

IS AN ACCRUED CAUSE OF ACTION FOR COPYRIGHT
INFRINGEMENT MORE LIKE A KIDNEY OR A CONTRACT?

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I. INTRODUCTION

Consider the following hypothetical:

John Q. Debtor owes his creditors \$10,000. Although John does not have the cash to pay his debts, he owns the following assets:

- a. Two healthy kidneys
- b. A legal claim for copyright infringement against a large movie studio which has produced a blockbuster film substantially similar to his screenplay
- c. A legal claim for breach of contract against his publisher for failure to pay royalties from the sales of a novel

Which of these assets, if any, might John legally assign in order to satisfy his debts?

Perhaps it is no surprise that John will be unable to pay his debts by assigning one of his healthy kidneys. Despite the well-documented shortage of human organs available for transplantation in the United States,¹ federal law prohibits the

¹ See, e.g., OrganDonor.gov, Donors Needed Now, <http://organdonor.gov/donor/index.htm> (last visited Mar. 9, 2007) (“More than 95,000 people are waiting for the gift of life Each day, about 77 people receive organ transplants. However, 19 people die each day waiting for transplants that can’t take place because of the shortage of donated organs.”); Bernard T. Kwitowski, *Learning from Each Other: Combining Strategies to End the Organ Shortage*, 9 J. MED. & L. 141, 142 (2005) (“[W]hile technology has made organ transplants possible, for many people, receiving such a transplant remains an impossibility. The reason this is so is no secret: a shortage of transplantable organs.”); Steve P. Calandrillo, *Cash for Kidneys? Utilizing Incentives to End America’s Organ Shortage*, 13 GEO. MASON. L. REV. 69, 73 (2004) (“Ironically, the severe shortage is not due to a lack of donation-appropriate organs, but rather, the fact that most of those organs are taken to the grave by their owners.”).

transfer of human organs for “valuable consideration.”² While a growing body of commentators believes a regulated market is the appropriate solution for the shortage, the prohibition on the sale of human organs remains the object of state paternalism. One scholar summarized the concerns underlying the governmental ban as: (1) moral issues relating to the commodification of the human body; (2) problems of distributive justice; (3) the lack of information about risks to sellers; and (4) the negative externalities on society.³

The moral argument is based on the notion that commodification—the reduction of human organs to a product that can be bought and sold—is offensive to human dignity and has a dangerous dehumanizing impact on society.⁴ The distributive justice concerns relate to the reasonable expectation that a disproportionate number of poor people would become sellers out of desperation, and that the majority of donated organs would go only to wealthy people who could afford to buy them.⁵ As to the lack of information, the fear is not only that access to important information may be lacking entirely, but also that even where a potential seller has access to the information regarding organ donation, and understands the risks involved, she will suffer from “optimism bias”: a belief that she is somehow immune from those risks.⁶ Finally, there is a concern regarding negative externalities on the state and society: while a seller may be expected to bear the cost of her own deteriorating health as a result of the organ sale due to medical costs that she cannot bear, society will inevitably share the cost of the donor’s lost productivity.⁷

Many of these policy-based concerns are not unique to the sale of human organs.⁸ Specifically, in the context of legal claims,

² 42 U.S.C. § 274e(a) (2006) (“It shall be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human organ for valuable consideration for use in human transplantation if the transfer affects interstate commerce.”).

³ Calandrillo, *supra* note 1, at 91-96.

⁴ *Id.* at 91-92.

⁵ *Id.* at 93-94.

⁶ *Id.* at 94-95.

⁷ *Id.* at 96.

⁸ See generally Margaret Jane Radin, *Market-Inalienability*, 100 HARV. L. REV. 1849 (1987) (analyzing commodification arguments as applied to slavery, baby-selling, and prostitution); David Gamage & Allon Kedem, *Commodification and Contract Formation: Placing the Consideration Doctrine on Stronger Foundations*, 73 U. CHI. L. REV. 1299, 1328 (2006).

[W]hereas baby selling is taboo, adoption is fully acceptable. Where the sale of organs is controversial, organ donation is laudable. And while prostitution is highly frowned upon, the free exchange of sexual favors is not equally condemned. As long as the participants in a gift transaction eschew the bargain form, they can usually complete nonmarket-sphere exchanges without violating social norms.

courts have historically held personal injury claims inalienable due to fears that “[1] spurious claims would become more frequent, [2] the volume of litigation would increase, [3] the right to recover from personal injury is inherently inalienable, and [4] claims buyers would take advantage of uninformed tort victims.”⁹ In fact, one legal scholar radically suggests that the tort system should not compensate for intangible injuries, because this contributes to a cultural view of experience and love as commodities.¹⁰

On the other hand, the modern view is that legal claims not personal in nature are generally transferable unless illegal or against public policy.¹¹ Moreover, claims arising out of contract are almost universally alienable.¹² As such, John should face no legal obstacle if he chooses to assign his claim in an action for royalty payments in order to satisfy his debts.

The question, therefore, remains whether John would be able to assign his accrued cause of action for copyright infringement. Considering the concerns that animate the state’s paternal instincts to remove an article from the market (i.e., commodification, distributive justice, lack of information), one might be inclined to presume that a cause of action for copyright infringement would be freely alienable. However, the movement favoring the assignment of legal claims to third parties has recently met opposition in the area of copyright law. In *Silvers v. Sony Pictures Entertainment*,¹³ the Court of Appeals for the Ninth Circuit, sitting en banc, held that the Copyright Act of 1976 precludes the assignment of accrued causes of action for copyright infringement to persons who hold neither legal nor beneficial interest in the copyright itself.¹⁴

Id.

⁹ Rudy Santore & Alan D. Viard, *Legal Fee Restrictions, Moral Hazard, and Attorney Rents*, 44 J.L. & ECON. 549, 554 (2001) (citing Marc J. Shukaitis, *A Market in Personal Injury Tort Claims*, 16 J. LEGAL STUD. 329, 331 (1987)).

¹⁰ Radin, *supra* note 8, at 1876 (“Damages for pain and suffering ‘commodify our unique experience;’ damages for injuries to relationship, such as loss of consortium or witnessing the injury to a loved one, ‘commodify love.’”) (quoting Richard Abel, *A Critique of American Tort Law*, 8 BRITISH J. L. & SOC’Y 199, 207 (1981)).

¹¹ Myriam E. Gilles, *Representational Standing: U.S. ex rel. Stevens and the Future of Public Law Litigation*, 89 CALIF. L. REV. 315, 342-43 (2001). Modern courts generally rule that “claims which are inherently ‘personal,’ such as child custody, personal injury, marital, or false imprisonment claims, are not assignable, while claims vindicating traditional proprietary interests may be assigned.” *Id.* at 343. See also *infra* Part III.

¹² See *infra* Part III.B.3.a.

¹³ *Silvers v. Sony Pictures Entm’t*, 402 F.3d 881 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

¹⁴ A “legal owner” for the purpose of the Copyright Act is a person who holds legal title to any of the exclusive rights enumerated under Section 106, such as the rights to reproduce, prepare derivative works, distribute copies, or perform or display publicly. 17 U.S.C. § 106 (2006). “A ‘beneficial owner’ for th[e] purpose [of the Copyright Act]

According to the Ninth Circuit, therefore, if John assigns his legal claim for infringement without the simultaneous or prior transfer of his underlying copyright, the assignment is void. Such a mandate is the equivalent of requiring the owner of a chose in action for property damage resulting from an automobile accident to simultaneously transfer his damaged car in order to assign his legal claim for the damage.

The Ninth Circuit based its decision primarily on its interpretation of section 501(b) of the Copyright Act of 1976.¹⁵ The majority's reading of the statute followed an analogous Second Circuit decision, *Eden Toys, Inc. v. Florelee Undergarment Co.*,¹⁶ while rejecting the well-established Fifth Circuit decision in *Prather v. Neva Paperbacks, Inc.*,¹⁷ because the latter was decided under the Copyright Act of 1909.¹⁸ By ruling in accordance with *Eden Toys*, the Ninth Circuit avoided what it believed would otherwise create a circuit split¹⁹ on the question of bare assignments of accrued causes of action for copyright infringement.²⁰

This Note will analyze the Ninth Circuit's decision in *Silvers* and the dissenting opinions filed by Judge Berzon and Judge Bea.²¹ This Note argues that neither statutory language nor case law resolves the issue of whether a bare assignment of an accrued cause of action for copyright infringement is valid. While the need for a uniform federal law distinguishes copyright from contract and tort law, it is unclear whether—in the absence of clear legislative intent—such a distinction is a meaningful

would include, for example, an author who had parted with legal title to the copyright in exchange for percentage royalties based on sales or license fees." H. R. REP. NO. 94-1476, at 159 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5775.

¹⁵ "The legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it." 17 U.S.C. § 501(b); *Silvers*, 402 F.3d at 885-90.

¹⁶ *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27 (2d Cir. 1982).

¹⁷ *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698 (5th Cir. 1969).

¹⁸ *Silvers*, 402 F.3d at 890.

¹⁹ Circuit splits in the area of copyright law are highly problematic because multifarious interpretations of the law frustrate the "fundamental purposes behind the copyright clause of the Constitution . . . to promote national uniformity and to avoid the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various States." H.R. REP. NO. 94-1476, at 129 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5745; *see also Silvers*, 402 F.3d at 890 ("Inconsistent rules among the circuits would lead to different levels of protection in different areas of the country, even if the same alleged infringement is occurring nationwide.").

²⁰ In this context, a bare assignment is the attempted transfer of a cause of action for copyright infringement without the simultaneous or prior transfer of any of the underlying copyright.

²¹ This Note does not assess the merit of *Silvers*' underlying claim for copyright infringement. The sole issue analyzed in this Note, and addressed by the Ninth Circuit, is whether *Silvers*, the assignee of an accrued claim for copyright infringement, has standing to sue under the federal Copyright Act of 1976.

invitation to ignore background common law principles when determining whether a legal claim should be transferable. Therefore, this Note proposes that the *Silvers* court should have focused its inquiry on the alienability of choses in action at common law during the legislative development of the Copyright Act of 1976.

II. *SILVERS V. SONY PICTURES ENTERTAINMENT*

A. *Facts and Procedural Background*

The plaintiff in *Silvers v. Sony Pictures Entertainment*, Nancey Silvers, is a movie producer and screenwriter.²² In 1991, Silvers began writing an original screenplay that was finalized as a work-for-hire for Frank and Bob Films II.²³ The plot of her script involves a woman who is diagnosed with cancer and her struggle to come to terms with her ex-husband's new wife as she prepares her family and herself for her impending death.²⁴ In 1995, CBS broadcast the film as a made-for-television movie titled *The Other Woman*.²⁵ Since Silvers wrote the script under a work-for-hire arrangement, Frank and Bob Films II owned all legal and beneficial interest in the copyright.²⁶

In 1998, Sony Pictures Entertainment released the motion picture, *Stepmom*, starring such Hollywood A-listers as Julia Roberts, Susan Sarandon, and Ed Harris.²⁷ Silvers alleged that the plot, themes, and character development in *Stepmom* are substantially similar to the movie she authored for Frank and Bob Films II.²⁸ For reasons not addressed in the litigation, Frank and Bob Films II did not pursue the alleged copyright infringement itself. Instead, after the release of *Stepmom*, Frank and Bob Films II assigned Silvers "all right, title and interest in and to any claims and causes of action against Sony Pictures . . . and any other appropriate persons or entities" as pertained to *The Other Woman* and the allegedly substantially similar film *Stepmom*.²⁹ Significantly, the assignment did not include any legal or beneficial interest in any of the underlying copyright of *The Other Woman*; only the accrued

²² *Silvers v. Sony Pictures Entm't*, 330 F.3d 1204, 1205 (9th Cir. 2003), *rev'd*, 402 F.3d 881 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

²³ *Id.* at 1205-06. Appellee's Answering Brief at 6, *Silvers*, 330 F.3d 1204 (No. 01-56069).

²⁴ Appellee's Answering Brief at 6, *Silvers*, 330 F.3d 1204 (No. 01-56069).

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.* at 7.

²⁸ *Id.*

²⁹ *Silvers v. Sony Pictures Entm't*, 330 F.3d 1204, 1206 (9th Cir. 2003), *rev'd*, 402 F.3d 881 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

cause of action was assigned.³⁰

Silvers filed a complaint on June 13, 2000, against Sony Pictures Entertainment alleging copyright infringement.³¹ Sony moved to dismiss the complaint on the ground that Silvers lacked standing to prosecute the infringement.³² Sony argued that pursuant to section 501(b) of the Copyright Act of 1976, only the owner of the legal or beneficial interest in the copyright had standing to sue.³³ The district court denied Sony's motion to dismiss, but certified the issue of standing for interlocutory appeal.³⁴

In 2003, the Ninth Circuit upheld the district court's finding that the assignment was valid and affirmed that Silvers had standing to bring her claim.³⁵ Sony then petitioned for and was granted review of the decision by the Ninth Circuit sitting en banc.³⁶ In March 2005, the Ninth Circuit vacated its panel decision and reversed the district court, holding that a bare assignment for an accrued cause of action was invalid, and, therefore, Silvers did not have standing to prosecute a claim for copyright infringement.³⁷ Silvers' subsequent petition for certiorari to the United States Supreme Court was denied on October 3, 2005.³⁸

B. *Three Points of View: The Majority and Two Dissents*

The issue of whether a copyright holder may transfer an accrued cause of action for copyright infringement to a third party who owns no legal or beneficial interest in the copyright was before the Ninth Circuit as a case of first impression.³⁹ Since the issue is not expressly addressed in the Copyright Act of 1976, both sides in *Silvers* were forced to debate canons of statutory construction and public policy while dissecting two analogous but contradictory cases from outside the Ninth Circuit.

