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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

AMERICAN SHOOTING CENTER,
INC., a California Corporation,
RECCE GROUP, INC., a
California corporation,

Plaintiffs,

v.

SECFOR INTERNATIONAL, et al.,

Defendants.

Case No.: 13cv1847 BTM(JMA)

**ORDER GRANTING MOTION TO
DISMISS**

Defendant Linda Kurokawa (“Defendant” or “Kurokawa”), in her official capacity as Director of Community Services & Business Development for MiraCosta College, has filed a motion pursuant to Fed. R. Civ. P. 12(b)(1) and 12(b)(6) to dismiss the Second Amended Complaint’s claims against her for retroactive monetary relief for copyright infringement. For the reasons discussed below, Defendant’s motion is **GRANTED**.

I. BACKGROUND

This case involves claims by Plaintiffs American Shooting Center, Inc., and Reece Group that two former employees and their companies infringed Plaintiffs’

1 copyrights by using certain materials in connection with training courses offered at
2 MiraCosta College.

3 In an order filed on March 28, 2016 [Doc. 101], the Court dismissed with
4 prejudice Plaintiffs' claims against MiraCosta Community College District
5 ("District") on the ground that the District is immune from suit under the Eleventh
6 Amendment. The Court also dismissed Plaintiffs' claims for retroactive monetary
7 relief against Kurokawa because the District's Eleventh Amendment immunity
8 extends to her as to those claims. However, the Court denied the motion to dismiss
9 as to Plaintiffs' claims for prospective declaratory or injunctive relief.

10 On April 27, 2016, Plaintiffs filed a Second Amended Complaint ("SAC"). In
11 the SAC, Plaintiffs allege that Kurokawa deprived Plaintiffs of their constitutionally
12 protected property interests by wrongfully infringing Plaintiffs' copyrights and failing
13 to provide Plaintiffs with notice or an opportunity to be heard before or after such
14 deprivation. (SAC ¶ 62.) According to Plaintiffs, the Copyright Remedies
15 Clarification Act ("CRCA"), 17 U.S.C. § 511, strips Kurokawa of any immunity
16 under the Eleventh Amendment. (Id.)

17 Plaintiffs seek the following relief against Kurokawa: (1) a declaration that
18 Kurokawa deprived Plaintiffs of their constitutionally protected property interests in
19 the copyrighted works at issue; (2) imposition of a constructive trust on all gains,
20 profits and advantages MiraCosta College derived from Kurokawa's infringing
21 activity; (3) an accounting of all gains, profits, and advantages MiraCosta College
22 derived from Kurokawa's infringement of the copyrighted works; (4) disgorgement
23 of all gains, profits, and advantages derived from Kurokawa's infringement of the
24 copyrighted works; and (5) attorney's fees and costs. (SAC ¶¶ 64, 65, Prayer for
25 Relief.)

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1 **II. DISCUSSION**

2 Plaintiffs contend that their claim for retroactive monetary relief is not barred
3 by the Eleventh Amendment because (1) the claim is an equitable claim for
4 disgorgement of ill-gotten gains; and (2) the CRCA abrogates any Eleventh
5 Amendment immunity applicable to Kurokawa. The Court does not find these
6 arguments to be persuasive.

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8 A. Retroactive Monetary Relief against Immune State Agency

9 In the Court’s prior order, the Court dismissed with prejudice Plaintiffs’ claims
10 against the MiraCosta Defendants, with the sole exception of Plaintiffs’ claim
11 against Kurokawa, in her official capacity, for prospective injunctive relief. Yet in
12 the SAC, Plaintiffs seek retroactive monetary relief against Kurokawa in the form
13 of disgorgement of all gains and profits derived from use of the copyrighted
14 materials.

15 Plaintiffs attempt to justify their claim for retroactive monetary relief by
16 characterizing the relief as an “equitable” remedy. Plaintiffs argue that they do not
17 seek money damages but, rather, equitable recovery of ill-gotten profits the District
18 derived from Kurokawa’s infringement of Plaintiffs’ copyrights.

19 But Plaintiffs cannot avoid Eleventh Amendment immunity by dressing up
20 their claim for relief as an equitable remedy. In Edelman v. Jordan, 415 U.S. 651
21 (1974), the Supreme Court held that the Eleventh Amendment barred the recovery
22 of “equitable restitution” in the form of the retroactive release and payment of
23 AABD (Aid to the Aged, Blind, and Disabled) benefits wrongfully withheld by the
24 State of Illinois. The Supreme Court explained that the funds to satisfy such an
25 award would inevitably be paid from the general revenues of the State of Illinois,
26 not the pocket of the petitioner Edelman, and that such relief would run afoul of the
27 Eleventh Amendment. Id. at 665. Responding to the argument that the award was
28 in the form of “equitable restitution,” the Supreme Court stated:

1 We do not read Ex parte Young or subsequent holdings of this Court
2 to indicate that any form of relief may be awarded against a state
3 officer, no matter how closely it may in practice resemble a money
4 judgment payable out of the state treasury, so long as the relief may
5 be labeled ‘equitable’ in nature. The Court’s opinion in Ex parte Young
6 hewed to no such line.

