
What Constitutes Authorship of a Computer Program for Purposes of Copyright?

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A recent decision by the U.S. Second Circuit Court of Appeals raises the question of who is the author of a computer program when a programmer writes code under the supervision of another person to carry out that person's design to modify pre-existing software. In *Medforms, Inc. v. Healthcare Management Solutions, Inc.*, 290 F.3d 98 (2d Cir. 2002), the Second Circuit affirmed a district court decision that the supervisor had not infringed the programmer's copyright. The supervisor was able to rebut the presumed validity of the programmer's copyright registrations by showing that the programmer had not contributed original material and was therefore not the author of the modified programs. Because the programmer was not an employee of the defendant, the decision suggests that a hiring party may still be able to claim ownership of a work prepared with the assistance of an independent contractor, even where there is no written agreement between the parties concerning ownership of the work in question and the work does not constitute a "work made for hire" under [Section 101 of the U.S. Copyright Act](#).

Facts of the Case

Medforms brought suit against Healthcare Management Solutions, claiming infringement of its copyright in two computer programs used to create and print medical billing forms. Medforms was the assignee of the programmer who was the purported author of the programs. Medforms had obtained copyright registrations for both works.

Healthcare was the licensee of a successor of Yosef Gold, who had written a program called Laser Forms Module and an earlier, functionally limited version of a program called Superbill Express. The programmer, working under Gold's supervision, had revised Laser Forms Module and Superbill Express. The new version of Laser Forms Module became known as "FormFree." Superbill Express and FormFree were the two programs in dispute. The programmer worked for a short time without compensation. Gold's company then began paying him "off the books" until, nearly two years later, the programmer became an employee.

At trial, Gold testified that he supervised the programmer's work closely, telling him "specifically what to do and how to do it." The programmer testified that his work was largely independent of direction from Gold.

Before trial, the lower court granted partial summary judgment, finding that the programmer was not an employee when he worked on the programs and that therefore Gold's company could not claim ownership under the "work made for hire" doctrine. After trial, a jury found that the programmer's successor had not proven that the successor to Gold's company had infringed its registered copyright in FormFree or Superbill Express. The lower court denied motions for a new trial and for judgment notwithstanding the verdict, finding that there was more than sufficient evidence to conclude that the programmer was not the author of the programs. On appeal, the Second Circuit affirmed the lower court's rulings.

The Second Circuit's Opinion

To decide the appeal, the Second Circuit had to determine whether the lower court applied the correct legal standard in upholding the jury's verdict. The lower court had ruled that, although the copyright registrations created a presumption that the programmer was the author, there was sufficient evidence for the jury to conclude that the successor to Gold's company had overcome that presumption by showing that the programmer had not contributed "original material." The appeals court found that the lower court was correct in concluding that the programmer's work lacked originality.

The court noted that the Copyright Act does not explicitly define the term "author." However, to gain the Copyright Act's protection, a person must create copyrightable work that is "original" and "fixed" in a "tangible medium of expression." [Copyright Act, 17 U.S.C. Sec. 102](#). A work is considered "fixed" when "its embodiment in a copy...*by or under the authority of the author*, is sufficiently permanent or stable to permit it to be reproduced (emphasis added)." *Id.*, [Sec. 101](#). Therefore, the Copyright Act expressly provides that an author can empower another to "fix" the author's original idea. Both tangibility and originality are necessary to be an "author." One who has an original idea that is not expressed in tangible form is not an author. Neither is one who embodies in tangible form another person's idea, without making any original contribution of his own.

The programmer's claim to be the author of FormFree and Superbill Express failed for several reasons. The registrations on which the programmer's successor relied claimed authorship of the entire program, so the issue for the jury was whether the programmer was the author of the programs in their entirety, not just those portions on which the evidence showed he actually worked. Based on the evidence that the supervisor wrote the predecessor versions of both programs (portions of which were largely unchanged in the disputed works), and closely supervised the programmer's work on the revisions, the court concluded that there was a sufficient basis for the jury to find that the programmer was not the author of the programs in dispute.

The Second Circuit concluded that even where a work is not a "work made for hire," control over the creation of the work can be relevant to determining authorship. The court noted the lower court's reliance on the supervisor's testimony that he told the programmer exactly what had to be done to create the source code for the disputed software.

As precedent, the *Medforms* decision cited the Third Circuit's decision in *Andrien v. S. Ocean County Chamber of Commerce*, 927 F.2d 132 (3d Cir. 1991). *Andrien* concerned the authorship of a

composite map. In that case, the Third Circuit held that the plaintiff was the author of the disputed map, even though the assistance provided by the defendant printing company had included the services of a layout artist who “fixed” the map into tangible form at the direction of the plaintiff.

Significance of the Decision

The *Medforms* decision is significant for its application to computer programs of existing copyright doctrine concerning the definition of authorship for other types of works and for its focus on the language of the Copyright Act providing that a work may be “fixed” in a tangible medium either by the author himself or “under the authority of the author.”

The Second Circuit’s reliance on *Andrien* is particularly noteworthy. Deciding that the record in the lower court did not support a finding that the printing company’s layout artist was an “author” of the disputed map, the *Andrien* court also cited the Copyright Act’s definition of the word “fixed.” However, the Third Circuit noted some limitations to how the definition should be applied. If a work is fixed in a tangible medium “under the authority of the author” rather than by the author himself, the process must be a rote or mechanical one that does not require intellectual modification or technical enhancement. Apparently, by relying upon *Andrien*, the Second Circuit concluded that the evidence supported a jury finding that the programmer’s coding efforts were rote or mechanical, and that the supervisor alone provided the creative spark.

Commercial software development quite often involves collaboration between developers and coders to specify a program’s desired functionality, structure and performance, and then to implement a system according to that specification. Often, collaborative efforts begin with pre-existing code and add functionality to meet changed market conditions or new user requirements. Depending on factors such as available skills or budget resources, some or all of this collaborative process may be “outsourced” -- that is, performed by independent contractors. Because of the U.S. Supreme Court’s decision in *Community for Creative Non-Violence v. Reid*, 490 U.S. 30 (1989), a party who hires an independent contractor to do software development work should have a written agreement with the contractor providing that the result of the contractor’s efforts will be owned by the hiring party.

However, *Medforms* suggests that, in some circumstances, the hiring party may still claim ownership of the copyright in software written with the assistance of an independent contractor, even though the hiring party failed to obtain such an agreement. If the hiring party specified the design of the program, provided pre-existing software that served as a starting point for development, and closely supervised the independent contractor’s efforts, so that it can be fairly said the contractor did not contribute original work, then the hiring party may well be entitled to claim it is the author, and therefore the owner, of the resulting program and the copyrights thereto.