

No. 13-1178

In the
Supreme Court of the United States

LISA R. KIRBY, NEAL L. KIRBY, SUSAN N. KIRBY,
BARBARA J. KIRBY,
Petitioners,

v.

MARVEL CHARACTERS, INC., MARVEL WORLDWIDE,
INC., MVL RIGHTS, LLC, WALT DISNEY COMPANY,
MARVEL ENTERTAINMENT, INC.,
Respondents.

**On Petition for Writ of Certiorari to the
U.S. Court of Appeals for the Second Circuit**

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether the Second Circuit's decision that the works at issue in this case were works for hire under the Copyright Act of 1909—which was based on the application of a doctrine that has been settled for more than 50 years and is uniformly applied by the courts of appeals—constitutes a judicial taking or violates due process or the separation of powers.

2. Whether the Second Circuit's application of the Copyright Act of 1909 to the works at issue in this case is consistent with the precedents of other courts of appeals and this Court.

3. Whether the Second Circuit's factbound application of the settled construction of the 1909 Act is correct in light of the fact that respondent had complete control over the works at issue, supervised all parties who contributed to them, and paid for them, and that the petitioner, who made artistic contributions to the works, expressly (and repeatedly) made clear that the works were works for hire and belonged to respondent.

CORPORATE DISCLOSURE STATEMENT

Marvel Entertainment, Inc., which was formerly known as Marvel Enterprises, Inc., is wholly owned by the Walt Disney Company, the shares of which are publicly traded. No publicly held corporation owns 10% or more of the stock of the Walt Disney Company.

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STATEMENT OF THE CASE

The courts of appeals have adopted a uniform approach to the question of what constitutes a “work for hire” under the Copyright Act of 1909, which applies only to works created before 1978. *See* 17 U.S.C. § 26 (repealed effective 1978) (“1909 Act”). Petitioners invite this Court to consider a factbound application of that uniform interpretation of the 1909 Act—*i.e.*, a statutory interpretation question that has failed to generate a circuit split in the century the relevant provision has been on the books. That question does not remotely satisfy this Court’s criteria for certiorari.

In seeming recognition of that fact, petitioners resort to a series of novel challenges to the Second Circuit’s disposition of this case. Petitioners contend that the lower courts’ application of longstanding case law amounted to a judicial taking, ran afoul of due process, and violated the separation of powers—a trifecta of constitutional arguments not even raised below. Petitioners also insist that the decision here conflicts with *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989) (“CCNV”), which construed the Copyright Act of 1976, 17 U.S.C. § 1 (“1976 Act”). But Congress completely overhauled the Copyright Act in 1976 and fundamentally rewrote the provisions implicating works made for hire. This case arises under the very different language of the 1909 Act. The 1909 Act addresses works for hire only briefly in the process of broadly and inclusively defining the term “author.” That approach is in stark contrast to the 1976 Act, which introduced a prospective-only 182-word definition of

“works for hire,” with one prong addressing works by employees in the scope of employment and a distinct and extremely detailed subpart separately addressing commissioned works. *CCNV*’s interpretation of the very different language of the 1976 Act is inapposite to disputes arising under the 1909 Act, as every court of appeals to consider the question has concluded. The lower courts have had a full quarter century to consider the implications for the 1909 Act of *CCNV*’s interpretation of the 1976 Act, and not one court has reconsidered or deviated from the uniform approach of the lower courts in interpreting the distinct language of the 1909 Act.

In short, this case presents a factbound application of a test uniformly adopted by the lower courts under a statute that does not apply to works created after 1978. It implicates no circuit split, no judicial taking, no due process violation, and no grave matter of separation of powers. It does not remotely merit this Court’s review.

A. The District Court’s Decision

This case involves the copyrights to 262 works created between 1958 and 1963. Petitioners alleged that their father, Jack Kirby—a freelancer who contributed to Marvel works in the form of commissioned drawings and under Marvel’s continuous supervision—held copyright interests in those works. Invoking assignment termination rights created by the 1976 Act, petitioners sent notices purporting to terminate alleged assignments of the copyrights in the works to Marvel. Upon receipt of those notices, Marvel promptly filed suit seeking a declaratory judgment that it was the sole

owner of the copyrights in the works. Among other arguments that would independently defeat petitioners' ownership claims, Marvel argued that the Kirby contributions to the works were "made for hire" under the 1909 Act, which governs rights in works created before January 1, 1978, and that because the 1976 Act's termination right is expressly inapplicable to "work[s] made for hire," petitioners' notices were null and void. *See* 1976 Act, 17 U.S.C. § 304(c) (exempting "work[s] made for hire").