Three unique points of view emerge from the debate: (1) bare assignments of copyright claims are prohibited; (2) bare assignments should be permitted, but only when the assignee is

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

³³ Appellant's Reply Brief at 5-6, *Silvers*, 330 F.3d 1204 (No. 01-56069).

³⁴ *Silvers*, 330 F.3d at 1206.

³⁵ *Id.* at 1209.

³⁶ *Silvers v. Sony Pictures Entm't*, 402 F.3d 881 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

³⁷ *Id.* at 890.

³⁸ *Silvers v. Sony Pictures Entm't*, 126 S. Ct. 367 (2005).

³⁹ *Silvers*, 330 F.3d at 1206 ("While other circuits have addressed similar questions, no court has squarely resolved this issue.").

the original creator; and (3) bare assignments of copyright claims should not be prohibited.⁴⁰ Ultimately, the judges come to opposite conclusions regarding the interpretation of section 501(b), which does not expressly prohibit the bare assignment of an accrued cause of action for copyright infringement. They also disagree as to which of the two analogous cases, *Eden Toys* or *Prather*, predominates over the facts in *Silvers*.

1. The Majority Opinion: Bare Assignments Not Permitted

The Ninth Circuit, sitting en banc, concluded that Nancey Silvers did not have standing to sue Sony Pictures Entertainment for the alleged copyright infringement of her screenplay, *The Other Woman*.⁴¹ The court held that an accrued cause of action for copyright infringement could not be assigned to a third party without also transferring the underlying copyright rights. Since Frank and Bob Films II retained all exclusive rights to the copyright, Frank and Bob Films II's assignment of merely the accrued cause of action to Silvers was impermissible.⁴² In arriving at its conclusion, the Ninth Circuit interpreted section 501(b) of the Copyright Act of 1976, reviewed precedent from outside the circuit, and analogized the issue to patent law.

a. Section 501(b) Is Exhaustive as to Who Can Bring Suit for Copyright Infringement

Judge Graber began her majority opinion by citing the Copyright Clause of the Constitution⁴³ and acknowledging that because “that clause . . . grants no substantive protections to authors,” copyright is a “creature of statute, and the only rights that exist under the copyright law are those granted by statute.”⁴⁴ She then began her analysis of the issue with a reading of section 501(b) of the Copyright Act of 1976: “The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it.”⁴⁵

The majority concludes from this language that in order to sue for copyright infringement, the plaintiff must be the legal or beneficial owner of an *exclusive right* under a copyright. After

⁴⁰ These three views are articulated by Judge Graber writing for the majority, Judge Bea's dissenting opinion, and Judge Berzon's separate dissenting opinion, respectively.

⁴¹ *Silvers*, 402 F.3d at 890.

⁴² *Id.*

⁴³ U.S. CONST. art. I, § 8, cl. 2.

⁴⁴ *Silvers*, 402 F.3d at 883-84.

⁴⁵ *Id.* at 884 (quoting 17 U.S.C. § 501(b) (2006)).

reviewing the exclusive rights defined in section 106 of the Copyright Act of 1976,⁴⁶ the court determines that the right to sue for copyright infringement of an accrued cause of action is not an exclusive right under this section.⁴⁷ Next, the court looks to section 201(d) which provides that “any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106 may be transferred” and owned separately.⁴⁸ However, the court finds that the subdivision of rights referenced in section 201(d) are limited to the exclusive rights enumerated in section 106.⁴⁹ Therefore, the court holds that section 201(d) creates no new rights independent of those listed in section 106, nor does section 201(d) create an exception to section 501(b).⁵⁰

The majority returns to the language of section 501(b) and points to an additional, temporal requirement: not only must the plaintiff be the legal or beneficial owner, but the infringement must be “committed while he or she is the owner of” the particular exclusive right allegedly infringed.⁵¹ After deciding that section 501(b) entitles the legal or beneficial owner of an exclusive right to sue for copyright infringement, the court next concludes that section 501(b) *exhaustively* defines who may bring suit.⁵² The court acknowledges that the statute does not expressly limit suit to the legal or beneficial owner, but decides that application of the statutory construction doctrine of *expressio unius est exclusio alterius* is appropriate under the circumstances.⁵³ The *expressio unius* doctrine “creates a presumption that when a statute designates certain persons, things, or manners of operation, all omissions should be understood as exclusions.”⁵⁴ Therefore, since Congress explicitly listed who may sue for infringement, section 501(b) should be “understood as an *exclusion of others* from suing for infringement.”⁵⁵

Although the court is satisfied that the meaning of the statute is clear, it acknowledges that the lack of explicit language

⁴⁶ Section 106 exclusive rights include the right to (1) reproduce copyright works; (2) prepare derivative works; (3) distribute copyrighted works; (4) perform certain copyrighted works publicly; (5) display certain works publicly; and (6) in the case of sound recordings, to perform the copyrighted work publicly by means of digital audio transmission. 17 U.S.C. § 106.

⁴⁷ *Silvers*, 402 F.3d at 884.

⁴⁸ *Id.* at 884-85 (quoting 17 U.S.C. § 201(d)).

⁴⁹ *Id.* at 885.

⁵⁰ *Id.*

⁵¹ *Id.* (quoting 17 U.S.C. § 501(b)).

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.* (quoting *Boudette v. Barnette*, 923 F.2d 754, 756-57 (9th Cir. 1991)).

⁵⁵ *Id.*

prohibiting bare assignments could create an ambiguity, and, decides to also consult the legislative history.⁵⁶ The majority looks to House Report 1476, the legislative history of the Copyright Act of 1976, and concludes that Congress intended to “limit the class of persons who may” sue for infringement.⁵⁷ For example, the court notes that while the owner of a particular right may bring an infringement action in his own name, the Report expresses a desire “*that the other owners* whose rights may be affected [will be] notified and given a chance to join the action.”⁵⁸ The court finds it significant that non-owners claiming a bare right to sue are not expressly included in the class of persons entitled to notice or joinder.⁵⁹ The court reads this omission to mean that Congress “did not envision . . . that the right to sue was a right severable from ownership of one of the authorized exclusive rights.”⁶⁰

The court also finds the legislative history clear as to the exhaustive nature of the section 106 exclusive rights.⁶¹ Quoting from House Report 1476, the court states that “[i]f a right is not ‘specified,’ then it is not one of the exclusive rights granted by Congress.”⁶² As to the divisibility of section 106 rights, House Report 1476 explains that each right can be “subdivided indefinitely,” and that “each subdivision of an exclusive right may be owned and enforced separately.”⁶³ The majority reads this to mean that “exclusive rights may be chopped up and owned separately, and each separate owner of a subdivided exclusive right may sue to enforce that owned portion of an exclusive right, no matter how small.”⁶⁴ Under the majority’s interpretation, any owner of a subdivided exclusive right could sue for an infringement of *that* subdivided right, but could not “assign an accrued claim for copyright infringement to [a third party with] no legal or beneficial interest in the copyright.”⁶⁵

⁵⁶ *Id.*

⁵⁷ *Id.* at 886.

⁵⁸ *Id.* (citing H.R. REP. NO. 94-1476, at 159 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775 (“Subsection (b) of section 501 enables *the owner of a particular right* to bring an infringement action in that owner’s name alone, while at the same time insuring to the extent possible *that the other owners* whose rights may be affected are notified and given a chance to join the action.”)).

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.* at 886-87.

⁶² *Id.* at 887 (quoting H.R. REP. NO. 94-1476, at 61 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5674 (“The exclusive rights accorded to a copyright owner under section 106 are ‘to do and to authorize’ any of the activities specified in the five numbered clauses.”)).

⁶³ *Id.* at 887 (quoting H.R. REP. NO. 94-1476, at 61 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5674).

⁶⁴ *Id.*

⁶⁵ *Id.*

b. Analogy to Patent Law via
Crown Die & Tool Co. v. Nye Tool & Machine Works

Next, the court takes note of the “strong connection between copyright and patent law,”⁶⁶ and therefore looks to the Supreme Court’s 1923 decision in *Crown Die & Tool Co. v. Nye Tool & Machine Works*,⁶⁷ which resolves the question of whether a bare assignment can give rise to a cause of action in the context of patent law.⁶⁸ Although the Patent Act is silent on the issue of bare assignments,⁶⁹ in *Crown Die & Tool Co.*, the Supreme Court held that only “a patentee (or an exclusive licensee who possesses all substantial rights in the patent) may institute an action for infringement.”⁷⁰ The majority in *Silvers* quotes a Supreme Court decision from 1850, *Gayler v. Wilder*, which was also quoted in *Crown Die*:

“The monopoly did not exist at common law, and the rights, therefore, which may be exercised under it cannot be regulated by the rules of the common law. It is created by the act of Congress; and no rights can be acquired in it unless authorized by statute, and in the manner the statute prescribes.”⁷¹

The court goes on to juxtapose the *Gayler* quote with similar language in the copyright context from an 1834 Supreme Court case, *Wheaton v. Peters*:

“This right [in copyright] . . . does not exist at common law—it originated, if at all, under the acts of congress. No one can deny that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to prescribe the conditions on which such right shall be enjoyed”⁷²

From this, the majority concludes that “*Crown Die* effectively creates a presumption that, when we consider standing under a statutory scheme involving intellectual property, common law doctrine does not apply.”⁷³ Therefore, the Ninth Circuit reasons that since Congress did not affirmatively create a right to assign a bare cause of action for copyright infringement, “courts may recognize only those rights that appear in the statute.”⁷⁴

⁶⁶ *Id.* (citing *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1333 (9th Cir. 1984)).

⁶⁷ *Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24 (1923).

⁶⁸ *Silvers*, 402 F.3d at 887 (seeking guidance from *Crown Die*).

⁶⁹ *Id.* (“Like the 1976 Copyright Act, the Patent Act does not explicitly forbid an assignment of causes of action separate from an assignment of substantive rights in the protected work.”).

⁷⁰ *Id.* at 888.

⁷¹ *Id.* (quoting *Crown Die*, 261 U.S. at 40).

⁷² *Id.* (quoting *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 663-64 (1834)).

⁷³ *Id.*

⁷⁴ *Id.*

c. Cases from Other Circuits: *Prather v. Neva Paperback, Inc.* and *Eden Toys v. Florelee Undergarment Co.*

The court analyzes two cases from other circuits that had previously “faced questions somewhat similar to the one we confront here.”⁷⁵ After quickly summarizing the facts, the majority rejects the Fifth Circuit case, *Prather v. Neva Paperbacks, Inc.*,⁷⁶ on two grounds. First, *Prather* involved a publisher who “assigned to the author *both* the copyright to the author’s work *and* the accrued causes of action related to the work.”⁷⁷ Therefore, the majority finds, since the *Prather* court “was not faced . . . with a situation in which the owner of all the exclusive rights and the owner of the accrued causes of action are two different people,” its holding did not predominate over the facts at bar.⁷⁸ Second, *Prather* was decided in 1969—before the enactment of the Copyright Act of 1976—and, thus, the court holds it “does not bear on how we should interpret [section] 501(b),” a section unique to the current Act.⁷⁹ The court finds it significant that the Copyright Act of 1909, which governed the decision in *Prather*, did not recognize the concept of divisible exclusive rights or “provide that ‘legal or beneficial owners’ of exclusive rights were entitled to sue for infringement.”⁸⁰

Instead, *Silvers* follows a Second Circuit case decided under the current Copyright Act, *Eden Toys, Inc. v. Florelee Undergarment Co.*⁸¹ The court reads *Eden Toys* to hold that “one who owns no exclusive right in a copyright may not sue for infringement.”⁸² The majority acknowledges that the facts are unclear as to whether the purported grant of rights in *Eden Toys* was for an *accrued* cause of action or whether it was a right to sue *prospectively*.⁸³ However, it ultimately concludes that a distinction between prospective and retrospective does not change the underlying principle derived from the holding that “only the owner of an exclusive right under the copyright is entitled to sue for infringement.”⁸⁴ Furthermore, the majority reads a subsequent Second Circuit decision, *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*,⁸⁵ as reaffirming the basic principle announced in *Eden Toys* that “a party that has no

⁷⁵ *Id.* at 889.

⁷⁶ *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698 (5th Cir. 1969).

⁷⁷ *Silvers*, 402 F.3d at 889.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Id.* (quoting the Copyright Act of 1909, 17 U.S.C. § 101(b) (1952)).

⁸¹ *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27 (2d Cir. 1982).

