

# NINK

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## **APRIL 2011 – ASK THE LAWYER**

*In light of the language that has appeared in recent reversion-of-rights letters from a major New York publisher, which noted that “that all rights to reproduce our edition of the Work remain our property and that if our edition is reproduced in total or in part by any photo offset process, a fee will be required which can be negotiated with us,” we posed the question to literary attorney Robert Stein:*

*What rights does a publisher have to claim ownership of “their version” of a work once rights have reverted, and what constitutes “their version”?*

**Robert Stein:**

I have not discussed this issue with anyone from [the publisher in question], but I am nevertheless fairly certain that the publisher is not asserting a copyright interest in the author’s text. For that matter, given that the publisher in most instances registers the work for copyright in the US copyright office in the name of the author, it would be very, very difficult for the publisher to support any such claim.

Note, though, one exception: if the publisher has added any materials (such as a third-party foreword, intro, index, or illustrations), the author would need the publisher’s (and/or the third party’s) permission to reprint those materials. The same is true of the cover of the book. In most instances, the cover artist would have a strong claim against an author who used the artist’s work without his permission. Sometimes the publisher pays the artist separately for each edition of the book.

I believe the publisher is asserting rights in the design of the book: the choice of fonts, the layout of text on each page, etc. That is why the publisher’s note refers to a “photo offset process,” which would, of course, copy the publisher’s design.

I believe it is quite safe to use the published text (including any edits suggested by the publisher) without publisher permission in a post-reversion edition, so long as the publisher’s typesetting and design are not copied, and so long as the publisher’s cover and other publisher-provided materials are not used. ▲

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**Ask The Lawyer** is just one of many services Novelists, Inc. provides membership. And as the publishing world continues to change rapidly, the member services of NINC will keep our writer-members cued-in to the important issues of the writing life.

Urge your writer friends to check NINC out at:  
<http://www.ninc.com>

## **NOVEMBER 2010 – ASK THE LAWYER**

### **Question:**

***According to the news being passed around NINC, there's a new clause in HarperCollins contracts (I don't THINK they've shown up elsewhere) which seems to be designed basically so that HC could cancel a contract and demand all monies paid be returned if the author in any way violated some arbitrary set of "morals" in their personal or professional behavior. My question is: Can you explain the difference between a "moral rights" clause and a "morals" clause in a publishing contract – and offer your opinion as to whether the latter clause is legal and binding AND provides the publisher with an excuse to cancel a contract and demand the return of monies paid should the author, in their judgment, do something "immoral?"***

For what is being called the HarperCollins morals clause, please see 8 (iv) below:

### **8. PUBLISHER'S RIGHTS OF TERMINATION**

If (i) Publisher determines that any of the representations of Author set forth in Section 6(a) is false, or (ii) Author breaches the covenants set forth in Sections 1(f), 1(g), 2(c), or 2(d), or (iii) Author commits a breach of any covenant contained in the Special Provisions section of Part I above for which Publisher is given a right of termination, or (iv) Author's conduct evidences a lack of due regard for public conventions and morals, or Author commits a crime or any other act that will tend to bring Author into serious contempt, and such behavior would materially damage the Work's reputation or sales, Publisher may terminate this Agreement and, in addition to Publisher's other legal remedies, Author will promptly repay the portion of the Advance previously paid to Author, or, if such breach occurred following publication of the Work, Author will promptly repay the portion of the Advance which has not yet been recouped by Publisher.

### **Answer:**

**A "moral rights" clause would be very, very different than a "morals" clause.**

“Moral rights” is a concept from European law, which posits that an author has certain inalienable rights, such as the right to control any modifications of his or her work, to ensure that the “integrity” of the work is not compromised, and the right to have all display or publications of the work attributed to the name of the actual author (or not, if the author is concerned that changes made to the work will damage his or her reputation). These rights have not been fully integrated into American jurisprudence. I would be astonished to find a “moral rights” clause in an American publisher’s contract, unless it read, “Author hereby waives all moral rights...”

A “morals” clause, such as the one set forth below and attributed to HarperCollins (I have not yet come across this clause in my own practice), is intended to protect the publisher against misbehavior of the author which might endanger the publisher’s investment in the book. I saw similar clauses in the mid-1970s when I worked in broadcasting. Every news anchor’s contract contained such a clause, entitling the broadcast station or network to fire the anchorperson in the event a breach of the clause jeopardized the anchorperson’s reputation.

I strongly suspect that HarperCollins could care less about their authors’ morals...unless and until a moral indiscretion threatens to reduce the value of the author’s book. Example: imagine if former New York Governor Elliot Spitzer had, during his term in office, contracted with HarperCollins to write a book entitled, *I Choose to Be Purer Than Caesar’s Wife*. Once Spitzer’s dalliances with multiple prostitutes became public, the potential audience for that book would likely have dropped precipitously, and HarperCollins’ ability to recoup its advance would have been seriously compromised.

I further suspect that the morals clause will have little impact on novelists (as opposed to writers of non-fiction) published by HarperCollins, except in the case of moral transgressions so severe that no reader would ever want to be seen with a copy of the book in hand... such as a novel by an author who is arrested for kidnapping, molesting, and murdering little children.

I believe that a properly drafted morals clause is indeed enforceable against an author.

