

No. 12-1315

IN THE
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER INC., ET AL.,

Respondents.

**On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Ninth Circuit**

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether the district court had discretion under the equitable doctrine of laches to bar this copyright infringement claim, in which petitioner unreasonably delayed filing suit for 18 years after her claim accrued and she had knowledge of her alleged rights, causing both economic and evidentiary prejudice to respondents.

**PARTIES TO THE PROCEEDING
AND RULE 29.6 STATEMENT**

Pursuant to this Court's Rule 29.6, undersigned counsel state that:

MGM Holdings Inc. is the ultimate parent company of: Metro-Goldwyn-Mayer Inc.; Metro-Goldwyn-Mayer Studios Inc.; Metro-Goldwyn-Mayer Home Entertainment LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; and United Artists Corp.

Twentieth Century Fox Home Entertainment LLC is a wholly owned subsidiary of Twenty-First Century Fox, Inc., a publicly traded corporation organized under the laws of Delaware. No publicly traded corporation other than Twenty-First Century Fox, Inc. owns 10% or more of the stock of Twentieth Century Fox Home Entertainment LLC.

TABLE OF CONTENTS

	Page
OPINIONS BELOW	1
JURISDICTION	1
STATEMENT	1
ARGUMENT	7
I. THE DECISION BELOW IS CORRECT	8
A. LACHES MAY BAR A COPYRIGHT CLAIM WHERE UNREASONABLE DELAY CAUSES PREJUDICE	9
B. PETITIONER'S UNREASONABLE DELAY IN FILING SUIT CAUSED PREJUDICE TO RESPONDENTS	11
II. THERE IS NO CONFLICT IN THE CIRCUITS THAT WARRANTS REVIEW	15
A. THE COURTS OF APPEALS ARE NOT DIVIDED ON THE ELEMENTS OF THE EQUITABLE LACHES DEFENSE	15
B. VARYING OUTCOMES IN INDIVIDUAL CASES REFLECT COURTS' EXERCISE OF EQUITABLE DISCRETION	19
III. THIS CASE IS A POOR VEHICLE FOR THE COURT'S REVIEW	21
CONCLUSION	24

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>Chirco v. Crosswinds Cmtys., Inc.</i> , 474 F.3d 227 (6th Cir. 2007).....	16
<i>Cnty. of Oneida v. Oneida Indian Nation</i> , 470 U.S. 226 (1985).....	10, 11
<i>Costello v. United States</i> , 365 U.S. 265 (1961).....	8, 9, 15, 18, 21
<i>Danjaq LLC v. Sony Corp.</i> , 263 F.3d 942 (9th Cir. 2001).....	3, 12, 16
<i>eBay Inc. v. MercExchange, L.L.C.</i> , 547 U.S. 388 (2006).....	8, 9, 10, 18, 20
<i>E-Systems, Inc. v. Monitek, Inc.</i> , 720 F.2d 604 (9th Cir. 1983).....	9
<i>Gardner v. Pan. R. Co.</i> , 342 U.S. 29 (1951).....	9, 10, 20
<i>Gilmore v. Anderson</i> , 38 F. 846 (C.C.S.D.N.Y. 1889).....	9
<i>Grand Canyon Trust v. Tucson Elec. Power Co.</i> , 391 F.3d 979 (9th Cir. 2004).....	3
<i>Haas v. Leo Feist, Inc.</i> , 234 F. 105 (S.D.N.Y. 1916).....	6, 9, 12, 13
<i>Holmberg v. Armbrecht</i> , 327 U.S. 392 (1946).....	9, 11
<i>Hutchinson v. Spanierman</i> , 190 F.3d 815 (7th Cir. 1999).....	16

<i>Ikeliowu v. United States</i> , 150 F.3d 233 (2d Cir. 1998)	20
<i>Jackson v. Axton</i> , 25 F.3d 884 (9th Cir. 1994)	9
<i>Jacobsen v. Deseret Book Co.</i> , 287 F.3d 936 (10th Cir. 2002)	16
<i>Lottie Joplin Thomas Trust v. Crown Publishers, Inc.</i> , 456 F. Supp. 531 (S.D.N.Y. 1977)	4
<i>Lyons P'ship, L.P. v. Morris Costumes, Inc.</i> , 243 F.3d 789 (4th Cir. 2001)	16, 17, 18
<i>Miller v. Glenn Miller Prods., Inc.</i> , 454 F.3d 975 (9th Cir. 2006)	13
<i>Nat'l R.R. Passenger Corp. v. Morgan</i> , 536 U.S. 101 (2002)	9
<i>New Era Publ'ns Int'l, ApS v. Henry Holt & Co.</i> , 873 F.2d 576 (2d Cir. 1989)	9, 16, 20
<i>NLRB v. Hendricks Cnty. Rural Elec. Membership Corp.</i> , 454 U.S. 170 (1981)	15
<i>Peter Letterese & Assocs. v. World Inst. of Scientology Enters., Int'l</i> , 533 F.3d 1287 (11th Cir. 2008)	16, 19
<i>Ray Commc'ns, Inc. v. Clear Channel Commc'ns, Inc.</i> , 673 F.3d 294 (4th Cir. 2012)	18
<i>Roley v. New World Pictures, Ltd.</i> , 19 F.3d 479 (9th Cir. 1994)	21
<i>Russell v. Todd</i> , 309 U.S. 280 (1940)	9, 11, 22, 23

