though McClure were the
21 proprietor," it found it unnecessary to decide whether that characterization was
22 correct (although not without Judge Hand making the astute observation that the
23 entire concept of joint venture is "one of the most obscure and unsatisfactory of
24 legal concepts") as it concluded that "McClure was indeed the 'proprietor' of the
25 copyrights" in the Superman newspaper strips and not a licensee of the same.¹⁶

26 ¹⁶ It was noted, however, that insofar as McClure simply borrowed existing
27 Superman comic book material published previously by Detective Comics and
28 then reprinted it for newspaper syndication then "at best 'McClure' could have
become no more than a licensee." Id. at 600. McClure's copyright proprietor
position with respect to the newspaper strips was for that material "which were
produced and published under the contract of September, 1938." Id. at 601.

(continued...)

1 National Comics Publications, Inc. v. Fawcett Publications, Inc., 191 F.2d 594, 599
2 (2d Cir. 1951) ("We agree with the result, but because we think that 'McClure' was
3 indeed the 'proprietor' of the copyrights, and for that reason we do not find it
4 necessary to decide whether the contract constituted a 'joint venture'"). Thus, as
5 a matter of copyright law, the acts and omissions of McClure vis-à-vis the
6 copyright notices affixed to the material when it was published were chargeable to
7 Detective Comics.

8 Judge Hand noted that his conclusion was compelled by both the statute
9 and from construing the parties' intent as revealed in the agreements. Only if
10 McClure was determined to be a "proprietor" could its publication of the
11 newspaper strips be done in such a manner that would secure copyright
12 protection under the 1909 Act. Id. ("it is only on the assumption that 'McClure'
13 was the 'proprietor' of the 'work' — i.e., of the 'strips' prepared by the 'Artists'
14 under the contract — that any valid copyrights could be secured by publication in
15 the 'syndicated' newspapers"). Under Section 9, only "author[s] or proprietor[s]"
16 were entitled copyright a work; section 10 provided that an author or proprietor
17 could obtain copyright "by publication" with the "required" notice affixed; and
18 section 19 detailed the required contents of that notice. Thus, unless "McClure
19 was a 'proprietor' of the 'strips' the purpose of the parties to copyright them was
20 defeated," a result to be avoided if it is possible to construe the words of the
21 agreement to effectuate that purpose. Id.

22 Judge Hand found that the text of the syndication agreement compelled
23 such a construction. Id. ("we say that the text [of the agreement] itself comports
24

25 ¹⁶(...continued)

26 Nowhere have the parties in the instant case sought to delineate which of the
27 strips (outside the first two weeks of strips, which no one suggests was borrowed
28 material) fall into these respective categories. Given the Court's ultimate
disposition of the work for hire nature of the newspaper material produced after
the September, 1938, agreement is concerned, the Court declines to address this
issue.

1 only with the conclusion that 'McClure' was to be the 'proprietor"). Toward that
2 end, the agreement was read as in effect placing ownership of the copyright with
3 McClure to be held in trust for its intended beneficiary — Detective Comics. As
4 Judge Hand ably explained:

5 [T]he "material" — the "strips" — is to be
6 copyrighted in 'McClure's' name, but the copyright
7 "reverts to Detective at the termination of this contract."
8 That necessarily meant that, until the contract came to
9 an end, "McClure" was to have the "title" to the
10 copyrights, for property cannot "revert" from one
11 person to another unless the person from whom it
12 "reverts" holds title to it. Even though he holds it in
13 trust, its fate depends upon his acts, not upon his
14 beneficiary's. The sentence which immediately follows
15 reinforces this conclusion; it reads: "The title
16 'Superman' shall always remain the property of
17 Detective." That disclosed a plainly deliberate
18 distinction between the word, "Superman," used as a
19 "title," and the "works" which were to be produced in
20 the future and published by "McClure" in the
21 "syndicated newspapers": the title was to remain
22 "Detective's" "property"; the copyrights were only in the
23 future to become its "property." In final confirmation of
24 this interpretation is the clause in which "McClure"
25 assumed "to provide Detective with all the original
26 drawings . . . so that said drawings may be used by
27 Detective in the publication 'Action Comics' six months
28 after newspaper release." That is the language of a
"proprietor," who assumes power to license another to
copy the "works." Since for these reasons "McClure"
became the "proprietor" of any copyrights upon "strips"
published under the contract, in so far as it failed to
affix the "required" notices upon the first publication of
a "strip," and upon each copy published thereafter, the
"work" fell into the public domain.

21 Id.

22 As a result of this conclusion, Judge Hand determined that insofar as
23 McClure sent out "mats" to newspapers without any notice at all for the strips, the
24 copyrights in those strips were indeed lost to the public domain. Id. at 601. The
25 matter was remanded to the district court to conduct a new trial, in light of the
26 court's narrowing of the class of strips that could be considered abandoned, on
27 whether any newspaper strips placed at issue were validly copyrighted, and, if so,
28 whether Fawcett's Captain Marvel character infringed the copyright contained

1 therein. See National Comics Publication, Inc. v. Fawcett Publications, Inc., 198
2 F.2d 927 (2d Cir. 1952). Thereafter, the parties settled their dispute.

3 Accordingly, defendants' characterization of McClure as nothing more than
4 a mere "licensee" of the newspaper strips with no legal title to the copyright in
5 question was raised and rejected by the Fawcett decision. Defendants are bound
6 by that judgment.

7 Applying Fawcett to the terms in the syndication agreement, the Court finds
8 that, in essence, McClure and/or Siegel and Shuster (depending on whether the
9 work was made for hire) obtained a grant (the "permission" noted in the
10 agreement) from Detective Comics to the newspaper rights in the underlying, pre-
11 existing Superman material; that permission was provided so that the both could
12 engage in the creation of a separably copyrightable derivative work (the
13 newspaper "strips" referenced by Judge Hand of which McClure was the
14 "proprietor") based on said pre-existing material owned by Detective Comics.

15 In this sense, discussion of divisibility is misplaced. As Professor Nimmer
16 has noted by way of illustration strikingly similar to the circumstances presented in
17 this case, even under the 1909 Act a party could hold the separate copyright
18 contained in a derivative work, the pre-existing material of which was owned by a
19 third party, without transgressing notions of indivisibility:

20 [T]he producer of a motion picture . . . is
21 undoubtedly the proprietor of the copyright in the
22 resulting film. The film itself may be a derivative work
23 based for example upon a novel. In order that the
24 [film] not constitute an infringement of the novel the
25 producer must obtain a grant of "motion picture rights"
26 in the novel. However, because he was the proprietor
of the final film did not under the 1909 Act render him
the "proprietor" of the motion picture rights [in the
novel]. He was the licensee of the motion picture rights
in the novel but the proprietor of the derivative work
motion picture.

27 3 NIMMER ON COPYRIGHT § 10.01[B] at 10-9 n.30. The same holds here. McClure
28 was the licensee of the "newspaper right" in the underlying Superman copyright

1 held by Detective Comics, but was an owner of the copyright in any of the new
2 material found in the derivative newspaper strips.

3 Therefore, McClure's position as a "proprietor" and holder of legal title to
4 the separate copyright in these derivative newspaper "strips" renders it
5 conceivable that the creation of those strips were made at its "instance and
6 expense" (and thus a work for hire).¹⁷ Thus, as alluded to earlier, although
7 plaintiffs would prefer otherwise, the Court cannot escape consideration of the
8 issue of whether the newspaper strips were works made for hire for McClure
9 (rather than Detective Comics).

10 **1. Post-September, 1938, Newspaper Strips**

11 In order to evaluate whether the post-September, 1938, newspaper strips
12 were made for hire, the Court first considers how the terms in the agreements
13 themselves should be construed as a matter of contract law. Plaintiffs urge the
14 Court to look at the terms in each agreement separate and apart from those
15 contained in the companion agreement, treating the two agreements as standing
16 alone as separate business deals. Defendants characterize the agreements as
17 but sub-parts in a "total transaction" such that the terms contained therein "run
18 together because this whole thing is one business." In defendants view, McClure
19 was "just the . . . agent or the syndication arm of [an] arrangement" that "centered
20 around Detective" Comics, and thus the terms in the agreements should be
21 construed in conjunction with and as applying to those in the other agreement.

22 The Court finds both characterizations partly accurate. The terms in each
23 agreement do overlap with, make reference to, and fill gaps in the other.

24

25 ¹⁷ "[T]he term 'proprietor' [was] used by the 1909 Act and case-law under it
26 to refer" not only to those who are owners by assignment, but also "to employers
27 who induce the creation of a work made for hire and thus own the copyright in it."
28 Burroughs, 62 U.S.P.Q.2d at 1320 (citing Shapiro, Bernstein & Co. v. Bryan, 123
F.2d 697, 700 (2d Cir. 1941) ("[W]hen the employer has become the proprietor of
the original copyright because it was made by an employee 'for hire,' the right of
renewal goes with it, unlike an assignment")).

1 However, there are areas in each agreement which are self-contained and
2 unaffected by terms contained in the other agreement.

3 The employment agreement, for instance, bolsters the provision in the
4 newspaper syndication agreement wherein the artists agreed “to maintain [the
5 newspaper strips they submitted] at the standard shown in the sample submitted”
6 by containing a provision within it that requires the artists to “properly perform the
7 terms” in the newspaper syndication agreement. Likewise, the employment
8 agreement fills in the blanks from the newspaper syndication agreement as to how
9 and in what manner the artists would be compensated. The employment
10 agreement also added a further dimension to a term in the syndication agreement
11 by describing how the artists will be paid if, under the syndication agreement,
12 Detective Comics later used the newspaper strips in its comic books (paying the
13 artists at their normal “page rate less the percentage which McClure receives for
14 said syndication”). Similarly, the newspaper syndication agreement expressly
15 notes that payment for the artists’ work would be addressed in the employment
16 agreement.

