

1 GRODSKY & OLECKI LLP
 Allen B. Grodsky (SBN 111064)
 2 John Metzidis (SBN 259464)
 2001 Wilshire Blvd., Ste. 210
 3 Santa Monica, California 90403
 310.315.3009 (phone)
 4 310.315.1557 (fax)
 allen@grodsky-olecki.com
 5 john@grodsky-olecki.com

6 Attorneys for Defendants Adams, Pineda,
 Gomez, Ferguson, will.i.am music, inc.
 7 and Tab Magnetic, Inc.

8 UNITED STATES DISTRICT COURT
 9 CENTRAL DISTRICT OF CALIFORNIA

10
 11 GEORGE CLINTON, an individual,)
 12)
 Plaintiff,)
 13)
 v.)

Case No. CV 10-9476 ODW (PLAx)
 Honorable Otis D. Wright II, Ctrm 11

14 WILL ADAMS, p/k/a will.i.am,)
 15 individually and d/b/a WILL.I.AM MUSIC)
 PUBLISHING, an individual; ALLAN)
 16 PINEDA, p/k/a apl.de.ap, individually and)
 d/b/a JEEPNEY MUSIC PUBLISHING,)
 17 an individual; JAIME GÓMEZ, p/k/a)
 Taboo, individually and d/b/a NAWASHA)
 18 NETWORKS PUBLISHING, an)
 individual; STACY FERGUSON, p/k/a)
 19 Fergie, an individual; GEORGE PAJON,)
 JR., an individual; JOHN CURTIS, an)
 20 individual; UNIVERSAL MUSIC)
 GROUP, INC., a Delaware corporation;)
 21 UMG RECORDINGS, INC., a Delaware)
 corporation; WILL I AM MUSIC, INC., a)
 22 California corporation; CHERRY LANE)
 MUSIC PUBLISHING COMPANY, INC.,)
 23 a New York corporation; EL CUBANO)
 MUSIC, INC., a California corporation;)
 24 EMI BLACKWOOD MUSIC INC., a)
 Connecticut corporation; TAB)
 25 MAGNETIC, INC., a California)
 corporation; and DOES 1 through 10,)
 26)
 27 Defendants.)

**MEMORANDUM OF
 CONTENTIONS OF FACT AND
 LAW SUBMITTED BY
 DEFENDANTS ADAMS, PINEDA,
 GOMEZ, FERGUSON, will.i.am
 music, inc., AND TAB
 MAGNETIC, INC.**

Trial: June 5, 2012
 Time: 9:00 a.m.
 Place: Courtroom 11

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1. CLAIMS & DEFENSES - LOCAL RULE 16-4.1 1

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1 Pursuant to Local Rule 16-4, Defendants William Adams, Allan Pineda, Jaime
2 Gomez, Stacy Ferguson, will.i.am music, inc., and Tab Magnetic, Inc. (“Defendants”)
3 submit the following Memorandum of Contentions of Fact and Law:
4

5 **1. CLAIMS & DEFENSES – LOCAL RULE 16-4.1**

6
7 **A. Summary Statement of Claims Plaintiff Plans to Pursue.**

8
9 Claim 1 (copyright infringement): Plaintiff alleges Defendants have committed
10 copyright infringement in violation of 17 U.S.C. § 101 et seq. by copying without
11 authorization portions from Plaintiff’s sound recording (*Not Just Knee Deep*
12 (hereafter “*Knee Deep*”).

13
14 Claim 2 (declaratory judgment): Plaintiff seeks a declaratory judgment that he
15 is the owner of the accused works. Alternatively, Plaintiff seeks a declaratory
16 judgment as to his percentage of ownership in the accused works.

17
18 Claim 3 (permanent injunction): Plaintiff seeks a permanent injunction
19 prohibiting the further release, reprinting, performance, sale, or license of the accused
20 works.

1 **B. Elements Required to Establish Plaintiff's Claims.**

2
3 Elements Required to Establish Plaintiff's

4 Claim 1 - Copyright Infringement

- 5
- 6 1. Plaintiff's work *Knee Deep* is original;
- 7
- 8 2. Plaintiff is the author or creator of *Knee Deep*;
- 9
- 10 3. Plaintiff complied with copyright notice requirements by placing a
- 11 copyright notice on publicly distributed copies of *Knee Deep*; and
- 12
- 13 4. Defendants copied original elements from *Knee Deep*.