<i>Stewart v. Abend</i> , 495 U.S. 207 (1990).....	2
<i>Thompson v. Looney’s Tavern Prods., Inc.</i> , 204 F. App’x 844 (11th Cir. 2006).....	9
<i>United States v. Johnston</i> , 268 U.S. 220 (1925).....	15
<i>United States v. Mack</i> , 295 U.S. 480 (1935).....	10
<i>United States v. Williams</i> , 504 U.S. 36 (1992).....	23
<i>Wanlass v. Gen. Elec. Co.</i> , 148 F.3d 1334 (Fed. Cir. 1998)	9
STATUTES	
17 U.S.C. § 502(a).....	10
28 U.S.C. § 1254(1).....	1
OTHER AUTHORITIES	
Melville B. Nimmer & David Nimmer, <i>Nimmer on Copyright</i> (Lexis 2013)	17
William F. Patry, <i>Patry on Copyright</i> (West 2013)	17
S. Rep. No. 85-1014 (1957).....	10

BRIEF IN OPPOSITION

Respondents Metro-Goldwyn-Mayer Inc.; Metro-Goldwyn-Mayer Studios Inc.; Metro-Goldwyn-Mayer Home Entertainment LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; United Artists Corp.; and Twentieth Century Fox Home Entertainment LLC respectfully submit that the petition for a writ of certiorari should be denied.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a–27a) is reported at 695 F.3d 946. The order of the district court granting summary judgment (Pet. App. 28a–48a) is unpublished.

JURISDICTION

The judgment of the court of appeals was entered on August 29, 2012. Pet. App. 1a. A petition for rehearing en banc was denied on January 30, 2013. *Id.* at 49a–50a. Petitioner invokes the jurisdiction of this Court under 28 U.S.C. § 1254(1).

STATEMENT

In 1991, petitioner learned that she had certain alleged rights under the Copyright Act; but she waited until 1998 to assert those purported rights, and then waited until 2009 to file this copyright infringement suit. The district court found this 18-year delay to have been unreasonable and further found that the delay had caused substantial economic and evidentiary prejudice to respondents. Accordingly, the district court ruled on summary judgment that petitioner’s claims are barred by the equitable doctrine of laches. Pet. App. 28a–48a. The court of appeals affirmed. *Id.* at 2a–27a.

1. Petitioner’s father collaborated with the boxer Jake LaMotta to create a book and two screenplays about LaMotta’s life and boxing career. Pet. App. 3a, 30a. “Together, these works allegedly became the basis for the movie *Raging Bull*, released in 1980.” *Id.* at 3a. These works were registered with the Copyright Office (*id.* at 30a), and the registrants assigned the rights in the works to respondents’ predecessors, *id.* at 4a. Petitioner “now alleges she is the sole owner of [her father’s] interest in the book and the two screenplays.” *Ibid.*

In 1990, following this Court’s decision in *Stewart v. Abend*, 495 U.S. 207 (1990), petitioner “engaged an attorney to advise and assist her regarding her [copyright] renewal rights.” Pet. App. 4a. She filed a renewal application in 1991. *Id.* at 4a–5a.

In 1998, petitioner contacted respondents and asserted that their continued exploitation of *Raging Bull* was an infringement of her exclusive rights. Pet. App. 5a, 32a. “Over the course of the next two years, [petitioner] and [respondents] exchanged a series of letters in which she accused [respondents] of infringing her copyrights and [respondents] insisted they were not.” *Id.* at 5a. Petitioner “repeatedly threatened to take legal action, but she did not do so at that time. The final letter in this series was dated April 5, 2000.” *Id.* at 5a–6a.

In 2009, petitioner initiated this copyright infringement lawsuit. Pet. App. 6a. In response, respondents reiterated that no possible claim for infringement exists because there is no substantial similarity between the works authored by LaMotta and petitioner’s father, and the film, *Raging Bull*, and that LaMotta’s grant of his rights in the book and screenplays serves as a complete defense to peti-

tioner's claims. Respondents also asserted the defense of laches based on petitioner's 18-year delay in filing suit.

2. The district court granted summary judgment to respondents on their equitable defense of laches. Pet. App. 42a–46a. “To establish laches, a defendant must establish (1) lack of diligence by the plaintiff, and (2) prejudice to the defendant.” *Id.* at 42a (quoting *Grand Canyon Trust v. Tucson Elec. Power Co.*, 391 F.3d 979, 987 (9th Cir. 2004)).

As to the first element, “the relevant delay is the period from when the plaintiff knew (or should have known) of the allegedly infringing conduct, until the initiation of the lawsuit in which the defendant seeks to counterpose the laches defense.” Pet. App. 42a (quoting *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 952 (9th Cir. 2001)). In this respect, the district court noted that “[i]t is essentially undisputed that [petitioner] had knowledge of the legal theories she is asserting in this action in 1990 or 1991 However, she testified that she refrained from filing suit at that time because [*Raging Bull*] was not yet profitable.” *Id.* at 42a–43a. Given that she did not file suit until 2009, the delay “element of [respondents’] laches defense is easily satisfied.” *Id.* at 43a.

