

1 either the 2007 or 2012 termination notice. We agree with plaintiffs that EMI
2 owns its rights under the 1981 grant, and conclude that the 2007 termination
3 notice will terminate the 1981 grant in 2016. We therefore reverse the district
4 court’s judgment and remand for the entry of a declaratory judgment in
5 plaintiffs’ favor.

6
7 REVERSED AND REMANDED.

8
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10 O’Keefe Milian Gonya, LLP, Washington,
11 DC, *for Plaintiffs-Appellants*.

12
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14 M. Bagley, *on the brief*), Pryor Cashman
15 LLP, New York, NY, *for Defendant-Appellee*.

16
17 DEBRA ANN LIVINGSTON, *Circuit Judge*:

18
19 This appeal involves a dispute over the copyright in the musical
20 composition “Santa Claus is Comin’ to Town” (the “Song”), a classic Christmas
21 song written by J. Fred Coots and Haven Gillespie in the 1930s. In 1976,
22 Congress enacted a complex statutory regime that—as we explain later in this
23 opinion—gave authors and their statutory heirs the right to terminate previously
24 made grants of copyright under certain circumstances, and thereby to recapture
25 some of the value associated with the authors’ works. *See* 17 U.S.C. §§ 203,
26 304(c). Plaintiffs-appellants Gloria Coots Baldwin, Patricia Bergdahl, and
27 Christine Palmitessa (“Plaintiffs”) represent Coots’s statutory heirs; since 2004,

1 they have attempted to navigate this legal thicket and terminate rights in the
2 Song held by defendant-appellee EMI Feist Catalog, Inc. (“EMI”) under the terms
3 of certain grants made by Coots to EMI’s predecessors. Plaintiffs brought this
4 lawsuit in the United States District Court for the Southern District of New York,
5 seeking a declaration that either a notice of termination served on EMI in 2007
6 (the “2007 Termination Notice”) or another such notice served in 2012 (the “2012
7 Termination Notice”) will, upon becoming effective, terminate EMI’s rights in the
8 Song.

9 The district court (Scheindlin, *J.*) granted summary judgment to EMI,
10 holding that its rights in the Song will subsist through the entire remaining
11 copyright term—which, under current law, is scheduled to expire in 2029—
12 pursuant to a 1951 agreement (the “1951 Agreement”) that Plaintiffs are
13 powerless to terminate. We reverse. For the reasons set forth below, we
14 conclude (1) that EMI owns its rights in the Song not under the 1951 Agreement
15 but instead under a subsequent contract executed in 1981 (the “1981
16 Agreement”), and (2) that the 2007 Termination Notice will terminate the 1981
17 Agreement in 2016. Plaintiffs are, accordingly, entitled to a declaratory judgment
18 in their favor.

1 **BACKGROUND**

2 Coots and Gillespie sold the Song and “the right to secure copyright
3 therein” to EMI’s predecessor Leo Feist, Inc. (“Feist”) in an agreement dated
4 September 5, 1934 (the “1934 Agreement”). J.A. 40. In the 1934 Agreement, Feist
5 agreed to “publish [the Song] in saleable form . . . within one (1) year,” and to
6 pay Coots and Gillespie certain royalties generated by the Song. J.A. 41. On
7 September 27, 1934, Feist registered its copyright in the Song with the Copyright
8 Office.

9 At the time, the Copyright Act of 1909 (the “1909 Act”), Pub. L. No. 60-349,
10 35 Stat. 1075, was in effect. Under the 1909 Act, authors were entitled to
11 copyright in their work for an initial twenty-eight-year period beginning on the
12 date the work was published. They then had the right to renew their copyright
13 for an additional twenty-eight-year “renewal term,” a right that they could
14 exercise even if they had granted their rights in the initial copyright term to a
15 publisher. Thus, “[t]he renewal term permit[ted] the author, originally in a poor
16 bargaining position, to renegotiate the terms of the grant once the value of the
17 work ha[d] been tested.” *Stewart v. Abend*, 495 U.S. 207, 218-19 (1990); *see also*
18 *Penguin Grp. (USA) Inc. v. Steinbeck*, 537 F.3d 193, 197 (2d Cir. 2008). But authors

1 could (and often did) grant their rights in the renewal term to publishers before
2 the initial copyright term expired, and in *Fred Fisher Music Co. v. M. Witmark &*
3 *Sons*, the Supreme Court held that these grants were enforceable. 318 U.S. 643,
4 657 (1943). Unless the author died before the renewal term began—in which case
5 his renewal rights vested in his statutory heirs, notwithstanding his assignment
6 of an expectancy in those rights, see *Miller Music Corp. v. Charles N. Daniels, Inc.*,
7 362 U.S. 373, 376 (1960)—a grant of renewal rights ensured that the publisher
8 would own the copyright for the entire fifty-six-year period provided by the 1909
9 Act. See *Steinbeck*, 537 F.3d at 197; *Marvel Characters, Inc. v. Simon*, 310 F.3d 280,
10 284 (2d Cir. 2002).

11 While many authors sold their rights in the initial term and the renewal
12 term simultaneously, Coots granted his renewal rights separately, in the 1951
13 Agreement. The 1951 Agreement assigned to Feist a number of “musical
14 compositions” by Coots, including the Song, “and all renewals and extensions of
15 all copyrights therein,” in exchange for certain royalties to be paid “during all
16 renewal periods of the United States copyright in each of said compositions.”
17 J.A. 46. Feist renewed its copyright in the Song on September 27, 1961, at which

1 point its rights were set to expire fifty-six years after copyright was originally
2 registered—i.e., on September 27, 1990.

3 In 1976, Congress enacted a major overhaul of U.S. copyright law (the
4 “1976 Act”), Pub. L. No. 94-553, 90 Stat. 2541, several aspects of which are central
5 to this appeal. For works created on or after January 1, 1978, the 1976 Act did
6 away with the 1909 Act’s dual-term structure, replacing it with a single copyright
7 term lasting for the life of the author plus fifty years. *See id.* § 302(a). By contrast,
8 for works created before January 1, 1978, the 1976 Act retained the 1909 Act’s
9 dual-term structure, *see id.* § 304(a), (b), and for works (like the Song) already in
10 their renewal term, it extended the renewal term to “seventy-five years from the
11 date copyright was originally secured.” *Id.* § 304(b). After the passage of the
12 1976 Act, the rights in the Song that Coats had granted to Feist were scheduled to
13 expire in 2009.¹

14 Although the 1976 Act extended copyright protection for works already in
15 their renewal term, it contained a mechanism for giving authors and their
16 families, as opposed to publishers who had come to own the renewal term rights,

¹ Section 305 of the 1976 Act also provided that rights would expire on December 31 of the year they were otherwise scheduled to expire. Thus, the copyright in the Song was specifically scheduled to expire on December 31, 2009.