14

15 See Ninth Circuit Manual of Model Jury Instructions – Civil, Instruction

16 Nos. 17.4 & 17.5 (Jan. 2012 ed.).

17

18 In addition, if Plaintiff elects to seek statutory damages and establish that the

19 alleged infringement was willful, Plaintiff must also prove:

- 20
- 21 5. Defendants engaged in acts that infringed the copyright; and
- 22
- 23 6. Defendants knew that those acts infringed the copyright.

24

25 See Ninth Circuit Manual of Model Jury Instructions – Civil, Instruction

26 Nos. 17.27 (Jan. 2012 ed.).

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Elements Required to Establish Plaintiff's

Claim 2 - Declaratory Judgment

1. There is an actual controversy among Plaintiff and Defendants with respect to Plaintiff's claim of copyright infringement.

See 28 U.S.C. § 2201(a).

Elements Required to Establish Plaintiff's

Claim 3 - Permanent Injunction

1. Plaintiff has suffered irreparable injury;
2. Remedies available at law, such as monetary damages, are inadequate to compensate for that injury;
3. Considering the balance of hardships between Plaintiff and Defendants, a remedy in equity is warranted; and
4. The public interest would not be disserved by a permanent injunction.

See 17 U.S.C. § 502(a); eBay v. MercExchange, LLC, 547 U.S. 388, 391 (2006).

1 C. **A Brief Description of Key Evidence in Opposition to Plaintiff’s**
2 **Claims.**

3
4 Claim 1 - Copyright Infringement

5
6 Plaintiff was a member of the funk musical group known as Funkadelic.
7 Plaintiff produced the master sound recording *Knee Deep*, which was contained on
8 Funkadelic’s 1979 album UNCLE JAM WANTS YOU.

9 The Black Eyed Peas (“BEP”) are a musical group composed of Defendants
10 William Adams, Allan Pineda, Jaime Gomez, and Stacy Ferguson. In 2003, BEP
11 released an album entitled “ELEPHUNK.” *Shut Up* was one of the singles on
12 ELEPHUNK.

13 Plaintiff contends BEP committed copyright infringement by sampling portions
14 of *Knee Deep* in certain remixes – or alternative versions – of *Shut Up*. One remix was
15 released in 2003, and the other in 2009.

16 ***The 2003 Shut Up Remix and License.***

17 At about the same time as ELEPHUNK’s release in 2003, BEP released a vinyl
18 album containing several remixes of *Shut Up*. One of those remixes – the “2003 Shut
19 Up Remix” – included a sample of Plaintiff’s *Knee Deep*. In order to obtain a license
20 for use of *Knee Deep*, BEP contacted Capitol Records, which, through its wholly
21 owned subsidiary Priority Records, had been releasing albums featuring Plaintiff’s
22 master sound recordings. Priority had entered into a license agreement with Tercer
23 Mundo, Inc., a company that represented that it had the rights to Plaintiff’s masters.
24 That license agreement gave Priority the right to issue “sampling” licenses for
25 Plaintiff’s masters, such as *Knee Deep*. Capitol and BEP negotiated a license for use
26 of the *Knee Deep* sample in the 2003 Shut Up Remix. A check in the amount of
27 \$12,000 was then sent to Capitol as payment of the advance on the license.
28

1 *The 2009 Shut Up Remix and License.*

2 In 2009, BEP, through Defendant UMG Recordings, Inc., released an album
3 entitled “THE E.N.D.” At the same time, BEP sought to release a special double-disc
4 edition of THE E.N.D., which was to be sold exclusively at Target stores. The second
5 disc of this special Target release contained a few new songs as well as remixes of
6 classic BEP hits, including *Shut Up*. That remix – the “2009 Shut Up Remix” – again
7 used a sample of *Knee Deep*. The 2003 Shut Up Remix and the 2009 Shut Up Remix
8 are identical, except that one of the remixes is a few seconds longer.