⁸² *Silvers*, 402 F.3d. at 889.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971 (2d Cir. 1991).

ownership interest has no standing to sue.”⁸⁶ In *ABKCO*, although the alleged infringement had occurred prior to ABKCO’s ownership of the copyright, the court held that ABKCO could sue the infringer “not out of its ownership of the copyright, but from its ownership of the claims themselves which it purchased, along with the copyright.”⁸⁷ The majority limits the *ABKCO* holding to “situation[s] in which the same entity purchased *both* the copyright *and* accrued claims.”⁸⁸

Finally, Judge Graber gives two explanations for her decision to follow *Eden Toys*. First, the majority had itself independently arrived at the same conclusion after conducting its own analysis.⁸⁹ Second, the court recognizes that to rule otherwise would create a circuit split, which “would be particularly troublesome in the realm of copyright.”⁹⁰ To distinguish *Silvers* from *Prather* and dispose of the possibility that its holding creates a circuit split, the court notes that *Silvers* involves interpretation of section 501(b), which “had no direct analogue in the earlier statute.”⁹¹

The majority’s decision to prohibit the bare assignment of an accrued cause of action for copyright infringement was based primarily on its reading of section 501(b) of the Copyright Act of 1976. The court, however, found support for its position in an analogy to patent law and in the holding of *Eden Toys*. Taken together, these factors led the court to determine that Nancey Silvers did not have standing to pursue an infringement claim against Sony Pictures Entertainment.

2. The First Dissent: Bare Assignments Should Be Permitted but Only to the Original Creator

Judge Berzon’s dissenting opinion is critical of the majority’s strict statutory approach to the question of whether to uphold the bare assignment of an accrued cause of action for copyright infringement to Nancey Silvers. She scrutinizes three specific aspects of the majority’s analysis: (1) its literal reading of the statute; (2) its failure to consider whether upholding the assignment would serve the purpose of copyright protection; and (3) its reliance on an analogy to patent law. Additionally, Judge Berzon distinguishes her dissent from that of Judge Bea in one significant way. Whereas Judge Bea would ostensibly permit a free market for bare assignments of accrued causes of action for

⁸⁶ *Silvers*, 402 F.3d at 890.

⁸⁷ *Id.* (quoting *ABKCO*, 944 F.2d at 981).

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.* at 890 n.2.

copyright infringement, Judge Berzon argues that bare assignments should be limited to original authors like Nancey Silvers.

a. Section 501(b) Is Not Determinative

First, Judge Berzon points out an “internal inconsistency” in the majority’s reliance on a literal interpretation of the durational requirement in section 501(b)—that a plaintiff must be a legal or beneficial owner of an exclusive right at the time the alleged infringement occurred.⁹² Judge Berzon notes that the limitation is “hardly airtight,” because, as the majority concedes, the assignee of an exclusive right may legitimately pursue a cause of action that occurred prior to his ownership provided that the cause of action is transferred in writing with the copyright.⁹³ Since the majority openly acknowledges the logic of such an exception, Judge Berzon points out that “[h]owever practical [the majority’s] analysis, the fact remains that it cannot be squared with a literal reading of section 501(b), on which the majority otherwise rests.”⁹⁴ Therefore, she concludes that section 501 cannot alone provide a basis for the majority’s decision.⁹⁵

b. Considering the Overall Purpose of the Copyright Act of 1976

Judge Berzon further argues that instead of the majority’s strict statutory approach, “development of [an] interstitial federal common law” would be appropriate to ensure “harmony with the overall purposes of the Copyright Act.”⁹⁶ Specifically, she finds an analog in Ninth Circuit cases deciding whether to enforce assignments of Employee Retirement Income Security Act (“ERISA”) claims.⁹⁷ This line of cases focuses on whether “the general goal of the statute would be served by prohibiting the type of assignments involved in th[e] case.”⁹⁸ Judge Berzon juxtaposes two cases posing similar questions, but which ultimately yield different outcomes when analyzed in terms of their impact on the goals of the statute.

⁹² *Id.* at 891 (Berzon, J., dissenting).

⁹³ *Id.* (citing the majority opinion).

⁹⁴ *Id.*

⁹⁵ *Id.* (“[S]ection 501(b) cannot, absent further analysis, dictate the majority’s conclusion that *no* assignment of accrued causes of action without transfer of the underlying copyright is permissible.”).

⁹⁶ *Id.* at 891-92 (quoting *Gulfstream III Assocs. v. Gulfstream Aerospace Corp.*, 995 F.2d 425, 438 (3d Cir. 1993)).

⁹⁷ *Id.* at 892.

⁹⁸ *Id.* (quoting *Misc v. Bldg. Serv. Employees Health & Welfare Trust*, 789 F.2d 1374, 1377 (9th Cir. 1986)).

In *Misic v. Building Service Employees Health & Welfare Trust*,⁹⁹ the Ninth Circuit held that a health care provider who was assigned accrued causes of action for health welfare benefits by his patients had standing to pursue his ERISA claims. Judge Berzon notes that the court's first step was to review the text of the statute to determine if it permitted an assignment of the welfare benefits.¹⁰⁰ The statute expressly prohibits the assignment of pension benefits, but is silent as to welfare benefits.¹⁰¹ Although the statute authorized only "participants, beneficiaries, fiduciaries, and the Secretary of Labor" to bring suit, the court did not find the statutory language determinative.¹⁰² Instead, the court asked whether the assignors (here the plaintiff's patients) would have had standing to sue under the statute.¹⁰³ Since the assignors were beneficiaries under ERISA, the court concluded that the plaintiff who "stood in the shoes" of the assignee, thus had standing.¹⁰⁴

Conversely, in *Simon v. Value Behavioral Health, Inc.*,¹⁰⁵ the Ninth Circuit refused to uphold an assignment from a health care provider who, like the plaintiff in *Misic*, had been the original assignee of his patients' accrued causes of action.¹⁰⁶ The *Simon* court distinguished *Misic* by explaining that:

[W]e granted derivative standing to health care providers *not* because we believed that federal common law on derivative standing trumps the plain language of the statute. We granted it because permitting health care providers to sue in place of the beneficiaries they had treated was consistent with Congressional intent in enacting ERISA.¹⁰⁷

Since upholding the assignment in *Simon* would have effectively created a free market for ERISA claims, the court denied the assignment on the ground that it was "unclear 'how such a result would further ERISA's purpose.'"¹⁰⁸

Applying this same policy-based rationale to the current case, Judge Berzon asks whether upholding the assignment to Silvers would be "consistent with Congress' overall intent in enacting the

⁹⁹ *Misic v. Bldg. Serv. Employees Health & Welfare Trust*, 789 F.2d 1374 (9th Cir. 1986).

¹⁰⁰ *Silvers*, 402 F.3d at 892 (Berzon, J., dissenting) (citing *Misic*, 789 F.2d at 1376-77).

¹⁰¹ *Id.*

¹⁰² *Id.* (quoting *Misic*, 789 F.2d at 1378).

¹⁰³ *Id.*

¹⁰⁴ *Id.* (citing *T.B. Harms & Francis, Day & Hunter v. Stern*, 231 F. 645, 647 (2d Cir. 1916)).

¹⁰⁵ *Simon v. Value Behavioral Health, Inc.*, 208 F.3d 1073 (9th Cir. 2000).

¹⁰⁶ *Silvers*, 402 F.3d at 892-93 (Berzon, J., dissenting) (citing *Simon*, 208 F.3d at 1081).

¹⁰⁷ *Id.* at 893 (citing *Simon*, 208 F.3d at 1081).

¹⁰⁸ *Id.* (quoting *Simon*, 208 F.3d at 1081).

1976 Copyright Act.”¹⁰⁹ She recites the purpose of copyright, which is to “*promote* the creation and publication of free expression,”¹¹⁰ and acknowledges the inherent tension between incentivizing an author to produce works via exclusive control of his works on the one hand and promoting the free flow of ideas on the other.¹¹¹ She notes that copyright protection is limited by two major First Amendment protections: (1) the notion that only an author’s expression and not his ideas are eligible for copyright protection; and (2) that the fair use defense permits the public to use even an author’s expression under certain circumstances.¹¹²

c. An Allusion to Moral Rights

Taking these basic principles into consideration, Judge Berzon concludes that there would be no offense in permitting “the assignment of accrued claims of Frank & Bob films for infringement of a work *created* by Silvers *to* Silvers” because Silvers was the original creator of the work.¹¹³ Judge Berzon argues that Silvers—the author—is precisely who the copyright system was designed to incentivize.¹¹⁴ In fact, she finds it significant that Silvers “might well herself have held the copyright had she not contracted with Frank & Bob Films to create a work-for-hire.”¹¹⁵ She also suggests that despite relinquishing her rights to the copyright contractually, that Silvers “maintained an interest in how her work was used.”¹¹⁶

Such a view, however, seems to contradict what the district court opinion cites as settled law: that absent an express contract stating otherwise, the original creator of a work for hire does not retain a beneficial interest under which the creator may sue for copyright infringement.¹¹⁷ However, Judge Berzon does not suggest that this continued interest is enough to create a legal or even a beneficial interest. Rather, what Judge Berzon appears to recognize is merely a vestigial interest of the artist in her own creation. Although, she does not say it explicitly, this view that the original creator retains some special interest in her works of art—regardless of who the economic holder of the copyright may be—

¹⁰⁹ *Id.*

¹¹⁰ *Id.* (quoting *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003)).

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.* at 893-94.

¹¹⁴ *Id.* at 894.

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Silvers v. Sony Pictures Entm’t*, 330 F.3d 1204, 1206 (9th Cir. 2003), *rev’d*, 402 F.3d 881 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

is akin to the notion of moral rights.¹¹⁸

The moral rights doctrine, however, has had very limited reception in the United States.¹¹⁹ The doctrine is premised on the idea that the individuality of the artist cannot be separated from his work of art, and therefore, the author retains certain rights even after the transfer of economic rights.¹²⁰ Under a moral rights regime, these non-economic rights are typically recognized as either rights of attribution or rights of integrity.¹²¹ Integrity rights are usually characterized as the personal rights of the artist.¹²² The value of these rights to authors is the ability of artists to control the actions of others who own the proprietary title over their works of art.¹²³ The residual and perhaps greater benefit is to the community at large, conceived in terms of increased incentive for artists to create new works, and which, therefore, result in an increased availability of artworks.¹²⁴

It may be no coincidence that Judge Berzon does not mention the doctrine of moral rights by name. For example, it is very likely that in the work-for-hire contract between Silvers and Frank and Bob Films II, that Silvers assigned all of her economic rights as well as any potentially recognized “moral rights.”¹²⁵ In addition, considering the generally cold reception to moral rights

¹¹⁸ “Moral rights confer on the artist a set of entitlements that relate to how his works are treated, presented, displayed, and otherwise utilized after he has relinquished title over the physical objects in which those works are embodied.” Burton Ong, *Why Moral Rights Matter: Recognizing Intrinsic Value of Integrity Rights*, 26 COLUM. J.L. & ARTS 297, 298 (2003).

¹¹⁹ For a history of moral rights in the United States, see generally Susan P. Leimer, *How We Lost Our Moral Rights and the Door Closed on Non-Economic Values in Copyright*, 5 J. MARSHALL REV. INTELL PROP. L. 1 (2005).

¹²⁰ See Berne Convention for the Protection of Literary and Artistic Works, art. 6bis, Sept. 9, 1886, 828 U.N.T.S. 221 (revised July 24, 1971), available at <http://www.law.cornell.edu/treaties/berne/6bis.html>.

Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his or her honor or reputation.

Id.; see also Shyamkrishna Balganes, *Copyright and Free Expression: Analyzing the Convergence of Conflicting Normative Frameworks*, 4 CHI.-KENT J. INTELL. PROP. 45, 51 (2004) (“Moral rights, unlike the other elements of copyright, derive intrinsically from the author and are therefore incapable of transference to another person.”).

¹²¹ Ong, *supra* note 118, at 298.

¹²² *Id.* (“[I]ntegrity rights . . . purport to preserve the dignity and character of the artist’s aesthetic vision.”).

¹²³ *Id.*

¹²⁴ *Id.* at 302.

¹²⁵ See, e.g., 1 MATTHEW BENDER, ENTERTAINMENT INDUSTRY CONTRACTS FORM 8-1A, cl. 9 (Donald C. Farber ed., 2006).

Production Company’s acquisition hereunder shall also include all rights generally known in the field of literary and musical endeavor as the “moral rights of authors” in and/or to the Product, each Product Form, and any musical and literary proceeds of Writer’s services.

in the United States, such a position may have appeared too radical.¹²⁶

Ultimately, Judge Berzon returns to her original position that section 501(b)'s limitations "have not been and should not be read as narrowly as possible."¹²⁷ From this premise, Judge Berzon reasons that just as the majority held that the assignment of an accrued cause of action to a subsequent owner of the copyright is "eminently sensible" despite the literal language of the statute, so would it be reasonable to uphold the assignment of an accrued cause of action to the original creator—irrespective of her rights to the underlying copyright.¹²⁸ Finally, she takes aim at the majority's application of the *expressio unius* doctrine, agreeing with Judge Bea that "Congress is perfectly capable of including anti-assignment provisions in federal statutory schemes, but declined to do so in the 1976 Act."¹²⁹

d. Application of the *Crown Die* Holding Is Not Appropriate

Judge Berzon's final critique relates the majority's application of the *Crown Die* holding to the facts of the *Silvers* case. Although *Crown Die* deals with a similar question under patent law, Judge Berzon does not accept the majority's characterization of the "historic kinship between patent law and copyright law" as sufficient grounds to deny the assignment to Silvers.¹³⁰ Judge Berzon points out that there are fundamental differences in the rules governing suits for infringements. For example, a patentee "should be joined, either voluntarily or involuntarily, in *any* infringement suit brought by an exclusive licensee."¹³¹ Conversely, the owner of any exclusive right in a copyright "is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner."¹³² Significantly, the original copyright holder need not be joined when the owner of an exclusive right brings an infringement suit.¹³³ Furthermore, in light of the significant changes to copyright law since *Crown Die*

¹²⁶ Ong, *supra* note 118, at 299 n.11. ("One of the reasons why the United States waited more than 100 years before it signed the Berne Convention can be attributed to its longstanding objection to the moral rights clause in Article 6bis." (citing Adolf Dietz, *The Artist's Right of Integrity Under Copyright Law—A Comparative Approach*, 25 INT'L REV. INDUS. PROP. & COPYRIGHT L. 177, 179 (1994))).

