No. 12-1315

In The Supreme Court of the United States

PAULA PETRELLA, PETITIONER,

v.

METRO-GOLDWYN-MAYER, INC., ET AL., RESPONDENTS.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF OF SOUTHWESTERN LAW STUDENTS ORLY RAVID AND ANDREW PRUITT AND PROFESSORS ROBERT C. LIND AND MICHAEL M. EPSTEIN IN ASSOCIATION WITH THE AMICUS PROJECT AT SOUTHWESTERN LAW SCHOOL AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

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INTEREST OF THE *AMICI CURIAE*[1]

Amici curiae respectfully submit this brief pursuant to Supreme Court Rule 37 in support of Petitioner. Robert C. Lind is a professor at Southwestern Law School and the Director Emeritus of the Donald E. Biederman Entertainment and Media Law Institute. He has authored or co-authored widely used casebooks and treatises on copyright, and he has an interest in the sound development of this field. Michael M. Epstein is a professor of law and the Director of the pro bono Amicus Project at Southwestern Law School. He is the Supervising Editor of the Journal of International Media and Entertainment Law, published by the American Bar Association and the Biederman Institute. Amici Orly Ravid and Andrew Pruitt are upper-division J.D. candidates with extensive academic and professional interest in the entertainment industry.

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[1] All parties have consented in writing to the filing of this brief. No counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. Southwestern Law School provides financial support for activities related to faculty members' research and scholarship, which helped defray the costs of preparing this brief. (The School is not a signatory to the brief, and the views expressed here are those of the *amici curiae*.) Otherwise, no person or entity other than the *amici curiae* or its counsel has made a monetary contribution intended to fund the preparation or submission of this brief. Amici acknowledge the pro bono assistance of attorney Patricia C. Rosman. This brief was researched and prepared in the Amicus Project Practicum at Southwestern Law School.

Amici have no interest in any party to this litigation, nor do they have a stake in the outcome of this case other than their interest in correct, consistent interpretation of copyright law. As professors and students with experience in entertainment law, amici share a strong interest in the proper understanding and interpretation of the inapplicability of laches as a bar to remedies for copyright infringement that occur within the Copyright Act's statute of limitations, following the Ninth Circuit's decision in Petrella v. Metro-Goldwyn-Mayer, Inc., et al.

SUMMARY OF THE ARGUMENT

The parties in this case argue whether the equitable defense of laches may be used without restriction to bar copyright infringement claims brought within the statutory limit of three years. In support of Petitioner Paula Petrella, this brief argues that laches should never be an available defense in copyright infringement cases.

The equitable defense of laches is a judicially created doctrine that limits the time a party has to bring a suit. Its development dates back to fifteenth century English courts of equity, and applies the principles of fairness and justice to limit the period that a defendant may be vulnerable to a suit.

The merger of courts of law and courts of equity has sometimes resulted in the misapplication

of an equitable defense to actions of law, and laches is a prime example of this result. To this day, courts struggle to consistently apply laches in a way that balances the interests of plaintiffs with the prejudice defendants suffer from delayed claims.

Congress attempted to achieve this goal by establishing a three-year statutory limitation in the 1957 Amendment to the 1909 Copyright Act ("1957 Amendment"). Uniform application of this three-year period by the courts would have balanced the interests of plaintiff and defendants, limited forum shopping, and mitigated the complexity and costs of litigation, with effective and efficient remedies. And because Congress explicitly intended its law to preempt state statutes of limitations, courts are misguided in reverting to pre-1957 Amendment application of laches to limit the time in which a copyright infringement action must be brought.

The Court has previously explained that where a statute is the product of careful compromise, it is especially appropriate to strictly adhere to the statute's language. Before settling on three years as the national standard for statutory limitation on copyright infringement actions, Congress carefully weighed a wide range of state statutes and public policies. Therefore, it is inappropriate for courts to use the doctrine of laches to bar suits brought within the three-year statutory period.

Furthermore, Congress emphasized that the statutory period merely limits a plaintiff's remedy; it does not bar a plaintiff's underlying rights. However, the use of laches to completely bar claims, even against present and future infringements, amounts to nothing less than a complete bar of a copyright owner's underlying rights, and is thus directly in conflict with Congress's intent.

Nonetheless, there is a significant circuit split on whether, and how, laches may bar claims within the statutory period. The circuits that bar such application of laches are faithful to the separation of powers doctrine and adhere to Congressional intent. However, to varying degrees other circuits allow laches to bar both remedies at law and in equity, despite a claim's compliance with the statutory period. The Ninth Circuit, which allows the broadest reach of laches in copyright infringement cases in terms of both legal availability and factual application, is astonishingly favorable to defendants.

The Ninth Circuit currently allows laches to apply to alleged infringements within the three-year statutory period and to ongoing, future infringements. Thus, the Ninth Circuit is allowing laches to destroy a copyright owner's underlying right to protect the copyrighted work.

In doing so, the Ninth Circuit departed from its prior 1994 rule that laches could never be used to restrict actions brought within the statutory period.

This rule was well-reasoned and clear, and it was consistent with Ninth Circuit decisions outside of copyright, which also held that where a statute of limitations is express, laches may not be invoked to restrict a claim.

The current Ninth Circuit rule was established in *Danjaq L.L.C. v. Sony Corp.*, a 2001 copyright infringement case. In support of the proposition that laches may be used to bar claims brought within the statutory period, *Danjaq* cited two prior Ninth Circuit cases. The first was a 1994 copyright ownership dispute where the Ninth Circuit had expressly based its decision on the distinction between a copyright infringement case and a copyright ownership dispute. The second was a 2000 case that criticized the district court for failing to note that very distinction. Thus, the Ninth Circuit's current rule is not only a departure from Congressional intent, but also unsupported by the precedent upon which it relied.

