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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

DONNA CORBELLO,)
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Plaintiff,)
)
vs.)
)
THOMAS GAETANO DEVITO et al.,)
)
Defendants.)
_____)

2:08-cv-00867-RCJ-PAL

ORDER

This case arises out of alleged copyright infringement and the failure of a joint copyright owner to account for royalties. Plaintiff Donna Corbello is the widow and heir of Rex Woodard, who assisted Defendant Thomas Gaetano “Tommy” DeVito in writing his unpublished autobiography. Plaintiff alleges that DeVito and others wrongfully appropriated the unpublished autobiography Woodard wrote in order to develop the screenplay for *Jersey Boys*, a hit Broadway musical based on the band *The Four Seasons* that has played in the United States, Canada, England, and Australia, grossing many millions of dollars. Corbello has sued several companies and individuals, including the individual members of *The Four Seasons*. Defendants Frankie Valli, Robert Gaudio, DSHT, Inc., Dodger Theatricals, Ltd., and Jersey Boys Broadway Limited Partnership have moved for summary judgment against the thirteenth and fourteenth causes of action of the Third Amended Complaint (“TAC”). These five Defendants are the only Defendants against whom the thirteenth and fourteenth causes of action are brought. Plaintiff’s

1 response includes her own Motion for Summary Judgment (ECF No. 600) as to the twelfth,
2 thirteenth, and fourteenth causes of action.

3 **I. FACTS AND PROCEDURAL HISTORY**

4 **A. The Work**

5 Rex Woodard was an attorney, author, and avid *Four Seasons* fan who finally met
6 Defendant and founding *Four Seasons* member Tommy DeVito for an interview on December 9,
7 1981 as a result of the publicity generated from an article Woodard had written about the band in
8 *Goldmine* magazine earlier that year that focused on the years between the band's breakup in
9 1970 and its reconstitution in 1975. (*See* Third Am. Compl. ¶¶ 26–29, Mar. 18, 2011, ECF No.
10 457). On December 23, 1981, Woodard interviewed DeVito's brother Nick DeVito, and on
11 January 8, 1982 he interviewed Nick Massi, another founding member of the *Four Seasons*. (*Id.*
12 ¶ 29). The result of these three interviews was a second article published in *Goldmine* in June of
13 1982 that focused on the band's earliest incarnation, *The Four Lovers*. (*Id.*).

14 Woodard kept in touch with DeVito and founding *Four Seasons* member Frankie Valli
15 throughout the 1980s, and in November of 1988 Woodard flew to Las Vegas, Nevada for a series
16 of interviews with DeVito (the "1988 Interviews"). (*See id.* ¶ 31–32). During the 1988
17 Interviews, DeVito revealed to Woodard that he and Massi had spent several years engaged in
18 criminal enterprises and in prison, and that they had retained "underworld contacts" throughout
19 the band's era of popularity. (*See id.* ¶ 32). Because this revelation was in stark contrast to the
20 clean-cut image of the band presented in the popular media, Woodard realized the journalistic
21 value of the story, and in fact DeVito offered Woodard the opportunity to write his authorized
22 biography with full credit and an equal share in any profits. (*See id.*).

23 Woodard returned to Beaumont, Texas to begin writing DeVito's authorized biography
24 (the "Work"), which has never yet been published. (*See id.*). On December 1, 1988, Woodard
25 sent DeVito a letter (the "Letter Agreement") memorializing their previous verbal

1 understandings concerning the Work. (*Id.* ¶ 33). DeVito signed the Letter Agreement beneath
2 the word “APPROVED” and mailed it back to Woodard. (*See id.*; Letter Agreement, Dec. 1,
3 1988, ECF No. 457-11). The Letter Agreement reads in full:

4 December 1, 1988

5 Mr. Tommy DeVito
6 [street address]
Las Vegas, Nevada [zip code]

7 Dear Tommy:

8 I am making progress on the taped interviews we did. You suggested that I
9 prepare a written memorandum of our arrangement for future reference. I will do so
by this letter.

10 I agreed to write your authorized biography based on the recorded interviews
11 you gave me, plus any other relevant information which would benefit the book.
12 You and I will be shown as co-authors, with you receiving first billing. I will do all
of the actual writing, but you will have absolute and exclusive control over the final
text of this book.

13 We have further agreed that we will share equally in any profits arising from
14 this book, whether they be in the form of royalties, advances, adaptations fees, or
whatever. This agreement will be binding upon our heirs, both as to obligations and
15 benefits, in the event one or both of us should die.

16 If this letter accurately sets forth our agreement as you understand it, sign the
enclosed photocopy where indicated and return it to me in the enclosed self-
17 addressed, stamped envelope. Keep this original letter in your own file.

18 Thank you for asking me to work with you on this project. I look forward to
working with you over the next several months.

19 Sincerely,
20 [signed] Rex Woodard
Rex Woodard

21 RW/ml
22 Enclosures

23 APPROVED:

24 [signed] Tommy DeVito
TOMMY DEVITO

25 (Letter Agreement). Over the next two years, Woodard used the 1988 Interviews and all of his

1 other knowledge about the band to create the Work, including information obtained directly from
2 his past interviews with band members, information from public sources such as newspaper
3 articles, magazine articles, and album linings, Freedom of Information Act requests filed with
4 law enforcement agencies, and questionnaires he sent to DeVito. (Third Am. Compl. ¶ 34).
5 Woodard compiled all of this information into the Work, resulting in a first-person, narrative-
6 style biography told from DeVito's perspective. (*See id.*). Woodard remained in close contact
7 with DeVito throughout his creation of the Work and sent DeVito each chapter for approval and
8 editing as they were completed. (*Id.* ¶ 35).

9 **B. Woodard's and DeVito's Publication Attempts**

10 As the Work neared completion in late 1990, Woodard and DeVito attempted to find a
11 publisher and even provided an outline of the Work to actor Joe Pesci to explore the possibility
12 of adaptation to a screenplay. (*See id.* ¶ 36). Plaintiff provides a copy of what she claims is the
13 cover sheet to a January 1991 version of the Work, reading:

14 UNTITLED
15 TOMMY DEVITO/FOUR SEASONS
16 BIOGRAPHY

16

17 TOMMY DEVITO
18 REX WOODARD
©, January, 1991

19 (*See Work Cover Page*, Jan. 1991, ECF No. 457-15). Though he never smoked, Woodard had
20 been diagnosed with lung cancer in 1989, and his condition seriously worsened by late 1990. (*Id.*
21 ¶ 39). By February or March of 1991, he was bedridden, and he died on May 25, 1991 at age
22 forty-one. (*Id.* ¶ 40). Woodard had hoped that income generated from the Work would support
23 his wife and children. (*Id.* ¶ 41).

24 **C. Plaintiff's and Ceen's Publication Attempts**

25 In accordance with Woodard's wishes, Plaintiff and Woodard's sister Cindy Ceen

1 continued to seek publication after Woodard's death independently of DeVito; however, public
2 interest in *The Four Seasons* had waned, making it difficult to find an interested publisher. (*Id.*
3 ¶ 42). Ceen determined in September 2005 to contact DeVito for his assistance in finding a
4 publisher. (*See id.*). Ceen first contacted a prominent member of an Internet *Four Seasons* fan
5 group named Charles Alexander to facilitate contact with DeVito, whom she apparently did not
6 personally know. (*See id.* ¶ 43). Alexander responded to Ceen on September 22, 2005 that he
7 had met with DeVito the previous day and told DeVito of Ceen's desire to publish the Work, and
8 that DeVito had agreed to help. (*See id.*). Ceen called DeVito the same day (using a telephone
9 number provided by Alexander), and DeVito indicated that he wanted to update the Work with
10 post-1990 events and restore some "obscene" language Woodard had omitted. (*Id.*). DeVito also
11 claimed he had lost his copy of the Work and asked Ceen for a replacement, which she mailed to
12 DeVito the next day, along with a letter memorializing their telephone conversation and
13 informing DeVito that Plaintiff was considering self-publishing the Work if a traditional
14 publisher could not be found. (*Id.*). Neither Plaintiff nor Ceen heard from DeVito again. (*Id.*
15 ¶ 44). DeVito's attorney Jay Julien left Ceen a voice mail message on November 2, 2005, and
16 Ceen returned his call the next day, during which conversation Julien told Ceen that he had
17 spoken with DeVito regarding the Work and concluded that it was "not saleable." (*Id.*). Ceen
18 was surprised by this conclusion, because the play *Jersey Boys* was scheduled to open on
19 Broadway a few days later. (*Id.*). Julien did not disclose that the Work had been used or
20 exploited in any way or that rights in the Work had been licensed or transferred. (*Id.*).