7 Id. at 666.

8 Relying on the cases of Taylor v. Westly, 402 F.3d 924, 929-930 (9th Cir.
9 2005) and Suever v. Connell, 439 F.3d 1142, 1146-47 (9th Cir. 2006), Plaintiffs
10 argue that they are not seeking monetary relief, but, rather, are just seeking the
11 recovery of ill-gotten gains that are being held in constructive trust for Plaintiffs.
12 But Taylor and Suever are distinguishable. As explained by the Ninth Circuit, those
13 cases concerned the return of the plaintiffs’ own property that was being held in
14 the California state escheat fund pursuant to a unique statutory regime that
15 required the state Controller to “safeguard and conserve” unclaimed property in a
16 trust fund. North East Med. Serv. v. California Dept. of Health Care Services, 712
17 F.3d 461, 469 (9th Cir. 2013).

18 Here, as in North East Med. Serv., Plaintiffs “do not seek the return of their
19 own property seized pursuant to a unique statutory scheme.” Id. at 470. This case
20 is more akin to Ford Motor Co. v. Dept. of Treasury, 323 U.S. 459 (1945), where a
21 taxpayer sought a refund of paid taxes, arguing that the taxes had been imposed
22 in violation of the United States Constitution. The Supreme Court determined that
23 the petitioner’s claim for a “refund” was, “in essence one for the recovery of money
24 from the state,” meaning that the state was entitled to invoke its sovereign
25 immunity from suit. Id. at 464.

26 Whether Plaintiffs’ disgorgement claim is “equitable,” or not, it seeks a
27 monetary award that will be paid from state funds, not Kurokawa personally.
28 Therefore, the state is the real party in interest, and Plaintiffs’ claim for retroactive
monetary relief is barred by the Eleventh Amendment.

1 B. CRCA

2 Plaintiffs contend that the CRCA abrogates the state’s sovereign immunity
3 in this case. The Court disagrees.

4 Pursuant to the CRCA, the Copyright Act was modified to provide:

5 Any State, any instrumentality of a State, and any officer or employee
6 of a State or instrumentality of a State . . . shall not be immune, under
7 the Eleventh Amendment . . . from suit in Federal Court . . . for a
violation of any of the exclusive rights of a copyright owner

8 17 U.S.C.A. § 511(a) (1994).

9 Since passage of the CRCA, courts have held that Congress did not have
10 the authority to abrogate the states’ Eleventh Amendment immunity pursuant to
11 Article I of the Constitution. See Rodriguez v. Texas Comm’n on the Arts, 199 F.3d
12 279, 280-81 (5th Cir. 2000); see also Florida Prepaid Postsecondary Ed. Expense
13 Bd. v. College Sav. Bank, 527 U.S. 627, 636 (1999) (explaining that Patent
14 Remedy Act, which contained language substantially similar to that in the CRCA,
15 could not be sustained under either the Commerce Clause or the Patent Clause in
16 Article I). Courts have also uniformly held that the CRCA was not a valid exercise
17 of Congress’s power under § 5 of the Fourteenth Amendment¹ because the CRCA
18 failed to meet the “congruence and proportionality” test established by City of
19 Boerne v. Flores, 521 U.S. 507, 639 (1997). See, e.g., Chavez v. Arte Publico
20 Press, 204 F.3d 601, 605-07 (5th Cir. 2000) (“Since the record does not indicate
21 that Congress was responding to the kind of massive constitutional violations that
22 have prompted proper remedial legislation, that it considered the adequacy of state
23 remedies that might have provided the required due process of law, or that it
24 sought to limit the coverage to arguably constitutional violations, we conclude that
25 the CRCA is . . . an improper exercise of Congressional legislative power.”);
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28 ¹ Section 5 provides, “The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.”

1 Marketing Info. Masters, Inc. v. Board of Trustees, 552 F. Supp. 2d 1088, 1093-95
2 (S.D. Cal. 2008); Oracle America, Inc. v. Oregon Health Ins. Exch. Corp., 80 F.
3 Supp. 3d 1168, 1172 (D. Or. 2015).