The Court should establish a strict rule that laches may never bar claims brought within the three-year statutory period. Such a rule is consistent with Congressional intent and the separation of powers doctrine, and properly balances the interests of copyright owners and defendants.

ARGUMENT

I. THE HISTORY OF LACHES AND ITS INITIAL APPLICATION TO COPYRIGHT INFRINGEMENT ACTIONS.

Laches developed in separate courts of equity, prior to the development of statutes of limitations. *See* John Pomeroy, Equity Jurisprudence §§ 418-19a (5th ed. 1941). The equitable defense of laches, a judicially created doctrine, limits the time a party can bring suit and bars claims seeking equitable relief. *Gardner v. Panama R. Co.*, 342 U.S. 29, 30 (1951). This Court established the elements required for the affirmative equitable defense of laches to bar a claim: unreasonable or "inexcusable delay," and the ensuing "prejudice to the defendant." *Id.*

Laches dates back to fifteenth century England, when the Chancellor in Equity, a churchman known as the "King's Conscience," presided over alternative dispute resolution based on justice and fairness, not the rigors of precedent and the letter of the law. Applying laches, the Chancellor could decline to grant relief if the claimant inordinately delayed and caused prejudice to the defendant. *See* Timothy S. Haskett, The Medieval English Court of Chancery, 14 Law & Hist. Rev. 245, 247-49 (1996).

Equitable remedies are traditionally available only when court intervention is necessary to restrain injurious conduct or prevent serious harm. *Consol. Canal Co. v. Mesa Canal Co.*, 177 U.S. 296, 302 (1900). The typical equitable remedies are: injunction, mandamus, and restitution. *Mertens v. Hewitt Assocs.*, 508 U.S. 248, 248 (9th Cir. 1993).

In general, equitable remedies are only available to a plaintiff when a remedy at law is unavailable or inadequate. *Di Giovanni v. Camden Fire Ins. Ass'n*, 296 U.S. 64, 69 (1935). The "basis for injunctive relief in the federal courts has always been irreparable injury and the inadequacy of legal remedies." *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312 (1982). The purpose of laches is conveyed by the maxim that "one who seeks the help of a court of equity must not sleep on his rights." *Piper Aircraft, Corp. v. Wag-Aero, Inc.*, 741 F.2d 925, 939 (7th Cir. 1984) (Posner, J., concurring).

Over time, law and equity merged such that precedent infused equity and strict legal rules were relaxed in courts of law. William Holdsworth, A History of English Law 461-62 (7th ed. 1966). In spite of the unification of law and equity recognized in the American legal system,[2] the courts have been divided and inconsistent in the application of the

[2] The Federal Rules of Civil Procedure merged law and equity for procedural purposes in civil litigation, creating "one form of action." Fed. Rules Civ. P. 2.

equitable defense of laches to actions at law, which is the current issue before this Court. Thus, the merger of law and equity has sometimes resulted in the inequitable misapplication of an equitable defense to an action at law. Petitioner, in the instant case, has suffered precisely this type of unjust misapplication.

Courts agree that equitable remedies or defenses may not counter statutory provisions because to do so would contravene the direct dictates of Congress. "[W]herever the rights or the situation of parties are clearly defined and established by law, equity has no power to change or unsettle those rights or that situation, but in all such instances the maxim 'equitas sequitur legem' [equity follows the law] is strictly applicable." *Hedges v. Dixon County*, 150 U.S. 182, 192 (1893); *accord United States v. Coastal Ref. & Mktg., Inc.*, 911 F.2d 1036, 1043 (5th Cir. 1990).

Given that the equitable defense of laches pre-dated statutes of limitations, it stands to reason that it is focused on balancing the interests of plaintiffs with a limitation on the time period defendants remain vulnerable to suit:

> The doctrine of laches is based upon grounds of public policy, which requires for the peace of society the discouragement of stale demands; and where the difficulty of doing entire

> justice by reason of the death of the principal witness or witnesses, or from the original transactions having become obscured by time, is attributable to gross negligence or deliberate delay, a court of equity will not aid a party whose application is thus destitute of conscience, good faith, and reasonable diligence.

Mackall v. Casilear, 137 U.S. 556, 566 (1890).

This important goal is satisfied, however, with express uniform federal statutes of limitations, designed to limit forum shopping, mitigate the complexity and costs of litigation, while also providing a window of time for effective remedies to injured plaintiffs. *See Agency Holding Corp. v. Malley-Duff & Assocs., Inc.*, 483 U.S. 143, 144 (1987). The purpose of laches, a defense based on timeliness, is now achieved by statutes of limitation, and yet, the courts of appeal currently disagree as to whether and when laches may apply where there is a Congressional express statute of limitations.

This Court has found laches is misplaced when claims involve an express statute of limitations. *See e.g., United States v. Mack,* 295 U.S. 480, 489 (1935) (in regard to the National Prohibition Act, this Court held that "[l]aches within the term of the statute of limitations is no defense at law."); *Holmberg v. Ambrecht*, 327 U.S. 392, 395 (1946) ("If Congress explicitly puts a limit upon the

time for enforcing a right which it created, there is an end to the matter. The Congressional statute of limitation is definitive."); *Merck & Co., Inc. v. Reynolds*, 559 U.S. 633, 652 (2010) (laches could not bar an investors' securities fraud class action against a drug manufacturer).