9 Obtaining a license for this sample was different in 2009 than it was in 2003
10 because the ownership of Plaintiff’s master recording had changed; a June 17, 2005
11 court order declared Plaintiff to be the sole owner of his master sound recordings,
12 including *Knee Deep*.

13 Deborah Mannis-Gardner of DMG Clearances, Inc., a sample clearance
14 company with an excellent reputation in the music industry, was retained to obtain a
15 license for using *Knee Deep* in the 2009 Shut Up Remix. Initially, Mannis-Gardner
16 had difficulty reaching Plaintiff. Eventually, she was referred to Eban Kelly, who had
17 been working with Clinton for over 20 years. Mannis-Gardner faxed Kelly a proposed
18 license, and Kelly faxed back an executed license agreement and an executed W9, both
19 containing Plaintiff’s signature. The W9 provided for payment to Plaintiff to be made
20 to C. Kunspyruhzy, LLC, an LLC of which Plaintiff is a member. Mannis-Gardner
21 then sent a \$15,000 advance check to C. Kunspyruhzy, LLC, as well as a check to
22 Kelly for obtaining Plaintiff’s signature.

23
24 Claim 2 - Declaratory Judgment

25
26 The evidence in opposition to Plaintiff’s claim for a declaratory judgment is the
27 same as the evidence in opposition to Plaintiff’s claim for copyright infringement.
28

1 Claim 3 - Permanent Injunction

2
3 The evidence in opposition to Plaintiff's claim for a permanent injunction is the
4 same as the evidence in opposition to Plaintiff's claim for copyright infringement.

5
6 **D. A Summary of Affirmative Defenses Defendants Plan to Pursue.**

7
8 Affirmative Defense 2 (express license): Plaintiff's claims are barred by the
9 existence of valid licenses authorizing the Defendants to use the Plaintiff's work.

10
11 Affirmative Defense 3 (statute of limitations): Plaintiff's claims are barred by
12 the applicable statute of limitations; or, in the alternative, Plaintiff may not recover any
13 damages incurred more than three years prior to the filing of his complaint.

14
15 Affirmative Defense 4 (consent): Plaintiff's claims are barred because he
16 consented to the allegedly wrongful conduct.

17
18 Affirmative Defense 5 (waiver): Plaintiff's claims are barred by the equitable
19 doctrine of waiver.

20
21 Affirmative Defense 6 (acquiescence): Plaintiff's claims are barred by the
22 equitable doctrine of acquiescence.

23
24 Affirmative Defense 7 (estoppel): Plaintiff's claims are barred by the equitable
25 doctrine of estoppel.

26
27 Affirmative Defense 8 (laches): Plaintiff's claims are barred by the equitable
28 doctrine of laches.

1 Affirmative Defense 9 (unclean hands): Plaintiff's claims are barred by the
2 equitable doctrine of unclean hands.

3
4 In addition to the affirmative defenses, should Plaintiff seek statutory damages,
5 Defendants will seek to prove that any infringement was innocent.

6
7 **E. Elements Required to Establish Affirmative Defenses.**

8
9 Elements Required to Establish Defendants'

10 Affirmative Defense 2 - Express License

- 11
12 1. Defendants obtained a valid license to use the Plaintiff's copyrighted
13 work.

14
15 See Worldwide Church of God v. Phila. Church of God, Inc., 227 F.3d 1110,
16 1114 (9th Cir. 2000).

17
18 Elements Required to Establish Defendants'

19 Affirmative Defense 3 - Statute of Limitations

- 20
21 1. Plaintiff's claim accrued more than three years prior to the filing of the
22 complaint.

23
24 See 17 U.S.C. § 507(b); Polar Bear Prods., Inc. v. Timex Corp., 384 F.3d 700,
25 705-07 (9th Cir. 2004); Roley v. New World Pictures, Ltd., 19 F.3d 479, 481 (9th Cir.
26 1994); 3 Nimmer et al., Nimmer on Copyright § 12.05[B], 12-132-133 (2004); see also
27 Los Angeles News Serv. v. Reuters Television Int'l, Ltd., 149 F.3d 987, 992 (9th Cir.
28 1998).

