# Who Owns What?

## Copyright and Software/Digital Asset Ownership Issues

Marc Whipple – McHenry Software Craftsmanship 2019

# Speaker: Marc Whipple (@legalinspire)

- IP Attorney: Former General Counsel of Meyer/Glass Interactive and Incredible Technologies
- Licensed to practice in IL and before the USPTO
- Blogs at LegalInspiration.com and writes for IndieGamerTeam.com
- Knows what he's talking about but this is not legal advice
- No, seriously, this is not legal advice, get a lawyer!
- Wow that was quick

# Quick Intro to Intellectual Property Law

Intellectual property law includes the following. Note that there is some overlap, but by and large they are *separate* things.

- Patents (Inventions)
- **Copyrights (Artistic Expression)**
- Trademarks (Consumer Protection)
- The Right of Publicity/Privacy (Individual Identity)
- Moral Rights (Weird European Artsy Thing / Passing Off)

# Patents: Almost Entirely Irrelevant

1. Utility Patents
   a) Protect novel inventions, either devices or methods.
   b) Could be relevant in some kinds of video games or other software.
2. Design Patents
   a) Protect the ornamental design of useful articles.
   b) General consensus: Real does not cross over to virtual. (Activision/PS Prod)
   c) However, virtual can form *part* of the real. (Apple/Samsung)
3. Plant Patents

   No, really.

# Copyrights: Now We're Talking

Copyrights protect *original artistic works fixed in a tangible medium of expression.*

A few points to highlight:

- Copyright comes into effect the moment the work is fixed in a tangible medium. Registration is not necessary to perfect the copyright. (But lawsuit.)
- For practical purposes, copyrights are enforceable worldwide.
- Yes, electronic media counts as a tangible medium.
- The "bundle of rights:" Reproduction, distribution, performing, ***derivative works***.
- For Pete's sake stop it with the mailing yourself things.
- Bottom Line: Copyright is an *exclusive right*. I don't have to have a reason to stop you. You have to have a reason I *can't* stop you.

## Authorship and Ownership

- The copyright in a protected work originally belongs to the *person or persons who created the work.* Individual creators are referred to as *authors*.
- The only way a copyright can change owners, once the copyright vests, is by a *statutorily authorized method of transfer*. This, for the most part, requires a written assignment document signed by the holder of copyright.
- Copyrights can be partially or fully assigned.

# Multiple Authors

- A single work can have any number of authors.
- An author is someone who contributed part of the *original creative work.*
- If Person A tells Person B, “I need an evaluation subroutine that works in such and such a way, go code one and send it to me,” B *may* not be an “author,” because they are merely implementing A’s original creative vision. This is what the law calls a *question of fact.*
- *Any co-author can license the entirety of a copyrighted work to a licensee.*
- The law does not distinguish between the contribution levels of co-authors. They all own an equal amount of the copyright, and they are entitled to equal shares of all benefits derived from the copyright, including an accounting.

## Who Is The Author?

- The author of a copyrighted work is the natural person or persons who created it unless it is a *work for hire*.
- If it is a work for hire, the author is the person or entity who hired the person who created it.
- The Copyright Act only allows certain kinds of works to be works for hire. If a work is not one of the kinds of work set forth in the statute, it *cannot* be a work for hire, no matter whether the creator(s) are employees or what written agreements may exist between the creator(s) and any other person or entity.

# Statutory Works for Hire

1) A work prepared by an employee ***within the scope*** of their employment;

- OR -

2) A work specially ordered or commissioned, subject to a specific written agreement identifying it as a work for hire, for use as:

**ONLY THESE**

a) a contribution to a collective work;

b) a part of a motion picture or other audiovisual work;

c) a translation;

d) a supplementary work;

e) a compilation;

