



## Negotiating Contract to Supply Work – Copyright Issues

The real value of what many of us who provide professional and creative services, in particular, give to our clients is the benefit of our intellectual property expressed in several tangible formats. Our end product is oftentimes simply an expression of intellect and creativity. It comes from within. This property is just as important as tangible property, and is very often protected through the recognition and enforcement of copyright.

It is highly recommended that intellectual property issues be dealt with carefully and adequately when contracts for services are being negotiated. The contract may address the following issues:

(i) Declaration of ownership of the copyright in the work.

Section 22 of the Copyright Act, Jamaica states that "the author of a protected work is the first owner of any copyright in that work unless there is agreement to the contrary."

The author of a work is the person who created it. Where the work is of joint authorship, the authors are co-owners.

Where someone is paid to create a work, determining ownership of copyright may not be straight forward. The following legal principles are relevant considerations:

(a) Where the work was created by an employee during the normal course of his employment, the copyright in the work may belong to the employer depending on the nature of the employment contract. If used by the employee for other commercial/business purposes such use may amount to an infringement of the employer's copyright, if the requisite permissions are not obtained.

(b) The ownership of copyright in works done by an independent contractor will depend on the terms of the contract of engagement. The author/independent contractor will be the first owner of the copyright, but that ownership may be expressly or impliedly assigned to the commissioner of the works. If there is an express assignment, there would usually be no difficulty. However, if there is no expressed contract provision dealing with assignment one will be entitled to look at the surrounding circumstances to try to ascertain whether the parties intended to have an assignment. Factors such as the amount paid for the work, the purpose and extent to which it was agreed that the work is to be used are relevant. It is sufficient to say that in these types of engagements the general principle is that a provision to the effect that the commissioner owns the copyright will only be implied where it is reasonable to do so and necessary to give business efficacy to the contract. However, it is almost inevitable that some term will need to be implied into the contract to authorize the commissioner of the works to use the work for the intended purpose.

In light of this general area of copyright law, we recommend that the contract clearly states the owner of copyright in the work and indicates whether the author grants an assignment or a licence to the commissioner of the works.

(ii) Assignment or Licence

An assignment is an outright transfer of the ownership of copyright. The assignor usually has no economic rights (that is, rights to authorize copying, publication, distribution, etc) after the transfer. However, after an assignment the author continues to be entitled to his moral rights, which are the right to be identified as the author of the work, the right for the work to receive fair treatment and the right to object to derogatory treatment of the work. The method of payment of the fee for an assignment will be determined by the contract arrangement between the parties. It is not material whether the fee is a one time payment or several payments in the form of royalty.

A licence, on the other hand, is the grant of permission to use the work. The licence may be exclusive or non-exclusive and the parameters of the permission should be specified in an agreement.

(iii) Accreditation

The Copyright Act specifically states that an author is always entitled to be accredited for his work when such work is used by another person. However, as added precaution and for the purpose of promoting clarity of the obligations of the parties, we recommend that accreditation rights be specified in an agreement. The parties may also take the opportunity to agree upon the format of the accreditation and where in the work it is to appear. For example, if the work will be put on a CD, do you wish for the accreditation to appear in the title, at the end, on the printed cover, etc?

(iv) Territory

Do the parties intend for the work to be used by the grantee (licensee) in a certain country or region only? There are some works where the author may have to negotiate their exploitation in different countries or regions separately and each agreement should be clear.

(v) Others

The parties should consider how long the other party is entitled to use the work for, as well as, the medium of use. Can the work be merged with other works? Can an adaptation of the work be made? When will interest in the work pass to the other party: is it when payment is made or when the work is complete or on the occurrence of some other event? Is the grantee allowed to grant permission for third parties to use the work? Can the agreement be assigned?

The scope of the permission granted by the person providing the work or service is likely to affect the remuneration requested or that will be considered fair for what is delivered.

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