17 In contrast, the self-contained aspects of the agreements are best
18 illustrated by those relating to the hiring parties’ contractual right to control and
19 supervise the creation of the material crafted by the artists. Thus, for instance, the
20 employment agreement provided Detective Comics a contractual right (as
21 opposed to right to control inherent in fact that material was derivative of that to
22 which Detective Comics held the rights to the underlying work) to control or
23 supervise creation of “features.” It is clear in reading the employment agreement
24 that when it used the term “features” it did so solely in reference to the artists’
25 production of a comic book, describing the same as a “monthly feature,” “monthly
26 magazine,” or “magazine.” In contrast, when the employment agreement made
27 reference to the artists’ production of newspaper strips it employed terms such as
28 “newspaper strips,” “McClure Newspaper Syndication strip,” “material furnished for

1 syndicate purposes,” and “syndicate matter.” Just as importantly, in the one
2 paragraph in the employment agreement that prohibited the artists from exploiting
3 Superman with anyone else save Detective Comics and McClure, the agreement
4 separately identifies each class of works rather than through use of defendants’
5 purported global term “feature.” (See Decl. Marc Toberoff, Ex. P (“You agree that
6 you will not hereinafter at any place . . . furnish to any other person, firm,
7 corporation, newspaper or magazine any art or copy for any comics to be used in
8 any strip or comic or newspaper or magazine containing [Superman]”)).

9 In applying the “instance and expense” test, the crucial question for the
10 Court is how Siegel and Shuster fit into the scheme devised by the publisher and
11 the newspaper syndicator.¹⁸

12 The Court begins with evaluating the expense element, which is made
13 more complicated due to the method by which the pair were paid for the strips in
14 question. Rather than being paid a salary or a sum certain for the newspaper
15 strips, the artists were paid only a percentage of any “net proceeds” that their
16 strips generated, that is, a royalty payment. Generally, this manner of payment
17 tends to rebut the notion that the newspaper strips were made for hire. See
18 Martha Graham Sch., 380 F.3d at 641 (noting that “evidence that Graham
19 personally received royalties for her dances . . . may rebut[]” the notion that the
20 dances were made for hire); Playboy Enterprises, 53 F.3d at 555 (“in contrast,
21 where the creator of a work receives royalties as payment, that method of
22 payment generally weighs against finding a work-for-hire relationship”); Twentieth
23 Century, 429 F.3d at 881 (finding that expense requirement met when publisher
24 agreed to pay the author “a lump sum for writing the book, instead of negotiating a

25

26 ¹⁸ Fawcett left unanswered the question of how McClure acquired
27 ownership of the copyright in these derivative newspaper strips. Was it acquired
28 by assignment from the artists or by their creation of the material as a work for
hire? Or was it acquired through an assignment from Detective Comics, who
initially owned the copyright in the works at their inception as works made for hire?
For the Court's purposes, this distinction is not of particular importance.

1 royalty deal"); 2 PATRY ON COPYRIGHT § 5:61 ("Where payment is solely by
2 royalties, this fact weighs against an employment relationship").

3 The fact that payment of a sum certain might be forthcoming to the pair for
4 their work six months later if Detective Comics decided to reprint those newspaper
5 strips in its comic books does not detract from the fundamental nature of the
6 transaction as being geared toward a profit-sharing arrangement as the principal
7 method of compensation for all involved. Moreover, defendants have not offered
8 any evidence to show whether or to what extent Detective Comics actually
9 exercised this option to reprint the newspaper strips, thus obligating Detective
10 Comics to pay Siegel and Shuster a sum certain for those works.

11 Indeed, the ongoing and extent of the financial risk assumed by Siegel and
12 Shuster with regards to the newspaper strips was significantly higher than they
13 had borne in any of their other business dealings involving Superman. With
14 respect to the comic book strips, any financial risk assumed by the pair for the
15 expenses incurred in creating the material would be quickly ameliorated by the
16 publisher's decision to publish or not (a process taking only a matter of days or
17 perhaps weeks). With respect to the newspaper strips, in contrast, such
18 expenses could be borne for months or even longer depending entirely on the
19 material's commercial success.

20 Admittedly, questions concerning the particular method of payment for the
21 work have lessened in importance over the years in determining whether it was
22 one made for hire. As Patry has written in his treatise, "[b]oth the Second and
23 Ninth Circuits have taken a nuanced look at compensation," allowing courts to turn
24 aside or otherwise diminish the importance that receipt of payment was in
25 royalties has insofar as whether something was a work for hire. 2 PATRY ON
26 COPYRIGHT § 5:61 (citing Warren v. Fox Family Worldwide, Inc., 328 F.3d 1136,
27 1142 (9th Cir. 2003) ("That some royalties were agreed upon in addition to this
28 sum is not sufficient to overcome the great weight of the contractual evidence

1 indicating a work-for-hire relationship") and Playboy Enterprises, 53 F.3d at 555
2 (wherein the court observed that royalty payments are not conclusive)).

3 Diminishing the importance of this evolution, however, is the fact that, in
4 nearly all of these cases, the authors of the works in question were paid a salary
5 or some other sum certain in addition to the receipt of royalties. See Estate of
6 Hogarth, 62 U.S.P.Q.2d at 1317 ("Where, as here, the creator receives both a
7 fixed sum and royalties, the fact that the creator received a fixed sum is sufficient
8 to meet the requirement that the works be made at the employer's expense");
9 Warren, 328 F.3d at 1142 (creator received a fixed sum in addition to royalties).

10 Here, Siegel and Shuster were paid only royalties. Such a financial arrangement,
11 especially when viewed through the realities of the parties' relationship, places this
12 case on the outer edges of the work for hire doctrine.

13 There are, however, other features present related to the works creation
14 (factors centered on the instance prong) that go to the core of what is envisioned
15 by a work made for hire relationship. Clearly, Siegel and Shuster were engaged
16 (however viewed, by McClure or by Detective Comics, or by both) to create the
17 material. They were clearly done at the instance of either McClure or Detective
18 Comics. The syndication agreement (reinforced by the employment agreement)
19 tasked the pair as part of their job duties with the creation of the works in question.
20 Siegel and Shuster could be replaced if they did not submit their work on time.
21 Just as critically, the right to control the process in creating the work was doubly
22 reinforced between the pair's employers: McClure possessed the contractual right
23 to supervise the artists' work (which it in fact exercised for a period of time) and
24 Detective Comics possessed the additional right to supervise and control the work
25 as the rights holder of the pre-existing Superman material utilized in the creation
26 of the derivative newspaper strips. This engagement to create and this right of

27

28

1 control over the artist's creation of the work is not indicative of a joint venture with
2 the artists; rather, it is reflective of a more traditional employment engagement.¹⁹

3 In essence, read together, the syndication agreement and employment
4 agreement is suggestive of a loaned employee arrangement (although the
5 "employees" were more accurately viewed as independent contractors). See 2
6 PATRY ON COPYRIGHT § 5:79 n.1. Detective Comics retained a measure of control
7 over the artists; McClure retained control over the works those artists created and
8 that it intended to exploit for the benefit of Detective Comics, McClure, and the
9 artists themselves. However those duties were conceived and to whomever they
10 were owed, the fundamental point remains that the instance in creating those
11 newspaper strips rested with someone other than Siegel and Shuster.

12 In this respect, the Second Circuit's decision in Picture Music, which
13 applied the instance and expense test,²⁰ is eerily similar to the facts presented
14 here.²¹ There, the issue presented was whether the adaptation of the musical
15 score, "Who's Afraid of the Big Bad Wolf," from the Walt Disney cartoon, "The
16 Three Little Pigs," into a song was a work made for hire.

17 Walt Disney and Irving Berlin, Inc. (apparently the author of the musical
18 score), believed that the score from the movie could be made into a popular song.

19
20 ¹⁹ Moreover, the arrangement lacks some of the key elements for a joint
21 venture to be found under New York law: A sharing of some degree of control
22 over the venture and a sharing of the losses (as well as the profits) from the
23 venture. See ITEL Containers Intern. Corp. v. Atlantrafik Exp. Service Ltd., 909
24 F.2d 698, 701 (2d Cir. 1990) (setting forth test under New York law for joint
25 venture); Dinaco Inc., v. Time Warner, Inc., 346 F.3d 64, 68 (2d Cir. 2003)
26 (holding for a joint venture the parties "must submit to the burden of making good
27 the losses" of others to the venture); In re PCH Associates, 949 F.2d 585, 602 (2d
28 Cir.1991) (right to inspect books and records not sufficient control for purposes of
establishing a joint venture).

25 ²⁰ Although not expressly discussing the two separate prongs of the
26 instance and expense test, Picture Music clearly applied both, as the Court does
27 here. See Burroughs, 342 F.3d at 160 (2d Cir. 2003).

27 ²¹ The Ninth Circuit has on more than one occasion cited approvingly to the
28 Second Circuit's decision in Picture Music. See Twentieth Century, 429 F.3d at
880; Warren, 328 F.3d at 1142.

1 With Disney's approval, Berlin engaged Ann Ronell, an apparent freelancer, to
2 assist in the adaptation; "she did so, rearranging the musical themes in
3 collaboration with an employee of Berlin, and arranging the existing lyrics and
4 adding new ones of her own." 457 F.2d at 1214.

5 Disney thereafter agreed that, "[i]n exchange for an agreement to pay
6 certain royalties[, it would] assign all its rights in the new song to Berlin," and
7 further agreed that "either one-third or one-fourth of its royalties should be paid to
8 Miss Ronell for her services." Id. The copyright in the song was subsequently
9 registered in Berlin's name, with a credit of authorship to Ronell and Frank
10 Churchill, the Disney employee who had composed the original score for the film.
11 Id. at n.1.

12 Thereafter, when the right to seek the renewal term accrued, Ronell
13 claimed that she owned a one-half interest in the song. Berlin's successor in
14 interest defended by asserting that Ronell's contribution to the song was a work
15 made for hire. Notwithstanding that Ronell was paid only royalty payments (and
16 not a "fixed salary"), the Second Circuit agreed.

17 Much like the present case, the Picture Music case involved three parties,
18 not the usual two parties to an employer-employee relationship. In Picture Music,
19 an artist freelanced with another party (Berlin) to adapt a score owned by a third
20 party (Disney) into a song. The Second Circuit was unconcerned with this
21 variation on the more ordinary dyad business relationship and method of payment:
22 "The purpose of the statute is not to be frustrated by conceptualistic formulations
23 of the employment relationship." Id. at 1216.

24 Also much like the present case, the Second Circuit found a right to control
25 the artist's work on the part of both of the other parties, although one party had
26 more direct control than the other: "[T]he trial court found that employees of Berlin
27 did in fact make some revisions in Miss Ronell's work. Moreover, since Disney
28 had control of the original song on which Miss Ronell's work was based, Disney

1 (and Berlin, with Disney's permission), at all times had the right to 'direct and
2 supervise' Miss Ronell's work." Id.