For that reason, it is important for every author, rather than accepting the HarperCollins clause as written, to attempt to negotiate some changes in the clause:

I. “If Publisher determines that any of the representations of Author set forth in Section 6(a) is false,” – This should not be a matter of Publisher’s determination. This should instead say, “If a court of final jurisdiction determines that any of the representations of Author set forth in Section 6(a) is false, or that Author committed a material breach of the covenants set forth in Sections 1(f), 1(g), 2(c), or of any covenant contained in the Special Provisions section of Part I above for which Publisher is given a right of termination...”

2. I would try to insert language such as “due to an obvious and extreme conflict between Author’s behavior and the particular subject matter of the Work” before “such behavior would materially damage the Work’s reputation or sales.”

On balance, I cannot fault the publisher for attempting to protect itself against damage to its investment arising from authorial misbehavior. The author should nevertheless attempt to refine and narrow the language of the morals clause so as to exclude behaviors which, while obviously immoral (e.g. an extramarital affair), are unlikely to damage sales of the author’s book.

— **Bob Stein**

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## ***Reversion of Electronic Rights***

### ***JULY 2010 – ASK THE LAWYER***

#### **Question:**

From 1993 through 2001, I wrote nine books for Tor and am now looking into getting them out again via Kindle, etc. I did the certified/registered mail thing but haven’t heard back, although a month has passed.

The contracts changed over the years with the most recent granting Tor electronic text rights.

What confuses me re whether I need to pursue asking for the rights back is the paragraph about Reversion of Rights.

It reads:

12.(2) If the Publisher determines, in its sole discretion, that the Work or any edition thereof has ceased to have a remunerative sale, the Publisher may discontinue publication and may at any time thereafter remainder or otherwise dispose of copies on hand. If, at any time after three years from the date of initial publication of the Work, all editions, whether trade hardcover, trade or mass-market paperback, of the Work that have been published or licensed by the Publisher anywhere in the United States shall be unavailable for sale as a result of lack of stock and, six months after written demand by

the Author, mailed to the Publisher by certified or registered mail, return receipt requested, is received, the Publisher still has not made arrangement for one of its own or a licensed trade hardcover, trade paperback or mass-market edition of the Work to be available for sale in the United States, the Author may terminate this Agreement by sending written notice of termination to the Publisher by certified or registered mail, return receipt requested.

There's nothing in the Reversion paragraph about electronic copies and none were ever brought out by the publisher. Do I still have to jump through the waiting hoops? The three years since initial publication is long over and the books haven't been available for years.

**Answer:**

Assuming that your grant of rights to Tor was sufficiently broad (e.g. "all publication rights") that Tor could claim to own electronic rights (even where such rights were not explicitly granted), then, yes, sadly, you need to jump through the hoops. The Tor Reversion of Rights clause, like most publishers' out-of-print clauses, requires action by the publisher to return its rights to you. It does not permit you to say, "Gee, they must be out of print... I haven't seen my book in Barnes & Noble in forever, so now I'll resell it to Ballantine, or self-publish it for e-book and print-on demand sale."

Tor wants the ability to reevaluate the market for the books; if you find e-book publication viable, Tor might also. So they want you to remind them that your books exist and could be published electronically. If they fail to reprint (or to "arrange for" a reprint) a paper copy of the book with six months after your request by certified or registered mail, return receipt requested, then you are entitled to send them a formal termination and to proceed with your e-book and/or POD publication.

But now, let's return to my initial assumption above: that the grant of rights to Tor implicitly included e-book rights. Chances are that Tor will take the position that such rights were granted to them, whether they were or not. That means likely legal expense for you if you choose to fight them over this issue. On the other hand, if Tor's older contract forms did not include sweeping language, then it might be worth engaging them in discussion about whether you still control e-book rights. Frankly, I suspect that would be a waste of time, and that you'd be much better off simply going through the reversion process

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## ***MAY 2010 – ASK THE LAWYER***

**Editor's note:** The following discussion recently popped up on the Ninc loop about who owns the copyright of a translated work (sparked by a post on a Google Tool called Google Translation).

## Question

**Author #1: A German publisher licensed one of my books through my publisher, and the German translation is copyrighted in the publisher's name. I asked my publisher about it, and they said that it's correct that the translation copyright is in the publisher's name, but—who knows?**

**Author #2: I'm not a lawyer, but I don't think this is entirely correct. My understanding is that the translation of a work currently protected by copyright is derivative, but the translation itself is also protected to the extent that even when the original copyright has expired, the copyright for the translation of a work may still be in effect, and it is the translator who owns that. So for example, if I were to translate something in German to English which is in the public domain, I would own the copyright to that translation.**

## Answer:

A translation is a derivative work.

Section 103 of the US Copyright Act states: "The copyright in a ... derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material."

The original work thus continues to be protected and owned by the original copyright owner or his or her assignee, unless it is already in the public domain, in which case it remains public domain; the original copyright (or lack thereof) is unaffected by the translation.

Conversely, if the translation is allowed to enter the public domain, that does not affect the copyright in the underlying work.

Creation and publication of derivative works are two of the exclusive rights belonging to the copyright owner of the underlying work. So anyone who creates and/or publishes a translation of a copyrighted work without the consent of the owner of the underlying copyright (other than in the minute quantities and special circumstances as may qualify as "fair use"), infringes that copyright, and thus is subject to damages (including the copyright owner's legal fees) as a copyright infringer.

Under Section 101 of the US Copyright Act, if a translation is "specially ordered or commissioned" by a written agreement which specifically states that the resulting translation will be a "work made for hire," it then qualifies as such, with the copyright belonging not to the translator but to the entity which commissioned the translation. So if a publisher and a translator enter into such a written agreement, then the copyright in the translation will belong to the publisher (unless the written agreement states that the publisher is acting on behalf of a third party, such as the original author, who would then become the employer for hire, and would then own the copyright).