4 Plaintiffs argue that Congress has validly exercised its § 5 power to abrogate
5 state sovereign immunity because there have been *actual* violations of the
6 Fourteenth Amendment in this case. There are two ways that Congress may
7 validly exercise its § 5 power: (1) Congress may “creat[e] private remedies against
8 the States for actual violations of [the Fourteenth Amendment],” United States v.
9 Georgia, 546 U.S. 151, 158 (2006); or (2) “Congress may pass prophylactic
10 ‘legislation which deters or remedies [Fourteenth Amendment] violations . . . even
11 if in the process it prohibits conduct which is not itself unconstitutional,’ so long as
12 ‘there [is] a congruence and proportionality between the injury to be prevented or
13 remedied and the means adopted to that end.” National Ass’n of Boards of Pharm.
14 v. Board of Regents, 633 F.3d 1297, 1316 (11th Cir. 2011) (quoting City of Boerne,
15 521 U.S. at 518-20).

16 Plaintiffs argue that there were actual violations of the Fourteenth
17 Amendment in this case because the MiraCosta Defendants failed to provide a
18 pre-deprivation hearing or post-deprivation remedies. Therefore, Plaintiffs reason,
19 under Georgia, the CRCA abrogates Kurokawa’s Eleventh Amendment immunity.
20 However, Plaintiffs’ reliance on Georgia is misplaced.

21 In a footnote in National Ass’n of Boards of Pharmacy, the Ninth Circuit
22 expressed doubt whether the appellant’s procedural due process claim actually
23 falls under Georgia’s framework:

24 In Georgia, the identical conduct that violated the Americans with
25 Disabilities Act also violated the Eighth Amendment. 546 U.S. at 157,
26 126 S.Ct. at 880–81. Here, the action necessary to infringe a copyright
27 is arguably distinct from the conduct constituting NABP’s procedural
28 due process claim. In its simplest form, one infringes a copyright by
copying or distributing a work; no amount of process absent the
owner’s consent avoids liability under the statute. See, e.g., 17 U.S.C.

1 § 106. NABP's due process claim argues that it should have received
2 a pre-deprivation hearing before its copyright was infringed. This
3 alleged conduct—failing to provide a hearing—is not identical to
4 copyright infringement. Therefore, NABP's argument that it was owed
5 a pre-deprivation hearing is not implicated by a strict understanding of
6 what it is to infringe a copyright and thus arguably not covered by
7 Georgia. We need not discuss this argument further, however,
8 because it is clear that NABP has not shown an actual denial of
9 procedural due process.

10 National Ass'n, 633 F.3d at 1316 n. 32.

11 In a recent case, Campinha-Bacote v. Regents of the University of Michigan,
12 2016 WL 223408 (S.D. Ohio Jan. 19, 2016), the district court rejected the plaintiff's
13 argument that under Georgia, the states' sovereign immunity was validly
14 abrogated pursuant to § 5 because the statutorily prescribed conduct also violated
15 the guarantee of Due Process under the Fourteenth Amendment. The Court
16 explained:

17 Here, the Court concludes that Congress did not validly abrogate the
18 states' Eleventh Amendment sovereign immunity and that the
19 statutorily proscribed conduct, as explained in National Association of
20 Boards of Pharmacy, does not simultaneously and independently
21 violate a constitutional guarantee protected by the Fourteenth
22 Amendment as it did in Georgia. Instead, the existence of a
23 constitutional due process violation—which none has been properly
24 pled in the Complaint—is an inquiry distinct from whether a copyright
25 was infringed. As such, Campinha-Bacote's attempt to rely on Georgia
26 is unavailing.

27 Id. at * 5.

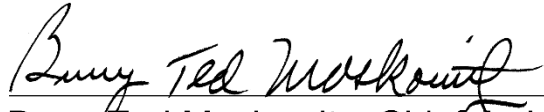
28 The Court agrees with the reasoning in Campinha-Bacote and the footnote
in National Ass'n distinguishing Georgia. Georgia is inapplicable and does not
establish that Congress validly abrogated the state's Eleventh Amendment
immunity in this case.

1 **III. CONCLUSION**

2 For the reasons discussed above, Kurokawa's motion to dismiss is
3 **GRANTED**. Plaintiffs' claim for retroactive monetary relief (including the claims for
4 declaratory relief,² constructive trust, accounting, and disgorgement) against
5 Kurokawa is **DISMISSED WITH PREJUDICE**.

6 **IT IS SO ORDERED.**

7 Dated: July 22, 2016

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9 Barry Ted Moskowitz, Chief Judge
10 United States District Court
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28 ² Plaintiff's declaratory relief claim is dismissed because it is narrowly tailored to support Plaintiff's position that Kurokawa's sovereign immunity has been abrogated under Georgia.