

3 **II. Factual Findings of the Court**

4 Pursuant to Rule 52 of the Federal Rules of Civil Procedure, the court makes a special
5 finding of the specific facts which were pertinent to its analysis of the legal issues presented at trial.

6 GVLII presented the testimony of two witnesses: Rafael Venegas and Richard Viera Cintron.
7 Mr. Venegas testified to his experience as Executive Director in exploiting the musical works of
8 his father for the company GVLII. He also testified to the split of ownership of the work "Genesis"
9 during the time the alleged infringement occurred. This testimony of ownership rights is consistent
10 with the previous holdings by Judge Fuste in his district court opinion, Venegas-Hernandez, 2004
11 WL 3686337, as well as with the holding by the Appeals court of Puerto Rico, Lucy Chavez Butler
12 v. Rafael Venegas Hernandez y Otros (Exhibits A & A1). Mr. Venegas further testified that,
13 because the retroactive licenses covered the six songs that were performed by BPPR during the
14 period between 1993 and 1998, he believed a fair calculation of damages for LAMCO's alleged
15 infringing action would be 1/6 of the \$260,432.10 which LAMCO received from BPPR in 1998 for
16 the retroactive granting of the license for performance rights.

17 Mr. Viera Cintron testified to the process used to determine the costs that were associated
18 with the granting of the licenses to BPPR.

19 BPPR presented the testimony of Paulette Lavergne. Ms. Lavergne was the attorney for
20 BPPR that negotiated the contract with LAMCO for the retroactive licenses with regard to the songs
21 that were performed during the Christmas Specials during the years 1993-1998. BPPR presented
22 a series of correspondence between Ms. Lavergne and LAMCO indicating her belief that she was
23 contracting for retroactive licenses for the use of songs which LAMCO owned all of the rights to.

24 LAMCO offered the testimony of its President of operations, Luis Raul Bernard. Mr.
25 Bernard testified that the licenses signed in 1998 were actually prospective licenses granting rights
26 for future performances of the works. He further claimed that the references to the years 1993-1998
27 were not actually retroactive licenses, but were merely included to prevent any infringement from
28 occurring from future performances of the Christmas Specials (after 1998) which were filmed during
the years 1993-1998. He also testified that the \$260,432.10 paid for the performance license was

2 for the entire catalogue of LAMCO works and, therefore, did not offer a viable starting point from
3 which to calculate the sum of monies that was paid for the performance right of the singular work
4 “Genesis.”

5 The court also recognizes stipulated facts which were pertinent to its decision. The parties
6 stipulated to the fact that the work “Genesis had in fact been performed by BPPR during the years
7 covered by the retroactive license granted to” them by LAMCO. (See Docket No. 518 at 24). This
8 stipulated fact was contrary to the facts before Judge Fuste when he made his holding that no
9 evidence of performance was presented by the parties and therefore no damages could be awarded
10 for the infringement stemming from the granting of performance licenses.

11 **II. Discussion**

12 *A. Infringement of the work Genesis*

13 With regard to the claims of infringement of the performance rights to “Genesis,” the court
14 finds that the evidence presented by GVLI belies the testimony of LAMCO president Raul Bernard.
15 The court finds that GVLI has demonstrated by a preponderance of the evidence that LAMCO
16 infringed GVLI’s copyright to the song “Genesis.” Remaining consistent with Judge Fuste’s
17 previous findings, the court finds that the licensing contract entered into between LAMCO and
18 BPPR on November 6, 1998 (Exhibits II & III) constituted a retroactive license. See Venegas-
19 Hernandez, 2004 WL 3686337 at *33-34. The court also finds that based upon the irrefuted
20 testimony of Venegas, as well as the presiding case law, these rights of ownership were solely owned
21 by GVLI during the period covered by the retroactive licenses granted by LAMCO. Therefore,
22 LAMCO’s improper licensing of the performance rights to “Genesis” infringed the copyright owned
23 by GVLI.