21 **D. *Jersey Boys* and Plaintiff's Discovery of the Alleged Infringements**

22 By late 2006, *Jersey Boys* had become a Broadway hit, earning four Tony Awards.
23 (*Id.* ¶ 45). Plaintiff had not seen the show, but she and Ceen estimated that the show's success
24 would revive interest in the band and make publication of the Work viable. (*Id.*). Plaintiff and
25 Ceen engaged counsel to confirm the registration of Woodard's and DeVito's copyright in the

1 Work, to register the copyright if it had not yet been registered, and to contact Julien to see if
2 DeVito had changed his mind about joint publication of the Work in light of *Jersey Boys*'s
3 success. (*Id.*). A January 3, 2007 search of the U.S. Copyright Office's online records indicated
4 no registration of the Work to Woodard but that on January 11, 1991 (four months before
5 Woodard's death) DeVito had registered a literary work entitled *Tommy DeVito - Then and Now*,
6 Reg. No. Txu 454 118 (the "DeVito Work"). (*Id.* ¶ 46). Plaintiff's counsel ordered a copy of the
7 registration and discovered that DeVito had registered the DeVito Work in his own name only,
8 claiming that the DeVito Work was unpublished and that he wrote it in its entirety in 1990. (*Id.* ¶
9 47). Plaintiff's counsel ordered a copy of the DeVito Work itself and discovered that the DeVito
10 Work was identical to the Work, and in fact appeared to be a photocopy of the manuscript typed
11 by Woodard's secretary Myrtle Locke, with two exceptions. (*Id.* ¶¶ 48–49). First, the original
12 cover page from the January 1991 version of the Work had been replaced with a cover page in a
13 different font and font size, reading:

14 TXu 454 118

15

16 Tommy DeVito - Then and Now
17 by
18 Tommy DeVito

18 (*See id.* ¶ 49; DeVito Work Cover Page, ECF No. 457-23). Second, the first page of Chapter 41
19 (page 264 of the Work) was missing. (*See Third Am. Compl.* ¶ 49). Plaintiff concluded in light
20 of the Letter Agreement and her dealings with DeVito and Julien after Woodard's death that
21 DeVito had registered the Work without credit to Woodard or disclosure to Woodard or his
22 heirs. (*Id.* ¶ 50).

23 Plaintiff also soon discovered that the writers of (and several actors in) *Jersey Boys* had
24 access to the Work and that DeVito had received royalties or other profits from *Jersey Boys*, and
25 she concluded that the Work had "inspired the form, structure, and content of the musical"

1 (*See id.* ¶ 51). As support for this conclusion, Plaintiff notes that Defendant Des McAnuff, the
2 director of *Jersey Boys*, was quoted in a July 8, 2006 report in *Backstage* magazine as stating
3 that Defendants Marshall Brickman and Eric Elice had relied in part on “an unpublished
4 autobiography by DeVito” in creating the libretto for the musical. (*See id.* ¶ 52). The source
5 apparently does not indicate whether the libretto served as the script, a program for audiences, or
6 something else. (*See id.*). Plaintiff notes that Christian Hoff, the first actor to play DeVito in
7 *Jersey Boys*, stated in what appears to be an online interview that he was provided with a
8 synopsis of the Work for his audition and a full copy for background research. (*See id.*).¹
9 Plaintiff also saw public reports of DeVito’s financial profits from the musical. (*See id.*).
10 Plaintiff also notes an exchange on a *Jersey Boys* podcast website indicating that one fan had
11 reported to another that the musical was based on DeVito’s unpublished biography. (*See id.*).

12 **E. Pre-Litigation Negotiations**

13 On June 13, 2007, Plaintiff’s counsel wrote Julien by email and overnight courier
14 demanding that DeVito execute an application for supplementary registration with the U.S.
15 Copyright Office to add Woodard as a coauthor and co-claimant of the Work and demanding an
16 accounting of profits in accordance with the Letter Agreement. (*Id.* ¶ 53). Counsel conferred
17 with one another by email and telephone between June and October of 2007, and Julien admitted
18 at one point that DeVito had provided a copy of the Work “to *Jersey Boys*” and expressed
19 interest in the possibility of a joint copyright infringement action against “*Jersey Boys*,” but later
20 decided that Plaintiff’s only recourse was a suit against DeVito because he had authorized use of
21 the Work. (*Id.* ¶ 54). Although DeVito initially considered filing a supplemental registration of
22 the Work to credit Woodard, he later refused, claiming that he in fact was the sole author and
23

24 ¹Plaintiff also cites to a Wikipedia entry for support that the Work served as a basis for
25 the musical, but this is poor evidence, as any person on Earth (or with a communications link to
Earth from outer space, for that matter) can edit a Wikipedia article, including Plaintiff herself.
(*See id.*).

1 that Woodard had been a mere scribe. (*Id.*).

2 On July 2, 2007, Plaintiff filed her own supplementary application with the U.S.
3 Copyright Office to add Woodard as a coauthor and co-claimant of the Work, but the office
4 rejected the application because DeVito, the original claimant, had not signed it. (*Id.* ¶ 55). The
5 office could not under 17 U.S.C. § 201(a) permit a non-author, non-claimant as to an original
6 registration (known in copyright parlance as a “basic registration”) to supplement the original
7 application, but such a person could apply to register her own work, in which case the office
8 would consider the new claim to be adverse to the existing claim if the claims purported to
9 register the same work exclusively to different claimants. (*See* Copyright Office Letter, June 16,
10 2008, ECF No. 457-27, at 7). However, the Copyright Office Review Board granted Plaintiff’s
11 appeal based on a closer examination of regulations and practices, determining that her
12 supplemental registration could be accepted, and that a certificate of registration would be issued
13 after processing. (*See* Copyright Office Letter, Mar. 27, 2009, ECF No. 457-28). The amended
14 certificate, Reg. No. Txu1 372-636, lists Woodard and DeVito as coauthors of the entire text of
15 the Work and as co-claimants thereto. (*See* Certificate of Registration TXu1 372-636, July 3,
16 2007, ECF No. 457-29).²

17
18 ²At this point in the TAC, Plaintiff alleges that her 2007 supplemental registration “was
19 not cross-indexed” with DeVito’s original 1991 registration because DeVito had not signed his
20 1991 application. (*See id.*). She alleges that as a result, she cannot establish clear title in the
21 Work. (*See id.*). But Plaintiff does not explain how DeVito could have obtained his basic
22 registration without signing his application, and in fact she adduces a copy of DeVito’s signed
23 1991 application. (*See* Form TX, Reg. No. Txu 454 118, July 11, 1991, ECF No. 457-22 (signed
24 by DeVito on July 7, 2011)). This form appears to function as both an application (with the
25 applicant’s signature at the bottom of page 2) and a certificate of registration (once approved by
the office at the top of page 1). (*See id.*). Nor does it make sense that the office did not cross-
reference Plaintiff’s 2007 supplemental application with DeVito’s 1991 basic application,
particularly as her 2007 application was a supplement to the 1991 registration and the certificate
the office eventually issued specifically identifies the 1991 basic registration both by registration
number and DeVito’s name. The applicable regulation, which Plaintiff cites, clarifies her
complaint. Although her supplemental registration identifies DeVito’s basic registration,
because no basic registrant (DeVito) signed the supplemental registration, the office could not
annotate DeVito’s basic registration with the fact of the supplemental registration, *see* 37 C.F.R.

