

Supreme Court, U.S.
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No. _____

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In The
Supreme Court of the United States

CAMBRIDGE LITERARY PROPERTIES, LTD.,
Petitioner,

v.

W. GOEBEL PORZELLANFABRIK G.m.b.H. &
CO. KG., and GOEBEL ART G.m.b.H.,
Respondents.

*On Petition for Writ of Certiorari to the United
States Court of Appeals for the First Circuit*

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED FOR REVIEW

The Copyright Act does not provide for a non-infringement accounting action by a claimed copyright co-owner. The Act's limitations section provides that it governs actions "maintained under the provisions of" the Act. The court of appeals (with a dissent) decided this case was barred by the Act's three year limitations, which the majority below held must apply since the case could "arise under" the Act jurisdictionally.

Accordingly, the questions presented are:

1. Does the Copyright Act's limitations Section 507(b) govern any action which "arises under" the Act jurisdictionally, but which is not specifically provided for in the Act (as per Second, Seventh, Ninth and First Circuit law), or is the applicability of the Act's limitations section not co-extensive with the jurisdictional scope of the Act, and can only apply to actions maintained under the provisions of the Act (as per Fifth Circuit law)?
2. Must a claimed co-owner of copyright in such a disputed co-owner accounting claim first bring a declaratory judgment action for co-ownership, or may she plead co-ownership as an element of her traditional state law "action of account"?

PARTIES TO THE PROCEEDINGS

There are no parties to the proceedings other than those listed in the caption.

RULE 29.6 STATEMENT

The petitioner Cambridge Literary Properties, Ltd., a Massachusetts business corporation, is not publicly held and has no parent companies. The undersigned attorney for the petitioner is the sole shareholder, but not an officer or director, of this corporation.

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The petitioner respectfully prays that a Writ of Certiorari be granted to review the judgment and opinion of the United States Court of Appeals for the First Circuit, entered in this proceeding on December 13, 2007, wherein summary judgment was affirmed against the petitioner on the grounds of the Copyright Act's statute of limitations.

OPINIONS BELOW

The opinion of the United States District Court for the District of Massachusetts (adopting the Report and Recommendations of the Magistrate/Judge) is published at 448 F. Supp. 244 (D. Mass. 2006) (App. B, 53a – 106a). The Opinion of the United States Court of Appeals for the First Circuit is published at 510 F. 3d 77 (1st. Cir. 2007) (App. A, 1a – 52a).

JURISDICTION

The judgment of the Court of Appeals for the First Circuit was entered on December 13, 2007. Upon application by the petitioner, Justice Souter extended the time to file this petition to and including April 11, 2008. Upon a further application by the petitioner, Justice Souter extended the time to file this petition to and including April 30, 2008. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

The focal point of this petition are the words “maintained under the provisions of” in the limitations

section of the Copyright Act of 1976, 17 U.S.C. § 507(b) which provides:

- (b) Civil Actions – No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

STATEMENT OF THE CASE

I. INTRODUCTION

The petitioner, claiming to be the co-owner of the United States copyright renewal in a book, claims an accounting from the other co-owners (the respondents) for their profits from the utilization of the copyright.

Summary judgment was granted (and affirmed) against the petitioner on federal statute of limitations grounds, and the case at its present procedural state hinges on the question whether the Copyright Act's (the "Act") limitations or state law limitations govern this civil action. That issue, in turn, is subject to a determination whether this action, even if it can "arise under" the Act jurisdictionally, can be "maintained under the provisions" of the Copyright Act (which is the statutory criterion for the applicability of its limitations section 507(b)).

In deciding that this case was stale, the First Circuit majority held that since this case could "arise under" the Act for federal subject matter jurisdiction, the Act's limitations must apply.

In a lengthy dissent, Judge Cyr cited a decision by the Fifth Circuit, and maintained that there is a distinction between the jurisdictional “arising under” test, and the “maintained under the provisions” of the Act determination in applying the Act’s limitations (App. 42a – 49a, 44a n.21).

Furthermore, Judge Cyr characterized the “ramifications” of the majority’s holding as “potentially pernicious”. (App. 29a)

II. PROCEDURAL HISTORY OF THE CASE

This civil action was commenced on February 24, 2000 (App. 80a), but no answer has been yet filed; there has only been motion practice and one prior appeal. In the prior appeal, the First Circuit vacated the District Court’s Rule 12(b)(2) F.R.C.P. dismissal (for lack of personal jurisdiction) of the claims against the present respondents. Cambridge Literary Properties, Ltd. v. W. Goebel Porzellanfabrik, 295 F.3d 59, 67 (1st. Cir. 2002). On remand, on December 17, 2003, the District Court denied respondents’ motion to dismiss under Rule 12(b)(6) F.R.C.P. without prejudice to re-file as a summary judgment motion after limited discovery. Respondents moved for summary judgment (on statute of limitations and issue preclusion grounds) on November 22, 2004. On August 8, 2006, in a brief Memorandum and Order, the District Court adopted, without change, the Magistrate Judge’s Report and Recommendation of March 14, 2006, to which petitioner had objected, and entered Summary Judgment against petitioner on August 10, 2007. The District Court granted summary

judgment on the basis of the statute of limitations defense, but rejected the issue preclusion defense.