¹²⁷ *Silvers v. Sony Pictures Entm't*, 402 F.3d 881, 894 (9th Cir.) (en banc) (Berzon, J., dissenting), *cert. denied*, 126 S. Ct. 367 (2005).

¹²⁸ *Id.*

¹²⁹ *Id.* (citing Judge Bea's dissent).

¹³⁰ *Id.* (quoting majority opinion) ("In general, 'patents and copyrights do not entail the same exchange.'").

¹³¹ *Id.* (quoting *Prima Tek II, L.L.C. v. A-Roo Co.*, 222 F.3d 1372 (Fed. Cir. 2000)).

¹³² *Id.* (quoting 17 U.S.C. § 201(d)(2) (2000)).

¹³³ *Id.* at 894-99.

was decided in 1923, Judge Berzon finds no basis to accept the majority's contention that *Crown Die* “effectively creates a presumption that, when we consider standing under a statutory scheme involving intellectual property, common law doctrine does not apply.”¹³⁴

Judge Berzon also raises what she considers a critical factual distinction. In *Crown Die*, the accrued cause of action for patent infringement was purportedly assigned to a competitor of Crown Die and not to the original inventor.¹³⁵ Therefore, if the assignment in *Crown Die* were upheld, the court would have opened the door to an entirely free market for such assignments.¹³⁶ Whereas, under the current facts, a holding could be written to carefully limit bare assignments to original creators like Nancey Silvers. Given the differences between patent and copyright laws generally, and in light of the factual distinctions in the cases, Judge Berzon concludes that *Crown Die* should not provide persuasive authority for the majority's decision.¹³⁷

3. The Second Dissent: Bare Assignments Should Always Be Permitted

The second dissent, which was filed by Judge Bea, is an exhaustive critique of the majority's decision. Judge Bea concludes that the “text, purpose and history of the Copyright Act of 1976” permits assignees of an accrued cause of action for copyright infringement to sue for infringement.¹³⁸ Judge Bea's dissent offers a point-counterpoint analysis of the majority's opinion, which focuses on: (1) the history and text of both the Copyright Act of 1909 and 1976; (2) the majority's application of statutory maxims; (3) the majority's reliance on patent law as an appropriate analog; and (4) the majority's reading of the relevant case law.

a. Text and History of the Copyright Acts of 1909 and 1976

Judge Bea agrees with the majority that inquiry into the question presented necessarily begins with a reading of the statute.¹³⁹ After citing section 501(b), Judge Bea recites the steps necessary for its interpretation: (1) a statute should be interpreted according to its plain meaning; (2) however, where a statute is ambiguous, courts should consult legislative history; (3) under the

¹³⁴ *Id.* at 895 (quoting majority opinion).

¹³⁵ *Id.* (citing *Crown Die & Tool Co.*, 261 U.S. 24, 25-26 (1923)).

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Id.* at 895 (Bea, J., dissenting).

¹³⁹ *Id.* at 896.

present facts, understanding the legislative history of the Copyright Act of 1976 requires “an understanding of the history of standing to sue under copyright law as it existed prior to the 1976 Act.”¹⁴⁰ Therefore, Judge Bea begins his analysis not with the Copyright Act of 1976, but with an analysis of its predecessor, the Copyright Act of 1909.

Under the Copyright Act of 1909, the “proprietor” of the copyright was entitled to bring suit for infringement.¹⁴¹ While the term proprietor was not explicitly defined, courts interpreted proprietor to mean the “sole owner” of a copyright.¹⁴² The proprietor was essentially the owner of an indivisible bundle of rights that were incapable of partial assignment.¹⁴³ Anything less than a transfer of the copyright in its entirety was characterized as a license, and licensees were not permitted to sue for infringement.¹⁴⁴ On the other hand, while the statute granted standing solely to the proprietor, Judge Bea points out that courts historically permitted *assignees* of an accrued cause of action for copyright infringement to sue for infringement.¹⁴⁵

Moving on to the current statute, Judge Bea notes that the Copyright Act of 1976 was “the result of 15 years of debate on proposed legislation and was precipitated by Congress’s recognition that the nature of copyrighted works had changed.”¹⁴⁶ Technological advances which provided the basis for new media forms such as movies, television, videos, and records, made it necessary for Congress to modify the copyright statute.¹⁴⁷ Congress responded to the technological changes by introducing the concept of copyright as an infinitely divisible bundle of rights, which would allow an author to convey each subdivided right “separately to various reproducers.”¹⁴⁸ As a result, Congress also recognized the need for exclusive licensees to sue for copyright infringement, an act barred under the Copyright Act of 1909.¹⁴⁹

Accordingly, Congress enacted section 501(b) “to provide access to the courts for the owner of one or more rights to

¹⁴⁰ *Id.*

¹⁴¹ 17 U.S.C. § 101(b) (1909).

¹⁴² *Silvers*, 402 F.3d at 896 (citing *Gardner v. Nike, Inc.*, 279 F.3d 774, 777-78 (9th Cir. 2002)), discussing the general history of the 1909 Act, and holding that a sublicensee of a copyright lacked standing to sue under the 1976 Act).

¹⁴³ *Id.* (citing *Gardner v. Nike, Inc.*, 279 F.3d 774, 778 (9th Cir. 2002)).

¹⁴⁴ *Id.* at 879 (citing *Gardner v. Nike, Inc.*, 279 F.3d 774, 778 (9th Cir. 2002)).

¹⁴⁵ *Id.* (citing *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 700 (5th Cir. 1969)).

¹⁴⁶ *Id.* at 897.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.* (citing H.R. REP. NO. 94-1476, at 159 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775).

¹⁴⁹ *Id.*

exclusive use.”¹⁵⁰ Judge Bea cites House Report 1476, which explains that the principle of divisibility “carries with it the need in infringement actions to safeguard the rights of all copyright owners and avoid a multiplicity of suits.”¹⁵¹ The Report continues:

“Subsection (b) of section 501 enables the owner of a particular right to bring an infringement action in that owner’s name alone, while at the same time ensuring to the extent possible that the other owners whose rights may be affected are notified and given a chance to join the suit.”¹⁵²

Whereas the majority read this same language to suggest that Congress intended to *limit* the class of persons entitled to sue for infringement, Judge Bea reads this to demonstrate that Congress intended to *enlarge* the class of persons by including owners of exclusive rights.¹⁵³

Judge Bea argues that proper analysis requires the 1976 Act to be “[r]ead in context with the provisions of the 1909 Act (to the extent the acts are not inconsistent).”¹⁵⁴ Therefore, Judge Bea reasons that while standing in the 1976 Act was clearly enlarged to include legal or beneficial owners of exclusive rights, this alteration should not be read to “eliminate[] the rights of copyright owners under Section 101 of the 1909 Act to their remedies . . . including the assignment and enforcement of accrued causes of action.”¹⁵⁵ Judge Bea concludes his statutory interpretation by stating in no uncertain terms that in his interpretation “is the way—and the only way—to read Section 501(b).”¹⁵⁶

b. Applying Maxims of Statutory Construction and Legal Principles

Next, Judge Bea reproaches the majority’s application of the *expressio unius* maxim of statutory construction.¹⁵⁷ First, he points out that maxims of statutory construction should be applied only in the absence of clear congressional intent.¹⁵⁸ He further points out that such Latin maxims are merely rules of interpretation and not rules of law and, therefore, should be “[u]nderstood as a

¹⁵⁰ *Id.* (citing 17 U.S.C. § 501(b) (2006)).

¹⁵¹ *Id.* at 898 (quoting H.R. REP. NO. 94-1476, at 159 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775).

¹⁵² *Id.* (quoting H.R. REP. NO. 94-1476, at 159 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775).

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* at 898-99.

¹⁵⁶ *Id.* at 899.

¹⁵⁷ *Id.*

¹⁵⁸ *Id.* (“In my view, the Majority misapplies this maxim of statutory construction.”).

descriptive generalization about language rather than a prescriptive rule of construction.”¹⁵⁹ Because Judge Bea is convinced that congressional intent is readily discernible from the legislative history, he strongly disapproves of the majority’s application of the *expressio unius* maxim in the face of contrary legislative intent.¹⁶⁰

Second, Judge Bea criticizes maxims of statutory construction, generally, insofar as there is no “hierarchy” among maxims of construction.¹⁶¹ He quotes Justice Scalia for the proposition that “the hard truth of the matter is that American courts have no intelligible, generally accepted, and consistently applied theory of statutory interpretation.”¹⁶² In fact, in a footnote, Judge Bea acknowledges Karl Llewellyn’s theory that “there are two opposing canons on almost every point.”¹⁶³ As such, he muses that there is no reasonable basis for choosing the *expressio unius* doctrine over, for example, the opposite maxim that “listing some cases may include others.”¹⁶⁴

Judge Bea’s third criticism is that there are other fundamental principles of statutory construction that may be preferable to ancient Latin maxims.¹⁶⁵ First, Judge Bea cites several federal statutes to support his proposition that “where Congress chooses to expressly prohibit assignment, it knows how to do so explicitly.”¹⁶⁶ Next he discusses at length the legal principle that statutes should not be construed so as to lead to absurd results.¹⁶⁷ To illustrate his point, he notes that both the Copyright Act of 1909 and the Copyright Act of 1976 recognize that the assignment of the copyright does not automatically transfer with it any accrued causes of action.¹⁶⁸ Rather, in order for an accrued cause of action to transfer along with the assignment of the copyright, such intent must be express and in writing.¹⁶⁹ Judge Bea concludes from this requirement—

¹⁵⁹ *Id.* (quoting *Longview Fibre Co. v. Rasmussen*, 980 F.2d 1307, 1313 (9th Cir. 1992)).

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² *Id.* at 899-900 (quoting ANTONIN SCALIA, *A MATTER OF INTERPRETATION* 14 (1997)).

¹⁶³ *Id.* at 900 (citing Karl N. Llewellyn, *Remarks on the Theory of Appellate Decision and the Rules or Canons About How Statutes Are to Be Construed*, 3 VAND. L. REV. 395, 405 (1949-1950)).

¹⁶⁴ *Id.* at 899.

¹⁶⁵ *Id.* at 900.

¹⁶⁶ *Id.* (citing Federal Anti-Assignment Act of 1862, 41 U.S.C. § 15; Federal Assignment of Claims Act of 1940, 31 U.S.C. § 3727; Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1056).

¹⁶⁷ *Id.*

¹⁶⁸ *Id.* at 900-01 (citing *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 700 (5th Cir. 1969); *Infodek, Inc. v. Meredith-Webb Printing Co.*, 830 F. Supp. 614 (N.D. Ga. 1993); *DeSilva Constr. Corp. v. Herrald*, 213 F. Supp. 184, 192 (M.D. Fla. 1962)).

¹⁶⁹ *Id.* at 901 (citing *Infodek, Inc. v. Meredith-Webb Printing Co.*, 830 F. Supp. 614, 620

developed in the case law under both statutory schemes—that the copyright and an accrued cause of action for infringement of that copyright are separate assets capable of independent alienation.¹⁷⁰

Judge Bea argues that under the majority’s narrow reading of section 501(b), only the legal or beneficial owner of the exclusive right at the time of the infringement would be permitted to bring an action for infringement.¹⁷¹ This would necessarily preclude all transfers of accrued causes of action to subsequent owners of the copyright, despite the fact that courts have historically upheld such assignments when they are express and in writing.¹⁷² Also, this would foreclose the possibility that an action could be brought by a copyright holder’s heirs for an infringement that occurred during the life of the decedent copyright holder.¹⁷³ Judge Bea argues that these results would not only be absurd, but would be counter to our current understanding of copyright law.¹⁷⁴

Finally, Judge Bea argues for the principle that “common law rights will be deemed to be retained except where there is statutory language and purpose to the contrary.”¹⁷⁵ He points out that it is well established that contract rights are assignable at common-law.¹⁷⁶ He cites *Prather* for the proposition that the assignment of an accrued cause of action for copyright infringement is nothing more than “‘simple assignment of a chose in action.’”¹⁷⁷ He continues that “[a]s a general matter, common law rights existing prior to the enactment of a statute remain in vigor unless *expressly abrogated* by statute.”¹⁷⁸ Therefore, Judge Bea criticizes the majority’s position that copyright is purely a creature of statute, and its decision not to “‘insert common law principles that Congress has left out.’”¹⁷⁹ Judge Bea finds the majority’s unwillingness to insert common law principles to be an unwarranted abrogation of the common law right to assign contract rights.¹⁸⁰

Finally, Judge Bea argues, “courts have interpreted other federal statutes which expressly confer standing on certain persons

(N.D. Ga. 1993)).

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.* at 902.

¹⁷³ *Id.*

¹⁷⁴ *Id.* at 900-02.

