15-1778-cv
Urbont v. Sony Music Entertainment

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

August Term, 2015

(Submitted: March 24, 2016) Decided: July 29, 2016)

Docket No. 15-1778-cv

JACK URBONT,

Plaintiff-Appellant,

- v.-

SONY MUSIC ENTERTAINMENT, INDIVIDUALLY, D/B/A EPIC RECORDS, RAZOR SHARP RECORDS, LLC,

Defendants-Appellees,

DENNIS COLES, A/K/A GHOSTFACE KILLAH,

Defendant.[*]

Before:
JACOBS, HALL, and LYNCH, *Circuit Judges*.

Appeal from the judgment of the United States District Court for the Southern District of New York (Buchwald, *J.*) granting Defendants-Appellees' motions for summary judgment on plaintiff's federal copyright claim and his related state law claims. We hold that the district court erred in determining that plaintiff failed to raise genuine issues of material fact with respect to his federal copyright infringement claim but that the court properly granted summary judgment to the appellees on plaintiff's state law claims. The judgment is therefore AFFIRMED in part and VACATED and REMANDED in part.

---

[*] The Clerk of Court is respectfully directed to amend the caption to conform to the above.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Richard S. Busch, King & Ballow, Nashville, TN, and Elliot Schnapp, Gordon, Gordon & Schnapp PLLC, New York, NY, *for* Plaintiff-Appellant.

Marc S. Reiner, Hand Baldachin & Amburgey LLP, New York, NY, *for* Defendants-Appellees.

HALL, *Circuit Judge*:

In this copyright case, Plaintiff-Appellant Jack Urbont brought suit to enforce his claimed ownership rights in the "Iron Man" theme song against what he alleges is infringement by Defendants Sony Music Entertainment ("Sony"), Razor Sharp Records, and Dennis Coles, a/k/a Ghostface Killah.[1] In the proceedings below, Defendants-Appellees Sony and Razor Sharp Records challenged Urbont's ownership of the copyright by arguing that the Iron Man theme song was a "work for hire" created at the instance and expense of Marvel Comics ("Marvel"). The district court agreed, and it determined that Urbont failed to present sufficient evidence to rebut the presumption that Marvel was, in fact, the copyright owner. The court dismissed Urbont's New York common law claims for copyright infringement,

[1] Coles failed to participate in discovery during the proceedings below, and as a result the district court entered judgment against and imposed sanctions on him. (*See* Memorandum and Order, ECF No. 53.) Coles did not participate in the summary judgment motion and he is not a party to this appeal.

unfair competition, and misappropriation on the basis that those claims were preempted by the Copyright Act.

We hold that although the district court properly determined that the appellees had standing to raise a "work for hire" defense to the plaintiff's copyright infringement claim, the court erred in concluding that Urbont failed to raise issues of material fact with respect to his ownership of the copyright. We further conclude that the district court properly dismissed Urbont's state law claims as preempted by the Copyright Act. We thus vacate the district court's summary judgment ruling with respect to plaintiff's Copyright Act claim and remand for further proceedings consistent with this opinion. We affirm the district court's ruling dismissing Urbont's state law claims.

I. Facts and Procedural History

Urbont is a composer and music producer who has written theme songs for many well-known television shows. In 1966, Urbont wrote theme songs for various characters in the Marvel Super Heroes television show ("Marvel series" or "series")—including Captain America, Hulk, Thor, Sub-Mariner, and the "Iron Man" theme song at issue in this case. He also composed opening and closing songs for the series. According to Urbont, he offered to write the music for the series after being put in touch with Marvel producer Stan Lee by a mutual friend. Prior to this introduction, Urbont was unfamiliar with the Marvel

characters, and he had not previously written music that could be used for the series. Lee agreed to hear Urbont's submissions. He provided Urbont with comic books to use as source material and information about the characters. After Urbont "looked over the material [and] absorbed the nature of the character," A. 118, he composed the Iron Man superhero theme and presented it to Lee, who accepted the work as written. It is undisputed that the sound recording of the Iron Man theme song was never released as an independent audio recording without a visual component.

In his deposition testimony, Urbont claims that his offer to compose the theme music for the Marvel series was contingent on his retaining ownership rights in the work. He explained as follows:

> I was not hired when I wrote the songs. I wrote the songs on spec[ulation] hoping that [Marvel] would use them. But the ownership of the material, as it always has been when I create material that I'm not being hired directly for as opposed to let's say my writing a pilot for MGM or Paramount, and my relationship is spelled out prior to my writing a single note. When it is not that type of situation, I own the material and I'm thrilled to be able to get it into the project, but I own it. It's a firm condition of the way I've operated. And [Marvel] was aware of it.
>
> A. 93-94.

Further, Urbont claims that although Marvel was free to accept or reject Urbont's compositions, it did not have the right to modify them without Urbont's permission. Urbont composed, recorded, and produced the music for the series himself; although he needed money to cover his costs, he claims he was not "trying to get rich on the project," A. 86, but simply wanted to get credit and exposure. Urbont asserts that Marvel did not pay him, even for costs, until after it accepted the work. He ultimately received a fixed sum of $3,000 for all the songs written for the series. Urbont did not have a written royalty agreement with Marvel, but he states that he later received royalties from BMI.