1 an opportunity to benefit from the extended term. See 3 Melville B. Nimmer &
2 David Nimmer, *Nimmer on Copyright* § 11.05[B][1] (2013) [hereinafter “Nimmer”].
3 To this end, § 304(c) of the statute permitted authors—or, if the author had died,
4 certain statutory heirs designated in § 304(c)(2)—to terminate “the exclusive or
5 nonexclusive grant of a transfer or license of the renewal copyright . . . executed
6 before January 1, 1978.” 17 U.S.C. § 304(c). Because the parties’ dispute
7 implicates the intricacies of this section, we quote the relevant portions at length:

8 (3) Termination of the grant may be effected at any time during a
9 period of five years beginning at the end of fifty-six years from the
10 date copyright was originally secured, or beginning on January 1,
11 1978, whichever is later.

12 (4) The termination shall be effected by serving an advance notice in
13 writing upon the grantee or the grantee’s successor in title. . . .

14 (A) The notice shall state the effective date of the termination,
15 which shall fall within the five-year period specified by clause
16 (3) of this subsection, . . . and the notice shall be served not
17 less than two or more than ten years before that date. A copy
18 of the notice shall be recorded in the Copyright Office before
19 the effective date of termination, as a condition to its taking
20 effect.

21 (B) The notice shall comply, in form, content, and manner of
22 service, with requirements that the Register of Copyrights
23 shall prescribe by regulation.

24 (5) Termination of the grant may be effected notwithstanding any
25 agreement to the contrary, including an agreement to make a will or
26 to make any future grant.

1 (6) . . . In the case of a grant executed by one or more of the authors
2 of the work, all of a particular author’s rights under this title that
3 were covered by the terminated grant revert, upon the effective date
4 of termination, to that author or, if that author is dead, to [his
5 statutory heirs]. In all cases the reversion of rights is subject to the
6 following limitations:

7 . . .

8 (B) The future rights that will revert upon termination of the
9 grant become vested on the date the notice of termination has
10 been served as provided by clause (4) of this subsection.

11 . . .

12 (D) A further grant, or agreement to make a further grant, of
13 any right covered by a terminated grant is valid only if it is
14 made after the effective date of the termination. As an
15 exception, however, an agreement for such a further grant
16 may be made between the author . . . and the original grantee
17 or such grantee’s successor in title, after the notice of
18 termination has been served as provided by clause (4) of this
19 subsection.

20 . . .

21 (F) Unless and until termination is effected under this
22 subsection, the grant, if it does not provide otherwise,
23 continues in effect for the remainder of the extended renewal
24 term.

25 17 U.S.C. § 304(c).

26 In addition to this § 304(c) termination right for pre-1978 grants, the 1976
27 Act granted authors (or their statutory heirs) the right to terminate grants
28 “executed by the author on or after January 1, 1978.” 17 U.S.C. § 203. This § 203

1 termination right can be exercised during a five-year period “beginning at the
2 end of thirty-five years from the date of execution of the grant,” but if the grant
3 “covers the right of publication of the work,” that five-year period begins at the
4 earlier of (1) thirty-five years from the work’s publication or (2) forty years from
5 the execution of the grant. *Id.* § 203(a)(3). As with termination under § 304(c),
6 termination under § 203 “may be effected notwithstanding any agreement to the
7 contrary.” *Id.* § 203(a)(5).

8 Under the first of the termination provisions just described, § 304(c), the
9 1951 Agreement was, as a pre-1978 grant, subject to termination starting on
10 September 27, 1990, so Coots could serve a termination notice as early as ten
11 years before that date. 17 U.S.C. § 304(c)(3), (4). Between service of the notice
12 and the date of termination, he could reach an agreement for a further grant of
13 the terminated rights with Feist or its successor in title, but no one else. *Id.*
14 § 304(c)(6)(D). In fact, on September 24, 1981, Coots served on Feist’s successor,
15 Robbins Music Corporation (“Robbins”), a termination notice naming October
16 23, 1990, as the termination date for the 1951 Agreement (the “1981 Termination
17 Notice”). Coots’s attorney, William Krasilovsky, sent a copy of the 1981
18 Termination Notice to the Register of Copyrights on November 25, 1981. He then

1 set about negotiating with Robbins on Coots's behalf, culminating in the 1981
2 Agreement, which was signed on December 15, 1981.

3 The 1981 Agreement recited that Coots (the "Grantor") had transferred his
4 rights in the Song's renewal term to Feist in the 1951 Agreement; that Feist had
5 renewed the copyright; that Congress had extended the renewal term in the 1976
6 Act; and that "the parties hereto desire to insure that [Robbins (the "Grantee")]
7 shall, for the balance of the period of copyright [in the Song], be possessed of all
8 United States copyright interest therein." J.A. 59. Coots agreed as follows:

9 Grantor hereby sells, assigns, grants, transfers and sets over to
10 Grantee . . . all rights and interests whatsoever now or hereafter
11 known or existing, heretofore or at any time or times hereafter
12 acquired or possessed by Grantor in and to [the Song and various
13 derivative works], under any and all renewals and extensions of all
14 copyrights therein and all United States reversionary and
15 termination interests in copyright now in existence or expectant,
16 including all rights reverted, reverting or to revert to Grantor[,] his
17 heirs, executors, administrators or next of kin by reason of the
18 termination of any transfers or licenses covering any extended
19 renewal term of copyright pursuant to Section 304 of the Copyright
20 Act of 1976, together with all renewals and extensions thereof.

21 J.A. 59–60. Further, he made a series of representations, including that he had
22 served on Robbins "and recorded in the Copyright Office" a termination notice,
23 which, the parties agreed:

24 shall for the purposes of this agreement and Section 304(c)(6)(D) of
25 the Copyright Act of 1976 be deemed to have been served upon

1 Grantee, in advance of any further grant of rights hereunder, and
2 shall be deemed to take effect at the earliest date possible under the
3 Copyright Act of 1976 and the regulations prescribed by the Register
4 of Copyrights.