Similarly, if the translation is created by an employee in the ordinary course of his or her employment, the copyright in the translation will be owned by the employer rather than the individual translator.

Finally, even if a contract between translator and whoever is paying for the translation does not specify “work made for hire,” the contract may instead state that the translator “assigns all rights” to the commissioning party. The result is essentially the same as a work made for hire, except that the assignor/translator may recover the copyright many years later under the termination provisions of the Copyright Act, whereas those provisions do not apply at all to works made for hire.

Keep in mind that translations commissioned by foreign publishers under license from a US publisher are not likely to be governed by United States law. I have no idea whether any foreign countries have anything in their copyright laws equivalent to our statutory “work made for hire” provision. So it is quite possible that a translator in Europe or Asia might herself own her translation of an American work.

I do not authoritatively know whether Google can claim any ownership of the copyright in a translation created by Google’s Translator Toolkit. I have never researched whether machine-created (or, for that matter, animal-created) literary or graphic works possess sufficient “originality” to qualify for copyright protection. (If 100 monkeys... or cpu’s... working for 10 years accidentally create marvelous literary works, do they qualify for copyright?).

On the other hand, I note that Google’s “Google Translator Toolkit Additional Terms” allow the user to prohibit Google from sharing the resulting translations with third parties. Those terms do not reserve any right to Google to prevent the user from using or publishing the resulting translations. While this is not necessarily dispositive, it certainly suggests that Google does not claim any copyright in such translations.

— *Bob Stein*

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## ***APRIL 2010 – ASK THE LAWYER***

**Q:** The trend of “all rights now and in the future we haven’t thought of yet” is growing and I’m very uncomfortable with it. I’m not signing something that holds me to a clause they can make up in the future and frankly, I’ll be interested to see how that aspect plays out in several years when they attempt to use it — from an enforcement and then legal context — I’m not sure I can “knowingly” sign a contract for something no one has thought of yet. How can an author get legal advice on something that does not yet exist?

**A:** For me, it depends whether the “now known or hereafter devised” language occurs in the general grant of rights, or in a more specific grant of ebook or audio rights.

In some major publishers' contract forms (e.g. Random House and Penguin) the expansive language occurs only with respect to e-book or audio rights. I have no real problem with that, as it seems to me to be obvious that gadgets are continually evolving and thus that the publisher needs the flexibility to present the book in whichever form the market is prepared to support. Ten years ago or so, I represented the manufacturer of the Rocket eBook Reader (also known as the Gemstar or RCA Reader), and tried to persuade publishers to make their books available in the HTML format we needed for presentation on our device, which had a black-and-white backlit screen similar to a primitive netbook. Had the publishers described that device specifically in their author contracts, they would not have had the rights necessary to provide the same books in files which could be read on the more modern Sony Reader, Kindle or Apple iPad. Similarly, audio books are now sold via file download, as well as on CDs and tape cassettes. Without the "now known or hereafter devised" language, audio publishers would be unable to keep up with those technology changes.

I try to make sure that the expansive language is accompanied by limiting words or phrases, such as "verbatim," "designed to be read" or "intended for listening, and "without any visual or audio elements other than those included in the print version(s) of the Book."

Where, on the other hand, the "now known or hereafter devised" language occurs in a general grant of rights, such as "Author hereby grants the Publisher the right to publish the Work in all media, now or hereafter devised," I will insist on major changes, or I will recommend that the author walk away and find a different publisher. Why? Because in that context the author is giving up his motion picture rights, live stage rights, and all other rights imaginable.

So there I will counteroffer, "Author grants to Publisher the right to publish the Work in printed book form, in verbatim audiobook and e-book forms designed respectively for listening and reading (as more specifically defined below), and in the other formats and media explicitly set forth in paragraphs \_ and \_ below. All other rights are hereby reserved to the Author."

You'd be surprised how reasonable publishers' contract administrators can be when presented with such a counteroffer. You then find yourself in a discussion of exactly which rights the publisher actually requires, rather than a discussion about the publisher's original sweeping attempt to grab all rights.

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## ***FEBRUARY 2010 – ASK THE LAWYER***

**Q: What are the limitations on an author using the cover image from their book for publicity purposes? I was trying to print out the cover for my latest at a copy shop, but they refused because of copyright concerns, despite the fact that my name is on it. So now I'm curious...**

**A:** The important thing to remember here is that the cover image was in all probability not created by the publisher, but rather by an independent artist or designer, who almost certainly owns the copyright to that image.

The publisher of your book purchased a license to use the cover image from that artist or designer who created it. Whether or not you can use that image depends entirely on the written agreement between the artist and the publisher.

It is entirely possible that the publisher purchased only the right to include the image on the cover of a single edition of the book, and in advertisements, to the extent that they include a photograph of that edition. Alternatively, the publisher may have purchased the right to include (and to allow the licensees to include) the image on the cover of all editions of the book throughout the world, in advertisement, in publicity materials, and in connection with the exploitation of subsidiary rights.

Whether the publisher also purchased the right for its author to use the cover photos for those purposes, or for any other purposes, is a question which can be answered only by looking at the contract between the artist and the publisher.

You should ask your publisher either to let you see a copy of that agreement, or to advise you of its contents. Keep in mind that most publishing contracts never mention the book's cover art (other than possibly to discuss whether the author has a right of approval or consultation) and thus you have no right to force the publisher to show you its licensing agreement, or to put you in touch with the artist, etc. So this is a situation in which tact and restraint can be useful tools.

