

No. \_\_\_\_\_

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**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 U.S. Court Of Appeals  
For The Ninth Circuit**

—◆—  
**PETITION FOR A WRIT OF CERTIORARI**

—◆—  
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**QUESTION PRESENTED**

The Copyright Act expressly prescribes a three-year statute of limitations for civil copyright claims. 17 U.S.C. § 507(b). The three-year period accrues separately for each act of infringement, even if it is one of a continuing series of acts of infringement.

The federal courts of appeals have divided 3-2-1 over whether the nonstatutory defense of laches can bar a civil copyright suit brought within the express three-year statute of limitations. Three circuits forbid any application of laches or restrict the remedies to which it can apply. Two other circuits strongly disfavor laches and restrict it to exceptional circumstances. The Ninth Circuit not only does not restrict laches or the remedies to which it can apply, but has also adopted a presumption in favor of applying laches to continuing copyright infringements.

The question presented is:

Whether 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 prescribed by Congress, 17 U.S.C. § 507(b).

## **PARTIES TO THE PROCEEDING**

Petitioner is Paula Petrella. Petitioner was plaintiff-appellant below.

Respondents are 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 20th Century Fox Home Entertainment, LLC. All respondents were defendants-appellees below.

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**PETITION FOR A WRIT OF CERTIORARI**

Paula Petrella respectfully petitions for a writ of certiorari to review the judgment of the U.S. Court of Appeals for the Ninth Circuit.

**OPINIONS BELOW**

The Ninth Circuit's opinion is reported at 695 F.3d 946 and reprinted at App. 1a-27a. The opinion of the U.S. District Court for the Central District of California is unreported but reprinted at App. 28a-48a. The Ninth Circuit's order denying rehearing en banc is unreported but reprinted at App. 49a-50a.

**JURISDICTIONAL STATEMENT**

The Ninth Circuit filed its opinion on August 29, 2012, and denied rehearing en banc on January 30, 2013. This Court has jurisdiction under 28 U.S.C. § 1254(1).

**CONSTITUTIONAL AND STATUTORY  
PROVISIONS INVOLVED**

The U.S. Constitution's Copyright and Patent Clause, art. I, § 8, cl. 8, provides, in relevant part:

The Congress shall have Power . . .

. . .

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;  
.....

17 U.S.C. § 106 provides, in relevant part:

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

- (1) to reproduce the copyrighted work in copies or phonorecords;
- (2) to prepare derivative works based upon the copyrighted work;
- (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

.....

17 U.S.C. § 507(b) provides:

**Civil Actions.** – No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.



## STATEMENT OF THE CASE

Under the Copyright Act, an express three-year statute of limitations restricts civil claims. 17 U.S.C. § 507(b). This limitations period accrues separately for each act of infringement, even if prior acts of infringement began before the three-year period. Congress passed the Act to bring uniformity to copyright law, in response to the varying time periods courts had previously been applying in different jurisdictions.

In 1991, petitioner Paula Petrella renewed the copyright to her father's 1963 screenplay, *The Raging Bull*, which formed the basis for the critically acclaimed film *Raging Bull*. Respondents continued to market the film, so, after intermittent correspondence between the two sides' lawyers, Ms. Petrella sued for copyright infringement in 2009. The three-year limitations period barred her from recovering damages for acts of infringement before 2006, but did not bar recovery of damages and injunctive relief for acts of infringement that occurred in 2006 or later. Nevertheless, the district court granted summary judgment for respondents, holding that the nonstatutory defense of laches entirely barred Ms. Petrella's suit. The Ninth Circuit affirmed, based on binding circuit precedent, and denied rehearing en banc.

The federal courts of appeals are deeply divided over whether, and in what circumstances, the equitable defense of laches can bar civil copyright claims brought within the statute of limitations. Three

circuits hold that the defense never bars a claim or is never available to bar certain types of relief. Two circuits hold that it is strongly disfavored and restrict its application to rare cases. Only the Ninth Circuit applies laches without restriction, and in fact presumes it in some cases. Leading commentators, as well as the courts of appeals themselves, expressly acknowledge the circuit conflict, which has been widening for more than a decade.

Both the Ninth Circuit's embrace of laches and its presumption in favor of laches are wrong. Under our system of separation of powers, courts may not use non-statutory time limits to constrict express limitations periods enacted by Congress. Laches requires a variable, fact-specific balancing of the equities, whereas the statute prescribes a predictable bright-line rule. The Ninth Circuit's rule not only is legally erroneous but also threatens to breed forum shopping – the very evil Congress sought to prevent when it enacted a uniform statute of limitations.

This case presents a clean vehicle in which the issue of laches was dispositive and was pressed and passed upon below. As the concurrence below and the leading copyright treatises recognize, the courts of appeals are deeply divided over this area of law and require this Court's intervention. Only this Court can prevent forum shopping and bring uniformity to this important issue of federal copyright law.

## A. Statutory Background

1. “One of the fundamental purposes behind the Patent and Copyright Clauses of the Constitution was to promote national uniformity in the realm of intellectual property.” *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (citing THE FEDERALIST NO. 43, at 309 (James Madison) (Benjamin F. Wright ed., 1961)). Under the Constitution, “it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors . . . .” *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). Since the Copyright Act of 1790, ch. 15, 1 Stat. 124, Congress has used this power to provide for a uniform body of copyright law governing registration, rights, and enforcement throughout the United States.

2. The author of a copyrighted work can transfer ownership of the copyright to another party, either in whole or in part, 17 U.S.C. § 201(d), but transfers are subject to certain limitations. If the author transfers the right to renew a copyright to another party but dies before the end of the original copyright term, the renewal rights revert back to the author’s heirs. *Stewart v. Abend*, 495 U.S. 207, 220-21 (1990).

3. Congress has specifically outlined not only the rights of copyright holders, but also the remedies available to them in infringement suits. Congress has authorized courts to award damages and profits, issue injunctions, order the impounding and disposition of



infringing articles, and award costs and attorney's fees. 17 U.S.C. §§ 502-505.

4. Before 1957, federal copyright law provided no statute of limitations for civil claims, so courts borrowed state limitations periods. Those periods varied; California, for instance, had adopted a short statute of limitations to protect its movie industry. In response to this state of affairs, Congress thought it "highly desirable to provide a uniform [limitations] period throughout the United States" that would deter "forum shopping" for copyright claims. S. REP. NO. 85-1014, at 2 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961, 1962. Thus, in 1957, Congress enacted a three-year statute of limitations for civil copyright claims. Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633 (reenacted without alteration in the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2586, and codified at 17 U.S.C. § 507(b)).

Under the "separate accrual rule," this three-year period accrues separately for each act of infringement, even if the violation is one of a continuing series of acts of infringement. "If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously." 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.05[B][1][b] (Matthew Bender & Co. 2012) (on Lexis, which incorrectly lists volume as 1) (collecting cases). No court has required a copyright action seeking relief for an infringement within the

past three years to be brought within three years of the initial act of infringement. 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:23 (West Mar. 2013) (on Westlaw).

## **B. Factual and Procedural History**

1. Frank “Peter” Petrella, petitioner’s father, authored three literary works based on the life of his longtime friend, boxing champion Jake LaMotta. In 1963, after Mr. LaMotta had retired from the ring, Mr. Petrella wrote a screenplay (the 1963 Screenplay), entitled *The Raging Bull*, based on Mr. LaMotta’s experiences. App. 3a, 30a-31a. Mr. Petrella registered the 1963 Screenplay with the U.S. Copyright Office, listing himself as the claimant and sole author. *Id.* He also authored and copyrighted another screenplay (the 1973 Screenplay), which he registered in 1973 as claimant and sole author. *Id.* And he wrote a book, which was registered with the Copyright Office in 1970, listing Mr. LaMotta as claimant and Messrs. Petrella (under the pen name Peter Savage), LaMotta, and Joseph Carter as authors. *See id.*

In 1976, Messrs. Petrella and LaMotta assigned all of their copyrights in the book and the two screenplays to Chartoff-Winkler Productions. App. 30a-31a. Two years later, respondent United Artists, a wholly owned subsidiary of respondent Metro-Goldwyn-Mayer, Inc. (MGM), acquired the motion picture rights to these three works from Chartoff-Winkler. App. 31a. In 1980, United Artists released *Raging*

*Bull*, a movie based on Mr. LaMotta's life, which was directed by Martin Scorsese and starred Robert De Niro as Mr. LaMotta. To prepare Mr. De Niro for the role, Messrs. Petrella and LaMotta trained Mr. De Niro in boxing, and Mr. Petrella was credited as a producer of the film. See First Am. Compl. ¶¶ 22-23.

2. *Raging Bull* received considerable critical acclaim. It was nominated for eight Academy Awards and won two, including a Best Actor award for Robert De Niro. See *The 53rd Academy Awards (1981) Nominees and Winners*, The Oscars, <http://www.oscars.org/awards/academyawards/legacy/ceremony/53rd-winners.html> (last visited Apr. 25, 2013). Since then, movie critics have consistently described it as a cinematic masterpiece, and a poll of 1500 film artists, critics, and historians rated it as the fourth-best film of all time. See *Citizen Kane Stands the Test of Time*, AM. FILM INST., <http://www.afi.com/100years/movies10.aspx> (last visited Apr. 25, 2013). *Raging Bull* has also enjoyed popular success: MGM continues to market and sell the film, including in a recent 25th Anniversary Edition. App. 13a.

3. Mr. Petrella was unable to appreciate the long-term impact of his work, as he passed away in 1981. Because he died during the original twenty-eight-year term of his copyrights in the book and screenplays, under *Stewart v. Abend* his renewal rights in the three works reverted to his heirs, including his daughter, petitioner Ms. Petrella.