5 J.A. 60.

6 Robbins agreed to pay both a \$100,000 “non-recoupable bonus” to Coots’s
7 children in annual installments from 1981 to 1995, and royalties “as specified in
8 the [1951 Agreement]” for “the period of the Extended Renewal Term of
9 Copyright,” a phrase that the 1981 Agreement did not define. J.A. 62. Coots’s
10 four children—Clayton Coots, Gloria Coots Baldwin, Patricia Coots Chester, and
11 John Coots, Jr.—also signed the 1981 Agreement. “As an inducement to
12 [Robbins] to enter into the . . . agreement,” they assigned to Robbins all of their
13 rights and interests in the Song “for the extended renewal term thereof.” J.A. 63.

14 On May 26, 1982, Krasilovsky received a letter from the Copyright Office
15 stating: “Pursuant to our telephone conversation of March 1, 1982, we are
16 returning” the 1981 Termination Notice “to you unrecorded.” J.A. 69. There is
17 no explanation for this decision either in the letter or elsewhere in the record. At
18 his deposition in this case, Krasilovsky could not recall why the notice was
19 returned or what had transpired in the “telephone conversation” mentioned in
20 the letter. **[A455.]** The parties agree that the 1981 Termination Notice was never

1 actually recorded, although EMI claims it was not aware of the non-recording
2 of the notice until 2011.

3 As noted, when the 1981 Agreement was signed, the copyright in the Song
4 was scheduled to subsist until December 31, 2009, the end of the year seventy-
5 five years after copyright was initially secured. *See supra* note 1. The parties
6 therefore did not anticipate that § 203 termination—which is available only
7 against grants executed after January 1, 1978 and lasting longer than thirty-five
8 years—would be available against the 1981 Agreement, which they thought
9 would come to an end in 2009, less than thirty-five years later. Things changed
10 in 1998, however, when Congress passed the Sonny Bono Copyright Term
11 Extension Act (the “1998 Act”), Pub. L. No. 105-298, 112 Stat. 2827. For
12 copyrights still in their renewal term at that time, the 1998 Act extended the
13 renewal term to last “95 years from the date copyright was originally secured.”
14 17 U.S.C. § 304(b). Because the Song’s copyright was secured in 1934, its
15 copyright was now set to expire on December 31, 2029.

16 The 1998 Act also added a new termination right to allow authors and their
17 heirs to extract value from the new twenty-year extension of the renewal term.
18 For copyrights still in their renewal term, authors (or their statutory heirs) could

1 effect termination in the same general way as under § 304(c) if “the termination
2 right provided in [§ 304(c)] has expired by such date” and “the author or owner
3 of the termination right has not previously exercised such termination right.” 17
4 U.S.C. § 304(d). Termination pursuant to § 304(d) can “be effected at any time
5 during a period of 5 years beginning at the end of 75 years from the date
6 copyright was originally secured,” *id.* § 304(d)(2)—in the Song’s case, starting on
7 September 27, 2009.

8 The possibilities created by the 1998 Act led to a flurry of activity by
9 Coots’s statutory heirs,² who sought to take advantage of the termination rights
10 that Congress had afforded, but were forced to contend with uncertainty
11 stemming from the fact that the 1981 Termination Notice was never recorded. In
12 2004, Coots’s heirs served on EMI (Robbins’s successor) and recorded in the
13 Copyright Office a § 304(d) termination notice with an effective date of
14 September 27, 2009 (the “2004 Termination Notice”). Evidently, the 2004

² Coots passed away in 1985. EMI does not argue that any of the termination notices mentioned in the text fails for the reason that the individuals who served it did not together own a sufficient percentage of Coots’s termination interest. *See generally* 17 U.S.C. §§ 203(a)(2), 304(c)(2) (specifying the statutory heirs who own an author’s termination interest upon his death). For brevity’s sake, therefore, we will avoid explaining who served each termination notice and why they owned a sufficient percentage of Coots’s termination interest.

1 Termination Notice was based on the related premises that EMI still owned its
2 rights under the 1951 Agreement (a pre-1978 grant), and that Coots had not
3 already exercised his § 304(c) termination rights. Under the impression that the
4 1981 Agreement was operative, EMI personnel were confused by the 2004
5 Termination Notice; they ran a search for a prior § 304(c) termination notice,
6 which came up empty. EMI prepared a draft affidavit to “refute” the 2004
7 Termination Notice, but this was never sent. Instead, in 2006, EMI began
8 negotiating with Krasilovsky, who was now representing Coots’s heirs.

9 EMI and Krasilovsky agreed that in light of the 1981 Agreement, EMI’s
10 rights in the Song were more appropriately terminated under § 203.
11 Accordingly, in early 2007, Coots’s statutory heirs served and recorded the 2007
12 Termination Notice, which indicated that the 1981 Agreement would terminate
13 pursuant to § 203 on December 15, 2016. Krasilovsky then began negotiating to
14 sell the to-be-terminated rights back to EMI. EMI offered Coots’s statutory heirs
15 \$2.75 million for those rights, an offer that was rejected as insufficient. At that
16 point, EMI’s efforts to acquire the rights appear to have stalled.

17 Two years later, in 2009, Warner-Chappell Music, which had been acting as
18 copyright administrator for a Coots family venture called Toy Town Toons,

1 wrote to EMI claiming the copyright in the Song under the 2004 Termination
2 Notice—apparently having returned to the position that termination of the 1951
3 Agreement had never taken place. EMI responded to this letter through outside
4 counsel, asserting that its copyright “has not been and cannot be terminated” and
5 would expire in 2029. J.A. 84. EMI claimed that § 304(d) termination was
6 unavailable because Coots had already exercised his § 304(c) termination right in
7 the 1981 Agreement, and that § 304(d) “does not provide a second right to
8 terminate where the right of termination has already been exercised.” J.A. 85.