"[A]pplying legal tests that have been settled . . . for half a century," Pet. App. 80, the district court granted summary judgment to Marvel, holding that Kirby's contributions were "works for hire within the meaning of the Copyright Act of 1909," Pet. App. 54. As the district court explained, "courts apply a two-pronged test"—"the 'instance and expense' test"—"to determine if a 'work is made for hire' under the 1909 Act." Pet. App. 83. "When the 'motivating factor in producing the work was the employer who induced creation,' then the work is made at the hiring party's 'instance.'" Pet. App. 84 (quoting *Playboy Enters., Inc. v. Dumas*, 53 F.3d 549, 554 (2d Cir. 1995)). "[T]he greater the degree of supervisory power and control a commissioning party" has over the work and the artist, "the more likely it is that the work was created at the commissioning party's instance." Pet. App. 85 (quoting *Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 429 F.3d 869, 880 (9th Cir. 2005)); *see* Pet. App. 83 ("A work is made at the hiring party's 'instance' . . . when the employer induces the creation of the work and has the right to direct and supervise the manner in which the work is carried out" (quoting *Martha Graham Sch. & Dance*

Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc., 380 F.3d 624, 635 (2d Cir. 2004))). The “‘expense’ requirement is satisfied ‘where a hiring party’” pays an artist “‘a sum certain for his or her work.’” Pet. App. 91-92 (quoting *Playboy*, 53 F.3d at 555). Conversely, “‘where the creator of a work receives royalties as payment, that method of payment generally weighs against finding a work-for-hire relationship.’” Pet. App. 92 (quoting *Playboy*, 53 F.3d at 555).

With respect to the first prong, the district court concluded that the “record . . . admits of but one conclusion.” Kirby’s contributions to the works were created at Marvel’s instance. Pet. App. 85. It was “undisputed that at all times between 1958 and 1963,” Marvel’s editor—Stan Lee—“had complete editorial and stylistic control over all work that Marvel published.” Pet. App. 87-88. Lee “supervised the creation of Marvel’s comic books from conception to publication”; “generated the plot or synopsis” for each story, which set the whole process in motion; “assigned writers and artist[s] to work on comic books and reviewed all work before it was published”; and possessed the “authority to ask artists to revise and edit their work before publication” or to edit such work without consulting the artists. Pet. App. 88-89. The works at issue here were “no exception.” Pet. App. 88. “Kirby did not create the artwork that is the subject of the Termination Notices until Lee assigned him to do so.” Pet. App. 85. “Lee edited Kirby’s work and reviewed and approved all of his work prior to publication.” Pet. App. 88. In sum, Marvel “control[led] and supervise[d] all work that it

published between 1958 and 1963,” including the works at issue here. Pet. App. 91.

With respect to the second prong, the district court again explained that the undisputed evidence pointed in only one direction. “Kirby was paid a fixed per-page fee for all work that Marvel published. . . .” Pet. App. 92. And it was Marvel—not Kirby—that bore the “risk” in the event that the publication of the works had been unsuccessful. Pet. App. 95. Accordingly, the 262 works at issue were created at Marvel’s “expense.”

The district court’s conclusion on this score did not end the inquiry. Under the “instance and expense” test, the conclusion that a work was for hire under the 1909 Act can be overcome “by demonstrat[ing] by a preponderance of the evidence that . . . a contrary agreement was reached.” Pet. App. 96 (quoting *Playboy*, 53 F.3d at 554-55). The district court concluded that all of the evidence offered by petitioners in support of the existence of a contrary agreement either was unavailing or affirmatively undermined their claims. Petitioners, for example, pointed to a 1972 agreement between Kirby and Marvel, which stated expressly that Kirby’s contributions were work for hire and also assigned “any” right Kirby “may have” in the works to Marvel. Pet. App. 97-98. The court concluded that this agreement was “the antithesis of evidence showing the existence of an agreement that contradicts” a work-for-hire arrangement. Pet. App. 97; see Pet. App. 76 (“Kirby acknowledges and agrees that all his work” for Marvel “was done as an employee for hire”). That conclusion was

underscored by “statements made by Kirby himself . . . admit[ing] that”—as a matter of course—ownership “vested” in Marvel when the works were created, Pet. App. 97, and that he had “no copyright rights and no claim to copyright” in works published by Marvel, Pet. App. 102.

Petitioners also proffered checks issued between 1973 and 1974—a decade after the works at issue here were created—to artists *other than Kirby* in an effort to support their arguments. The district court properly concluded that these checks “add[ed] nothing of substance to” petitioners’ arguments. Pet. App. 104. Petitioners did not furnish any checks issued “during the relevant period,” let alone any checks “issued to Kirby.” Pet. App. 105.