In response to this Court's decision in *Stewart v. Abend*, in 1990, Ms. Petrella contacted an attorney for advice about the renewal status of her father's copyrighted works. App. 31a-32a. Her first attorney successfully renewed the copyright on the 1963 Screenplay in 1991, within the statutory period, in the name of Mr. Petrella's heirs, including Ms. Petrella. After her mother passed away and her brother assigned his rights to her, she became the sole owner of all rights, titles, and interests in the 1963 Screenplay. First Am. Compl. ¶¶ 29-31.

Despite Ms. Petrella's timely renewal, MGM and United Artists continued, and continue to this day, to reproduce, market, and distribute *Raging Bull*. First Am. Compl. ¶¶ 33-39. In response, Ms. Petrella's second attorney (at the same firm) contacted respondents in 1998, asserting that she had exclusive rights in the 1963 Screenplay and that respondents' continuing exploitation of *Raging Bull* infringed those rights. App. 5a. During 1998, 1999, and 2000, counsel for Ms. Petrella and respondents exchanged letters contesting the legality of continued exploitation of the film. *Id.* Also during this time, MGM was sending Ms. Petrella financial records showing the film was unprofitable. Petrella Decl. in Opp. to Mot. for Summ. J. ¶ 18. In 2001, MGM notified her that it would stop sending financial statements because it claimed that the film was unlikely ever to become profitable. MGM's financial representations that the film would remain unprofitable were later called into question by MGM's production of various special editions of the

film, such as the 25th Anniversary Edition in 2005. *See* First Am. Compl. ¶¶ 36-37; App. 13a.

Ms. Petrella was dissatisfied with her counsel's lack of diligence in investigating these representations. She was, however, preoccupied with caring for her ailing mother and disabled brother, whose conditions impelled her to move from Los Angeles to New York for more than a year.

4. In 2005, Ms. Petrella returned to Los Angeles. Later that year, she learned that her attorneys had been laboring under a conflict of interest because her counsel's law firm also represented Robert De Niro.<sup>1</sup> Over the next two years, Ms. Petrella searched for and retained new counsel. *See* Petrella Decl. in Opp. to Mot. for Summ. J. ¶ 19.

In January 2009, Ms. Petrella sued respondents in the U.S. District Court for the Central District of California for copyright infringement, unjust enrichment, and an accounting. *See* First Am. Compl. She alleged that respondents violated her exclusive rights in the 1963 Screenplay by continuing to use, produce,

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<sup>1</sup> Ms. Petrella's first attorney, as well as another partner at the same firm, represented Mr. De Niro. Ms. Petrella's second attorney was an associate at the same firm. Counsel could have feared that litigation over the film might harm Mr. De Niro's income and image, draw him in as a witness, or otherwise antagonize or inconvenience him. While prior counsel's conflict of interest is not discussed in the record below, Ms. Petrella stands ready to offer admissible proof of this fact if this Court grants certiorari and remands.

and distribute the film *Raging Bull*, which contained protected elements of the 1963 Screenplay. *Id.* ¶¶ 40-50. Her complaint sought, inter alia, monetary damages, injunctive relief, attorney's fees, and costs. *Id.* Prayer for Relief ¶¶ 1-2, 6-8. In light of the three-year statutory limitations period, damages would be available only for acts of infringement occurring in or after 2006.

The district court granted respondents' motion for summary judgment based solely on the defense of laches. App. 46a. Finding that the case was "obviously control[led]" by the Ninth Circuit's earlier decision in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), the court balanced the factors relevant to the laches inquiry. App. 42a-46a. It held that Ms. Petrella had unreasonably delayed by not filing suit until 2009. App. 44a. It further held that the delay had prejudiced respondents in terms of both their commercial expectations and their access to evidence. *Id.* at 44a-46a. The court applied the doctrine of laches without any qualification and without considering any presumption disfavoring laches.

But for the laches ruling, Ms. Petrella's claims would have survived summary judgment. App. 38a, 39a-40a, 42a. On the critical issue of whether the 1963 Screenplay was substantially similar to the film, the court noted that there was a legitimate factual disagreement over the similarity of the two works. Had laches been inapplicable, the court would have left that factual dispute to the trier of fact. App. 40a-42a.

5. The court of appeals affirmed the district court's grant of summary judgment. App. 2a. The court began its analysis by stating that it would "presume that the plaintiff's claims are barred by laches" so long as "any part of the alleged wrongful conduct occurred outside of the limitations period." App. 8a (quoting *Miller v. Glen Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006)) (internal quotation marks omitted). Applying that standard, the panel found no genuine issues of material fact as to the three elements needed to prove laches under *Danjaq*: (1) delay; (2) unreasonableness of the delay; and (3) prejudice. *Id.* Because the court of appeals found sufficient prejudice based on respondents' commercial expectations, it did not consider whether they had been prejudiced by loss of evidence. App. 12a.

Judge William Fletcher concurred "only because we are compelled to follow our opinion in *Danjaq*." App. 23a (citation omitted). He explicitly questioned the soundness of the *Danjaq* line of cases, which authorize applying the equitable defense of laches to copyright infringement. App. 23a-24a. Laches, he noted, is "entirely a judicial creation" that is "in tension with Congress' intent." App. 24a. He noted "a severe circuit split" over whether laches is a defense to copyright actions. App. 23a. The Ninth Circuit's approach is "the most hostile to copyright owners of all the circuits" and contrasts with the approaches of the Second, Fourth, Sixth, and Eleventh Circuits. *Id.* He also noted that the Ninth Circuit had failed to distinguish laches from equitable estoppel, which

requires proof that the plaintiff intentionally misrepresented the facts and that the defendant detrimentally relied on that misrepresentation. App. 25a-27a. Judge Fletcher concluded: “Our circuit has taken a wrong turn in its formulation and application of laches in copyright cases.” App. 27a. In his view, that “wrong turn” fails “to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations.” *Id.*

6. The Ninth Circuit denied a timely petition for rehearing en banc. App. 49a-50a. This petition follows.



### **REASONS FOR GRANTING THE WRIT**

1. The federal courts of appeals are intractably divided over whether, and in what circumstances, laches can bar civil copyright claims filed within the statute of limitations. Three circuits do not permit laches to shorten the limitations period established by statute, either in whole or as to certain types of relief sought here. If Ms. Petrella had filed suit in any of those courts, her suit would have survived summary judgment. Because two other circuits substantially restrict the application of laches in copyright cases, Ms. Petrella’s suit probably would have survived summary judgment there as well. By contrast, only the Ninth Circuit freely allows laches. Indeed, in the decision below, the Ninth Circuit *extended* its



precedent by adopting a presumption *in favor of* laches in continuing-infringement cases and by denying rehearing en banc. The circuit conflict is openly acknowledged by leading commentators, other courts, and Judge Fletcher's concurrence below. The conflict has matured over the past twelve years, is entrenched, and is ripe for review by this Court.

2. Laches should not be available to constrict the Copyright Act's express statutory limitations period. Courts may not override Congress's careful efforts to balance the interests of authors and the public embodied in the statutory limitations period. Laches requires case-specific balancing of the reasons for a delay and the prejudice caused by it, which is at odds with the statute of limitations' predictable bright-line rule. In other contexts, this Court has repeatedly stated that laches cannot displace an explicit federal statute of limitations.

3. The circuit split threatens to breed forum shopping by making particular remedies available in some circuits but not in others. Invoking the Copyright Act's liberal venue provisions, future plaintiffs who might face a laches defense in the Ninth Circuit will instead file suit in more favorable circuits. Such unequal enforcement subverts Congress's expressed goal of promoting nationwide uniformity in copyright law.

4. This case is an ideal vehicle for addressing the question presented and resolving the entrenched circuit split. The issue of laches was dispositive

below: it was the sole ground on which the district court granted summary judgment and the Ninth Circuit affirmed, and the district court acknowledged that live factual disputes would otherwise have precluded summary judgment. The issue was pressed and expressly passed upon below. And Judge Fletcher's concurrence canvassed the disagreement among the circuits and the shortcomings of the Ninth Circuit's rule. The issue is thus ripe and cleanly presented for this Court's review.

### **I. The Circuits Are Deeply Divided Over Whether and When Laches Should Bar Copyright Claims Brought Within the Statute of Limitations**

For more than a decade, the question presented has intractably divided the federal courts of appeals. Three circuits hold that laches cannot bar some or any remedies in copyright cases. In those circuits, this case would have come out differently, and Ms. Petrella would have been eligible for some or all of the relief that she seeks. Two more circuits strongly disfavor laches; Ms. Petrella's claims probably would have proceeded in those circuits as well.

The Ninth Circuit stands alone not only in liberally allowing a laches defense in copyright cases, but also in sometimes presuming it. That court has reiterated its position as an outlier and refused to rehear this case en banc, thus entrenching the division of authority. The circuit conflict has grown over

the past twelve years, and commentators, as well as the courts of appeals, openly acknowledge it. Only this Court can resolve it.

**A. Three Circuits Have Held That Laches Cannot Bar Some or All Forms of Relief for Timely Copyright Claims**

Three circuits hold that laches cannot completely bar relief for acts of infringement that occur within the statutory limitations period.

1. The Fourth Circuit entirely forbids applying laches to timely filed copyright infringement claims. It holds that the Copyright Act's three-year "statute of limitations for that cause of action should govern, regardless of the remedy sought." *Lyons P'ship v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001). "Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations." *Id.* Regardless of the length of the delay, courts in the Fourth Circuit may not apply laches to constrict the statute of limitations prescribed by Congress. If Ms. Petrella had filed her suit in the Fourth Circuit, it would not have been barred by laches and so would have survived summary judgment.