¹⁷⁵ *Id.* at 902.

¹⁷⁶ *Id.*

¹⁷⁷ *Id.* (quoting *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 699-700 (5th Cir. 1969)).

¹⁷⁸ *Id.* (citing *United States v. Texas*, 507 U.S. 529, 534 (1993)).

¹⁷⁹ *Id.* (quoting majority opinion).

¹⁸⁰ *Id.* at 902-03.

also to grant standing to assignees of the rights.”¹⁸¹ For example, under the Clayton Antitrust Act, assignees have standing despite the language of the statute granting the right to bring an action to “any person who shall be injured.”¹⁸² Similarly, claims are assignable under the RICO statute despite language that grants standing to “any person injured in his business or property.”¹⁸³ Likewise, as Judge Berzon also points out, under the ERISA statute, health and welfare claims have been found assignable notwithstanding a grant of standing only to “a participant or beneficiary.”¹⁸⁴

c. *Crown Die* Is Not Analogous

Judge Bea argues that *Crown Die*, which was decided in 1923 under the Patent Act of 1874, lacks the necessary relevance to help interpret the Copyright Act of 1976.¹⁸⁵ He points out that the Supreme Court’s decision not to uphold the bare assignment of an accrued cause of action for patent infringement was driven by three fundamental concerns: (1) that it was not the Legislature’s intent to “‘*permit several monopolies to be made out of one, and divided among different persons within the same limits;*’” (2) that such a division would “lead to fraudulent imposition” upon purchasers; and (3) that such unauthorized users would become subject to a multiplicity of lawsuits.¹⁸⁶

Judge Bea disposes of the first concern in the copyright context by asserting that, “it clearly *was* the intent of the 1976 Legislature to ‘permit several monopolies to be made of one,’ insofar as the six individual and separate uses of a single copyright (Section 201(d)) could not only be ‘divided among different persons,’ but subdivided infinitely.”¹⁸⁷ As to the second concern, he suggests that “fraud upon purchasers of ‘several’ copyright uses” is avoided by copyright registration.¹⁸⁸ For example, he points out that under section 411(a), “no action for infringement of the copyright in any work shall be instituted until registration of

¹⁸¹ *Id.* at 903.

¹⁸² *Id.* (citing *Gulfstream III Assocs., Inc. v. Gulfstream Aerospace Corp.*, 995 F.2d 425, 438-40 (3d Cir. 1993) (noting that though the Clayton Antitrust Act, 15 U.S.C. § 15, provides that “any person who shall be injured” can sue, antitrust claims have been found assignable)).

¹⁸³ *Id.* (citing *Lerman v. Joyce Int’l, Inc.*, 10 F.3d 106, 112-113 (3d Cir. 1993)).

¹⁸⁴ *Id.* (citing *Misic v. The Bldg. Serv. Employees Health and Welfare Trust*, 789 F.2d 1374, 1377-78 (9th Cir. 1986) (per curiam)).

¹⁸⁵ *Id.* at 903-05.

¹⁸⁶ *Id.* at 904 (quoting *Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 38 (1923)).

¹⁸⁷ *Id.* at 904-05 (quoting *Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 38 (1923)).

¹⁸⁸ *Id.* at 905.

the copyright claim has been made in accordance with this title.”¹⁸⁹ Finally, as to the multiplicity of lawsuits, Judge Bea argues that this concern in the copyright context is “expressly overcome by allowing suit by the owner of ‘an’ (not ‘all’) exclusive right (§ 501(b)) to bring suit.”¹⁹⁰

Judge Bea also criticizes the majority’s fear of creating an aftermarket in causes of action for copyright infringement. He acknowledges that, “while the notion of severability of the incidents of ownership of property was in its infancy in 1923 at the time *Crown Die* was decided, such is not the case today.”¹⁹¹ As such, he finds the majority’s concern “at best passe and at worst an unwarranted restraint on alienation.”¹⁹² Judge Bea is satisfied that the market will account for whether the sale of an accrued cause of action also includes the underlying copyright and that prices will fluctuate accordingly.¹⁹³

After distinguishing *Crown Die*, Judge Bea concludes by adding that just as some courts—and the majority—recognize the “historic kinship between patent law and copyright law,” courts have also warned that “these ‘two areas of the law, naturally, are not identical twins, and we exercise the caution which we have expressed in the past in applying doctrine formulated in one to the other.’”¹⁹⁴

d. Absence of Public Policy Concerns

Judge Bea acknowledges that under certain circumstances a court may prohibit the alienation of certain legal claims on public policy grounds.¹⁹⁵ However, he argues that unlike the case of personal injury tort claims, there are no public policy concerns supporting a restraint on the assignment of accrued causes of action for copyright infringement.¹⁹⁶ Judge Bea then cites *Prather* for its express finding that there is no public policy against such assignments.¹⁹⁷ Judge Bea argues that when courts impose a restraint on the alienation of legal claims on public policy grounds, the decision is typically founded on concerns arising out of champerty, barratry, or nuisance suits.¹⁹⁸ In the case of legal

¹⁸⁹ *Id.* (quoting 17 U.S.C. § 411(a) (1976)).

¹⁹⁰ *Id.*

¹⁹¹ *Id.*

¹⁹² *Id.* (citing *Bank of Am., N.A. v. Moglia*, 330 F.3d 942, 947 (7th Cir. 2003)).

¹⁹³ *Id.*

¹⁹⁴ *Id.* (quoting *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 439 n.19 (1984)); *see id.* at 887 (majority opinion).

¹⁹⁵ *Id.* at 906 (Bea, J. dissenting).

¹⁹⁶ *Id.*

¹⁹⁷ *Id.* (citing *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 700 (5th Cir. 1969)).

¹⁹⁸ *Id.*

malpractice claims, the prohibition on alienation stems from concerns relating to the personal nature of legal services, which involve highly confidential relationships.¹⁹⁹ Judge Bea finds no reasoned policy considerations underlying the majority's prohibition of the assignment of an accrued cause of action for copyright infringement to Nancey Silvers.²⁰⁰

e. Relevant Case Law

Judge Bea also criticizes the majority's analysis of the cases from outside the circuit, *Prather v. Neva Paperback, Inc.* and *Eden Toys v. Florelee Undergarment Co.* Judge Bea finds that *Prather* provides persuasive authority, and rejects the majority's attempt to distinguish *Prather* on the grounds that it was decided under the 1909 Act and that the assignment involved the transfer of the underlying copyright along with the accrued cause of action.²⁰¹ Finally, Judge Bea concludes that the facts of *Eden Toys* are "inapposite," and, therefore, only a ruling in accordance with *Prather* will avoid a circuit split.²⁰²

1. *Prather v. Neva Paperbacks, Inc.*

Judge Bea begins his analysis of *Prather* with a recitation of the facts. The plaintiff, Prather, was the author of several books.²⁰³ His publisher, Fawcett Publications, held the copyright to all but one of his works.²⁰⁴ Prather discovered that one of the books—whose rights were held by Fawcett—had been infringed by defendant Neva Paperbacks, Inc.²⁰⁵ Subsequently, Prather acquired from Fawcett some of the copyright rights and an assignment of "all present, past, and future causes of action."²⁰⁶ Fawcett retained an exclusive license to the English language rights for books throughout the world.²⁰⁷ As a result of Fawcett's retention of these exclusive rights, Neva argued that Prather was in effect merely a licensee, and, therefore did not have standing to sue.²⁰⁸ The Fifth Circuit held "that the assignment was simply a 'simple assignment of a chose in action'—a contract—that contained express language of assignment."²⁰⁹ The Fifth Circuit

¹⁹⁹ *Id.*

²⁰⁰ *Id.* at 907.

²⁰¹ *Id.* at 907-08.

²⁰² *Id.* at 907.

²⁰³ *Id.*

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ *Id.*

²⁰⁷ *Id.*

²⁰⁸ *Id.*

²⁰⁹ *Id.* (quoting *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 699-700 (5th Cir. 1969)).

further concluded that, “[a]s an assignee of the causes of action for infringement damages past, present, and future, Prather has the right to maintain the action.”²¹⁰ Judge Bea concludes that under *Prather*, “courts will not require a plaintiff to hold ownership of one or more of the exclusive rights of a copyright owner to have standing.”²¹¹

Judge Bea rejects the majority’s claim that Prather is “unhelpful” because it was decided under the Copyright Act of 1909.²¹² He argues that courts have recognized that section 501(b)’s standing provision was merely a codification of the case law that had developed under the 1909 Act “with respect to the beneficial owner’s standing to sue.”²¹³ In a footnote, Judge Bea also cites House Report 1476 for support that in certain instances, Congress’ silence was intended to leave some prior court-made law untouched.²¹⁴ For example, regarding the rights of co-owners, Congress stated: “There is [] no need for a specific statutory provision concerning the rights and duties of the co-owners of a work; court made law on this point is left undisturbed.”²¹⁵

Although Prather did obtain some of the underlying copyrights along with the accrued cause of action, Judge Bea argues that this was not necessary to the Fifth Circuit’s holding which granted Prather standing.²¹⁶ In fact, he suggests that “the assignment to Prather of ‘some rights’ did not *help* Prather establish his right to sue; just the opposite.”²¹⁷ According to Judge Bea, under the indivisibility paradigm of the 1909 Act, Prather was merely a licensee who would not have had standing to sue *but for* the assignment of the accrued cause of action for copyright infringement.²¹⁸ Therefore, he concludes that the majority should not read *Prather* as mandating that “an assignee of an accrued cause of action [is] required to be an assignee of some rights under the copyright.”²¹⁹

2. *Eden Toys, Inc. v. Florelee Undergarment Co.*

Judge Bea concludes that *Eden Toys* “involves a different

²¹⁰ *Id.* (quoting *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 700 (5th Cir. 1969)).

²¹¹ *Id.* at 908.

²¹² *Id.*

²¹³ *Id.* (quoting *Moran v. London Records, Ltd.*, 827 F.2d 180, 183 (7th Cir. 1987)).

²¹⁴ *Id.* (citing H.R. REP. NO. 94-1476, at 121 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5737).

²¹⁵ *Id.* at 908 n.20 (quoting H.R. REP. NO. 94-1476, at 121 (1976), *as reprinted in* 1976 U.S.C.C.A.N. 5659, 5737).

²¹⁶ *Id.* at 908.

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ *Id.* at 909.

factual situation and thus is entitled to little weight here.”²²⁰ In *Eden Toys*, Paddington Bear & Company, Ltd., held the copyright to children’s books featuring the fictional character Paddington Bear.²²¹ In 1975, Eden Toys acquired an exclusive license to use the Paddington Bear image in North America on all products with certain enumerated exceptions reserved to the licensor.²²² The agreement provided that, “in the event that Eden or its licensees shall be exposed to competition, direct or indirect, from infringers . . .,” Paddington would essentially have the right of first refusal to take action against such infringement.²²³ However, if Paddington should elect not to pursue the infringement, “Eden shall have the right, at its option: (i) to institute appropriate legal action against the infringer.”²²⁴ Subsequently, Eden Toys brings a suit for copyright infringement against Florelee Undergarment Co., who moves to dismiss the claim for lack of standing.²²⁵ The Second Circuit dismisses the claim “holding that the court does not believe that the 1976 Copyright Act permits holders of rights under copyrights to choose third parties to bring suits on their behalf.”²²⁶

Judge Bea recites the majority’s conclusion that *Eden Toys* should be read as “ma[king] plain the basic principle, which we also have derived from § 501(b) and its context and history, that only the owner of an exclusive right under the copyright act is entitled to sue for infringement.”²²⁷ By contrast, Judge Bea concludes that the holding in *Eden Toys* is much more narrow: “a copyright holder who maintains ownership of the exclusive right to reproduce cannot assign to a third party the bare right to sue *should the copyright holder choose not to do so.*”²²⁸ Judge Bea further argues that there was no assignment in the Paddington-Eden Toys agreement of an accrued cause of action for copyright infringement.²²⁹ Rather, he argues that the agreement was “interpreted as an agreement merely designating Eden as the agent for purposes of suit.”²³⁰ His interpretation of *Eden Toys* is

²²⁰ *Id.*

²²¹ *Id.*

²²² *Id.*

²²³ *Id.* at 909 n.22 (quoting *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 30 n.2 (2d Cir. 1982)).

²²⁴ *Id.* (quoting *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 30 n.2 (2d Cir. 1982)).

²²⁵ *Id.*

²²⁶ *Id.* (quoting *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 30 n.3 (2d Cir. 1982)).

²²⁷ *Id.* at 909 (quoting majority opinion).

²²⁸ *Id.*

²²⁹ *Id.* at 910.

