

Addendum: Dawson & Harvey, p. 584.

Estate of Stanley Kauffmann v. Rochester Institute of Technology

In the first week of August 2019, the Second Circuit reversed the District Court's opinion in *Estate of Stanley Kauffmann v. Rochester Institute of Technology*, p. 584. A copy of its opinion is attached. The Second Circuit did not examine the parol evidence question, but rather disposed of the case by its interpretation of the writing requirement for works for hire contained in federal copyright law.

When a work is created by someone who is not an employee, a work is considered a work for hire only if “the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.” 17 U.S.C. §101(2). In *Kauffmann*, the Second Circuit held that the writing must be executed contemporaneously or nearly contemporaneously with the underlying work itself in order for this writing requirement to be satisfied.

Seen through this lens, the writing requirement under federal copyright law for works for hire functions as an enhanced version of Statute of Frauds. (Under a traditional Statute of Frauds, any writing evidencing the agreement suffices. It can be executed long after the oral agreement.) This case finds that, in order for someone other than an author to assert original ownership in the copyright, there must be a substantially contemporaneous writing. In the absence of such a writing, the assertion of copyright ownership can go nowhere. Hence, what is acknowledged in a subsequent writing is neither here nor there.

Our purpose of including *Kauffmann* in this portion of the materials was to emphasize that the traditional version of the parol evidence rule is still very much alive and well in New York. As the Second Circuit never reaches the parol evidence question, its opinion does not undermine this account, but it does push the question offstage. The Second Circuit's opinion does offer a chance to explore the interaction between the Statute of Frauds and the parol evidence rule, but this interaction, although interesting, likely takes things too much off course.

Estate of Kauffmann v. Rochester Institute of Technology

United States Court of Appeals, Second Circuit

2019 WL 3482596 (August 1, 2019)

Newman, Circuit Judge. . . . Over the course of 55 years, Stanley Kauffmann, who, the parties to this appeal agree, was never employed by *TNR*, contributed numerous film reviews and other articles to the magazine. During that time, Kauffmann and *TNR* took some actions consistent with an understanding that Kauffmann was the author of, and owned the copyrights in, his articles. For example, Kauffmann granted many third-party licenses to republish his *TNR* articles without objection from *TNR*. However, Kauffmann and *TNR* took other actions consistent with an understanding that *TNR* was the author and original owner of the copyrights. For example, *TNR* transferred to Kauffmann the copyrights in all of his articles appearing in *TNR* in 1978 and 1979, and Kauffmann at least once solicited permission from *TNR* to reprint his *TNR* film reviews in an anthology.

With one important exception, Kauffmann and *TNR* never formalized any understanding about whether Kauffmann's articles were "works made for hire." The exception is a 2004 letter agreement from *TNR* to Kauffmann ("the 2004 Agreement"), which is critical to this appeal. It provided in relevant part: "Our agreement with you has always been an oral understanding We have ... always understood in doing business with you that, in light of our regular monthly compensation arrangement with you, all articles you have written for *The New Republic* have been 'works made for hire,' as that term is defined under the US Copyright laws." Letter from Leon Wieseltier to Stanley Kauffmann (Mar. 22, 2004). The agreement was signed on behalf of *TNR* by Wieseltier, then *TNR*'s literary editor, and shows a check mark on the line marked "Agreed:" above Kauffmann's signature. . . .

The owner of a copyright in a work is the "author" of the work, 17 U.S.C. § 201(a), absent any transfer. The author of the work is the creator of the work, unless it is a "work made for hire." Section 201(b) provides:

In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument

signed by them, owns all of the rights comprised in the copyright.

A “work made for hire” is either:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work ... if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

Id. § 101(2).

Because the parties to this litigation agree that Kauffmann was not an employee of *TNR* and that the articles were ordered for use in a collective work, whether Kauffmann was, and whether Kauffmann’s estate now is, the owner of copyrights in the 44 articles at issue in this litigation turns on the legal effect of the 2004 Agreement.

The 2004 Agreement was executed five years after the year in which the 44 articles were written. Although the Seventh and Ninth Circuits have ruled that an agreement sufficient to establish a work as a “work for hire” must be executed *before* creation of the work, see *Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410, 412-13 (7th Cir. 1992); *Gladwell Government Services, Inc. v. County of Marin*, 265 F. App’x 624, 626 (9th Cir. 2008), our Circuit has ruled that in some circumstances a series of writings executed *after* creation of the works at issue can satisfy the writing requirement of section 101(2), see *Playboy Enterprises, Inc. v. Dumas*, 53 F.3d 549, 558-59 (2d Cir. 1995). Such writings, we said, must “confirm[] a prior agreement, either explicit or implicit, made before the creation of the work.” *Id.* at 559. That statement is best understood as qualified by the particular circumstances of the execution of the writings in that litigation.

Playboy concerned paintings that Patrick Nagel contributed to the well-known magazine. The relevant writings deemed to have created a work-for-hire relationship were either of two versions of legends stamped on the back of checks made out to Nagel as payment for paintings that were reproduced in the magazine. *Playboy* issued a check for a particular painting after it had received the work from Nagel. . . .

In the pending case, the agreement alleged to satisfy the writing requirement was not executed until five years after the

year in which the articles were written, and there are no circumstances even approaching the *Playboy* scenario of a series of writings executed by check endorsements right after payment for each work. It is not “‘paperwork [that] remained not fully executed until after creation of the subject work.’ ” Id. at 559 (quoting 1 Nimmer § 5.03[B][2][b] (1994)). The 2004 Agreement does not satisfy the writing requirement of section 101(2). . . .

Kauffmann was and remains the author of the 44 articles, and his Estate, as his successor, is the owner of the copyrights in them. The Estate is entitled to proceed on its suit for infringement.