1 Elements Required to Establish Defendants'

2 Affirmative Defense 4 - Consent

- 3
- 4 1. Plaintiff engaged in conduct from which it was proper for the Defendants
- 5 to infer that Plaintiff consented to their use of his copyrighted work.
- 6

7 See Field v. Google Inc., 412 F. Supp. 2d 1106, 1115-16 (D. Nev. 2006); Quinn

8 v. City of Detroit, 23 F. Supp. 2d 741, 749 (E.D. Mich. 1998); Keane Dealer Servs.,

9 Inc. v. Harts, 968 F. Supp. 944, 947 (S.D.N.Y. 1997); Del Forest Radio Tel. & Tel. Co.

10 v. United States, 273 U.S. 236, 241 (1927).

11

12 Elements Required to Establish Defendants'

13 Affirmative Defense 5 - Waiver

- 14
- 15 1. Plaintiff intended to surrender his rights to *Knee Deep*.
- 16

17 See A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1026 (9th Cir. 2001).

18

19 Elements Required to Establish Defendants'

20 Affirmative Defense 6 - Acquiescence

- 21
- 22 1. Plaintiff acquiesced in Defendants' infringing acts for a sufficient period
- 23 of time;
- 24
- 25 2. Plaintiff's acquiescence was manifested by overt acts.
- 26

27 See Coach, Inc. v. Kmart Corps., 756 F. Supp. 2d 421, 427 (S.D.N.Y. 2010).

28

1 Elements Required to Establish Defendants'

2 Affirmative Defense 7 - Estoppel

- 3
- 4 1. Plaintiff knew the facts of Defendants' infringing conduct;
- 5
- 6 2. Plaintiff intended that Defendants act on his conduct, or Plaintiff acted in
- 7 such a way that Defendants had a right to believe that Plaintiff so
- 8 intended;
- 9
- 10 3. Defendants were ignorant of the true facts;
- 11
- 12 4. Defendants relied on Plaintiff's conduct to their injury.
- 13

14 See Hampton v. Paramount Pictures Corp., 279 F.2d 100, 104 (9th Cir. 1960).

15

16 Elements Required to Establish Defendants'

17 Affirmative Defense 8 - Laches

- 18
- 19 1. Plaintiff unreasonably delayed in bringing this lawsuit.
- 20
- 21 2. Defendants suffered prejudice as a result thereof.
- 22

23 See Kling v. Hallmark Cards Inc., 225 F.3d 1030, 1036 (9th Cir. 2000).

24

25

26

27

28

1 Elements Required to Establish Defendants'

2 Affirmative Defense 9 - Unclean Hands

3
4 1. Plaintiff engaged in wrongful acts that, in some measure, affect the
5 equitable relations between the parties with respect to something brought
6 before the Court for adjudication.

7
8 2. Defendants were injured by the Plaintiff's wrongful acts.

9
10 See Los Angeles News Serv. v. Tullo, 973 F.2d 791, 799 (9th Cir. 1992);
11 Mitchell Bros. Film Group v. Cinema Adult Theater, 604 F.2d 852, 863 (5th Cir.
12 1979); 4 Nimmer et al., Nimmer on Copyright, § 13.09[B], at 13:311-314 (2010).

13
14 Elements Required to Establish

15 Innocent Infringement

16
17 1. Defendant were not aware that their acts constituted infringement of
18 Plaintiff's copyright; and

19
20 2. Defendants had no reason to believe that their acts constituted an
21 infringement of Plaintiff's copyright.

22
23 See Ninth Circuit Manual of Model Jury Instructions – Civil, Instruction
24 Nos. 17.26 (Jan. 2012 ed.).

1 **F. Brief Description of Key Evidence In Support of Affirmative**
2 **Defenses.**

3
4 Affirmative Defense 2 - Express License

5
6 Plaintiff contends that Defendants’ 2003 Shut Up Remix and 2009 Shut Up
7 Remix infringe Plaintiff’s copyright to *Knee Deep*, but both of the Shut Up Remixes
8 were produced and sold with valid licenses to sample Plaintiff’s *Knee Deep*.