²³⁰ *Id.*

that “the proper party plaintiff . . . is the owner of the cause of action for infringement, not some hand-picked stand-in.”²³¹

Furthermore, Judge Bea finds that *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, does not, as the majority suggests, reaffirm “the principle of *Eden Toys* that a party who has no ownership interest has no standing to sue.”²³² Instead, he reads *ABKCO* as further evidence that “copyright ownership is *not* the *sine qua non* of standing.”²³³ In 1971, Bright Tunes Music Corp. successfully sued George Harrison and Harrisongs Music, Ltd., for infringement of its copyright in the song “He’s So Fine.”²³⁴ However, the court reserved judgment on the issue of damages.²³⁵ In 1978, *ABKCO* acquired all of Bright Tunes’ interest in “He’s So Fine” including the underlying copyright and “any and all rights assertable under copyright against the infringing composition . . . which may have heretofore arisen or which may arise hereafter.”²³⁶ As a result of the assignment, *ABKCO* was substituted as the party in interest under the original lawsuit brought by Bright Tunes, and which was still pending a final award of damages.²³⁷

Due to prior existing claims that Harrison had against *ABKCO*, *ABKCO* was required to convey the old Bright Tunes copyright in “He’s So Fine” to Harrison for a sum of money.²³⁸ *ABKCO* argued that if it were required to convey the copyright, it would lose its right to pursue the pre-1970 infringement claims.²³⁹ The Second Circuit held that conveyance of the copyright would not preclude *ABKCO* from pursuing the pre-1970 infringement claims since “*ABKCO*’s right to bring the claims arises not out of its ownership of the copyright, *but from its ownership of the claims themselves* which it purchased along with the copyright in 1978.”²⁴⁰ While the majority reads this holding as “limited to the situation in which the same entity purchased both the copyright and accrued claims,” Judge Bea argues instead, “ownership of both the copyright and the accrued causes of action was merely *coincident*—not *required*—for *ABKCO* to have standing to sue.”²⁴¹

²³¹ *Id.*

²³² *Id.* (quoting majority opinion).

²³³ *Id.*

²³⁴ *Id.*

²³⁵ *Id.*

²³⁶ *Id.* (quoting *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980 (2d Cir. 1990)).

²³⁷ *Id.*

²³⁸ *Id.*

²³⁹ *Id.*

²⁴⁰ *Id.* at 911 (quoting *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980-81 (2d Cir. 1990)).

²⁴¹ *Id.*

III. ANALYSIS

A. *Indeterminacy of Case Law: Circuit Split Not Inevitable*

Although *Silvers* was a case of first impression before the Ninth Circuit, both the majority and Judge Bea purport to rely on case law from outside the circuit. While *Prather* and *Eden Toys* are potentially persuasive authority, neither case provides adequate grounds on which to base a dispositive result in *Silvers*. Significantly, neither court was required to address the specific question of whether a non-copyright holder could sue for infringement based on a naked assignment of a chose in action under the Copyright Act of 1976. And yet, both the majority and Judge Bea reason that a circuit split is avoided only by ruling in accordance with either *Prather* or *Eden Toys*.²⁴² Raising the specter of a circuit split, however, places more weight on the cases than either deserves.

1. *Prather v. Neva Paperbacks, Inc.*

The facts of *Prather* are almost identical to those in *Silvers*. *Silvers*, like *Prather*, is an author seeking to sue a discovered infringer, but who must first acquire that right from the copyright holder by way of an express assignment in writing.²⁴³ The one factual distinction, which the majority concludes is fatal, is that the assignment in *Prather* included not only the chose in action, but also the underlying copyright to the works being infringed.²⁴⁴ The majority rejects *Prather*, in part, on grounds that it does not present the identical factual situation where “the owner of the exclusive rights and the owner of the accrued causes of action are two different people.”²⁴⁵

However, this ignores the fact that the court in *Prather* refused to even reach the question of who owned the copyright in deciding that *Prather* had standing to bring his claim. As Judge Bea points out, the defendant Neva unsuccessfully argued that *Prather* lacked standing based on a technical flaw in the assignment.²⁴⁶ Neva claimed that the assignment failed based on the “simultaneous” transfer of certain exclusive rights back to the publisher, making *Prather* merely a licensee of the copyrighted

²⁴² See *id.* at 890 (majority opinion) (basing the decision in part on the fact that “creation of a circuit split would be particularly troublesome in the realm of copyright”); see also *id.* at 907 (Bea, J., dissenting) (arguing that “[t]o avoid the creation of a circuit split, this circuit should rather follow the rationale of *Prather*.”).

²⁴³ *Prather v. Neva Paperbacks, Inc.*, 410 F.2d 698, 698-99 (5th Cir. 1969).

²⁴⁴ See *id.* at 699 n.1 (quoting contractual provision).

²⁴⁵ *Silvers*, 402 F.3d at 889.

²⁴⁶ See *Prather*, 410 F.2d at 699; see also *Silvers*, 402 F.3d at 907-08 (Bea, J., dissenting).

works.²⁴⁷ Because copyright was viewed as an indivisible bundle of rights under the Copyright Act of 1909, if Prather was found to be merely a licensee of the copyright, he would be unable to sue for infringement.

The Fifth Circuit, however, rejects the need to address the defendant's "beguiling argument" relating to the true ownership of the copyright:

[W]e find a simple, simple basis which avoids altogether the button game of "copyright, copyright, who has the copyright?" a notion which mesmerized all until some penetrating questions on oral argument narrowed the case down to one of simple assignment of choses in action.²⁴⁸

The court's analogy to the button game—a traditional children's game the object of which is to determine who is in possession of the button—makes it clear that a determination of property rights is unnecessary in order to uphold the assignment of the choses in action. Moreover, the court acknowledges that, "[a]ll that is required is that the contract cover in no uncertain terms choses in action for past, prior, accrued damages."²⁴⁹ After finding the requisite express language in the assignment between Prather and his publisher, the court squarely addresses the issue before the court in *Silvers* by adding "such assignee of all choses in action for infringement, *whether a 'proprietor' or not* has standing to sue."²⁵⁰

To suggest that this language is mere dicta would be a mischaracterization, since the court never determines whether Prather would otherwise have standing based on his status as the true "proprietor" of the copyright. Far from being superfluous, this determination that ownership rights are not required is necessary to the final outcome. Thus, the majority's assumption that the plaintiff in *Prather* was the proprietor—and its conclusion that the case is, therefore, factually distinct from *Silvers*—is wholly unsupported by the Fifth Circuit's opinion. *Prather*, as Judge Bea suggests, should not be read as limiting assignments of accrued causes of action for infringement to owners of exclusive rights under the copyright.

Although it is clear that the Fifth Circuit grants standing to Prather based on principles of common law relating to the assignment of choses in action, the majority's decision not to follow *Prather* on account of its being decided under the Copyright Act of 1909 may have some merit. Whether *Prather* remains

²⁴⁷ *Prather*, 410 F.2d at 699.

²⁴⁸ *Id.*

²⁴⁹ *Id.* at 700.

²⁵⁰ *Id.*

persuasive authority under the Copyright Act of 1976 depends on whether Congress intended to abrogate the common law right to assign naked choses in action for copyright infringement. Therefore, while *Prather* weighs heavily in favor of upholding the assignment to Silvers, it alone does not provide sufficient authority to support Judge Bea's conclusion.

2. *Eden Toys v. Florelee Undergarment*

Unlike *Prather*, the facts of *Eden Toys* bear little resemblance to the *Silvers* case. Eden Toys was the exclusive licensee in North America of the Paddington Bear copyright.²⁵¹ As exclusive licensee, Eden Toys was authorized to "produce and sell, and to sublicense the production and sale of, a number of Paddington products" in its designated territory.²⁵² The 1975 license agreement contained the following infringement provision:

- (a) In the event that Eden or its licensees shall be exposed to competition, direct or indirect, from infringers of the copyright or trademark rights which are licensed hereunder . . . Paddington shall, *at its option*, take all necessary legal action to enjoin such infringement and protect Eden and its licensees.
- (b) In the event of such infringement and *Paddington's election to take no legal action* . . . Eden shall have the right, at its option:
 - (i) to institute appropriate legal action against the infringer.²⁵³

The provision sets up an arrangement where Paddington is given the right of first refusal to pursue any infringement claims that directly or indirectly impact Eden Toys or its sublicensees. Therefore, Eden's right to sue for infringement is contingent on Paddington's refusal to do so.

Although the agreement is silent as to whether it included accrued causes of action for infringement, the defendant's infringement was discovered in 1979, well after the license was in effect.²⁵⁴ As such, the court was not faced specifically with an *accrued* cause of action for copyright infringement. Significantly, Eden's ownership of certain derivative works—the true subject of the litigation—was in dispute.²⁵⁵ Therefore, if the court determined that it was not the owner, Eden would not have had authority under section 501(b) as the legal or beneficial owner to bring a claim for infringement. Relying on the infringement

²⁵¹ *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 30 (2d Cir. 1982).

²⁵² *Id.*

²⁵³ *Id.* at 30 n.2.

²⁵⁴ *Id.*

²⁵⁵ *Id.* (referencing the "Ivor Wood sketches" prepared by Eden).

provision in the license agreement, Eden argued that this authorization was an independent basis for standing.²⁵⁶ The court rejected this argument and held that the Copyright Act does not permit “holders of rights under copyrights to choose third parties to bring suits on their behalf.”²⁵⁷ The court concluded by adding, “the Copyright Law is quite specific stating that only the ‘owner of an exclusive right under a copyright’ may bring suit.”²⁵⁸

Based on this language, the majority in *Silvers* reads *Eden Toys* as limiting standing for any infringement cause of action to the owner of an exclusive right under a copyright.²⁵⁹ However, the holding in *Eden Toys* should be read narrowly in conjunction with the purported grant of rights under the infringement provision as applied to the factual situation before the court. The license agreement authorizes Eden Toys to bring a suit for any exposure to either direct or indirect competition from infringers of the licensed copyright in the event that Paddington does not elect to pursue legal action. Since the plaintiff’s ownership was in dispute, Eden Toys was forced to argue, alternatively, that the license agreement authorized them to sue for infringements—irrespective of any ownership in the copyright—so long as Paddington elected not to pursue them. Such a broad reading of the agreement, however, would potentially permit a non-exclusive licensee the right to sue on behalf of the owner, a result that is clearly prohibited by the Copyright Act of 1976.²⁶⁰

As discussed, the *Eden Toys* court never addressed whether the infringement provision applied to accrued causes of action. Presumably, this is because such a determination was irrelevant to the outcome of the case. The majority mistakenly finds this fact insignificant.²⁶¹ However, had the court been faced with an accrued cause of action for copyright infringement, it may very well have decided that the infringement provision lacked the requisite clarity of intent to transfer accrued causes of action. Such a finding, however, would not automatically suggest that the provision was either valid or invalid as to all of the other

²⁵⁶ *Id.* at 32 n.3 (“Eden apparently believed that a third basis for standing under the Copyright Act existed, namely authorization by the copyright holder of suit by a person *other* than an exclusive licensee.”).

²⁵⁷ *Id.*

²⁵⁸ *Id.*

²⁵⁹ *Silvers v. Sony Pictures Entm’t*, 402 F.3d 881, 889 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005).

²⁶⁰ 3 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 12.02[B] (2006). (“[A] nonexclusive licensee has no more standing to sue than was the case under the 1909 Act.”).

²⁶¹ *Silvers*, 402 F.3d at 889 (acknowledging that the *Eden Toys* court was not entirely clear as to whether the assignment granted Eden the right to sue on an *accrued* cause of action).

purported grants of authority.

The majority reads too much into *Eden Toys*, and, as a result, not only misapplies the holding to *Silvers*, but does so under the misguided notion that to do otherwise would result in a circuit split. While *Eden Toys* has the benefit of having been decided under the Copyright Act of 1976, its facts are sufficiently different from *Silvers* as to be almost completely inapplicable. Therefore, *Eden Toys* is not strong enough precedent upon which to base the majority's decision.

3. *Gardner v. Nike*: Reconciling Overlap Between the Copyright Act of 1909 and the Copyright Act of 1976

Support for granting *Silvers* standing can be found in another Ninth Circuit case, *Gardner v. Nike*.²⁶² As in *Silvers*, the parties in *Gardner* also argued that the plain language of the 1976 Act supported their positions.²⁶³ However, the *Gardner* court points out that, “there are weaknesses in both of their arguments because neither the 1909 Act nor the 1976 Act explicitly address[ed]” the specific issue of the case. There the court reasoned that where “neither party’s plain language arguments is dispositive, the fact that Congress chose not to explicitly address this issue in the 1976 Act . . . indicates that the state of the law remains unchanged.”²⁶⁴ While this is slightly different from the point made by Judge Bea, it is in line with his conclusion that *Prather* should control. For example, *Gardner* supplements an argument that “Congress merely codified case law that had developed under the [1909 Copyright Act]” into the standing provision of section 501(b).²⁶⁵

While the majority refuses to “lightly insert common law principles that Congress has left out,”²⁶⁶ such a position ignores the fact that Congress did consider—at least when it drafted section 201(a)²⁶⁷ of the 1976 Act—that prior case law would predominate where the new statute was silent. Judge Bea points out that in reference to the issue of joint ownership raised by section 201(a), Congress stated: “There is . . . no need for a specific statutory provision concerning the rights and duties of the

²⁶² *Gardner v. Nike, Inc.*, 279 F.3d 774 (9th Cir. 2002).

²⁶³ The issue in *Gardner* was whether the Copyright Act of 1976 permits an exclusive licensee to transfer its rights without the original licensor’s consent absent contractual provisions to the contrary. *Id.*

²⁶⁴ *Id.* at 780.

²⁶⁵ *Silvers*, 402 F.3d at 908 (Bea, J., dissenting).

²⁶⁶ *Id.* at 885 (majority opinion).