Petitioner appealed. The First Circuit, on December 13, 2007, affirmed the District Court's judgment, on statute of limitations grounds, but did so on the basis of a rationale differing from that of the District Court (instead of a pre-emption analysis the majority below employed "parallel reasoning" to a jurisdictional analysis – App. 17a). The First Circuit neither reached nor mentioned the respondents' issue preclusion defense, and did not hear argument on it.

III. FACTUAL BACKGROUND

Petitioner is the assignee of all the heirs of the next of kin of the late Margarete Seemann ("Seemann"), a Viennese poet who, together with the late Franciscan Sister Berta (M. Innocentia) Hummel ("Berta Hummel"), created an illustrated book of verse entitled "Das Hummelbuch" (the "Book") published in 1934 in Germany. Petitioner asserted that Berta Hummel's graphic works from the Book were the basis of the well-known collectibles known as Hummel figurines (App. 11a), manufactured by the respondent W. Goebel Porzellanfabrik ("W. Goebel"). (ibid). Seemann died in 1949 in Vienna.

The German publisher of the Book, Emil Fink Verlag ("Fink"), copyrighted the Book in the United States in 1936, listing, in the application to the U.S. Copyright Office, "Berta Hummel" and "Margarete Seemann" (of Germany and Austria, respectively) as joint authors of the work. (App. 117a, ¶34; App. 34a, n.16(ii)). The current additional certificate of

copyright shows that information (*ibid*), which is entitled by statute to prima facie evidence effect in this litigation under 17 U.S.C. §410(c). (*ibid*).

The Book copyright was validly renewed in the United States in 1962. (App. 58a-59a). The petitioner asserted that under the then-governing United States copyright law, Seemann's sole surviving next of kin, her sister Theresia Romanowicz, succeeded to Seemann's statutory right to the Book Renewal, thereby acquiring an undivided interest, with Fink and Berta Hummel's heir, in the United States Renewal Copyright. (App. 119a-121a, ¶¶41-51).

In 1971, respondent W. Goebel purchased Fink's tenancy in common in the Book Renewal. Thereafter, as a result of decades of litigation between W. Goebel and its former U.S. distributor (claiming as the assignee of Berta Hummel's heir), and several mesne assignments, the undivided legal proprietorship of the Book Renewal was in Goebel Art, with W. Goebel retaining an important beneficial interest, and petitioner (claiming as assignee of Seemann's successors) claiming a joint ownership in equity.

Seemann's sole surviving next of kin in 1962 (copyright renewal), Theresia Romanowicz, died in Vienna in 1970. Under the probate decree of an Austrian court, her estate went to her daughter and niece (the "Vienna Heir" and the "Belgrade Heir", respectively) defined in the Amended Complaint as the "Romanowicz Heirs" (App. 40a, ¶¶ 50-51).

The Vienna Heir and the Belgrade Heir assigned to petitioner in seriatum (in 1995 and 1999 respectively), all their right, title, and interest in the Book Renewal, together with any and all of their related claims against third parties. (App. 121a, ¶52). These assignments were obtained for the corporate petitioner by its undersigned attorney, who was, and remains, its sole shareholder.

Petitioner brought this action against respondents W. Goebel Porzellanfabrik and Goebel Art, as tenants-in-common in the Book Copyright Renewal, for an accounting of revenues obtained from their sale of products derived from the Book. (App. 110a, ¶ 1).

IV. THE PRIOR ADJUDICATIONS IN THIS CASE

In the three phases of this summary judgment motion adjudication (Magistrate Judge, District Judge on objections to Report, and the appeal to the First Circuit), the central, indeed dominating, issue has been whether the federal three-year statute of limitations provided for in the Copyright Act's section 507(b) governs this action.¹ Petitioner has consistently argued that it is the state (Massachusetts) six-year limitations for contract actions which governs instead. This action was commenced on February 24, 2000 (App. 80a), more than three years, but less than six years, from the 1995 accrual year determined by both the District Court and the First Circuit (while

¹ There were other related issues that are not among the questions presented for review in this Petition, such as the date(s) of accrual, and whether the limitations had been tolled.

petitioner has contested those accrual dates, that issue is not one of the questions presented for review). The district court below (applying a three year's limitations) granted summary judgment on the grounds that the cause of action, based on the two in seriatum assignments of rights to the petitioner, accrued "in 1995". (App. 82a & App. 83a). The majority below determined accrual to have been "no later than September 1995" (App. 23a) and "by 1995" (App. 27a).

The Magistrate Judge, the District Judge, and the First Circuit majority all decided that this action was governed by the Act's limitations provided for in § 507(b); however, they decided thus on different grounds.

The Magistrate Judge (with whom the District Judge concurred) decided (App. 68a-69a) that this action was pre-empted by the Copyright Act (and also rejected petitioner's "well pleaded complaint" argument on "complete pre-emption grounds.") (App. 76a). Thereafter, the Magistrate Judge decided that the Act's limitations applied, and rejected the Fifth Circuit's rule on this point as "against the weight of authority" (citing the Second, Sixth, and Ninth Circuits). (App. 79a).