9 In 2012, Coots’s statutory heirs served and recorded the 2012 Termination
10 Notice. **[A88–89.]** Like the 2007 Termination Notice, the 2012 Termination Notice
11 cited § 203, not § 304(d), as the source of the heirs’ right to terminate the 1981
12 Agreement. But “in an abundance of caution,” Appellants’ Br. at 23, the 2012
13 Termination Notice assumed that the 2007 Termination Notice was premature, on
14 the theory (which Coots’s statutory heirs anticipated EMI might advance) that
15 the 1981 Agreement was a grant “cover[ing] the right of publication of the work,”
16 17 U.S.C. § 203(a)(3), and that the “publication” of the Song under the 1981
17 Agreement, which resulted in EMI’s owning the nineteen years’ worth of rights
18 spanning from 1990 to 2009, took place in 1990. On that potentially available

1 theory, the 1981 Agreement could not be terminated until December 15, 2021—
2 i.e., forty years after the agreement’s execution. *See id.* (“[I]f the grant covers the
3 right of publication of the work, the [five-year] period [during which termination
4 is available] begins at the end of thirty-five years from the date of publication of
5 the work under the grant or at the end of forty years from the date of execution
6 of the grant, whichever term ends earlier.”).

7 On December 16, 2011, Plaintiffs sued EMI in the United States District
8 Court for the Southern District of Florida, seeking a declaration that the 2004
9 Termination Notice had terminated EMI’s rights in the Song on December 31,
10 2009, or, alternatively, that the 2007 Termination Notice would terminate EMI’s
11 rights on December 15, 2016. The Florida court granted EMI’s motion to dismiss
12 for lack of personal jurisdiction, and Plaintiffs brought this action in the Southern
13 District of New York on December 21, 2012. Plaintiffs now seek a declaration
14 that the 2007 Termination Notice will terminate EMI’s rights on December 15,
15 2016, or, alternatively, that the 2012 Termination Notice will terminate EMI’s
16 rights on December 16, 2021.

17 Following discovery, the parties cross-moved for summary judgment. On
18 December 16, 2013, the district court granted EMI’s motion and denied Plaintiffs’,

1 holding that since the 1981 Termination Notice was never recorded, EMI owns its
2 rights in the Song under the 1951 Agreement—which, as a pre-1978 grant, is not
3 terminable under § 203. *Baldwin v. EMI Feist Catalog, Inc.*, 989 F. Supp. 2d 344,
4 352–55 (S.D.N.Y. 2013). Although Plaintiffs had not specifically argued that the
5 2004 Termination Notice terminated the 1951 Agreement in 2009 under § 304(d),
6 the district court rejected any such argument, concluding that § 304(d) was
7 unavailable because “Plaintiffs exercised their Section 304(c) termination rights
8 when they served the 1981 Notice on EMI and secured a substantial \$100,000
9 bonus payment.” *Id.* at 355. Accordingly, the district court concluded that EMI’s
10 rights would survive until 2029. Judgment was entered on December 17, 2013,
11 and Plaintiffs timely appealed.

12 DISCUSSION

13 We review a district court’s grant of summary judgment de novo. *Back v.*
14 *Hastings on Hudson Union Free Sch. Dist.*, 365 F.3d 107, 122 (2d Cir. 2004).
15 Summary judgment is appropriate when, viewing the evidence in the light most
16 favorable to the non-moving party, *see Nabisco, Inc. v. Warner-Lambert Co.*, 220
17 F.3d 43, 45 (2d Cir. 2000), “there is no genuine dispute as to any material fact and
18 the movant is entitled to judgment as a matter of law,” Fed. R. Civ. P. 56(a). A

1 fact is material if it “might affect the outcome of the suit under the governing
2 law,” and a dispute is genuine if “the evidence is such that a reasonable jury
3 could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*,
4 477 U.S. 242, 248 (1986).

5 **I.**

6 The first question we must address is whether EMI owns its rights in the
7 Song under the 1951 Agreement or, instead, under the 1981 Agreement.³ The
8 2007 Termination Notice and the 2012 Termination Notice purported to terminate
9 EMI’s rights pursuant to 17 U.S.C. § 203, but § 203 termination rights are not
10 available against pre-1978 grants. *See* 17 U.S.C. § 203(a). Accordingly, if the 1951
11 Agreement is the source of EMI’s rights, Plaintiffs cannot terminate those rights
12 under § 203. Plaintiffs argue that the 1981 Agreement superseded the 1951
13 Agreement and, upon doing so, became the operative source of EMI’s rights.
14 EMI responds that the 1981 Agreement did not supersede the 1951 Agreement,
15 and that Coots’s failure to record the 1981 Termination Notice means that the
16 1951 Agreement was never terminated and therefore remains in effect.

³ For simplicity’s sake, we refer to EMI, Feist, and Robbins collectively as “EMI” throughout the remainder of the opinion.

1 copyright. See 17 U.S.C. § 304(c)(6) (providing that the “rights under this title
2 that were covered by the terminated grant revert, upon the effective date of
3 termination, to th[e] author” or his statutory heirs); *Mills Music, Inc. v. Snyder*, 469
4 U.S. 153, 162 (1985) (labeling the post-termination interest a “reversion”). See
5 generally Restatement (Third) of Prop.: Wills & Donative Transfers § 25.1 (Am.
6 Law Inst. 2011) (“A future interest is an ownership interest in property that does
7 not currently entitle the owner to possession or enjoyment of the property.”).
8 This future interest, however (unlike an author’s renewal right under the 1909
9 Act), “become[s] vested on the date the notice of termination has been served,”
10 17 U.S.C. § 304(c)(6); see *Range Road Music, Inc. v. Music Sales Corp.*, 76 F. Supp. 2d
11 375, 381 (S.D.N.Y. 1999), which gives the grantee confidence, in negotiations
12 under the existing-grantee exception, that the grantor actually has something to
13 convey. Compare 3 Nimmer § 11.08[A] (if the grantor dies after signing a new
14 agreement but before the termination date, “the original grantee is entitled to
15 claim the benefit of the further grant of the terminated rights” because “the
16 termination interest vested upon service”), with *Miller Music*, 362 U.S. at 378
17 (noting that under the 1909 Act, “assignees of renewal rights [took] the risk that
18 the rights acquired [would] never vest in their assignors”).