B. The Second Circuit’s Decision

The Second Circuit affirmed in relevant part.¹ After recounting the origins and evolution of the “instance and expense” test under the 1909 Act, charting its uniform adoption across the courts of appeals, and repeating the contours of the test as described by the district court, the Second Circuit “conclude[d] that the works were created at Marvel’s instance and expense, and that” petitioners had “not

¹ A substantial portion of the Second Circuit’s opinion is dedicated to addressing issues petitioners have not asked this Court to review: whether the district court had jurisdiction over two of the petitioners—Lisa and Neal Kirby—and whether those individuals were indispensable parties to the action under Rule 19(b) of the Federal Rules of Civil Procedure. The Second Circuit held that the district court lacked jurisdiction over Lisa and Neal Kirby, but that those individuals were not indispensable parties.

adduced evidence of an agreement to the contrary contemporaneous with the creation of the works.” Pet. App. 41. “The evidence, construed in favor of the Kirbys, establishes beyond dispute that the works in question were made at Marvel’s instance.” Pet. App. 41. “Although Jack Kirby was a freelancer, his working relationship with Marvel between the years of 1958 and 1963 was close and continuous.” Pet. App. 41. And Kirby’s contributions to the works Marvel published during that period “were hardly self-directed projects.” Pet. App. 42. “[T]he only evidence on the issue indicates that [Kirby] did not work on ‘spec’ (speculation)—that is, he worked within the scope of Marvel’s assignments and titles.” Pet. App. 43. “Marvel’s inducement, right to supervise, exercise of that right, and creative contribution with respect to Kirby’s work during the relevant time period is more than enough to establish that the works were created at Marvel’s instance.” Pet. App. 43.

The Second Circuit also agreed with the district court that the works were created at Marvel’s expense. “Marvel paid Kirby a flat rate per page for those pages it accepted, and no royalties.” Pet. App. 44. “Marvel and Kirby had a standing engagement whereby Kirby would produce drawings designed to fit within specific Marvel universes” Pet. App. 45. “When Kirby sat down to draw, . . . it was not in the hope that Marvel or some other publisher might one day be interested enough in [his drawings] to buy [one], but with the expectation, established through their ongoing, mutually beneficial relationship, that Marvel would pay him.” Pet. App. 45-46. And “in the run of assignments, this expectation proved

warranted.” Pet. App. 46. Indeed, there is no evidence that Marvel failed to pay Kirby for a single contribution he made to a Marvel work. Ultimately, “Marvel’s payment of a flat rate and its contribution of both creative and production value, in light of the parties’ relationship as a whole, is enough to satisfy the expense requirement.” Pet. App. 46.

Petitioners sought panel and en banc rehearing, both of which were denied. Their petition to this Court followed.

REASONS FOR DENYING THE WRIT

I. The Second Circuit’s Analysis In This Case Is Consistent With The Precedents Of Other Courts Of Appeals And This Court.

A. There Is No Division In Authority On Any Of The Questions Petitioners Present.

Petitioners raise questions that have failed to divide the courts of appeals in the hundred-plus years they have applied the 1909 Act. Plaintiffs allege no division in authority for the simple reason that there is none. Every court of appeals to have addressed the issue has held that the instance and expense test applied in this case is the appropriate test for assessing whether a work was made for hire under the 1909 Act. Courts have repeatedly reaffirmed that uniform view in the quarter century since this Court interpreted the very different language of the 1976 Act in *CCNV*. And, unsurprisingly, no court has held that a judicial determination that a specific work is a work for hire constitutes a judicial taking, runs afoul of due process, or violates the separation of powers.

The 1909 Act—which governs rights to copyrighted works created before January 1, 1978—does not provide a definition of what constitutes a “work made for hire.” *CCNV*, 490 U.S. at 744. Rather, in the context of broadly and inclusively defining the term “author,” the 1909 Act states that “the word ‘author’ shall include an employer in the case of works made for hire.” 17 U.S.C. § 26 (repealed); *cf. Chickasaw Nation v. United States*, 534 U.S. 84, 89 (2001) (noting that use of the term “include” indicates a definition’s breadth). As a result, with respect to works made for hire under the 1909 Act, the employer is legally regarded as the “author.”

“Because the 1909 Act did not define ‘employer’ or ‘works made for hire,’ the task of shaping these terms fell to the courts.” *CCNV*, 490 U.S. at 744. By the mid-1960s the Second and Ninth Circuits had settled on the same test for deciding whether a work was a “work for hire” under the 1909 Act. *See Brattleboro Publ’g Co. v. Winmill Publ’g Corp.*, 369 F.2d 565, 567 (2d Cir. 1966); *Lin-Brook Builders Hardware v. Gertler*, 352 F.2d 298, 300 (9th Cir. 1965). As the Ninth Circuit explained, under the 1909 Act, “the title to the copyright shall be in the person at whose instance and expense the work is done.” *Id.* A year later, the Second Circuit agreed, holding that a work is a “work for hire” under the 1909 Act if it was “produced at the instance and expense of [the] employer.” *Brattleboro*, 369 F.2d at 567. Both courts applied this test to commissioned works. *See, e.g., id.* at 568. The agreement between the Second and Ninth Circuits on this score was (and remains) particularly important given that most

copyright cases arise in those jurisdictions. Howard B. Abrams, 2 *The Law of Copyright* § 15:59 (“[T]he Second and Ninth Circuits [are] the two most important copyright venues.”).