On appeal, the First Circuit declined to reach and decide the pre-emption issue; rather, the majority below applied what it termed "parallel reasoning" to an "arising under" federal subject matter jurisdiction analysis. The Court held that the accounting claim was "premature" since petitioner had not sought a declaratory judgment of co-ownership, but had merely

pleaded co-ownership as part of its accounting claim; further, the majority below held that since the claim for an accounting was predicated on a claim of co-ownership of copyright, and since that claim of co-ownership would involve construction of the Act, this action could “arise under” the Act jurisdictionally, and was therefore governed by (and barred by), the Act’s limitations. (App. 16a – 17a).

It is undisputed that the district court had subject matter jurisdiction on diversity grounds. However, in holding that this action was “maintained under the provisions of” the Copyright Act, for federal limitations purposes, the majority below employed “parallel reasoning” (App. 17a) to a judicial analysis of whether there was federal subject matter jurisdiction (even absent diversity). See dissent at App. 30a, n.14: “The jurisdictional analysis is relevant only to the question whether the claim is ‘maintained’ under the Copyright Act”

REASONS FOR GRANTING THE PETITION

I. INTRODUCTION

The court below affirmed summary judgment against the petitioner on the grounds that the action was barred by the federal three-year limitations provision (§ 507(b)) of the Copyright Act of 1976. In holding that the Copyright Act’s limitations applicability is co-extensive with the Act’s jurisdictional scope, the decision of the majority below, and the other circuit courts of appeals which it followed, conflicts with the law of the Fifth Circuit,

under which the case at bar would have been timely filed.

The grant of summary judgment in this case hinged upon the construction of a federal statute, in the presence of a clear and true conflict between the decisions of the federal courts of appeals.

The central, indeed ultimate, issue which determined the outcome of summary judgment proceedings (to the prejudice of petitioner) presented a true and important conflict between the decisions of the federal courts of appeals. This conflict, moreover, involves the construction of an important federal statute (the Copyright Act), and significantly involves the federal versus state substantive law dichotomy. Further, this conflict leads to forum shopping among the federal circuits.

II. THE NATURE OF THE CONFLICT

The Copyright Act of 1976 (Title 17 U.S.C.) (hereinafter the "Act") has a provision for a statute of limitations in civil actions (§ 507(b)), which states:

No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

The issue presented in the conflict between the federal courts of appeals is the scope of the applicability of that subsection in copyright co-owner disputes, namely, whether § 507(b) governs only civil actions maintained under the provisions of the Act (infringement actions and statutory royalties), or,

whether any civil action which arises under the Act for federal subject matter jurisdiction purposes is also governed by the Act's limitations.

To place the dispute concerning the wording of the Act's limitations section in the proper context and perspective, it should be noted at the outset that it is undisputed that the Act does not "provide" for accounting actions between copyright co-owners. This was discussed by the dissent below. (App. 43a-44a). As the legislative history to the Omnibus Copyright Act Revision states:

There is . . . no need for a specific statutory provision concerning the rights and duties of coowners of a work; court-made law on this point is left undisturbed. Under the bill, as under the present law, coowners of a copyright would be treated generally as tenants in common, with each coowner having an independent right to use or license the use of a work, subject to a duty of accounting to the other coowners for any profits.

H.R. Rep. No. 1476 (1976) (*reproduced in* 8 David Nimmer, Nimmer on Copyright, Appendix at p. 4-113) (1963 & Supp. 2000).

This is reinforced in the leading case of Oddo v. Reis, 743 F. 2d 630, 633 (9th. Cir. 1984), quoted in Goodman v. Lee, 78 F. 3d 1007, 1012 (5th. Cir. 1996), cert. denied, 519 U.S. 861 (1996) (the Fifth Circuit on one side of the decisional conflict): "Significantly, 'the duty to account does not derive from the copyright law's proscription of infringement. Rather, it comes

from “. . . general principles of law governing the rights of co-owners.”” (footnote omitted, emphasis by the court). This also reflects the position of the dissent below, which cited this legislative history (App. 43a) and the aforementioned case law (App. 43a – 44a, 44a n.21).

The conflict presented by the differing constructions of the words in § 507(b) “maintained under the provisions” has engendered a law review article specifically dedicated to the subject, as its title shows:

FEDERAL VERSUS STATE JURISDICTION
AND LIMITATIONS VERSUS LACHES IN
SONGWRITER DISPUTES: THE SPLIT
AMONG THE FEDERAL CIRCUITS IN *LET
THE GOOD TIMES ROLL, WHY DO FOOLS
FALL IN LOVE?*, AND *JOY TO THE WORLD*

(Don E. Tomlinson, 23 LOY. L.A. ENT. L. REV. 55
(2002).)

This article, in somewhat colorful fashion, begins by showing the practical results to the litigants in the conflicting federal circuits:

For songwriter Shirley Goodman, the “good times rolled” (at least judicially). For songwriters Herman Santiago and Jimmy Merchant, “fools” may be a more apt description. . . . Notwithstanding any statutory limitations or equitable laches defenses, the Fifth Circuit declared Shirley Goodman as co-writer of *Let the Good Times Roll*, and awarded

her more than \$600,000 in writing and publishing royalties. On the other hand, after being declared co-writers of *Why Do Fools Fall In Love?* by the Second Circuit, Herman Santiago and Jimmy Merchant were disallowed any recovery on the theory that the limitations provision of the Copyright Act barred their damages claim. (Tomlinson, *supra*, at 55-58) (footnotes omitted).