1 Although an author’s (or his statutory heirs’) interest vests immediately
2 upon service of a termination notice, it becomes possessory—i.e., it entitles the
3 author (or his statutory heirs) to ownership of the copyright—only if the notice is
4 recorded before the termination date. *See* 17 U.S.C. § 304(c)(4)(A) (“A copy of the
5 notice shall be recorded in the Copyright Office before the effective date of
6 termination, as a condition to its taking effect.”). In other words, even after a
7 notice is served, the interest that vests upon service may be *divested* if the notice
8 is not recorded, and the grantee will continue to own the copyright through the
9 end of the extended renewal term. *See id.* § 304(c)(6)(F) (“Unless and until
10 termination is effected under this subsection, the grant, if it does not provide
11 otherwise, continues in effect for the remainder of the extended renewal term.”);
12 3 Nimmer § 11.06[B] (“Recordation . . . is not a condition precedent to vesting,
13 but a failure to record prior to the effective date of termination constitutes failure
14 to satisfy a condition subsequent, and therefore results in invalidation.”). So
15 upon being served with a termination notice, the grantee—by virtue of the
16 existing grant—holds both a present interest scheduled to terminate on the
17 notice’s effective date and a contingent future interest that will vest on that date
18 and entitle the grantee to possession if the notice goes unrecorded. (In common

1 law property terms, these two interests are analogous to a term of years and a
2 contingent remainder, respectively. *See, e.g.,* Jesse Dukeminier et al., *Property* 274
3 (7th ed. 2010)).

4 With this background in mind, in the prototypical agreement
5 contemplated by the existing-grantee exception, the author or his statutory heirs
6 convey only the future interest that vested in them upon service of the
7 termination notice—that is, the only interest they hold at the time the notice is
8 served. In effect, EMI claims that the 1981 Agreement is such a prototypical
9 agreement, and that Coots conveyed to EMI *only* the vested future interest
10 scheduled to revert to him upon termination. From this premise, EMI argues
11 that the 1951 Agreement remained in place as the source of EMI’s *other* two
12 interests in the Song—i.e., the present interest that would have terminated in
13 1990 had the notice been recorded and the future interest contingent on the non-
14 recordation of the 1981 Termination Notice. When the notice’s effective date
15 passed without its being recorded, EMI urges, EMI’s contingent future interest
16 vested and entitled it to ownership of the Song’s copyright. Accordingly, on
17 EMI’s view that that contingent interest arises from the 1951 Agreement, which

1 remains in place, it claims that it currently owns the Song’s copyright under the
2 1951 Agreement. We disagree.

3 **B.**

4 The 1981 Agreement not only granted EMI the future interest scheduled to
5 revert to Coots upon termination, it also replaced the 1951 Agreement as the
6 source of EMI’s existing rights in the Song. “[W]here the parties have clearly
7 expressed or manifested their intention that a subsequent agreement supersede
8 or substitute for an old agreement, the subsequent agreement extinguishes the
9 old one.” *Northville Indus. Corp. v. Fort Neck Oil Terminals Corp.*, 474 N.Y.S.2d 122,
10 125 (App. Div. 1984).⁴ The question is simply whether the parties intended for
11 the new contract to substitute for the old one, and that intention, if otherwise
12 clear, need not be articulated explicitly in the new agreement. *See Moers v. Moers*,
13 128 N.E. 202, 203 (N.Y. 1920) (indicating that a new contract may discharge prior
14 obligations “expressly or through implication”); *Sheehy v. Andreotti*, 605 N.Y.S.2d
15 257, 259 (App. Div. 1993) (asking whether the new contract, “as a matter of
16 intention, expressed or implied, was a substitution for the prior agreement”); 29
17 Samuel Williston & Richard A. Lord, *A Treatise on the Law of Contracts* § 73:36 (4th

⁴ The 1981 Agreement contains a New York choice-of-law clause [A63], and the parties do not dispute that New York law applies. *See Steinbeck*, 537 F.3d at 200 n.4.

1 ed. 1993) (“[T]he intent of the parties that the new agreement is to abrogate the
2 former contract” can be “determined either expressly or by implication from the
3 new contract’s provisions”); 13 Margaret N. Kniffin, *Corbin on Contracts*
4 § 71.1 (Joseph M. Perillo ed., rev. ed. 1998) (“The question is wholly one of
5 intention, to be determined by the usual process of interpretation, implication,
6 and construction, gleaned from the expression of the parties.”).

7 The parties to the 1981 Agreement “clearly . . . manifested” an intention to
8 replace the 1951 Agreement and not merely to convey to EMI Coots’s future
9 interest in the nineteen-year statutory renewal term extension. The relevant
10 language is contained in § 1 of the 1981 Agreement, which reads as follows:

11 *Grantor hereby sells, assigns, grants, transfers and sets over to Grantee . . .*
12 *[1] all rights and interests whatsoever now or hereafter known or*
13 *existing, heretofore or at any time or times hereafter acquired or*
14 *possessed by Grantor in and to [the Song] . . . under any and all renewals*
15 *and extensions of all copyrights therein and [2] all United States*
16 *reversionary and termination interests in copyright now in existence*
17 *or expectant, including all rights reverted, reverting or to revert to*
18 *Grantor . . . by reason of the termination of any transfers or licenses*
19 *covering any extended renewal term of copyright pursuant to*
20 *Section 304 of the Copyright Act of 1976, together with all renewals*
21 *and extensions thereof.*

22 J.A. 59–60 (emphasis added). It is quite clear from the first half of the quoted
23 language that Coots was granting more than the vested future interest scheduled
24 to revert to him or his statutory heirs upon termination; he was also granting “all

1 rights and interests . . . heretofore . . . acquired or possessed by [him] . . . under
2 any and all renewals and extensions.” Ignoring the bedrock principle that “[a]
3 contract ‘should be read to give effect to all its provisions,’” *God’s Battalion of*
4 *Prayer Pentecostal Church, Inc. v. Miele Assocs., LLP*, 845 N.E.2d 1265, 1267 (N.Y.
5 2006) (quoting *Mastrobuono v. Shearson Lehman Hutton, Inc.*, 514 U.S. 52, 63
6 (1995)), EMI makes no effort to explain why EMI and Coots would have included
7 the first half of § 1 had they not meant for it to have some effect. But to give any
8 effect to this language at all, we must read it as replacing the 1951 Agreement,
9 creating a new conveyance of all of Coots’s interest in the copyright at once, and
10 not merely as a piecemeal conveyance of his reversionary interest. Put simply, it
11 would make no sense to have two grants of the same exact rights be operative at
12 the same time; if the first half of § 1 were not meant to replace the 1951
13 agreement, there would be no reason for the parties to have included it.