In regard to the Copyright Act and its three-year statute of limitations, 17 U.S.C. § 507(b), the circuits are divided as to whether laches is a recognized defense to copyright infringement. *See* 3 Melville B. Nimmer and David Nimmer, Nimmer on Copyright § 12.06[A] (2013). The result has been an inconsistent application of the defense of laches by federal courts in copyright infringement cases. Those courts that permit a laches defense in copyright infringement cases are acting contrary to federal legislation that is intended to mitigate forum shopping and other deleterious results that may be caused by diverting from a uniform limitation period. *See* S. Rep. No. 85-1014, at 1-2 (1957). The Senate Committee noted agreement that three years was the "most equitable," in light of "contrary interests" it took into account. *Id.* at 2.

II. CONGRESS INTENDED THE COPYRIGHT ACT'S STATUTE OF LIMITATIONS TO BE UNIFORMLY APPLIED.

A. Congress Clearly Intended For Its Federal Law To Apply Uniformly And To Abrogate The Previously Applied State Law Statutes Of Limitation To Copyright Infringement Claims.

The initial copyright law of the United States was enacted by the First Congress in 1790, pursuant to Congress's constitutional power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, § 8. The 1976 Copyright Act, 17 U.S.C. § 507(b), re-codified the 1957 Amendment to the 1909 Copyright Act (hereinafter "1957 Amendment"), adding an express statute of limitations, to the 1909 Copyright Act. Act of Sept. 7, 1957, Pub. L. No. 85 -313, § 1, 71 Stat. 633 (1957), codified at 17 U.S.C. § 115(b) (1970).

The Copyright Act of 1909 did not initially contain a statute of limitations for civil copyright infringement actions. Herbert A. Howell, The Copyright Law 166 (1952). Case law and legislative history note that federal courts applied state statutes of limitations for various causes of action that ranged from one to eight years. *See e.g.,*

McCaleb v. Fox Film Corp., 299 F. 48, 49 (5th Cir. 1924) (federal court applying applicable tort statute of limitations in the state in which the copyright infringement was brought); *Kurlan v. Columbia Broadcasting System*, 40 Cal. 2d 799, 799 (Cal. 1953) (state civil code statute of limitations applied in copyright infringement action); *Carew v. Melrose Music, Inc.*, 92 F. Supp. 971, 971 (S.D.N.Y. 1950) (noting that "since the Copyright Act, 17 U.S.C.A 1 et seq., prescribes no limitation on the commencement of an action for infringement" either the three-year property statute of limitations or the six-year statute of limitations for civil actions would apply).

The legislative history of the 1957 Amendment reflects Congress's deliberate effort to remedy this divergence in the application of state statutes of limitations to copyright actions. *See* S. Rep. No. 85-1014, at 1-2 (1957). The "centralization of the movie industry" was cited to explain California's two-year tort statute of limitations, as compared to "other states where the incident of copyright actions is low" and that have, consequently, "applied longer periods for the commencement of the actions," such as Wyoming's eight-year statute of limitations. *Id.* at 2.

Congress addressed this wide range of state statutes of limitations in 1957 by amending the 1909 Copyright Act to create a uniform national standard

for a statute of limitations in copyright infringement actions. 17 U.S.C. § 115(b) (1970) ("no civil action shall be maintained under the provisions of this title unless the same is commenced within three years after the claim accrued."); S. Rep. No. 85-1014, at 2 (1957). Congress considered the various durations of the state statutes of limitation and decided "three years is an appropriate period for a uniform statute of limitations for civil copyright actions and that it would provide an adequate opportunity for the injured party to commence his action." S. Rep. No. 85-1014, at 1-2 (1957). Congress created the single statute of limitations expressly for the purpose of establishing uniformity of law and eliminating "forum shopping by claimants." *Id.* at 2.

In 1976, Congress incorporated the 1909 Copyright Act's statute of limitations into section 507(b) of the 1976 Copyright Act. H.R. Rep. No. 94-1476, at 47 (1976). *See* 17 U.S.C § 507(b) (2006) ("No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued."); 3 Melville B. Nimmer and David Nimmer, Nimmer on Copyright § 12.05[A] (2013).

Additionally, Congress intended to have federal copyright law preempt any corresponding state law. H.R. Rep. No. 94-1476, at 129-31 (1976). (Congress resolving that "[a]ll corresponding State laws, whether common law or statutory, are

preempted and abrogated."). Given that Congress made expressly clear that the Copyright Act preempts state law regarding copyright actions, courts' reversion to pre-statute of limitations application of laches to copyright infringement actions is wholly mistaken.

This Court acknowledged Congress's "express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation" in *Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 741 (1989). In that case, this Court explained that strict adherence to a statute's language is especially appropriate where the statute results from careful compromises. *Id.* at 748 n.14.

Congress's adoption of a three-year statute of limitations went a long way towards removing state notions of law and equity from interfering with the exclusive federal jurisdiction over copyright infringement actions. *See* 28 U.S.C. § 1338(a) (2011). Permitting a laches defense in copyright infringement actions obstructs Congress's objectives for a national, clear uniform period within which a copyright owner can enforce her rights.

By allowing the application of laches to shorten the three years the Copyright Act allows for bringing suit, the courts are in direct contravention of the Congressional determination that three years was the appropriate period of time. It is clear that

Congress intended a strict rule that plaintiffs may file copyright infringement actions only within a three-year period preceding the filing of the complaint and that laches must not be applied to claims brought within the statute of limitations period. *See Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001) (reasoning that the separation of powers principle does not permit a judicially created equitable rule about timeliness "to bar claims that are brought within the legislative prescribed statute of limitations."); 6 Patry On Copyright § 20:55 (2013).