9 For the 2003 Shut Up Remix, BEP contacted Capitol Records, which, through
10 its wholly owned subsidiary Priority Records, had been releasing albums featuring
11 Plaintiff’s master sound recordings. Priority had entered into a license agreement with
12 Tercer Mundo, Inc., a company that represented that it had the rights to Plaintiff’s
13 masters. That license agreement gave Priority the right to issue “sampling” licenses
14 for Plaintiff’s masters, such as *Knee Deep*. Capitol and BEP negotiated a license for
15 use of the *Knee Deep* sample in the 2003 Shut Up Remix. A check in the amount of
16 \$12,000 was then sent to Capitol as payment of the advance on the license.

17 For the 2009 Shut Up Remix, obtaining the license was more complicated than it
18 was in 2003 because the ownership of Plaintiff’s master recording had changed. A
19 June 17, 2005 court order declared Plaintiff to be the sole owner of his master sound
20 recordings, including *Knee Deep*. Deborah Mannis-Gardner of DMG Clearances, Inc.,
21 a sample clearance company with an excellent reputation in the music industry, was
22 retained to obtain the license. Initially, Mannis-Gardner had difficulty reaching
23 Plaintiff. Eventually, she was referred to Eban Kelly, who had been working with
24 Clinton for over 20 years. Mannis-Gardner faxed Kelly a proposed license, and Kelly
25 faxed back an executed license agreement and an executed W9, both containing
26 Plaintiff’s signature. The W9 provided for payment to Plaintiff to be made to C.
27 Kunspyruhzy, LLC, an LLC of which Plaintiff is a member. Mannis-Gardner then sent
28

1 a \$15,000 advance check to C. Kunspyruhzy, LLC, as well as a check to Kelly for
2 obtaining Plaintiff's signature.

3
4 Affirmative Defense 3 - Statute of Limitations

5
6 Almost all of the sales relating to the 2003 Shut Up Remix occurred prior to
7 December 10, 2007, which is three years prior to the filing of the complaint.

8
9 Affirmative Defense 4 - Consent

10
11 The evidence in support of this affirmative defense is the same as the evidence
12 in opposition to Plaintiff's claim for copyright infringement and in support of
13 Defendants' affirmative defense of express license.

14
15 Affirmative Defense 5 - Waiver

16
17 The evidence in support of this affirmative defense is the same as the evidence
18 in opposition to Plaintiff's claim for copyright infringement and in support of
19 Defendants' affirmative defense of express license.

20
21 Affirmative Defense 6 - Acquiescence

22
23 The evidence in support of this affirmative defense is the same as the evidence
24 in opposition to Plaintiff's claim for copyright infringement and in support of
25 Defendants' affirmative defense of express license.

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Affirmative Defense 7 - Estoppel

The evidence in support of this affirmative defense is the same as the evidence in opposition to Plaintiff’s claim for copyright infringement and in support of Defendants’ affirmative defense of express license.

Affirmative Defense 8 - Laches

The evidence in support of this affirmative defense is the same as the evidence in opposition to Plaintiff’s claim for copyright infringement and in support of Defendants’ affirmative defense of express license.

Affirmative Defense 9 - Unclean Hands

The evidence in support of this affirmative defense is the same as the evidence in opposition to Plaintiff’s claim for copyright infringement and in support of Defendants’ affirmative defense of express license.

G. Similar Statements of Third Parties.

Not applicable.

H. Anticipated Evidentiary Issues and Defendants’ Position on Those Issues.

Defendants anticipate disputes over the admissibility of two sets documents. First, Plaintiff may seek to admit certain financial documents that were provided to Plaintiff for settlement purposes only; these documents are inadmissible under Federal

1 Rule of Evidence 408, and are also inadmissible hearsay, lack foundation, and lack
2 authentication. Second, Plaintiff may seek to admit the declarations from himself and
3 Eban Kelly filed in opposition to Defendants’ motion for partial summary judgment;
4 these declarations are inadmissible hearsay.

5
6 **I. Germane Issues of Law and Defendants’ Position on Those Issues.**

7
8 **i. Plaintiff Cannot Receive Multiple Awards of Statutory**
9 **Damages for Each “Infringement” of *Knee Deep*.**

10
11 At times, Plaintiff has taken the position that he is entitled to separate awards of
12 statutory damages for each “infringement” of his work. He is mistaken. The law is
13 clear that there can be only one award of statutory damages for each work that is
14 infringed. The number of separate acts of infringement is irrelevant where all of the
15 defendants are jointly and severally liable, as these defendants are here. There is no
16 dispute that Plaintiff is suing for infringement of only one work: *Knee Deep*.

