The Licensing Journal, Copyright Termination Without Borders: Worldwide Recapture Rights Affirmed in *Vetter v. Resnik* (5th Cir. 2026), (Apr. 1, 2026)

The Licensing Journal

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Copyright Licensing

Amanda ("Spo!") M. Spoto, Theresa Weisenberger and Chad Rutkowski

Amanda ("Spo!") M. Spoto is an associate concentrating on commercial litigation matters and anti-counterfeiting enforcement, including civil and criminal seizure actions, cease-and-desist campaigns and negotiating enforcement-driven settlements. Their practice supports rights-holders seeking to protect and enforce their intellectual property across diverse industries. Spo! is known for high-quality written advocacy, thoughtful strategy and a collaborative approach to complex matters.

Theresa Weisenberger is a proven leader and trusted counsel who recognizes that IP does not exist in a vacuum and that its value exists only as long as it furthers her clients' business goals. With a background in electrical engineering and experience in both patent prosecution and patent litigation, she has a strong grasp of her clients' technology and is skilled at facilitating communications between technologists and executive leadership.

Chad Rutkowski is a recognized thought leader on the intersection of copyright and technology. He helps clients identify and capture the intellectual property in their valuable data, algorithms and enterprise software, and is relied upon to identify their IP, build internal processes for its management, navigate open source and other open innovation strategies and create licensing programs that enable full value realization.

Do U.S. copyright termination rights expand beyond the border?

In a twist of copyright imperialism, the Fifth Circuit answered in the affirmative, holding that U.S. copyright termination rights can unwind a "worldwide" grant—upending decades of assumptions and interpretations about territorial limits in *Vetter v. Resnik*.[1] The Fifth Circuit's decision signals a dramatic shift for anyone navigating cross-border copyright transactions, as termination rights were historically understood to govern *only* U.S. copyright interests, leaving foreign exploitation to the laws of individual countries. *Vetter* breaks new ground by interpreting § 304(c) to restore worldwide rights when the original grant purported to transfer them "throughout the world."

The Fifth Circuit embraced a text-driven, purpose-focused interpretation of the Copyright Act that strengthens authors' reversionary rights and repudiates the once-dominant view that termination operates purely *within* U.S. borders,[2] reframing termination as a question of *ownership origin* rather than geographic reach.[3] If *Vetter* gains traction, it could reshape legacy catalog valuations, renegotiation leverage, and the practical meaning of "worldwide" in U.S. copyright grants and agreements.

The Fifth Circuit's Affirmation

The Fifth Circuit confronted two core questions: (1) Does statutory copyright termination under § 304(c) allow an author to recapture worldwide rights; and (2) can an author become the sole global copyright owner after termination and renewal consolidation? The court's answer to both questions was an unequivocal yes.

Though § 304(c) provides that termination "affects only those rights covered by the grant that arise under this title, and in no way affects rights arising under any other Federal, State, or foreign laws,"[4] the Fifth Circuit held that this does not mean termination is limited to domestic rights only. The court interpreted "arise under this title" to refer to the *source* of the rights—those created by U.S. copyright law—rather than the place of

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exploitation.[5] Because the copyrights were granted under U.S. law, they "arise under" Title 17 for the purpose of § 304(c), even if later licensed or enforced abroad. Interpreting the provision otherwise, the court explained, would improperly conflate ownership with the territorial reach of infringement remedies.

The court reinforced its interpretation by analogizing to the Supreme Court's decision in *Kirtsaeng v. John Wiley & Sons, Inc.*,[6] which held that the phrase "lawfully made under this title" in § 109(a)[7] carries no geographic limitation.[8]

The court expressly declined to follow district court decisions such as *Siegel v. Warner Bros. Entertainment, Inc., Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc.*, and *Clancy v. Jack Ryan Enterprises, Ltd.*[9], as well as influential treatise commentary[10] positing that statutory termination is territorially limited. The court explained that this line of authority rested on nonbinding, "shaky support" and improperly framed the issue as one of extraterritorial infringement rather than ownership.[11] According to the court, these "flawed" cases "contradict the plain text and purpose of [the statute]" and instead relied on generalized territoriality principles that have little bearing on Congress' reallocation of copyright ownership.[12]

The Fifth Circuit also rejected arguments that worldwide termination violated the Berne Convention or principles of territoriality, reasoning that § 304(c) does not regulate foreign conduct but simply reallocates ownership of a U.S.-created copyright back to the author or heirs. The Fifth Circuit's interpretation effectively treats copyright as a single worldwide interest conferred by U.S. law and merely "recognized" abroad through international treaty, downplaying Berne's mandate that protection abroad is determined exclusively by the law of the enforcing country.[13]

The court—having rejected the defendants' authorities—ultimately grounded its analysis in congressional intent, underscoring that termination rights were enacted to correct the unequal bargaining power between authors and publishers. The Fifth Circuit reasoned that limiting termination to U.S. rights alone would leave authors with "half of the apple," a result fundamentally inconsistent with Congress' goal of restoring meaningful ownership.[14]

The Fifth Circuit's Holding

The Fifth Circuit affirmed the district court's decision[15] in full, holding the following:

- Termination under § 304(c) restored the plaintiffs' worldwide copyright interests originally granted under U.S. law.
- Renewal rights acquired by plaintiffs likewise conferred global ownership, consistent with the text and purpose of the Copyright Act of 1909.
- The plaintiffs were the exclusive worldwide owners of the song.

