Intellectual Property Law

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Watching Out For The Work Made For Hire

We live today in a complex society. One aspect of that complex society is that less and less work is being done "in house". Put differently, more and more work, particularly work of a specialized nature, is being done by outside consultants and independent contractors. For many of these works, ownership of the copyright can be extremely important.

The assumption may be that if you pay for the work, the copyright belongs to you. Right? Very possibly WRONG, especially if you fail take certain precautions before the work is created. This is how many unfortunately learn about the "work made for hire" doctrine, often after they may have paid substantial amounts of money for the work that was created. What will be even more shocking is the fact that some of the consequences of such ignorance are irreversible.

What constitutes a "work made for hire"? The more straightforward scenario is a work made by an employee within the scope their employment. The more complicated scenario is where the creator of the work is not an employee, or where the work is not created within the scope of employment. There are essentially three requirements that must be satisfied in this alternative scenario if the work is to be treated as a "work made for hire":

1. The work must be specially ordered or commissioned. In other words, this must be a work that was specifically asked to be created, and not some work made in response to a general request.

2. The work must fall within one of nine specified statutory classes. These nine statutory classes are: (a) a contribution to a collective work such as a newspaper or magazine; (b) a part of a motion picture or other audiovisual work; (c) a translation; (d) a supplementary work such as a foreword, a map, a chart, or an appendix for a book; (e) a compilation; (f) an instructional text; (g) a test; (h) answer material for a test; or (i) an atlas. Unless the work falls within one of these nine classes, it cannot be a "work made for hire."

3. The parties must expressly agree in writing that the work is a "work made for hire". This often where the problems occur. For example, if the one hired creates the work before the understanding is reached, the "work made for hire" doctrine will not apply. One court has held that this requirement is satisfied if the parties reach this understanding before the work is created and then reduce that understanding to writing afterwards. However, the safer

and prudent approach is to reduce that understanding to writing before the one hired begins creating the work.

So why is it important to have the work treated as a "work made for hire?" Will an assignment of the copyright in the work be just as effective? The short answer is NO. This has to do with provision in the current copyright law that allows the original author (or their heirs) to terminate a transfer or license of the copyright after 35 years. (You guessed it, an assignment of the copyright is one such "transfer".)

The one specific exception to this "reversion back" rule is a "work made for hire". In this situation, the one who commissioned or ordered the work becomes the "author", not the one who created the work. This means the owner of a "work made for hire" does not have to worry about the copyright reverting back to the original creator (or heirs) of the work after 35 years have passed by.

What if there is doubt as to whether the work will be treated as a "work made for hire"? It is still advisable to include a provision in the agreement that any works created as a result thereof will be assigned to the one who commissioned or ordered the work. This will provide ownership of the copyright for at least 35 years and possibly longer. (The author or their heirs might not exercise their right to terminate the transfer within the allotted 5-year window, in which case there will be no "reversion back" of the copyright.)

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