17 The statutory damages provision of the Copyright Act provides:

18 [T]he copyright owner may elect . . . an award of statutory
19 damages for all infringements involved in the action, with respect
20 to any one work, for which any one infringer is liable individually,
21 or for which any two or more infringers are liable jointly and
22 severally, in a sum of not less than \$750 or more than \$30,000 as
23 the court considers just. For the purposes of this subsection, all the
24 parts of a compilation or derivative work constitute one work.

25 17 U.S.C. § 504(c)(1) (emphasis added).

26 The leading treatise confirms that if “the same copyrighted work is held to have
27 been infringed by several different infringing acts,” then under the current Copyright
28 Act, “only a single minimum, and a single set of statutory damages, will be applicable

1 ‘for all infringements involved in the action with respect to any one work, for which
2 any one infringer is liable individually.’” 4 Nimmer et al., Nimmer on Copyright §
3 14.04[E][2][a][i] at 14-102 (2011) (quoting 17 U.S.C. § 504(c)(1)).

4 The leading Ninth Circuit case and the law of other circuits are also in accord.
5 “[W]hen statutory damages are assessed against one defendant or a group of
6 defendants held to be jointly and severally liable, each work infringed may form the
7 basis of only one award, regardless of the number of separate infringements of that
8 work.” Columbia Pictures Television v. Krypton Broad., 106 F.3d 284, 294 (9th
9 Cir.1997) rev’d on other grounds sub nom. Feltner v. Columbia Pictures Television,
10 Inc., 523 U.S. 340 (1998); see also Comment to Instruction No. 17.25, Ninth Circuit
11 Manual of Model Civil Jury Instructions (Jan. 2012 ed.) (citing Krypton);
12 Venegas-Hernandez v. Sonolux Records, 370 F.3d 183, 194 (1st Cir. 2004) (“under §
13 504(c) the total number of ‘awards’ of statutory damages that a plaintiff may recover in
14 any given action against a single defendant depends on the number of works that are
15 infringed and . . . is unaffected by the number of infringements of those works.”)
16 (emphasis in original); Walt Disney Co. v. Powell, 897 F.2d 565, 569 (D.C. Cir. 1990)
17 (“The district court erred in assessing damages based upon six ‘violations,’ mistakenly
18 focusing on the number of infringements rather than on the number of works infringed.
19 Both the text of the Copyright Act and its legislative history make clear that statutory
20 damages are to be calculated according to the number of works infringed, not the
21 number of infringements”).

22 Because Plaintiff is suing for infringement of only one work, and because
23 Defendants’ liability – if the jury finds that Defendants are indeed liable – would be
24 joint and several, Plaintiff can recover only one award of statutory damages against all
25 Defendants. In particular, even if Plaintiff argued that the 2003 release and the 2009
26 release of the “Shut Up Remix” were separate “infringements,” he still would not be
27 able to recover two separate statutory damage awards.

28

1 ii. **Defendants Are Entitled To Deduct From Gross Revenues The**
2 **Costs and Expenses Incurred In Manufacturing, Distributing,**
3 **and Promoting The Album.**

4
5 To the extent that Plaintiff does not elect an award of statutory damages and
6 carries his burden of proving each Defendants’ revenues, Defendants may deduct from
7 those revenues costs and expenses incurred in manufacturing, distributing, and
8 promoting the album. See, e.g., Frank Music Corp. v. Metro-Goldwyn-Mayer, Inc.,
9 886 F.2d 1545, 1548 (9th Cir.1989) (all “direct costs of production” are deductible
10 expenses); Kamar Int’l, Inc. v. Russ Berrie & Co., Inc., 752 F.2d 1326, 1332 (9th Cir.
11 1984) (“overhead” expenses deductible when shown to be of “assistance in the
12 production, distribution or sale of the infringing product”); Cream Records, Inc. v. Jos.
13 Schlitz Brewing Co., 754 F.2d 826, 829 (9th Cir. 1985) (advertising expenses are
14 properly deductible from gross revenues); Three Boys Music Corp. v. Bolton, 212 F.3d
15 477, 487 (9th Cir.2000) (income taxes and management fees actually paid on the
16 infringing profits are properly deductible for non-willful infringers).