After *Lin-Brook* and *Brattleboro*, every court of appeals to take up the issue adopted the “instance and expense” test. See, e.g., *Forward v. Thorogood*, 985 F.2d 604, 606 (1st Cir. 1993) (“[C]opyright ownership” under the 1909 Act, lies with the “party at whose ‘instance and expense’ the work was done.”); *Murray v. Gelderman*, 566 F.2d 1307 (5th Cir. 1978) (“The crucial element in” determining if a work is a work for hire under the 1909 Act is “whether the work was created at the employer’s insistence and expense . . .”).

That test continues to govern without exception nearly 50 years after its initial adoption. Nor is there any division of authority as to what constitutes “instance” or “expense.” “When the motivating factor in producing the work was the employer who induced creation, then the work is made at the hiring party’s ‘instance.’” Pet. App. 84 (quoting *Playboy*, 53 F.3d at 554) (internal quotations omitted); see *Twentieth Century Fox*, 429 F.3d at 879-80; *Martha Graham*, 380 F.3d at 635 (same). The “‘expense’ requirement is satisfied ‘where a hiring party’” pays an artist “‘a sum certain for his or her work.’” Pet. App. 91-92 (quoting *Playboy*, 53 F.3d at 555).²

There is likewise no division in authority on the remaining issues pressed by petitioners. The courts

² “Resolution of the issue [is] . . . a mixed question of law and fact.” *Twentieth Century Fox*, 429 F.3d at 877.

have had 25 years to digest this Court's decision in *CCNV* and to consider its implications for the very different text and context of the 1909 Act and have uniformly reaffirmed the use of the instance and expense test in disputes arising under 1909 Act. See *Martha Graham*, 380 F.3d at 635-36; *Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, 342 F.3d 149, 161-63 (2d Cir. 2003); *Playboy*, 53 F.3d at 554; *Twentieth Century Fox*, 429 F.3d at 878; *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 206 F.3d 1322, 1326 (9th Cir. 2000); *Dolman v. Agee*, 157 F.3d 708, 712 (9th Cir. 1998). Moreover, courts of appeals that did not consider the issue under the 1909 Act until after *CCNV* have likewise adopted the "instance and expense" test. See, e.g., *Forward*, 985 F.2d at 606. And no Court has held that the unexceptional and factbound enterprise of deciding whether a work was made for hire under the 1909 Act amounts to a judicial taking, a due process violation, or a separation of powers problem.

The unanimous agreement on the issues petitioners raise makes review by this Court entirely unnecessary. While petitioners never actually address the unified stance of the lower courts, they do assert that this "is the first case to use the . . . 'instance and expense' test for 'work for hire' under the 1909 Act to" adjudicate a termination claim brought under the 1976 Act. Pet. 6. As a factual matter, petitioners are wrong—courts have previously addressed the work for hire doctrine under the 1909 Act in the context of the 1976 Act's termination provisions and applied the interest and expense test in that context. See, e.g., *Marvel*

Characters, Inc. v. Simon, 310 F.3d 280 (2d Cir. 2002); *Siegel v. Warner Bros. Entm't Inc.*, 658 F. Supp. 2d 1036 (C.D. Cal. 2009). Nor is there any obvious reason that the test for works made for hire under the 1909 Act would be any different in the termination context as opposed to the other contexts in which the courts of appeals have uniformly adopted the interest and expense test. A work is either a work made for hire under the 1909 Act or it is not. And if a work is a work made for hire under the 1909 Act, then the 1976 Act's termination provision, by its own terms, does not apply. *See* 1976 Act, 17 U.S.C. § 304(c) (outlining the termination right with respect to "any copyright subsisting in either its first or renewal term on January 1, 1978," but exempting "work[s] made for hire" before that date).

The reality that only a few courts have addressed the interaction between the 1909 Act work for hire doctrine and the 1976 Act's termination provision only underscores that this issue does not satisfy this Court's criteria for plenary review. A splitless dispute about a statutory provision that has not generated a division of authority in its century on the books is not fertile ground for a certiorari petition. That the provision has been inapplicable to all new works created after 1978 further undermines the issue's importance. It is no accident that this Court has not granted certiorari to consider an issue arising out of the superseded language of the 1909 Act since 1990. *See Stewart v. Abend*, 495 U.S. 207 (1990) (addressing the 1909 Act's renewal provisions). To be sure, questions under the 1909 Act continue to have some relevance for works created before 1978. But

the reality that the issue has arisen in the termination context in only a handful of reported cases hardly strengthens the case for this Court's plenary review, especially given that works created under the 1909 Act have been subject to the 1976 Act's termination provision for over 35 years.

B. The Second Circuit's Application Of Long-Standing Precedent Regarding The 1909 Act Is Not In Conflict With This Court's Case Law.