3 Although certain initial copyright registrations designated Siegel and
4 Shuster as the "authors" of the newspaper strips, the registration certificates in
5 Picture Music listing the artist as the song's "author" was disregarded in favor of
6 the realities of the parties' relationship; so too, here, the fact that McClure took it
7 upon itself to list Siegel and Shuster as the "author" of the newspaper strips is
8 effectively rebutted when one looks to the realities of the parties' actual business
9 relationship. See Burroughs, 342 F.3d at 166-67 ("A certificate of registration
10 creates no irrebuttable presumption of copyright validity . . . [w]here other
11 evidence in the record casts doubt on the question, validity will not be assumed").

12 Finally, and for the Court's current purpose, most importantly, the court
13 clearly considered the method of payment for Ronell's work — solely by way of
14 royalties — not dispositive of whether the song was made for hire: "The absence
15 of a fixed salary, however, is never conclusive, nor is the freedom to do other
16 work, especially in an independent contractor situation." Picture Music, 457 F.2d
17 at 1216.

18 As the Picture Music court summed up its holding: "In short, the 'motivating
19 factors' in the composition of the new song, 'Who's Afraid of the Big Bad Wolf,'
20 were Disney and Berlin. They controlled the original song, they took the initiative
21 in engaging Miss Ronell to adapt it, and they had the power to accept, reject, or
22 modify her work. She in turn accepted payment for it without protest That
23 she acted in the capacity of an independent contractor does not preclude a finding
24 that the song was done for hire." Id. at 1217.

25 The Court can here sum up its ruling in an almost identical manner. After
26 the execution of the syndication and employment agreements, the artists did not
27 independently decide to create the newspaper strips; rather, they did so because
28 they were contractually obligated to do so and because they expected to receive

1 compensation for their creations. McClure retained editorial supervision rights
2 over the material; it could "accept, reject, or modify [the pair's] work." Detective
3 Comics owned the original work from which the derivative newspaper strips were
4 created; it agreed to allow Siegel and Shuster to continue to create derivative
5 works based upon it. Siegel and Shuster assented to this arrangement. That they
6 did so in the capacity of independent contractors, like the artist in Picture Music,
7 "does not preclude a finding that [the newspaper strips] were done for hire."

8 Thus, the Court concludes that the expense prong is met, and that the
9 newspaper strips were works made for hire. However the duties of the artists
10 were conceived, and to whomever they were owed, the fundamental point remains
11 that the instance in creating those newspaper strips Siegel and Shuster rested
12 with someone other than themselves. Such indicia of a work for hire relationship
13 insofar as the creation of the newspaper strips is concerned is reflected in the
14 facts that the employment agreement obligated them to timely supply — "shall
15 furnish" — the necessary material to McClure; the syndication agreement
16 specified that the copyright in that material belonged to McClure, not Siegel and
17 Shuster; and the syndication agreement noted that, if the pair did not meet their
18 obligation of timely supplying such material to McClure, Detective Comics could
19 appoint someone else to create the Superman newspaper strip. Far from
20 suggesting that the creation of the material fell outside the scope of the pair's
21 rights and duties under the auspice of their employment with Detective Comics,
22 the agreements demonstrate how deeply enmeshed and integral the creation of
23 such newspaper strips were to Siegel and Shuster's job.

24 Of course, the splitting of the employer role between McClure and
25 Detective Comics makes the characterization of that role (i.e., whether the true
26 employer was McClure or Detective Comics, or both) a much more difficult
27 question, but that difficulty is easily surmounted for purposes of the present
28

1 inquiry: Whether the artists' created the newspaper strips within the scope of their
2 job duties. This they clearly did.

3 Moreover, although in some circumstances the royalty payments could lead
4 to a conclusion (as suggested by plaintiffs) that the parties entered into a joint
5 venture, here, the peculiar structure of the arrangement does not (as it did not in
6 Picture Music) alter the core nature of the relationship. Specifically, the
7 arrangement "employ[ed]" the artists to provide art work and continuity to
8 Detective Comics and to "furnish," as part of their duties, the newspaper material
9 to McClure. The arrangement allowed the artists to be replaced by other artists if
10 they failed to do so in a timely manner. Thus, as in Picture Music, the fact that the
11 pair were paid in royalties rather than a sum certain does not alter the relationship
12 in such a fashion as to lead to the conclusion that the works were not made for
13 hire. Indeed, the parties' arrangement left no doubt that Siegel and Shuster's role
14 in creating the material could be (and was in fact) substituted by other artists
15 should they fail to timely supply such material. In this respect, Siegel and
16 Shuster's role was much like that of an employee or independent contractor
17 retained to perform a job, not that of a partner to a joint venture.

18 In sum, this case, much like Picture Music, lies on the outer boundaries of
19 what would constitute a work made for hire, but given that the core elements
20 sought to be captured and addressed by the doctrine are present, the Court finds
21 that the newspaper strips created by Siegel and Shuster after September, 1938,
22 were works made for hire and accordingly the termination notices submitted by
23 plaintiffs do not reach the grant to those works.

24 Thus, because the Court finds that the newspaper strips created by Siegel
25 and Shuster after September 22, 1938, were works made for hire, the right to
26 terminate does not reach the grant to those works.

27

28

1 **2. Pre-Syndication Agreement Newspaper Strips**

2 In stark contrast to the post-syndication agreement newspaper strips, it is
3 clear from the record that the initial two weeks' worth of newspaper strips were not
4 created at the instance of either Detective Comics or McClure; instead, a wholly
5 different "motivating factor" instanced their creation by Siegel and Shuster during
6 the spring of 1938.

7 The sequence of events surrounding these two weeks' worth of newspaper
8 strips is telling: It began with Siegel soliciting interest in Superman for newspaper
9 syndication in March or early April, 1938. McClure expressed some interest,
10 telling Siegel to draft two weeks' worth of material for syndication and suggesting
11 that the material fill in the background of Superman's origins and arrival on Earth.
12 Siegel and Shuster created the material, focused on Superman's origin and
13 arrival, and submitted it to McClure. McClure then returned the material to Siegel
14 pending its decision whether it wished to proceed with syndication efforts. In the
15 meantime, Siegel submitted the material to other newspaper syndicators for their
16 consideration. Eventually, McClure, not any other newspaper syndicator, entered
17 into a syndication agreement with Detective Comics and the artists.²²

18 It is clear to the Court that the initial two weeks' worth of newspaper
19 material Siegel and Shuster created in the spring of 1938, well before the
20 syndication agreement, was not made at the instance or expense of anyone but
21 the artists. Admittedly, McClure did ask for the material to be created and did
22

23 ²² Both sides make attempts at historical revisionism of this record.
24 However, viewed in light of this record, plaintiffs' contention that Siegel had written
25 the script for the two weeks of material "on his own volition," before soliciting
26 McClure's interest is unsupported. (Pls.' Obj. Defs.' Reply at 13). Siegel's own
27 recounting of how and when the material was created contradicts this contention.
28 Defendants' characterization of the facts fares no better. They assert that Siegel's
solicitations for Superman's appearance in newspaper strips was at Detective
Comics' direction or, at least, with Detective Comics' approval. (Defs.' Obj. to Pls.'
July 28, 2008 Opp. at 8). The evidence clearly shows that Siegel first approached
McClure, then later sought to bring Detective Comics into the fold after receiving a
positive response from McClure.

1 make suggestions as to its subject matter, but such requests were done outside
2 the confines of any business relationship between the parties and, more
3 importantly, other circumstances rebut the importance of this fact. Moreover, the
4 work was created without any discussion of, much less any guarantee of,
5 compensation and without any commitment from McClure that it would ever
6 publish the material.

7 Defendants place great weight on the fact that the two weeks' worth of
8 newspaper strips were derivative in nature, arguing that such status forecloses the
9 work's creation from being done in the instance of anyone but the owner of the
10 underlying material — Detective Comics. However, the cases defendants cite to
11 for this proposition, as noted by the Court in its prior order in the Superboy matter,
12 require that the rights holder to the underlying material actually be the one that
13 sought out and engaged the artists to create the derivative work beforehand. See
14 Siegel, 496 F. Supp. 2d at 1142-44. Here, creation of the first two weeks' worth of
15 newspaper strips were not commissioned by Detective Comics, but, at most, were
16 commissioned by McClure, who at the time held no rights to the underlying
17 Superman copyright.

18 Following up on that point, defendants next seek to label Siegel's
19 interaction with McClure as little more than "an inchoate solicitation requesting an
20 opportunity to perform a work," which it is argued is insufficient to rebut a finding
21 that the matter was done at the instance of the artists. For this proposition,
22 defendants rely on the district court's opinion in Burroughs. In that case, the noted
23 illustrator Burner Hogarth approached the owner of the copyright in the character
24 Tarzan, Edgar Rice Burroughs, Inc. ("ERB"), suggesting that the company "take
25 up the illustration of the Tarzan Sunday Color Page," which could be reproduced
26 in "hard cover book." ERB later replied that the company's comic book properties
27 were in flux and that the two would have to "suspend our discussions temporarily."
28 Undeterred, Hogarth wrote back six months later, noting his availability to create

1 the Tarzan artwork. At that point, ERB wrote a series of letters (dated in July,
2 1970) inquiring whether Hogarth could produce "a quality, high priced edition of an
3 adult version Tarzan of the Apes in graphic form," "described in detail" what it
4 envisioned the book to be, and "proposed terms for the project" (including
5 compensation) that ultimately found their way into the parties' written agreement.
6 Id. at 1303-04. Thereafter, Hogarth set about creating the work requested.

7 With this factual backdrop, the district court concluded that Hogarth's early
8 contacts with ERB were not sufficient to demonstrate the book was made at his
9 instance, commenting "not every solicitation requesting an opportunity to perform
10 work constitutes an instancing." Id. at 1316. Instead, the district court found the
11 book project was "first 'instanced' by [ERB] in [its July, 1970] . . . letters, which
12 predicted all of the principal terms for production of the . . . Books." Id. The
13 district court further found significant the fact that because Hogarth was dealing
14 directly with the owner of the underlying Tarzan material of which the book
15 solicited would be derivative: "[I]t would be 'beyond cavil that [he] would . . . have
16 undertaken production of artwork for the Books [or] brought [it] to publication,
17 without receiving the assignment from ERB to do so." Id. at 1317.