Professor Tomlinson focused on the split between the Fifth Circuit in Goodman v. Lee, *supra* at 10, and the Second Circuit in Merchant v. Levy, 92 F. 3d 51 (2d Cir. 1996), cert. denied, 519 U.S. 1108 (1996).² He also argued that these precedents have a much wider application in copyright law than merely songwriter disputes. See *infra* at 21.

The Second Circuit, in Stone v. Williams, 970 F. 2d 1043 (2d Cir. 1992) was the first Court of Appeals to apply the Act's three-year limitations in copyright co-ownership accounting disputes. As a prominent treatise has summarized the ensuing decisional dispute, "On parallel facts involving a long-concealed co-ownership claim of a song, another court applied the Louisiana statute of limitations—ten years from demand—instead of the Copyright Act's three-year

² The third case included in Professor Tomlinson's title, ("Joy to the World"), Jackson v. Axton, 25 F. 3d 884 (9th. Cir. 1994), is not relevant to the issues in this petition, since "At issue in this case [Jackson] is laches, not the statute of limitations." *Ibid*, at 887, n.2.

statute.” (citing Goodman, supra, emphasis added) 3 Nimmer on Copyright, §12.05[C][1] at 12-150.11 n.98.

Subsequently, in 1996, the Second Circuit again applied the Act’s three-year limitations in a co-ownership accounting dispute (Merchant, supra) and the Ninth Circuit also did so in Zuill v. Shanahan, 80 F. 3d 1366 (9th. Cir. 1996), cert. denied, 519 U.S. 1090 (1997).

As professor Tomlinson notes (Tomlinson, supra at 11, at 56), this Court denied certiorari in these conflicting cases when they were decided in 1996. However, the decisional dispute between the Fifth Circuit (Goodman) on one hand, and the Second and Ninth Circuits (Merchant and Zuill) on the other hand, has been brought into even sharper focus, in another co-ownership accounting dispute, by the decision of the Seventh Circuit (while the case at bar was pending) in Gaiman v. McFarlane, 360 F. 3d 644 (7th Cir. 2004). What the Second and Ninth Circuits seemed to do implicitly, Gaiman (and the majority below which followed it) did explicitly; Gaiman explicitly contradicted the Fifth Circuit’s holding in Goodman since Gaiman held that any case that arises under the Copyright Act is also maintained under the Act as per the Act’s limitation section 507(b). Accordingly, this presents a mature, expanding, and more focused decisional conflict.³

³ See p. 18, infra, and p. 18, n.6, infra for the expansion of this conflict in the district courts in the Eighth Circuit, which has not as yet decided this issue.

The Fifth Circuit in *Goodman* carefully distinguished between the federal subject jurisdiction test of “arising under” and the substantive cause of action test of “maintained under the provisions of” in the Act’s limitations section:

Section 507(b) of the Copyright Act provides that “[n]o civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.” But this case does not present an action that is “maintained under the provisions” of the Copyright Act. The Act details at length precisely which civil actions and remedies are available for copyright infringements. Nowhere in the Act, however, do its provisions detail any action available to a co-owner for an accounting. . . . [S]uch an action is governed by state law. Consequently, even though the case requires an interpretation of the Copyright Act’s definition of a joint work—thereby compelling the assumption of federal jurisdiction—the action is not being maintained under the provisions of the Copyright Act: There are no provisions in the Act establishing or governing such an action. Accordingly, we reject the [defendants’] contention that the three-year statute of limitations set out in §507(b) governs [the plaintiff’s] claim.

Goodman, *supra*, at 1013 (footnotes omitted) (emphasis by the court).

In diametrical opposition, the Seventh Circuit in *Gaiman* held that the scope of the Act’s limitations

was automatically co-extensive with the jurisdictional parameters of the Act:

Gaiman seeks a declaration that he *is* a co-owner, which depends on whether his contribution to the comic-book characters in question gave him a copyright interest. That question, on the answer to which his entitlement to an accounting and other relief depends, cannot be answered without reference to the Copyright Act, and it therefore arises under the Act.

(Gaiman, supra, at 652-653) (citations omitted, emphasis by the court)

The question whether Gaiman has a copyright is central, and the Act's three-year statute of limitations, which applies to any suit arising under the Act, and not just to a suit for infringement (for section 507(b) reads: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued"), is therefore, as the parties agree, clearly applicable to this case.⁴

(Gaiman, supra, at 653, emphasis added.)

⁴ In Gaiman, the parties agreed with the court's application of the Act's limitations. We do not know why that plaintiff agreed (to his detriment), but, as discussed infra., at pp. 16-17, the First Circuit explicitly followed Gaiman (with petitioner in the strongest disagreement therewith in the courts below).