2. The Eleventh Circuit has a "strong presumption" against laches, so that "[o]nly in the most extraordinary circumstances will laches be recognized as a defense" to a timely copyright infringement

claim. *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 (11th Cir.), *reh'g denied*, 307 F. App'x 438 (11th Cir. 2008) (citing *Lyons*) (declining to apply laches despite decade-long delay). And “[e]ven where such extraordinary circumstances exist, . . . laches serves as a bar only to the recovery of retrospective damages, *not to prospective relief*.” *Id.* at 1321 (emphasis added). If Ms. Petrella had filed suit in the Eleventh Circuit, her claims for prospective relief certainly would not have been barred, and the Eleventh Circuit likely would have permitted all her claims for relief to go forward.

3. Likewise, the Second Circuit disfavors allowing laches to bar a claim filed within the statutory period. It limits application of the defense to “rare[] . . . occasion[s]” and places the burden of proof on the defendant. *Ikelionwu v. United States*, 150 F.3d 233, 238 (2d Cir. 1998) (petition for return of seized property). Moreover, that court entirely disallows laches as a defense to timely copyright claims seeking relief at law. This rule is but a specific application of “[t]he prevailing rule . . . that when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely.” *Ivani Contracting Corp. v. City of New York*, 103 F.3d 257, 260 (2d Cir. 1997) (civil rights action). In other words, in the Second Circuit, laches can bar only equitable relief, not relief at law (such as damages).

Thus, the Second Circuit has applied laches to bar injunctive relief while allowing a plaintiff to pursue damages for copyright infringement. See *New Era Publ'ns Int'l v. Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989).<sup>2</sup> Even a delay of up to twenty-eight years from the initial act of infringement may not prevent a meritorious copyright case from going forward in the Second Circuit.<sup>3</sup> If Ms. Petrella had filed her suit in the Second Circuit, laches would not have barred her claims for damages since 2006 and probably would not have barred her claims for prospective relief either.<sup>4</sup>

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<sup>2</sup> Later district court cases in the Second Circuit confirm that *New Era* “powerfully articulated” the rule “[t]hat a copyright plaintiff may recover damages at law, even if barred by laches from obtaining an injunction.” *Lego A/S v. Best-Lock Constr. Toys, Inc.*, 874 F.Supp. 2d 75, 89 (D. Conn. 2012). District court case law, relying on *Ivani Contracting*, holds that laches is unavailable to bar any legal claims brought within the Copyright Act’s statute of limitations. *Zitz v. Pereira*, 119 F. Supp. 2d 133, 142 (E.D.N.Y. 1999).

<sup>3</sup> See *Edward B. Marks Music Corp. v. Wonnell*, 61 F. Supp. 722, 729 (S.D.N.Y. 1945) (twenty-eight year delay); see also *EMI Entm’t World, Inc. v. Karen Records, Inc.*, 603 F. Supp. 2d 759, 769 (S.D.N.Y. 2009), *amended on reconsideration in part*, 681 F. Supp. 2d 470 (S.D.N.Y. 2010) (six-year delay for intermittent negotiations found reasonable because “[g]iven the cost of litigation in the federal courts, seeking a negotiated solution before filing suit is far from unreasonable”); *Ziegelheim v. Flohr*, 119 F. Supp. 324, 328-29 (E.D.N.Y. 1954) (nine-year delay).

<sup>4</sup> Relying on *New Era* and *Peter Letterese*, a district court recently held that laches could not bar either damages or a claim for a prospective injunction, but could “at most” bar retrospective

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## **B. Two Circuits Have Severely Restricted and Disfavored Laches as a Defense to Copyright Claims**

The Sixth and Tenth Circuits strongly disfavor laches and restrict its use as a defense to copyright infringement. If Ms. Petrella had filed her suit in either of those circuits, it probably would have survived summary judgment.

1. The Sixth Circuit has stated that resolution of a “debate [over] the wisdom of a three-year statute-of-limitations period [for these remedies], under our tripartite system of government, is committed to the discretion of the legislature.” *Chirco v. Crosswinds Cmties., Inc.*, 474 F.3d 227, 235 (6th Cir. 2007). Though laches can apply to copyright cases in the

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injunctive relief, such as an order requiring the defendant to delete all copyrighted material from its databases and computers. *Associated Press v. Meltwater U.S. Holdings, Inc.*, No. 12-1087, 2013 WL 1153979, at \*27 (S.D.N.Y. Mar. 21, 2013).

While neither the Fifth nor the Federal Circuit has addressed the question presented, district courts in those circuits have rejected laches as a defense to timely filed copyright claims. See *Looney Ricks Kiss Architects, Inc. v. Bryan*, No. 07-572, 2010 WL 5393859, at \*9 (W.D. La. Dec. 22, 2010) (“This Court agrees with those other circuits that held that the statute of limitations should not be cut short by the doctrine of laches [in copyright infringement cases].” (relying on *Lyons* and *Jacobsen, infra* p. 21)); *Wechsberg v. United States*, 54 Fed. Cl. 158, 164-65 (2002) (holding that because the plaintiff in an infringement suit is limited to recovering for infringements within the three-year statute of limitations, “there is no basis for a defense” of laches).

Sixth Circuit, that court has “sought to restrict such use to the most compelling of cases.” *Id.* at 233. We are aware of no decision in which the Sixth Circuit has found this standard to be satisfied and applied laches to bar damages or injunctive relief for a timely copyright claim.

In *Chirco*, the Sixth Circuit greatly limited the availability of laches, particularly for remedies clearly authorized by statute. In that case, the owners of an architectural design alleged copyright infringement. 474 F.3d at 229. They sought damages, an injunction, and the destruction of condominiums that were built based on the plans – 109 of which had already been built, sold, and occupied by third parties. *Id.* at 235-36. The Sixth Circuit rejected a laches defense with regard to the claims for damages and injunctive relief, two remedies specifically enumerated in the Copyright Act. *Id.*; 17 U.S.C. §§ 502, 504.

The *Chirco* court applied laches to bar only the plaintiffs’ request for the destruction of the condominiums. 474 F.3d at 235-36. The court cited the unfair prejudice to the “109 individuals or families [who] actually occupied what they hoped to make their homes.” *Id.* at 235. Unlike an injunction or damages, the needless destruction of condominiums and resulting harm to innocent third parties was not among the infringement remedies contemplated by Congress.<sup>5</sup>

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<sup>5</sup> Section 503(b) of Title 17, U.S. Code, which authorized courts to order destruction of infringing “copies or phonorecords,”  
(Continued on following page)

By contrast, Ms. Petrella seeks remedies that are statutorily enumerated and that would not “work an *unjust* hardship upon the defendants or upon innocent third parties.” *Chirco*, 474 F.3d at 236 (emphasis in original). Indeed, her damages claim applies only to infringing acts in or after 2006, as permitted by the Copyright Act’s three-year limitations period. Thus, if she had filed suit in the Sixth Circuit, her claim probably would not have been barred by laches.

2. Similarly, the Tenth Circuit has held that “when a limitation on the period for bringing suit has been set by statute, laches will generally not be invoked to shorten the statutory period.” *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002) (quoting *United States v. Rodriguez-Aguirre*, 264 F.3d 1195, 1208 (10th Cir. 2001) (rejecting applicability of laches despite seven-year delay)). In copyright infringement cases, the Tenth Circuit echoes the Fourth Circuit’s separation-of-powers concerns, stating: “[C]ourts should generally defer to the [Copyright Act’s] three-year statute of limitations,” *id.* at 950, by restricting laches to “rare cases,” *id.* at 951 (quoting *Rodriguez-Aguirre*, 264 F.3d at 1208, and citing *Lyons*, 243 F.3d at 797).

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is intended to be “more flexible” than its predecessor and encourage courts to choose alternatives that would “avoid needless waste and best serve the ends of justice.” H.R. REP. NO. 94-1476, at 160 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5776. The phrase “copies or phonorecords” does not naturally include built and occupied buildings.



The Tenth Circuit’s rare-case standard demands much more than the showing that sufficed below to bar Ms. Petrella’s suit and probably would not have been satisfied here. We are unaware of any decision in which the Tenth Circuit has found that standard to be satisfied and applied laches to bar relief for a timely copyright claim. Even if there were doubt about when the rare-case standard would be satisfied, that confusion would itself call for this Court’s intervention to clarify the legal standard.<sup>6</sup>

**C. The Ninth Circuit Stands Alone in Allowing, and in Some Cases Presuming, the Defense of Laches in Copyright Cases Without Restriction**

The Ninth Circuit is the only court of appeals that does not restrict the availability of laches or the remedies it can bar. As Judge Fletcher stated: “Our circuit is the most hostile to copyright owners of all the circuits.” App. 23a. A leading commentator has

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<sup>6</sup> In addition, while the Eighth Circuit has yet to address this question in the copyright context, it has held that “separation of power principles dictate that federal courts not apply laches to bar a federal statutory claim that is timely filed under an express federal statute of limitations.” *Ashley v. Boyle’s Famous Corned Beef Co.*, 66 F.3d 164, 170 (8th Cir. 1995) (Title VII and Equal Pay Act). Relying on *Ashley*, *Lyons*, and *Zitz*, a district court in the Eighth Circuit held that laches can bar a timely copyright action only in “extraordinary circumstances.” *Rouse v. Walter & Assocs.*, 513 F. Supp. 2d 1041, 1067 (S.D. Iowa 2007).

criticized the Ninth Circuit as “particularly willing to utilize laches to bar claims brought within the [Copyright Act’s] limitations period.” 6 PATRY ON COPYRIGHT § 20:55.