17
18 **2. BIFURCATION OF ISSUES – LOCAL RULE 16.4-3.**

19
20 Defendants do not request bifurcation of any issues.

21
22 **3. JURY TRIAL – LOCAL RULE 16.4-4.**

23
24 Plaintiff’s Claim 1 (copyright infringement) is triable to a jury, and Plaintiff
25 timely demanded a jury trial.

26
27 Plaintiff’s Claim 2 (for a declaratory judgment) and Claim 3 (for a permanent
28 injunction) are triable to the Court.

1 Defendants' Affirmative Defense 2 (license), Affirmative Defense 3 (statute of
2 limitations), Affirmative Defense 4 (consent) are triable to a jury, and Defendants
3 timely demanded a jury trial.

4
5 Defendants' Affirmative Defense 5 (waiver), Affirmative Defense 6
6 (acquiescence), Affirmative Defense 7 (estoppel), Affirmative Defense 8 (laches),
7 Affirmative Defense 9 (unclean hands) are triable to the Court.

8
9 **4. ATTORNEY'S FEES – LOCAL RULE 16.4-5.**

10
11 The Copyright Act authorizes an award of attorney's fees to the prevailing party.
12 17 U.S.C. § 505. "[A]ttorney's fees are to be awarded to the prevailing parties only as
13 a matter of the court's discretion," and "[p]revailing plaintiffs and prevailing
14 defendants are to be treated alike." Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 (1994).

15 "[A]ttorney's fees generally are awarded only where there is some element of
16 moral blame against the losing party." 4 Nimmer et al., Nimmer on Copyright, §
17 14.10[D][1], p. 14:216.2 (2011); see also id. at § 14.10[D][2][a], pp. 14:222-223.

18 As a general rule, courts do not award attorney's fees for non-willful
19 infringement. See, e.g., Kamar Int'l, Inc. v. Russ Berrie & Co., Inc., 752 F.2d 1326,
20 1331 (9th Cir. 1984) ("The district court's finding that Russ Berrie did not, in the
21 broader sense of the term, willfully infringe Kamar's copyrights leads us to conclude
22 that the district court did not abuse its discretion . . . in not awarding attorneys' fees to
23 Kamar . . ."); Greatful Dead Prods., Inc. v. Auditory Odyssey, 76 F.3d 386 (9th Cir.
24 1996) (no abuse of discretion where district court denied fees to plaintiff who
25 established liability on summary judgment but failed to prove willfulness at trial)
26 (unpublished mem. opinion).

27 If the jury finds that Defendants obtained valid licenses to use the Plaintiff's
28 work, then they will have rejected Plaintiff's contention that his signature is a

1 “forgery” and that he never authorized anyone to sign a license on his behalf. This
2 finding would be a legitimate basis for finding that Plaintiff pursued this lawsuit in bad
3 faith, entitling Defendants to an award of attorney’s fees against Plaintiff.

4 Conversely, if Plaintiff convinces the jury that he never signed the licenses or
5 authorized anyone to sign the licenses, but fails to convince the jury that the
6 Defendants infringed Plaintiff’s copyright willfully, then it is unlikely that Plaintiff
7 will be entitled to an award of attorney’s fees.

8
9 **5. ABANDONMENT OF ISSUES – LOCAL RULE 16.4-6.**

10
11 Defendants have not abandoned any pleaded affirmative defenses, and are not
12 aware that Plaintiff has abandoned any of his claims.

13
14 Dated: April 30, 2012

Respectfully submitted,

15 GRODSKY & OLECKI LLP
16 Allen B. Grodsky
17 John Metzidis

18 By: /s/ Allen B. Grodsky
19 Allen B. Grodsky

20 Attorneys for Defendants Adams, Pineda,
21 Gomez, Ferguson, will.i.am music, inc.
22 and Tab Magnetic, Inc.