1 Thereafter, further indication of the connection between *Jersey Boys* and the Work
2 emerged through public sources, such as public interviews of certain Defendants. (*See* Third Am.
3 Compl. ¶ 56). Plaintiff alleges that the evidence that the musical was an adaptation of the Work
4 means that *Jersey Boys* is a “derivative work” of the Work under 17 U.S.C. § 101. (*See id.* ¶ 57).
5 Plaintiff recounts several similarities between the musical and the Work. (*See id.*).

6 **F. The “Cover-up”**

7 DeVito and Julien then took steps to conceal the fact that DeVito had exploited the Work
8 to create and profit from *Jersey Boys*. (*See id.* ¶ 58). First, DeVito withdrew his quotes from
9 Charles Alexander’s forward to the upcoming *Jersey Boys* book, because the use of those
10 quotations would have linked the book, and hence the musical, to the Work. (*See id.*). Second,
11 DeVito reported in an interview that he had never shown the Work to anyone except Brickman,
12 Elice, and McAnuff. (*Id.*). Third, DeVito altered his website <www.tommydevito.com> to
13 remove the reference to “his SMASH HIT *Jersey Boys*.” (*Id.*). Fourth, DeVito stated in an
14 interview that he had dictated the Work to a lawyer and that the book was not to be published
15 yet. (*Id.*).

16 _____
17 § 201(b)(1) n.1, so a person finding only DeVito’s basic registration would not be aware of
18 Plaintiff’s supplemental registration. Even though the supplemental registration of Woodard’s
19 and his heirs’ rights in the Work is sufficient to give constructive notice under the statute, it is
20 only sufficient if a “reasonable search” would reveal Woodard’s rights in the Work, and it is
21 theoretically possible that a search might reveal only DeVito’s registration, so that the failure to
22 annotate DeVito’s basic registration with the fact of Plaintiff’s supplemental registration is
23 problematic. *See* 17 U.S.C. § 205(c)(1). Plaintiff’s fear is practically unfounded, however,
24 because the supplemental registration includes the title of the DeVito Work as it appears on the
25 basic registration itself, as well as the basic registration number, (*see* Certificate of Registration
TXu1 372-636), so a reasonable search could not fail to reveal the supplemental registration, and
the world is therefore on constructive notice of the supplemental registration as a matter of law
regardless of the “one-way” cross-reference, *see* § 205(c). Plaintiff may not challenge DeVito’s
basic registration directly with the office, because the cancellation procedures do not appear to
contemplate adjudication of a non-claimant’s complaints over improper registration, *see* 37
C.F.R. § 201.7, but a federal court may refer such a dispute to the Registrar of Copyrights for
administrative adjudication under the primary jurisdiction doctrine while retaining jurisdiction, if
necessary, *see Syntek Semiconductor Co., Ltd. v. Microchip Tech. Inc.*, 307 F.3d 775, 781–82
(9th Cir. 2002).

1 **G. DeVito’s Licensing of the Work**

2 Certain documents made public during Valli’s divorce proceedings in July 2008 revealed
3 that DeVito had granted Valli and Gaudio an exclusive, irrevocable, perpetual, worldwide,
4 assignable license (the “Valli/Gaudio License”) freely to use and adapt certain “Materials,”
5 including his “biographies,” for the purpose of creating a musical based on the life and music of
6 *The Four Seasons*. (*Id.* ¶ 59). The Valli/Gaudio License included the right to “ancillary and
7 subsidiary exploitations thereof including, without limitation, cast albums, motion picture and
8 televised versions, merchandise, and/or other works . . . in all media now existing or later
9 devised.” (*Id.*). The Valli/Gaudio License waived any claim of copyright infringement by
10 DeVito, provided that DeVito would be entitled to 20% of any royalties Valli and Gaudio
11 obtained through exploitation of the Materials, and provided that Massi would be entitled to 5%
12 of any such royalties. (*See id.*). Plaintiff suspects that Valli and Gaudio further licensed the
13 Materials, which included the Work, to one or more unknown authors in 1999 for adaptation into
14 an early version of *Jersey Boys* called *Walk Like a Man*. (*See id.*). When the original producer
15 rejected *Walk Like a Man*, Valli and Gaudio fired its authors, permitted their agreement with the
16 original producer to lapse, and further licensed the Materials to Brickman and Elice (the
17 “Brickman/Elice Sublicense”), who used the Materials to write *Jersey Boys*. (*See id.*). Plaintiff
18 implies that Valli’s and Gaudio’s informal joint ventures related to their exploitation of the
19 Materials constitutes a general partnership as a matter of law, which partnership Plaintiff refers
20 to as “The Four Seasons Partnership.” (*See id.* ¶ 4–5).

21 **H. Jersey Boys**

22 The *Jersey Boys* foundational production agreement (the “*Jersey Boys Agreement*”) is
23 dated May 1, 2004. (*See id.* ¶ 61; *Jersey Boys Agreement* 1, May 1, 2004, ECF No. 457-34, at 2).
24 The *Jersey Boys Agreement* lists five parties: Valli and Gaudio as “Owner,” Brickman and Elice
25 as “Bookwriter,” and Dodger Stage Holding Theatricals, Inc. (now known as DSHT) as

1 “Producer.” (*See Jersey Boys* Agreement 1). The copies of the signature page of the *Jersey Boys*
2 Agreement attached to the TAC include signatures by all of these parties except Brickman, and
3 DSHT’s signature is typewritten, without the handwritten signature of any natural person as an
4 agent of DSHT. (*See id.* at 24, ECF No. 457-34, at 25–26). The signatures are not dated. (*See*
5 *id.*). The *Jersey Boys* Agreement is comprehensive and appears to govern the worldwide
6 exploitation of *Jersey Boys*. (*See generally id.*). The details of the twenty-three-page agreement
7 need not be recounted here but will be noted where relevant to the determination of claims. The
8 *Jersey Boys* Agreement includes a schedule and two exhibits as attachments, all of which the
9 base agreement identifies. Schedule A is a table of musical compositions to be used in the
10 musical along with details of authorship and copyright ownership. Exhibit A is the Valli/Gaudio
11 License. Exhibit B is a list of “payment instructions” consisting of addresses for mailing
12 payments to the signatories and other beneficiaries.

13 Plaintiff believes that DSHT further transferred or licensed its rights under the *Jersey*
14 *Boys* Agreement to Defendant Dodger Theatricals, Ltd., which is the primary producer of *Jersey*
15 *Boys* on Broadway, tours throughout the United States, and in London, U.K. (*See* Third Am.
16 Compl. ¶ 62). Plaintiff believes that DSHT and/or Dodger Theatricals further licensed their
17 rights to others and eventually licensed them to Defendant Jersey Boys Broadway, which in turn
18 licensed them to several parties, including Defendants JB Viva Vegas and Jersey Boys Records.
19 (*See id.*). Plaintiff alleges that *Jersey Boys* has earned gross revenues of approximately \$300
20 million per year and believes she is entitled to at least \$6.5 million. (*See id.* ¶ 70).