B. Congress Made Clear That Equitable Defenses May Only Restrict Remedies, Not Affect Rights.

Pursuant to discussions regarding the statute of limitation, Congress emphasized that the three-year limitation affects only a copyright plaintiff's remedies, not any of a plaintiff's rights. S. Rep. No. 85-1014, at 3 (1957). The House Committee specifically considered whether the statute of limitations would exert a limitation on a plaintiff's substantive rights or just the remedies. *Id.* (Noting that for the former, a person's right of action is extinguished at the end of the period and courts usually have no jurisdiction with regard to actions that are not instituted within the appropriate period.). *Id.*

The Senate Committee report dealing with the 1957 Amendment further explained that a copyright plaintiff's right of action cannot be extinguished prior to the end of the statute of limitations period and that courts usually have no jurisdiction to truncate the Congressionally established limitations period for reasons relating to time. *Id.* (Committee expressly noted that "the courts generally do not permit the intervention of equitable defenses or estoppel where there is a limitation on the right."). The Senate Committee report explained that "[u]nder the remedial type of statute, the basic right is not extinguished, but the limitation is applied merely to the remedy." *Id.*; *see also Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339 (5th Cir. 1971) (commenting on Congress's clear intent to have the statute of limitations affect only the remedy, not the substantive right).

The use of laches in the courts since the 1957 Amendment at times ignores the distinction between a statute of limitations that limits only the remedy with that which also limits substantive rights. Consequently, copyright plaintiffs' rights may be extinguished in some courts when the plaintiffs' ability to enforce their rights under the Copyright Act is barred, due to the variety of colorable factual circumstances that influence a court's determination that the requirements for laches have been met.

In the case currently before this Court, Petitioner's rights under the Copyright Act have been extinguished by the Ninth Circuit's recognition of the defense of laches, even though Petitioner brought her claim within the three-year statute of limitations. As a result, Petitioner is forever barred from enforcing her rights under the Copyright Act against Respondents. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 946, 956 (9th Cir. 2012), cert. granted, 81 USLW 3641 (U.S. Oct. 01, 2013) (No. 12-1315); *see also Danjaq L.L.C., v. Sony Corp.*, 263 F.3d 942, 951 (9th Cir. 2001) (where the Ninth Circuit disregarded critical provisions of the Copyright Act by holding that the newly infringing release of a James Bond motion picture could not trigger a new statute of limitations period that should have withstood a laches defense applied to past infringement). In this way, the Ninth Circuit allows laches to bar a copyright owner's rights, not merely remedies.

Such undermining of a copyright owner's ability to protect her copyrights against current and future infringements runs counter to the 1976 Copyright Act. It is a well-established construction of the Copyright Act that the statute of limitations period runs specifically and discretely as to each and every act of infringement, even if the conduct is part of a continuing series of infringements. *See* 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 12.05[B][1][b] (2013); 6 William F.

Patry, Patry on Copyright § 20:23 (2013) (referring to this as the "separate accrual rule."); *Bouchat v. Baltimore Ravens Ltd. P'ship*, 619 F.3d 301, 316 (4th Cir. 2010) (Fourth Circuit citing its precedent and that of the Second Circuit in noting "each act of infringement is a distinct harm giving rise to an independent claim for relief."); *Kwan v. Schlein*, 634 F.3d 224, 228 (2d Cir. 2011) ("an infringement action may be commenced within three years of *any* infringing act, regardless of any prior acts of infringement; we have applied the three-year limitations period to bar only recovery for infringing acts occurring outside the three-year period.") (emphasis in original).

The merger of law and equity has led some courts to ignore Supreme Court holdings that draw a distinction between law and equity, obviating the principle that a plaintiff cannot obtain in equity what is forbidden or not provided for in law. *See Reno v. Bossier Parish Sch. Bd.,* 520 U.S. 471 (1997) ("it is well established that courts of equity can no more disregard statutory . . . requirements and provisions than courts of law."); *accord Peterson v. E.F. Johnson Co.*, 366 F.3d 676, 680 (8th Cir. 2004) (following the established rule that "[a] court in equity may not do that which the law forbids" and the old maxim "equity follows the law.").

The Petitioner in the instant case has been victimized by the Ninth Circuit's decision to apply an

equitable limitation on an action at law. Although her copyright infringement claim as the statutory successor to the renewal rights in the works at issue was timely under the Copyright Act, the Ninth Circuit permitted laches to bar not only her remedies at law as to any past infringement, but also as to any relief related to prospective infringements. *See Petrella,* 695 F.3d at 955-56. Essentially, the Ninth Circuit has foreclosed all of Petitioner's rights and remedies that are statutorily available under the Copyright Act with respect to each act of infringement.

III. A SPLIT AMONG THE CIRCUIT COURTS OF APPEAL EXISTS REGARDING THE APPLICATION OF LACHES IN COPYRIGHT INFRINGEMENT CASES.

A. Recognition Of Laches By The Circuit Courts Of Appeal Prior To The Copyright Act's Enactment Of A Statute Of Limitations.

As early as 1888, this Court decided that laches did not bar a copyright infringement claim brought under the 1831 Copyright Act and district courts followed that dictate. *See Callaghan v. Myers*, 128 U.S. 617, 658 (1888); *Gilmore v. Anderson*, 38 F. 846, 848 (C.C.S.D.N.Y 1889).