The district court then considered whether it was reasonable for petitioner to delay 18 or more years before filing suit. “Here, the only justification offered for the delay is that [petitioner] waited to bring suit to assess [*Raging Bull*’s] profitability.” Pet. App. 44a. And the Ninth Circuit’s *Danjaq* decision, which “obviously controls,” held that such a delay was unreasonable. *Ibid.* The only authority petitioner relied on was a district court decision excusing delay in enforcing rights to Scott Joplin works that had

“rested in oblivion” before being “rediscovered” (*ibid.* (quoting *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 456 F. Supp. 531, 534 (S.D.N.Y. 1977), *aff'd*, 592 F.2d 651 (2d Cir. 1978)), which the district court found inapposite since *Raging Bull* “is considered to be one of (if not the) best motion pictures of the decade of the 1980’s.” Pet. App. 44a. The district court thus “conclude[d] that [petitioner’s] delay in bringing suit was unreasonable.” *Ibid.*

The district court also found that respondents “have shown prejudice resulting from the delay.” Pet. App. 44a.

First, “because [respondents] have made significant investments in exploiting the film,” the benefit of which petitioner “would potentially be allowed to reap,” respondents “undisputably have shown that they have suffered ‘expectations-based’ prejudice from [petitioner’s] delay in bringing suit.” Pet. App. 44a–45a.

Second, respondents “have also shown evidentiary prejudice resulting from the long delay.” Pet. App. 45a. Petitioner’s claim was premised on her disagreement with the dates that certain literary works were created by LaMotta and her father in the 1960s. *Id.* at 31a. The agreement assigning the motion picture rights to respondents’ predecessors stated that the book “is original and has not been copied or adapted from any literary, dramatic or other work.” *Ibid.* Thus, “in order to show infringement” petitioner was required to show that “contrary to [her father’s] representation in the 1976 Agreement, the Book is a derivative work based on the 1963 Screenplay.” *Id.* at 34a.

Because petitioner’s claim required her to “contradict representations by [her father] and LaMotta

in the 1976 Agreement,” the unavailability of several witnesses was clearly prejudicial. Pet. App. 45a. Two of the registered authors had died. *Ibid.* “Also deceased are [petitioner’s father’s] wife and Vickie LaMotta (Jake’s then wife depicted in the film).” *Id.* at 46a. And Jake LaMotta himself, who “suffered myriad blows to his head as a fighter years ago,” had become elderly and “no longer recognizes [petitioner], even though he has known her for forty years.” *Id.* at 45a–46a. Since most of the key players had become unavailable as witnesses due to the passage of time, petitioner’s delay in bringing suit would prejudice respondents in defending against petitioner’s claim.

Based on its conclusion that “[t]here are strong equitable arguments against allowing this action to proceed,” the district court granted summary judgment to respondents on their laches defense. Pet. App. 46a.

3. The court of appeals unanimously affirmed. Pet. App. 7a–18a.

a. The Ninth Circuit began by reiterating that “it is ‘[u]ndisputed [petitioner] was aware of her potential claims (as was MGM) since 1991,’ when her attorney filed her renewal application for the 1963 screenplay. She did not file her lawsuit until 18 years later, in January 2009.” Pet. App. 9a (first alteration in original).

The court of appeals explained that petitioner “contends that she delayed filing the lawsuit until 2009 for several reasons, including (1) her brother’s disability and her mother’s illnesses that over a period of years required her attention and care; (2) her mother’s fear of retaliation from [respondents]; and (3) her family’s inability to afford a lawsuit.” Pet.

App. 10a. As the court further explained, however, “[t]hese explanations are unsupported by evidence other than [petitioner’s] own declaration, and in any event, they are insufficient to demonstrate that the filing delay was reasonable.” *Ibid.* “There is no explanation as to why or how [petitioner’s] brother’s disability and her mother’s illnesses had any impact on her failure to file this lawsuit from 1990 until 2009, a period during which she was consulting with attorneys, renewing the copyright and sending letters to [respondents] threatening a lawsuit.” *Id.* at 10a–11a. Moreover, petitioner’s “excuse that she delayed because her family could not afford a lawsuit, even if true, does not make the delay reasonable.” *Id.* at 11a.

“More importantly, the evidence suggests the true cause of [petitioner’s] delay was, as she admits, that ‘the film hadn’t made money’ during this time period.” Pet. App. 11a. But “it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success.” Pet. App. 25a (quoting *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916) (Hand, J.)). As a result, the “district court did not err in finding [petitioner’s] delays in notification and in filing suit—19 years, combined—were unreasonable.” Pet. App. 11a.