Urbont admits there was no written agreement with Marvel establishing that he owned the rights to the Iron Man theme song. He claims, however, that there was the oral agreement to that effect, described above. In 1966, a music publisher was issued a certificate of copyright registration by the U.S. Copyright Office naming Urbont as the owner of the work, and Urbont filed a renewal notice for the copyright in 1994. Since renewing the copyright, Urbont has licensed the Iron Man Composition for use in the 2008 Iron Man movie starring Robert Downey Jr., and he has licensed his Marvel series theme songs on other occasions. Additionally, in 1995 Urbont entered into a settlement agreement ("the Settlement") with New World

Entertainment, Ltd. and Marvel Entertainment Group, Inc. (collectively, "Marvel") after bringing suit against Marvel for unauthorized use of the Iron Man composition and four other Marvel series compositions. As part of the Settlement, Urbont agreed to release his claims and to license the works to Marvel. The Settlement refers to Urbont as "renewal copyright owner of the . . . Superhero Intros . . . and the Master Recordings thereof" and refers to Marvel as "Licensee," but it expressly denies that Marvel faces "any liability to Owner." A. 78.

The appellees counter that Marvel did not share Urbont's understanding that he was the owner of the work. They note that in 1967, Marvel released a recording of two songs from the Marvel series with a copyright notice "Copyright © 1967 Marvel Comics Group." S.P.A. 88-89. Although the Iron Man song was not released on that record, the parties agree that all of the Marvel series songs were subject to the same ownership agreement. In addition, the appellees note that when Marvel sought copyright registrations for the Iron Man segments of its television program series, it did not reference any preexisting copyrighted works that were incorporated into the program.

In 2000, defendants Dennis Coles, the hip hop artist popularly known as Ghostface Killah, Sony, and Razor Sharp Records produced and released an album named Supreme Clientele that featured the Iron Man theme song on two tracks. It is

1 undisputed that the defendants did not seek permission from
2 Urbont to use those songs. Urbont became aware of the album
3 sometime in late 2009 or early 2010. He contacted Sony in 2010,
4 alleging that his copyright had been infringed. Soon after, the
5 parties entered into an agreement to toll the statute of
6 limitations.

7 Urbont filed a complaint on June 30, 2011, and an amended
8 complaint on August 29, 2011. The Amended Complaint asserts a
9 claim of copyright infringement under the Copyright Act, 17
10 U.S.C. § 101, *et seq.*,[2] and claims under New York common law for
11 copyright infringement, unfair competition, and
12 misappropriation. Urbont's federal claim pertains to the Iron
13 Man composition, while his New York law claims are based on the
14 argument that the Iron Man theme song is, having been recorded
15 prior to 1972, a sound recording and therefore would be
16 protected under state law rather than under the Copyright Act.
17 *See* 17 U.S.C. § 301 (providing exception to Copyright Act's
18 preemption scheme for "sound recordings fixed before February
19 15, 1972"); *see also Capitol Records, Inc. v. Naxos of Am.,*
20 *Inc.*, 4 N.Y.3d 540, 562–63 (2005) (explaining that New York

[2] Because the work at issue in this case was produced in 1966, the Copyright Act of 1909, Pub.L. No. 60–349, 35 Stat. 1075, governs Urbont's copyright infringement claim. *See Baldwin v. EMI Feist Catalog, Inc.*, 805 F.3d 18, 20 (2d Cir. 2015).

1 common law provides copyright protection to sound recordings not
2 otherwise protected by the federal Copyright Act).
3 Urbont moved for partial summary judgment. Appellees Sony
4 and Razor Sharp Records cross-moved for summary judgment. In a
5 Memorandum and Order, the district court denied Urbont's motion
6 and granted the appellees' motion. *See Urbont v. Sony Music*
7 *Entm't*, 100 F. Supp. 3d 342 (S.D.N.Y. 2015). The district court
8 first concluded that the appellees had standing to challenge
9 Urbont's ownership of the copyright under the "work for hire"
10 doctrine. *Id*. at 348–50. Next, it determined that the Iron Man
11 song was a "work for hire" because it was composed at Marvel's
12 "instance and expense," *id*. at 350-52, and that Urbont had not
13 presented evidence of an ownership agreement with Marvel
14 sufficient to overcome the presumption that the work was for
15 hire. The court rejected Urbont's contention that the 1995
16 Settlement was probative of the parties' intent at the time the
17 composition was written. *Id*. at 353–54. Finally, it dismissed
18 Urbont's state law claims on the ground that the Iron Man
19 recording is not a "sound recording" but rather part of an
20 "audiovisual work" subject to preemption under the Copyright Act
21 of 1976. *Id*. at 355-56. The district court later denied
22 Urbont's motion to reconsider its prior ruling. *Urbont v. Sony*
23 *Music Entm't*, No. 11 CIV. 4516 NRB, 2015 WL 3439244 (S.D.N.Y.
24 May 27, 2015). Urbont appeals the district court's ruling.

II. Discussion

Urbont contends that the district court erred in determining that the appellees, as third parties to any ownership agreement between himself and Marvel, had standing to challenge his ownership rights under the "work for hire" doctrine. He further argues that the district court overlooked genuine issues of material fact that he raised as to his state and federal copyright claims. We affirm the district court's decision with respect to the appellees' standing and its dismissal of Urbont's state law claims. We reverse the court's grant of summary judgment in favor of appellees on Urbont's Copyright Act claim.