— **Bob Stein**

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## ***JANUARY 2010 – ASK THE LAWYER***

**Q: One of the things I've been wondering is about the legal requirements when we self-release our out-of print books that have been granted reversion by the publisher on, say Amazon. Should we apply for a new ISBN? Use a new copyright date, or note it on the copyright page somehow?**

**A:** Excellent Question. I believe the author should obtain a new ISBN number... or at least should not use the previous number. The previous ISBN number, I believe, is issued to the original publisher of the book, and designates that publisher as the publisher of the book bearing that number. So to continue using the previous number would be misleading and confusing, and could annoy the previous publisher.

However, I'm not at all sure that any ISBN number is needed, if the book is going to be sold only over the web. The author should ask Amazon whether Amazon requires self-publishers to provide an ISBN number, and ditto if the book will be sold through any other online bookstores.

Generally, ISBN's are used by bookstores to keep records as to what books they're ordering, how many they're selling and returning to the publisher, etc. I simply do not know whether online bookstores use ISBN's for such purposes.

As for a new copyright date, definitely not, unless the book has been significantly revised. If revised, a new copyright application should be filed specifying that it covers only the revisions.

As for the copyright page (and the title page), the author should remove any information there which might incorrectly suggest that the new edition is published by the previous publisher.

If the author has adopted an imprint name for self-publishing purposes, that imprint should be identified on title page and copyright page. If the author has not adopted an imprint name, the author could, but is not obligated to, state "This edition is published by the author of this book".

Best regards,  
Bob Stein

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## ***OCTOBER 2009 – ASK THE LAWYER***

**Q: When an author has the rights back on a previously published book and is looking to sell it as an e-book, can the author legally use the original cover to market the book? (Since there's no physical product, the cover would be displayed on the Web, but not printed/produced with the book.) Or any portion of the original cover?**

**A:** No, the author does not have the right to use the original cover to market the book.

Where the book's original cover contained artwork (such as a drawing, painting, or photo) it is entirely possible that even the original publisher lacks the right to authorize such use by the author. Publishers typically contract cover art out to freelance artists. Most often, the publisher acquires only the rights it expects to use, since artists price each usage separately. Frequently, those rights are not assignable by the publisher.

So, if you would like to use the publisher's cover art, you should ask the publisher to review its purchase agreement for the artwork, and to let you know whether it has the right to assign its rights in the cover art to you, and, if not, how you might contact the artist yourself to acquire those rights.

Keep in mind that the publisher will also have made contributions to the cover (such as adding title and author information, together with any sell copy, in type fonts and sizes selected specifically for that cover), and that its permission will also be required.

In most cases, it probably will be more expensive and aggravating to acquire the necessary rights than is worthwhile.



Advice given in this column is general and brief, and is not based upon a thorough review of facts and considerations in any given instance. You should consult an attorney in depth if you need personal legal advice.

*To submit a question for this column, email to [CMyersTex@aol.com](mailto:CMyersTex@aol.com). For more information about Robert Stein, visit his website, <http://www.pryorcashman.com/attorneys-119.html>*

## ***JANUARY 2009 – ASK THE LAWYER***

**Q: In category romance, once a writer gives a proposal to her editor for her next book, is she free to also submit another proposal to a different editor of another line at the same publishing house? Or does the author's option clause require her to wait for the editor of the optioned book to say "yes" or "no" before she is free to query other editors at the same publisher?**

**A:** The ultimate answer to this question lies in the language of your option clause. If the option clause does not forbid you to make multiple submissions to different editors at your publisher, then there is no legal reason why you cannot do so.

But that may not be the entire answer... human feelings may also come into play. Your editor may be unhappy that you are not working solely for her, and may resent your willingness to leave her for another line and another editor, even at the same publishing house.

On balance, I'd take that risk, and make the multiple submissions. But if that editor is the only editor who has ever published your work, I would submit only to her, and wait to submit to others.

Of course, you could also discuss your dilemma with her, and see if she gives you her blessing to submit two proposals simultaneously, one to her and another to one of her colleagues.

**Q: Is an author still bound by a 'life of the copyright' clause in an agency agreement if their agent only negotiated a contract, but didn't sell the book and the book which was sold wasn't covered under the author/agent agreement? (i.e. author had already sold the novel before signing with the agent).**

**The agent negotiated my contract because I was a new author who had submitted my manuscript to a publisher and the publisher offered a two-book contract. At the same time I had submitted a different manuscript to the agent and she wanted to**

**represent me. I told the agent of the publishing contract and she offered to negotiate it for me and took 10% instead of her regular 15% because she didn't sell it.**

**We have amicably parted ways, without her selling anything for me, so I want to know how I'm still legally bound to her.**

**A:** It is impossible to answer this question properly without seeing the agency agreement to see how it described the book or books to which it applied. Assuming that it was quite specific in referring only to the book which was not sold, and not to "all books sold during the period of this agreement" or something similar, and further assuming that your written correspondence with the agent did not amend the agency agreement to add the book which you sold yourself, then you should be bound only for the life of the contract negotiated by the agent, rather than for the life of the copyright in your book.

If you agreed to pay the agent 10% of the royalty earnings on the contract she negotiated for you, and she agreed to accept that in lieu of the 15% stated in the agency agreement, then it seems to me (again, without examining the agency agreement or any correspondence), that your only obligation is to pay 10% of all earnings under that agreement. If that agreement remains in effect for the life of copyright, then she receives royalties for the entire term. If the book goes out of print in a few years, and you resell it to another publisher, this agent's participation would end prior to the resale.