21 **I. The Present Lawsuit**

22 In December 2007, Plaintiff sued DeVito in the Eastern District of Texas on three causes
23 of action: (1) declaratory judgment; (2) equitable accounting; and (3) breach of contract. That
24 court transferred the case to this District in 2008 pursuant to 28 U.S.C. § 1404(a). The TAC,
25 filed in March 2011, lists fourteen Defendants and twenty causes of action: (1) declaratory

1 judgment (DeVito); (2) equitable accounting (DeVito); (3) breach of contract (DeVito); (4)
2 unjust enrichment (DeVito); (5) breach of the covenant of good faith and fair dealing (DeVito);
3 (6) constructive fraud (DeVito); (7) fraud (DeVito); (8) conversion (DeVito); (9) copyright
4 infringement under § 16(2) of the Copyright, Designs, and Patents Act of 1988 (U.K.) (DeVito);
5 (10) copyright infringement under § 27(1) of the Copyright Act, R.S.C. 1985 (Can.) (DeVito);
6 (11) copyright infringement under §§ 115(1), 36, and 39 of the Copyright Act of 1968 (Cth)
7 (Austl.) (DeVito); (12)–(13) declaratory judgment (Valli, Gaudio, DSHT, Dodger Theatricals,
8 and Jersey Boys Broadway); (14) equitable accounting (Valli, Gaudio, DSHT, Dodger
9 Theatricals, and Jersey Boys Broadway, in the alternative) (15) copyright infringement under 17
10 U.S.C. § 501(a) (Valli, Gaudio, Brickman, Elice, McAnuff, DSHT, Dodger Theatricals, Jersey
11 Boys Broadway, JB Viva Vegas, and Jersey Boys Records); (16) vicarious copyright
12 infringement under 17 U.S.C. § 502 (Valli, Gaudio, Brickman, Elice, McAnuff, DSHT, Dodger
13 Theatricals, Jersey Boys Broadway, Jersey Boys Records, Skunk, and Getting Home); (17)
14 contributory copyright infringement under 17 U.S.C. § 502 (Valli, Gaudio, Brickman, Elice,
15 McAnuff, David, DSHT, Dodger Theatricals, Jersey Boys Broadway, and Jersey Boys Records);
16 (18) copyright infringement under § 16(2) of the Copyright, Designs, and Patents Act of 1988
17 (U.K.) (Valli, Gaudio, Brickman, Elice, McAnuff, DSHT, Dodger Theatricals, and Jersey Boys
18 Broadway); (19) copyright infringement under § 27(1) of the Copyright Act, R.S.C. 1985 (Can.)
19 (Valli, Gaudio, Brickman, Elice, McAnuff, DSHT, Dodger Theatricals, and Jersey Boys
20 Broadway); and (20) copyright infringement under §§ 115(1), 36, and 39 of the Copyright Act of
21 1968 (Cth) (Austl.) (Valli, Gaudio, Brickman, Elice, McAnuff, DSHT, Dodger Theatricals, and
22 Jersey Boys Broadway).

23 Valli, Gaudio, DSHT, Dodger Theatricals, and Jersey Boys Broadway (collectively,
24 “Defendants”) have moved for defensive summary judgment on the thirteenth and fourteenth
25 causes of action. Plaintiff has moved for offensive summary judgment on the twelfth, thirteenth,

1 and fourteenth causes of action. The twelfth and thirteenth causes of action are for declaratory
2 judgment as to the validity and nature of the Valli/Gaudio License and the Brickman/Elice
3 Sublicense. The fourteenth cause of action is for an equitable accounting by Defendants.³

4 **II. LEGAL STANDARDS**

5 A court must grant summary judgment when “the movant shows that there is no genuine
6 dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R.
7 Civ. P. 56(a). Material facts are those which may affect the outcome of the case. *See Anderson*
8 *v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). A dispute as to a material fact is genuine if
9 there is sufficient evidence for a reasonable jury to return a verdict for the nonmoving party. *See*
10 *id.* A principal purpose of summary judgment is “to isolate and dispose of factually unsupported
11 claims.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323–24 (1986). In determining summary
12 judgment, a court uses a burden-shifting scheme:

13 When the party moving for summary judgment would bear the burden of proof at
14 trial, it must come forward with evidence which would entitle it to a directed verdict
15 if the evidence went uncontroverted at trial. In such a case, the moving party has the
initial burden of establishing the absence of a genuine issue of fact on each issue
material to its case.

16 *C.A.R. Transp. Brokerage Co. v. Darden Rests., Inc.*, 213 F.3d 474, 480 (9th Cir. 2000)
17 (citations and internal quotation marks omitted). In contrast, when the nonmoving party bears
18 the burden of proving the claim or defense, the moving party can meet its burden in two ways:
19 (1) by presenting evidence to negate an essential element of the nonmoving party’s case; or (2)
20 by demonstrating that the nonmoving party failed to make a showing sufficient to establish an
21 element essential to that party’s case on which that party will bear the burden of proof at trial.
22 *See Celotex Corp.*, 477 U.S. at 323–24. If the moving party fails to meet its initial burden,
23 summary judgment must be denied and the court need not consider the nonmoving party’s
24

25 ³The second cause of action, which is not currently at issue, is for an equitable accounting
by DeVito.

1 evidence. *See Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 159–60 (1970).

2 If the moving party meets its initial burden, the burden then shifts to the opposing party
3 to establish a genuine issue of material fact. *See Matsushita Elec. Indus. Co. v. Zenith Radio*
4 *Corp.*, 475 U.S. 574, 586 (1986). To establish the existence of a factual dispute, the opposing
5 party need not establish a material issue of fact conclusively in its favor. It is sufficient that “the
6 claimed factual dispute be shown to require a jury or judge to resolve the parties’ differing
7 versions of the truth at trial.” *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809 F.2d
8 626, 631 (9th Cir. 1987). In other words, the nonmoving party cannot avoid summary judgment
9 by relying solely on conclusory allegations that are unsupported by factual data. *See Taylor v.*
10 *List*, 880 F.2d 1040, 1045 (9th Cir. 1989). Instead, the opposition must go beyond the assertions
11 and allegations of the pleadings and set forth specific facts by producing competent evidence that
12 shows a genuine issue for trial. *See Fed. R. Civ. P. 56(e); Celotex Corp.*, 477 U.S. at 324.

13 At the summary judgment stage, a court’s function is not to weigh the evidence and
14 determine the truth, but to determine whether there is a genuine issue for trial. *See Anderson*, 477
15 U.S. at 249. The evidence of the nonmovant is “to be believed, and all justifiable inferences are
16 to be drawn in his favor.” *Id.* at 255. But if the evidence of the nonmoving party is merely
17 colorable or is not significantly probative, summary judgment may be granted. *See id.* at 249–50.

18 **III. ANALYSIS**

19 **A. Declaratory Judgment**

20 Only Plaintiff has requested summary judgment on the twelfth cause of action for a
21 declaration that DeVito as a joint owner of the Work lacked the authority to issue an exclusive
22 license to Valli and Gaudio, rendering the Valli/Gaudio License *void ab initio* as to the Work
23 under 17 U.S.C. §§ 201(a) and (2)(d). Alternatively, Plaintiff requests a declaration that if the
24 license was effective, that it amounted to a nonexclusive license that Valli and Gaudio could not
25 further license or assign under § 201(d)(2) without Plaintiff’s consent. In the alternative yet
again, Plaintiff requests a declaration that the Valli/Gaudio License constituted not a license but

1 a transfer of DeVito's rights in the Work, but because DeVito did not assign all of his exclusive
2 rights in the Work, that Valli and Gaudio cannot further transfer the rights under § 201(d)(2)
3 without Plaintiff's consent.⁴ The Court denies summary judgment to Plaintiff on this cause of
4 action. The Court finds that the Valli/Gaudio License was an exclusive license as against
5 DeVito, but a nonexclusive license as against Plaintiff, and that Valli and Gaudio were able to
6 further assign the license because of DeVito's explicit permission to do so. The Court makes no
7 ruling as to the Brickman/Elice Sublicense.