A. Standing

For purposes of the work for hire doctrine under the 1909 Copyright Act, "an 'employer' who hires another to create a copyrightable work is the 'author' of the work for purposes of the statute, absent an agreement to the contrary." *Playboy Enters., Inc. v. Dumas*, 53 F.3d 549, 554 (2d Cir. 1995) (citing 17 U.S.C. § 26 (1976) (repealed)).

This Court has not explicitly decided whether a third party to an alleged employer-employee relationship has standing to raise a "work for hire" defense to copyright infringement. *See Psihoyos v. Pearson Educ., Inc.*, 855 F. Supp. 2d 103, 117 n.7 (S.D.N.Y. 2012) ("Courts have not dealt with this issue

1 extensively, but the few decisions to address the issue at all
2 have generally found that a defendant does have standing to
3 challenge ownership on this basis."). We have, however,
4 implicitly permitted the use of the "work for hire" doctrine
5 defensively by third-party infringers to refute a plaintiff's
6 alleged ownership of a copyright. *See Aldon Accessories Ltd. v.*
7 *Spiegel, Inc.,* 738 F.2d 548, 551-53 (2d Cir. 1984), *abrogated on*
8 *other grounds by Cmty. for Creative Non-Violence v. Reid*, 490
9 U.S. 730 (1989)[3]; *see also Easter Seal Soc. for Crippled Children*
10 *& Adults of La., Inc. v. Playboy Enters.*, 815 F.2d 323, 333 (5th
11 Cir. 1987) (explaining that "[t]he 'work for hire' issue in
12 *Aldon Accessories* arose as a defensive tactic adopted by a
13 third-party infringer to dispute the validity of the plaintiff's
14 copyright"). The Eleventh Circuit has explicitly held that a
15 third-party infringer "does have the right to assert a [work-
16 for-hire] defense." *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*,
17 903 F.2d 1486, 1490 (11th Cir. 1990).
18 The Ninth Circuit, on the other hand, has rejected third-
19 party standing under the "work for hire" doctrine, at least
20 where both potential owners of the copyright are parties to the
21 lawsuit and the issue of ownership is undisputed as between

[3] In our *Aldon Accessories* decision, the parties had not specifically challenged the alleged third-party infringer's standing to invoke the "work for hire" doctrine, and the Court did not rule on that issue.

them. *Jules Jordan Video, Inc. v. 144942 Canada Inc.*, 617 F.3d 1146, 1157 (9th Cir. 2010). In *Jules*, the panel reasoned, *inter alia*, that the purpose of the "work for hire" doctrine is "to establish ownership of a work as between a commissioning party or employer on the one hand and the commissioned party or employee on the other." 617 F.3d at 1157. Thus, "[i]t would be unusual and unwarranted to permit third parties . . . to invoke [the 'work for hire' doctrine] to avoid a suit for infringement when there is no dispute between the two potential owners, and both are plaintiffs to the lawsuit." *Id*. The panel noted that third-party infringers are not permitted to avoid suit for copyright infringement by invoking 17 U.S.C. § 204(a), a statute of frauds provision requiring contemporaneous memorialization of a copyright transfer, and it considered the reasoning behind that doctrine to be equally applicable in the "work for hire" context. *Id.* (citing *Imperial Residential Design, Inc. v. Palms Dev. Grp., Inc.*, 70 F.3d 96, 99 (11th Cir. 1995)).

Urbont asserts that the appellees lack third-party standing because there is no evidence that Marvel, which is not a party to this lawsuit, has ever challenged his claim to ownership of the copyright. By failing to challenge Urbont's registration of the copyright and licensing of the composition, he contends, Marvel has acquiesced in his commercial use of the composition. Therefore, just as third parties are not permitted to challenge

1 the validity of an otherwise-undisputed copyright transfer under
2 Section 204(a), Urbont argues that the appellees should not be
3 permitted to challenge the validity of his copyright on the
4 basis that the Iron Man theme song was a "work for hire" when
5 Marvel itself has not done so. *Cf. Eden Toys, Inc. v. Florelee*
6 *Undergarment Co.*, 697 F.2d 27, 36 (2d Cir. 1982) (holding with
7 respect to § 204(a) that where "the copyright holder appears to
8 have no dispute with its licensee . . . it would be anomalous to
9 permit a third party infringer to invoke this provision against
10 the licensee"), *superseded by rule on other grounds as stated in*
11 *Keeling v. Hars*, 697 F.2d 27 (2d Cir. 2015); *accord Barefoot*
12 *Architect, Inc. v. Bunge*, 632 F.3d 822, 830 (3d Cir. 2011) ("At
13 least where there is no dispute between transferor and
14 transferee regarding the ownership of a copyright, there is
15 little reason to demand that a validating written instrument be
16 drafted and signed contemporaneously with the transferring
17 event.").