The one thing that makes me a little nervous about this advice is why didn't the agent ask you to sign an agency agreement applicable to the book for which she negotiated the contract for you? Was she assuming that the agency agreement would apply to that book as well?

You should take a very careful look both at the agency agreement and at all of the correspondence between yourself and the agent to make very sure that you haven't agreed in writing to apply the agency agreement to the book which was sold, but with a reduced percentage.

**Q: Can an author and/or publisher be sued, say, for having Woodrow Wilson or Elvis Presley as a character in a novel? Or for setting a scene from a story in a Wal-Mart or at Disneyland or at a restaurant that really exist? Several people have said that the issue here is defamation, not using a real place or thing. Is this true? Can Mr. Stein cite any examples?**

**A:** Let's be clear: authors and publishers can be sued for anything at all. And getting even a baseless lawsuit dismissed can be surprisingly time-consuming and expensive. So even when publishers and authors have right on their side, a lawsuit can eat into the publisher's profits... and the author's royalties... in a very serious way.

I can think of very, very few things more likely to cause an author or publisher to be sued than using Elvis Presley as a major character in a novel. Lawyers representing the Presley estate are likely to foam at the mouth in their eagerness to get to the courthouse.

Now, let's look at the separate question of who would win a lawsuit brought over the use of Woodrow Wilson or Elvis Presley as characters in a novel. In my opinion, the author and

publisher would prevail if they used Woodrow Wilson, FDR, Warren Harding or any other President as a character... even as the protagonist.

Individuals who did not use their names and likenesses for commercial purposes during their lifetimes do not generally have survivable rights of privacy or publicity.... and it is those rights that could prevent the commercial use of a person's name or likeness without their permission.

Elvis Presley absolutely used his name and his likeness for commercial purposes during his lifetime, so much so that the state of Tennessee passed a statute specifically protecting his estate's right to monopolize the commercial use of his name and likeness after his death.

But now we come to the hard part of the question: is the use of Elvis Presley as a character in a novel (or, for that matter, in a motion picture), a commercial use which would be prohibited without the authorization of his estate?

Certainly it is a commercial use, in the sense that it is intended to make money, and, if well done, is very likely to make money. But not all commercial uses are equal.

The First Amendment ("Congress shall make no law...abridging the freedom of speech, or of the press") and Fourteenth Amendment ("No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States") to the United States Constitution prevent the federal and state courts from interfering with free expression except with respect to very narrow categories of speech which are deemed to fall outside of Constitutional protection, such as obscenity, incitement to riot, defamation and hate speech.

Various states have enacted statutes intended to create rights of publicity which would survive the death of the individual. Other states have judicial decisions acknowledging such rights. In all cases of which I am aware, those statutes and decisions accommodate the requirements of the First and Fourteenth Amendments by acknowledging that the survivable right of publicity does not apply to the use of a celebrity's name or likeness in a book or motion picture.

Let's take it one step further: assume that the novel featuring the Elvis Presley character is a best seller, and the author writes several sequels, each of which is turned into a major motion picture. Same result? Theoretically, it should be, and probably will be in those states whose statutes specifically exclude books and films. But I suspect the Presley estate would have a much better chance of winning its case against the author and publisher in a common-law state, because a series of novels and films looks a whole lot more commercial than even a very successful single book.

But what if Carl Hiaasen decides to set his next adult novel in Orlando, and has criminal executives of Disneyworld chasing his hero all over the theme park, intent on mayhem? Can he do that? Yes he can, but he can also expect at the very least a stiff letter from Disney's lawyers claiming that the reputation of the company and the image of the theme park have been defamed and damaged by the fictional events in the novel.

If Disney proceeds to sue, whether the author wins or loses will depend on whether his lawyers are able to persuade the court that the book was advertised as fiction, that readers understood its contents as fiction, and that none of them actually believed that Disney's executives would ever behave in such a manner (good luck with that one, Carl).

Yes, the issue here is defamation. I do not believe that a place of business has any right of privacy or publicity. I do not recall the Louvre suing Dan Brown or his publisher for setting important scenes within the museum, and, under US law, do not believe it could have prevailed had it done so. ▲

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## **DECEMBER 2008 – ASK THE LAWYER**

**Q: Is there an expectation of privacy in email? Are emails or letters, for that matter, copyrighted? And if so, do fair use laws apply? Let's say a fan writes an angry, idiotic letter to you. Can you then post it on your blog? Can you send it to a friend and let them post it on their blog? If that fan then complains and says you violated their copyright....**

**A:** This question actually combines two different subject areas: privacy and copyright.

As to the privacy question, I'd say there is very little expectation of privacy in email. For instance, if the email is written on the writer's employer's computer and sent via the employer's email system, then there is no expectation of privacy whatsoever. Employers generally have the right to inspect all emails sent or received on their system.

In addition, the recipient of the email has the right to show the email to anyone she wishes. If she receives the email at work, her employer has the right to read the email.

Third, the email passes through any number of servers on its way from sender to recipient. None of the people maintaining those servers is prohibited (as far as I know) from reading anything they choose to.

Fourth, the US Patriot Act probably authorizes Dick Cheney to intercept and read your emails and laugh about them with his buddies.

The only privacy I think we can expect in email is that no one will break into our homes and read the emails stored on our computers (nevertheless, it wouldn't hurt to protect your home computer with a password).