Prior to the 1957 Amendment there was no express statute of limitations in the Copyright Act

for federal courts to follow in copyright infringement actions. *Baxter v. Curtis Industr., Inc.*, 201 F. Supp. 100, 100 (N.D. Ohio 1962) (noting that the express statute of limitations period was legislated by Congress to "cure [the] evil" of the divergence of previously governing state statutes of limitations). Before the 1957 Amendment, federal courts relied on state statutes of limitation or merely their discretion based on the facts. *See, e.g.*, *Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339-40 (5th Cir. 1971); *McCaleb v. Fox Film Corp.*, 299 F. 48, 49 (5th Cir. 1924) (applying Louisiana statute of limitations); *MacDonald v. Du Maurier*, 75 F. Supp. 653, 654 (S.D.N.Y. 1946) (applying no stated specific state statute of limitations regarding the famous Du Maurier novel *Rebecca*, later turned into a classic Academy Award-winning film by Alfred Hitchcock); *West Pub. Co. v. Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1910) (in copyright infringement action concerning the publisher of law reports the court relied on its own discretion in finding an unreasonable delay, noting that laches did not bar relief at law); *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F.2d 354, 373 (9th Cir. 1947).

In another early twentieth century copyright infringement suit brought in equity, seeking an injunction and an accounting previous to the 1957 Amendment, Judge Learned Hand creatively turned to equity to fashion a remedy in the absence of clear direction from the Copyright Act:

> It must be obvious to everyone familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win.

Haas v. Leo Feist, Inc., 234 F. 105, 108 (S.D.N.Y. 1916).

Judge Learned Hand's view influenced later courts. *See e.g., Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 232 (6th Cir. 2007) (citing *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 951 (9th Cir. 2001) (the Ninth Circuit, in turn, citing *Haas v. Leo Feist, Inc.* 234 F. at 108). *But see Peter Letterese and Assocs., Inc. v. World Inst. of Scientology Enters.*, 533 F.3d 1287, 1320-21 (11th Cir. 2008) (Learned Hand's reasoning should no longer be applied because the subsequent 1957 Amendment resolved issues of timeliness in filing a claim).

B. The Circuits' Split Subsequent To The Statute Of Limitations Amendment To The Copyright Act.

There are a few published decisions that evidenced courts specifically adhering to the statute of limitations enacted in the 1957 Amendment. *See Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339 (5th Cir. 1971) (refusing to apply local equitable doctrine, the Florida Blameless Ignorance Rule, and construing Congress's clear intent for uniformity as requiring that even equitable tolling of the statute of limitations be "derived from general principles applicable to every forum" and not state-specific principles or equitable defenses); *Mount v. Book-of-the-Month Club, Inc.*, 555 F.2d 1108, 1111 (2d. 1977) (adhering to the statute of limitations).

Petitioner in the instant case was barred from pursuing her rights under the Copyright Act when the Ninth Circuit affirmed the district court's summary judgment in favor of the Respondents. Petitioner's causes of actions were at law, seeking damages for acts of infringement that fell within the statutory limitations period and yet she was barred both from relief at law due under the statutory period and from prospective relief. *Petrella,* 695 F.3d at 956.

Presently, there are conceivably three categories that describe the courts of appeal's approach to laches as an affirmative defense for

copyright infringement actions: 1) a total or virtually total bar on applying laches to copyright infringement actions filed within the statute of limitations period; 2) a slightly more permissive application of laches, allowing it to be applied to equitable relief when there are special or extreme circumstances, but not to actions at law; and 3) the Ninth Circuit, that permits laches to shorten the time a copyright plaintiff has to file a cause of action, whether in equity or at law.[3]

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[3] The First, Third, Fifth, Seventh, Eighth, and D.C. Circuit Courts of Appeal do not bar laches, but hear very few copyright cases and rarely apply the defense. *See Ocasio v. Alfanno*, 592 F. Supp. 2d 242, 245 (D. Puerto Rico. 2008) (First Circuit is "silent as to whether laches applies to claims under the Copyright Act."); *MacLean Assocs., Inc. v. Wm. M. Mercer-Meidinger-Hansen, Inc.* 952 F.2d 769, 780-81 (3d Cir. 1991) (laches explained, but did not bar action); *Compaq Computer Corp. v. Ergonome Inc.*, 387 F.3d 403, 406 (5th Cir. 2004) (laches allowed to bar a copyright infringement claim, but there are few published copyright cases from which to distill clear rules regarding laches); *Roulo v. Russ Berrie & Co., Inc.*, 886 F.2d 931, 942 (7th Cir. 1989) ("A two year delay in filing an action following knowledge of the infringement has rarely been held sufficient to constitute laches."); *Rouse v. Walter & Assocs., LLC*, 513 F. Supp. 2d 1041, 1067 (S.D. Iowa 2007) (noting that "[w]hile the Eighth Circuit has not squarely addressed whether laches applies to a claim of copyright infringement, it has recognized that laches generally cannot bar a federal statutory claim where the statute under which that claim is brought contains an express limitations period within which the action is considered timely."); *Pfeiffer v. C.I.A*, 60 F.3d 861, 865 (D.C.

1. Circuit Courts adopting a total or presumptive bar on the application of laches to the Copyright Act's statute of limitation.

The circuits that bar the application of laches to copyright infringement actions are faithful to the separation of powers doctrine and adhere to the Congressional intent that the limitations period affects only the remedy. *See Peter Letterese and Assocs., Inc. v. World Inst. of Scientology Enters*, 533 F.3d 1287, 1320-21 (11th Cir. 2008); *Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001). Additionally, these courts uphold clear distinctions between equitable remedies and defenses, refusing to allow equitable defenses to apply to remedies sought at law, such as damages. *Id*.