While petitioners do not allege a split among the lower courts on any of the issues they press, they do contend that this Court's decision in *CCNV* "effectively overruled" the longstanding instance and expense test. Pet. 17. *CCNV* held that commissioned works are not works for hire under the 1976 Act's comprehensive rewrite of the copyright law unless they fit within one of nine specific categories of "specially ordered or commissioned" works enumerated for the first time in the revised statute. 490 U.S. at 741. Petitioners' argument that *CCNV* somehow controls the outcome of this case ignores that *CCNV* involved a dispute regarding the 1976 Act—not the 1909 Act—and that the 1976 Act fundamentally changed the copyright law generally and what constitutes a work for hire from 1978 onward in particular. It also fails to account for the critical fact that the lower courts have had 25 years to consider the implications of *CCNV* for the 1909 Act and every court to have addressed the matter has either reaffirmed the instance and expense test or adopted it in the first instance notwithstanding *CCNV*'s interpretation of the very different 1976 Act.

The 1976 Act “almost completely revised existing copyright law,” including what constitutes a work for hire. *CCNV*, 490 U.S. at 743. In contrast to the 1909 Act, which does not define “work made for hire,” the 1976 Act provided a two-pronged, 182-word definition of the term, with one prong addressing works prepared within an employee’s scope of employment and the other specifically enumerating the categories of commissioned works that qualify as works for hire. Subsequent amendments have added an additional 158 words of clarifying language. *See Work Made for Hire and Copyright Corrections Act of 2000*, Pub. L. 106-379, 114 Stat. 1444 (2000).

The definitional language construed in *CCNV*, which has no analog in the 1909 Act, defines work for hire as follows:

- (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, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a “supplementary work” is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating,

explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an “instructional text” is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

17 U.S.C. § 101. As this Court summarized in *CCNV*, the 1976 Act “creates two distinct ways in which a work can be deemed for hire: one for works prepared by employees, and the other for those specially ordered or commissioned works which fall within one of the nine enumerated categories and are the subject of a written agreement.” 490 U.S. at 741.

While lower courts have never split on what constitutes a work for hire under the 1909 Act, they quickly splintered (in ways that actually satisfied this Court’s certiorari standards) on the 1976 Act’s effort to define that term. Between 1976 and 1988, four distinct and competing interpretations of what constitutes “a work prepared by an employee within the scope of his or her employment” emerged, and this Court granted review. *Id.* at 738.

In resolving that circuit split, the Court’s analysis focused on three highly interrelated considerations. First, recognizing that the “starting point for [the] interpretation of a statute is always its language,” the Court looked to the 1976 Act’s use of the phrase “employee [acting] within the scope of his

. . . employment.” *Id.* at 738-39. The Court concluded that Congress intended to incorporate the agency law meaning of that phrase. The Court observed that “...Congress’ intent to incorporate the agency law definition is suggested by 101(1)’s use of the term ‘scope of employment,’ a widely used term of art in agency law,” and that “[w]here Congress uses terms that have accumulated settled meaning,” those meanings govern “unless the statute otherwise dictated.” *Id.* at 739 (quoting *NLRB v. Amax Coal, Co.*, 453 U.S. 322, 329 (1981)). Second, the Court turned to the 1976 Act’s “nine specific categories of specially ordered or commissioned works eligible to be works for hire.” *Id.* at 741. The Court held that this detailed identification of what constitutes a work for hire, above and beyond works “prepared by an employee within the scope of his or her employment,” was integral to understanding the 1976 Act’s definition of “work for hire.” The Court concluded that the statutory “dichotomy” created by the 1976 Act provides for “two distinct ways in which a work can be deemed [a work] for hire,” and necessitated a preliminary inquiry into whether a work was created by an employee in the scope of employment or was instead a commissioned work. *Id.* In the latter case, it was a “work for hire” only if it came within the nine categories introduced in the 1976 Act. *Id.* Third, the Court found “considerable support in the Act’s legislative history” and the “two decades of negotiation” that preceded the legislation for its conclusion about how the statutory language of the 1976 Act should be construed. *Id.* at 743.³

³ As part of its discussion of legislative history, the Court

Of course, all of these considerations were unique to the work for hire provisions of the 1976 Act, and have no direct application to the 1909 Act. The 1909 Act has no definitional provision at all and does not use the phrase “employee acting within the scope of his employment,” which clearly invokes scope-of-employment principles from agency law. Likewise, the 1909 Act has no analogs to the two-prong definition or the enumeration of nine specific commissioned works for hire that were introduced in the 1976 Act. Needless to say, when Congress provides a detailed two-pronged definition that specifies when a work may qualify as a work for hire, that structure informs the analysis and both prongs must be given meaning in defining the scope of the term. But it would make no sense to translate that interpretation to an earlier law that had a single broad and inclusive definition of authorship, provided no comparable statutory structure and did not separately address commissioned works, let alone limit work-for-hire status to nine specific categories of commissioned works. Finally, at the risk of stating the obvious, *CCNV*’s expansive discussion of the 1976 Act’s legislative history has no bearing on the longstanding application of the 1909 Act.

briefly described the 1909 Act’s “work for hire” language and explained that “Congress decided to overhaul” that provision. *CCNV*, 490 U.S. at 743. As further evidence of the intent to change the existing law, the Court cited certain precedents under the 1909 Act that more closely reflected the desired direction of legislative change. Its plain purpose in doing so was to underscore the intended change in work-for-hire law, not to call the prevailing line of cases under the 1909 Act into question.