As to copyright, expression becomes copyrighted when "fixed" in "any tangible medium of expression...from which it can be perceived, reproduced or otherwise communicated, either directly or with the aid of a machine or device."

I think there is little question but that an email, readable on or printable from one's computer, is "fixed" and thus protected by copyright.

Does the "fair use" doctrine apply? Yes, but to a very limited extent, because of the unpublished nature of the email.

Can you publish a fan's idiotic letter to you on your blog? No. Absolutely not. You may be able to publish extremely brief and pithy excerpts from the letter on your blog, depending on whether you are doing so for purposes of criticism and commentary (good fair use reasons), or simply to take revenge (bad fair use reason).

Can you send the fan's email to a friend? No. Doing so creates a copy of the email, which infringes the copyright of the person who wrote it and sent it to you. If your friend publishes the email on his blog, he too is infringing the writer's copyright. ▲

**Q: On another list I'm on, they're discussing the use of song lyrics in mysteries, and the consensus seems to be that authors can use up to four lines of a song without permission.**

**But I wonder what happens when a book comes out in an audio edition? Would the "performance" element change ASCAP's attitude toward "fair use" in that case?**

**A:** How many angels can fit on the head of a pin?

I am not aware of any basis in copyright law for the assumption that "authors can use up to four lines of a song without permission." Publishers I represented have received demand letters from music publishers even where a single line of lyrics appeared in a book.

One would have to justify inclusion of that line on the basis of Fair Use ... four lines would be that much more difficult to justify.

As for "performance" of a song in an audio edition, I'm not sure whether you mean reading the lyrics of the song aloud, singing them in the original song's tune, or stealing the performance of the original artist and incorporating that in the audiobook.

I would say that singing the song multiplies the risk by a factor of 5 or 10. Incorporating a duplicate of the original performance probably multiplies risk by at least 1000. You are now infringing the P in a circle copyright of the recording as well as the C in a circle copyright of the lyrics, and yes, that is likely to bring ASCAP, BMI and SESAC to your door.

Even singing the lyrics to the original tune in the audiobook goes well beyond the use of the lyrics alone, and represents a conscious decision to take even more from the copyrighted song than did the print version of the book.

Myself, I would advise my hypothetical audiobook publisher client to recite the lyrics as poetry, rather than singing them, unless I were able to construct the world's best Fair Use argument, and, even then, I'd have to make sure my client was aware of and willing to risk the potential costs of defending a copyright infringement lawsuit. ▲

— Robert Stein

Robert Stein has over three decades experience in publishing. He has served as legal counsel for Random House, Simon and Schuster, and Warner Brothers. As an attorney with Pryor Cashman LLP, he represents authors, literary agents, book publishers, and others in publishing negotiations and disputes.

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## SEPTEMBER 2008 – ASK THE LAWYER

**Q: If an author has created characters in a book or books for one publisher, and the contract with that publisher does not refer to characters created by the author, can the author use those characters in books submitted to a different publisher? If so, are there any restrictions, conditions or considerations to bear in mind? If not, would the answer be different if the current publisher has already rejected the manuscripts the author wants to submit to a different publisher?**

**A:** The grant of rights to the publisher does not typically convey any rights to the characters. Once you have satisfied the manuscript delivery and option clause requirements you need only consider the publisher's "Competing Works" clause, which generally precludes the author from publishing any works derived from the author's book without the publisher's approval. It is very rare for a publisher's contracts department to refuse a request (in the negotiation of the contract) to modify such clause by the addition of language similar to the following:

"Prequels and sequels to the Work in which Publisher fails to exercise its option shall not be considered competitive works." or "Author written prequels and sequels are deemed excluded from the provisions of this Paragraph."

Please note, however, that the above would not apply in those very unusual situations where the copyright in the book is to be owned by the publisher.

Note also that my answer is limited to legalities; it does not take into account the likely annoyance of a publisher if the author switches publishers in the middle of a series. I imagine that where the publisher gave the author specific advice about creating unusual characters, the publisher might feel particularly aggrieved if the author left for another publisher. Nevertheless, if the contract specifically gives the author the right to publish sequels elsewhere, the author will be allowed to do so. ▲

**Q: I always hear that it's safest for authors to incorporate in order to protect themselves—and their personal assets. But when I looked into this, it seemed like I was going to have to change so much about the way I do things (setting up a**

**separate bank account, running all monies through it, etc.) that I wimped out based on it creating a number of what would be ongoing inconveniences. Can you discuss the pros and cons (if any) of incorporating, and/or discuss other ways authors can protect themselves if they choose not to incorporate?**

**A.** Frankly, I have never been able to see any advantage at all in incorporation for writers, other than possible tax benefits (and I'm not even sure about that). Incorporation will not shield the author from the indemnification obligations in a publisher's contract... publishers are wise to that and so require authors to sign "personal guarantee" letters acknowledging personal liability for any default or breach by the author's corporate entity. In addition, if the book libels someone or invades their privacy, the claimant will sue the author, whose name is on the book, as well as the author's "loanout" company.

A possible partial exception might be a claim for copyright infringement: if the book is owned by the loanout company (i.e. the company signed the book contract and the copyright is in the company's name), and if the author has a contract with the company to write the book as an employee of the company, then a copyright plaintiff might have to sue the company rather than the author. However, the plaintiff will certainly sue the publisher as well, and the publisher in turn will look to the author, so ultimately this is not an effective way to dodge liability.