In a case involving Barney, the purple dinosaur character made popular on children's television, the Fourth Circuit reversed the district court's holding that the plaintiff's delay, a four-year gap in time between the awareness of copyright infringement and the filing of a copyright infringement suit, was "inexcusable." *Lyons Partnership, L.P.,* 243 F.3d at 796. In reversing the

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Cir. 1995) (theoretically permitted laches, but did not apply the defense).

district court, the Fourth Circuit clearly determined that the statute of limitations applies to both legal and equitable remedies, holding that the judicially created doctrine of laches could not shorten the statute of limitations for either equitable relief or a remedy at law. *Id.* at 798. "[I]n connection with the copyright claims, separation of powers principles dictate that an equitable timeliness rule adopted by courts cannot bar claims that are brought within the legislatively prescribed statute of limitations." *Id.*

In general, the Fourth Circuit explained that while "[t]he fuzziness of these equitable principles . . . maybe apropos for the apparently soft and fuzzy Barney, nonetheless provide no defense of laches for his actions at law." *Id.* (citing this Court in *Cnty. of Oneida v. Oneida Indian Nation,* 470 U.S. 226, 244 n.16 (1985) ("application of the equitable defense of laches in an action at law would be novel indeed")).

The Tenth Circuit very rarely allows laches to bar copyright claims filed within the statute of limitations period. *Jacobsen v. Deseret Book Co*., 287 F.3d 936, 950-51 (10th Cir. 2002) ("because laches is a judicially created equitable doctrine, whereas statues of limitations are legislative enactments, it has been observed that in deference to the doctrine of the separation of powers, the Supreme Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes.").

Although the Eleventh Circuit has not completely barred laches, it has come quite close by establishing a presumption that laches should not be applied to copyright infringement actions filed within the established three-year statute of limitations period. That presumption may be rebutted only with the most "extraordinary" or "exceptional circumstances" justifying application of the judicially created defense. *Peter Letterese and Assocs., Inc., v. World Inst. of Scientology Enters*, 533 F.3d 1287, 1320-21 (11th Cir. 2008). The court elaborated that even with extraordinary circumstances, laches may bar only retrospective damages, not prospective relief. *Id.* at 1321.

2. The circuit courts that sometimes apply laches to a copyright infringement action only permit it to bar claims in equity, not damages at law.

The few courts of appeal that permit laches to bar copyright infringement claims do so only in regard to equitable relief, and generally not to actions at law. Both the Second and Sixth Circuits do not allow laches to bar actions at law.

The Second Circuit has held generally that "when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely."

Ivani Contracting Corp. v. City of New York, 103 F.3d 257, 259 (2d Cir. 1997). The Second Circuit, however, sometimes upholds a laches defense against granting injunctive relief due to unreasonable delay and evidentiary prejudice to the defendant. *See Gary Friedrich Enters., LLC. v. Marvel Characters, Inc.*, 716 F.3d 302, 317, n.17 (2d Cir. 2013). However, even when barred from injunctive relief, plaintiffs in the Second Circuit are still entitled to damages at law. *West Pub. Co. v. Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1909); *New Era Publications Int'l. ApS v. Henry Holt and Co., Inc.*, 873 F.2d 576, 597-98 (2d Cir. 1989); *see also Lego A/S v. Best-Lock Const. Toys, Inc.*, 874 F. Supp. 2d 75, 89 (D. Conn. 2012).

The Sixth Circuit allows laches, based on "inordinate delay" and prejudice in actions for claims for equitable relief, but "give[s] effect to the presumption that the statute of limitations will prevail" as to monetary damages sought pursuant to the Copyright Act. *See Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 229, 233-34, 235-36 (6th Cir. 2007) (laches barred real estate developer from getting court order granting destruction of copyrighted architectural works, in an action for copyright infringement).

Notwithstanding the tentative permissiveness of laches in copyright infringement actions involving equitable relief, the Sixth Circuit attempts to adhere

to the statute of limitations, emphasizing the beneficial use of "the statutory period as the laches period." *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 365 (6th Cir. 1985). In *Tandy*, the Sixth Circuit observed, "[i]t enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary. *Id.*

3. The Ninth Circuit allows the use of laches to bar actions in equity and at law, including past, present, and future infringements.

The Ninth Circuit allows the broadest application of laches to bar claims within the statutory period. Not only may laches be used to bar both legal and equitable remedies, but laches may also completely bar a copyright owner's rights with regard to all infringement claims–past, present, and future. *See Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 959 (9th Cir. 2001).

The Ninth Circuit has not limited its application of laches to these uniquely broad principles. The so-called "Court of Appeals for the Hollywood Circuit,"[4] will presume a plaintiff's claims

[4] *White v. Samsung Electronics Am., Inc.*, 989 F.2d 1512, 1521 (9th. Cir. 2003) (Kozinski, J., dissenting

are barred by laches whenever "any part of the alleged wrongful conduct occurred outside the limitations period," *Petrella*, 695 F.3d at 951. The sum of these rules produces an astonishingly favorable treatment of copyright infringement defendants in the Ninth Circuit. The history of these rules is explored in the following section.

IV. THE CURRENT ABERRANT APPROACH TO THE USE OF LACHES IN COPYRIGHT INFRINGEMENT ACTIONS BY THE NINTH CIRCUIT IS A DEPARTURE FROM ITS PRIOR, WELL-REASONED RULE.