18 In contrast, here, the uncontroverted evidence shows that Siegel and
19 Shuster did just that: Siegel created the script and Shuster created the artwork for
20 the first two weeks of newspaper strips without any indication that they received
21 permission to do so beforehand from Detective Comics. Admittedly, both Siegel
22 and McClure understood such permission from Detective Comics would ultimately
23 have to be forthcoming before the material could be published,²³ but that is a far
24 cry from the notion that Detective Comics engaged Siegel and Shuster to create
25 the material at its instance. To the contrary, the clearly defined (and expressed)

27 ²³ This is evidenced by McClure's admonition in its correspondence with
28 Siegel that he "should get a letter from [Detective Comics] before [the parties
could] get down to brass tacks on SUPERMAN."

1 understanding that an artist must eventually obtain from a copyright holder
2 approval of his or her actions in creating a derivative work before that work may
3 be published is fundamentally incompatible with the notion that the copyright
4 holder tasked that artist with creating the derivative work in the first instance.
5 Unlike the artist in Burroughs, Siegel did not solicit from the underlying rights
6 holder an opportunity to create a derivative work; he instead solicited a third party
7 who at the time held no rights.

8 Nor does the fact that Siegel and Shuster were engaged by Detective
9 Comics for creating Superman material necessarily lead to the conclusion that the
10 newspaper strips were done at Detective Comics' instance. Such material did not
11 fall within the scope of what Detective Comics had (at the time) commissioned
12 them to produce — comic books. This fact was reinforced by Detective Comics
13 letter after the execution of the syndication agreement that it did not view creation
14 of the newspaper material as giving it "little to gain in a monetary sense" and by
15 Siegel and Shuster's later testimony during the 1947 Westchester litigation that
16 the impetus to seeking such newspaper syndication material after the March 1,
17 1938, grant was precisely because Detective Comics was not in the business of
18 syndicating newspaper comic strips.

19 Nor ultimately does the Court conclude that the material was prepared at
20 McClure's instance. The fact that the material was created only after Siegel
21 approached McClure and McClure suggested a specific subject for the material
22 (Superman's origin and arrival on Earth) would normally lead to the conclusion
23 that the work was done at McClure's instance. See 2 PATRY ON COPYRIGHT § 5:74
24 ("whether the hiring party is the motivating factor for the creation of the work, a
25 very important, and usually determinative factor is whether the work was
26 substantially completed at the time it was allegedly specially ordered If the
27 work has not been begun before the parties meet, this fact weighs in the hiring
28 party's favor"). That McClure did not involve itself in supervising the creation of

1 the artists' work is likewise unimportant. Id. ("the 'status of a work created by an
2 independent contractor as a specially ordered . . . work made for hire has nothing
3 to do with whether the commissioning party exercise any . . . supervision and
4 control over the independent contractor's work.' Instead, it is sufficient that the
5 hiring party request a specific type of work without having to be involved in the
6 details of its creation"). There is, however, one complicating wrinkle that
7 distinguishes this case from all the other cases where a work is made by request
8 as a condition for obtaining employment — when presented with the works
9 reflecting the suggested storyline, McClure promptly returned it, commenting that
10 it would defer making a decision on the matter.

11 On this point, the Court finds the events that occurred after the materials'
12 return of great significance: Siegel and Shuster attempted to sell this same two
13 weeks' worth of newspaper strips to another syndicator (The Register and Tribune
14 Syndicate), a fact which they publicized to Detective Comics and McClure without
15 objection from either. If the material was intended by the parties to be a work
16 made for hire owned by McClure, such an act would be completely contrary to
17 such ownership. That the artists nonetheless openly engaged in such efforts to
18 sell the work to others weighs heavily against creation of that material being
19 treated as a work for hire. See Martha Graham Sch., 380 F.3d at 638 (finding
20 significant in conclusion that works (choreographed dances) were not made for
21 hire the fact that even after employing the artist to teach she "continued to receive
22 income from other organizations for her dance teaching and choreography").

23 Furthermore, the comment in the correspondence from the other syndicator
24 — that "[a]ny action on our part should not conflict with your progress in dealing
25 with the McClure Syndicate[]; if they are in a position to take on your strip,
26 naturally I presume you will want to go ahead" — gives the impression that
27 ownership in the material was still, at that time, up for bid, with McClure, at most,
28 operating under the auspices of an informal right of first refusal and not under the

1 assumption that the rights belonged to any particular syndicator from its inception.
2 Such a "right of first refusal . . . is fundamentally incompatible with a finding that a
3 work . . . is . . . made for hire." Siegel, 496 F. Supp. 2d at 1141. Cf. 1 NIMMER ON
4 COPYRIGHT § 5.03[B] [2][D] at 5-56.8 ("[A] commission relationship may not exist,
5 even if the work is prepared at the request of an other, and even if such other
6 person bears the costs of its creation, where the person requesting the work is
7 expressly granted only a one-time use").

8 This leads to the next significant factor: That the creation of the material
9 occurred without any mention or provision for compensation (either a fixed sum or
10 a percentage royalty) for the artists. Even after creating the material, Siegel and
11 Shuster's efforts went unpaid for at least five months. This distinguishes the
12 present case from Burroughs where the commissioning party's suggestion for the
13 creation of the work contained within it a recital of the basic financial terms of the
14 engagement. Simply stated, there is no evidence that the material in question
15 was made at the expense of anyone save for the artists that created the material,
16 and who in turn shopped it to multiple syndicators looking for any takers to its
17 publication.

18 Accordingly, the Court finds that the two weeks' worth of newspaper comic
19 strip material created by Siegel and Shuster during the spring of 1938, before the
20 execution of the syndication agreement were not works made for hire.

21 **IV. ASSIGNMENT OF THE FIRST TWO WEEKS' WORTH** 22 **OF NEWSPAPER STRIPS AND TERMINATION NOTICE DEFICIENCIES**

23 As with all the Court's findings regarding work-for-hire status, this
24 conclusion has certain legal ramifications that necessarily flow from it which raise
25 secondary legal arguments concerning the plaintiffs' ability to terminate the grant
26 of these two weeks' worth of newspaper strips. Thus the Court must address
27 whether all of the rights to the first two weeks' worth of newspapers strips were
28 assigned, the failure to serve McClure with the termination notice, and the failure

1 to identify the first two weeks' worth of newspaper strips among the works subject
2 to termination in the notice.

3 **A. Assignment of the First Two Weeks' Worth of Newspaper Strips**

4 Because the initial two weeks' worth of newspaper strips were not works
5 made for hire, when those strips were created, the copyright in them belonged at
6 its inception to Siegel and Shuster. That copyright was protected under state
7 common law until the works were published in January, 1939, at which time
8 federal statutory copyright protection may have attached, depending upon
9 compliance with certain statutory formalities. See Siegel v. Time Warner Inc., 496
10 F. Supp. 2d 1111, 1130 n.7 (C.D. Cal. 2007). As Professor Nimmer explains in
11 his treatise: "As to a work created and the subject of statutory copyright prior to
12 [the 1976 Act], such copyright did not subsist from the moment of creation.
13 Rather, it became effective either upon publication with notice Prior to such
14 publication . . . , a work created before [the 1976 Act] was protected from its
15 creation under the state law of common law copyright. Common law copyright in
16 a work initially vested in the author or authors thereof." 1 NIMMER ON COPYRIGHT
17 § 5.01[B] at 5-6. Because the Court has found that the two weeks' worth of
18 newspaper strips are not works made for hire, the "author" of those strips would
19 be Siegel and Shuster, not Detective Comics or McClure. This designation is
20 important because it impacts who may claim ownership of the works when
21 published, the required contents of the copyright notice affixed to the works when
22 published, and the contents of the registration certificate that was issued.

23 The 1976 termination provisions are limited only to grants in federally
24 copyrighted works, meaning works subsisting in a statutory initial or extended
25 renewal term as of the 1976's effective date. The right to terminate does not
26 apply to unregistered copyrights protected at common law or copyrights to works
27 that have fallen into the public domain as of the time of the 1976 Act. See PATRY
28 ON COPYRIGHT § 7:42. Thus, for termination notice to be effective to reclaim the

1 rights to the newspaper strips, the newspaper strips must have obtained proper
2 federal statutory copyright protection and maintained that protection up through
3 the time of the 1976 Act. This then raises the question of whether and how Siegel
4 and Shuster did obtain such statutory copyright protection of the material in their
5 newspaper strips under the 1909 Act; any defect in the process would call into
6 question plaintiffs' ability to terminate the grant to the copyright in those works.
7 Again as Professor Nimmer explains:

8 However, the subsequently obtained statutory
9 copyright [upon publication with notice] vested in such
10 author or authors only if prior thereto, there had not
11 been a transfer of the common law copyright In
12 the event of such disposition, it was the transferee and
13 not the original author or authors in whom statutory
14 copyright initially vested. The determination of the
15 proper person initially to claim statutory copyright under
16 the 1909 Act remains of more than antiquarian interest,
17 as an improper claim under the 1909 Act could have
18 injected a published work into the public domain.

14 1 NIMMER ON COPYRIGHT § 5.01[B] at 5-6.

15 The question of assignment is highly significant because, under the 1909
16 Act, agents and licensees could not claim such statutory copyright ownership, but
17 an assignee could. "The assignee of an author's common law copyright might, by
18 virtue of such assignment, claim statutory copyright." *Id.* at 5-7.

19 The pertinent facts are reiterated for purposes of this discussion: The first
20 two weeks of newspaper strips were first published on January 16, 1939, in the
21 Milwaukee News Journal, which contain the following notice affixed thereto
22 "Copyright, 1939". The initial copyright registration is treated as having been
23 registered in the name of McClure Newspaper Syndicate, listing as the works
24 authors "Jerry Siegel and Joe Shuster, of United States."²⁴ Later on July 3, 1944,

25 _____
26 ²⁴ Defendants state that the copyright notice under which the material was
27 first published was "in the name of McClure," (Defs.' Obj to New Arguments at
28 Hearing at 1), but as noted by the Court, the notice affixed thereto actually did not
list McClure, or anyone, as the copyright proprietor. Such a designation in the
notice was required by § 19 under the 1909 Act, but this defect is of no

(continued...)

1 McClure "assigned to Detective Comics, Inc. all its rights, title and interest in all
2 copyrights in SUPERMAN, including the copyrights and all renewals and
3 extensions thereof."²⁵

4 As the facts are presented in this case, an assignment by Siegel and
5 Shuster to McClure must have occurred before publication of the initial two weeks'
6 worth of newspaper strips; otherwise, the copyright notice on the works when first
7 published was inadequate to comply with the statutory formalities, and the works
8 have fallen into the public domain. (Defs.' Obj and Response New Arguments at 2
9 (assuming "Siegel and Shuster owned the copyright of these works from
10 inception, there would need to have been an assignment from them of their entire
11 copyright rights to McClure before the strips appeared, in order to avoid loss of
12 copyright")).