The Ninth Circuit has repeatedly applied laches as a defense to a copyright infringement claim without restriction. It first did so more than a decade ago in *Danjaq*, in which it held that laches barred claims not only for damages, but also for an injunction where “the feared future infringements are identical to the alleged past infringements.” 263 F.3d at 949, 960. Less than a year ago, the Ninth Circuit relied on *Danjaq* and applied laches to bar a copyright infringement claim in *Evergreen Safety Council v. RSA Network, Inc.*, 697 F.3d 1221, 1226-29 (9th Cir. 2012).

The decision below not only reaffirmed *Danjaq*, but also held that, even if the challenged acts of infringement occurred entirely within the statutory limitations period, the court would “*presume* that the plaintiff’s claims are barred by laches” so long as an earlier infringement in the series of infringements “occurred outside of the limitations period.” App. 8a (emphasis added) (quoting *Miller*, 454 F.3d at 997) (internal quotation marks omitted). The Ninth Circuit improperly borrowed that presumption from trademark law (under the Lanham Act), even though the Lanham Act – unlike the Copyright Act – contains no statute of limitations. *See Miller*, 454 F.3d at 997 n.11. No other circuit has endorsed such a conflation of trademark and copyright law. And the Ninth Circuit’s presumption *in favor of* laches conflicts with

the rules of the five circuits that preclude laches or at the very least strongly *disfavor* its application to claims brought within the statutory limitations period.

**D. The Circuit Conflict Is Entrenched, Acknowledged, and Ripe for This Court's Review**

The circuit conflict has developed and matured over more than a decade, as various courts of appeals have reflected upon one another's positions. Twelve years ago, the Fourth Circuit in *Lyons* entirely rejected laches as a defense to copyright actions. *Lyons*, 243 F.3d at 798. That same year, the Ninth Circuit in *Danjaq* freely allowed laches and cited but did not follow *Lyons*. 263 F.3d at 960. Next, the Tenth Circuit cited *Lyons* but did not go quite as far as the Fourth Circuit; it restricted laches to "rare cases." *Jacobsen*, 287 F.3d at 951 (quoting *Rodriguez-Aguirre*, 264 F.3d at 1208). The Sixth Circuit then followed the Tenth Circuit in "carv[ing] out a middle ground between the Fourth Circuit's strict ban on applying the laches doctrine in cases involving an express statute of limitations and the somewhat more expansive application of the doctrine by the Ninth Circuit." *Chirco*, 474 F.3d at 231-33. Five years ago, the Eleventh Circuit cited the Fourth Circuit's decision in *Lyons* with approval in erecting its "strong presumption" against laches and refusing to allow laches to bar prospective relief. *Peter Letterese*, 533 F.3d at 1320-21.

Most recently, the court below chose not to follow four circuits' contrary precedents, which were discussed in Judge Fletcher's concurrence. The Ninth Circuit not only reaffirmed *Danjaq*, but doubled down by adopting its presumption *in favor of* laches in continuing-infringement cases. App. 8a.

The conflict is thus mature and has been acknowledged as such by commentators as well as the courts of appeals. As the leading copyright treatise recognizes: "Pending realignment of the circuits or intervention at the Supreme Court level, the [laches] defense accordingly remains in limbo – susceptible of defeating infringement claims in some circuits, non-cognizable in others." 3 NIMMER ON COPYRIGHT § 12.06[A] (emphasis omitted). Or, as Judge Fletcher wrote: "There is a severe circuit split on the availability of a laches defense in copyright cases. . . . Our circuit is the most hostile to copyright owners of all the circuits." App. 23a. Another leading copyright treatise concurs with Judge Fletcher's analysis. 6 PATRY ON COPYRIGHT § 20:55.

Though Judge Fletcher's concurrence and Ms. Petrella's petition for rehearing en banc asked the Ninth Circuit to reconsider its deviant approach, that court denied rehearing en banc and entrenched its anomalous rule. App. 49a-50a. No other circuit can eliminate the circuit split. Only this Court can now resolve the acknowledged, entrenched division among the circuits.

## II. Applying Laches to Bar a Copyright Action Filed Within the Statutory Limitations Period Violates the Separation of Powers and Undermines the Copyright Act's Purposes

Congress, not the courts, is responsible for weighing competing interests and policy considerations and setting a limitations period. After deliberation, Congress specified a three-year statute of limitations for copyright claims. Particularly because the Copyright Act creates an action at law, its express statute of limitations leaves no room for any equitable timeliness defenses such as laches. Laches's variable, multi-factor balancing test would cloud the statute's bright-line rule, thus violating the separation of powers. Therefore, "[t]he availability of laches for conduct occurring within the limitations period is impermissible." 6 PATRY ON COPYRIGHT § 20:55.

1. Where Congress has chosen to specify the time for bringing an action by enacting a statute of limitations, the separation of powers bars courts from undermining that legislative decision with their own equitable limitations. "[I]n our constitutional system the commitment to the separation of powers is too fundamental for [courts] to pre-empt congressional action by judicially decreeing what accords with 'common sense and the public weal.'" *Tenn. Valley Auth. v. Hill*, 437 U.S. 153, 195 (1978). Once the legislature specifies a statute of limitations, it is not the judiciary's place to constrict it. "If Congress explicitly puts a limit upon the time for enforcing a

right which it created, there is an end of the matter. The Congressional statute of limitation is definitive.” *Holmberg v. Armbrecht*, 327 U.S. 392, 395 (1946).

Put another way, laches should apply only when a suit is brought in “equity, in the absence of any statute of limitations.” *Russell v. Todd*, 309 U.S. 280, 287 (1940); *see also Cross v. Allen*, 141 U.S. 528, 537 (1891). “Laches within the term of the statute of limitations is no defense at law.” *United States v. Mack*, 295 U.S. 480, 489 (1935). As this Court has noted more recently: “[A]pplication of the equitable defense of laches in an action at law would be novel indeed.” *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985).

2. This deference to congressional enactments applies with equal force in copyright law. “[L]ong before the enactment of the Copyright Act of 1909, it was settled that the protection given to copyrights is wholly statutory. The remedies for infringement ‘are only those prescribed by Congress.’” *Sony Corp.*, 464 U.S. at 431 (citation omitted) (citing *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 661-62 (1834), and quoting *Thompson v. Hubbard*, 131 U.S. 123, 151 (1889)). Congress has struck “a difficult balance” between the interests of authors and those of society. *Id.* at 429. “[I]t is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives. . . . [I]t is not our role to alter the delicate balance Congress has labored to achieve.” *Eldred v. Ashcroft*, 537 U.S. 186, 212-13 (2003) (quoting *Stewart*, 495 U.S. at 230). Thus, courts should not add

“burdensome requirements” that hinder authors’ and publishers’ ability to vindicate their “valuable, enforceable rights.” *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (quoting *Washingtonian Co. v. Pearson*, 306 U.S. 30, 36 (1939)).

The need to defer to Congress’s enactments is particularly acute in the case of the Copyright Act’s statute of limitations. The original 1909 Copyright Act contained no statute of limitations. Copyright Act of 1909, ch. 320, 35 Stat. 1075. But by 1957, Congress had grown concerned about the varying limitations periods courts were applying in different jurisdictions. See S. REP. NO. 85-1014, at 2; H.R. REP. NO. 85-150, at 1-2 (1957); *supra* p. 6. That year, it passed legislation for the sole purpose of “provid[ing] for a [three-year] statute of limitations with respect to civil [copyright] actions.” Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633. That legislation was based on Congress’s decision to set “the most equitable period in view of the contrary interests of the various groups.” S. REP. NO. 85-1014, at 2. And when Congress amended much of the bill in 1976, it left the three-year statute of limitations “unaltered” because it “represent[ed] a reconciliation of views” of the members of Congress. S. REP. NO. 94-473, at 146 (1975).

The Ninth Circuit’s application of laches upsets Congress’s determination of the proper balance of interests in this area. It clouds the statute’s uniform, predictable rule of timeliness by requiring an unpredictable, case-specific balancing test. Moreover, when courts allow the laches defense to constrict the period

allowed by the statute of limitations, they let copyright infringers double-dip on defenses that serve identical interests. “Statutes of limitation, like the equitable doctrine of laches, . . . are designed to promote justice by preventing surprises through the revival of claims . . . .” *Order of R.R. Telegraphers v. Ry. Express Agency*, 321 U.S. 342, 348-49 (1944).

The Ninth Circuit went astray by borrowing a rule from one of its own earlier trademark cases. The Lanham Act, however, which governs trademarks, contains no express limitations period. Lanham Trademark Act of 1946, 15 U.S.C. §§ 1051-1141n. Thus, applying laches to trademark cases does not implicate the same separation-of-powers concerns as the decision below. *See, e.g., Peter Letterese*, 533 F.3d at 1321 n.40; *Lyons*, 243 F.3d at 798-99. In any event, the Ninth Circuit’s earlier ruling applying laches to trademark actions was itself dubious and should not have been extended further to “the very different field of copyright.” 6 PATRY ON COPYRIGHT § 20:55.

### **III. The Circuit Split Encourages Forum Shopping, Which Is at Odds with Copyright Law’s Emphasis on Nationwide Uniformity**

The circuit conflict encourages copyright plaintiffs to shop for the most favorable fora. That danger is especially acute in copyright law, where national uniformity is critical and where liberal venue provisions create ideal conditions for forum shopping.