Finally, the court of appeals determined that expectations-based prejudice existed. Pet. App. 12a. Respondents established that since 1991 they had spent “nearly \$8.5 million in the United States alone” on marketing, advertising, distributing, and otherwise promoting *Raging Bull*. *Id.* at 13a. Respondents also entered into licensing agreements for

broadcast and future distribution rights. The evidence established that had petitioner “filed suit in 1991 (or 1998), [respondents] would have had an opportunity to litigate this claim prior to making these various and significant investments.” *Id.* at 13a–14a.

As the court of appeals explained, respondents “continued to make business decisions and enter into contracts relying upon their belief that they were the rightful owners of the right to exploit *Raging Bull*. To the extent [respondents] should be proved wrong in their legal assumption through this litigation, the anticipated profits from these investments and licensing agreements—the expectation of which underlay their business decision making—would wind up in [petitioner’s] pocket. That is the essence of expectations-based prejudice.” Pet. App. 17a–18a. Having affirmed the district court’s decision on expectations-based prejudice, the court of appeals did not address, or disturb, the district court’s finding of evidentiary prejudice caused by petitioner’s unreasonable delay. *Id.* at 12a.

b. Judge Fletcher wrote a concurring opinion explaining that the panel had “faithfully applie[d] our circuit’s law of laches in copyright cases.” Pet. App. 23a. He suggested that this case law should be “revisit[ed]” to “recogni[ze] ... the distinction between equitable estoppel and laches.” *Id.* at 27a. Presumably because this distinction was of only academic interest in this case (which warranted dismissal under *any* equitable rubric), Judge Fletcher voted to deny the petition for en banc rehearing. *Id.* at 50a.

ARGUMENT

The district court had ample discretion to conclude that the equitable doctrine of laches bars this

copyright infringement suit where petitioner unreasonably delayed 18 years in bringing suit, causing both economic and evidentiary prejudice to respondents. The Ninth Circuit’s affirmance is not only correct, but also unremarkable; indeed, respondents submit that no appellate court would find an abuse of discretion on this record. Petitioner’s effort to conjure up a circuit split mischaracterizes the decisions below (which did not apply laches “without restriction”), and fails in any event because the courts of appeals are not divided on the legal standard for laches. On the contrary, every circuit follows this Court’s decision in *Costello v. United States*, 365 U.S. 265 (1961). The differing *outcomes* to which petitioner points merely reflect the reality that laches is a defense in *equity*, and the discretionary decisions of district courts applying that equitable doctrine will vary based on the facts and circumstances of each case. That is only to be expected, since “traditional equitable principles do not permit ... broad classifications.” *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006). Nothing about this case warrants this Court’s review.

I. THE DECISION BELOW IS CORRECT

Petitioner’s 18-year delay in bringing this action was egregious and entirely unjustifiable, and resulted in substantial (and unrebutted) prejudice to respondents. Laches is an established equitable defense to copyright actions, and the district court’s use of its equitable discretion was thoroughly supported by the undisputed facts of this case. The Ninth Circuit found no abuse of discretion because there was none.

**A. LACHES MAY BAR A COPYRIGHT CLAIM
WHERE UNREASONABLE DELAY CAUSES
PREJUDICE**

Laches is an established equitable defense that bars a claim where (1) the claimant has waited unreasonably long to assert the claim, and (2) the defendant is prejudiced by the delay. *Costello*, 365 U.S. at 282. This Court has held the laches doctrine applicable to a wide variety of federal statutory claims. *See, e.g., Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101, 121–22 (2002) (Title VII); *Russell v. Todd*, 309 U.S. 280, 290 (1940) (Federal Farm Loan Act).

The doctrine of laches has long been applied in copyright cases. *See Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916) (Hand, J.); *Gilmore v. Anderson*, 38 F. 846, 848 (C.C.S.D.N.Y. 1889); *see also, e.g., Thompson v. Looney's Tavern Prods., Inc.*, 204 F. App'x 844, 853 (11th Cir. 2006); *Jackson v. Axton*, 25 F.3d 884, 887–88 (9th Cir. 1994); *New Era Publ'ns Int'l, ApS v. Henry Holt & Co.*, 873 F.2d 576, 584–85 (2d Cir. 1989). It has also been applied in analogous areas of intellectual property protection such as patents and trademarks. *See, e.g., Wanlass v. Gen. Elec. Co.*, 148 F.3d 1334, 1336 (Fed. Cir. 1998); *E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983).

As an equitable doctrine, laches depends on the facts and circumstances of each particular case and is not subject to bright-line rules. Rather, “the existence of laches is a question primarily addressed to the discretion of the trial court.” *Gardner v. Pan. R. Co.*, 342 U.S. 29, 30 (1951) (per curiam); *see also Holmberg v. Armbrecht*, 327 U.S. 392, 396 (1946) (“Equity eschews mechanical rules; it depends on flexibility”). Accordingly, as this Court held in *eBay*,

involving a different equitable doctrine (injunctive relief), courts “may” exercise their discretion “on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.” 547 U.S. at 393 (quoting 17 U.S.C. § 502(a)).