As for cons of incorporating, there are costs involved in incorporation, and in maintaining the corporation on the records of the state. Alternatives: the very best alternative is to ask your publisher whether it provides author insurance coverage, and, if so, how high is the deductible, how is the deductible shared by the author and the publisher, and what are the limits of the coverage. Most major publishers automatically offer such coverage; you may find it worthwhile to accept a slightly lower advance from such a publisher rather than a slightly higher advance from a publisher which does not offer such coverage.

Lastly, if you have substantial assets to protect (such as an expensive house), and if you anticipate the possibility of claims arising from publication of your book, you can obtain your own "media perils" or "errors and omissions" insurance policy for the book.

Premiums (per edition) start somewhere around \$3,000 or \$4,000, and policies require submission from an experienced media lawyer of a letter saying that he or she has read the manuscript and is not aware of any likely legal problems (so that will cost another couple of thousand dollars in legal fees). ▲

**Q: I write under a pseudonym but copyright under my real name because I wasn't sure about the legalities of copyrighting under a pseudonym. I know some writers do, though, and my publisher did give me the choice. So my question is, are there any legal issues attached to copyrighting under a pseudonym?**

**A.** The United States Copyright Act permits, but does not require, copyright notice and registration (there are very serious advantages to both... you may not be able to register a work which did not bear notice, and until you register, neither you nor your publisher can sue infringers... and even then, you cannot obtain damages for infringements which occurred due to the absence of copyright notice). When notice is included, it is supposed to be in "the name of the owner of copyright... or a generally known alternative designation of the owner."

The instructions which accompany the copyright registration form state: “If the work is “pseudonymous” you may:

- (1) leave the line blank; or
- (2) give the pseudonym and identify it as such (for example: “Huntley Haverstock, pseudonym”); or
- (3) reveal the author’s name, making clear which is the real name and which is the pseudonym (for example, ‘Judith Barton, whose pseudonym is Madeline Elster’).”

What is the difference? The duration of copyright protection is very different for a pseudonymous work than it is for a work by an identifiable author. Ordinary copyright protection continues for 70 years after the death of the author. Pseudonymous works (as well as “works for hire”, such as books created by authors employed by their loan-out companies) are protected for a term of 95 years from publication (or 120 years from creation, whichever is shorter) ... a much shorter term in the vast majority of cases.

However, the Copyright Act stipulates that even a work which is published pseudonymously will be protected for life plus 70 years if the author’s true identity is revealed either in the copyright application itself or in a separate document recorded in the Copyright Office.

I think it is perfectly safe to use a pseudonym on your book, and in the copyright notice within the book, so long as you or your publisher promptly files a registration application which discloses your actual identity and address (which can be care of your publisher).

Of course, if one considers the number of books published 95 years ago or longer that still have economic value, I suspect that is a very small list... and thus that most authors do not have to worry about their works losing copyright protection a mere 95 years after publication... ▲

#### — Robert Stein

*Robert Stein has over three decades experience in publishing. He has served as legal counsel for Random House, Simon and Schuster, and Warner Brothers. As an attorney with Pryor Cashman LLP, he represents authors, literary agents, book publishers, and others in publishing negotiations and disputes.*

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## **JULY 2008 – ASK THE LAWYER**

**Q: In the June issue of NINK, you noted that if the agency clause in a publishing contract entitles the author’s (former) agent to receive all payments on the author’s behalf, and if the former agent refuses to consent to split payments, then this situation will remain unchanged “until such time as you are able to prove malfeasance by the agent serious enough to persuade a court to terminate the agent’s right to receive all payments.” Can you give some examples of what might conceivably constitute such malfeasance?**

**A:** Most obvious: if the agent receives money from your publisher, or from other licensees, and does not pay your contractual share (usually 85%, sometimes 80%) to you when contractually (either by the agency clause in your publishing contract or by a separate written agreement between the agent and yourself) required to do so.

Less obvious (and some agents may be unaware of this): agents' entitlement to share indefinitely in the author's royalties derives not just from the rights sales they made previously on the author's behalf, but also from their responsibility to provide future services to the author with respect to the given book and to the licenses previously made. In order to continue receiving royalties on a deal previously made by that agent, the agent must be willing and able to provide further services in connection with that license if and when required. If the agent also claims the right to make further deals on behalf of the author in connection with the book, the agent must make reasonable efforts to do so. ▲

**Q: Can you briefly explain Creative Commons licensing and its relevance, if any, for novelists?**

**A:** Creative Commons is a US non-profit corporation which was formed in 2001 in order to create and promulgate a series of license forms (<http://creativecommons.org/about/license/>) which copyright owners could use to allow third parties to use copyrighted material (whether text, music, photos, etc.) without the necessity of negotiating and entering into individual licenses. The licenses permit use without compensation to the copyright owner, and tend to be much less restrictive than full copyright protection. There are several different license forms, each of which sets forth different requirements.

A list (probably a partial list) of content which has been made available subject to Creative Commons licenses may be found at [http://wiki.creativecommons.org/Content\\_Curators](http://wiki.creativecommons.org/Content_Curators).