13 Plaintiffs argue that the parties' course of conduct in conjunction with
14 various terms in the syndication agreement itself clearly imply that such an
15 assignment of the artists' rights in the newspaper strips to McClure occurred. As
16 explained by plaintiffs:

17 While there is no express mention of a sale or
18 transfer, under the [syndication] agreement Siegel and
19 Shuster delivered the newspaper strips, protected by

20 ²⁴(...continued)
21 consequence as the Second Circuit's decision in Fawcett held that such a defect
22 in the notice was saved by virtue of § 21 except in those instances in which
23 McClure "sent out 'mats' [of the strips to newspapers] without any notice at all"; in
24 such a situation "the copyrights on those 'strips' were lost, regardless of
25 § 21." 191 F.3d at 601.

26 ²⁵ Two years after this assignment from McClure, Detective Comics was
27 consolidated into other companies into a company called National Comics
28 Publications, Inc., which in turn was later consolidated in 1961 into the
29 aforementioned National Periodical Publications, Inc. In the 1961 consolidation
30 agreement it was represented that the new company had become "vested with all
31 the properties of Detective Comics, Inc., and National Comics Publications, Inc.,"
32 including that it was "the owner of and is vested with title to all of the copyrights
33 (and renewals and extensions thereof) in the artistic and literary works consisting
34 of newspaper cartoon strips or continuities entitled SUPERMAN which the
35 McClure Newspaper Syndicate had from the first day of publication to July 3,
36 1944."

1 common law copyright, to McClure. McClure then
2 copyrighted the material in its own name [(which the
3 syndication agreement clearly provided was
4 permissible for them to do)], listing Siegel and Shuster
5 as the 'authors.' McClure then granted an exclusive
6 license to Detective with respect to the non-syndication
7 rights [(namely, allowing Detective Comics to use the
strips in its comic book magazines free of charge six
months after the strips first publication in the
newspapers)], and later on July 3, 1944 assigned the
entire copyright [in the newspaper strips] to Detective
per the term of the [syndication] agreement.

8 (Pls.' Opp and Response to Defs.' Sur-reply at 11)

9 Defendants respond by arguing that an assignment must be supported by a
10 clear, unambiguous, written instrument, and that such instrument is lacking here.
11 (Defs.' Obj. and Response to New Arguments at 2-3 & n.5 ("there is no question
12 that neither of the September 22, 1938 agreements include such an assignment
13 . . . There is no language of copyright assignment" and further commenting that
14 "any assignment of common law copyright would have to have been in writing
15 under the statute of frauds"). This argument does not withstand scrutiny.

16 At the outset, the Court notes that an assignment of a common law
17 copyright was not subject to a requirement of writing. To the contrary, during the
18 time the 1909 Act was in effect, at common law, a copyright was capable of
19 assignment so as to completely divest the author of his rights, "without the
20 necessity of observing any formalities." Urantia Foundation v. Maaherra, 114 F.3d
21 955, 960 (9th Cir. 1997); accord Epoch Producing Corp. v. Killiam Shows, Inc.,
22 522 F.2d 737, 747 (2d Cir. 1975) (noting that assignment need not be in writing);
23 3 NIMMER ON COPYRIGHT § 10.03[B][2] at 10-56.3 ("it appears that an assignment
24 of common law copyright was not within the Statute of Frauds"). Other case law
25 further demonstrates that such an assignment could be oral or could be implied
26 from the parties' conduct. See Jerry Vogel Music Co. v. Warner Bros., Inc., 535 F.
27 Supp. 172 (S.D.N.Y. 1982); Van Cleef & Arpels, Inc. v. Schechter, 308 F. Supp.
28 674 (S.D.N.Y. 1969).

1 Having rejected the notion that any writing is required, the Court
2 nevertheless concludes that the parties' syndication and employment agreements,
3 as well as their actions, make clear that the requisite complete assignment of both
4 the initial and the renewal term occurred.

5 Although the words "assign" or "transfer" do not appear in the syndication
6 agreement, such an intent was demonstrated by other language contained in the
7 agreement, as well as by Siegel and Shuster's delivery of newspaper strip material
8 to McClure. The syndication agreement provided that McClure would hold "all the
9 original drawings of the 'Superman' strip," which it would later provide to Detective
10 Comics on license for publication in its comic books. Such expressed receipt of
11 the "original" material in question and the ability to license that material is not the
12 language used to describe the recipient of a mere license to the material in
13 question, but as one of an assignee. As Judge Hand remarked, "[t]hat is the
14 language of a 'proprietor,' who assumes power to license another copy the
15 'works.'" Fawcett, 191 F.2d at 599; see also Urantia, 114 F.3d at 960 (noting that
16 language in trust instrument declaring that transferee "retain[ed] absolute and
17 unconditional control of all plates . . . for the printing and reproduction . . . thereof"
18 was indicative of an "intent to transfer the common law copyright").

19 Defendants also argue that there could have been no assignment to the
20 two weeks' worth of newspaper strips through the syndication agreement because
21 that agreement indicated that at the time of the document's execution Siegel and
22 Shuster "had already created 'the sample submitted' and that the subject 'daily
23 strip . . . entitled 'Superman' . . . was owned by Detective." (Defs.' Obj. and
24 Response to New Arguments at 3). This argument selectively pieces together
25 different portions of the agreement as if they were written as a single whole, when
26 in fact those sections, read in the context, clearly indicate that the parties were not
27 speaking specifically to the initial two weeks of newspaper strips. Rather, they
28 were speaking more generally to all newspaper strips published pursuant to the

1 agreement. Similarly, the reference defendants make to the agreement noting
2 Detective Comics' ownership to the title "Superman" does not necessarily apply to
3 the strips themselves, a distinction which Judge Hand also drew when construing
4 these same agreements.

5 Moreover, Siegel and Shuster not only allowed McClure to syndicate the
6 Superman newspaper strips, they gave McClure the original manuscript and
7 artwork to the same to McClure to hold in its possession. "It has been held that
8 delivery of a manuscript suffices" for the purpose of establishing an assignment —
9 "so long as the intent to pass title in the common law copyright is likewise
10 present." NIMMER ON COPYRIGHT § 10.03[B][2] at 10.56.3. Such an inference is
11 particularly apt when "over a long period of time, the author and other interested
12 parties had acquiesced in the putative assignee's ownership." Urantia, 114 F.3d
13 at 960. Here, not only did the parties acquiesce in the agreement to McClure
14 receiving the originals to the strips but the parties' agreement stated that the
15 copyright notice in said material was to be made in McClure's name, something
16 which under the 1909 Act could not be undertaken by a mere licensee but only
17 "the author or proprietor" of the work. Sanctioning such conduct clearly
18 constitutes an acquiescence on Siegel and Shuster's part to McClure's ownership
19 in the copyright to these newspaper strips, and is perhaps the clearest evidence in
20 the syndication agreement itself to an assignment being made in favor of McClure
21 by the artists.

22 Such language in the syndication agreement, and such action by the
23 parties clearly demonstrate at minimum an intent to transfer the initial copyright
24 term in the newspaper strips to McClure, see Urantia, 114 F.3d at 960, but there is
25 other language in the parties' September 1938 agreements that demonstrate an
26 intent by the authors to transfer the renewal term to those strips as well.

27 Not surprisingly, defendants contend that there was no such language of
28 complete assignment from Siegel and Shuster in the newspaper syndication or

1 employment agreements. However, when one surveys the agreements as a
2 whole, it becomes readily apparent that there is language of assignment not just
3 of the authors' rights to the initial term, but also (as held by and argued to the
4 Second Circuit's during the litigation surrounding the rights to the Superman
5 renewal term in the 1970s) the renewal term as well. Notably, the one paragraph
6 in the employment agreement that makes reference to and separately identifies
7 the artists' creation of both newspaper strips and comic books also contained
8 language whereby the artists agreed that they were "furnishing" this global
9 category of material "exclusively" to Detective Comics or to whomever else
10 Detective Comics might designate, an obvious reference to McClure. (See Decl.
11 Toberoff, Ex. P ("[Y]ou shall furnish such matter exclusively to us . . . as such may
12 be required by us or as designated by us in writing.")).

13 Likewise, the concluding sentence to the paragraph in the employment
14 agreement which spells out the royalty payment terms for the newspaper strip
15 material created by the artists, contains an acknowledgment by the artists that "all
16 [such] material, art and copy shall be owned by" Detective Comics or whomever
17 Detective Comics permits (undoubtedly a reference to the derivative nature of the
18 work) the title in the same to be "copyrighted or registered in our name or in the
19 names of the parties designated by us" (another clear reference to McClure).

20 Despite this language, defendants argue that it is not sufficient, as "there is
21 no question that neither of the September 22, 1938 agreements include such an
22 assignment. The agreements speak for themselves — they are not assignments
23 from Siegel and Shuster to anyone." (Defs.' Obj. and Response to New
24 Arguments Made at Hearing at 3). However, defendants' position is completely
25 contrary to that which its predecessors in interest have taken in the seven
26 decades since those agreements were executed. It has been the position of
27 defendants and its predecessors in interest (made manifest during the 1970s
28 litigation surrounding the rights to the Superman renewal term) that the March 1,

1 1938, grant as well as the other agreements the parties entered into (up to and
2 including the 1948 stipulated judgment concluding the Westchester action), that
3 the artists in each instance effectuated a complete assignment of both the initial
4 and renewal terms to the Superman character.

5 Under the 1909 Act, general words of assignment can include renewal
6 rights if the parties had so intended. See Venus Music Corp. v. Mills Music, Inc.,
7 261 F.2d 577 (2d Cir. 1958); cf. Fred Fisher Music Co. v. M. Witmark & Sons, 318
8 U.S. 643, 653 (1943) (observing that a specific intent to transfer the renewal term
9 must be present). Following this line of authority, the Second Circuit in the 1970s
10 Superman litigation held that evidence of the parties' conduct and iterations of
11 their various contractual arrangements, which included language acknowledging
12 that the publisher would hold title to the copyright in the character "forever" and
13 prohibiting the artists' from exploiting Superman "at any time hereafter" except
14 with the character's publisher, indicated not simply an assignment of the artists'
15 initial term in the Superman character, but the renewal term as well. Siegel, 508
16 F.2d at 913-914 (stating that "[t]he ready answer to this argument is that the state
17 court action determined that the agreements conveyed all of the plaintiffs' rights in
18 Superman to the defendants and not just the original copyright term" and noting
19 that the presence of such general terms of conveyance in the parties' agreements
20 such as "hold[ing] forever" a given right and agreeing not to use Superman in any
21 other strip "hereafter" connoted an assignment to the entirety of the copyright in
22 that material (emphasis added)).