The laches doctrine “should not be determined merely by a reference to and a mechanical application of the statute of limitations.” *Gardner*, 342 U.S. at 31. Indeed, the Congress that enacted the Copyright Act’s statute of limitations understood that federal courts would continue to apply equitable defenses after the statute was enacted. See S. Rep. No. 85-1014, at 2–3 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963 (finding it “unnecessary” to “specifically enumerate various equitable situations on which the statute of limitations is generally suspended, ... inasmuch as the ‘Federal district courts, generally, recognize these equitable defenses anyway’” and concluding that “specific enumeration of certain circumstances or conditions might result in unfairness to some persons”) (citation omitted). Thus, petitioner’s suggestion that the application of laches impinges on congressional intent, or even infringes the separation of powers (Pet. 26–29), is off the mark.

The cases dredged up by petitioner for the supposed proposition that laches does not apply where there is a statute of limitations (Pet. 27) are inapposite. Those cases deal with the intersection between laches and *sovereignty*, and do not limit the application of equitable doctrines in cases, such as this one, where sovereign interests are not implicated. For example, one case said that laches does not apply in claims by the United States (*United States v. Mack*, 295 U.S. 480, 489 (1935)); but petitioner is not the government. Another said that laches does not apply in claims involving Indian tribes (*Cnty. of Oneida v.*

Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985)); but petitioner is not a Native American. Others urge caution where federal courts apply equitable doctrines in claims governed by *state* statutes of limitations (*Holmberg*, 327 U.S. at 395; *Russell*, 309 U.S. at 287); but only federal law is at issue in this case. Petitioner cites no case from this Court, and respondents are aware of none, that holds that the mere existence of a federal statute of limitations deprives federal courts of their centuries-old equitable power, and obligation, to determine whether laches bars a stale claim.

**B. PETITIONER’S UNREASONABLE DELAY IN
FILING SUIT CAUSED PREJUDICE TO
RESPONDENTS**

The district court’s findings that petitioner unreasonably delayed in filing suit and that respondents were prejudiced thereby are well-founded and support the court’s conclusion that petitioner’s claim was barred by laches. Indeed, petitioner *does not contest* those findings. And, in light of those findings, it cannot be seriously contended that the district court abused its discretion in invoking the laches doctrine here.

1. Petitioner delayed 18 years before suing respondents for infringement of her alleged rights in *Raging Bull*. The court of appeals explained that “it is ‘[u]ndisputed [petitioner] was aware of her potential claim (as [were respondents]) since 1991,’ when her attorney filed her renewal application for the 1963 screenplay [yet] [petitioner] did not file her lawsuit until 18 years later, in January 2009.” Pet. App. 9a (alteration in original).

Petitioner conceded that she abstained from asserting a claim because “the film was deeply in debt

and in the red and would probably never recoup.” Pet. App. 10a (citation omitted). The court of appeals considered this delay unreasonable, because petitioner’s purpose was “to capitalize on the value of the alleged infringer’s labor, by determining whether the infringing conduct will be profitable.” *Id.* at 9a (quoting *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001)). A person claiming rights in intellectual property may not sit back and wait for others to make that property profitable before asserting those rights.

Even after September 1998, “when [petitioner]’s attorney sent the first of a series of letters to [respondents] giving ‘formal notice’ of her claims and threatening litigation,” petitioner delayed an additional 11 years before filing suit. Pet. App. 10a. The court of appeals found no evidence in the record to support petitioner’s contention that her brother’s disability, a fear of retaliation by defendants, or lack of financial wherewithal had prevented her timely assertion of a claim. *Id.* at 10a–11a. (Although petitioner now asserts additional excuses for her delay, *see* Pet. 10 & n.1, these were not presented to the courts below and thus cannot even be considered in this Court, much less establish any error below.)

As the court of appeals concluded, “the evidence suggests the true cause of Petrella’s delay was, as she admits, that ‘the film hadn’t made money’ during this time period.” Pet. App. 11a. This is an “obvious” case where laches should bar relief. *Haas*, 234 F. at 108.

2. Petitioner’s unexcused and unreasonable 18-year delay in filing suit seriously prejudiced respondents both because respondents continued to promote the film and because the unavailability of

significant witnesses in the case would make fair adjudication of petitioner's claims impossible.

a. Prejudice from "expectations" supports a laches defense if a defendant can demonstrate that "during the delay, it invested money to expand its business or entered into business transactions based on [its] presumed rights." Pet. App. 12a (quoting *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 999 (9th Cir. 2006) (per curiam)). Here, respondents expended nearly \$8.5 million since 1991 in marketing, distributing, and otherwise promoting the film. Pet. App. 12a–13a. These investments, were petitioner to prevail, "would wind up in [her] pocket." *Id.* at 17a.