8 As to the thirteenth cause of action, on which both Plaintiff and Defendants have moved
9 for summary judgment, Plaintiff requests a declaration, in the alternative to the declarations
10 requested in the twelfth cause of action, that the Valli/Gaudio License was a transfer or license
11 of DeVito's rights in the Work that Valli and Gaudio could in fact further transfer or license

12 ⁴With respect to assignments of rights in the Work, there is a great risk of equivocation of
13 terms. The words "assignment," "transfer," and "license" must be used consistently, lest the
14 determination of rights turn into a Shakespearean comedy. "Transfer" or "transfer of copyright"
15 indicates the transfer of ownership in a copyright, whether in whole or in part, as is the case
16 where there is joint ownership of a work, as here. As a default, a transferor of copyright, like a
17 grantor of real estate, retains nothing except the transferee's consideration therefor. "License"
18 indicates a right to use the copyright in some manner, but the licensor retains ownership. This
19 arrangement is something analogous to the lease of real property. It is the word "assignment"
20 that works the worst confusion. Some use it to mean "transfer." Some use it to mean "license"
21 or "sublicense." Some use it interchangeably to mean all three and other things besides. To
22 avoid confusion in the copyright context, the term is probably best restricted to mean a licensee's
23 assignment of his license to a third-party (which is possible where the licensor has expressly
24 permitted such an assignment). In other words, the term "assignment" is best used to denote no
25 transfer of copyright or new license, but the giving of an existing license from an existing
licensee to a third party. More specifically, where the existing licensee retains rights under the
existing license, his further giving of rights is a "sublicense." Where the existing licensee does
not retain rights, his giving of the rights is an "assignment" of the existing license. It is the use
of the term "assignment" interchangeably with both "transfer" and "license" that creates all
manner of confusion and in some cases even serves to obscure the distinction between a transfer
and a license.

Under 17 U.S.C. § 101, exclusive licenses, but not nonexclusive licenses, fall under the
definition of a transfer. This would seem to indicate that an exclusive licensee whose license is
from fewer than all joint owners is essentially a joint owner himself (within the usufructory and
temporal scope of his license). But the *Sybersound* court ruled that such a licensee has no
standing to sue for infringement, so he cannot be a joint owner, because it cannot be that a
person could have a property right yet lack standing to sue for its violation. Such a person has
only a contract right enforceable against his licensor.

1 under § 201(d)(1)–(2), and which they did further transfer or license to DSHT and/or Dodger
2 Theatricals via the *Jersey Boys* Agreement, and which Dodger Theatricals thereafter further
3 transferred or licensed to Jersey Boys Broadway. Plaintiff also requests a declaration that she
4 owns 50% of the Work with whoever owns the remaining 50%. The Court grants summary
5 judgment to Plaintiff on this cause of action in part and denies summary judgment to Defendants.
6 The Valli/Gaudio License was a license that Valli and Gaudio could further assign because of
7 DeVito’s explicit permission to do so in the Valli/Gaudio License, and Valli and Gaudio did in
8 fact further assign their license to DSHT via the *Jersey Boys* Agreement, but it is not clear
9 whether there was any further assignment. Plaintiff continues to own 50% of the Work, with
10 DeVito owning the other 50%. The Court will explain these findings further herein.

11 As a preliminary matter, the Court must determine whether the Work was in fact a joint
12 work between DeVito and Woodard. This area of the law is not entirely clear. A leading
13 copyright treatise includes a long discussion of recent developments. *See* 1 Melville B. Nimmer
14 & David Nimmer, *Nimmer on Copyright* § 6.07 (Matthew Bender & Co., Inc. 2011). To be
15 considered a coauthor, a person must make more than a *de minimis* contribution to a work.
16 *Id.* § 6.07[A][1]. If all DeVito did was contribute non-copyrightable historical facts, and
17 Woodard supplied the entire quantum of copyrightable, creative material, it may be the case that
18 DeVito is not a coauthor of the Work at all. If the Work were Woodard’s alone under the law of
19 copyright, the Letter Agreement would still constitute an assignment of 50% of Woodard’s rights
20 to receive profits from the Work, i.e., a partial assignment of royalties, but it would not appear to
21 constitute a partial transfer of copyright. (*See* Letter Agreement (“I [Woodard] will do all of the
22 actual writing, but you [DeVito] will have absolute and exclusive control over the final text of
23 this book. We have further agreed that we will share equally in any profits arising from this
24 book, whether they be in the form of royalties, advances, adaptations fees, or whatever.”)).
25 “[C]ontrol over the final text” may or may not have included creative editing as a factual matter.
If DeVito had more than a *de minimis* role in creating the Work, then he is a coauthor. If he

1 exercised his editing powers only to decide which facts should or should not be included in the
2 book, it is possible he does not qualify as a coauthor.

3 Even if a putative coauthor's contributions would not be separately copyrightable, if the
4 putative coauthor makes a more than *de minimis* contribution to the resulting work, and the
5 resulting work is copyrightable, then the putative coauthor is in fact a coauthor of the resulting
6 work, otherwise the odd situation could result where there are *no* legal authors of a collaborative
7 work that itself is clearly copyrightable. *See* 1 Nimmer & Nimmer, *supra*, § 6.07[A][3][a]–[c]
8 (citing *Gaiman v. McFarlane*, 360 F.3d 644, 658–59 (7th Cir. 2004) (Posner, J.)). In fact, Judge
9 Posner in *Gaiman* posited an example very similar to that presented here:

10 Here is a typical case from academe. One professor has brilliant ideas but
11 can't write; another is an excellent writer, but his ideas are commonplace. So they
12 collaborate on an academic article, one contributing the ideas, which are not
13 copyrightable, and the other the prose envelope, and unlike the situation in the
14 superficially similar case of *Balkin v. Wilson*, 863 F. Supp. 523 (W.D. Mich. 1994),
15 they sign as coauthors. Their intent to be the joint owners of the copyright in the
16 article would be plain, and that should be enough to constitute them joint authors
17 within the meaning of 17 U.S.C. § 201(a).

18 *Gaiman v. McFarlane*, 360 F.3d at 659. Courts to interpret this case, however, read it as an
19 exception that a putative coauthor whose contributions are not separately copyrightable is in fact
20 a coauthor of the resulting copyrightable work, but only in those cases where *no* putative
21 coauthor's contributions are separately copyrightable, such that the resulting copyrightable work
22 would be orphaned in the absence of the exception. *See, e.g., Gaylord v. United States*, 595 F.3d
23 1364, 1377 n.4 (Fed. Cir. 2010).

24 Plaintiff appears to admit that DeVito was closely involved in editing the book. (*See*
25 Third Am. Compl. ¶ 35 (“DeVito would contact Mr. Woodard to discuss any desired changes,
sometimes marking changes to the text in pen and sometimes simply requesting that particular
facts be added or removed.”) (emphasis added)). It appears that the Work was in fact a joint
work because of DeVito's non-*de minimis* creative edits. The Court will therefore proceed to
determine the legal effect of the Valli/Gaudio License and the *Jersey Boys* Agreement.

1 Partial ownership of joint works can be transferred or licensed, but the joint nature of the
2 work limits the legal effect of such transfers and licenses. *See* 1 Nimmer & Nimmer, *supra*,
3 § 6.09–6.11. Despite the use of the word “joint,” the nature of joint ownership in copyright is
4 analogous to a tenancy-in-common in real property, not a joint tenancy, i.e., unless otherwise
5 agreed by contract, a deceased joint owner’s rights in a work pass to his heirs or legatees, not to
6 the other joint owners. *Id.* § 6.09 (citing *Silverman v. Sunrise Pictures Corp.*, 273 F. 909 (2d Cir.
7 1921); *Edward B. Marks Corp. v. Wonnell*, 61 F. Supp. 722 (S.D.N.Y. 1945)). Because a person
8 cannot legally infringe his own copyright, a joint owner cannot be liable for infringement to
9 another joint owner, and he may exploit the joint work without consent of the other joint
10 owner(s). *Id.* § 6.10 [A][1][a] (citing *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984)). However, a
11 person who retains only beneficial ownership in a copyright and not legal ownership, for
12 example by signing away his ownership in exchange for a portion of royalties, will be liable for
13 infringement if he then exploits the work without permission of the legal owner(s). *Id.* § 6.10
14 [A][1][b] (citing 17 U.S.C. § 501(b)).