14 EMI’s arguments to the contrary do not persuade us to ignore the first half
15 of § 1. Relying on our decision in *Penguin Group (USA) Inc. v. Steinbeck*, 537 F.3d
16 193, EMI points out that the 1981 Agreement does not explicitly rescind the 1951
17 Agreement or contain other language indicating a desire to replace that earlier
18 contract. In *Steinbeck*, we observed that “parties to an agreement can mutually

1 agree to terminate it by expressly assenting to its rescission while simultaneously
2 entering into a new agreement dealing with the same subject matter.” *Id.* at 200
3 (quoting *Jones v. Trice*, 608 N.Y.S.2d 688, 688 (App. Div. 1994)). Relying on that
4 principle, we held that an author or his legatee may, under the existing-grantee
5 exception, rescind an earlier grant of copyright and enter into a new contract
6 conveying rights in the same work to the same grantee.⁵ *See id.* at 200–04; *accord*

⁵ *Steinbeck* authorized a “[r]escission and [r]e-grant” scenario, 3 Nimmer § 11.07[E][2][b][iv], pursuant to which Elaine Steinbeck, the owner of the copyright in John Steinbeck’s books, entered into a 1994 agreement re-granting rights to works originally granted in 1938. This scenario resulted in the author’s statutory heirs losing their § 304 termination rights, because a post-1978 grant replaced a pre-1978 grant. *See Steinbeck*, 537 F.3d at 200. While Elaine Steinbeck owned the relevant copyrights, she shared the statutory § 304 termination rights with Steinbeck’s sons from another marriage, and these separate parties never formed the majority necessary to terminate the 1934 grant under § 304(c). Thus, in *Steinbeck*, no § 304 termination notice was ever served. *Steinbeck* has been criticized for, in effect, permitting legatees to divest statutory heirs of their § 304 termination rights via contract, notwithstanding § 304(c)(5)’s admonition that termination “may be effected notwithstanding any agreement to the contrary.” *See* 3 Nimmer § 11.07[E][2][b][iv] (noting that a rescission and re-grant “extinguishes the children’s right to terminate based on conduct of their adversary”).

Although we hold that the 1981 Agreement replaced the 1951 Agreement as the source of EMI’s rights, this case neither implicates Nimmer’s criticism nor conflicts with § 304(c)(5). Coots himself (as opposed to a legatee) executed the 1981 Agreement after serving a termination notice on EMI, and because Coots at that time owned both the statutory right to exercise termination and the post-termination interest that vested upon service of the notice, *see* 17 U.S.C. § 304(c)(1), (6)(B), no one else’s termination rights were affected when Coots and EMI replaced the 1951 Agreement with the 1981 Agreement. Because the 1981 Agreement did not cause anyone else to lose termination rights that they otherwise could have exercised, it cannot be a forbidden “agreement to the contrary.” *See* 3 Nimmer § 11.07[E][1] (defining an “agreement to the contrary” as any agreement that “results in the practical inability to terminate the grant of copyright

1 *Milne*, 430 F.3d at 1042–48. As we have already explained, however, an intention
2 to enter into a substitute contract may be express or implied. *See DC Comics v.*
3 *Pac. Pictures Corp.*, 545 F. App'x 678, 680 (9th Cir. 2013) (unpublished) (holding
4 that under New York law, a 1992 copyright grant superseded a 1938 grant to the
5 same grantee even though the latter agreement “d[id] not, in express terms,
6 cancel the 1938 agreement”); 17B C.J.S. *Contracts* § 597 (noting that a contract
7 replaces a previous one concerning the same subject matter if the “subsequent
8 contract either explicitly rescinds the earlier instrument[] *or* deals with the subject
9 matter . . . so comprehensively as to be complete within itself.”) (emphasis
10 added). By granting EMI the same rights that it already owned under the 1951
11 Agreement *in addition* to the new interest that vested in Coots upon service of the
12 1981 Termination Notice, the 1981 Agreement made it sufficiently clear that the
13 parties intended to replace the earlier contract.

14 EMI cites the Ninth Circuit’s decision in *Classic Media, Inc. v. Mewborn*, 532
15 F.3d 978 (9th Cir. 2008), for the proposition that a grant of already-granted rights
16 does not replace the prior grant. *Mewborn*, however, is readily distinguishable.
17 There, the defendant argued that a 1978 grant from the plaintiff—the daughter of

interest in a given work . . . under circumstances in which, but for the agreement, the
ability to terminate would otherwise exist”).

1 Eric Knight, who wrote “Lassie Come Home” —superseded a 1976 grant between
2 the same parties, so that the plaintiff could not exercise § 304(c) termination
3 rights against the earlier grant. The court disagreed, holding that although the
4 1978 grant purported to convey certain movie, TV, and radio rights to the
5 defendant, the 1976 grant had already conveyed the same exact rights, so the
6 conveyance of those rights in the 1978 grant was “a nullity.” *Id.* at 986. In other
7 words, the plaintiff’s mere conveyance of the same rights twice did not show that
8 the later grant superseded the earlier one. In *Mewborn*, however, the 1978 grant
9 (1) conveyed ancillary rights that had not been conveyed by the 1976 grant, (2)
10 stated that the plaintiff was conveying all of the rights mentioned in the grant
11 only “to the extent such rights [were] owned by [her],” and (3) expressly
12 provided that those rights were being conveyed “in addition to the rights
13 granted . . . under and pursuant to” the 1976 grant. *Id.* at 981. Those three
14 provisions, read together, unmistakably signaled the parties’ intention for the
15 later contract to coexist alongside the earlier one, rather than replace it. No
16 similar intention is evident from the 1981 Agreement’s terms.

17 Next, EMI points to § 3(a) of the 1981 Agreement, in which Coots
18 represented that he had served and recorded the 1981 Termination Notice, and in

1 which the parties agreed that the notice “shall for the purposes of this agreement
2 and Section 304(c)(6)(D) of the Copyright Act of 1976 be deemed to have been
3 served upon Grantee, in advance of any further grant of rights hereunder, and
4 shall be deemed to take effect at the earliest date possible under the Copyright
5 Act of 1976.” J.A. 60. Under the 1976 Act, the “earliest date possible” on which
6 the 1981 Termination Notice could have taken effect was in 1990, so EMI argues
7 that § 3(a) reflects the parties’ belief that the 1951 Agreement would continue in
8 effect until 1990: if the parties thought that the 1981 Agreement would replace
9 the 1951 Agreement of its own force, why should it matter whether or when the
10 1981 Termination Notice took effect?