Judge Learned Hand observed long ago that "it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success." *Haas*, 234 F. at 108. "Delay under such circumstances," he explained, "allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win." *Ibid.* He could as well have been describing petitioner's opportunistic behavior in this case.

b. If petitioner's case were allowed to proceed, respondents would also suffer evidentiary prejudice because the passage of time attributable to petitioner's delay diminished the evidence available for respondents to defend themselves. Petitioner's claim was based in part on her assertions that contradicted statements made by her father, a writer named Joseph Carter, and Jake LaMotta in a 1976 agreement. Carter and petitioner's father are deceased and LaMotta is now over 92 years old. The elderly

LaMotta was, by the time of the summary judgment proceedings, handicapped to the point that he did not even recognize petitioner (whom he had known for 40 years). Pet. App. 46a. There was no evidence that he could competently testify to the events surrounding the creation of the works. Further, several other potential witnesses passed away during the period of petitioner's unreasonable delay. *Ibid.*

Petitioner's claim of copyright infringement would require her to dispute or disprove representations regarding creation of the literary works at issue made by the co-authors of those works, including her own late father. *See* Pet. App. 34a. Respondents, of course, would have the right to contest that showing, because if the co-authors' representations were correct, respondents retain full rights to exploit the works pursuant to the assignment agreements. *Id.* at 32a. Yet the passage of time, and the passing of witnesses to the events in question, would unfairly preclude or hamper respondents from defending themselves against petitioner's stale claim. *Id.* at 45a–46a.

3. Petitioner does not dispute *any* of these findings, which are amply supported by the summary judgment record. That in itself is sufficient reason to deny the petition for a writ of certiorari: Applying abuse-of-discretion review to these undisputed facts, the Court could only affirm the dismissal.

Where, as here, a claimant waits 18 years to file suit and this unreasonable delay inflicts actual economic and evidentiary prejudice on the defendants, a district court has ample discretion to bar the claim under the doctrine of laches, as the Ninth Circuit correctly concluded. There is no reason for this Court to review that fact-specific, and indisputably

correct, conclusion. See *NLRB v. Hendricks Cnty. Rural Elec. Membership Corp.*, 454 U.S. 170, 176 n.8 (1981) (question that is “primarily ... a question of fact” “does not merit Court review”); *United States v. Johnston*, 268 U.S. 220, 227 (1925) (“We do not grant a certiorari to review evidence and discuss specific facts”).

II. THERE IS NO CONFLICT IN THE CIRCUITS THAT WARRANTS REVIEW

Different courts faced with different facts exercise their equitable discretion differently. As a necessary (and indeed desirable) result of that reality, outcomes in varying cases will vary—some claims will be barred by laches, while others will not. Such is the case among courts on the question whether a particular copyright infringement claim is barred by laches. But there is no conflict among the circuits on the underlying legal standard, and therefore no need for this Court’s review.

A. THE COURTS OF APPEALS ARE NOT DIVIDED ON THE ELEMENTS OF THE EQUITABLE LACHES DEFENSE

There is no inter-circuit conflict on the standard for when laches bars a claim for copyright infringement. The standard set forth in this Court’s *Costello* decision—unreasonable delay resulting in prejudice—is followed by every circuit. And none of the circuits preclude laches as a defense to a claim such as petitioner’s that accrued 18 years before the suit was filed, where the delay caused actual prejudice to the defendant.

Petitioner acknowledges throughout her brief that laches applies in copyright cases across the circuits. Indeed, at least five Circuits have expressly stated that laches may bar a copyright infringement

claim. See *Danjaq*, 263 F.3d at 963; *New Era*, 873 F.2d at 584–85; *Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 235 (6th Cir. 2007); *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002); *Peter Letterese & Assocs. v. World Inst. of Scientology Enters., Int’l*, 533 F.3d 1287, 1320 (11th Cir. 2008). Petitioner plucks language from those decisions describing the types of cases in which courts have exercised their equitable discretion, but she acknowledges that courts *have* such discretion—the discretion that was exercised by the district court in this case. That alone is enough to doom her bid for certiorari review.

Some of the decisions petitioner cites did not permit the defense of laches in particular cases, but that is only because delay or prejudice in each case was mild or nonexistent. See, e.g., *Chirco*, 474 F.3d at 235 (18-month delay); *Jacobsen*, 287 F.3d at 951 (delay of less than three years); *Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001) (four-year delay causing no prejudice). None of the cases rejecting a laches defense involved delay anywhere near the 18-year period at issue in this case, or findings of both economic and evidentiary prejudice. In more analogous cases, courts in these same circuits have barred copyright infringement claims as a result of laches. See, e.g., *Hutchinson v. Spanierman*, 190 F.3d 815, 823 (7th Cir. 1999) (laches applied to delay of 12 years); *New Era*, 873 F.2d at 584–85 (laches applied to delay of only two years).

Petitioner wildly overstates her case when she says that the courts of appeals are “intractably divided” over the application of laches in copyright cases. Pet. 13. She tries to manufacture this circuit conflict by arbitrarily assigning individual decisions to categories of her own device, and then concluding

that the categories are in tension with one another. The truth is much simpler: Individual cases involving a fact-specific equitable doctrine reach differing results based on varying circumstances.