15 Like a sole owner, a joint owner may retain his ownership while granting licenses to third
16 parties. *Id.* § 6.10 [A][2][a] (citing *Meredith v. Smith*, 145 F.2d 620 (9th Cir. 1944)). When a
17 joint owner grants a nonexclusive license, the licensee obtains the right to exploit the work
18 according to the license but has no right to prevent the licensor or other joint owners from further
19 exploiting the work directly or licensing additional third parties to exploit it. *Id.* § 6.10 [A][2][b].
20 When a joint owner grants an exclusive license, however, the licensor loses the right (while the
21 license is in effect) to exploit the work directly or even to license the work to additional third
22 parties. *Id.* § 6.10 [A][2][c]. Yet the exclusivity of a license granted by a joint owner does not
23 apply against the other joint owners, who, having done nothing to alienate their own rights, may
24 continue to exploit or further license the work. *See id.* § 6.10 [A][2][d] (citing *Davis v. Blige*,
25 505 F.3d 90, 100 (2d Cir. 2007)). In fact, the Ninth Circuit has ruled that a joint owner’s
exclusive licensee has the status of a nonexclusive licensee for the purposes of standing to sue

1 for infringement. *See id.* (citing *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137 (9th Cir.
2 2008)). *Sybersound* stands for the proposition that any attempt by a joint owner to grant an
3 exclusive license without the consent of all other joint owners results in the grant of a
4 nonexclusive license as a matter of law, at least for the purposes of standing to sue for
5 infringement. *See id.* at 1146 (citing *Oddo*, 743 F.2d at 633) (“[U]nless all the other co-owners of
6 the copyright joined in granting an exclusive right to [the plaintiff], [the licensor], acting solely
7 as a co-owner of the copyright, could grant only a nonexclusive license to [the plaintiff] because
8 [the licensor] may not limit the other co-owners’ independent rights to exploit the copyright.”).
9 This case has caused a considerable amount of consternation, and Nimmer disagrees with the
10 result, *see* 1 Nimmer & Nimmer, *supra*, § 6.10 [A][2][d], but it is now the law in this Circuit.
11 Joint owners may agree by contract that none of them shall independently license a work, *id.* §
12 6.10 [C], but there appears to be no such provision in the Letter Agreement between DeVito and
13 Woodard.

14 At oral argument, Plaintiff was adamant that *Sybersound* stood only for the limited
15 procedural proposition that an exclusive licensee who had his license from fewer than all of the
16 joint owners of a work stood in the position of a nonexclusive licensee for the purposes of
17 standing to sue third parties for infringement, i.e., he could not sue for infringement, whereas an
18 exclusive licensee who had his license from all joint owners (or from a sole owner) could.
19 Plaintiff strongly rejected that *Sybersound* stood for the proposition that an attempt by fewer than
20 all joint owners of a work to grant an exclusive license resulted in a nonexclusive license *per se*.
21 Plaintiff accused the *Sybersound* court of erring due to its equivocation with respect to different
22 meanings of the word “exclusive.” Plaintiff argues that in *Fleischer Studios, Inc. v. A.V.E.L.A.*,
23 *Inc.*, the Ninth Circuit noted that *Sybersound* must be understood as a procedural case only.
24 *See* 654 F.3d 958 (9th Cir. 2011). But *Fleischer* mentions *Sybersound* only briefly, and for a
25 proposition irrelevant to the effect of the attempted grant of an exclusive license by fewer than
all joint owners. *See* 654 F.3d at 964.

1 The *Sybersound* decision can, in any case, be squared with the ability of a joint owner to
2 grant an exclusive license if we simply untangle what we mean by “exclusive.” In the context of
3 intellectual property, the difference between “exclusive” and “nonexclusive” licenses concerns
4 the continuing ability of the grantor to use or further license to others the licensed property
5 during the period the license is in effect. An “exclusive” license is “[a] license that gives the
6 licensee the sole right to perform the licensed act . . . and that prohibits the licensor from
7 performing the licensed act and from granting the right to anyone else” *Black’s Law*
8 *Dictionary* 1003 (9th ed. 2009). A “nonexclusive” license does not impose this limitation on the
9 licensor. A joint owner of a work may consistent with *Sybersound* grant a license that is
10 exclusive *as against him*, i.e., he may no longer exploit or further license the work. But such a
11 licensee cannot prevent the other joint owner(s) from using or further licensing the work. In a
12 sense, then, such a license is both exclusive and nonexclusive. *See* 1 Nimmer & Nimmer, *supra*,
13 § 6.10[A][2][c]–[d] (explaining that an exclusive license from fewer than all joint owners is
14 exclusive as against the licensor, but not as against the other joint owners). By analogy, one
15 tenant-in-common as to a parcel of land may lease the land without the consent of the other
16 tenants-in-common, but he is liable to account to the other tenants for the rents, and even if the
17 first tenant promises his lessee that he will vacate the land during the lease, the first tenant and
18 his lessee cannot via this separate agreement prevent the other tenants from going onto their own
19 land. This is likely what the *Sybersound* court meant when it said that a joint owner cannot
20 without consent of the other joint owner(s) grant an “exclusive license,” i.e., a license that is
21 exclusive *as against all joint owners*, but by attempting to do so, a joint owner grants whatever
22 “nonexclusive” license he in fact has the power to grant, i.e., a license that is not exclusive as
23 against all joint owners, but which is exclusive as against the licensor. Plaintiff’s criticisms
24 would be justified if *Sybersound* meant that a joint owner could not grant a license that was
25 exclusive even as against himself, or that the very fact of joint ownership prevented even all joint
owners in cooperation from granting an exclusive license. *Sybersound* does not appear to stand

1 for either of these propositions, but only points out in the copyright context the unremarkable
2 and familiar principle that where there is joint ownership of property in a system where each
3 owner has the ability to license its use, one joint owner cannot do so to the detriment of another
4 joint owner’s ability to use or license the property. Surely the Ninth Circuit will clarify that it
5 meant something like this if given the chance, and perhaps it will have the chance in the present
6 case. In any case, this Court is confident that the *Sybersound* court is guilty at most of imprecise
7 syntax or some minor equivocation, as opposed to outright copyright-law heresy. As to
8 Nimmer’s insistence that a nominal exclusive licensee who holds his license from fewer than all
9 joint owners should have standing to sue for infringement, *see id.* § 6.10[A][2][d], the issue
10 simply does not present itself in this case. There do not yet appear to be any counter-, third-
11 party-, or cross-claims by any licensee of the Work. The only infringement claims are brought
12 by Plaintiff, who no party seems to contest is a 50% owner of the Work, and not a licensee. The
13 Court expresses no opinion on Nimmer’s policy-based criticism that *Sybersound*’s rejection of
14 the ability of a selectively exclusive licensee⁵ to sue for copyright infringement unreasonably
15 hinders the ability to enforce a copyright.

16 The Valli/Gaudio License was either a selectively exclusive license⁶ or a transfer of
17 DeVito’s ownership of the Work, but in no case was it an exclusive license as against Plaintiff.
18 The Court finds that the Valli/Gaudio License was not a “transfer of copyright ownership” under
19 17 U.S.C. § 101 but was a selectively exclusive license, i.e., it was exclusive as against DeVito,
20 but nonexclusive as against Plaintiff. The Court is perhaps coining a new term here, but it is not
21 creating any new doctrine. Nimmer explicitly recognizes and discusses the phenomenon this
22 term describes when jointly owned works are separately licensed by fewer than all joint owners.
23 *See id.* § 6.10[A][2][c]–[d].

24
25 ⁵*See infra*, note 6.

