

# FORM 2

## Content License

(Text)

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You also need this form if you are a writer who has created text that other people want to use. While your oral grant of permission (“yes, you may use it”) would be valid, by using this form you can be specific about what uses of your material you are permitting and for how long.

This form assumes that the text is being licensed for nonexclusive use. It also assumes that the text being licensed is already in existence. If a writer is being hired to create text for a Web site, use Form 1.

### Cross-References

For a discussion of the applicable laws for Form 2, see the following sections in the Overview: Copyright Law, Copyright Ownership, Copyright Licenses, Privacy and Defamation Law, and Contracts Law.

This form refers to the copyright owner as “Licensor” and to the party receiving permission to use the text as “Licensee.” The material being licensed is “the Work.” The projects or products in which Licensee is permitted to use “the Work” is “the Project.”

This form protects you from copyright infringement lawsuits. However, the use of text may lead to liability under other laws. For example, if the text invades the privacy of an individual or makes false and negative statements about someone, you may be liable for invasion of privacy, misappropriation of the individual’s right of publicity, or defamation.

### Checklist Of Issues

1. What is being licensed (Section 1, “The Work”)? To avoid later disputes, the parties should be as specific as possible. Here’s an example of what should go in the blank in Section 1:

“the text of Chapter 7 of the second edition of the book *Multimedia Law and Business Handbook*.”

If the text being licensed is short, the parties could include a photocopy. If the copyright for the text has been registered with the Copyright Office, it may be identified by the title used in the registration certificate (for example, a book’s title). If excerpts of a work are being licensed—not the whole work—the agreement should make that clear.

2. In what projects or products will Licensee be permitted to use the “Work” (Section 2, the “Project?”) For example, is Licensee obtaining the right to use the material in Licensee’s Web site or its intranet? In an online encyclopedia? In marketing material of any sort, including “print media” material? Be specific in filling out Section 2. Here’s an example of what should go in the blank:

“The Web site operated by or for Licensee at the URL [www.newsline.com](http://www.newsline.com) and marketing material in any media relating to such Web site.”

3. What rights are being granted (Section 3)? As written, Section 3 provides for a broad grant of rights. If the Project includes a Web site, Section 3 gives Licensee the right to permit end users of the Web site to download one copy of the text for personal, noncommercial use. If the Project includes an internal network

(intranet), Section 3 gives Licensee’s employees the right to copy the text for Licensee’s internal business purposes.

4. Is the license exclusive or nonexclusive? Modify Section 3 if the license is to be exclusive.
5. Will Licensor get a credit? If so, how will it read (Section 4)?
6. What is the license fee (Section 5)? It could be a single one-time fee or an annual fee for each year Licensee uses the Work. The license fee does not have to be money. It could be products or services, publicity, or just a credit.
7. What is the term (duration) of the license (Section 6)? It can be perpetual or limited in duration.
8. What warranties is Licensor giving (Section 7)?
9. What remedy will Licensee have if the text is not as warranted (Section 8)?
10. Does the text use the names of actual individuals? If so, Licensee may need a privacy/publicity release in addition to a copyright license unless Licensor has already obtained one. Also, Licensee should consider whether the text is defamatory.
11. Does the text mention other companies’ trademarks in a way which suggests an association with such companies? If so, Licensee may need permission from the trademark owners.

### Negotiating Tips: Licensee

- **Time Requirements** Licensing is a slow process. You may find that some of the material you want to use is not available, and you may encounter unexpected delays. For example, using text on a Web site requires a worldwide license, and different parties may own rights to the text in different countries. In book publishing, the copyright is frequently assigned to other companies in foreign countries. The United States publisher may not be able to license worldwide rights. One selection of text used by IBM in its CD-ROM on Christopher Columbus required permission from more than five different parties.
- **Alternatives** Don’t plan your project around particular text unless you are confident that you can obtain a license to use it. The text may have already been licensed on an exclusive basis, or it may not be available at a reasonable price.
- **Definition of “the Project.”** Pay careful attention to Section 2, the “Project.” This license will give you the right to use the licensed text in specific endeavors, as defined in “the Project.” If you use the material in a project that is outside the