In light of the significant differences between the text, context, and legislative history of the 1909 and 1976 Acts, it is not surprising that, as discussed *supra*, every court to have addressed the issue has held that CCNV did not change what constitutes a work for hire under the 1909 Act. See *Martha Graham*, 380 F.3d at 635-36; *Estate of Burne Hogarth*, 342 F.3d at 161-63; *Playboy*, 53 F.3d at 554; *Twentieth Century Fox*, 429 F.3d at 878; *Self-Realization Fellowship Church*, 206 F.3d at 1326; *Dolman*, 157 F.3d at 712. Indeed, courts of appeals that did not consider the issue under the 1909 Act until after CCNV was decided, nonetheless adopted the consensus view—*viz.*, the “instance and expense” test. See, e.g., *Forward*, 985 F.2d at 606. Courts have had 25 years to consider whether CCNV’s interpretation of the 1976 Act necessitates a different interpretation of the very different 1909 Act, and they have uniformly decided to retain or adopt the well-established and uniformly applied “instance and expense” test.

That conclusion makes sense. CCNV was focused on factors unique to the 1976 Act’s overhaul of the copyright law and that decision’s holding and reasoning simply cannot be expanded beyond the confines of the 1976 Act. See *Twentieth Century Fox*, 429 F.3d at 878 (“The CCNV Court was clear that it was considering the meaning of the work-for-hire provision of the 1976 Copyright Act,” and that provision alone.); *Estate of Burne Hogarth*, 342 F.3d at 162 (“CCNV was not concerned with the status of commissioned works under the 1909 Act.”). Courts and commentators alike have repeatedly recognized the fundamental and critical differences regarding

what constitutes a work made for hire under the 1909 and 1976 Acts. *See* Pet. App. 81 n.12 (“the 1976 Act, which is far more artist-friendly than the 1909 Act as interpreted by the courts, substantially narrows the scope of works for hire”); 1 M. Nimmer & D. Nimmer, Copyright § 5.03[B][2][c], p. 5-56.2 (2013) (“under the 1909 Act, the rights of the commissioning party were broader than the current Act”); *id.* at 5-56.4 (“under the 1909 Act, a commissioning party could claim copyright as against the independent contractor, regardless of whether or not the work fell within one of the prescribed categories of works” set forth in the 1976 Act”). Courts were thus correct to adhere to their uniform interpretation of the 1909 Act in the wake of *CCNV*, and in all events, *CCNV* provides no basis for the exercise of this Court’s plenary review.

II. Petitioners’ Arguments Regarding Judicial Takings, Due Process, And Separation Of Powers Are Meritless And, In Any Event, Not Appropriately Before This Court.

In likely recognition of the fact that the statutory question does not satisfy the requirements for this Court’s review, petitioners turn to a series of bizarre constitutional arguments raised for the first time in this Court. Those arguments only underscore that none of the questions presented merits this Court’s plenary consideration.

First, petitioners raise a judicial takings claim, contending that the “wholesale transfer to Marvel of Kirby’s numerous original copyrights . . . by declaring his works . . . ‘for hire’ under the 1909 Act violated the Takings Clause.” Pet. 31 (citing *Stop the Beach*

Renourishment, Inc. v. Florida Dep't of Env'tl. Prot., 560 U.S. 702, 713-25 (2010)). Assuming such a claim is even theoretically cognizable in a dispute like this one, see *Stop the Beach*, 560 U.S. at 737 (Kennedy, J.), petitioners' arguments on this score are entirely without merit.

As an initial matter, the primary authority on which petitioners' rely in advancing this argument critically undermines it. In an effort to avoid encouraging every disgruntled litigant to label his grievance a "judicial taking," Justice Scalia's opinion in *Stop the Beach* made clear that "[a] decision that clarifies property entitlements (or lack thereof) that were previously unclear . . . does not eliminate established property rights." 560 U.S. at 728. As a result, when a court merely "clarif[ies] and elaborate[s] property entitlements that were previously unclear, th[at court] cannot be said to have taken an established property right." *Id.* at 727. At most, this case involves a routine judicial clarification of petitioners' "property entitlements (or lack thereof)," *i.e.*, the precise context Justice Scalia emphasized as not giving rise to a judicial taking.