23 This is the same language contained in the employment agreement
24 ("owned by us" or McClure, "will not hereafter" exploit Superman character except
25 with either Detective Comics or McClure, and shall provide such material
26 "exclusively to us" or McClure), whose terms apply, in this context at least, to the
27 syndication agreement. Defendants, having relied on that judgment for over thirty
28 years to exploit Superman to the exclusion of any rights held by the artists, cannot

1 at this late date be heard to complain that a court will likewise rely on that
2 judgment as a basis to permit those artists to reclaim, under the statutorily
3 provided termination scheme, the rights transferred in those much-hailed grants.
4 Defendants are thus precluded both as a matter of judicial estoppel and as a
5 matter of res judicata from contesting whether there was "language of [complete]
6 copyright assignment" to both the initial and renewal term to the Superman
7 material at issue in the employment and newspaper syndication agreements.

8 Thus, the Court rejects the notion that the initial two weeks' worth of
9 newspaper strips is not subject to termination on account of the lack of any
10 assignment by Siegel and Shuster to the entire copyright in that material to
11 McClure prior to the material's publication.

12 **B. Failure to Serve McClure with Termination Notice**

13 Defendants contend that, if there was such an assignment from Siegel and
14 Shuster to McClure, plaintiffs' failure to serve a copy of the termination notice on
15 McClure's successors renders the termination notice invalid. (Defs.' Obj and
16 Response to New Arguments at 3 n.6). Because all of McClure's rights in the
17 material were assigned to Detective Comics in 1944, and Detective Comics'
18 successors were served with the termination notice, the Court rejects this
19 argument.

20 The 1976 Copyright Act provides that the termination notice must be served
21 upon the "grantee or the grantee's successor in title." 17 U.S.C. § 304(c)(4).
22 Moreover, the regulations provide that an investigation will satisfy this notice
23 requirement in the context of termination of rights to works created before the
24 effective date of the 1976 Act. 37 C.F.R. § 201.10(d)(2) states that section
25 304(c)(4)'s service requirement is met if there has been a "reasonable
26 investigation" as to the current ownership of the rights to be terminated and
27 service has occurred on the person or entity "whom there is reason to believe" is
28 the current owner by transfer from the grantee.

1 Soon after the 1976 Act became effective, courts were faced with the
2 question of whether this provision, stated in the disjunctive, meant that a notice
3 served upon the immediate grantee would suffice, so that such grantee's current
4 successor in title need not be notified of the termination of its rights; the reverse
5 situation from that found in the present case.

6 In Burroughs v. Metro-Goldwyn-Mayer, Inc., 683 F.2d 610, 633 (2d Cir.
7 1982), the district court held that failure to serve the current successor in title
8 rendered ineffective a purported termination, notwithstanding service on the
9 original grantee. On appeal, although the Second Circuit found it unnecessary to
10 decide that particular issue, Judge Newman addressed it in a thoughtful
11 concurring opinion. Acknowledging that it was "not clear from the statute or the
12 regulations who [as between the 'grantee' and 'the grantee's successor in title']
13 must receive notice of termination, and the legislative history offer[ed] no
14 guidance," id., Judge Newman construed the statutory provision as "sensibly read
15 to mean that notice is to be served (a) on the grantee, if the grantee has retained
16 all rights originally conveyed, (b) on the transferee, if the grantee has conveyed all
17 rights to the transferee, or (c) if some rights have been conveyed, on the grantee
18 or the transferee (or both) depending upon which rights are sought to be
19 terminated." Id. at 634 n.5. In Judge Newman's view, the statute was written to
20 require service on only those entities that currently hold a right to be terminated; it
21 was not meant to require a mad dash to serve everyone and anyone who may
22 have been involved in the chain of title to the copyright (but who possess no
23 present right to the same), as suggested here by defendants. "Whatever the
24 meaning of 'grantee' and 'successor in title' in the notice termination provision, it
25 seems evident that their expression in the disjunctive was intended to cover
26 various contingencies, not to afford those exercising termination rights a choice as
27 to whom to serve." Id.

28

1 As explained by Professor Nimmer, "It follows that if the grantee has
2 transferred some but not all of the rights that he acquired under the grant, whether
3 the original grantee, his successor with respect to some of the rights, or both,
4 must be served will turn on which rights are purportedly terminated under the
5 termination notice. If all rights are being terminated, all of the persons who own
6 any portion of such rights must be served in order to effectuate the termination, as
7 the district court concluded." 3 NIMMER ON COPYRIGHT § 11.06[B] at 11-40.20.

8 The Court finds Judge Newman's concurring opinion in Burroughs to be
9 persuasive, and adopts the reasoning contained therein. As summarized by
10 Professor Nimmer, "[i]t follows, then, that service of the termination notice need
11 only be made upon the last grantee in the chain of title of which those serving the
12 notice are reasonably aware." 3 NIMMER ON COPYRIGHT § 11.06[B] at 11-40.18 -
13 11-40.21.

14 This is exactly what occurred here. Plaintiffs served the notice on the
15 newspaper strips' most current owner — Detective Comics' successors in interest,
16 DC Comics. Defendants try to diminish the significance of the 1944 assignment
17 from McClure to Detective Comics of all its (McClure's) rights in the newspaper
18 strips as nothing but a meaningless gesture.²⁶ But if Siegel and Shuster had, in

19
20 ²⁶ The argument is built largely on the assumption that Detective Comics
21 never received the ownership to the renewal term copyright by way of a "grant of a
22 transfer or license" from McClure. 17 U.S.C. § 304(c). Such an argument seeks
23 to make much of the fact that the first proviso to section 24 of the 1909 Act,
24 provided that the right of renewal for a "periodical" work is given to "the proprietor
25 of such copyright." Barbara A. Ringer, Study No. 31 Renewal of Copyright (1960),
26 reprinted in 1 Studies on Copyright at 524. As explained by Ringer, "the
27 'proprietor' in this context means the owner of the copyright at the time renewal
28 registration is made, and not the first or original proprietor. In other words, a
'proprietor' claim [to the renewal right] follows the ownership of the copyright, and
is not a personal right like the claim of an author under the second proviso." Id.
Thus, when McClure secured the original copyright for the newspaper strips, it
was the first proprietor and therefore entitled thereto to the renewal copyright in
the same. Defendants argue that when ownership was transferred in this
copyright from McClure to Detective Comics, that the renewal term, rather than
being transferred by agreement, was transferred by way of an automatic function
of the statute. (Defs.' Obj. to New Arguments at Hearing at 2 n.4). This

(continued...)

1 fact, assigned their copyright in the newspaper strips to McClure, then the transfer
2 would be deeply meaningful as it is a clear and unambiguous grant of both the
3 initial and the not-yet-vested renewal term to the copyright in those strips, thereby
4 rendering Detective Comics (as its immediate successor National Periodical
5 Publications, Inc., would proclaim a few years afterwards) sole owner of the
6 entirety in the copyright to those newspaper strips owing entirely to McClure's later
7 assignment. Indeed, defense counsel conceded during oral argument that if
8 McClure held the copyright to the newspaper strips in trust for Detective Comics,
9 then it would have required a "reassignment" for the copyright to be transferred to
10 Detective Comics. Given that Judge Hand held that the right in the material was
11 indeed held "in trust" for Detective Comics, such an assignment was anything but
12 a meaningless gesture.

13 No party disputes that the termination notice was served on DC Comics,
14 the successor to Detective Comics and current holder of all the copyright in the
15 newspaper strips. Accordingly, the termination notice complied with section
16 304(c)(4), and is not defective based on plaintiffs' failure to serve McClure.

17
18
19
20 ²⁶(...continued)
distinction, however, is mistaken.

21 The second proviso to section 24 noted that "in the case of any other
22 copyrighted work, including a contribution by an individual author to a periodical or
23 to a cyclopedic work or other composite work, the author of such work" was
24 entitled to the renewal term. Judge Learned Hand later defined the term,
25 "composite work," for purposes of the first proviso in section 24, as limited to
26 works "to which a number of authors have contributed distinguishable parts, which
27 they have not, however, 'separately registered.'" Shapiro, 123 F.2d at 699. Here,
28 however, the newspaper strips were separately registered in the name of their
individual authors after the publication of the composite work in question, the
newspaper. Indeed, the two weeks' worth of newspaper strips themselves bear a
separate copyright notice on them. In such an instance, the author of the work
was entitled to the renewal in the separately registered copyright, and hence,
Detective Comics' receipt by way of assignment from McClure to said renewal
term was not effectuated automatically by way of statute. See Self-Realization
Fellowship v. Ananda Church, 206 F.3d 1322, 1329 (9th Cir. 2000) (holding that
proprietor entitled to renewal term in composite work unless the individual
contribution was separately registered).

1 **C. Failure to Include Strips in Notice as Works Affected by Termination**

2 Having found that the initial two weeks' worth of newspaper strips created
3 in the summer of 1938 were not works made for hire, having concluded that
4 Siegel and Shuster assigned all their rights in the copyright to those two weeks'
5 worth of strips to McClure (which later assigned all its corresponding statutorily
6 protected copyright to Detective Comics), and having determined that plaintiffs'
7 failure to serve McClure or its successor does not invalidate the termination notice
8 as to these newspaper strips, the Court is confronted with one final question:
9 Whether the failure to list in the termination notice the initial two weeks' worth of
10 newspaper strips, first published in the Milwaukee News Journal in January, 1939,
11 invalidates the termination notice as to these newspaper strips. (Decl. Michael
12 Bergman Summ. J. Mot., Ex. X at 325 (complete termination notice reprinted)). In
13 the end, the Court determines it does not.