18 We are unpersuaded by this argument. As an initial matter,
19 the facts of the Ninth Circuit's decision in *Jules* are
20 significantly distinguishable, as both potential owners of the
21 copyright were plaintiffs to the lawsuit and there was no
22 dispute between them with respect to ownership rights.[4] *See*

[4] Indeed, the individual plaintiff in that case was the sole shareholder, director, and officer of the entity plaintiff, and

1 *Jules*, 617 F.3d at 1157. Here, by contrast, Marvel is not a
2 party to the lawsuit and has not had the opportunity to clarify
3 its position with respect to ownership of the copyright.[5] Thus,
4 unlike in *Jules*, it is thus uncertain whether Marvel would
5 dispute Urbont's copyright ownership. Even assuming that
6 Urbont's characterization of Marvel's position is correct,
7 moreover, we agree with the district court that the cases
8 interpreting Section 204 do not support the outcome he seeks—
9 preclusion of the appellees' standing to challenge the validity
10 of his copyright. Section 204(a), a statute of frauds provision
11 for copyright transfers, was designed to "protect copyright
12 holders from persons mistakenly or fraudulently claiming oral
13 licenses." *Eden Toys*, 697 F.2d at 36; *see also Lyrick Studios,*

---

exercised complete control over the entity. *Jules*, 617 F.3d at 1156.

[5] The question of whether Marvel was required to be joined as a party under Fed. R. Civ. P. 19 does not appear to have been raised at any time during the litigation below. Joinder may be required, however, in cases where the determination of copyright ownership has the potential to prejudice an individual that is not a party to the suit and the requirements of Fed. R. Civ. P. 19 are met. *See, e.g.*, *Marvel Characters, Inc. v. Kirby*, 726 F.3d 119, 132–35 (2d Cir. 2013) (noting that joinder of "required" parties is compulsory under Fed. R. Civ. P. 19, but permitting action to proceed on basis that parties not feasible to joinder were not "indispensable"); *Eden Toys, Inc.*, 697 F.2d at 36-37 (holding that it would be appropriate for district court to join an employer in a lawsuit where it was possible that the employer owned some of the rights infringed by the defendant); 9 Causes of Action 2d 65 (1997) ("If the court deems it appropriate, it may require the joinder of any person having or claiming an interest in the copyright.").

1 *Inc. v. Big Idea Prods., Inc.*, 420 F.3d 388, 394 (5th Cir.
2 2005)("[C]ourts are hesitant to allow an outside infringer to
3 challenge the timing or technicalities of the copyright
4 transfer."). Section 204 thus furthers the ordinary purpose of
5 the statute of frauds: "[j]ust as requiring a written contract
6 prevents enforcement of a nonexistent obligation through the
7 exclusion of fraudulent, perjured, or misremembered evidence,
8 requiring a writing for enforcement of a copyright assignment
9 enhances predictability and certainty of ownership by preventing
10 litigants from enforcing fictitious agreements through perjury
11 or the testimony of someone with a faulty memory." *Barefoot*
12 *Architect*, 632 F.3d at 828–29 (internal quotation marks
13 omitted).

14 Unlike Section 204, which concerns the memorialization of
15 an ownership transfer, the "work for hire" doctrine guides the
16 determination of ownership rights as between employers and
17 employees or independent contractors. *See Marvel Characters,*
18 *Inc. v. Kirby,* 726 F.3d 119, 137-40 (2d Cir. 2013). A plaintiff
19 in a copyright infringement suit bears the burden of proving
20 ownership of the copyright, however, whether such ownership is
21 challenged by an ostensible employer or by a third party.[6] *See*

[6] Indeed, plaintiffs must prove ownership not only as an element of a copyright infringement claim, but also to assert their standing to bring suit. *See Eden Toys*, 697 F.2d at 32 (noting that only "(1) owners of copyrights, and (2) persons who have

1 *Island Software & Computer Serv., Inc. v. Microsoft Corp.*, 413
2 F.3d 257, 260 (2d Cir. 2005) (noting that a "claim of copyright
3 infringement under federal law requires proof that . . . the
4 plaintiff had a valid copyright in the work allegedly infringed"
5 (internal quotation marks omitted)). Indeed, even courts that
6 have precluded third parties from challenging a plaintiff's
7 ownership rights under the statute of frauds provision in
8 Section 204 have permitted those parties to challenge the
9 validity of the underlying ownership transfer. *See, e.g.*,
10 *Barefoot Architect*, 632 F.3d at 831 (holding that although
11 third-party defendant lacked standing to challenge plaintiff's
12 ownership by assignment under Section 204, plaintiff "failed to
13 raise a triable issue of fact as to whether the alleged . . .
14 oral transfer ever occurred"); *Eden Toys*, 697 F.2d at 36
15 (precluding challenge to validity of assignment under statute of
16 frauds, but remanding for district court to determine whether
17 underlying transfer occurred). We thus conclude that third
18 parties to an alleged employer-employee relationship have

---

been granted exclusive licenses by owners of copyrights" have standing to sue for copyright infringement (citing 17 U.S.C. § 501(b)); *see also ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980 (2d Cir. 1991) (noting that third parties are not permitted to sue on a copyright holder's behalf). Urbont's reasoning could, therefore, lead to the anomalous result of permitting copyright infringement plaintiffs to proceed even where they may lack standing to sue simply because an employer has not challenged the validity of their copyright.

1 standing to raise a "work for hire" defense against a claim of
2 copyright infringement.

