



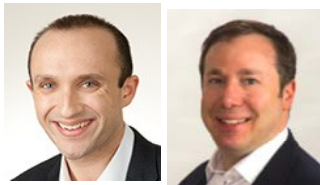
## Provocative, Human, Eclectic

[Home](#) > [Back to Index](#) > [Sloane](#)

### Second Circuit Decisions

## “Works Made for Hire” under Copyright Law

By Peter S. Sloane and  
Jonathan W. Thomas



On August 8, 2013, the Second Circuit came down with its ruling in *Marvel Characters, Inc., et. al. v. Lisa Kirby, et. al.*, a case closely watched in the comic book industry and more generally among artists and publishers. In a decision authored by Circuit Judge Robert D. Sack, who had been awarded the Federal Bar Council's Learned Hand Medal for Excellence in Federal Jurisprudence in 2008, the circuit court affirmed District Court Judge Colleen McMahon's decision that Marvel owns artwork created by famed comic book artist Jack Kirby under the work made

for hire doctrine in copyright law. The Second Circuit affirmed summary judgment in favor of Marvel and dismissed the case against two heirs of Kirby, who asserted termination rights under Section 304(c) of the Copyright Act. The circuit court reversed the decision on procedural grounds and dismissed the action against two other heirs of Kirby, both California residents, finding a lack of personal jurisdiction and non-indispensability. All four heirs filed a petition for rehearing on September 11, 2013.

The 262 works at issue included drawings of valuable comic book characters like The Fantastic Four, The Incredible Hulk, and The X-Men. Since all were created between 1958 and 1963, the Second Circuit applied the 1909 Copyright Act, rather than the 1976 Copyright Act, in determining whether the works were made for hire (there was no dispute that Kirby was not employed by Marvel). Unlike the 1976 Act, however, the 1909 Act did not expressly define a work made for hire. In case law interpreting the 1909 Act, the Second Circuit had previously stated that, in the absence of an express contractual reservation to the contrary, there is a presumption that the copyright is owned by the person at whose “instance and expense” the work is done. The Second Circuit has also clarified that a work is made at the hiring party’s “instance and expense” when the employer induces the creation of the work and has the right to direct and supervise the manner in which the work is carried out.

Applying the instance and expense test, the appellate court found that Marvel had induced Kirby to create the drawings, that Marvel had a right to supervise those drawings, which it in fact exercised, and that Marvel had made creative contributions to the works. As far as the expense, the circuit court found that, even though Marvel did not pay for Kirby's supplies or provide him with office space, its payment of a flat rate for his pages, rather than a royalty, satisfied the expense requirement. That is, Marvel took on the risk of financial loss if the comic books were unsuccessful. With all these facts at play, it is curious that the Second Circuit found that no reasonable jury could have found other than that the works were made for hire.

### 1975 Assignment

Kirby's efforts to point to later writings suggesting an assignment rather than a work for hire arrangement were unavailing. A 1975 assignment executed by Kirby purported to transfer his interests in certain works to Marvel (while also averring that all of his work was for hire) and Marvel paid Kirby with checks that contained a legend

with assignment, rather than work for hire, language. The Second Circuit found it likely that such assignments were redundancies insisted upon by Marvel to protect its rights. The circuit court memorably stated, “we decline to infer from Marvel’s suspenders that that it had agreed to give Kirby its belt.” This should be comforting to many copyright attorneys who cautiously paper over earlier dealings with such confirmatory language.

### **The 1976 Act**

Interestingly, the result would have turned out differently had the case been decided under the 1976 Act rather than the 1909 Act. Under the 1976 Act, which governs works created on or after January 1, 1978, a work made for hire is expressly defined as a work prepared by an employee within the scope of his or her employment or as a work specially ordered or commissioned for use listed under one of nine enumerated categories, if the parties expressly agree in a written instrument signed by them. Apart from the fact that the parties in Marvel never agreed to a work for hire arrangement in writing, pictorial works are not one of the listed categories. Therefore, Kirby’s drawings would never have qualified as a work made for hire under the 1976 Act and, had the pages been drafted after January 1, 1978, the heirs of Kirby would likely have been considered the outright copyright owners.

As a result, hiring parties are well advised to obtain an assignment from any freelancers who create art on special order or commission. Even then, however, the hiring parties should note that their ownership interest may be subject to termination rights under Section 304(c) of the Copyright Act. Termination rights may be effected during a period of five years beginning at the end of 56 years from the date copyright was originally secured, or beginning on January 1, 1978, whichever is later. The alternative is to hire the freelancer and have him or her prepare the work within the scope of his or her job responsibilities, although this may then raise non-copyright issues, like under employment law, for the hiring party to consider.

[send comment to FBC](#)   

[Back to Index](#)

Federal Bar Council • 123 Main Street, Suite L100 • White Plains, NY 10601-3104 • (914) 682-8800 • fax (914) 682-4400  
email: [federalbar@federalbarcouncil.com](mailto:federalbar@federalbarcouncil.com) | view our [privacy policy](#) | view our [social media policy](#)  
© 2010-2013 Federal Bar Council. All rights reserved.