⁶The license was exclusive as against DeVito, the licensor, but nonexclusive as against Plaintiff. *See* 1 Nimmer & Nimmer, *supra*, § 6.10[A][2][c]–[d].

1 A joint owner may also transfer his partial ownership of a work altogether. *See* 17 U.S.C.
2 § 201(d)(1) (“The ownership of a copyright may be transferred in whole or in part by any means
3 of conveyance or by operation of law, and may be bequeathed by will or pass as personal
4 property by the applicable laws of intestate succession.”). In such a case, the transferee stands in
5 the shoes of the transferor with respect to rights of further exploitation, transfer, and license. *See*
6 1 Nimmer & Nimmer, *supra*, § 6.11. A transfer of copyright ownership need not use the words
7 “transfer” or “assign” but must indicate an intent to effect an outright transfer of the copyright.
8 *See Radio Television Espanola S.A. v. New World Entm’t, Ltd.*, 183 F.3d 922, 927 (9th Cir.
9 1999) (“No magic words must be included in a document to satisfy § 204(a). Rather, the parties’
10 intent as evidenced by the writing must demonstrate a transfer of the copyright.”); *Urantia*
11 *Found. v. Maaherra*, 114 F.3d 955, 960 (9th Cir. 1997) (“Even though the precise words ‘assign’
12 or ‘transfer’ do not appear in the trust instrument, the members of the Contact Commission
13 demonstrated their intent to transfer the common law copyright in the Papers to the Foundation
14 both through the language of the trust instrument itself, and by delivery of the printing plates to
15 the Foundation. The trust instrument provided that the trustees of the Foundation were ‘to retain
16 absolute and unconditional control of all plates and other media for the printing and reproduction
17 of the Urantia Book and any translation thereof’”). If the Valli/Gaudio License in fact
18 constituted such a transfer, then Plaintiff would now be a joint owner of the Work with Valli and
19 Gaudio, assuming no further transfers, though DeVito would still potentially be liable to share
20 royalties with Plaintiff under the Letter Agreement as a matter of contract law.

21 The Court finds that the Valli/Gaudio License is at best ambiguous as to the intent to
22 transfer copyright. The document does not use words of “transfer,” but rather gives an
23 “exclusive right to use,” indicating a license. More importantly, the document does not
24 sufficiently identify the Work, which is necessary to effect the transfer of copyright in the Work.
25 The Valli/Gaudio License constitutes Exhibit A to the *Jersey Boys* Agreement.

(*See* Valli/Gaudio License, ECF No. 457-34, at 38). The copy Plaintiff adduces was signed on

1 an unspecified date by Gaudio, Macioli (Massi), and DeVito, but not by Valli. (*See id.*). The
2 Valli/Gaudio License is in the form of a letter from Valli and Gaudio to DeVito and Massi in
3 which Valli and Gaudio indicate their intent to develop a musical based on the life and music of
4 *The Four Seasons* and wish to use “your creative contributions, biographies, events in your life,
5 names and likenesses (the ‘Materials’)”. (*See id.* 1). Valli and Gaudio propose that “in
6 consideration for our right to use such Materials,” DeVito and Massi shall be entitled to certain
7 royalties. (*See id.* 1–2). The letter further explains:

8 In consideration of the foregoing payments, you grant to us the exclusive
9 right to use and incorporate the Materials in one or more theatrical productions, and
10 any and all ancillary and subsidiary exploitations thereof including, without
11 limitation, cast albums, motion picture and televised versions, merchandise and/or
12 other works You hereby consent to any such use and agree that the Works may
13 be exploited throughout the world in all media now existing and later devised, and
14 you further acknowledge that you shall not receive any compensation for the use of
15 the Materials or in connection with any of the Works other than the compensation
16 expressly set forth herein. The rights granted by you to us hereunder shall continue
17 in perpetuity if the rights in the Play have merged with each other pursuant to the
18 production contract between us and the initial commercial producer. If the rights of
19 the initial commercial producer lapse prior to merger, and we enter into a production
20 contract with another commercial producer within two (2) years following such lapse
21 of rights, our rights hereunder shall continue only for the duration of such subsequent
22 producer’s rights, and in perpetuity if merger has occurred pursuant to our
23 production contract with such subsequent producer.

24

25 The rights granted to us herein are irrevocable and not subject to rescission
or injunction under any circumstances.

(*Id.* 2–4). The all-important question is whether the above-quoted language indicates an intent to
transfer copyright ownership, or merely to grant a license. On their face, the first two sentences
of the passage indicate an attempt to grant an exclusive license. The third and fourth sentences
complicate the analysis. They indicate that the license becomes perpetual if and when “the rights
in the Play have merged with each other pursuant to the production contract between us and the
initial commercial producer [or a later producer].” There seems to be no dispute that there was a
later production contract. Finally, the rights are irrevocable. Still, the Work is nowhere
identified except insofar as it is included under the umbrella of “biographies.” The Court finds

1 that the Work is not sufficiently identified in the Valli/Gaudio License to show a transfer of
2 copyright. Any ambiguity must be resolved in favor of Defendants. Valli and Gaudio attest that
3 at the time they entered into the Valli/Gaudio License, they were not even specifically aware of
4 the existence of the Work, which, insofar as the agreement is ambiguous, is good parole evidence
5 that there was no intent to transfer copyright in the Work. (See Valli Decl. ¶ 11, June 24, 2011,
6 ECF No. 548-5; Gaudio Decl. ¶ 12, June 22, 2011, ECF No. 548-6). Valli and Gaudio both
7 declare that they never saw a copy of the Work until Plaintiff’s counsel showed them a copy
8 during their depositions in the summer of 2011.

9 As to exploitation of the Work overseas, the Valli/Gaudio License appears to be a nullity,
10 because it is in fact a license and not a transfer of copyright ownership. See *id.* § 6.10 [D] (citing
11 *Powell v. Head*, 12 Ch. D. 686 (1879) (U.K.); *Cescinsky v. George Routledge & Sons, Ltd.*, 2
12 K.B. 325 (1916) (U.K.); *Massie & Renwick, Ltd. v. Underwriters’ Survey Bureau, Ltd.*, 1 D.L.R.
13 625 (1940) (Can.)) (“[I]n foreign jurisdictions, a license will not be valid unless all joint owners
14 are party to it.”).

15 The Court rejects Defendants arguments that they could only become joint owners with
16 Plaintiff as to the entire Work (or some stick in the bundle of rights pertaining to the Work) if
17 DeVito were able to grant a fully exclusive license in the Work (or an exclusive license in some
18 stick in the bundle of rights pertaining to the Work), as opposed to a selectively exclusive
19 license. Defendants fail to note the distinction between the grant of an exclusive license
20 (whether fully or selectively exclusive) and the transfer of copyright. Defendants’ argument
21 relies on the incorrect premise that the grant of an exclusive license and the transfer of copyright
22 are synonymous. They are not. See 1 Nimmer & Nimmer, *supra*, §§ 6.10–6.11. Defendants are
23 correct that DeVito could not as a joint owner grant an exclusive license against other joint
24 owners without their concurrence, and that such an attempt results in a selectively exclusive
25 license, which under *Sybersound* is nonexclusive for the purposes of standing to sue for
infringement. However, they ignore the possibility that the Valli/Gaudio License was in fact a

1 transfer of copyright, which is different from the grant of an exclusive license. The Court finds
2 that it was not a transfer of copyright as a matter of fact, but the possibility that it could have
3 been so exists as a matter of law.