The decisional conflict between the Seventh Circuit (Gaiman) and the Fifth Circuit (Goodman) is directly manifested in the decision of the court below: On one hand, the majority explicitly followed Gaiman, and citing to the two pages in Gaiman referred to above, the majority held: “Where an ownership claim arises under the Copyright Act, the Act’s three-year statute of limitations likewise applies.” (App. 16a & 17a). On the other hand, the dissent cited Goodman with approval (App. 32a, 43a, 50a, and again at App. 44a, n.1) (summarizing Goodman’s distinction between “arising under” and “maintained under”).

The inherent and irreconcilable nature of this decisional conflict can also be demonstrated by reference to the generally-accepted jurisdictional test whether a case “arises under” the Copyright Act. This is the so-called “T.B. Harms test”, as formulated by Judge Friendly in T.B.Harms v. Eliscu, 339 F. 2d 823 (2d Cir. 1964), cert. denied, 381 U.S. 915 (1965). This test for original federal subject matter jurisdiction was referred to by the majority below (App. 17a) when it employed reasoning “parallel” to a jurisdictional analysis. The T.B. Harms test was also referred to by the dissent. (App. 39a, n.20).⁵

⁵ The District Court below (at App. 67a-68a) in quoting the T.B. Harms test, referred to it as the “most frequently cited test”, and noted that both petitioner and respondents “rely on this standard”. (ibid at App. 68a). See, Royal v. Leading Edge Products, Inc., 883 F. 2d 1, 2 (1st Cir. 1987), the most frequently cited test. . . .”

Judge Friendly in T.B. Harms formulated the test as follows:

Mindful of the hazards of formulation in this treacherous area, we think that an action “arises under” the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction, or asserts a claim requiring construction of the Act, as in De Sylva, or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim.

(T.B. Harms, supra, at 828.)

An analysis of the Goodman holding shows that the Fifth Circuit would only apply the Act’s limitations section 507(b) to a case arising under the first criterion of the T.B. Harms test (“a remedy expressly granted by the Act”) (that is, “maintained under the provisions” of the Act); in contrast, the Seventh Circuit in Gaiman would apply the Act’s limitations to any case arising under any of the three criteria of the T.B. Harms test, since Gaiman held that “the Act’s three-year statute of limitations . . . applies to any suit arising under the Act, . . .”, Gaiman, supra, at 653, quoted supra at 15, emphasis added). Gaiman, the First Circuit, (and the other courts of appeal decisions in conflict with Goodman) therefore radically expand the applicability of the Act’s limitations.

The District Court below treated the matter as a true decisional conflict, and, after having summarized the Goodman decision at length, summarily rejected Goodman as being “at odds with the weight of authority.” (App. 79a). Nimmer, *supra*, at pp. 12-13 in recognizing the decisional conflict, quoted this language from the district court’s decision.⁶

Furthermore, in another copyright co-ownership accounting dispute, the Seventh Circuit’s Gaiman decision has been followed last year by a federal district court in the Eighth Circuit: “Accepting the guidance of an opinion by Judge Posner [in Gaiman], in the absence of better statements of the law in this Circuit, I conclude that the three-year statute is probably applicable to the claim presented” Spurgeon v. Scantlin, 502 F. Supp. 2d 1021, 1025 (W.D. Mo. 2007) (citing Gaiman and the decision of the district court in the case at bar).

The majority below attempted to reconcile Goodman with Gaiman and with its own decision, but we respectfully submit that this was unsuccessful, as is discussed *infra* in Section IV, p. 25).

⁶ See Johnson v. Berry, 228 F. Supp. 2d 1071, 1076 (E.D. Mo. 2002), where the district court suggested that Goodman had been “wrongly decided” (ergo, a recognition of the decisional conflict), but said that, in the alternative, Goodman was distinguishable because there had been a verdict of co-ownership and that the case had been timely filed (apparently under a “discovery rule”); however, there is nothing in the Goodman decisions to indicate that the court had applied the Copyright Act’s limitations section.

III. THE IMPORTANCE OF THE DECISIONAL CONFLICT

A. The Radical Reversal of the Traditional Jurisdictional Analysis.

It is well settled that the question whether the complaint presents a federal cause of action/remedy is an element in the federal subject matter jurisdictional analysis. See, e.g., Grable & Sons Metal Products, Inc. v. Darue Engineering & Manufacturing, 545 U.S. 308 (2005), which the dissent discusses at length (App. 36a – 41a).

The majority below, Gaiman (which it follows), and the other circuit courts in conflict with the Fifth Circuit in Goodman radically reverse this analysis, and by doing so, distort the traditional federal versus state substantive law dichotomy. Goodman explicitly declines to do so.

If the limitations section of the Copyright Act (§ 507(b)) were of the “typical” kind (see App. 44a, n.21), that is, referring to “arising under” rather than “maintained under” (see, e.g., 28 U.S.C. § 1658, federal limitations – “arising under”), then the test for §507(b)’s applicability would simply involve a *vel non* determination of federal subject matter jurisdiction.

