

EXHIBIT 1

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1976 Act differ from those imposed by the 1909 Act. Nonetheless, the transfer provisions of the 1909 Act have continued importance today. Since the validity and effect of a copyright transfer will be determined by the law that applied at the time the transfer was made, the rules imposed by the 1909 Act govern the validity and effect of transfers executed before January 1, 1978, the effective date of the 1976 Act.¹⁵

§5.1.1 Assignments and Licenses

§5.1.1.1 Under the 1976 Act

Under section 201(d)(1) of the 1976 Copyright Act, the author of a work may, as the initial owner of copyright, transfer his copyright by assigning all rights in the work. His assignees—and their assignees—may similarly assign all rights in the work. Alternatively, under section 201(d)(2), the author and any successor assignee may transfer any one or more of the five individual rights prescribed by section 106(1) through exclusive licenses. They may similarly grant exclusive licenses to subdivisions of individual rights, such as serialization rights and the rights to reproduce the work in hardcover and paperback editions. A copyright interest holder may also give a nonexclusive license to exploit any one or more of these rights or any subdivision of them. But an assignment or license of copyright

¹⁵ See, e.g., *Real Estate Data, Inc. v. Sidwell Co.*, 809 F.2d 366, 371, 1 U.S.P.Q.2d 1475 (7th Cir. 1987); *Roth v. Pritikin*, 710 F.2d 934, 937-939, 219 U.S.P.Q. 204 (2d Cir.), cert. denied, 464 U.S. 961, 220 U.S.P.Q. 385 (1983), *aff'd in part, rev'd in part on remand*, 787 F.2d 54, 229 U.S.P.Q. 388 (2d Cir. 1986); *National Broad. Co. v. Sonneborn*, 630 F. Supp. 524, 532, 231 U.S.P.Q. 513 (D. Conn. 1985); *Rand McNally & Co. v. Fleet Mgmt. Sys.*, 591 F. Supp. 726, 737, 221 U.S.P.Q. 827 (N.D. Ill. 1983); *Sargent v. American Greetings Corp.*, 588 F. Supp. 912, 920, 223 U.S.P.Q. 1327 (N.D. Ohio 1984).

But see *Campbell v. Board of Trustees of Leland Stanford Jr. Univ.*, 817 F.2d 499, 504, 2 U.S.P.Q.2d 1920 (9th Cir. 1987) (holding that the 1976 Copyright Act governed a transfer made at the time the 1909 Act was in force).

At least arguably, a transfer executed before January 1, 1978, but recorded after that date, will be governed by the 1976 Act.

presupposes some transfer of rights, and an agreement—such as an outsourcing agreement—to produce copies or phonorecords of a copyrighted work will not of itself imply such a transfer.^{15.1} Courts are divided on whether the owner of a copyright or of an exclusive right under copyright can assign an accrued cause of action for copyright infringement apart from the transfer of any other rights under copyright.¹⁶

For most purposes, the Copyright Act treats an exclusive licensee like any other copyright owner. Section 201(d) entitles the owner of any exclusive right, “to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.”¹⁷ Like copyright owners generally, an exclusive licensee has standing to sue for copyright infringement.¹⁸ The exclusive licensee’s relief will, however, be limited to the particular right, or subdivision of a right, that is the subject of its license. For example, the holder of an exclusive license to publish a novel in a paperback version will have no standing to sue an infringer who publishes an unauthorized hardcover version.¹⁹ To be fully effective, exclusive licenses must comply with the Copyright Act’s statute of frauds²⁰ and recording²¹ provisions. By contrast, nonexclusive licenses are subject to neither the Act’s statute of frauds nor to its recording provisions.²² Nonexclusive licensees have no standing to sue for copyright

^{15.1} See *Postlewaite v. McGraw-Hill, Inc.*, 411 F.3d 63, 67-68, 75 U.S.P.Q.2d 1437 (2d Cir. 2005).

¹⁶ Compare *Silvers v. Sony Pictures Entmt., Inc.*, 402 F.3d 881, 74 U.S.P.Q.2d 1065 (9th Cir. 2005) (cause of action cannot be transferred) with *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980 (2d Cir. 1991) (When a copyright owner assigns its copyright without expressly assigning accrued causes of action, “the assignor retains the right to bring actions accruing during its ownership of the right, even if the actions are brought subsequent to the assignment.”). See also *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698 (5th Cir. 1969) (causes of action freely assignable under 1909 Act).

¹⁷ 1976 Copyright Act §201(d)(2).

¹⁸ 1976 Copyright Act §501(b).

¹⁹ See §15.5.1, below.

²⁰ 1976 Copyright Act §204(a). See §4.5.1.1, below.

²¹ 1976 Copyright Act §205. See §4.5.3, below.

²² See §§5.2.1.1, 5.2.3, below.

Contracts, Conveyances and Termination of Transfers §5.1.1

infringement.²³ Further, absent authority from its licensor, a nonexclusive licensee cannot transfer its license or sublicense under it.²⁴

[Next page is 5:7.]

²³ See §15.5.1, below.

²⁴ See *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1333-1334, 222 U.S.P.Q. 466 (9th Cir. 1984). In holding that copyright licenses are not transferable, *Harris* did not differentiate between exclusive and nonexclusive licenses. Nonetheless, the context of the court's analysis leaves little doubt that the court intended only nonexclusive licenses to come within the rule. The court explicitly rested its decision on the premise that a license does not convey an ownership interest, relying on authorities under the 1909 Act that held that licenses did not confer copyright ownership interests. Since exclusive licenses under the 1976 Act do convey a copyright interest, they presumably fall outside the nontransferability rule. For a critique of the *Harris* decision, see §5.3.3.1, below.