The Ninth Circuit's current rule that laches may fully bar past, present, and future copyright infringement claims brought within the statutory period is both incompatible with the plain language of section 507(b) and a departure from the Circuit's earlier approach of clearly prohibiting the use of laches as a defense to copyright infringement.

A. Although The Ninth Circuit Had Crafted A Clear And Rational Rule Denying The Availability Of Laches In Copyright Infringement Actions, It Has Since Imprudently Abandoned It.

In 1994, the Ninth Circuit correctly formulated a strict rule that laches may never be

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from the order rejecting the suggestion for rehearing en banc).

used to restrict copyright infringement claims brought within the three-year statutory period. *See Roley v. New World Pictures, Ltd*., 19 F.3d 479, 481 (9th Cir. 1994).

> Section 507(b) is clear on its face. It does not provide for a waiver of infringing acts within the limitation period if earlier infringements were discovered and not sued upon, nor does it provide for any reach back if an act of infringement occurs within the statutory period. . . . Lest there be any confusion regarding the law in this Circuit on this particular point, we adopt this view.

Id. (internal citations omitted). This rule was clear, followed Congressional intent, and was consistent with Ninth Circuit cases outside of copyright law that refused to recognize the use of laches as a defense in actions based on statutes containing express statute of limitations provisions. *See, e.g. Miller v. Maxwell's Intern. Inc.*, 991 F.2d 583, 586 (9th Cir. 1993) (reversing summary judgment in a federal employment discrimination case where laches had been asserted as a defense, holding "the doctrine of laches is inapplicable when Congress has provided a statute of limitations to govern the action"); *Royal Air Properties*, *Inc. v. Smith*, 312 F.2d 210, 214 (9th Cir. 1962) ("[w]here Congress has provided a specific and relatively short statute of

limitations, it can be inferred that the federally created limitation is not to be cut short").

In *Roley*, the plaintiff attended a 1987 screening for a movie titled "Sister, Sister" and claimed it violated his copyright in the screenplay "Sleep Tight Little Sister." *Roley*, 19 F.3d at 480. He did not file suit until 1991, however, and "Sister, Sister" was shown in theaters and performed on television over those four years. The Ninth Circuit ruled on the merits of all the alleged infringements that accrued within three years of the filing of the plaintiff's complaint for copyright infringement, expressly rejecting the idea that laches could bar any claim of infringement within the statutory period. *Id*. at 481.

Declaring that, in "case[s] of continuing copyright infringements, [actions] may be brought for all acts that accrued within the three years preceding the filing of the" action, *id.*, the Ninth Circuit in *Roley* cited and built upon its 1960 decision in *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960). In *Hampton*, the Ninth Circuit held that delay with regard to one act of infringement could not bar a claim against another, more recent act, even if the acts were identical. *See id*. at 105. The defendant in *Hampton* was enjoined against future acts of publicly performing the copyrighted work, despite evidence that the plaintiff's suit was unreasonably delayed with

regard to similar public performance infringements committed over a thirteen-year period. *Id.*

Although *Hampton* made no express mention of the three-year statute of limitations established three years earlier by the 1957 Amendment, it refused to apply laches to any alleged infringements within that period. In doing so, the Ninth Circuit faithfully applied the standard Congress established in order to properly balance public policy concerns, the rights of copyright owners, and the reasonable interests of defendants. Nonetheless, *Hampton* did not expressly forbid the application of laches to claims brought within the statutory period. It was perhaps that concern that led the Ninth Circuit in *Roley* to unambiguously declare such an application of laches was inconsistent with section 507(b).

B. The Ninth Circuit Misapplied Two Of Its Prior Decisions And Replaced Its Clear And Rational Rule Prohibiting The Use Of Laches In Copyright Infringement Actions.

Sadly, the clear and rational rule established in *Roley* was ignored just three months later, and the Ninth Circuit has since completely forgotten it. The bases for the rule that has replaced it were one precedent that did not deal with copyright infringement, and another precedent that involved the unusual situation of the plaintiff's possible advance knowledge of a pending infringement.

In 1994, the Ninth Circuit addressed as a matter of first impression whether laches is an available defense against a suit seeking a declaratory judgment of co-ownership in a copyrighted work. *Jackson v. Axton*, 25 F.3d 884, 887 (9th Cir. 1994), overruled on other grounds, *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994). In *Jackson*, a dispute arose over the popular musical composition "Joy to the World," which was composed in 1970 and released on Hoyt Axton's solo album later that same year. Jackson, one of Axton's band members, claimed he was the co-author of the musical work. After several unsuccessful attempts between Jackson and Axton to negotiate terms pursuant to which Jackson would convey his interest to Axton, the issue remained unresolved. Twenty-one years after the musical work was composed, Jackson filed an action seeking the court's declaration of co-ownership and an accounting. *Id.* at 885-86. In holding that Jackson's suit was barred because he had unreasonably delayed in filing his action, the Ninth Circuit established a unique rule for the use of laches in copyright ownership claims. *See id.* at 888.

Since the decision in *Jackson*, all putative co-owners of a copyright who unreasonably delay in bringing their initial claim in the Ninth Circuit are forever barred from asserting a right to the exploitation of the copyrighted work. *See Zuill v. Shanahan,* 80 F.3d 1366, 1369 (9th Cir. 1996). This

approach varies from that taken in copyright infringement suits that permits successive lawsuits for each new infringement that separately accrues. *See* 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 12.05[B][1][b] (2013); 6 William F. Patry, Patry on Copyright § 20:23 (2013).