However, given the wording of § 507(b), in order to apply the Copyright Act’s limitations, the majority below, and Gaiman which it follows, of necessity are conflating the jurisdictional analysis with the substantive law classification analysis. That is because unless one eviscerates the words of § 507(b)

(“maintained under the provisions”) of their meaning, Gaiman and the majority below are in effect classifying any action/remedy in a case “arising under” the Act as a federal action/remedy. Otherwise, how could the action possibly be “maintained under the provisions of” the Act? Thus, for example, in a case which “arises under” the Act merely because it requires a “construction of the Act” (the second criterion of the “T.B. Harms test”—see supra at 17), the majority below and Gaiman would (if they apply the Act’s limitations) automatically classify the action/remedy as “maintained under”, that is, federal.

Therefore, instead of ascertaining the presence or absence of a federal cause of action as a jurisdictional determinant, Gaiman and the majority below reverse the process and make the substantive federal versus state substantive law classification dependent on the federal jurisdictional analysis. This radical innovation also distorts the traditional federal versus state substantive law dichotomy.

By specifically declining to conflate the jurisdictional and the substantive law analysis, Goodman is in conflict with Gaiman and the majority below (supra at 14). Accordingly, the petitioner submits that this circuit court split presents an important issue (involving an important federal statute) with regard to the federal versus state substantive law dichotomy.

B. Forum Shopping

Professor Tomlinson in his article (quoted supra pp. 11-12) argued that this decisional conflict was of

sufficient moment to warrant review and resolution by this Court because “In the context of the splits in the cases that are the subject in this Article, resolution is necessary so that the law will be nationally uniform and to prevent forum shopping.” Tomlinson, *supra*, at 11 above, at 78.

Further, Professor Tomlinson argued that “Music copyright cases involving famous songs do not occupy a considerable portion of any federal court’s docket, but the precedents set in these cases have a much wider application to all areas of copyright law.” *ibid.* at 11, at 56 (footnote omitted).

Since the publication of this article in 2002, the Seventh Circuit decided Gaiman in 2004 (and the majority below followed it), which rendered the conflict into even sharper and more explicit focus. This dispute is also manifested among the district courts in the Eighth Circuit as discussed *supra* at p. 18 and n.6. We submit that this presents a well-developed and expanding conflict between the circuits.

Currently, there is in effect a “two tier” forum shopping opportunity, namely forum shopping among the circuits (Fifth versus Seventh, Second, Ninth, and First) and forum shopping among the federal district courts in the Fifth Circuit (since those district courts would apply state law limitations).

Petitioner must admit at this point that Professor Tomlinson’s call for uniformity, if the Fifth Circuit Goodman rule (which petitioner relies on) prevails, would only bring about uniformity among circuit court law. There would obviously be no uniformity among

the several district courts (the “second tier”) since they would be applying state law limitations.

However, we respectfully submit that it is uniformity among the circuit court decisions that is the primary focus of this Court’s certiorari jurisdiction in such an instance. “One of the primary purposes of the certiorari jurisdiction is to bring about uniformity on these matters [federal law] among the federal courts of appeals.” (Gressman, SUPREME COURT PRACTICE, § 4.4 at 242 (9th. ed. 2007)). If this Court were to grant this petition, and, on the merits, were to favor the Goodman rule, then any lack of uniformity among the district courts would be the result of diverse state laws, which would govern as a result of this court’s adjudication of federal law, namely, the interpretation of an important federal statute.

Moreover, we submit that Congress has shown no intent or policy favoring a uniform federal limitations for copyright related causes of action or remedies not provided for in the Copyright Act. Accordingly, a focus on circuit law uniformity would not be at odds with legislative policy.

To begin with, the legislative history of the Act’s limitations in civil actions, § 507(b) (section unchanged from the 1909 Act, H.R. No. 94-1476 at 4174) shows that the legislative focus was exclusively on infringement actions, and the need for a uniform limitations provision governing them. See 1957 S. Rep. No. 1014 at 1962, 1965 (1957). That readily explains the divergence of § 507(b)’s “maintained under” from the more common “arising under” terminology in other federal limitations provisions as

was noted by the dissent below (App. 44a, n.21) (commenting on the “evidence of a lack of Congressional intention” because 507(b)’s divergence from the “typical fashion”, that is, “arising under”).

The legislative history shows that with regard to the duration of the proposed limitations, the Senate Report stated, at 1962, that “Naturally the makers of motion pictures and the publisher of songs and books and other works of art are interested in obtaining a shorter statutory period while persons who might have their copyrights infringed are interested in a longer period.” (emphasis added). Incorporated by reference in the Senate Report, at 1964, are the reports from the Library of Congress and the Department of Justice. The former, in commenting on the nature of the limitations, states at 1965: “It is believed that the nature of copyright infringement, together with the relatively short period of limitation proposed in the bill, warrants the conclusion that a limitation on the remedy [and not the substantive right] is appropriate.” (emphasis added). The Justice Department Report, at 1965, states that “However, the Code [the Copyright Act of 1909] provides no specific period of time within which civil actions must be instituted. As a result, civil actions for the infringement of copyrights are limited by the law of the state where the action is brought.” (emphasis added).

Furthermore, the location of this limitations provision within the Copyright Acts of 1909 and 1976 is significant. When enacted in 1957, as § 115(b) of the 1909 Act, it was in Chapter 2, entitled “INFRINGEMENT PROCEEDINGS”. When re-enacted without change in the Copyright Act of 1976

as § 507(b), it was in Chapter 5, entitled "COPYRIGHT INFRINGEMENT AND REMEDIES".