1. Copyright law in this country has always emphasized national uniformity. As James Madison explained in *The Federalist Papers*, the Copyright Clause of the Constitution was necessary because “[t]he States cannot separately make effectual provision” for copyright. THE FEDERALIST NO. 43, at 309. In the years since, Congress has repeatedly acted to ensure national uniformity. It amended copyright law in 1957 to “provide a uniform [statute of limitations] period throughout the United States.” S. REP. NO. 85-1014, at 2. Similarly, the “express objective” of the 1976 Copyright Act was to “creat[e] national, uniform copyright law.” *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 740 (1989). Geographic variation harms the public by depriving artists of the “predictability and certainty of copyright ownership” that Congress intended to provide. *Id.* at 749 (citing H.R. REP. NO. 94-1476, at 129). Thus, “it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible.” *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527 (1994).

2. This circuit split has the potential to breed forum shopping. The courts of appeals vary markedly not only in their respective hostility to laches, but also in terms of which remedies they consider barred by laches. The Eleventh Circuit, for instance, recognizes laches as a bar to damages in exceptional cases, but never as a bar to prospective relief. *Peter Letterese*, 533 F.3d at 1320-21. The Second Circuit’s rule is the reverse. *New Era*, 873 F.2d at 584-85. The Sixth Circuit generally does not accept laches as a

bar to damages or injunctive relief, but allows it in exceptional cases for other remedies not explicitly authorized by the Copyright Act. *Chirco*, 474 F.3d at 235-36. Plaintiffs who seek particular remedies will forum shop accordingly.

The risk of forum shopping is exacerbated by the liberal venue provision for copyright suits. Copyright claims may be filed in any district where “the defendant or his agent resides or may be found.” 28 U.S.C. § 1400(a). Thus, a corporate defendant can be sued wherever the corporation is subject to personal jurisdiction or can be served with process. 14D CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3819 (3d ed. 2008) (collecting cases). Here, for instance, respondents distribute their films, DVDs, streaming video, and the like through theaters and stores across the nation, not to mention MGM’s corporate office in New York. Thus, respondents and their subsidiaries may arguably be sued in any federal district.

The Ninth Circuit, from which this case originates, is particularly susceptible to forum shopping. Between 2010 and 2011, roughly one third of all intellectual property claims and one third of intellectual property appeals were filed there, nearly twice as many as in the next-busiest circuit.<sup>7</sup> Plaintiffs who

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<sup>7</sup> ADMIN. OFFICE OF THE U.S. COURTS, JUDICIAL BUSINESS OF THE UNITED STATES COURTS tbls. B-7, C-3 (2011), *available at* <http://www.uscourts.gov/uscourts/Statistics/JudicialBusiness/2011/appendices/B07Sep11.pdf> and <http://www.uscourts.gov/uscourts/>

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face potential laches defenses (especially the Ninth Circuit's new presumption in favor of laches) will have strong incentives to file elsewhere.

Congress enacted the 1957 statute of limitations to respond to the problem of forum shopping. The accompanying Senate Report explained that forum shopping had become possible because “[c]ertain states such as California, . . . due to the centralization of the movie industry, have adopted relatively short statutes of limitations,” while “[o]ther States where the inciden[ce] of copyright actions is low have applied longer periods for the commencement of actions.” S. REP. NO. 85-1014, at 2. The situation today is the federal analogue of the problem Congress sought to combat: the Ninth Circuit, home to the movie industry, freely applies laches and so most severely constricts the statutory period for filing suit.

#### **IV. This Case Is a Clean Vehicle**

This case is a clean vehicle for resolving the question presented. The issue of laches was dispositive in both the district court and the court of appeals. The district court “did not grant summary judgment based on a lack of evidence of infringement, but solely on the ground that Plaintiff’s claims were barred by laches.” Dist. Ct. Rulings on Mot. for Sanctions and Mot. for Attorneys’ Fees 4; *accord* App. 22a.

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Statistics/JudicialBusiness/2011/appendices/C03Sep11.pdf, respectively.

There was no alternative holding. The Ninth Circuit affirmed solely on the same narrow ground. App. 22a.

But for the laches defense, this lawsuit would have survived summary judgment because material factual issues remain in dispute. App. 34a-38a. “[T]he issue of substantial similarity” of the 1963 Screenplay and the film, the district court held, was “probably not conducive to summary judgment” and so “must be presented to the trier of fact.” App. 41a (citing Ninth Circuit precedent).

The issue of laches was both pressed and explicitly passed upon below. It prompted a thoughtful concurrence, in which Judge Fletcher dissected the circuit split and called upon the Ninth Circuit to reconsider its aberrant approach. A leading copyright treatise has already praised Judge Fletcher’s analysis below as “an extended and brilliant concurring opinion.” 6 PATRY ON COPYRIGHT § 20:55. To this day, MGM persists in infringing Ms. Petrella’s copyright – and depriving her of her father’s legacy – by continuing to market and sell the film. Thus, the issue is squarely presented for this Court’s review.



**CONCLUSION**

For the foregoing reasons, this Court should grant the petition for a writ of certiorari.

Respectfully submitted,

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April 30, 2013

## **APPENDIX**

**APPENDIX A**

**UNITED STATES COURT OF APPEALS,  
NINTH CIRCUIT**

PAULA PETRELLA, an individual,

*Plaintiff-Appellant,*

v.

METRO-GOLDWYN-MAYER, INC., a corporation;  
METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation;  
METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC,  
a limited liability company; METRO-GOLDWYN-MAYER  
HOME ENTERTAINMENT DISTRIBUTION CORPORATION,  
a corporation; UNITED ARTISTS CORPORATION,  
a corporation; 20TH CENTURY FOX HOME  
ENTERTAINMENT, LLC, a limited liability company,

*Defendants-Appellees.*

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No. 10-55834

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Argued Feb. 1, 2012  
Decided Aug. 29, 2012

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Appeal from the United States District Court  
for the Central District of California  
George H. Wu, District Judge, Presiding  
D.C. No. 2:09-cv-00072-GW-MAN

**Counsel** Glen Lance Kulik (argued), Kulik, Gottes-  
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nia, for the Plaintiff-Appellant.

Robert J. Catalano and David Grossman, Loeb & Loeb. LLP, Los Angeles, California; Jonathan Zavin (argued), Loeb & Loeb, New York, New York, for the Defendants-Appellees.

Before William A. FLETCHER, and Raymond C. FISHER, Circuit Judges, and Jack ZOUHARY, District Judge.\*

## OPINION

FISHER, Circuit Judge:

In 2009, Paula Petrella filed an action for copyright infringement, unjust enrichment and accounting against Metro-Goldwyn-Mayer, Inc.; Metro-Goldwyn-Mayer Studios, Inc.; Metro-Goldwyn-Mayer Home Entertainment, LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation; United Artists Corporation; and 20th Century Fox Home Entertainment, LLC (“the defendants”). According to Petrella, the defendants infringed her purported interest in a book and two screenplays that together allegedly formed the basis for the 1980 motion picture *Raging Bull*. The district court granted summary judgment in favor of the defendants, holding that Petrella’s claims are barred by the equitable defense of laches. The district court also denied the defendants’ motions for sanctions and attorney’s fees. We affirm.

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\* The Honorable Jack Zouhary, United States District Judge for the Northern District of Ohio, sitting by designation.



## BACKGROUND

After Jake LaMotta (“LaMotta”) retired from boxing, he collaborated with his long-time friend, Frank Peter Petrella (“F. Petrella”), to produce a book and two screenplays (the “1963 screenplay” and the “1973 screenplay”) about LaMotta’s life. Together, these works allegedly became the basis for the movie *Raging Bull*, released in 1980.

These works were registered with the United States Copyright Office. The 1963 screenplay was registered in 1963, listing F. Petrella as the claimant and sole author. According to the title page, however, it was written “in collaboration with” LaMotta. The book was registered in 1970, listing “Peter Savage” (a pseudonym of F. Petrella), LaMotta and Joseph Carter as co-authors. The 1973 screenplay was registered in 1973, listing F. Petrella as the sole author and stating 1970 as the date of publication. The copyright registration certificate noted that the work “The Raging Bull” was a “screenplay form of the book of the same name.” Despite the copyright registration dates, the parties dispute which of these three works – the 1963 screenplay, the book or the 1973 screenplay – was written first.

In a written agreement dated November 19, 1976, F. Petrella and LaMotta assigned to Chartoff-Winkler Productions, Inc., “exclusively and forever, including all periods of copyright and renewals and extensions thereof,” all of their respective copyright rights in the book and “in and to those certain screenplays based

on [the book] which were written in 1963 and 1973,” save for a reservation of certain rights to the authors of the book. The agreement represented that the book “is original and has not been copied or adapted from any literary, dramatic or other work.” It also represented that “[t]he [F. Petrella] Screenplays are original and have not been copied or adapted from any literary, dramatic or other work other than [the book].”

In about September 1978, United Artists Corporation, a wholly owned subsidiary of Metro-Goldwyn-Mayer Studios, Inc., acquired the motion picture rights to *Raging Bull* pursuant to a written assignment from Chartoff-Winkler Productions, Inc. United Artists registered a copyright in the film around September 1980. In 1981, during the original 28 year term of the copyrights for the book and the two screenplays, F. Petrella died, and his renewal rights in the works passed to his heirs.

As his daughter, Petrella now alleges she is the sole owner of the F. Petrella interest in the book and the two screenplays. In 1990, she learned of the Supreme Court’s decision in *Stewart v. Abend*, and engaged an attorney to advise and assist her regarding her renewal rights.<sup>1</sup> The attorney filed a renewal

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<sup>1</sup> *Stewart v. Abend*, 495 U.S. 207 (1990), concerned a magazine story, “It Had to be Murder,” whose author had assigned the story’s motion picture rights in 1945. *Id.* at 211. Nine years later a production company along with Paramount Pictures produced and distributed the Alfred Hitchcock murder mystery,

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application for the 1963 screenplay on her behalf in 1991.

