Barefoot Architects **and Works for Hire**

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Barefoot Architect, Inc. v. Bunge, 2011 WL 121698 (3d Cir.), addresses a dispute between architect Michael Milne and defendants who built a new Virgin Islands home based on his work. Initially, he was working for a firm referred to as Village, but, when it went out of business, Milne continued at newly established Barefoot, where he was also president. Eventually the parties' relationship disintegrated, and defendants engaged another architect to finish the job.

Milne filed suit in the District Court of the Virgin Islands United States. He had several claims, but only copyright infringement is of concern here. Besides alleging lack of title, defendants filed several counterclaims, including one for tortious interference. *Id.* at *1-2. Although details are outside the scope of this comment, one of the more interesting aspects of the opinion is its observation about the venerable *Erie* opinion and sources of local law. *Id.* at *3.

To prevail on the copyright claim and perhaps to defend against claims of tortious interference, Milne needed to show title. But the district court found no support for an oral assignment of copyright allegedly made from Village to Barefoot in 1999. *Id.* at *3. Thus, a written memorandum signed in 2008 -- more than four years after suit was filed -- was not found to validate the transfer. *Id.*

On appeal, the Third Circuit began by considering whether a written memorandum of transfer executed nearly nine years after an oral transfer would satisfy § 204(a). *Id.* at * 3. To that end, the court first devotes a remarkable amount of attention to rejecting a suggestion in Konigsberg Int'l v. Rice, 16 F.3d 355, 357 (9th Cir.1994), that writings must be contemporaneous. *Barefoot* at * 3-6. For two reasons, however, the Third Circuit's lengthy analysis and criticism of *Konigsberg* is of little consequence.

First, even the Ninth Circuit now seems to agree that § 204(a), by referring to "a note or

memorandum of the transfer," contemplates that written transfers may validate previous oral transfers. *See* Jules Jordan Video v. 144942 Canada Inc., 617 F.3d 1146, 1156 (9th Cir. 2010).

Second, *Barefoot* finds the permissible temporal hiatus irrelevant because, "[f]or a writing to 'validate' a past transfer, the past transfer must have actually occurred." *Id.* at *7. Unfortunately for plaintiff, "none of the proffered evidence, such as it is, would permit a jury to conclude that an oral transfer took place on October 5, 1999, as the Memorandum would have it and as Barefoot has argued. Summary judgment was therefore appropriate." *Id.* at *8 (note omitted).

It is unclear whether plaintiff saw the transfer in question as governed by § 204(a) or by § 201(b). Timing aside, the first was satisfied because the document was signed on behalf of Village by its then-president, as well as by Milne as its then-vice-president. Apparently to cover all bases, Milne also signed as president of Barefoot. *Id.* at *2. Why the last would be necessary is unclear. Although signatures on behalf of both transferors and transferees are needed under § 201(b) if they are employers and employees respectively, Milne, not Barefoot, was the employee.

Copyright registration, needed for suit under § 411(a), might clear up any question about the nature of the transfer. Depending on when it occurred, registration could also conceivably foreclose challenges to title under § 507(b). *See* Jules Jordan Video *and Works for Hire* <link>. But the court makes no mention of registration.

As discussed in the same *Jules Jordan Video* column <link?>, it is best to avoid structuring belated transfers as ones between employers and employees if possible. Unlike § 204(a), § 201(b) makes no reference to "a note or memorandum of the transfer." Thus, the capacity of subsequently executed documents to validate prior oral transfers finds no textual support.

Given the striking similarity of the cases, it is surprising that Billy-Bob Teeth, Inc. v.

Novelty, Inc., 329 F.3d 586 (7th Cir. 2003), is not cited in *Barefoot*. There, the Seventh Circuit also relies on § 204(a) to consider whether a subsequently signed document would validate an earlier oral transfer. Moreover, it relies on many of the same precedents *Barefoot* uses to criticize *Konigsberg*. Indeed, most of those cases look askance at third party challenges to title when ownership clearly resides in one of two parties bound by the litigation. *See, e.g.,* Eden Toys, Inc. v. Florelee Undergarment Co., Inc., 697 F.2d 27, 36 (2d Cir. 1982): "In this case, in which the copyright holder appears to have no dispute with its licensee on this matter, it would be anomalous to permit a third party infringer to invoke [§ 204(a)] against the licensee."

That consideration seems to play a major role in *Billy-Bob Teeth*, which reverses after a district court vetoed a jury's finding existence of a prior oral agreement despite scanty evidence. *See* 329 F.3d at 292. Yet *Barefoot* upholds a district court's refusal to permit a jury to consider evidence of similar weight. The Third Circuit thereby signals that courts may not always look with a jaundiced eye on third party attempts to vest the capacity to sue in a stranger despite that person's agreement that title rests in the plaintiff.