Although the Ninth Circuit in *Jackson* ignored its own rulings in both *Hampton* and *Roley*, it did consider a district court case factually similar to *Hampton*[5] and expressly distinguished claims of copyright ownership from claims of copyright infringement. *id.* at 888. Thus, the *Jackson* decision did not deal with, and was never intended to apply to, copyright infringement claims.

In fact, in a subsequent decision, *Kling v. Hallmark Cards, Inc.*, 225 F.3d 1030 (9th Cir. 2000), the Ninth Circuit criticized a district court for applying *Jackson* to a copyright infringement case. "The holding in *Jackson* involves copyright co-ownership, not infringement, and we emphasized that point. We stated specifically that laches is not applied here to [bar an action against future copyright infringements]." *Id.* at 1037. Nonetheless, *Kling* held that laches may bar an infringement claim brought within the statutory period in the narrow and unusual situation where the copyright owner knew or should have known of the specific

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[5] *See Hayden v. Chalfant Press, Inc.*, 177 F. Supp. 303 (S.D. Cal. 1959), aff'd, 281 F.2d 543 (9th Cir. 1960).

planned infringement before it occurred.[6] *Id.* at 1039.

The rule currently used in the Ninth Circuit broadly allows laches to bar claims brought within the statutory period, including actions against future infringements, and is built directly upon its decisions in *Jackson* and *Kling*. *See Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001). In *Danjaq*, the Ninth Circuit considered whether laches could bar a copyright infringement counterclaim that alleged continuing infringements dating back to thirty-six years before the counterclaim was filed. Essentially, this was the same issue that had been decided in *Roley* seven years earlier, resulting in the Ninth Circuit's strict rule prohibiting the use of laches to bar copyright infringement claims brought within the statutory period.

Nonetheless, ignoring the rule from *Roley* and citing its decision in *Jackson*, the Ninth Circuit in *Danjaq* declared it had "already determined that

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[6] Though this rule is narrow and applies only to very unusual circumstances, it places an extraordinary burden on plaintiffs. Under *Kling*, plaintiffs are obliged to file suit "the moment they learn someone may be planning to infringe, on pain of having laches bar a suit brought within the limitations period." William F. Patry, Patry on Copyright § 20:55 (2013). The problems with such a rule become apparent when considering the situation where more than three years pass between the initial knowledge of the planned infringement and the actual act of infringement.

laches may sometimes bar a statutorily timely claim." *Id.* at 954. It held that laches may broadly apply to bar copyright infringement actions brought within the three-year statutory period, including bars on both remedies at law and in equity, and even may bar all actions against future infringements. *See id.* at 959.

In using *Jackson* as a basis for its decision, the Ninth Circuit undermined its own reasoning. The *Jackson* decision hinged on the distinction between claims of ownership and infringement, and was expressly intended to apply only to claims of ownership. *Jackson,* 25 F.3d at 888.

But surprisingly, in citing *Kling* as the second basis for its decision in *Danjaq*, the Ninth Circuit failed to notice it was relying on a case that criticized a district court for applying *Jackson* in the very same manner it was then doing in *Danjaq*. *See Kling*, 225 F.3d at 1037. Similarly to the case presently before this Court, *Danjaq* was purely an infringement case, and the rule established in *Jackson* has no place outside actions for a declaratory judgment of co-ownership.

Thus, the broad rule in *Danjaq* is unsupported by the cases it was built upon. Furthermore, it is inconsistent with the Ninth Circuit's own application of laches in areas outside of copyright where there is an express statute of limitations. The *Danjaq* rule is an aberration from the rules applied by other

Circuits, it is contrary to Congressional intent, and it unjustly favors the interests of defendants over those of copyright owners. The clear and rational decision in *Roley* shares none of these weaknesses, and the Ninth Circuit was imprudent in not continuing to follow its decision in *Roley*.

CONCLUSION

The circuit courts of appeal almost universally recognize that under the separation of powers doctrine, the judicially created defense of laches may not contravene the express letter of federal statutory law and the unambiguous intent of Congress. Moreover, a plaintiff's rights may not be extinguished by the affirmative defense of laches.

This Court need not be concerned about a resulting flood of litigation if laches were not to be allowed to shorten the statute of limitations period for copyright infringement actions. Such actions historically have been heard in the Ninth and Second Circuits, jurisdictions that contain numerous entertainment-related entities and activities. These same jurisdictions have permitted laches to truncate or eliminate the Copyright Act's statute of limitations period. Thus, one can reasonably infer, given that copyright plaintiffs can choose their federal forums, that a bar on laches will not trigger a flood of litigation. The floodgates are already open, and yet, in the Ninth Circuit, a plaintiff pursuing relief under federal law must face the punishing

consequences of the law being trumped by a circuit's inconsistent and incorrect application of laches.

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No. 12-1315

In The Supreme Court of the United States

PAULA PETRELLA, PETITIONER,

v.

METRO-GOLDWYN-MAYER, INC., ET AL., RESPONDENTS.

CERTIFICATE OF COMPLIANCE

As required by Supreme Court Rule 33.1(h), I certify that the BRIEF OF SOUTHWESTERN LAW STUDENTS ORLY RAVID AND ANDREW PRUITT AND PROFESSORS ROBERT C. LIND AND MICHAEL M. EPSTEIN IN ASSOCIATION WITH THE AMICUS PROJECT AT SOUTHWESTERN LAW SCHOOL AS AMICI CURIAE IN SUPPORT OF PETITIONER contains 7,990 words, excluding the parts of the document that are exempted by Supreme Court Rule 33.1(d).

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 20th Day of November, 2013.

s/ Robert C. Lind

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