3 B. Copyright Act Claim

4 The district court granted summary judgment in favor of
5 appellees on Urbont's federal copyright infringement claim,
6 holding that the Iron Man composition was a "work for hire" and
7 that Urbont failed to raise triable issues of fact regarding an
8 alleged ownership agreement with Marvel. We review a district
9 court's grant of summary judgment *de novo*, applying the same
10 standards as the district court. *Kirby*, 726 F.3d at 135.
11 Summary judgment is appropriate "only if 'there is no genuine
12 dispute as to any material fact and the movant is entitled to
13 judgment as a matter of law.'" *Id.* (quoting Fed. R. Civ. P.
14 56(a)). "When deciding a summary judgment motion, a . . .
15 court's function is not to weigh the evidence, make credibility
16 determinations or resolve issues of fact, but rather to
17 determine whether, drawing all reasonable inferences from the
18 evidence presented in favor of the non-moving party, a fair-
19 minded jury could find in the non-moving party's favor." *Beatie*
20 *v. City of New York*, 123 F.3d 707, 710-11 (2d Cir. 1997)
21 (internal citation omitted).

22 To prove a claim of copyright infringement, a plaintiff
23 must show (1) ownership of a valid copyright and (2) copying of
24 constituent elements of the work that are original. *Boisson v.*

Banian, Ltd., 273 F.3d 262, 267 (2d Cir. 2001). Urbont asserts that he is the owner of a valid copyright to the Iron Man theme song because he has produced a copyright registration from 1966 that lists him as "author," A. 64, and a renewal registration from 1995 that lists him as owner. Production of a certificate of registration made before or within five years after first publication of the work constitutes prima facie evidence of the validity of the copyright. 17 U.S.C. § 410(c); *see also Hamil Am., Inc. v. GFI*, 193 F.3d 92, 98 (2d Cir. 1999). However, "a certificate of registration creates no irrebuttable presumption of copyright validity," and "where other evidence in the record casts doubt on the question, validity will not be assumed." *Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, 342 F.3d 149, 166 (2d Cir. 2003) (internal quotation marks and citation omitted). Although the plaintiff bears the burden of proving copyright ownership, "[t]he party challenging the validity of the copyright [registration] has the burden to prove the contrary." *Hamil Am., Inc.*, 193 F.3d at 98.

1. The "Work for Hire" Doctrine

The 1909 Copyright Act mentions works for hire only in the definition section of the statute, where it states that "[i]n the interpretation and construction of this title . . . the word 'author' shall include an employer in the case of works made for

1 hire."[7] 17 U.S.C. § 26 (1976) (repealed). "Under this
2 definition, an 'employer' who hires another to create a
3 copyrightable work is the 'author' of the work for purposes of
4 the statute, absent an agreement to the contrary." *Playboy*
5 *Enters., Inc.*, 53 F.3d at 554. Because the statute does not
6 define "employer" or "author," courts apply what is known as the
7 "instance and expense test." *Kirby*, 726 F.3d at 137. As a
8 general rule, "[a] work is made at the hiring party's 'instance
9 and expense' when the employer induces the creation of the work
10 and has the right to direct and supervise the manner in which
11 the work is carried out." *Id*. at 139 (quoting *Martha Graham*,
12 380 F.3d at 635); *see also Siegel v. Nat'l Periodical Publs.,*
13 *Inc.*, 508 F.2d 909, 914 (2d Cir. 1974) (explaining that work is
14 made for hire when the "motivating factor in producing the work
15 was the employer who induced the creation" (internal quotation
16 marks omitted)).
17 "'Instance' refers to the extent to which the hiring party
18 provided the impetus for, participated in, or had the power to
19 supervise the creation of the work." *Kirby*, 726 F.3d at 139.

[7] "The concept of 'work made for hire' remains in the 1976 Act, which defines the phrase to mean 'a work prepared by an employee within the scope of his or her employment' or, for certain types of works, 'a work specially ordered or commissioned.'" *Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624, 635 (2d Cir. 2004) (quoting 17 U.S.C. § 101)).

"Actual creative contributions or direction," such as providing specific instructions to direct the work's completion, "strongly suggest that the work is made at the hiring party's instance." *Id.*; *see Playboy Enters., Inc.*, 53 F.3d at 556 (holding that work was for hire based on Playboy's specific instructions to independent contractor); *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28, 30–31 (2d Cir. 1939) (explaining that customers who solicited and paid for photographer's services owned copyright to the photographs taken). The right to direct and supervise the manner in which the work is carried out, moreover, may be enough to satisfy the "instance" requirement even if that right is never exercised. *Martha Graham*, 380 F.3d at 635.

"The 'expense' component refers to the resources the hiring party invests in the creation of the work," in order to "properly reward[] with ownership the party that bears the risk with respect to the work's success." *Kirby*, 726 F.3d at 139–40. One factor in this inquiry is the method of payment. We have held that a hiring party's payment of a sum certain in exchange for an independent contractor's work satisfies the "expense" requirement, while payment of royalties generally weighs against finding a "work for hire" relationship. *Playboy Enters., Inc.*, 53 F.3d at 555. In addition, we have, at least in some cases, looked for indicators of a traditional employment relationship, such as "the hiring party's provision of tools, resources, or