Seven years later, in 1998, Petrella's attorney contacted the defendants, asserting that Petrella had obtained the rights to the 1963 screenplay and that the exploitation of any derivative work, including *Raging Bull*, was an infringement of these exclusive rights. Over the course of the next two years, Petrella and the defendants exchanged a series of letters in which she accused the defendants of infringing her copyrights and the defendants insisted they were not, citing two grounds. First, they claimed the 1963 screenplay was a collaboration between F. Petrella and LaMotta, so the defendants retained all necessary rights in the script under their agreement with LaMotta. Second, they denied there was any substantial similarity of protectable elements between the 1963 screenplay and the film. Petrella repeatedly threatened to take legal action, but she did not do so at that time. The final letter in this series was dated

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*Rear Window*. *See id.* at 212. Much later, the holder of the renewal copyright in "It Had to be Murder" brought an infringement action in 1974 against those who held the rights in *Rear Window*, which had been made from the story during its original copyright term. *See id.* at 212-13. The Court held that when an author dies before a renewal period begins, his statutory successors are entitled to renewal rights, even when the author has previously assigned the rights to another party. *See id.* at 219. The owner of a derivative work does not retain the right to exploit that work when the death of the author causes the renewal rights in the preexisting work to revert to the statutory successors. *See id.* at 220-21.

April 5, 2000. Petrella did not initiate this lawsuit until nine years later, in 2009.

### STANDARD OF REVIEW

We review de novo a district court's grant of summary judgment on a copyright infringement claim. See *Ellison v. Robertson*, 357 F.3d 1072, 1075 (9th Cir. 2004). "We must determine, viewing the evidence in the light most favorable to . . . the non-moving party, whether there are any genuine issues of material fact and whether the district court correctly applied the substantive law." *Olsen v. Idaho State Bd. of Med.*, 363 F.3d 916, 922 (9th Cir. 2004).

Whether a plaintiff's conduct constitutes laches in any given circumstance is an issue of fact. See 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.06[B] (2011). The standard of review is subject to dispute. See *id.* We addressed this standard in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001):

As for the application of the laches defense itself, we have previously noted a seeming intracircuit conflict regarding the appropriate standard of review. See *Telink, Inc. v. United States*, 24 F.3d 42, 47 & nn.1011 (9th Cir. 1994) (reviewing for abuse of discretion, but noting an intracircuit conflict between the abuse of discretion and clearly erroneous standards). Leaving aside the fact that this conflict may be more apparent than real, see *id.* at 47 n.11; *Piper Aircraft Corp. v.*

*Wag-Aero, Inc.*, 741 F.2d 925, 940-41 (7th Cir. 1984) (Posner, J., concurring), we need not resolve it here, for we conclude that the district court's ruling on laches must stand regardless whether it is reviewed for abuse of discretion or for clear error.

*Danjaq*, 263 F.3d at 952. The same is true here. The district court did not err under either standard of review.

We review a district court's imposition of sanctions for abuse of discretion, and its findings of fact for clear error. *See Christian v. Mattel, Inc.*, 286 F.3d 1118, 1126-27 (9th Cir. 2002). We also review an order on attorney's fees under the Copyright Act for abuse of discretion, and any findings of fact underlying the fee determination for clear error. *See Smith v. Jackson*, 84 F.3d 1213, 1221 (9th Cir. 1996).

## DISCUSSION

The district court granted summary judgment in favor of the defendants on Petrella's copyright, accounting and unjust enrichment claims. The court also denied the defendants' motions for sanctions and attorney's fees. We affirm.

### I. Copyright Infringement

The district court held that Petrella's copyright infringement claim is barred by the doctrine of laches. We agree. "Laches is an equitable defense that

prevents a plaintiff, who with full knowledge of the facts, acquiesces in a transaction and sleeps upon his rights.” *Danjaq*, 263 F.3d at 950-51 (internal quotation marks omitted). “[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff’s claims are barred by laches.” *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006). The statute of limitations for copyright claims in civil cases is three years. *See* 17 U.S.C. § 507(b); *see also* 3 Nimmer § 12.05[A].

The underlying elements of a laches defense are factual determinations. A defendant must prove that (1) the plaintiff delayed in initiating the lawsuit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice. *See Danjaq*, 263 F.3d at 951. The defendants have established that no genuine issue of material fact exists as to these three elements.<sup>2</sup>

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<sup>2</sup> Petrella appeals the district court’s rulings on the defendants’ evidentiary objections to the declarations of Petrella, her expert and her attorney. We hold that the district court did not abuse its discretion by finding that “[m]uch of [the expert’s] Declaration lack[ed] foundation and [was] irrelevant” and that the attorney’s declaration lacked foundation. With respect to the district court’s rulings on Petrella’s declaration, even were we to admit the excluded evidence, laches would still apply. We therefore affirm the district court’s evidentiary rulings. *See Coursen v. A.H. Robins Co., Inc.*, 764 F.2d 1329, 1333 (9th Cir. 1985) (evidentiary errors will not be reversed absent some resulting prejudice).

### **1. *Delay***

“Generally speaking, 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.” *Id.* at 952. As the district court found, it is “[u]ndisputed [Petrella] 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.

### **2. *Reasonableness of the Delay***

“In determining reasonableness, courts look to the cause of the delay. Delay has been held permissible, among other reasons, when it is necessitated by the exhaustion of remedies through the administrative process; when it is used to evaluate and prepare a complicated claim; and when its purpose is to determine whether the scope of proposed infringement will justify the cost of litigation.” *Id.* at 954 (citations and internal quotation marks omitted). In contrast, delay is unreasonable “when its purpose is to capitalize on the value of the alleged infringer’s labor, by determining whether the infringing conduct will be profitable.” *Id.*

There are two relevant periods of delay in this case. The first was from 1990 (when Petrella learned of the *Stewart v. Abend* decision and engaged an attorney to advise and assist her regarding her renewal

rights in the subject works) to September 1998 (when Petrella's attorney contacted the defendants concerning their exploitation of the film). Petrella testified that she did not contact the defendants and make them aware of any claims during this eight year period because "the film was deeply in debt and in the red and would probably never recoup" and she "did not know there was a time limit to making such claims."

The second period of delay began in September 1998, when Petrella's attorney sent the first of a series of letters to the defendants giving "formal notice" of her claims and threatening litigation. Although the final letter in this series was dated April 5, 2000, Petrella did not file the complaint in this case until January 2009. Petrella 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 the defendants; and (3) her family's inability to afford a lawsuit. She argues that these factors, combined with the defendants' affirmative conduct in telling her the film's financial position was hopeless, caused the delay.

These explanations are unsupported by evidence other than Petrella's own declaration, and in any event, they are insufficient to demonstrate that the filing delay was reasonable. There is no explanation as to why or how Petrella'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 the defendants threatening a lawsuit. Petrella's excuse that she delayed because her family could not afford a lawsuit, even if true, does not make the delay reasonable. Such a "consideration appears generally to be invalid." *Danjaq*, 263 F.3d at 954-55. More importantly, 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. A delay "to determine whether the scope of proposed infringement will justify the cost of litigation" may be reasonable; but delay for the purpose of capitalizing "on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable" is not. *Id.* at 954 (internal quotation marks omitted). The district court did not err in finding Petrella's delays in notification and in filing suit – 19 years, combined – were unreasonable.

### **3. Prejudice**

Laches also requires a showing that a defendant was prejudiced by the plaintiff's unreasonable delay. In evaluating this element, "[i]f only a short period of time has elapsed since the accrual of the claim, the magnitude of the prejudice required before the suit should be barred is great, whereas if the delay is lengthy, prejudice is more likely to have occurred and less proof of prejudice will be required." *Miller*, 454

F.3d at 1000 (alteration and internal quotation marks omitted).

The two primary forms of prejudice in the laches context are *expectations-based prejudice*, which exists where a defendant “took actions or suffered consequences that it would not have, had the plaintiff brought suit promptly;” and *evidentiary prejudice*, which exists where there are “such things as lost, stale, or degraded evidence, or witnesses whose memories have faded or who have died.” *Danjaq*, 263 F.3d at 955 (citations omitted). We conclude that expectations-based prejudice exists here, so we need not consider evidentiary prejudice.

A defendant establishes expectations-based prejudice if it shows that “during the delay, it invested money to expand its business or entered into business transactions based on [its] presumed rights.” *Miller*, 454 F.3d at 999. Specifically, there is prejudice where, “as a result of entering into such business transactions during the delay, it may incur liability for damages.” *Id.* at 1000. Prejudice can also result from the “coming into existence of business plans and relationships based on reliance on the state of affairs challenged by the claims of the litigation.” Howard B. Abrams, *Law of Copyright* § 13:48 (2011).

The defendants have established such prejudice here. Edward J. Slizewski, Senior Vice President for Participations & Residuals for Metro-Goldwyn-Mayer Studios, Inc., stated that, since Petrella learned of the allegedly infringing conduct in 1991, the defendants

“distributed the Film on a continuous basis in the United States and abroad, and . . . expended substantial financial and other resources as a part of this effort,” including “costs relating to marketing, advertising, distributing and otherwise promoting the Film in various media.”<sup>3</sup> He calculated that these costs totaled nearly \$8.5 million in the United States alone. The defendants did not break out these expenditures into specific time periods, so we cannot identify and quantify those that were incurred before Petrella notified the defendants of her copyright claim in 1998. But it is clear that they incurred significant investments in promoting the film after several years elapsed following the end of the parties’ exchange of letters in April 2000 without Petrella taking any action to carry out her threat of litigation.