Consequential Shift and Practical Implications

Vetter v. Resnik reframes the termination right as a powerful reset of copyright ownership—one capable of restoring the full bundle of rights authors long believed they had permanently conveyed. Whether embraced or resisted elsewhere, the Fifth Circuit's reasoning carries meaningful implications for authors, heirs, and rights holders navigating catalogs and cross-border exploitation, such as the following:

1. **Termination risk may be global:** For U.S.-originated grants, termination may unwind not only domestic rights but also rights historically assumed to survive abroad—at least within the Fifth Circuit.
2. **Authors' reversionary rights now pack more power:** By tying termination to Congress' goal of meaningful reversion, *Vetter* strengthens authors' bargaining power, especially where foreign revenue is material.

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3. **Legacy catalogs require renewed diligence:** Owners of pre-1978 works should reassess agreements containing "worldwide" grants. In the Fifth Circuit, pending or past terminations may carry broader implications unless foreclosed by judgment, settlement, regrant, or equitable defenses.
4. **Drafting should address the *origin* of rights, not just geography:** Parties should clarify which rights "arise under" U.S. law and how renewal allocations and ownership interests are allocated.
5. **Forum selection clauses may become a critical termination-avoidance tool:** Parties seeking to avoid—or preserve—*Vetter*'s approach may use exclusive forum-selection clauses to anchor disputes to jurisdictions more aligned with their preferred interpretation.
6. **Licensing strategies may become more jurisdiction-sensitive:** Since *Vetter* is binding only within the Fifth Circuit, parties should expect increased emphasis on forum selection and choice-of-law provisions to either invoke or avoid *Vetter*'s worldwide recapture rule. At the same time, even if U.S. law reallocates ownership globally, foreign copyright ownership and enforcement remain governed by each country's local law, meaning licensees may face different outcomes in different jurisdictions.

For copyright holders on both sides of the table, the message is clear: Termination reclaims ownership—and *Vetter* confirms that reach can be global.

Footnotes

1 *Vetter v. Resnik*, No. 25-30108, 2026 WL 82842 (5th Cir. Jan. 12, 2026).

2 For years, leading commentators and several courts assumed that termination under §§ 203 and 304(c) operates only on the domestic "slice" of a worldwide grant, leaving foreign exploitation rights intact under local law. *See, e.g.*, 3 *Nimmer on Copyright* § 11.02[B][2] (2025); 7 *Patry on Copyright* § 25:74 (2025); *Siegel v. Warner Bros. Entm't, Inc.*, 542 F. Supp. 2d 1098, 1139–42 (C.D. Cal. 2008), *rev'd in part on other grounds*, 504 F. App'x 586 (9th Cir. 2013).

3 *Cf. Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 529–33 (2013); H.R. Rep. No. 94-1476, at 124–27 (1976).

4 17 U.S.C. § 304(c)(6)(E).

5 In the court's words, the statute speaks to the *source* of the rights, as "[t]here is no explicit geographical limitation in section 304(c)(6)(E) that restricts the exploitation of Vetter's rights to uses within the United States." *Vetter*, 2026 WL 82842, at *4.

6 *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

7 17 U.S.C. § 109(a).

8 In *Kirtsaeng*, the Court explained that "under this title" means "in accordance with" the Copyright Act, meaning not confined to where the work was authored. Applying the same reasoning, the Fifth Circuit concluded that "arise under this title" in § 304(c) likewise refers to the legal source of the rights—"a nongeographical interpretation"—not the territory in which they are later exploited. *Vetter*, 2026 WL 82842, at *5. The court emphasized that "because termination affects rights that 'arise under' the U.S. Copyright Act, and because Vetter's rights arose under the U.S. Copyright Act, the plain language of section 304(c)(6)(E) dictates that his termination would be effective as to all of his rights—including his copyright to the extent that it extends internationally." *Id.* at *4.

9 *Siegel*, 542 F. Supp. 2d at 1139–42; *Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc.*, 155 F.3d 17, 20–25 (2d Cir. 1998); *Clancy v. Jack Ryan Enters., Ltd.*, No. 17-CV-3371, 2021 WL 488683, at *45–46 (D. Md. Feb. 10, 2021). The defendants used these cases for the proposition that termination under § 304(c) only recaptures domestic rights in a work.

10 *See* 3 *Nimmer on Copyright* § 11.02[B][2] (2025); 7 *Patry on Copyright* § 25:74 (2025).

11 *Vetter*, 2026 WL 82842, at *8.

12 *Id.* at *7.

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13 Berne makes explicit that "the extent of protection, as well as means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed." Berne Convention for the Protection of Literary and Artistic Works, art. 5(2) (Paris Text 1971).

14 *Vetter*, 2026 WL 82842, at *6. The Fifth Circuit reasoned that "[o]nly by recapturing the exclusive rights to Double Shot throughout the world rather than recapturing U.S. rights alone would [the copyright owner] receive fair remuneration consistent with the purpose of the Copyright Act of 1909." *Id.* at *11.

15 *See Vetter v. Resnik*, No. 23-CV-1369, 2025 WL 338295 (M.D. La. Jan. 29, 2025).

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