Petitioner maintains, however, that “[t]he circuit conflict is openly acknowledged by leading commentators, other courts, and Judge Fletcher’s concurrence below.” Pet. 14. With respect to commentators, petitioner cites the Nimmer and Patry treatises. *Id.* at 25. The former, however, states that “laches has an illustrious pedigree across the circuits as a defense to a charge of copyright infringement.” 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.06[A] (Lexis 2013). The only contrary decision Nimmer cites is *Lyons*, which is discussed below. *Ibid.* The latter also cites only *Lyons*, without addressing the “continuing infringement” doctrine (also addressed below); and in any event this commentator likewise acknowledges all the decisions applying laches to copyright claims. 6 William F. Patry, *Patry on Copyright* § 20:55 n.1 (West 2013). As for courts, although Judge Fletcher said in his concurrence that “[t]here is a severe circuit split on the availability of a laches defense in copyright cases” (Pet. App. 23a), three of the four cases offered in support of that statement (*Peter Letterese, New Era*, and *Chirco*) expressly recognize the applicability of laches in copyright cases. The fourth is *Lyons*, to which we now turn.

Petitioner’s claim of a *legal* conflict ultimately boils down to her claim that the Fourth Circuit’s decision in *Lyons* “preclude[s]” the laches defense in copyright cases, whereas every other court of appeals has recognized the applicability of laches in such cases. Pet. 16; *see also* Pet. App. 23a (Fletcher, J., concurring) (“In the Fourth Circuit, there is no lach-

es at all”). Petitioner has read far too much into the *Lyons* decision.

In *Lyons*, the Fourth Circuit declined to apply laches to claims that were “timely filed under an express statute of limitations”; although the plaintiff’s claims in that case, as in this one, were only timely as a result of the “continuing infringement” doctrine. 243 F.3d at 798; *see infra* Part III.1. Without that judicially created doctrine, the claims of the *Lyons* plaintiff and petitioner would both indisputably be barred by the *statute* of limitations.

To the extent *Lyons* can be read as foreclosing laches in *all* copyright cases, it is important to note that *Lyons* predates this Court’s decision in *eBay*, which rejected, as it “consistently” had before, an “invitation[] to replace traditional equitable considerations with a [bright-line] rule.” 547 U.S. at 392. This is because “traditional equitable principles do not permit such broad classifications.” *Id.* at 393. A “broad classification”—such as the suggestion that laches never applies in copyright actions—would not be permissible after *eBay*. Indeed, subsequent Fourth Circuit decisions have applied laches in analogous situations. *See, e.g., Ray Commc’ns, Inc. v. Clear Channel Commc’ns, Inc.*, 673 F.3d 294, 305 (4th Cir. 2012) (applying the *Costello* standard in evaluating defense of laches in trademark case). There is every reason to believe that the Fourth Circuit would apply the same approach to copyright cases today. *Cf.* Pet. 23, 29 (noting that courts have looked to trademark cases in applying the laches defense in copyright cases). Thus, the Fourth Circuit’s approach to this equitable defense is entirely consistent with that taken in every other circuit.

**B. VARYING OUTCOMES IN INDIVIDUAL
CASES REFLECT COURTS' EXERCISE OF
EQUITABLE DISCRETION**

Petitioner does not meaningfully dispute that the legal standard across the circuits is the same; yet, she contends with no analysis of the undisputed factual record in this case that her claim would have “probably” or “likely” been allowed to proceed in other circuits. Pet. 17, 18. That is pure speculation and it is, quite simply, preposterous. Respondents submit that there is no appellate court in the land (including this Court) that would find an abuse of discretion in dismissing petitioner’s claim under the laches doctrine based on the undisputed factual findings in this case, including 18 years of unreasonable delay causing both economic and evidentiary prejudice to respondents. Petitioner’s comparison of the Ninth Circuit’s decision in this case to decisions in other circuits shows only that courts faced with different facts exercise their equitable discretion differently. That is not a circuit conflict that warrants this Court’s review.

For example, petitioner argues that in the Eleventh Circuit, laches bars copyright actions “[o]nly in the most extraordinary circumstances.” Pet. 16 (quoting *Peter Letterese*, 533 F.3d at 1320). But that statement simply described the scenario in which laches applies. The court “[did] not, of course, otherwise restrict the power of a court, in its discretion, to fashion appropriate remedial relief.” 533 F.3d at 1323. And, of course, this case presents precisely the kind of “extraordinary circumstances”—an 18-year delay causing both economic and evidentiary prejudice—for which the laches doctrine is designed to protect defendants.

From the Second Circuit, petitioner quotes *Ikelionwu v. United States*, 150 F.3d 233 (2d Cir. 1998), which is not even a copyright case, and which in any event applied the exact same standard as the Ninth Circuit. *Id.* at 237 (“A party asserting the defense of laches must establish that: (1) the plaintiff knew of the defendant’s misconduct; (2) the plaintiff inexcusably delayed in taking action; and (3) the defendant was prejudiced by the delay”). The court said in *Ikelionwu* that laches applied on “rare[] ... occasion[s].” *Id.* at 238. But that does not indicate any difference from the Ninth Circuit on the legal standard. Indeed, the prejudice from a two-year delay in *New Era* was sufficient to bar the plaintiff’s claims. 873 F.2d at 577, 584. The 18-year delay here is an *a fortiori* case of rarity.