For instance, in 2004 and 2005, the defendants “spent approximately \$3 million to create, promote and distribute a 25th Anniversary Edition of the Film that was released in 2005.” In 2008 and 2009, they “incurred more than \$100,000 in costs to convert Raging Bull to the Blu-Ray format, and to promote, market and distribute the Film in that medium.” Slizewski explained that “[t]hese activities and expenditures were made based on the understanding and belief that the [defendants] have complete ownership and control of the Film. . . . Had Ms. Petrella filed

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<sup>3</sup> Petrella objected to Slizewski’s declaration, arguing that it contradicted his deposition testimony. The district court did not abuse its discretion in overruling the objection.

suit in 1991 (or 1998), the [defendants] would have had an opportunity to litigate this claim prior to making these various and significant investments in the Film. Because no such suit was filed prior to 2009, the [defendants] were deprived of this opportunity.”

In addition to these investments, Slizewski stated that the defendants had, since 1991, “entered into numerous agreements to license the Film, including various agreements in which television networks . . . are authorized to broadcast the Film through 2015. License agreements relating to future distribution also have been entered into (prior to the institution of this lawsuit) and provide for the Film to be distributed through defendant Twentieth Century Fox Home Entertainment LLC.” Slizewski further testified:

[T]he company has made commitments for a number of years through I think 2015 here in the United States for this particular picture and continues to, on a regular continuous basis, invest money into this title and to invest the overall sales effort in this title, everyone from television sales staff, frankly to the participation staff where I work in the company are dedicating some amount of their time to the continued distribution, and all the back office support related to this particular title, and frankly, to keeping this title out in the marketplace, out in the DVD marketplace, out in the television marketplace.

Nonetheless, Petrella argues that there is a triable issue because the defendants earned a substantial

profit as a result of the delay and, she alleges, would not have done anything different, or been in any better position, had the suit been filed sooner. We disagree. In *Jackson v. Axton*, 25 F.3d 884 (9th Cir. 1994), *overruled on other grounds by Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994), we found prejudice after a delay of 18 to 22 years, despite the defendant's profit from the delay, and without any assertion that he would have acted differently had the suit been filed sooner. *Jackson* concerned an ownership dispute over the song "Joy to the World." During the period of the plaintiff's delay, the defendant had "arranged his business affairs around the Song, promoted the Song as his own, licensed the Song many times to third parties, and sold the Song. . . . [N]umerous business transactions ha[d] been made in reliance on [the defendant's] sole ownership of the Song." *Id.* at 889-90. This was sufficient to support the laches defense.

Our ruling in *Grand Canyon Trust v. Tucson Electric Power Co.*, 391 F.3d 979 (9th Cir. 2004), where we declined to find expectations-based prejudice, does not dictate a contrary result. There the Tucson Electric Power Company received a permit from the Environmental Protection Agency in 1977 authorizing the construction of a coal-powered electric generating plant, including two 350-megawatt coal-fired steam electric generating units. *See id.* at 983. One year after the permit was issued, Congress amended the Clean Air Act to add new requirements for such construction, but provided that permits already obtained would remain valid – and therefore not subject to the

new requirements – so long as (1) construction commenced by March 19, 1979; (2) construction was not discontinued for a period of 18 months or more; and (3) the project was completed within a “reasonable” amount of time. *See id.* The parties disputed whether these requirements were met, but all agreed that Tucson Electric completed construction of its two units in 1985 and 1990. *See id.* at 984.

In Spring 2001, after Tucson Electric publicly announced a plan to construct two additional coal-fired units, Grand Canyon trust, a non-profit environmental organization, became interested in the validity of the 1977 permit for the first time. *See id.* After conducting an investigation and concluding that the permit was invalid, Grand Canyon brought a citizen enforcement action under the Clean Air Act. *See id.* The district court granted summary judgment, concluding Grand Canyon’s suit was barred by laches. *See id.* at 987-88. The court found expectations-based prejudice because, if it granted the relief Grand Canyon sought, Tucson Electric would be required to replace the originally installed equipment, which could cost up to \$300 million. *See id.* at 988. We reversed:

We do not see how this delay prejudiced Tucson Electric. Rather, it appears that Grand Canyon’s delay worked to the benefit of Tucson Electric because it allowed Tucson Electric the opportunity to recover some or all of its investment in [the units] before this suit was filed. By contrast, if Grand Canyon had brought this action immediately after

construction on each [u]nit was completed, and had the court held that Tucson Electric was required to replace the equipment it had just installed, Tucson Electric's loss would have been total. The original [u]nits would not have operated for a single day, and Tucson Electric would not have had the opportunity to recover any part of its immense investment. But in actual fact, Grand Canyon's delay allowed Tucson Electric to operate [the two units] for many years before having to replace them. Indeed, the longer the delay in bringing the suit, the greater the benefit – not the detriment – to Tucson Electric.

*Id.* at 988-89.

In short, Tucson Electric benefitted because the delay gave it time to recoup its already completed investment. That is not the case here. Rather, over the full 18 year period of Petrella's delay, the defendants invested financial and other resources in marketing, advertising, distributing and promoting the film, totaling \$8.5 million domestically. They 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 they 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 Petrella's pocket. That is the essence of expectations-based

prejudice. The district court was justified in so finding, invoking the venerable Judge Learned Hand:

In the copyright context, the most-repeated justification for the doctrine [of laches] was penned by Judge Learned Hand: “It must be obvious to every one familiar with equitable principles 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. Delay under such circumstances allows the owner to speculate without risk with the other’s money; he cannot possibly lose, and he may win.” *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916).

*Danjaq*, 263 F.3d at 951.

Accordingly, we hold that Petrella’s copyright infringement claim is barred by laches. We therefore do not reach the merits of the copyright infringement claim itself.<sup>4</sup>

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<sup>4</sup> We reject Petrella’s argument that the district court erred by ignoring evidence of the defendants’ willful infringement. The laches defense cannot apply when the infringement “occurs with knowledge that the defendant’s conduct constitutes copyright infringement.” *Danjaq*, 263 F.3d at 957 (internal quotation marks omitted). However, willful or “deliberate” infringement “must mean more than simply not unintentional copying, connoting something along the lines of piratical conduct.” 3 Nimmer § 12.06[B][5] (footnotes omitted). “[A] party accused of infringement, who

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## II. Unjust Enrichment and Accounting

Petrella also sued for unjust enrichment and accounting, arguing that if the defendants were co-owners rather than infringers of the book, they would have had an ongoing duty to account to and pay Petrella for any monies derived through the exploitation of the book and its derivatives. *See Oddo v. Ries*, 743 F.2d 630, 633 (9th Cir. 1984) (“A co-owner of a copyright must account to other co-owners for any profits he earns from licensing or use of the copyright. . . . [This duty] comes from equitable doctrines relating to unjust enrichment and general principles of law governing the rights of coowners.” (internal quotation marks omitted)).

Recovery of an unjust enrichment is an equitable remedy. *See McKesson HBOC, Inc. v. New York State Common Ret. Fund, Inc.*, 339 F.3d 1087, 1093 (9th Cir. 2003). Seeking an accounting, where the accounting is not provided for by contract, is also an equitable remedy. *See Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 478 (1962). Because laches is an equitable defense, *see Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002), we agree with the district court that laches also bars Petrella’s unjust enrichment and accounting claims. *See McKesson*, 339 F.3d at 1093 (rejecting the plaintiff’s unjust

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reasonably and in good faith believes the contrary, is not willful.” *Id.* Petrella has failed to present evidence sufficient to raise a genuine issue of material fact as to the existence of willful infringement.

enrichment claim based on the equities); *Ronald E. Dimock, Dimock: Intellectual Property Disputes: Resolutions and Remedies* § 18.2(a)(i) (2008) (“since an accounting of profits is an equitable remedy, the plaintiff may be refused the remedy upon equitable grounds,” such as a “long delay in commencing the proceedings”) (footnotes omitted)).

### **III. Sanctions and Attorney’s Fees**

The defendants contend they are entitled to sanctions under Rule 11 and attorney’s fees for Petrella’s alleged unjustified filing and prosecution of this action, and ask that we remand for the district court to reconsider its denial of their sanctions and fees motions. We hold that the district court did not abuse its discretion in denying the motions.

#### **1. Rule 11 Sanctions**

Federal Rule of Civil Procedure 11 provides for the imposition of sanctions when a filing is frivolous, legally unreasonable, without factual foundation or brought for an improper purpose. *See Simpson v. Lear Astronics Corp.*, 77 F.3d 1170, 1177 (9th Cir. 1996).

The district court cited *White v. General Motors Corp., Inc.*, 908 F.2d 675, 682 (10th Cir. 1990), for the proposition that although “[p]art of a reasonable attorney’s prefiling investigation must include determining whether any obvious affirmative defenses bar the case[,] . . . [a]n attorney need not forbear to file

her action if she has a colorable argument as to why an otherwise applicable affirmative defense is inapplicable in a given situation.” The court found that Petrella had a reasonable belief that she could overcome the laches defense because laches is an equitable doctrine involving many variables, and the case was less clear cut than *Danjaq*. The district court concluded that sanctions were therefore not appropriate. We agree.