24 With respect to the calculation of damages, the court understands that it could apply the
25 statutory penalties for infringement, but instead has chosen to follow the ruling of Judge Fuste and
26 utilize the payments provided by the licensing contract to calculate an award of actual damages. See
27 Venegas-Hernandez, 2004 WL 3686337, at *34. In assessing the contract, the court concludes that

2 because these licenses were granted retroactively, the court will construe the costs paid to have been
3 paid for those songs which were actually performed in that time period; the six songs listed among
4 the licenses. (See Exhibit II.) Therefore, the \$260,432.10 received for retroactive performance
5 licenses was, in essence, paid for the retroactive performances of these six works. As such, the court
6 finds GVLI's offering of a calculation of damages to be a fair indication of the actual damages that
7 GVLI suffered as a result of LAMCO's infringement of their copyright. The court, therefore, awards
8 1/6 of the \$260,432.10 paid to LAMCO by BPPR for the performance rights of the songs listed, or
9 \$43,405.35. The 1/6 represents the portion which can be attributed to payments made for the rights
10 to "Genesis." Therefore, the court orders LAMCO to pay GVLI a total of \$43,405.35 plus interest
11 for the infringement resulting from its 1998 retroactive licensing of GVLI's copyrighted work
12 "Genesis."

13 *B. Off-Setting Claims by BPPR*

14 BPPR claims that it is due monies in the form of off-setting claims for payments it made to
15 LAMCO for licenses that LAMCO had unlawfully granted the bank during the years 1993-1998.
16 BPPR specifically prays for off-setting claims with respect to the works "Ojos Chinos" and
17 "Genesis."

18 With respect to the "Genesis" claim, the court finds that this claim is moot, as pursuant to
19 this order the payments made to LAMCO for the retroactive license of the performance rights to
20 "Genesis" have now been awarded to GVLI, the rightful owner of the copyright at the time BPPR
21 contracted for these rights. Therefore, in accordance with the parties' assertions at trial, this claim
22 is **MOOT**.

23 As to the "Ojos Chinos" claim, no evidence was presented indicating that LAMCO was not
24 the valid copyright owner during the time-period covered by the retroactive licenses granted to
25 BPPR. As grounds for its claim, BPPR cites Latin Am. Music Co. v. Archdiocese of San Juan of
26 the Roman and Apostolic Church, 499 F.3d 32 (1st Cir. 2007), contending that, in this case, the First
27 Circuit court held that LAMCO had no rights to the song "Ojos Chinos." The court understands,
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2 however, that BPPR has misstated the First Circuit’s holding in that case. The court in Archdiocese
3 of San Juan affirmed the district court decision, which determined that “with respect to the fifth
4 song, ‘Ojos Chinos,’ . . . LAMCO/ACEMLA had a non-exclusive license, which might entitle them
5 to receive payments from the Broadcasters but did not support standing to maintain a copyright
6 infringement claim.” 499 F.3d at 37. The court affirmed the dismissal of LAMCO’s infringement
7 claim but did not hold, as BPPR asserts, that LAMCO had no ownership interest in the work. In this
8 case BPPR had the burden to prove that LAMCO misrepresented their ownership rights as to “Ojos
9 Chinos” during the contract negotiations. As no evidence has been presented that LAMCO did not
10 own the rights to “Ojos Chinos” at the time that they contracted with the bank, BPPR has failed to
11 show that LAMCO made any misrepresentation which resulted in the bank’s decision to contract
12 for the licensing of synchronization and performance rights to the song “Ojos Chinos.”

13 **IV. CONCLUSION**

14 In accordance with the above, the court orders LAMCO to pay \$43,405.35 plus interest in
15 damages to GVLI. The court also finds BPPR’s off-set claim moot with respect to “Genesis.”
16 As to BPPR’s off-set claim for “Ojos Chinos,” the court holds that BPPR has failed to present
17 evidence demonstrating that LAMCO misrepresented its ownership of “Ojos Chinos” at the time
18 that the rights were contracted for. Therefore, the court finds in favor of LAMCO with regards
19 to this claim.

20 **SO ORDERED.**

21 In San Juan, Puerto Rico this 21st day of July, 2010.

22 *s/ Gustavo A. Gelpí*

23 GUSTAVO A. GELPI
24 United States District Judge
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