1 overhead," *Kirby*, 726 F.3d at 140, or the hired party's "freedom
2 to engage in profitable outside activities without sharing the
3 proceeds with [the hiring party]," *Donaldson Publ'g Co. v.*
4 *Bregman, Vocco & Conn, Inc.*, 375 F.2d 639, 643 (2d Cir. 1967).
5 "The absence of a fixed salary, however, is never conclusive,
6 nor is the freedom to do other work . . . ." *Picture Music,*
7 *Inc. v. Bourne, Inc.*, 457 F.2d 1213, 1216 (2d Cir. 1972)
8 (citation omitted).
9 Ultimately, "[o]ur case law counsels against rigid
10 application of these principles. Whether the instance and
11 expense test is satisfied turns on the parties' creative and
12 financial arrangement as revealed by the record in each case."
13 *Kirby*, 726 F.3d at 140.
14 If the hiring party is able to satisfy the instance and
15 expense test it "is presumed to be the author of the work."
16 *Playboy Enters., Inc.*, 53 F.3d at 554. "That presumption can be
17 overcome, however, by evidence of a contrary agreement, either
18 written or oral." *Id*.
19 2. Application of the Instance and Expense Test
20 The district court ruled that the Iron Man composition was
21 a "work for hire" as a matter of law. The court determined that
22 the Iron Man composition was created at Marvel's "instance"
23 because it was "developed to Marvel's specifications and for
24 Marvel's approval." *Urbont*, 100 F. Supp. 3d at 352. The court

1 noted that Urbont had no previous familiarity with the Marvel
2 superheroes and he created the work from source material that
3 was given to him by Stan Lee. *Id.* Further, Marvel determined
4 the subject matter and scope of Urbont's compositions, and
5 Marvel had the right to accept or reject his songs. *Id.* The
6 district court also concluded that the work was created at
7 Marvel's "expense" because Urbont received a fixed sum in
8 exchange for his work. *Id*. That Urbont did not receive a fixed
9 salary, was not barred from undertaking other projects, and
10 claimed to have received royalties were not sufficient in the
11 district court's view to overcome the conclusion that the work
12 was created at Marvel's expense. *Id.*

13 While the factors cited by the district court are clearly
14 probative of whether the work was for hire, there are other
15 factors that the district court did not explicitly consider.
16 Regarding the "instance" requirement, it appears beyond dispute
17 that Urbont created the Iron Man composition at the impetus of
18 Stan Lee and based on the characters of his television show.
19 Urbont testified, however, that he retained all of the creative
20 control over the project, as Lee was not permitted to modify the
21 work but only had the right to accept or reject it. *Cf. Kirby*,
22 726 F.3d at 142 (holding work was for hire due in part to hiring
23 party's "active involvement in the creative process, coupled
24 with its power to reject pages and request that they be

redone"); *Picture Music, Inc. v. Bourne, Inc.*, 457 F.2d 1213, 1217 (2d Cir. 1972) (holding that work was for hire where hiring party "had the power to accept, reject, or modify [the hired party's] work"). In addition, Urbont claims that he approached Stan Lee, not the other way around, and he "wrote the songs on spec[ulation] hoping [Marvel] would use them." A. 94. Thus, according to Urbont, there was no prior working relationship between Urbont and Marvel, nor was there was any guarantee that Marvel would accept his work. *Cf. Kirby*, 726 F.3d at 141 (noting evidence indicated that artist "did not work on 'spec' (speculation)," thus supporting the conclusion that work was for hire). These factors weigh against a finding that the work was created at Marvel's "instance."

As for the expense factor, Urbont claims that he independently recorded and produced the Iron Man theme song with his own tools and resources, including a recording studio he rented; he claims he was essentially paid only to cover his costs, not to profit from the project. *Cf. Kirby*, 726 F.3d at 140 (suggesting that "the hiring party's provision of tools, resources, or overhead may be controlling"); *Martha Graham*, 380 F.3d at 638 (holding that hired choreographer's use of dance center's resources, including rehearsal space and student dancers, "significantly aided [her] in her choreography, thereby arguably satisfying the 'expense' component of the 'instance and

1 expense' test").[8] These factors support the inference that
2 Urbont "b[ore] the risk with respect to the work's success,"
3 *Kirby*, 726 F.3d at 140, although the fact that the Iron Man
4 composition "built on preexisting titles and themes that Marvel
5 had expended resources to establish," *id*. at 143, would support
6 the opposite conclusion. Finally, although Urbont was paid a
7 fixed sum of $3000, bolstering the conclusion that the work was
8 created at Marvel's expense, he also claims he received
9 royalties, which would undermine that same conclusion. *See id*.
10 at 140.

11 Considering all of these factors, we conclude that genuine
12 issues of material fact remain as to whether the Iron Man
13 composition was created at Marvel's instance and expense.
14 Urbont's assertion that he "was not hired when [he] wrote the
15 songs" but instead "wrote the songs on spec[ulation] hoping

[8] In *Playboy Enterprises*, we dismissed as irrelevant to the "expense" requirement factors that may be used to show that an artist worked as an independent contractor, such as whether the artist worked his own hours, hired his own assistants, and paid his own taxes and benefits. 53 F.3d at 555. Instead, we found the "expense" requirement to be satisfied "where a hiring party simply pays an independent contractor a sum certain for his or her work." *Id*. We later criticized the *Playboy Enterprises* decision's exclusive focus on the method of payment, however, as "a rather inexact method of properly rewarding with ownership the party that bears the risk with respect to the work's success." *Kirby*, 726 F.3d at 140. Ultimately, we cautioned in that case against "rigid application" of the instance and expense test in favor of examining "the parties' creative and financial arrangement as revealed by the record in each case." *Id*.