²⁶⁷ Section 201(a) states that initial ownership of a copyright, “vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work.” 17 U.S.C. § 201(a) (2006).

co-owners of a work; court-made law on this point is left undisturbed.”²⁶⁸

This statement indicates that Congress clearly understood that there would be at least some overlap between the new statute and what had developed in case law under the Copyright Act of 1909. On the other hand, one might argue that such a statement by Congress suggests that where it intended to leave case law untouched, it would do so expressly. However, this would be an extremely untenable position. For example, Congress could not be expected to anticipate every area within the entire body of copyright jurisprudence where a potential for overlap might arise. Therefore, this statement should not be read as foreclosing, but rather as leaving open the possibility for case law—which does not conflict with the new act—to continue in effect.

B. *Statutory Interpretation*

1. Plain Meaning of Section 501(b) and Its Legislative History Are Not Determinative

The disagreement among the members of the bench as to whether section 501(b) defines *exhaustively* who can bring a suit is good evidence that the plain meaning of the statute is not clear on its face. While the majority is satisfied with the clarity of section 501(b), it concedes that a failure to explicitly address the question “may create an ambiguity.”²⁶⁹ Where a statute is ambiguous, it may be appropriate for courts to review the legislative history to resolve the uncertainty.²⁷⁰

Unfortunately, the legislative history here is equally silent as to whether section 501(b) should be read as an exclusive enumeration of the class of person’s entitled to sue for copyright infringement. Instead, the majority and Judge Bea each cite to practically identical passages of the House Report, yet, ultimately arrive at opposite conclusions.²⁷¹ The majority concludes that Congress intended to limit the class of persons entitled to sue,²⁷² while Judge Bea concludes that “Congress intended to *enlarge* the ability to bring suit to the owners of exclusive rights.”²⁷³ Far from

²⁶⁸ *Silvers*, 402 F.3d at 908 (Bea, J., dissenting) (quoting H.R. REP. NO. 94-1476, at 121 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5736).

²⁶⁹ *Id.* at 885 (majority opinion).

²⁷⁰ *Id.* at 886 (citations omitted).

²⁷¹ *See id.* at 886 (citing H.R. REP. NO. 94-1476, at 59 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775); *see also id.* at 899 (Bea, J., dissenting) (citing H.R. REP. NO. 94-1476, at 59 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5775).

²⁷² *See id.* at 886 (majority opinion).

²⁷³ *See id.* at 899 (Bea, J., dissenting).

resolving the ambiguity, the legislative history merely strengthens the impasse.

2. Conflicting Canons of Construction

The debate over section 501(b)'s interpretation then turns to canons of statutory construction. The majority is quick to apply the *expressio unius est exclusio alterius* maxim, which, when applied to section 501(b), would render the following meaning: “[*only*] the legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it.”²⁷⁴ The majority gives no justification for selecting this particular maxim except to suggest that “under traditional principles of statutory interpretation, Congress’ explicit listing of who *may* sue for copyright infringement should be understood as an *exclusion of others* from suing for infringement.”²⁷⁵ The choice of this maxim, however, ignores any of the other, equally applicable, principles of statutory interpretation that would result in a contrary reading of the statute.²⁷⁶

After criticizing the majority for applying maxims of construction in the face of what he believes is clear legislative intent, Judge Bea suggests that an equally legitimate, albeit opposite, maxim is that “listing some cases may *include* others.”²⁷⁷ Judge Bea’s more generalized disapproval of canons of construction is based on the grounds that: (1) there is no clear hierarchy among these canons²⁷⁸ and (2) that for almost every canon of construction there is an offsetting and opposing canon.²⁷⁹ While Judge Bea’s concerns suggest a bleak future for canons of construction, he does not hesitate to propose three more alternative canons of his own: (1) “[w]here Congress chooses to expressly prohibit assignment, it knows how to do so explicitly”;²⁸⁰ (2) “courts will not interpret a statute in a way that results in an absurd or unreasonable result”;²⁸¹ and (3) absent “express Congressional intent,” “courts will not construe a statute in derogation of the common law.”²⁸²

²⁷⁴ See *id.* at 884 (majority opinion).

²⁷⁵ *Id.* at 885.

²⁷⁶ See, e.g., *id.* at 899 (Bea, J., dissenting) (“Why choose *expressio unius* rather than another maxim, indeed, the exact opposite: that listing some cases may include others?”).

²⁷⁷ *Id.* (emphasis added).

²⁷⁸ *Id.* at 899-900.

²⁷⁹ *Id.* at 900 n.9.

²⁸⁰ *Id.* at 900.

²⁸¹ *Id.*

²⁸² *Id.* at 902 (citing *Royal Foods Co., v. RJR Holdings Inc.*, 252 F.3d 1102 (9th Cir. 2001)).

As to the last canon, Judge Berzon and Judge Bea both agree that, where the language of the statute is not determinative, an “assumption that background common law principles apply with regard to the assignment of accrued causes of action [of infringement] applies to the Copyright Act as to other federal statutes.”²⁸³ Aside from having the endorsement of both Judge Bea and Judge Berzon, this principle of construction has the added benefit of being one of the few canons with a *reconcilable* “opposing” canon. One scholar, Michael Sinclair, has recently revisited Karl Llewellyn’s point-counterpoint²⁸⁴ theory of opposing canons and concludes that at least some of the purportedly inconsistent canons are actually compatible.²⁸⁵ Specifically, Sinclair addresses what Llewellyn refers to as the second thrust-but-parry: “THRUST: ‘Statutes in derogation of the common law will not be extended by construction.’ PARRY: ‘Such acts will be liberally construed if their nature is remedial.’”²⁸⁶

Sinclair argues that the parry *qualifies* rather than contradicts the corresponding thrust.²⁸⁷ For example, in order to determine whether a statute is remedial, he suggests that a court must first ask, (1) “[w]hat was the common law before the making of the Act”; (2) “[w]hat was the mischief and defect for which the common law did not provide”; and (3) what remedy has the statute appointed to cure the defect of the common law.²⁸⁸ Sinclair summarizes that “[i]f the statute is seen not as imposing a restriction or right or duty on the common law, but as fixing it to cover a new situation or an otherwise unforeseen problem, then it is remedial.”²⁸⁹ Therefore, this pairing could mean that only statutes determined to be remedial should be construed against the prevailing common law.²⁹⁰ As such, Llewellyn’s second canonical pair should be viewed as complementary instead of contradictory.

While canons of construction should never be applied out of

²⁸³ *Id.* at 891 (Berzon, J., dissenting) (concurring with Judge Bea on this point).

²⁸⁴ Karl N. Llewellyn, *Remarks on the Theory of Appellate Decision and the Rules or Canons About How Statutes Are to Be Construed*, 3 VAND. L. REV. 395 (1949-50) (comparing twenty-six canons of construction through a series of “thrusts” and “parries”).

²⁸⁵ Michael Sinclair, “*Only a Sith Thinks Like That*”: Llewellyn’s “*Dueling Canons*,” *One to Seven*, 50 N.Y.L. SCH. L. REV. 919 (2006).

²⁸⁶ *Id.* at 938 (quoting Llewellyn, *supra* note 284, at 401).

²⁸⁷ *See id.* at 944 (noting that parry number two merely places a condition on thrust number two).

²⁸⁸ *Id.* at 942.

²⁸⁹ *Id.*

²⁹⁰ *See, e.g.,* Pierson v. Ray, 386 U.S. 547, 561 (1967) (Douglas, J., dissenting) (“[T]he canon of construction ‘statutes in derogation of the common law are to be strictly construed’ [should not] be applied so as to weaken a remedial statute whose purpose is to remedy the defects of the pre-existing law.”), *overruled on other grounds by* Harlow v. Fitzgerald, 467 U.S. 800 (1982).

context,²⁹¹ this canon is particularly appropriate in light of the extensive common law addressing the alienability of choses in action.²⁹² Since the majority does not point to a single defect that the statute attempts to remedy, the court should follow the common law, at least as it existed at the time of the enactment of the 1976 Act.

3. State of the Common Law: Assignment of Choses in Action Prior to 1976

When applying the statute against the background of common law, the analysis should not focus on the common law of any particular state, but rather on the general common law “given the Act’s express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation.”²⁹³ Therefore, the following analysis looks broadly to determine the state of the common law at the time of the enactment of the 1976 Act.²⁹⁴

a. Choses in Action Arising out of Contract

While choses in action were not assignable at early common law,²⁹⁵ “[t]his early rule has long since been discarded.”²⁹⁶ By the time the 1976 Act was being drafted, it was already well-established that claims arising out of contract were generally assignable.²⁹⁷

²⁹¹ See Llewellyn, *supra* note 284, at 400 (“If a statute is to make sense, it must be read in the light of some assumed purpose. A statute merely declaring a rule, with no purpose or objective, is nonsense.”); see also *Silvers v. Sony Pictures Entm’t*, 402 F.3d 881, 899 (9th Cir.) (en banc), *cert. denied*, 126 S. Ct. 367 (2005) (Bea, J., dissenting) (“[E]ven the most basic general principles of statutory construction must yield to clear contrary evidence of legislative intent.”) (quoting *Nat’l R.R. Passenger Corp. v. Nat’l Ass’n of R.R. Passengers*, 414 U.S. 453, 458 (1974)).

²⁹² See *infra* Part III.B.3.

²⁹³ *Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). *Reid* gives support to the contention through the following example:

In past cases of statutory interpretation, when we have concluded that Congress intended terms such as “employee,” “employer,” and “scope of employment” to be understood in light of agency law, we have relied on the general common law of agency, rather than on the law of any particular State, to give meaning to these terms This practice reflects the fact that “federal statutes are generally intended to have uniform nationwide application.”

Id. (citations omitted) (quoting *Miss. Band of Choctaw Indians v. Holyfield*, 490 U.S. 30, 43 (1989)).

²⁹⁴ For a more current view on the debate regarding the sale of legal claims, see Michael Abramowicz, *On the Alienability of Legal Claims*, 114 *YALE L.J.* 697 (2005).

²⁹⁵ *The Uniform Commercial Code and Contract Law: Some Selected Problems*, 105 *U. PA. L. REV.* 836, 906 (1957) [hereinafter *The UCC and Contract Law*]. For a recitation of the development of the law dating back to the English common law, see, e.g., *In re Zimmerman’s Will*, 172 *N.Y.S.* 80, 85-89 (*N.Y. Sup. Ct.* 1918); *Cooper v. Runnels*, 291 *P.2d* 657 (*Wash.* 1955).

²⁹⁶ *The UCC and Contract Law*, *supra* note 295, at 906.

²⁹⁷ See, e.g., *Rovak v. Parkside Veterans’ Homes Project*, 132 *N.E.2d* 11, 14 (*Ill.* 1956) (noting that once a contract has been executed it becomes a chose in action and is assignable); *Nat’l Bond & Inv. v. Midwest Fin. Co.*, 134 *P.2d* 639, 642 (*Kan.* 1943) (“[A]ll

Significantly, section 151 of the Restatement (First) of Contracts, which had been in effect since 1932, recognized that assignments of contract rights may be assignable except under certain circumstances.²⁹⁸ One such exception arose if “the assignment was prohibited by the contract creating the right.”²⁹⁹ This provision applied equally to executory as well as executed contracts.³⁰⁰ However, an innovation that continues to remain in effect since its introduction in the 1952 draft of the U.C.C. is that “[a] right to damages for breach of the whole contract or a right arising out of the assignor’s due performance of his entire obligation can be assigned *despite agreement otherwise.*”³⁰¹ This is but one example of how the modern law tends to “construe clauses restricting alienability narrowly.”³⁰²

In light of the abundant case law, as well as the developments in authorities such as the Uniform Commercial Code (“U.C.C.”), it is unlikely that, while legislating, the 1976 Congress was blind to the fact that “general public policy favors the assignability of contracts as facilitating commerce and its complex transactions.”³⁰³

b. Choses in Action Arising out of Tort

Just as American courts were in general agreement that contract rights were assignable, so too did the courts agree that certain claims should not be assignable. For example, the Supreme Court of California declared in 1929 that

“it is pretty generally held in America that the only causes or rights of action which are not transferable or assignable in any sense are those which are founded upon wrongs of a purely personal nature, such as slander, assault and battery, negligent personal injuries, criminal conversation, seduction, breach of marriage promise, malicious prosecution, and others of a like

choses in action, except torts, are assignable.”); *Gargiulo v. Calif. Wineries & Distilleries*, 171 N.Y.S. 855, 856 (N.Y. Misc. 1918) (“[C]ontracts other than such as are personal in their character, as promises to marry, or engagements for personal services requiring skill, science, or peculiar qualifications, may be assigned, and by them the personal representatives will be bound.” (quoting *Devlin v. City of N.Y.*, 63 N.Y. 8 (N.Y. 1875))); *Wilde v. Mahaney*, 67 N.E. 337, 339 (Mass. 1903) (“[C]hoses in action arising out of contract, but not arising out of torts for personal injuries” are assignable).

²⁹⁸ RESTATEMENT (FIRST) OF CONTRACTS § 151 (1932).

²⁹⁹ *Id.*

³⁰⁰ *The UCC and Contract Law*, *supra* note 295, at 907.

³⁰¹ *Id.* (emphasis added) (quoting U.C.C. § 2-210(2) (1952)).

³⁰² *Requirements Contracts: Problems of Drafting and Construction*, 78 HARV. L. REV. 1212, 1228 (1965) (citing 4 ARTHUR L. CORBIN, CONTRACTS §§ 872-873 (1951); U.C.C. § 2-210(3) (1962)).