4 Next, Plaintiff asks the Court to declare that Valli and Gaudio further licensed the Work
5 to DSHT and/or Dodger Theatricals via the *Jersey Boys* Agreement, and that Dodger Theatricals
6 thereafter either directly, or after further assignment or sublicense by DSHT, further assigned or
7 sublicensed it to Jersey Boys Broadway. The *Jersey Boys* Agreement was between “Owner”
8 Valli and Gaudio, “Bookwriter” Elice and Brickman, and “Producer” DSHT. (*See Jersey Boys*
9 *Agreement* 1). The rights to the name *The Four Seasons* and the life stories of the members of
10 the band, as well as the history of the band, are referred to as the “Underlying Rights.” (*See id.*
11 2). The rights to songs written by the band to be used in the musical are referred to as the
12 “Composition Rights.” (*See id.*). The *Jersey Boys* Agreement the contains several paragraphs of
13 complex assignments of rights and royalties provisions. (*See id.* 2–4). Pages seven and eight of
14 the *Jersey Boys* Agreement contain indications of a license to Producer DSHT. (*See id.* 7
15 (“Owner shall have approval over any license, assignee, or lessee in connection with any
16 production which Producer does not produce or co-produce.”); *see id.* 8 (“Owner and the
17 Bookwriter, as their interests may appear, shall own the copyright in all translations of the book
18 of the Play.”)). Page nine contains additional indication of license. (*See id.* 9 (“Author (Owner
19 and Bookwriter) shall own and control the Play with respect to all rights subject to the rights
20 expressly granted to Producer in this Agreement.”)). Page twenty-one makes clear that the
21 duration of the license is not perpetual. (*See id.* 21 ¶ 24).

22 In summary, the Valli/Gaudio License was not a transfer of copyright from DeVito to
23 Valli and Gaudio, because although the instrument purported to give exclusive rights in the
24 Materials irrevocably and perpetually, it did not sufficiently identify the Work to transfer
25 DeVito’s 50% ownership of copyright in the Work to Valli and Gaudio. At best, the instrument
is ambiguous with respect to intent to transfer copyright, and the parol evidence indicates that

1 there was no intent to transfer copyright, particularly as Valli and Gaudio appear not to have
2 known specifically about the Work itself at the time they entered into the Valli/Gaudio License
3 with DeVito. The intent of the parties to the Valli/Gaudio License was to create an exclusive
4 license in the Materials, which included the Work under the general category of “biographies.”
5 The Valli/Gaudio License therefore constituted a selectively exclusive license. It was in part an
6 exclusive license and in part a nonexclusive license as to exploitation within the United States,
7 and in foreign jurisdictions it was no license at all. It was an exclusive license except insofar as
8 it must be nonexclusive as a matter of law. That is, it was exclusive as to the Materials identified
9 therein, and it was even exclusive as to the Work, but only as against DeVito. Next, although the
10 Valli/Gaudio License does not display a clear intent to transfer the copyright to the Work, the
11 definition of the Materials in the Valli/Gaudio License includes “biographies,” and it is therefore
12 broad enough to include the Work under its broad grant of a license. The fact that Valli and
13 Gaudio were not specifically aware of the Work—an important piece of parol evidence as to the
14 intent to transfer copyright—is not relevant to whether the Valli/Gaudio License encompassed
15 the Work for the purposes of licensing. The license was purposely written in broad terms and
16 was meant to encompass any and all of DeVito’s writings concerning certain portions of his life.
17 The license to exploit the Work, however, must be nonexclusive as against Plaintiff, because
18 DeVito was not its sole owner. Finally, under the Copyright Act of 1976, as under the Copyright
19 Act of 1909, Valli and Gaudio were unable to further assign their license or to sublicense the
20 Work without the express consent of their licensor, DeVito. *See Gardner v. Nike, Inc.*, 279 F.3d
21 774, 780 (9th Cir. 2002). The Valli/Gaudio License included express permission from DeVito to
22 assign or sublicense the license. (*See* Valli/Gaudio License 4 (“We [Valli and Gaudio] shall have
23 the unrestricted right to assign this agreement in whole or in part.”)). The *Jersey Boys*
24 Agreement appears to have constituted a nonexclusive sublicense to DSHT. It is not clear based
25 on the evidence adduced at this stage whether any further purported licenses were granted by

1 DSHT.⁷

2 **B. Equitable Accounting (Fourteenth Cause of Action)**

3 Both Plaintiff and Defendants have moved for summary judgment on this cause of action.
4 “[A] joint owner is under a duty to account to the other joint owners of the work for a ratable
5 share of the profits realized from his use of the work.” 1 Nimmer & Nimmer, *supra*, § 6.12 [A]
6 (citing *Oddo*, 743 F.2d 630). Such profits are held in constructive trust by the first joint owner
7 for the benefit of the other joint owners, which requires an accounting. *Id.* (citing *Oddo*, 743
8 F.2d 630). The rule is justified to the degree the first joint owner has exploited the work,
9 because the value of the work to the other joint owners is thereby “depleted” for future
10 exploitation. *See id.* A joint owner is also accountable to the other joint owners for their share of
11 profits from his separate licensing of a joint work. *Id.* § 6.12 [B]. The “depletion” rationale
12 applies especially strongly in licensing cases, because the licensor need not even risk his own
13 capital to realize profits from the licensee’s exploitation of the joint work. *See id.*

14 Here, DeVito has a duty to account to Plaintiff for her ratable share of profits from his
15 licensing of the Work to Valli and Gaudio. *See id.* § 6.12 [C][1]–[2].⁸ As half owner of the
16 Work, Plaintiff is presumably entitled to half of the total consideration DeVito received for the
17 Valli/Gaudio License that is attributable to the Work. There remains a question of fact what
18 percentage of DeVito’s royalties under the license is attributable to the Work and what
19 percentage is attributable to other works or assistance DeVito provided under the license. For
20 example, if it is determined at trial that 50% of the royalties DeVito received are attributable to
21 the Work (with the remaining 50% attributable to other pieces of the Materials he provided),

23 ⁷Plaintiff alleges further licensing “on information and belief” but attaches no copies of
24 further licenses or transfers of copyright. Further discovery may reveal such licenses, whether
25 written or verbal. It is nearly inconceivable that DSHT did not further license the Materials,
which included the Work, to Jersey Boys Broadway and other production companies.

⁸Neither Plaintiff nor DeVito has moved for summary judgment on the second cause of
action for an equitable accounting by DeVito.

1 then DeVito will be liable to Plaintiff for 25% of the total royalties he received under the
2 Valli/Gaudio License. In any case, he is liable to account for his royalties under the license.

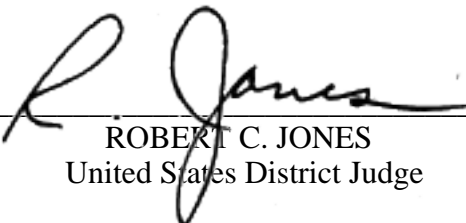
3 Valli and Gaudio themselves, as well as DSHT and any other further licensees or
4 sublicensees, do not owe Plaintiff a direct accounting, because a joint owner's licensee's duties
5 are limited to the licensee's contractual duties under the license. *See* 1 Nimmer & Nimmer,
6 *supra*, § 6.12[B] (citing, *inter alia*, *Ashton-Tate Corp. v. Ross*, 916 F.2d 516, 523 (9th Cir.
7 1990)). The Court therefore grants summary judgment to Defendants on the fourteenth cause of
8 action and denies summary judgment to Plaintiff. The second cause of action for an accounting
9 by DeVito remains viable.

10 **CONCLUSION**

11 IT IS HEREBY ORDERED that the Motions for Summary Judgment (ECF Nos. 548,
12 600) are GRANTED in part and DENIED in part. The Court denies summary judgment to
13 Plaintiff on the twelfth cause of action. The Court grants summary judgment to Plaintiff in part
14 on the thirteenth cause of action and denies summary judgment to Defendants. The Court grants
15 summary judgment to Defendants on the fourteenth cause of action and denies summary
16 judgment to Plaintiff.

17 IT IS SO ORDERED.

18 Dated this 26th day of October, 2011.

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20 
21 _____
22 ROBERT C. JONES
23 United States District Judge
24
25