[Marvel] would use them," A. 94, distinguishes this case from the arrangement between Marvel and an independently contracted artist which we held in *Kirby* was work for hire. There, we explained that "that Marvel and Kirby had a standing engagement whereby Kirby would produce drawings designed to fit within specific Marvel universes." *Kirby*, 726 F.3d at 142. Thus, "[w]hen Kirby sat down to draw, . . . it was not in the hope that Marvel or some other publisher might one day be interested enough in them to buy, but with the expectation, established through their ongoing, mutually beneficial relationship, that Marvel would pay him." *Id.* at 142–43. Urbont contends, by contrast, that he was "not being paid as a job to write the songs," A. 93, but rather "[a]ll [he] wanted to do was to make sure that [his] costs were covered[,] [and he] would license this material to [Marvel] to use." A. 95. There was no established working relationship or guarantee of payment. As Urbont explained, Marvel "had the right to like my songs or not like my songs. They could have rejected my songs." A. 116. Marvel did not pay Urbont until after it had accepted the Iron Man composition.

Other factors further undermine the conclusion that the work was for hire, including that Marvel, according to the uncontradicted testimony of Urbont, which we must credit in assessing the appellees' summary judgment motion, was not

1 permitted to modify the work without Urbont's permission, that
2 Urbont recorded and produced the composition entirely
3 independent of Marvel, and that he claims to have received
4 royalties in addition to a fixed sum of payment. Together,
5 these factors are sufficient to raise genuine issues of fact as
6 to whether the work was for hire.

7 3. Existence of a Contrary Ownership Agreement

8 As explained above, "once it is determined that a work is
9 made for hire, the hiring party is presumed to be the author of
10 the work." *Playboy Enters.*, 53 F.3d at 556. The independent
11 contractor bears the burden by a preponderance of the evidence
12 of overcoming this presumption with evidence of a contrary
13 agreement, either written or oral, that was entered into
14 contemporaneously with the work.[9] *Id.* at 554-55; *see also Kirby*,
15 726 F.3d at 143.

16 We conclude that the district court erred in concluding
17 that Urbont failed as a matter of law to produce evidence
18 sufficient to rebut the presumption that Marvel owned the work.
19 In so holding, the district court focused exclusively on the

[9] The district court characterized the presumption that the work was made for hire as "almost irrebutable" and held Urbont's claims to a "clear and convincing" burden of proof. *Urbont*, 100 F. Supp. 3d at 353. It is the law of this Circuit, however, that the plaintiff need only establish the existence of a contrary agreement by a preponderance of the evidence. *Playboy Enters., Inc.*, 53 F.3d at 554–55.

1995 Settlement between the parties, reasoning that "the fact that Marvel entered into a licensing settlement with Urbont does not mean that Marvel has concluded or conceded that Urbont is the Composition's owner," and that the existence of a settlement agreement should not supplant a court's independent determination of copyright ownership. *Urbont*, 100 F. Supp. 3d at 353. Even assuming that the Settlement agreement is not materially probative of the parties' understanding for the reasons explained by the district court,[10] Urbont offered other evidence in support of his position, chiefly his deposition testimony that Marvel shared Urbont's understanding that he would own the rights to the Iron Man composition.[11] For summary judgment purposes, the district court was required to accept Urbont's testimony as credible. *Beatie*, 123 F.3d at 710-11. In

[10] The district court determined, moreover, that the Settlement did not suffice to rebut Marvel's ownership based on our decision in *Gary Friedrich Enterprises, LLC v. Marvel Characters, Inc.*, 716 F.3d 302, 316 (2d Cir. 2013), which held that the work for hire analysis should not turn on "after-the-fact" agreements intended to retroactively alter the parties' relationship. *Urbont*, 100 F. Supp. 3d at 354. *Gary Friedrich Enterprises* is not on point, however, as the parties attempted in that case to render a work for hire "*ex post facto*." 716 F.3d at 316. In this case, by contrast, the 1995 Settlement was offered as evidence to corroborate the existence of an earlier ownership agreement between the parties.

[11] In denying Urbont's motion for reconsideration, the district court acknowledged that it had failed explicitly to consider his testimony that an agreement existed, but it continued to reject his claim to ownership "as unsupported by anything beyond self-serving testimony." *Urbont*, 2015 WL 3439244, at *1.

1 addition, the district court did not consider evidence
2 corroborating the existence of the agreement, including, *inter*
3 *alia*, Urbont's copyright registration in 1966, contemporaneously
4 with the alleged ownership agreement, and his subsequent renewal
5 of the registration in 1995; Urbont's testimony that he received
6 royalties for performances of the Iron Man composition; and his
7 licensing of the Iron Man theme song for use in the 2008 Iron
8 Man movie. Based on this evidence, a reasonable jury could
9 conclude by a preponderance of the evidence that an ownership
10 agreement existed between Urbont and Marvel. *See Byrnie v. Town*
11 *of Cromwell, Bd. of Educ.*, 243 F.3d 93, 101 (2d Cir. 2001)
12 ("[I]n order to defeat summary judgment, the nonmoving party
13 must offer enough evidence to enable a reasonable jury to return
14 a verdict in its favor").
15 We thus conclude that Urbont has raised genuine issues of
16 material fact with respect to his claim of copyright
17 infringement, and we vacate the district court's grant of
18 summary judgment in favor of the appellees.[12]
19
20

[12] Urbont contends, moreover, that he is entitled to summary judgment because the appellees failed to produce any evidence rebutting his evidence of an ownership agreement. The appellees have, however, produced evidence that Marvel did not share Urbont's understanding of any such agreement, and, therefore, there remain questions of fact to be resolved.