Indeed, in this case, the ownership of the property rights was not even "previously unclear." The premise of petitioners' claims is that they assigned their property rights to respondents and a later-enacted statute gave them a statutory right to vitiate the assignment. That is not a promising context for a judicial takings claim. But, in fact, petitioners marshaled no evidence that they had any property right to assign in the first place. Indeed, Kirby repeatedly disclaimed any rights in his

contributions to Marvel works. *See, e.g.*, Pet. App. 76 (“Kirby acknowledges and agrees that all his work” for Marvel “was done as an employee for hire”); Pet. App. 97 (“Kirby himself . . . admitted that” ownership “vested” in Marvel when the works were created); Pet. App. 102 (Kirby agreed that he had “no copyright rights and no claim to copyright” in works published by Marvel).

Petitioners’ judicial takings argument ignores these critical facts and simply assumes the answer to the questions they press. As petitioners explain, “there must be a legally cognizable property interest” for a taking to occur. Pet. 33 (citing *Lingle v. Chevron U.S.A., Inc.*, 544 U.S. 528, 536-37 (2005)). To be sure, copyrights are protected property interests, *see, e.g.*, *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 431 (1984); *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1002-03 (1984), and those interests could be (and have been) the subject of takings claims. But the issue in this case from the outset was whether—because of Kirby’s work-for-hire status—petitioners had a property right in Kirby’s contributions to the works in the first place. *Stop the Beach* was concerned with “judicial elimination of established private property rights.” 560 U.S. at 722. Not one Justice suggested a failed effort to invoke the courts’ assistance in establishing a property right in the first instance would amount to a taking.

Endorsing petitioners’ warped view of judicial takings would almost certainly “invite a host of federal takings claims.” *Stop the Beach*, 560 U.S. at 743 (Breyer, J.). If petitioners were correct about the

scope of judicial takings, every losing party in a copyright, patent, or trademark case—and myriad others cases implicating property rights—could allege a judicial taking. That is not the law. While the precise contours of the judicial takings doctrine may be in doubt, there is no doubt that petitioners do not state such a claim.

Petitioners’ next gambit is to invoke due process, claiming that the Second Circuit’s decision worked a due process violation through “retroactive application of an elusive test.” Pet. 35. Petitioners are wrong on both counts. The lower courts’ decisions do not raise retroactivity concerns. As explained, those courts simply applied a test that has governed in the Second Circuit and elsewhere for more than 50 years. Nor is the test applied by the lower courts “elusive,” as demonstrated by the unanimous position of the courts of appeals to have addressed the issue.

To the extent any due process interests are implicated by petitioners’ arguments, those interests strongly counsel against upsetting longstanding precedent governing what constitutes works made for hire under the 1909 Act. Due process principles prohibit undue interference with settled expectations. *See, e.g., McKesson Corp. v. Div. of Alcoholic Beverages & Tobacco, Dep’t of Bus. Regulation of Florida*, 496 U.S. 18, 41 n.23 (1990) (“unduly interfering with settled expectations” “would violate due process”); *City of Cleburne, Tex. v. Cleburne Living Ctr.*, 473 U.S. 432, 471 n.22 (1985) (“Constitutional provisions . . . such as the Contracts Clause, the Just Compensation Clause, or the Due Process Clause, may constrain the extent to which

government can upset settled expectations when changing course and the process by which it must implement such changes.”). What petitioners really appear to want is to import the text of the 1976 Act into disputes governed by the 1909 Act. But due process principles counsel against retroactive application of the law, *see, e.g., Usery v. Turner Elkhorn Mining Co.*, 428 U.S. 1, 15 (1976), and Congress expressly declined to apply the 1976 Act retroactively. *See, e.g., Real Estate Data, Inc. v. Sidwell Co.*, 809 F.2d 366 (7th Cir. 1987) (“the 1976 Act does not have retroactive application”); *Roth v. Pritikin*, 710 F.2d 934, 939 (2d Cir. 1983), *cert. denied*, 464 U.S. 1961 (1983) (“Nothing in the House or Senate reports accompanying the proposed Copyright Act evinces an intention to have the work for hire provisions retroactively apply.”); *May v. Morganelli-Heumann & Assocs.*, 618 F.2d 1363, 1368 (9th Cir. 1980) (declining to apply the 1976 Act retroactively). To the extent due process principles have any role to play here, they strongly advise against upsetting the settled expectations that underlay transactions undertaken against the backdrop of the uniform and long-settled interpretation of the 1909 Act.

Finally, petitioners claim a separation of powers violation, trumpeting that “Congress, not the courts, is responsible for weighing competing interests and policies in defining ‘work for hire’ under the Copyright Act.” Pet. 36. True enough. But as this Court has recognized, “the 1909 Act did not define ‘employer’ or ‘works made for hire,’” and thus “the task of shaping these terms fell to the courts.” *CCNV*, 490 U.S. at 744. Courts—including this

Court—regularly give content to terms that Congress left undefined. Doing so is fundamental to the enterprise of judging, not a forbidden encroachment on the authority of a coordinate branch. If Congress thought the courts had misinterpreted the 1909 Act, it could have addressed the situation retroactively. But Congress decided to introduce a new definition, which applied only prospectively. Thus, a proper respect for separation of powers requires that decision to be honored.