When the Copyright Act of 1976 was enacted after extremely extensive congressional study, it would have been simple in the extreme to have substituted the words "arising under" for "maintained under the provisions" in § 507(b), had there been a legislative policy for expanding the reach of the Copyright Act's limitations to be co-extensive with the Act's jurisdictional scope.

Moreover, Congress employed the more "typical" provision ("arising under") in enacting 28 U.S.C. 1658 (a four-year limitations for claims arising under federal statutes which do not provide a limitations period). However, Congress chose to "grandfather" federal statutes enacted prior to December 1, 1990. (ibid).

There is therefore no Congressional policy for a federal limitations for any case that arises under a federal statute. That is what Gaiman does by judicial fiat, without explanation, by conflating "arising under" with "maintained under". And that is what the majority below did (App. 14a) in stating that it would be "contrary to congressional language and intent" to not apply the Act's limitations section.

We submit that the "Congressional language" is clear (in limiting the applicability of this limitations section), and is not compatible with the majority decision, and that, further, thus far, there is no showing of any congressional "intent" to radically extend the reach of the Copyright Act's limitations

section. We therefore submit that in the certiorari jurisdiction context the importance of this decisional conflict is the forum shopping among the federal circuits on federal law. Any issue of forum shopping among the district courts applying diverse state law limitations (in non-infringement copyright related cases) is one for the legislature, which has thus far repeatedly declined to address the matter for half a century.

Furthermore, this Court has made it clear that the function of the judiciary is to construe the Copyright Act, rather than improving its provisions or policy, which is for the Congress. See, e.g., Stewart v. Abend, 495 U.S. 207, 236 (1990): “Whether or not we believe that this is good policy, this is the system Congress has provided, as evidenced by the 1909 [Copyright] Act Although the dissent’s theory may have been a plausible option for a legislature to have chosen, Congress did not so provide.” (emphasis added), and Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373, 378 (1960): “Whether it [the Copyright Act] works at times an injustice is a matter for the Congress, not for us.”

IV. THE MAJORITY OPINION’S UNSUCCESSFUL ATTEMPT TO RECONCILE GOODMAN WITH ITS OWN HOLDING, AND WITH THE CIRCUIT COURT DECISIONS IN CONFLICT WITH GOODMAN

In contrast with the District Court, the First Circuit majority attempted to reconcile Goodman rather than rejecting it. We respectfully submit that this attempt is unsuccessful for the following reasons.

The majority (at App. 19a) stated that “The Goodman decisions are entirely consistent with the prevailing view ...” (emphasis added); that in itself seems somewhat contradictory. Further, the majority stated (App. 18a): “That case [Goodman] does not support Cambridge’s position; it does support our view of the case.”

The majority’s rationale for reconciliation was that in Goodman, the accounting issues “only arose following a proper determination of copyright ownership under the Copyright Act.” (App. 19a). The majority thus treated Goodman as two distinct controversies (i.e., ownership and accounting). This conceptual “bifurcation” of the Goodman decision is in essence consistent with the respondents’ erroneous argument below that the declaratory judgment of co-ownership was in an earlier case. However, it must be emphasized that the Goodman case, although lengthy and procedurally complex, is one single case, as is detailed in Goodman’s summary of the proceedings. 78 F. 3d at 1009-1010.

The attempt to “bifurcate” the Goodman case is unsuccessful, if one analyzes the essential prerequisites of any accounting action, be it between co-owners of copyright or of real property. As the majority correctly noted (App. 12a), a plaintiff in a case for an accounting by a putative co-owner of copyright, must as part of her affirmative case establish her ownership rights if they are not admitted. (App. 12a-13a). Now, that can be accomplished in two ways: the plaintiff can plead (and be prepared to prove) the basis for co-ownership

as the petitioner did⁷, or, in the alternative, the plaintiff, if the facts justify it, can seek a declaratory judgment for co-ownership with a further cause of action for an accounting (which the Goodman plaintiff did).

The majority below first indicated that petitioner should of necessity have sued for a declaration of co-ownership as a prerequisite for an accounting action rather than following alternative one above (pleading the basis of co-ownership as an integral element of a traditional action of account). Petitioner submits that there is no authority for the majority's proposition. The majority stated that the accounting claim was "premature" (App. 4a) because petitioner "did not seek an adjudication of its ownership rights" as a prerequisite for its "remedy" (App. 3a), but the majority then equivocated by stating that in such cases "plaintiffs usually raise this threshold issue by seeking a declaratory judgment for ownership." (App. 13a) (citations omitted, emphasis added).

As the dissent below notes, the case at bar is distinguishable from those cases in which a declaratory judgment was sought. (App. 29a-31a).

