

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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PETER SCHNEIDER,           :
                           :      09 Civ. 9116 (DLC)
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                           :
                           :      MEMORANDUM
                           :      OPINION & ORDER
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WORD WORLD, LLC,           :
                           :
                           :      Defendant.
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DENISE COTE, District Judge:

On or about September 16, 2009, plaintiff commenced this action by filing a complaint in New York Supreme Court. The defendant removed the case to this Court on November 2, 2009. On December 1, 2009, plaintiff filed a motion to remand to state court, which became fully submitted on January 29, 2010. For the following reasons, plaintiff’s motion to remand is denied without prejudice to renewal.

BACKGROUND

Plaintiff’s complaint arises out of his involvement with a children’s television project known as “Word World” between approximately 2001 and 2003. Plaintiff alleges that defendant Word World LLC (the “defendant”) and its predecessor in interest Playgroundz Productions, Inc., failed “to pay plaintiff for his intellectual property rights.” Plaintiff asserts that he is the “creator and inventor of Word World Intellectual Properties,

including but not limited to the original names, terms, and trademarks Word World, Word Things and Word Building and the original concept and construction of the Word World characters and the original feature, the separating and the building of the letter/character parts." Plaintiff's complaint alleges eight causes of action, including breach of contract, both express and implied-in-fact; "breach of contract arising from false and improper applications for copyrights, trademarks, and patents"; wrongful use and conversion of intellectual property; quantum meruit; and accounting and disgorgement.

Defendant's notice of removal states that plaintiff's complaint alleges claims arising under federal law, including the Lanham Act, 15 U.S.C. §§ 1051 et seq., the U.S. Patent Act, 35 U.S.C. §§ 1 et seq., and the Copyright Act, 17 U.S.C. §§ 101 et seq. Plaintiff concedes that his "causes of action involve Contracts that may relate to copyright, trademark and or patents," but argues that "questions concerning patents, copyright, and trademarks" are "only peripheral[]" and that his claims arise solely under state law.

DISCUSSION

On a motion to remand, "the defendant bears the burden of demonstrating the propriety of removal." Cal. Pub. Employees' Ret. Sys. v. Worldcom, Inc., 368 F.3d 86, 100 (2d Cir. 2004)

(citation omitted). “[S]tatutory procedures for removal are to be strictly construed,” In re Methyl Tertiary Butyl Ether (“MTBE”) Prods. Liab. Litig., 488 F.3d 112, 124 (2d Cir. 2007) (quoting Syngenta Crop Prot., Inc. v. Henson, 537 U.S. 28, 32 (2002)), and “out of respect for the limited jurisdiction of the federal courts and the rights of states,” a court “must resolve any doubts against removability.” Id. (citation omitted).

A state court action may only be removed to federal court if the action could originally have been filed in federal court. See 28 U.S.C. § 1441(a). Where, as here, neither party has alleged diversity jurisdiction, removal requires federal question jurisdiction. Under the well-pleaded complaint rule, “[t]he existence of a federal question must be determined solely by reference to the plaintiff’s own claim -- not by reference to statements raised in anticipation or avoidance of possible defenses that may be interposed.” Empire HealthChoice Assurance, Inc. v. McVeigh, 396 F.3d 136, 140 (2d Cir. 2005) (citation omitted). This rule generally persists even where Congress has preempted state regulation since preemption would normally only be raised as a defense. Beneficial Nat’l Bank v. Anderson, 539 U.S. 1, 6 (2003) (“Anderson”); see also Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc., 373 F.3d 296, 304 (2d Cir. 2004) (“Briarpatch”) (“Preemption does not necessarily confer jurisdiction, since it is generally a defense to plaintiff’s

suit and, as such, it does not appear on the face of a well-pleaded complaint.”).

Nevertheless, even when a complaint pleads only state-law claims, it may nonetheless be removed to federal court where a federal statutory scheme completely preempts an area of the law. “‘Under the complete preemption doctrine, certain federal statutes are construed to have such ‘extraordinary’ preemptive force that state-law claims coming within the scope of the federal statute are transformed, for jurisdictional purposes, into federal claims -- i.e. completely preempted.’” Wall v. CSX Transp., Inc., 471 F.3d 410, 423 n.11 (2d Cir. 2006) (quoting Sullivan v. Am. Airlines, 424 F.3d 267, 272 (2d Cir. 2005)). In Briarpatch, the Court of Appeals stated that the complete preemption doctrine covers “any federal statute that both preempts state law and substitutes a federal remedy for that law, thereby creating an exclusive federal cause of action.” 373 F.3d at 305 (interpreting and applying Anderson). After concluding that the complete preemption doctrine extends to the Copyright Act, the Court of Appeals held specifically that the plaintiff’s state-law unjust enrichment claim was preempted insofar as it depended on the allegation that the defendant had turned the plaintiff’s novel and screenplay into a motion picture without compensation or permission. Id. at 306.

In the instant case, it appears that the plaintiff's complaint invokes rights covered by federal law that are sufficiently "substantial" to support the existence of subject matter jurisdiction in this action. Bracey v. Bd. of Educ., 368 F.3d 108, 114 (2d Cir. 2004). The plaintiff claims ownership of "original names, terms, and trademarks"; argues that his "creations" and "work product" were converted, misappropriated, or otherwise used by the defendant without reasonable compensation; and alleges that the defendant passed off plaintiff's intellectual property as its own and "filed false and improper patent applications, trademark applications, and other applications." To the extent plaintiff claims ownership of any "original works of authorship fixed in a[] tangible medium of expression" and that the defendant intruded upon the plaintiff's exclusive rights, such claims are subject to complete preemption under the Copyright Act. 17 U.S.C. §§ 102, 106; see Briarpatch, 373 F.3d at 305-06. Likewise, to the extent that plaintiff alleges that defendant interfered with his ownership of a patent or his commercial use of a federally recognized trademark, the plaintiff's right to relief may "necessarily depend[] on resolution of a substantial question of federal law." Empire HealthChoice, 396 F.3d at 140 (citation omitted). As such, plaintiff's complaint invokes federal question jurisdiction, and "a plaintiff may not defeat federal

subject-matter jurisdiction by 'artfully pleading' his complaint as if it arises under state law where the plaintiff's suit is, in essence, based on federal law." Sullivan, 424 F.3d at 271.

Supplemental jurisdiction exists over the remaining claims. "[I]n any civil action of which the district courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action . . . that they form part of the same case or controversy under Article III." 28 U.S.C. § 1367(a). "A state law claim forms part of the same controversy if it and the federal claim 'derive from a common nucleus of operative fact.'" Briarpatch, 373 F.3d at 308 (citation omitted). Because each of plaintiff's claims against the defendant arise from a "common nucleus of operative fact" -- namely, plaintiff's claim to compensation based on his participation in, or creation of, the Word World project -- the Court will exercise its discretion pursuant to 28 U.S.C. § 1367 to exercise supplemental jurisdiction over the remaining state-law claims.

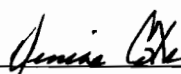
CONCLUSION

Plaintiff's December 1, 2009 motion to remand this case to state court is denied without prejudice. In the event that

further litigation reveals that no federal claim exists, the plaintiff may renew his motion.

SO ORDERED:

Dated: New York, New York
February 9, 2010



DENISE COTE
United States District Judge