While petitioners’ constitutional arguments get things exactly backwards and provide no basis for this Court’s review, they are also waived. As petitioners’ concede, application of the “‘instance and expense’ test for determining ‘work for hire’ under the 1909 Act was dispositive in . . . the district court.” Pet. 37. Accordingly, if petitioners believed that a judicial decision concluding that Marvel was the owner of the works at issue amounted to a taking or a due process or separation of powers violation, the time to make that argument was in the Second Circuit. But petitioners did not advance those arguments and they are not properly before this Court. *See, e.g., Nat’l Collegiate Athletic Ass’n v. Smith*, 525 U.S. 459, 470 (1999).⁴

⁴ Nothing in any of the briefs filed by *amici* counsels in favor of review. Three of the four amicus briefs—filed by groups affiliated with the Screen Actors Guild-American Federation of Television and Radio Artists, Bruce Lehman and Ralph Oman, and the California Society of Entertainment Lawyers—simply parrot the substance of petitioners’ submission regarding the instance and expense test. And the brief submitted by Mark Evanier, John Morrow, and PEN Center USA is based entirely on the same speculative and unsupported factual conjecture

III. The Second Circuit Correctly Concluded That The Works At Issue Were Made For Hire Under The 1909 Act.

There is no division in authority implicated by the decisions below and those decisions are completely consistent with the precedents of this Court. Petitioners may not like the way the courts below applied those settled precedents, but such factbound questions do not satisfy this Court's criteria for plenary review. What is more, the decisions below are as correct as they are factbound.

“[A]pplying legal tests that have been settled . . . for half a century,” Pet. App. 80, the lower courts held that the works at issue were works for hire under the 1909 Act because they were made at Marvel’s instance and expense. As outlined *supra*, it was “undisputed that at all times between 1958 and 1963,” Marvel’s editor “had complete editorial and stylistic control over all work that Marvel published,” including work done by Kirby. Pet. App. 87-88. Lee “supervised the creation” of Kirby’s work “from conception to publication”; “generated the plot synopsis” for each story, which set the whole process in motion; reviewed and approved “all work before it was published”; and possessed the “authority to ask” Kirby “to revise and edit [his] work before publication” and to edit that work without consulting Kirby. Pet. App. 88-89. “Kirby was paid a fixed per-page fee for all work that Marvel published.” Pet.

that led to Evanier’s and Morrow’s “expert” reports being excluded in this very case pursuant to *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579 (1993)—a fact they fail to bring to the Court’s attention. See Pet. App. 29-31, 60-65.

App. 92. It was Marvel—not Kirby—that bore the “risk” and potential expense if the publication of the works was unsuccessful. Pet. App. 95. And all of the evidence offered by petitioners in support of the existence of a contrary agreement either provided them no aid or reaffirmed the conclusion the instance and expense test compelled. Indeed, Kirby himself repeatedly confirmed that Marvel owned all the rights in the works. Pet. App. 76, 97, 102.

Petitioners’ purported smoking gun in challenging the merits of the decisions below is pure fiction. Petitioners repeatedly invoke alleged “contemporaneous agreements between Marvel and Kirby consist[ing] of legends on the back of Marvel’s checks to Kirby expressly assigning his copyrights in the work Marvel purchased,” and argue that these check legends establish that the works were, in fact, not made for hire. Pet. 11 (citing Pet. App. 105); *see also, e.g.,* Pet. at 27 (“Here, the only contemporaneous agreements were contractual legends on the back of Marvel’s checks, assigning Kirby’s copyrights in the artwork Marvel elected to purchase.” (citing Pet. App. 105, 44)).

Petitioners, however, have a problem—these supposed “contemporaneous agreements between Marvel and Kirby” are neither “contemporaneous” nor “between Marvel and Kirby.” To be clear, *there are no checks* from Marvel to Kirby issued “contemporaneous[ly]” with the creation of the works at issue in this case. As the district court explained, petitioners proffered checks issued between 1973 and 1974—a decade after the works at issue here were created—to artists other than Kirby in an effort to

support their arguments. Petitioners did not furnish any checks issued “during the relevant period,” let alone any checks “issued to Kirby” during that time. Pet. App. 105.

What is in the record, however, are numerous statements by Kirby making clear that he had no rights to the works that Marvel published. At various points in time “Kirby himself . . . admitted that”—as a matter of course—ownership “vested” in Marvel when the works it published were created, Pet. App. 97, and that he had “no copyright rights and no claim to copyright” in works published by Marvel, Pet. App. 102. These statements—made by Kirby—“prove conclusively that the [works] . . . were works for hire.” Pet. App. 97. These statements not only defeat petitioners’ claim to ownership, but make this case a poor and atypical vehicle for this Court’s review.

CONCLUSION

For the foregoing reasons, this Court should deny the petition for certiorari.

Respectfully submitted,

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