C. State Law Claims

Finally, Urbont claims that the district court erred in dismissing his New York law claims for copyright infringement, unfair competition, and misappropriation. The district court held that the Iron Man recording is not a "sound recording" protected from preemption by the Copyright Act of 1976, but rather an accompaniment to an "audiovisual work" that is subject to preemption under 17 U.S.C. § 102(a)(6).

One of the goals of the Copyright Act of 1976 was to create a "national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation." *Cmty. for Creative Non-Violence*, 490 U.S. at 740 (citing 17 U.S.C. § 301(a)). Accordingly, the Copyright Act preempts state law claims asserting rights equivalent to those protected within the general scope of the statute. 17 U.S.C. § 301(a). The statute provides an exception to its preemptive scope, however, in the case of "sound recordings fixed before February 15, 1972," which remain subject to protection under state statutes or common law. *Id.* § 301(c).

The Act defines "sound recordings" as "works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes or other

1 phonorecords, in which they are embodied." 17 U.S.C. § 101.
2 "Audiovisual works," by contrast, are "works that consist of a
3 series of related images which are intrinsically intended to be
4 shown by the use of machines, or devices such as projectors,
5 viewers, or electronic equipment, together with accompanying
6 sounds . . . ." *Id*. Urbont argues that he holds rights in a
7 pre-1972 sound recording because a "separate sound recording . .
8 . was made and exists wholly apart from the creation of the
9 audiovisual works in question" as embodied in the "form of a
10 master tape" which he still possesses. Appellant's Br. 46. But
11 while Urbont may possess a "master tape," it is undisputed that
12 prior to the release of the Supreme Clientele album in 2000, the
13 sound recording of the Iron Man theme song was never released as
14 an independent audio recording without a visual component. The
15 legislative history of the 1976 Act states that "[t]he purely
16 aural performance of a motion picture sound track, or of the
17 sound portions of an audiovisual work, would constitute a
18 performance of the 'motion picture or other audiovisual work';
19 but, where some of the sounds have been reproduced separately on
20 phonorecords, a performance from the phonorecord would not
21 constitute performance of the motion picture or audiovisual
22 work." H.R. Rep. No. 94-1476, at 64 (1976). It is clear in
23 this case that the allegedly infringing work could only have

been copied from the audiovisual work, and therefore constitutes infringement of the audiovisual work.

Implicit in Urbont's argument is the idea that because copyright inheres at the moment of creation, he has a separate copyright in the sound recording of the Iron Man theme song, because it was recorded and fixed in a master tape prior to being incorporated into the audiovisual work. While the plain language of the statute does not resolve this issue, there are two reasons why we find this argument unpersuasive. First, at the moment of creation, when the song was recorded and embodied in a master tape, it was intended to be a part of a larger audiovisual work, as it was recorded in Munich only after Marvel accepted the work and agreed that it would be a part of the audiovisual work. A. 119. Second, while it is true that the song was recorded before it was combined with the visual portion of the work, this is true of nearly all sound tracks. If Urbont's theory was correct, then no audio portion of an audiovisual work would be preempted by the 1972 Act, save for those few that are recorded simultaneously with the visual component. This narrow interpretation does not mesh with Congress's intent to broadly preempt state law protections by creating a "national, uniform copyright law." *Cmty. for Creative Non-Violence*, 490 U.S. at 740.

Urbont's contention that he composed and recorded the Iron Man theme song "without ever viewing the television program, and without interaction from anyone associated with the television show," Appellant's Br. 46, is belied by his own testimony that the work was created at the impetus of, and based on source material from, Stan Lee, someone clearly associated with the television program. Urbont further asserts that Marvel agreed that he would own the Iron Man sound recording separate and apart from the television program, but the existence of any such agreement is irrelevant to determining whether the recording is a "sound recording" or part of an "audiovisual work" as defined in the statute.

Finally, Urbont argues that if the Iron Man sound recording is considered to be part of the audiovisual work, then Marvel would have no reason to obtain a license from Urbont to use the theme song. Legislative history to the 1972 Sound Recording Act, however, which created a copyright in sound recordings, indicates that in excluding tracks accompanying audiovisual works from the definition of "sound recording," Congress "d[id] not intend to limit or otherwise alter the rights that exist currently in such works," such as Urbont's rights to the Iron Man composition. H.R. Rep. No. 92-487, at 6 (1971). If, for example, "there is an unauthorized reproduction of the sound portion of a copyrighted television program fixed on video tape,

a suit for copyright infringement could be sustained under [the 1909 Act] rather than under the provisions of [the 1972 Sound Recording Act], and this would be true even if the television producer had licensed the release of a commercial phonograph record incorporating the same sounds." *Id*.

We conclude, therefore, that the Iron Man recording is not a separate sound recording but rather part of an audiovisual work for purposes of preemption under the Copyright Act, and the district court properly dismissed Urbont's state law claims on this basis.

IV. Conclusion

For the foregoing reasons, we VACATE the district court's grant of summary judgment in favor of appellees on Urbont's federal Copyright Act claim. We AFFIRM the court's dismissal of his state law claims for copyright infringement, unfair competition, and misappropriation. We REMAND for further proceedings consistent with this opinion. Each party shall bear its own costs on appeal.