11 EMI’s argument, however, ignores the fact that the 1981 Termination
12 Notice had already been served and (the parties thought at the time) recorded in
13 the Copyright Office. That fact distinguishes this case from others in which an
14 earlier grant was rescinded and replaced without the author’s (or his statutory
15 heirs’) ever serving a termination notice, *see Steinbeck*, 537 F.3d at 202; *Milne*, 430
16 F.3d at 1040, and explains why the parties here clarified in § 1 of the 1981
17 Agreement that Coots’s conveyance to EMI included “all United States
18 reversionary and termination interests . . . including all rights reverted, reverting

1 or to revert to Grantor . . . by reason of the termination.” J.A. 60. Absent this
2 assignment to EMI of Coots’s future interest in the Song, it would not have been
3 the least bit clear that the mere replacement of the 1951 Agreement by the 1981
4 Agreement would mean that the future interest that had *already vested* in Coots
5 upon serving the 1981 Termination Notice would not, in fact, entitle him to
6 ownership of the Song’s copyright on the notice’s effective date. See Benjamin
7 Melniker & Harvey D. Melniker, *Termination of Transfers and Licenses Under the*
8 *New Copyright Law*, 22 N.Y.L. Sch. L. Rev. 589, 604–05 (1977) (noting uncertainty
9 regarding whether a termination notice would result in the termination of the
10 grantee’s rights if the to-be-terminated grant were replaced between service of
11 the notice and its effective date). Given this uncertainty, it was sensible for the
12 1981 Agreement to make unmistakably clear that EMI would receive whatever
13 rights would revert to Coots on the 1981 Termination Notice’s effective date
14 notwithstanding the replacement of the 1951 Agreement. See, e.g., *In re SRC*
15 *Holding Corp.*, 545 F.3d 661, 670 (8th Cir. 2008) (“Nothing prevents the parties
16 from using a ‘belt and suspenders’ approach in drafting . . . in order to be
17 ‘doubly sure.’”).

1 EMI points to one more provision of the 1981 Agreement: § 4(b), in which
2 EMI agreed to pay royalties “as specified in the [1951 Agreement]” for “the
3 period of the Extended Renewal Term of Copyright.” J.A. 62. The district court
4 reasoned that the “Extended Renewal Term of Copyright” began only in 1990,
5 and thus that if the 1981 Agreement had replaced the 1951 Agreement
6 immediately, Coots would not be entitled to any royalties from 1981 to 1990. *See*
7 *Baldwin*, 989 F. Supp. 2d at 354. But the 1981 Agreement does not define the
8 phrase “Extended Renewal Term of Copyright.” Although often used to refer
9 only to the nineteen-year extension added by the 1976 Act, *see, e.g., Woods v.*
10 *Bourne Co.*, 60 F.3d 978, 981, 982 (2d Cir. 1995), the phrase can naturally be
11 understood to refer to the entire renewal term *as extended* by the 1976 Act. In fact,
12 the statute itself arguably uses the phrase in this latter sense. *See* 17 U.S.C.
13 § 304(c)(6)(F) (“Unless and until termination is effected under this subsection, the
14 grant . . . continues in effect for the *remainder* of the extended renewal term.”)
15 (emphasis added). Accordingly, § 4(b) easily can be read to require EMI to pay
16 royalties for however much of the renewal term—as extended—was still
17 remaining after the contract was signed. In light of this plausible alternative

1 reading, we do not think § 4(b) should move us to ignore the first half of § 1 of
2 the 1981 Agreement, as EMI would have us do.

3 Finally, the district court relied on extrinsic evidence purportedly showing
4 that the parties intended for EMI to receive only the future interest that vested in
5 Coots upon service of the termination notice.⁶ Consideration of extrinsic
6 evidence is only permissible where the contract at issue is ambiguous; because
7 we believe the 1981 Agreement is clear, resort to such evidence was
8 inappropriate here. *See Rainbow v. Swisher*, 527 N.E.2d 258, 259 (N.Y. 1988). In
9 any event, while the record is certainly replete with indications that the parties
10 believed EMI would be receiving only nineteen years' worth of rights, we assign
11 little significance to this evidence for the simple reason that (at the time) EMI *was*
12 only acquiring nineteen years' worth of rights. There is no dispute that before
13 the 1981 Agreement was executed, EMI owned Coots's renewal rights under the
14 1951 Agreement, and that absent the 1981 Agreement—assuming Coots recorded
15 the 1981 Termination Notice—EMI's rights would terminate in 1990. After the
16 1981 Agreement was signed, its rights were (until the passage of the 1998 Act)
17 scheduled to survive until 2009. But the undisputed *ends* of the 1981 Agreement

⁶ This evidence included Baldwin's deposition testimony, as well as a 1981 letter from Krasilovsky to John Coots, Jr. *See Baldwin*, 989 F. Supp. 2d at 355.

1 say little about the *means* the parties employed to achieve them. Section 1 of the
2 contract shows that they chose not only to have EMI receive the future interest
3 that vested in Coots upon service of the termination notice, but also to replace
4 the 1951 Agreement as the source of EMI's existing rights in the Song.

5 * * *

6 Under the correct understanding of the 1981 Agreement, Coots's failure to
7 record the 1981 Termination Notice is irrelevant to the question whether EMI
8 presently owns the copyright in the Song under the 1951 Agreement or under the
9 1981 Agreement. Whether EMI owns the Song's copyright by virtue of owning
10 Coots's rights in the renewal term *qua* the renewal term, or instead by virtue of
11 owning the post-termination interest conveyed back to it in the 1981 Agreement,
12 its rights in the renewal term are traceable to the 1981 Agreement—not the 1951
13 Agreement—either way. And for deciding whether plaintiffs' termination
14 notices pursuant to § 203 are valid, that is all that matters. Accordingly, we need
15 not decide whether an unrecorded termination notice can serve to terminate a
16 prior grant where the parties have reached an agreement under the existing-
17 grantee exception.

