Exhibit E

17.11 COPYRIGHT INTERESTS—EXCLUSIVE LICENSEE (17 U.S.C. § 201(d)(2))

[In this case, the [plaintiff] [defendant] does not claim to be the [author] [creator] [initial owner] of the copyright at issue. Instead, the [plaintiff] [defendant] claims the copyright by virtue of an exclusive license from the work's [author] [creator] [initial owner] and that the [plaintiff] [defendant] is now the exclusive licensee of the copyright.]

A copyright owner may [transfer] [sell] [convey] exclusively to another person any of the rights comprised in the copyright. [To be valid, the [transfer] [sale] [conveyance] must be in writing.] The person to whom this right is transferred is called a licensee.

[An exclusive licensee has the rights to exclude others from copying the work [to the extent of the rights granted in the license]]. An exclusive licensee is entitled to bring an action for damages for copyright infringement of the right licensed. [A nonexclusive licensee has a right to exclude others who do not have a right to copy the work.]

Comment

The bracketed language in the instruction's first sentence of the third paragraph, ("[to the extent of the rights granted in the license]") is not necessary when the extent of the license and its applicability to the alleged infringing activity was established in pretrial proceedings. *See, e.g., Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1447–48 (9th Cir.1994).

See 17 U.S.C. § 101 ("A 'transfer of copyright ownership' is an … exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright … but not including a nonexclusive license."); and 17 U.S.C. § 204(a) (requires that transfer be in writing). *See Radio Television Espanola v. New World Entertainment, Ltd.*, 183 F.3d 922, 926-27 (9th Cir.1999) (17 U.S.C. § 204(a) is satisfied by a writing demonstrating a transfer of the copyright, indicating the terms of the license; no magic words are necessary.). "[T]he various rights included in a copyright are divisible and... 'any of the exclusive rights comprised in a copyright . . . may be transferred . . . and owned separately.' 17 U.S.C. § 201(d)(2). An exclusive licensee owns separately only the 'exclusive rights comprised in the copyright' that are the subject of his license." *Bagdadi v. Nazar*, 84 F.3d 1194, 1197-98 (9th Cir.1996) (citation omitted). The owner of any particular exclusive right "is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title." 17 U.S.C. § 201(d)(2).

A license agreement is essentially a promise by the licensor not to sue the licensee. *See Cohen v. Paramount Pictures Corp.,* 845 F.2d 851 (9th Cir.1988). When a copyright owner grants a nonexclusive license to use the owner's copyrighted materials, the owner waives the right to sue the licensee for infringement and can only sue for breach of contract. *See Sun Microsystems, Inc. v. Microsoft, Inc.*, 188 F.3d 1115, 1121 (9th Cir.1999). Questions regarding the ownership of a copyright are governed by state law. *Scholastic Entertainment, Inc. v. Fox Entertainment Group, Inc.*, 336 F.3d 982, 983, 988 (9th Cir.2003); *see also Rano v. Sipa Press, Inc.* 987 F.2d 580 (9th Cir.1993).

An exclusive license must be in writing if it was granted after 1978. *See* 3 M. Nimmer & D. Nimmer, NIMMER ON COPYRIGHT § 10.03[A]. If it was granted prior to 1978, however, an exclusive license may be oral or implied by conduct. *Id.* at § 10.03[B][1]. *See also Effects Assocs. Inc. v. Cohen*, 908 F.2d 555, 557–58 (9th Cir.1990) (exclusive licenses, because they transfer copyright ownership, must be in writing; nonexclusive licenses, on the other hand, do not transfer copyright ownership and can be granted orally or implied from conduct), *cert. denied*, 498 U.S. 1103 (1991); *Micro Star v. Formgen, Inc.*, 154 F.3d 1107, 1113 (9th Cir.1998).