14 A fact not lost on either party or the Court is that potentially valuable
15 copyright elements subsist in this material, as it is the first material in which
16 Superman's home planet of Krypton is named, Superman's Krypton name is
17 revealed, and the circumstances surrounding Krypton's destruction are revealed.
18 Plaintiffs, to their credit, candidly admit that the first two weeks' worth of
19 newspaper strips are not listed in the termination notice; but they point to the fact
20 that the notice did contain the following catch-all clause:

21 This Notice of Termination applies to each and every
22 work (in any medium whatsoever, whenever created)
23 that includes or embodies any character, story
24 element, or indicia reasonably associated with
25 SUPERMAN or the SUPERMAN stories, such as,
26 without limitation, Superman, . . . the planet Krypton
27 Every reasonable effort has been made to find
and list herein every such SUPERMAN-related work
ever created. Nevertheless, if any such work has been
omitted, such omission is unintentional and involuntary,
and this Notice also applies to each and every such
omitted work.

28 (Decl. Bergman, Ex. X at 3 n.1).

1 Defendants, for their part, advocate a harsh rule: A mistake, even one of
2 omission, is a mistake of consequence; where such a mistake is made, the
3 authors and their heirs must suffer whatever consequences that flow from the
4 resulting invalidity of the copyright notice. The Court cannot countenance such a
5 harsh, per se rule that is divorced from the underlying facts.

6 Although there is no approved form for termination notices, the Copyright
7 Office has promulgated regulations specifying the required contents of a
8 termination notice: It must contain a "complete and unambiguous statement of
9 facts . . . without incorporation by reference of information in other documents or
10 records," 37 C.F.R. § 201.10(b)(2), and it must include the following:

- 11 1. the name of each grantee whose rights are
12 being terminated or the grantee's successor in
title, and each address at which service is made;
- 13 2. the title and the name of at least one author of,
14 and the date copyright was originally secured in,
each work to which the notice applies (including,
15 if available, the copyright registration number);
- 16 3. a brief statement reasonably identifying the
grant being terminated;
- 17 4. the effective date of the termination; and
- 18 5. the name, actual signature, and address of the
19 person executing the termination.

20 37 C.F.R. §§ 201.10(b)(1)-(1), (c)(1), and (c)(4). The regulations promulgated by
21 the Register of Copyrights also contain a safety valve that "[h]armless errors in a
22 notice that do not materially affect the adequacy of the information required to
23 serve the purposes of [the statute] shall not render the notice invalid." 37 C.F.R.
24 § 201.10(e)(1).

25 In support of their position, defendants rely on Burroughs v. Metro-
26 Goldwyn-Mayer, Inc., 683 F.2d 610 (2d Cir. 1982). In that case, the author's heirs
27 attempted to terminate the grant to the copyright in all the books written by Edgar
28 Rice Burroughs featuring the character Tarzan. In the termination notice,

1 however, the author's heirs mistakenly listed only 30 of the 35 Tarzan books
2 written by Burroughs. In considering whether the termination notice was effective
3 in recapturing the copyright in those five omitted books, the Second Circuit held
4 that the omission, although inadvertent, rendered the termination notice invalid as
5 to those omitted works. Id. at 622 (noting that "the omission of the five titles" left
6 the grant "in those five books . . . intact" and unaffected by the termination notice).
7 In reaching this conclusion, the Second Circuit did not discuss section
8 210.10(a)(1)'s harmless error provision; rather, the court simply noted that the
9 regulations required identification of the title and date of original copyright for each
10 work sought to be recaptured, observed the omission in the termination notice,
11 and held that therefore the termination notice was invalid as to the omitted works.

12 Defendants thus vastly overstate the holding of Burroughs as supporting
13 the proposition that plaintiffs' "failure to identify [the newspaper strips] is fatal to
14 their purported termination and their omission cannot be mere 'harmless error.'"
15 (Defs.' Obj. to New Argument at Hearing at 7 (emphasis added)). Its failure to
16 discuss the harmless error rule makes Burroughs of limited persuasive value to
17 the Court's current analysis.

18 On this point, the Court has discovered only one court decision that
19 considered whether omissions or defects in the termination notice were "harmless
20 errors" such that the termination notice was effective. See Music Sales Corp. v.
21 Morris, 73 F. Supp. 2d 364 (S.D.N.Y. 1999). There, the termination notice
22 consisted merely of a bland boilerplate statement: "Grant or transfer of copyright
23 and the rights of copyright proprietor, including publication and recording right."
24 Although finding that the generic statement would not "reasonably identify[] the
25 grant," the district court nonetheless upheld its adequacy on the basis that "it
26 appears to be boilerplate on termination notices customarily accepted by the
27 Register of Copyrights." Id. at 378.

28

1 Leading commentators have differing views on Music Sales Corp., and by
2 extension, differing views on how stringent courts should be in applying the
3 harmless error safety valve. Professor Nimmer, on one hand, is much more
4 formalistic on this point, cautious of the proverbial slippery slope. As Professor
5 Nimmer explained in response to the Music Sales decision:

6 [T]he Register of Copyrights does not pass judgment
7 by accepting notices of termination, so that the
8 ministerial act of filing them connotes no approval of
9 their verbiage. On that basis, the court's citation to
10 authority allowing agencies to interpret statutory
requirements is inapposite. But the court also cites
unspecified custom of the industry as validating the
boilerplate approach. It remains to test what that
custom might be.

11 3 NIMMER ON COPYRIGHT § 11.06[B] at 11-40.22 - 11.40.22(1).

12 Patry, on the other hand, praised the Music Sales decision as bringing the
13 formalities contained in the regulations into conformity with the realities of how
14 those regulations are actually administered by the agency that was charged with
15 crafting them. See 3 PATRY ON COPYRIGHT § 7:45 ("In Music Sales Corp. v. Morris,
16 the requirement of a 'brief statement reasonably identifying the grant to which the
17 terminated grant applies' was reviewed, with the court wisely accepting industry
18 custom and Copyright Office practices as indicating compliance").

19 The dearth of case law, along with the divergence of opinion between
20 these two leading commentators, presents the Court with an apparent choice: On
21 the one hand, the Nimmer approach, i.e., an insistence on rigid adherence to the
22 formalities specified in the regulations or, on the other hand, the less formalistic
23 (but more practical), lax approach set forth in Music Sales and endorsed by Patry,
24 i.e., acceptance of industry and agency custom. The Court declines to choose
25 one extreme or the other, applying instead a middle path that requires a more
26 fact-intensive inquiry in applying the harmless error safety valve.

27 Here, it is clear to the Court that plaintiffs undertook enormous effort to
28 comply with the overly formalist requirements of the termination provisions,

1 literally providing 546 pages' worth of works subject to the termination notice. The
2 purpose of the regulations is to give the recipient of the termination notice
3 sufficient information to understand what rights of theirs may or may not be at
4 stake. Here, any recipient of the termination notice would quickly understand that
5 the plaintiffs have sought to reclaim the copyright in any and all Superman works
6 ever created. Indeed, any publisher receiving the notice would be foolish to
7 believe otherwise. That the termination notice included a broad and
8 comprehensive catch-all clause only reinforces that which the 546-page listing of
9 titles of works subject to the notice makes painfully obvious.

10 This reasoning is all the more sound because what was sought to be
11 recaptured involved the rights to works involving a particular character that has
12 been continuously exploited for decades. It is this peculiar nature of the subject
13 matter of the termination notice that makes rigid adherence to the regulatory
14 formalities particularly inapt:

15 In the case of works consisting of a series or
16 containing characters requiring the terminating party to
17 list separately each work in the series or all works in
18 which the character appears would render the
19 termination right meaningless. Instead, notice that
20 reasonably puts the terminated party on notice of the
21 character being terminated is sufficient.

19 3 PATRY ON COPYRIGHT § 7:45. There is little doubt that plaintiffs' termination
20 notice satisfies this concept of reasonable notice that the copyright in the entire
21 body of works to the Superman character was sought to be recaptured.

22 The commentary accompanying adoption of the regulation buttresses this
23 view that such a reasonable notice test is particularly apt with respect to
24 copyrights in characters appearing in thousands of works in countless media over
25 many decades. In that commentary, the Register of Copyrights (Barbara Ringer),
26 observed that the Copyright Office "remained convinced that the required contents
27 of the notice must not become unduly burdensome to grantors, authors, or their
28 successors, and must recognize that entirely legitimate reasons may exist for

1 gaps in their knowledge and certainty." Termination of Transfers and Licenses
2 Covering Extended Renewal Term, 42 Fed. Reg. 45916, 45918 (Sept. 13, 1977).

3 Such a conclusion does not necessarily conflict with the Second Circuit's
4 decision in Burroughs. There was a plausible evidentiary basis upon which the
5 court in Burroughs could have reached the outcome it did, even with consideration
6 of the harmless error safety valve as articulated here. There were only thirty-five
7 Tarzan books that were possibly subject to termination. In such a case, with a
8 more finite universe of works possibly at issue, the omission of a few of those
9 works in the termination notice would comprise a significant level of exclusion
10 (roughly 15%). Thus, the works' exclusion could quite legitimately be viewed as a
11 more meaningful act by the recipient of the notice. Stated differently, in such a
12 situation, there is simply less of a chance for a mistake or oversight occurring in
13 identifying works in the notice, and thus more probable that the recipient would
14 reasonably believe the omission to be intentional, thereafter acting accordingly
15 when contracting with other parties regarding the copyrights to the omitted works.
16 If the terminating party later declares its intention to recapture the omitted works, it
17 is more likely that the notice's recipient will suffer some prejudice beyond the
18 simple reclamation of the rights to the omitted works. Such a circumstance is not
19 present in a case where, as here, there is a universe of literally thousands of
20 possible works.

21 In the end, the Court finds that some consideration must be given to the
22 nature of the copyrights sought to be recaptured. In a case involving thousands of
23 works, to insist on literal compliance with the termination notice regulations sets
24 up a meaningless trap for the unwary without any meaningful vindication of the
25 purpose underlying the regulation at issue, a result that the Register expressly
26 disavowed as the intent of the regulations. Even the most cautious cataloguer
27 could easily overlook a stray work or two among the many thousands at issue
28 here. The existence of the catch-all provision, while not always necessarily

1 dispositive, clearly and expressly evinces an attempt by the authors to recapture
2 the rights to all the Superman works they authored, and the failure to expressly list
3 the initial two weeks' worth of newspaper strips among those works is harmless
4 error.

