A Tale of Two Copyright Laws: Second Circuit Holds that Italian Law Permits Termination of U.S. Copyrights

ENNIO MORRICONE MUSIC INC., v. BIXIO MUSIC GROUP LTD.

By: Manon Burns and Lisa Holubar | August 30, 2019

In *Ennio Morricone Music Inc. v. Bixio Music Group Ltd*, the Second Circuit tackled the "knotty" issue of whether a composer's score was a "work made for hire" under Italian copyright law. The court ultimately determined that a composer's film scores were *not* "works made for hire," under Italian law, thus allowing the composer's assignee to terminate the 35-year-old assignment of the U.S. copyrights in the works, which is expressly permitted by the U.S. Copyright Act via 17 U.S.C. §203. In so doing, the Second Circuit vacated the lower court's summary judgment ruling.

In the late 1970's and early 1980's, Bixio commissioned Italian composer Ennio Morricone to compose the score for six Italian films, including *Cosi Come Sei* and *Un Sacco Bello*. Mr. Morricone assigned his rights in the works to Bixio in a series of substantively identical agreements. In exchange, Mr. Morricone received an upfront payment, royalties, credit in the film, and copies of the works. The transfer included the provision: "You do hereby grant and transfer to us, exclusively, for the maximum total duration permitted by the laws in force in each country in the world, and at the conditions established here below, all the rights of economic use, in any country in the world, with regard to the works" and provided that the works were forever the property of Bixio. In 2012, Morricone Music, a subsequent assignee of Mr. Morricone's rights, notified Bixio that it was terminating the granted rights under 17 U.S.C. § 203.

Bixio contested the termination on the ground that the works were excepted from § 203's termination right because they were "works made for hire." Section 203 provides: "[i]n the case of any work ***other than a work made for hire***, the exclusive or nonexclusive grant of a transfer or license of copyright or of any right under a copyright, executed by the author on or after January 1, 1978, otherwise than by will, is subject to termination ... at the end of thirty-five years from the date of execution of the grant." 17 U.S.C. § 203 (emphasis added). Thus, the question presented was seemingly simple: were the scores at issue works made for hire? If yes, their assignment could not be terminated pursuant to § 203. Under U.S. law, the answer would have been an easy no. But U.S. law was not at issue; the assignment was governed by Italian law, which differs from U.S. law. Specifically, Italian law does not require written language to create a work made for hire and it defines authorship differently. The court held that the scores were not works made for hire under U.S. or Italian law and therefore they were subject to termination.

Understanding *who* is the author of a work is vital in determining who holds the pertinent rights in any assignment scenario. Even if a creator is commissioned under the laws of another country, all parties involved should have some awareness of the interplay of copyright law across international lines. While copyright law may appear similar at a high-level, nuances may be the determining factor, especially when it comes to the transfer or termination of rights. For example, and as Bixio learned, many European countries maintain an approach more strongly grounded in moral rights, thus making it much more difficult to sever the author to work bond, even if it is the author's intention to do so.