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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

SCORPIO MUSIC (BLACK SCORPIO) S.A. and CAN'T STOP PRODUCTIONS, INC.,

Plaintiffs,

vs.

VICTOR WILLIS, an individual,

Defendant.

_____/

Case No. 11CV1557 BTM RBB
Honorable Barry T. Moskowitz

PLAINTIFFS' REPLY MEMORANDUM TO MEMORANDUM OF AMICUS PARTY SONGWRITER'S GUILD OF AMERICA IN SUPPORT OF DEFENDANT'S MOTION TO DISMISS

Date: January 20, 2012
Time: 11:00 a.m.
Ctrm: 15

**ORAL ARGUMENT REQUESTED**

## I. INTRODUCTION[1]

The Songwriter's Guild of America ("SGA") has chosen to use hyperbole and unfounded attacks on Plaintiffs' intentions, rather than offering any true expertise or assistance to the Court with the legal issues involved in this action. The SGA's accusation that Plaintiffs are engaging in "protracted litigation and legal gamesmanship" is an unfounded, irrelevant and outrageous charge apparently made for the sole purpose of obscuring the two basic legal issues raised by this action.

As the SGA is well aware, the termination provisions of 17 U.S.C. § 203 are self-executing. A grantee that has been served with a notice of termination that it considers to be invalid has no choice, therefore, but to bring an action for declaratory relief so that its legal rights will be protected. Given that the SGA concedes that the legal issue of Willis' right to terminate is a question of first impression, it would be hoped that the SGA would have refrained from accusations of "vexatious" litigation and instead contributed legal scholarship. Rather than do so however, the SGA has chosen to ignore both the first basic legal issue presented–whether it matters that the grantors of the rights in the creation of the joint works involved in this action executed different physical documents–and the second basic issue of what rights Willis would acquire if his Notice of Termination is valid as to any of the thirty three joint works involved.

## II. ARGUMENT

### A. The SGA has misstated the basic issue:

The SGA asserts in the first sentence of its "Summary of Argument" that this case will determine "whether the authors of creative works will be able to exercise their crucial statutory right to terminate transfers of copyright that they made over 35 years

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[1] This Reply Memorandum is filed in acknowledgment that the Court may grant the SGA's request for leave to file its amicus brief, but is without waiver of Plaintiffs' position that the Court should not do so.

ago .." Nothing could be further from the truth.

This case is not about whether the right of termination exists. It clearly does, both as to transfers made before January 1, 1978, and after January 1, 1978, but different requirements and different rights exist with regard to each set of grants.

No one disputes that for grants executed prior to January 1, 1978, any one author (or his heirs) could terminate his or her portion of the grant, even where a joint works is involved. Section 304(c)(1) of the Copyright Act (17 U. S. C. § 304(c)(1)) specifically provides in pertinent part that:

> "In the case of a grant executed by one or more of the authors of the works, termination of the grant may be effective, to the extent of a particular author's share in the ownership of the renewal copyright or any right under it, executed before January 1, 1978 . . ." (Emphasis added)

Congress, of course, could have, but did not, create the same right for authors who executed grants after January 1, 1978. Instead, Congress specifically provided that action by a majority of authors is required in the case of a joint works:

> "In the case of a grant executed by two or more authors of a joint work, termination of the grant may be effected by a majority of the authors who executed it . . ." (Emphasis added) 17 U.S.C. § 203(1).

If, as the SGA and Willis argue, Congress had not intended to change the ground rules applicable to termination of copyrights in joint works, there would have been no need to enact the above quoted portion of Section 203(1).

It is important to note that what is being dealt with in this case is the grants that created the thirty-three joint works at issue, not a subsequent license of those works. In the instance of the creation, at least three ( 3) separate authors granted rights as to each of the joint works. This being the case, at least two are required to join in the

termination.

That Congress intended that a majority be required is clear from the provisions as to the effect of a termination of a post January 1, 1978, grant with regard to a joint work:

> "Effect of Termination. Upon the effective date of termination, all rights under this title that were covered by the terminated grants revert to the author, authors, and other persons owning termination interests under clauses (1) and (2) of subsection (a), <u>including those owners who did not join in signing the notice of termination</u> . . ." (Emphasis added)
>
> 17 U.S.C. § 203(b)

No similar provision exists with regard to grants executed prior to January 1, 1978. Congress clearly intended to avoid the situation which had previously existed where one author of a joint work could accomplish a termination (a situation that existed because of the unique renewal term provisions of the 1909 Act which Congress also decided to eliminate with the enactment of the 1976 Act for works created on or after January 1, 1978).

Both the SGA and Willis attempt to conflate the issue of the right of one joint author to grant (and terminate) **<u>rights to exploit</u>** a joint work with the **<u>right to terminate</u>** the original grants by the joint authors that created the joint work.

It is beyond dispute that any one author of a joint work can grant **<u>a non-exclusive license to exploit</u>** that work, subject, of course, to his duty to account to the other joint authors. *Sybersounds Records ,Inc. v. UAV Corp*. 517 F.3rd 1137, 1145 (9th Cir. 2008); *Meredith v. Smith*, 145 F.2d 620, 621 (9th Cir. 1944); *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 140 F.2d 266, 268 (2nd Cir.1944); *Piantadosi v. Loew's, Inc.,* 137 F.2d 534, 537 (9th Cir.1943)

The **termination of licenses to exploit**, however, is **not** the same as the

**termination of the grants that created the joint work**. There Congress has clearly required a majority to act. See *Sybersounds*, 517 F. 3d 1137 (where the Court held that a single author of a joint work could not issue an **exclusive** licence to a third party for the exploitation of a composition since such exclusive license, unlike a non-exclusive license, would limit the rights of the other authors).

Neither Willis nor the SGA has offered any authority for the proposition that the right of less than a majority of the authors to terminate would depend on the fortuitous circumstance that all of the joint authors did not execute the same document when creating the work.

In fact, the only case that any party to this action has cited that deals with the issue of one document versus multiple documents is *Sweet Music, Inc. v. Melrose*, 189 F.Supp. 655 (SD Cal.1960), cited by Plaintiffs in their reply Memorandum. *Sweet*, clearly holds that the "mere circumstance" of whether joint authors execute the same or different grant documents is irrelevant to determining the rights of the parties.

The speciousness of the argument by the SGA and Willis is clearly illustrated by the possible scenario where three joint authors, each having executed a separate document granting their copyright interests, all individually seek to recapture the copyright under the provisions of Section 203(1) of the Copyright Act. It was to avoid exactly this scenario that Congress specifically rested the right to recapture copyright with the **majority** of the joint authors. Since by definition there can be only one majority, the possibility of there being multiple claimants has been prevented, a result that both the SGA and Willis are now trying to avoid.

B. <u>The SGA has ignored the issue of the rights, if any , that Willis would acquire</u>.

The SGA's Memorandum, just as Willis', is totally silent on the issue of what rights Willis would acquire if he is correct that he alone can exercise termination rights as to the joint works in this action.

This issue is the proper subject of Plaintiffs' Complaint for Declaratory Relief and would require numerous factual determinations to be made as to Willis' contributions to each of the songs involved.

## III. CONCLUSION

The SGA has added nothing new to the argument. Willis' Motion to Dismiss should be denied.

DATED: December 2, 2011

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