I have never had cause to do a comprehensive study of the various Creative Commons license forms, and have not done so. However, given the contractual provisions of most traditional publishers' contract forms, which require that the publisher have the full rights to use all third-party materials (such as illustrations or poetry or song lyrics) included in or with the manuscript, including the right to include same in advertising or promotion, and given the limitations on use inherent in those Creative Commons licenses I have reviewed (for instance, the requirement of attribution to the original author, and the lack of an explicit right to excerpt and use small portions of the original work), I would be very, very reluctant to rely upon a Creative Commons license as the basis for including third-party text or illustrations in a manuscript intended for publication by a traditional publisher ... it is simply impossible to ensure that the publisher will abide by the limitations of the license form (and, if the publisher does not do so, the Author is stuck by the publisher's contract form with the liability to the original author for breach of the Creative Commons license form, and possibly also for copyright infringement). ▲

— **Robert Stein**

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## **JUNE 2008 - ASK THE LAWYER**

This month, NINK is pleased to debut a new column by Attorney Robert Stein in which he answers legal questions of concern to writers. Mr. Stein has over three decades experience in publishing. He has served as legal counsel for Random House, Simon and Schuster, and Warner Brothers. As an attorney with Pryor Cashman LLP, he represents authors, literary agents, book publishers, and others in publishing negotiations and disputes.

**Q: My publisher won't split payments without my former agent's consent, and the agent has consistently refused to consent. I'm unhappy about this since, although the money has not yet been mishandled, the paperwork has been misplaced or late more than once—so I'm always anxious about the checks. Therefore, my question is: While he continues to refuse his consent, is there anything I can do to get my paperwork and my money out of my former agent's hands?**

**A:** Assuming that the agency clause in your contract with the publisher entitles the agent to receive all payments on your behalf, and that neither your contract with the agent (if you have a contract with the agent) nor the agency clause in the publisher's contract reserves the right for you to receive payments directly from the publisher, then the short answer is "no," at least until such time as you are able to prove malfeasance by the agent serious enough to persuade a court to terminate the agent's right to receive all payments.

Publishers will on occasion agree to split payments notwithstanding an agent's objections (even without an explicit contractual right of the author to receive payments directly from the publisher), but generally only in the very rare cases where the Publisher considers the author to be more important to the publisher's economic interests than is the agent. If the reverse is true, it is very unlikely that the publisher will risk the ire of the agent in order to assuage the unproven concerns of its author, particularly since the publisher knows that authors sometimes receive loans from their agents which the agents expect to recoup from the authors' shares of the publisher's payments. ▲

**Q: Given the proliferation of new technologies, such as e-publishing and print-on-demand publishing, what contractual language would you recommend to specify what we used to know as a book being "out of print" and therefore eligible for reversion?**

**A:** The exact language would of course vary according to the paragraph used by the publisher, but the important idea to get across in the language is:

“For the purposes of this paragraph, the Work shall be considered in print only if it is available for sale in the United States in a full-length English-language edition through regular trade channels, and at least \_\_\_\_\_ hundred (00) units in the aggregate are sold at full price in the two (2) consecutive accounting periods immediately preceding the Author’s request for a reversion of rights, and it appears on Publisher’s “re-order form” or such other listing of titles available for ordering, or if a contract for its publication by a sublicensee of Publisher for publication in a full length edition in the U.S. through regular trade channels within twelve (12) months is outstanding and publication actually occurs within such twelve (12) months.” ▲

**Q: *If I'm basing a novel on current events, what are the legal parameters for using still-living real-life individuals involved in those events as characters in the novel, or basing fictional characters on those persons?***

**A:** The relevant areas of law are defamation (libel) and invasion of privacy. Basically, if any of your characters are identifiable as real-life individuals, whether due to similarity in name or other identifying characteristics, those characters should not act in any way which (i) if not provably true of the underlying real person, would tend to cause damage to the real person’s reputation; or (ii) would reveal private and embarrassing facts about the real person.

There are at least two cases in which authors flouted the standards described above, and got away with it because sympathetic judges held that no one could ever believe the depiction of the character to be true of the underlying person.

However, I would not recommend relying on that expectation... lawsuits are frightfully expensive and not all judges can be expected to let the defendant off so easily.

There are special cases of notoriety in which one can, with relative safety, exceed the usual standards; for an example, I strongly recommend Susan Brownmiller’s 1989 book, *Waverly Place* (for which I served as counsel to the publisher, Grove Press). The book was inspired by the death of little Lisa Steinberg, and the abuse of her mother, Hedda Nussbaum, and was written and published before the trial and conviction of lawyer Joel Steinberg. The foreword of that book is the very best disclaimer I have ever seen. ▲

**Q. *For authors using nonfiction books and current events resources in their fiction, what are the ramifications of the verdict in the lawsuit brought against Dan Brown by the authors of Holy Blood Holy Grail?***

**A.** First and foremost, avoid great success at all costs... nothing brings plaintiffs out of the woodwork like a potential gold mine. Why sue over a few dollars when you can instead sue someone who has tens of millions of dollars with which to pay legal judgments?

Second, be generous in your attributions... I was consulted just last week by an author who felt slighted by another author who had apparently used facts taken from my prospective client's nonfiction books as the basis of a successful novel, without in any way acknowledging the source of those facts. While the cliché refers to “a woman scorned,” I don’t think women are nearly as sensitive to slights as is an author whose work does not receive the attribution he or she deems appropriate.

The simple fact is that facts are generally not protectible. The Supreme Court did away with the “sweat of the brow” theory of copyright infringement, making it very, very difficult to protect published factual information. Unless a “borrower” takes a slew of facts that had been carefully selected and organized in a non-obvious way, and uses them in the same or very similar way, there is no legal recourse for the original author.

There may well be recourse in academia, where nonattribution of “borrowed” material is considered plagiarism. But plagiarism, as opposed to copyright infringement, is not actionable at law. ▲

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