1 “if the grant covers the right of publication of the work,” an alternative
2 calculation method applies: termination may be effected in the five-year period
3 beginning “thirty-five years from the date of publication of the work under the
4 grant or . . . forty years from the date of execution of the grant, whichever term
5 ends earlier.” *Id.* A termination notice may be served between two and ten years
6 before the termination date. *Id.* § 203(a)(4)(A). The notice must “state the
7 effective date of the termination,” be recorded in the Copyright Office “as a
8 condition to its taking effect,” and comply with various other formalities
9 prescribed by regulation. *Id.* § 203(a)(4); *see* 37 C.F.R. § 201.10.

10 EMI does not dispute that the 1981 Agreement was executed after January
11 1, 1978, that Plaintiffs own a sufficient percentage of Coots’s termination interest,
12 or that the 2007 Termination Notice complies with all of the necessary statutory
13 and regulatory formalities. EMI does, however, advance two arguments in
14 support of its position that the 2007 Termination Notice will not terminate the
15 1981 Agreement in 2016. Neither argument is persuasive.

16 First, EMI argues that § 203 termination is unavailable to Plaintiffs because
17 Coots’s children signed the 1981 Agreement, which was therefore not “executed
18 by the author.” This argument is meritless. As a factual matter, the 1981

1 Agreement plainly *was* executed by the author—namely, Coots—and specifically
2 identified him alone as the “Grantor,” who was “exclusively and solely
3 possessed of any and all termination interests arising under Section 304.” J.A. 59,
4 61. As a legal matter, moreover, the Coots children who signed the 1981
5 Agreement did not have any interest in the Song that they could have conveyed
6 in 1981, because Coots was still alive; the future interest that vested upon service
7 of the 1981 Termination Notice therefore vested solely in him. *See* 17 U.S.C.
8 § 203(a)(1), (b)(2). Accordingly, while the 1981 Agreement purported to result in
9 the transfer to EMI of all of the Coots children’s “rights and interests” in the
10 Song, J.A. 63, the only rights that the Coots children conceivably could have
11 transferred at the time were the termination rights that they were scheduled to
12 inherit by operation of the statute upon Coots’s death. *See* 17 U.S.C. § 203(a)(2).
13 Those rights, however, cannot be contracted away. *See id.* § 203(a)(5)
14 (“Termination of the grant may be effected notwithstanding any agreement to
15 the contrary . . .”).

16 EMI’s second argument that the 2007 Termination Notice will not
17 terminate the 1981 Agreement is based on the premise that the 1981 Agreement
18 “covers the right to publication” of the Song. In EMI’s view, the publication of

1 the Song under the 1981 Agreement occurred in 1990, since “the 1981 Agreement
2 was intended to provide EMI with the right to publish the song commencing
3 upon the effective date of termination of the 1951 Agreement (in 1990).”
4 Appellee’s Br. 56. Under the alternative calculation method for grants that cover
5 the right of publication, EMI argues, the earliest the 1981 Agreement can be
6 terminated is 2021—i.e., forty years after it was executed. We disagree.

7 At the start, our conclusion that the 1981 Agreement became the operative
8 source of EMI’s rights immediately upon its execution suggests that even if
9 EMI’s premise that the 1981 Agreement “covers the right to publication” were
10 sound, publication would have occurred under that agreement in 1981. Thus,
11 even the alternative calculation method that EMI prefers would yield an earliest-
12 possible termination date of 2016. Regardless, EMI’s premise is incorrect. As
13 relevant here, the statute defines “publication” as “the distribution of copies or
14 phonorecords of a work to the public by sale or other transfer of ownership, or
15 by rental, lease, or lending.” 17 U.S.C. § 101. As § 203 itself suggests, the
16 publication of a work is a one-time event. *See id.* § 203(a)(3) (referring to “the
17 date of publication”); *see also Marvel Characters, Inc.*, 310 F.3d at 282–83 (noting
18 that under the 1909 Act, “an author was entitled to a copyright in his work for

1 twenty-eight years from the date of its publication”); 1 Nimmer § 4.01[A] (listing
2 the consequences that still attach to a work’s publication date under the 1976
3 Act). In other words, publication happens when the work is *first* sold or
4 otherwise distributed to the public. EMI does not claim, nor could it, that the
5 Song was not made available to the public until 1990; in the original 1934
6 Agreement, EMI’s predecessor Feist agreed to “publish [the Song] in saleable
7 form” within one year. J.A. 41. As a result, it was the 1934 Agreement, and not
8 the 1981 Agreement, that covered the right to publication of the Song.

9 The history of the alternative calculation method confirms that it does not
10 apply here. This statutory provision was “added at the behest of book
11 publishers, who argued that a straight period of thirty-five years from execution
12 of the grant could give them a shorter time to exploit a work, insofar as
13 publication contracts are often signed before the work is written, such that years
14 may elapse before it is completed and published.” 3 Nimmer § 11.05[A][2].
15 While EMI is correct that an analogous period will generally elapse between the
16 execution of an agreement under the existing-grantee exception and the start of
17 the renewal term extension that the agreement is meant to cover, the problem
18 EMI identifies arose solely from the 1998 Act’s further extension of the renewal

1 term by twenty years. The Congress that passed the 1976 Act would not have
2 expected § 203 termination to be available against new grants made under
3 § 304(c)(6)(D)'s existing-grantee exception—which, at the time, could be executed
4 a maximum of twenty-nine years before their expiration (i.e., the ten-year period
5 between execution of the new grant and termination of the old grant, plus the
6 nineteen-year period covered by the new one), less than the thirty-five years
7 required by § 203. It is clear, then, that the timing issue that allegedly
8 disadvantages EMI in this case is not addressed by the alternative calculation
9 method for grants “cover[ing] the right of publication.” We are not at liberty to
10 fill that apparent lacuna by giving the term “publication” in § 203(a)(3) a
11 meaning that it does not bear.

12 In sum: EMI does not dispute that the 1981 Agreement was executed on
13 December 15, 1981. Because that grant was “executed by the author” and does
14 not “cover the right of publication,” it is terminable under § 203 starting on
15 December 15, 2016—which is the effective date of termination stated in the 2007
16 Termination Notice. Accordingly, we conclude that the 2007 Termination Notice
17 will terminate the 1981 Agreement on that date.

CONCLUSION

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We have considered EMI's remaining arguments and find them to be without merit. For the reasons set forth above, the judgment of the district court is **REVERSED**, and this case is **REMANDED** for the entry of a declaratory judgment in Plaintiffs' favor.