The decisions reflect the simple fact that the question whether laches applies depends on the facts of each individual case. Petitioner concedes as much. Pet. 14 (“Laches requires case-specific balancing of the reasons for a delay and the prejudice caused by it”). Although petitioner paints this as a vice rather than a virtue (*ibid.*), her position is at odds with this Court’s, which has consistently rejected “mechanical application of the statute of limitations” with regard to laches (*Gardner*, 342 U.S. at 31) and “broad classifications” on the use of equitable discretion more generally. *eBay*, 547 U.S. at 393. The appellate decisions cited by petitioner reflect no more than the varying outcomes that will always result from abuse-of-discretion review of district court’s application of flexible equitable doctrines.

Contrary to petitioner’s suggestion (Pet. 31), the varying outcomes in individual cases do not create a risk of “forum shopping.” Every circuit recognizes that laches will bar a claim in appropriate cases; a

claimant who sleeps on her rights, as petitioner did, is thus subject to dismissal in every jurisdiction.

III. THIS CASE IS A POOR VEHICLE FOR THE COURT'S REVIEW

1. The “question presented” in the petition— “[w]hether the nonstatutory defense of laches is available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations” (Pet. i)—is not actually presented on the facts of this case. The courts below did not apply laches “without restriction”; rather, they applied the rigorous restrictions of unreasonable delay and resulting prejudice that this Court has always required in the laches context. *Costello*, 365 U.S. at 282. Moreover, this case, filed more than 18 years after petitioner was on actual notice of her alleged rights in the asserted works, was not filed “within” the three-year statute of limitations.

The petition all but ignores the fact that petitioner’s claim began accruing 18 years before she filed suit. This is therefore not a case, as petitioner claims, where an otherwise timely suit is barred as a result of laches. Rather, petitioner was required to first seek *relief* from the statute of limitations, which she did under the continuing infringement doctrine. (Petitioner misleadingly calls this the “separate accrual rule” but admits that it is a judicial engraftment onto the statute of limitations. *See* Pet. 6.) As articulated in the lower courts, that doctrine allows a litigant to recover for violations within the preceding three years even if the infringement was discovered long before the limitations period. *See Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994).

Because petitioner failed to file suit within three years after her claim accrued, this is not a case in which the laches doctrine was deployed to bar a case actually brought *within* the statute of limitations, without the aid of the continuing infringement rule; indeed, petitioner is unable to cite any such case from any circuit. Thus, while Judge Fletcher commented in his concurrence that the laches doctrine could fail “to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations” (Pet. App. 27a), petitioner is not such a claimant.

The cases that have invoked laches, like the decisions below, all involved suits filed long after the initial three-year period expired and in which the claimant’s delay worked to the defendants’ prejudice. It is in precisely such cases that equity has a continuing role to play. Indeed, so long as courts allow copyright infringement claims to be filed after the statutory three-year period, it would be inequitable *not* to allow courts to determine whether laches applies. And it cannot offend the separation of powers for a court to apply a traditional equity doctrine (laches) to police abuses of a judicially created extension (continuing infringement) of the statutory limitations period.

2. The evidentiary prejudice from petitioner’s unreasonable delay is an independent ground for affirmance of the district court’s decision that the court of appeals did not address and petitioner does not challenge.

The doctrine of laches is intended to avoid unjust, prejudicial scenarios such as the present suit, in which the unreasonable delay of a litigant has resulted in a critical loss of evidence. *See, e.g., Russell,*

309 U.S. at 287. The death of key witnesses is the starkest example of evidentiary prejudice imaginable, and would warrant affirmance if laches is available at all in copyright cases, as every court to have squarely considered the question has concluded it is. Petitioner’s claim rests on her challenge to representations of originality made (by her father) when he and the other co-authors of those works assigned the motion picture rights to respondents’ predecessors; yet while she delayed in bringing suit, key witnesses to those events have passed away or become incapacitated. Pet. App. 45a–46a. It would be inequitable to handcuff respondents with that evidentiary gap.

3. The distinction some courts have drawn between allowing laches to bar a damages claim but not injunctive relief (Pet. 17) was neither raised below nor passed upon by the court of appeals. Similarly, petitioner’s contention that the Ninth Circuit employs a “presumption” in favor of laches in certain cases (*id.* at 23) is irrelevant since no such presumption was applied in *this* case. These issues are therefore not properly presented for this Court’s review. *See, e.g., United States v. Williams*, 504 U.S. 36, 41 (1992) (certiorari inappropriate “when ‘the question presented was not pressed or passed upon below’”) (citation omitted).

* * *

The principle that equity aids only the vigilant and not those who sleep on their rights—*vigilantibus non dormientibus æquitas subvenit*—is both ancient and important. A claimant who sits on the sidelines, waiting for some contingent event (such as a film’s profitability) at the expense and to the detriment of the defendants, at some point forfeits her entitlement to ask a federal court to come to her aid. In

this case, petitioner waited 18 years during which time key witnesses died or otherwise became unavailable and respondents invested substantial sums in exploiting *Raging Bull* pursuant to assignment agreements that gave them the express right to do so. The district court found, based on undisputed facts, that petitioner's delay in filing suit was unreasonable and caused both economic and evidentiary prejudice to respondents, and thus held that allowing her belated suit to proceed would contravene principles of equity. In affirming this ruling, the Ninth Circuit found no abuse of discretion. Nothing about the decisions below warrants this Court's review.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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