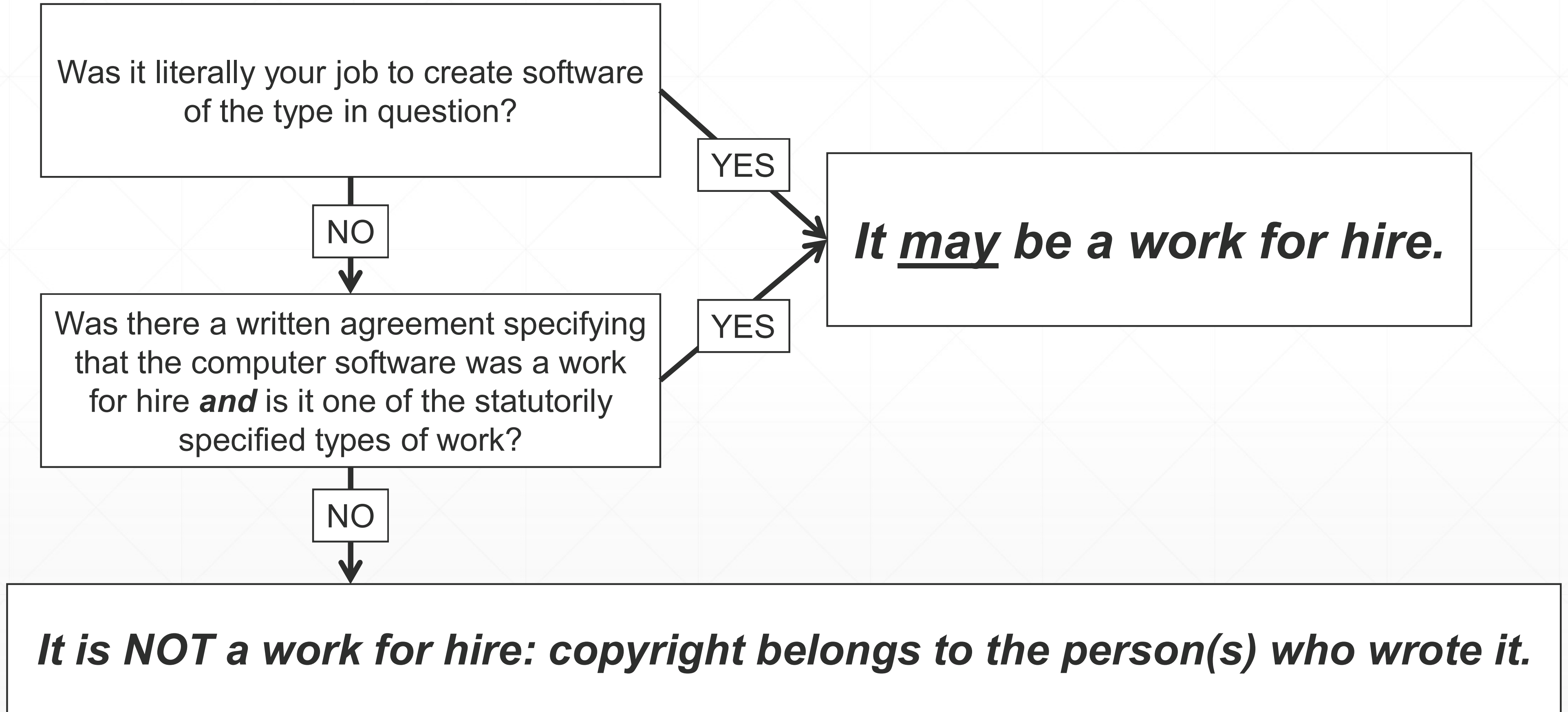
f) an instructional text;

g) a test;

h) answer material for a test; or,

i) an atlas.

# Computer Software as Work For Hire



# Commissioned Content for Larger Works

- Computer code is classified as a Literary Work. Literary Works are not a statutorily specified type of work. Therefore, a block of computer code authored by a single person or group of persons who are not *employees*, in and of itself, *cannot be a work for hire.*

**It does not matter what the dev agreement, work order, et cetera says:**

***Private contracts cannot override the Copyright Act.***

- The scope of which kinds of commissioned content can be works for hire is both broad and complex. Suffice to say:

1) Unless you are making a computer game, the odds that your software is an audiovisual work are *very bad*.

2) If you *are* making a computer game, then *maybe* the content and/or the entire game is an audiovisual work. *Maybe*.

3) It's pretty unlikely that a computer program is a collective work within the meaning of the Copyright Act. It's not impossible but it's unlikely.

4) Therefore, *do not rely on a Work For Hire theory if you want to be sure you own the content.* Get an assignment agreement, prepared by a copyright attorney.

# Questions?

# Thank You!

## For More Information

## And All Materials In PDF:

## legalinspiration.com

marc@legalinspiration.com

# In Case of Extra Time

Maybe I’ll just go online and find some content on the Internet for free!

That’s “Fair Use,” right?

# It's Never Fair Use.

Well, okay sometimes it is:

- Legit Reviews (NOT complete Let's Plays.)
- PARODY.
  a) Parody is not "wouldn't it be funny if I dubbed in a burp every time Malachite talks."
  b) Parody is not satire. If you are using the work to comment on ANYTHING ELSE, it's not parody.
  c) Parody is incorporation of the work into a new work *designed to comment on the content of the original work.* If you're not sure, assume it's *not* parody!
- Completely Transformational Use – It isn't, don't go there. *I said don't go there.*
- "Other" – the Four Factors, Plus One.

# Fair Use Factors: Proceed At Your Own Risk

Fair Use is an *affirmative defense.* It means, "Yes, I infringed the copyright, but here's why that's okay." If you are using a defense, *you are already in trouble.* That said, the factors are:

1) The purpose and character of your use.

   Added new value? Scholarship, research, commentary? (*Different* value.)

2) The nature of the copyrighted work.

   Facts v. Fiction, *Scenes a Faire*, Published v. Unpublished

3) The amount and substantiality of the portion taken.

   Fairly straightforward, but "substantiality" is tricky. How *important* is it?

4) The effect of the use upon the potential market.

   Note that word POTENTIAL. It doesn't matter if they're NOT in a market.

\- AND -

0) Is It Bad?

## The Seen, and the Unseen

What, by the way, did we *not* see in those Fair Use factors?

1) Charging/Making a profit.

   The fact that you are not charging is not a defense to copyright infringement. The fact that you are not making a profit is not a defense to copyright infringement. Those *may* be relevant to calculation of damages. When do we start calculating damages? WHEN WE HAVE LOST.

2) Disclaimers.

   You cannot, I repeat and emphasize *can not*, avoid a claim of copyright infringement with a disclaimer or a citation. Copyright infringement IS NOT PLAGIARISM. Sometimes something is both, sometimes something is one but not the other. But they are not the same.

3) Failure to exploit.

   Yes, I know your favorite manga would make an awesome game and they just NEVER DID.

   I. Don't. Care. Don't do it.