5 Having said that, the Court does not hold that all termination notices with
6 similar catch-all provisions will necessarily be sufficient as to inadvertently omitted
7 works. However, when the notice evidences a demonstrable effort at cataloguing
8 all the relevant and related works, where the universe of those works is large (and
9 certainly larger than the universe of thirty-five works at issue in Burroughs), and
10 where the number of omitted works is minute relative to the included works, the
11 presence of a comprehensive catch-all provision such as that found here leads to
12 the conclusion that the relevant omission was harmless error and the termination
13 notice should be found to be effective even as to the omitted works.

14 Here, the near-Herculean effort and diligence then-plaintiffs' counsel,
15 Arthur J. Levine, placed on cataloging the works and drafting the termination
16 notice, and the inclusion of the express catch-all provision in the termination
17 notice, put to rest any reasonable doubt defendants may have had that plaintiffs
18 sought to recapture all, not just some, of the copyright in the Superman character.
19 In short, if receipt of the nearly six-pound, 546-page termination notice was not
20 enough to convey this message, it was made plain by the explicit statement
21 expressing plaintiffs' intent to terminate the copyrights in all the Superman works.

22 Accordingly, the Court finds that failure to list the two weeks' worth of
23 newspaper strips was harmless error that does not effect the validity of the
24 termination notice to the first two weeks' worth of Superman newspaper strips.

25 **V. CONCLUSION**

26 At the conclusion of this final installment regarding the publication history of
27 and the rights to the iconic comic book superhero Superman, the Court finds that
28 plaintiffs have successfully recaptured (and are co-owners of) the rights to the

1 following works: (1) Action Comics No. 1 (subject to the limitations set forth in the
2 Court's previous Order); (2) Action Comics No. 4; (3) Superman No. 1, pages
3 three through six, and (4) the initial two weeks' worth of Superman daily
4 newspaper strips. Ownership in the remainder of the Superman material at issue
5 that was published from 1938 to 1943 remains solely with defendants.²⁷

6 Dated: August 12, 2009
7

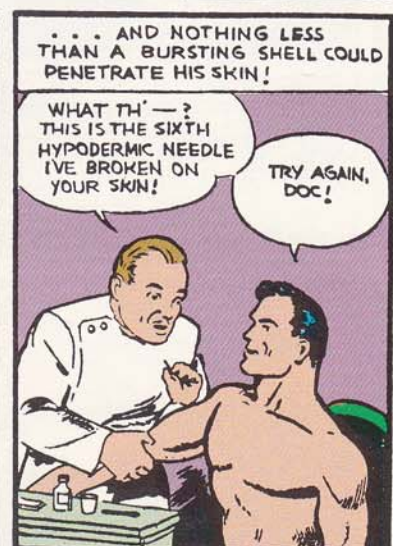
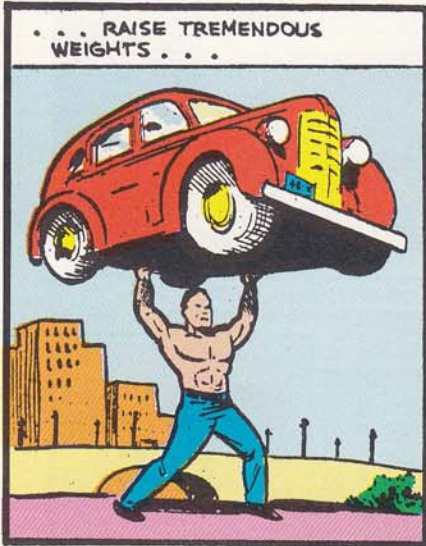
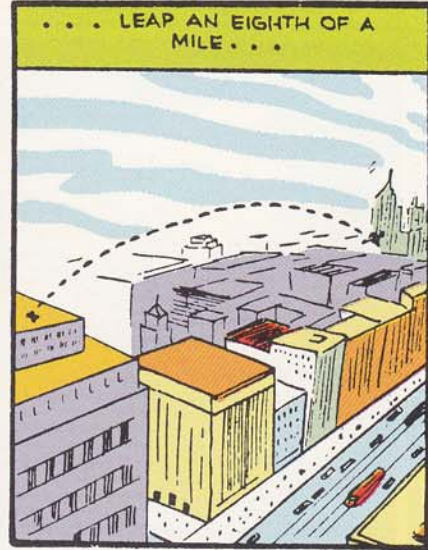
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10 STEPHEN G. LARSON
11 UNITED STATES DISTRICT JUDGE
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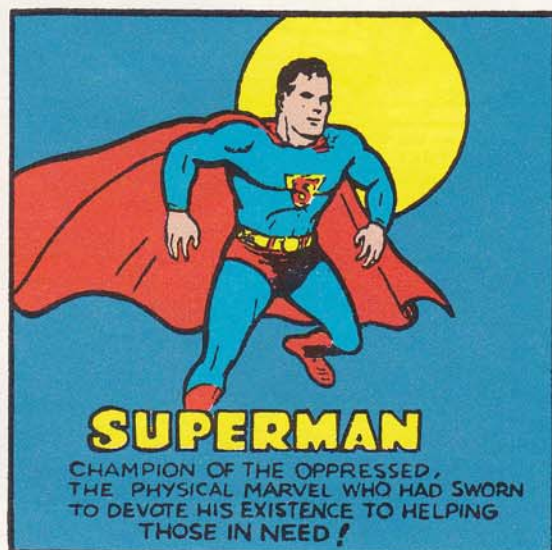
23 ²⁷ Although raised by the parties, the Court declines to address, and
24 preserves for consideration in limine of trial, the remaining issues raised in the
25 parties' briefs, including the mechanics of how such an accounting would be
26 performed (should the concept of apportionment used in the infringement context
27 be applied and, if so, who bears the burden of proof, and whether such
28 apportionment should be done on a work-by-work or template basis), questions on
how and to what extent to divide up profits generated from so-called "mixed use"
trademark/copyright, and whether and to what extent pre-termination derivative
works were published after the termination date into post-termination derivative
works subject to an accounting of profits.

ADDENDUM A





CLARK DECIDED HE MUST TURN HIS TITANIC STRENGTH INTO CHANNELS THAT WOULD BENEFIT MANKIND . . . AND SO WAS CREATED--



OUTER WAITING-ROOM OF THE DAILY STAR . . .

YOU MAY SEE THE EDITOR NOW. BUT IF YOU ASK ME, YOU'RE WASTING YOUR TIME.

THERE'S NOTHING LIKE TRYING!



I KNOW I HAVEN'T HAD ANY EXPERIENCE, SIR, BUT STILL, I THINK I'D MAKE A GOOD REPORTER.

SORRY, FELLA! CAN'T USE YOU!



IN AN ALLEY, CLARK REMOVED HIS STREET-CLOTHES, REVEALING HIMSELF CLAD IN THE SUPERMAN COSTUME . . .

IF I GET NEWS DISPATCHES PROMPTLY, I'LL BE IN A BETTER POSITION TO HELP PEOPLE. I'VE GOT TO GET THAT JOB!



SUPERMAN LAUNCHES HIMSELF UP ALONG THE SIDE OF THE BUILDING IN A GREAT LEAP!



WITHIN THE EDITOR'S OFFICE . . .

WHAT'S THAT? A MOB ATTACKING THE COUNTY JAIL? COVER THAT STORY!



HM-M! SOUNDS LIKE MY BIG CHANCE TO IMPRESS THE EDITOR!



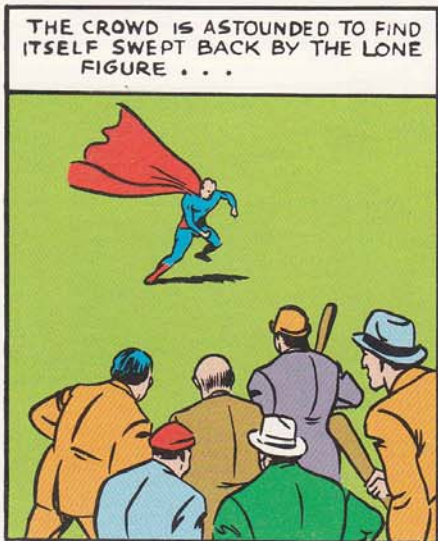
HERE'S HOPING I GET THERE ON TIME!

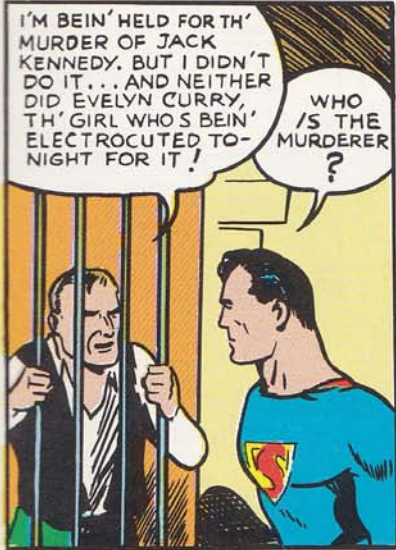


THAT VERY MOMENT . . . BEFORE THE COUNTY JAIL . . .

GET 'EM! LYNCH TH' DIRTY DOG!







I'M BEIN' HELD FOR TH' MURDER OF JACK KENNEDY. BUT I DIDN'T DO IT... AND NEITHER DID EVELYN CURRY, TH' GIRL WHO'S BEIN' ELECTROCUTED TONIGHT FOR IT!

WHO IS THE MURDERER?



BEA CARROLL... SINGER AT THE HILOW NIGHT CLUB-- SHE RUBBED HIM OUT FOR TWO-TIMING HER, THEN FRAMED EVELYN!

THANKS FOR THE INFORMATION!



THAT'S ALL I KNOW ABOUT THE ATTEMPTED LYNCHING. WELL, DO I GET THE JOB NOW?

YOU'RE O.K., KENT! REPORT TO WORK TOMORROW!



CLARK DROPS IN ON THE HILOW CLUB.



SHE'LL BE ON ANY SECOND!



AS BEA SINGS HER NUMBER, SHE DOES NOT REALIZE SHE IS BEING CLOSELY OBSERVED BY THE GREATEST EXPONENT OF JUSTICE THE WORLD HAS EVER KNOWN.



LATER-- WHEN SHE ENTERS HER DRESSING-ROOM...



SAY! WHAT ARE YOU DOING IN MY ROOM?

WAITING FOR YOU, NATURALLY!



I THOUGHT YOU MIGHT BE INTERESTED IN LEARNING I KNOW THAT YOU KILLED JACK KENNEDY!

WHAT KIND OF NUT ARE YOU, ANYWAY? -- GET OUT OF HERE BEFORE I CALL THE MANAGER!