³⁰³ *The UCC and Contract Law*, *supra* note 295, at 906 (quoting *Gargiulo v. Calif. Wineries & Distilleries*, 171 N.Y.S. 855, 857 (N.Y. Misc. 1918)).

nature.”³⁰⁴

Likewise, even today claims that are inherently personal in nature are uniformly deemed unassignable, “such as child custody, personal injury, marital, or false imprisonment claims.”³⁰⁵

Some very early cases referred to a prohibition against claims arising out of “pure” tort.³⁰⁶ One justification for this position was that “[t]o permit another to speculate on such a cause of action tends unduly to increase litigation, and smacks of champerty and maintenance.”³⁰⁷ However, most courts distinguished between claims resulting from property damage and claims for personal injury.³⁰⁸ The Supreme Court of Maryland, writing in 1920, summarized the law as follows:

[A]s to the assignability of a claim for damages for tort concerning property, the great weight of authority sustains the ruling of the court. The distinction between a claim for injuries to the person, such as arise from assault and battery, slander and libel, malicious prosecution, or false imprisonment, and a claim for the conversion or destruction of or injury to property is sharply maintained. The former is merely a personal right, and until reduced to judgment is not assignable.³⁰⁹

Many courts relied on the survivability of a tort claim in order to determine whether such a claim was assignable.³¹⁰ In fact, as far back as 1828, Justice Story, writing for the Supreme Court, recognized that:

³⁰⁴ Wikstrom v. Yolo Fliers Club, 274 P. 959, 959 (Cal. 1929) (quoting 3 THOMAS A. STREET, FOUNDATIONS OF LEGAL LIABILITY 86-87 (1906)).

³⁰⁵ Gilles, *supra* note 11, at 343.

³⁰⁶ See, e.g., Kan. Midland Ry. Co. v. Brehm, 39 P. 690, 691 (Kan. 1895) (“The general doctrine, both at law and in equity, is that a right of action for a pure tort is not the subject of assignment.”).

³⁰⁷ *Id.*

³⁰⁸ See, e.g., Wilde v. Mahaney, 67 N.E. 337 (Mass. 1903) (holding that choses in action arising out of contract are assignable, but not those that arise out of torts for personal injuries); Sayre v. Detroit G.H. & M Ry. Co. 171 N.W. 502 (Mich. 1919) (concluding that a cause of action against a railroad for damages caused by fire is assignable); White v. Gordon, 101 S.E.2d 759, 762 (Ga. 1958) (quoting a Georgia statute for the proposition that “[a] right of action is assignable if it involves, directly or indirectly, a right to property.”); Metropolitan Ins. Co. v. Day, 111 A. 429, 429 (Me. 1920) (holding that “the great weight of authority sustains . . . ruling” in favor of the assignability of a claim for property damage); Auslen v. Thompson, 101 P.2d 136, 141 (Cal. 1940) (“[W]ith respect to actions sounding in tort, it is well settled that although in the absence of statute[,] torts founded on wrongs of purely personal nature do not survive death and are not assignable, such is not the rule as to torts affecting property.”); Cooper v. Runnels, 291 P.2d 657 (Wash. 1955) (concluding that a tort claim for damage to property is assignable); see generally W. W. Allen, Annot., *Assignability of Claim in Tort for Damage to Personal Property*, 57 A.L.R.2d 603 (1958).

³⁰⁹ *Metropolitan Ins. Co.*, 111 A. at 429 (upholding action in tort brought by the assignee of the owner of a building that was damaged by the defendant’s automobile).

³¹⁰ *Cooper*, 291 P.2d at 658 (“The test of assignability is: Does the cause of action survive to the personal representative of the assignor? If it does, the cause of action is assignable.”).

In general, it may be affirmed, that mere personal torts, which die with the party, and do not survive to his personal representative, are not capable of passing by assignment; and that vested rights, ad rem and in re, possibilities coupled with an interest, and claims growing out of, and adhering to property, may pass by assignment.³¹¹

Thus, the notion of a “merely personal” tort came to be defined in terms of whether the claim was one “which, on the death of the person wronged, will die with him.”³¹² One reason advanced for the focus on survivability is that at early English common law, a cause of action “did not survive to the personal representative of the owner of damaged property; hence, it was not assignable.”³¹³ In 1330, Edward III, however, remedied this situation by enacting a statute that permitted the survivorship of torts arising out of damages to personal property.³¹⁴ Subsequent English statutes similarly recognized the right of an executor to bring a cause of action for real property.³¹⁵

Yet another reason for prohibiting the assignment of personal claims is based on a principle of law “applicable to all assignments[:] that they are void, unless the assignor has either actually or potentially the thing which he attempts to assign.”³¹⁶ Therefore, “[a] claim for a personal tort, before it is established by agreement or adjudication, has no value that can be so estimated as to form a proper consideration for a sale.” Until a personal injury claim is properly valued, “it has no elements of property sufficient to make it the subject of a grant or assignment.”³¹⁷

Whether on the basis of survivability, of the speculative nature of personal injury damages, or of modern statutes, the law is—and for a long time has been—well-settled that claims arising out of contracts and property-based torts are assignable, while claims personal in nature remain uniformly unassignable. Therefore, considering the volume of law on the assignability of choses in action prior to the enactment of the 1976 Act, if Congress did intend to preclude bare assignments of copyright infringement, it is surprising for it to have chosen to express its intent by remaining silent on the subject.

³¹¹ *Comegys v. Vasse*, 26 U.S. 193, 213 (1828).

³¹² *Sayre*, 171 N.W. at 509 (quoting *Final v. Backus*, 18 Mich. 218, 231 (Mich. 1869)).

³¹³ *Cooper*, 291 P.2d at 658 (citing 3 WILLIAM S. HOLDSWORTH, A HISTORY OF ENGLISH LAW 572 (6th ed. 1983)).

³¹⁴ *Haymes v. Halliday*, 268 S.W. 130, 131 (Tenn. 1925) (“The statute of 4 Edw. III, c. 7, permitted the survivorship of various acts ex delicto for injuries to personal property.”), *abrogated on other grounds by* *Can Do, Inc. Pension & Profit Sharing Plan v. Manier, Herod, Hollabaugh & Smith*, 922 S.W.2d 865 (Tenn. 1996); *see also Cooper*, 291 P.2d at 659.

³¹⁵ *Haymes*, 268 S.W. at 131 (citing *Zabriskie v. Smith* 13 N.Y. 332 (N.Y. 1855)).

³¹⁶ *Rice v. Stone*, 83 Mass. 566, 569 (Mass. 1861).

³¹⁷ *Id.* at 570.

C. *Public Policy Concerns*

The only question that remains is whether a cause of action for copyright infringement is more like a tort claim for personal injury or one for damage to property. In light of this Note's discussion on the United States position on moral rights, it would be disingenuous to argue that copyright infringement is more personal than property.³¹⁸ The goals of the Copyright Clause are primarily economic in nature.³¹⁹ In order to promote the arts and sciences, the U.S. government is willing to tolerate—for a limited time—otherwise illegitimate monopolies.³²⁰ Therefore, copyright infringement claims do not share—at least in the United States—the dignitary elements of personal injury torts.

Neither is survivability an issue. Certainly, a cause of action for copyright infringement is not a right that “on the death of the person wronged will die with him.”³²¹ On this principle alone, a bare assignment for copyright infringement would be upheld under most states' laws. However, on occasion, courts will look beyond survivability. For example, legal malpractice claims are usually found void as against public policy—regardless of whether or not they would survive the person wronged.³²² In *Can Do, Inc. Pension & Profit Sharing Plan v. Manier, Herod, Hollabaugh & Smith*,³²³ the Supreme Court of Tennessee abrogated a prior decision, which upheld the assignment of a legal malpractice action based upon the traditional survivability test.³²⁴ The *Can Do* court suggests that, in modern times, basing assignability solely on the issue of whether the claim survives the assignor's death “seems outdated and misplaced.”³²⁵ In support of its position, the court quotes the Supreme Court of Indiana:

“Today, it seems anachronistic to resolve the issue of the assignability of a legal malpractice claim by deciding whether such a claim would survive the client's death As is sometimes the case with the common law, the rule has outlived

³¹⁸ See *supra* notes 118-26 and accompanying text for a discussion on moral rights.

³¹⁹ Jon M. Garon, *Normative Copyright: A Conceptual Framework for Copyright Philosophy and Ethics*, 88 CORNELL L. REV. 1278, 1306 (2003) (“The economic rationale is widely viewed as the primary philosophical underpinning for U.S. copyright law and policy.”).

³²⁰ See *id.* at 1307 (“The economic balance assumes that an incentive or reward must be placed before the authors so that they will continue to pursue their interest and create works of public value.”).

³²¹ *Sayre v. Detroit G.H. & M Ry. Co.* 171 N.W. 502, 509 (Mich. 1919).

³²² See generally Michael S. Quinn, *Post Conference Reflections: On Assignability of Legal Malpractice Claims*, 37 S. TEX. L. REV. 1203 (1996).

³²³ *Can Do, Inc. Pension & Profit Sharing Plan v. Manier, Herod, Hollabaugh & Smith*, 922 S.W.2d 865 (Tenn. 1996).

³²⁴ *Id.* at 867 (discussing the court's prior decision in *Haymes v. Halliday*, 268 S.W. 130 (Tenn. 1925)).

³²⁵ *Id.*

the reason for its creation.”³²⁶

Public policy grounds for prohibiting a market for legal malpractice claims are based on the fear that such a market would compromise an “attorney’s duty of loyalty and the duty of confidentiality, resulting in a weakened attorney-client relationship.”³²⁷ Taking note of the “uniquely personal nature of legal services . . . out of which a highly personal and confidential attorney-client relationship arises,”³²⁸ the Court of Appeals in California once predicted that

[t]he almost certain end result of merchandizing such causes of action is the lucrative business of factoring malpractice claims which would encourage unjustified lawsuits against members of the legal profession, generate an increase in legal malpractice litigation, promote champerty, and force attorneys to defend themselves against strangers.³²⁹

Although some courts are willing to permit voluntary assignments on a case-by-case basis, states appear to universally recognize the need for such public policy prohibitions in many, if not all, cases.³³⁰

Therefore, in light of policy-based prohibitions, such as legal malpractice claims, we also must ask whether creating a market for accrued causes of action for copyright infringement raises any similar public policy considerations. Judge Berzon, in her dissent, was clearly wary of creating a free market for such claims. After concluding that an entirely free market for accrued causes of action is not “the proper antidote,”³³¹ she proposed limiting bare assignments to the original creator—a solution, she argues, which would actively further the purpose of copyright by promoting the rights of authors.³³² While Judge Berzon’s position is admirable—and, indeed, refreshing in a debate focused primarily on strict statutory interpretation—there is very little in her dissent that justifies permitting assignment of accrued causes of action *solely* to the original creator.

Where the legal malpractice cases at least propose a parade of horrors, Judge Berzon’s dissent merely implies a generalized

³²⁶ *Id.* (quoting *Picadilly, Inc. v. Raikos*, 582 N.E.2d 338, 341 (Ind. 1991)).

³²⁷ *Id.* at 869.

³²⁸ *Goodley v. Wank & Wank, Inc.*, 133 Cal. Rptr. 83, 86 (Cal. Ct. App. 1976).

³²⁹ *Id.* at 87.

³³⁰ *Del. CWC Liquidation Corp. v. Martin*, 584 S.E.2d 473 (W. Va. 2003) (citing the following cases as voicing the minority view that not all legal malpractice claims are unassignable: *Gregory v. Lovlien*, 26 P.3d 180 (Or. Ct. App. 2001); *N.H. Ins. Co. v. McCann*, 707 N.E.2d 332 (Mass. 1999); *Richter v. Analex Corp.*, 940 F. Supp. 353 (D.D.C. 1996); *Thurston v. Cont’l Cas. Co.*, 567 A.2d 922 (Me. 1989)).

³³¹ *Silvers v. Sony Pictures Entm’t*, 402 F.3d 881, 891 (9th Cir.) (en banc) (Berzon, J., dissenting), *cert. denied*, 126 S. Ct. 367 (2005).

³³² *Id.* at 893-94.

distaste for open markets for legal claims. Yet, one can imagine a scenario where an original creator—or more specifically, a Hollywood screenwriter, like Silvers—might benefit from an open market. For example, a young writer who has just landed in Hollywood is likely to be taken advantage of on account of his youth and inexperience. If such a writer were to find his screenplay infringed upon, he may be unable to afford to litigate against a large movie studio, such as Sony Pictures. On the other hand, if he were able to sell his claim for infringement, this writer might recognize an economic benefit that he would otherwise have been forced to abandon. Unlike with personal injury claims, however, in the above example there are no commodification concerns; copyrights are inherently commodities. And, unlike in legal malpractice claims, in the above example, no fiduciary relationship exists that would be compromised upon assignment.

IV. CONCLUSION

Had the majority in *Silvers* surveyed the common law, it would have found that legal claims arising out of contract were already considered universally alienable, as were tort claims arising out of injury to property (though tort claims arising out of *personal* injury were inalienable). Because copyright protection in the United States favors an author's economic interest in his work and, under most circumstances, expressly denies the existence of an author's moral rights, the possibility of copyright infringement resembling a dignitary tort is ruled out. Thus, an accrued cause of action for copyright infringement—in the end, looking more like a contract than a kidney—should be freely assignable.

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