The petitioner did not have to sue for a declaratory judgment to resolve the ownership issue but, rather, was entitled to plead ownership as part of its affirmative case. It should be noted that in claiming a right to an accounting, the petitioner is not merely

⁷ The petitioner did so at length in its Amended Complaint, see App. 115a-121a, ¶¶22-52.

seeking an ancillary remedy. What the petitioner's Amended Complaint constitutes is a traditional independent action of account, which is an independent cause of action. The leading multi-volume treatise on remedies has stated the principle succinctly: "Today, the accounting may be pursued as a separate cause of action or as incidental to some other claim." 1 DAN B. DOBBS, DOBBS LAW OF REMEDIES § 4.3(5) at 611 (2d ed. 1993) (emphasis added). Further, while the term "accounting" describes an equitable remedy, it is not merely that. An accounting is also a historically-established legal form of action, and, in modern procedural history, an equitable action named "an action for accounting" which seeks a remedy by the same name. See DOBBS LAW OF REMEDIES, *supra* at 608, 609 (emphasis added).

The petitioner's Amended Complaint pleaded the basis for co-ownership (see pp. 26-27, 27 n.7, *supra*). If, arguendo, the pleading shows a need for a construction of the Copyright Act, that would result in a jurisdictional determination that the case arises under the Copyright Act. That would not of necessity mean (as Gaiman and the majority below maintain) that the entire case (including the ownership issue) is "maintained under the provisions" of the Act as per § 507(b).

In Goodman, the plaintiff raised the co-ownership issue by means of a declaratory judgment action (Goodman, *supra*, at 1009). However, contrary to the majority reading of the Goodman decision, the Goodman court's analysis was that of a single case. The Fifth Circuit did not hold, or even imply, that

because the ownership issue necessitated the construction of the Act, the case itself was “maintained under the provisions” of the Act; on the contrary the court held that because there was a need to construe the Act, the case arose under the Act for jurisdictional purposes. (Goodman, at 1013, quoted supra at 14). The decisions in Goodman, further, merely show that, under a “discovery rule”, the case had been timely filed. (ibid at 1010). There is no indication that the Copyright Act’s limitations had been held to govern.

The quotation from the Goodman decision (supra, at p. 14) shows that the court was referring to the case (and not only to the accounting action) when it was analyzing the wording of § 507(b) of the Act, namely: “But this case does not present an action that is maintained under the provisions of the Copyright Act.” Goodman, supra, at 1013 (emphasis added).

Accordingly, the attempt by the majority below to reconcile its own decision, and, inter alia, that of the Seventh Circuit in Gaiman (which it cites, and on which it relies), simply does not focus on the crux of the decisional conflict: Goodman holds that a case “arising under” the Act is not “maintained under the provisions” of the Act unless the Act provides for the civil action and remedy presented. In sharp contradiction, Gaiman and the majority below equate the meaning of “arising under” and “maintained under”. Even if, arguendo, the case at bar arises under the Act in a jurisdictional analysis, the Amended Complaint does not plead any cause of action provided for in the Act.

We therefore submit that Goodman cannot be read to be in accord with the majority decision below nor with the circuit court decisions which the majority follows. The decisional dispute under discussion is real, explicit, and presents the determinative issue in the case at bar.

V. THE PETITIONER WOULD PREVAIL ON THE MERITS IN THE COURTS BELOW IF THE COPYRIGHT ACT'S THREE-YEAR LIMITATIONS DID NOT GOVERN THIS CASE.

With regard to the statute of limitations issues, the petitioner argued in the courts below that the state (Massachusetts) six-year limitations for contract actions govern this case. (App. 65a, B).

The district court below (applying a three-year's limitations) granted summary judgment on the grounds that the cause of action, based on the two in seriatum assignments of rights to the petitioner, accrued "in 1995". (App. 82a & App. 83a). The majority below determined accrual to have been "no later than September 1995" (App. 23a) and "by 1995" (App. 27a). Since this action was filed on February 24, 2000 (App. 63a), it would have been timely filed under the state six-year limitations.

After first arguing below that this was not a tort action, the respondents reversed their position after the first appeal in this case and argued that the Massachusetts three-year limitations for tort actions was applicable. The district court agreed with respondents, as an alternative holding if the Copyright Act's limitations did not apply. (App. 54a, 88a-91a).

The petitioner appealed from that alternative holding also. The majority below did not reach, or even mention this issue. However, the dissent below, in a lengthy discussion of this issue, characterized the district court's "alternative holding" as "demonstrably wrong". (App. 49a, n.25 – App. 50a). If this Court were to grant this petition, the petitioner, in addition to a prayer for reversal, would also pray for remand to the First Circuit to decide the appeal of the alternative district court holding.

The petitioner further submits that if this case were allowed to proceed, the petitioner would prevail on the substantive elements of its actions. The majority, in focusing on the statute of limitations defense, explicitly declined to reach the substantive merits of the case. "[w]e do not decide whether Seemann co-authored the book, whether Goebel's figurines were derivatives of the book, or whether any rights that descended from Seemann to the heirs entitled the heirs to share in profits derived from sales of the figurines." (App. 24a) However, the dissent, in a lengthy discussion (App. 34a, n.16-35a), reaches the substantive merits, and states that respondents would face "considerable hurdles" and ends by stating that respondents, given the contents of the book's copyright certificate, would have the burden of "proof of the contrary intention of persons long dead." (App. 35a, n.16).

CONCLUSION

For the reasons set forth above, the petitioner respectfully submits that the petition for Writ of Certiorari should be granted.

Respectfully submitted,

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