## **2. *Attorney’s Fees Under 17 U.S.C. § 505***

Under the Copyright Act, a district court has discretion to award attorney’s fees to the prevailing party. *See* 17 U.S.C. § 505; *see also Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994) (reading § 505 as giving a district court broad discretion in deciding whether to award fees). “A district court’s fee award does not constitute an abuse of discretion unless it is based on an inaccurate view of the law or a clearly erroneous finding of fact.” *Fantasy, Inc. v. Fogerty*, 94 F.3d 553, 556 (9th Cir. 1996) (internal quotation marks omitted). “In deciding whether to award fees under the Copyright Act, the district court should consider, among other things: the degree of success obtained on the claim; frivolousness; motivation; objective reasonableness of factual and legal arguments; and need for compensation and deterrence.” *Maljack Prods., Inc. v. GoodTimes Home Video Corp.*, 81 F.3d 881, 889 (9th Cir. 1996).

In denying attorney's fees, the district court evaluated several of these factors. The court denied the motion because it had "not grant[ed] summary judgment based on a lack of evidence of infringement, but solely on the ground that Plaintiff's claims were barred by laches." The court also concluded that an award of attorney's fees in this case "would have a deterrent effect upon other copyright owners in *Abend* situations who have valid claims," and "[s]uch a result would not 'further the policies of the Copyright Act.'" Because we agree that Petrella's attempt to distinguish *Danjaq* both legally and factually was not unreasonable, and there is no evidence of improper motive, the district court did not abuse its discretion by denying attorney's fees.

### CONCLUSION

We hold that Petrella's copyright, unjust enrichment and accounting claims are barred by laches, and we therefore affirm the district court's grant of summary judgment in favor of the defendants. We also hold that the district court did not abuse its discretion by denying the defendants' motions for sanctions and attorney's fees. The parties shall bear their own costs on appeal.

**AFFIRMED.**

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W. FLETCHER, concurring:

I concur in Judge Fisher's opinion, which faithfully applies our circuit's law of laches in copyright cases. But I do so only because we are compelled to follow our opinion in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001).

There is a severe circuit split on the availability of a laches defense in copyright cases. In the Fourth Circuit, there is no laches at all. If a copyright suit is brought within the statute of limitations, it may go forward. *Lyons P'ship. L.P. v. Morris Costumes, Inc.* 243 F.3d 789, 797-98 (4th Cir. 2001). In the Eleventh Circuit, "there is a strong presumption that a plaintiff's suit is timely if it is filed before the statute of limitations has run. Only in the most extraordinary circumstances will laches be recognized as a defense." *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 (11th Cir. 2008). Even if laches is found, "laches serves as a bar only to the recovery of retrospective damages, not to prospective relief." *Id.* at 1321. In the Second Circuit, laches is available as a bar to injunctive relief but not to money damages. See *New Era Publ'ns Int'l v. Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir. 1989). In the Sixth Circuit, laches is available in only "the most compelling of cases." *Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 233 (6th Cir. 2007).

Our circuit is the most hostile to copyright owners of all the circuits. In the Ninth Circuit, laches can bar all relief, both legal and equitable, when "(1) the

plaintiff delayed in initiating the lawsuit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice.” Maj. Op., at 10176 (citing *Danjaq*, 263 F.3d at 951).

There is nothing in the copyright statute or its history to indicate that laches is a proper defense to a suit brought under the Act. The Copyright Act of 1909 (“1909 Act”) did not contain a statute of limitations. Pub. L. No. 60-349, 35 Stat. 1075. Federal courts applying the 1909 Act used state statutes that provided various limitations periods, and Congress eventually became dissatisfied with the resulting problem of forum shopping by plaintiffs. S. Rep. No. 85-1014, *reprinted in* 1957 U.S.C.C.A.N. 1961, 1961. In 1957, Congress amended the 1909 Act to provide a three-year statute of limitations. Act of September 7, 1957, Pub. L. No. 85-313, 71 Stat. 633. The accompanying Senate Report noted that the adoption of a federal limitations period would extinguish equitable defenses such as laches. S. Rep. No. 85-1014, *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963 (“[C]ourts generally do not permit the intervention of equitable defenses or estoppel where there is a [statute of] limitation on the right” (quoting H. Rep. No. 85-150)). The Copyright Act of 1976 (“1976 Act”) replaced the 1909 Act. The 1976 Act re-enacted the three-year limitations period for civil copyright claims using language identical to the 1957 amendment. Pub. L. No. 94-553, § 507(b), 90 Stat. 2541, 2586. Laches in copyright cases is thus entirely a judicial creation. And it is a creation that is in tension with Congress’ intent.

Modern courts seeking to justify the application of laches in copyright cases typically quote from Judge Learned Hand's opinion in *Haas v. Leo Feist Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916):

It must be obvious to every one familiar with equitable principles 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. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win. If the defendant be a deliberate pirate, this consideration might be irrelevant . . . ; but it is no answer to such inequitable conduct, if the defendant Feist is innocent, to say that its innocence alone will not protect it. It is not its innocence, but the plaintiff's availing himself of that innocence to build up a success at no risk of his own, which a court of equity should regard.

*See, e.g.*, Maj. Op. at 10183-84 (quoting from this passage); *Danjaq*, 263 F.3d at 957 (same). This passage from Judge Hand is a classic invocation of equitable estoppel, which is distinct from its equitable cousin, laches. Compare 6 William F. Patry, *Patry on Copyright* § 20:55 (2012) (criticizing *Danjaq* for failing to distinguish between equitable estoppel and laches).

The elements of an equitable estoppel defense have been variously stated. We wrote in a copyright infringement case:

Four elements must be present to establish the defense of estoppel: (1) The party to be estopped must know the facts; (2) he must intend that his conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe that it is so intended; (3) the latter must be ignorant of the true facts; and (4) he must rely on the former's conduct to his injury.

*Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960) (internal citation omitted). The Second Circuit wrote more succinctly, but to roughly the same effect, in a copyright case:

Under federal law, . . . a party can be estopped from pursuing a claim where: (1) the party makes a misrepresentation of fact to another party with reason to believe that the other party will rely on it; (2) the other party relies on the misrepresentation to his detriment.

*Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 292 (2d Cir. 2002) (internal citation omitted). Equitable estoppel can be a complete defense against a claim, as to both legal and equitable remedies. *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1041 (Fed. Cir. 1992) (en banc).

The elements of a laches defense are less demanding. In our circuit, laches in copyright cases does not



require actual knowledge by the copyright owner of the defendant's infringement. It requires only that the owner "should have known" of the infringement. See *Kling v. Hallmark Cards Inc.*, 225 F.3d 1030, 1036 (9th Cir. 2000). A laches defense is available to an infringer so long as the infringer is not a "deliberate pirate," to use Judge Hand's phrase, whom our circuit defines as a "willful infringer." *Danjaq*, 263 F.3d at 956-59. A showing of actual harm to the defendant is not necessary. An infringer can establish expectation-based prejudice by showing that he has invested money to exploit the copyright, whether or not he has made a profit as a result of the owner's delay. Maj. Op. at 10182-83.

Our circuit has taken a wrong turn in its formulation and application of laches in copyright cases. We should revisit our case law to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations. A recognition of the distinction between equitable estoppel and laches would be a good place to start.

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**APPENDIX B**

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

PAULA PETRELLA,

*Plaintiff(s),*

v.

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

*Defendant(s).*

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No. CV 09-72-GW (MANx)

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Filed Feb. 3, 2010

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Statement of Decision on Defendants'  
Motion for Summary Judgment

**I. INTRODUCTION**

This is an action for copyright infringement.<sup>1</sup> Plaintiff Paula Petrella (“Plaintiff”) is the heir of an author of an original work which allegedly became the basis for the film, “Raging Bull” (the “Film”). Defendants Metro-Goldwyn-Mayer Inc., Metro-Goldwyn-Mayer Studios Inc., Metro-Goldwyn-Mayer Home Entertainment LLC, MGM Home Entertainment Distribution Corp. (together, “MGM”), United Artists

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<sup>1</sup> The First Amended Complaint (“FAC”) contains three causes of action: 1) copy right infringement, 2) unjust enrichment, and 3) accounting.

Corporation (“UA”), and Twentieth Century Fox Home Entertainment LLC (collectively, “Defendants”) are the ostensible owners of copyright (and/or distribute or assist in the distribution) of the Film. Plaintiff’s lawsuit presents, potentially, an interesting variation on the problems that might arise from the fact that a derivative work cannot be exploited after the expiration of the original copyright term in the underlying work without the consent of the copyright owner in the renewal term. *See generally, Stewart v. Abend*, 495 U.S. 207, 220 (1990). Because Defendants have established each element of the equitable defense of laches, however, and because Plaintiff has not identified any material fact in dispute as to whether there was deliberate infringement, the Court need not address in this decision the question of whether there are such similarities between the underlying work and the derivative work that Plaintiff’s ownership of the underlying work might allow her to prevent the Film from being shown or distributed.

Defendants’ Motion for Summary Judgment and supporting papers were filed on September 25, 2009. Plaintiff’s Opposition was filed on October 13, 2009. Reply papers were filed on October 15, 2009. Oral argument was heard on October 22, 2009. After considering all of the parties’ papers and oral arguments, the Court now GRANTS Defendants’ Motion for Summary Judgment.

## II. BACKGROUND

Plaintiff's father, Frank Petrella ("Petrella"), collaborated with his long-time friend, Jake LaMotta ("LaMotta"), to produce a book (the "Book") and two screenplays (the "1963 Screenplay" and the "1973 Screenplay") (together, the "Subject Works") about LaMotta's life. Together, the Subject Works allegedly became the basis for the movie, "Raging Bull," which was released in 1980. All of the Subject Works were registered with the United States Copyright Office. The 1963 Screenplay was registered in 1963, listing Petrella as the claimant and sole author. *See* Declaration of David Grossman ("Grossman Decl.") at Exhibit ("Ex.") L (Docket No. 43). This notwithstanding, the title page of the 1963 Screenplay states that it was written "in collaboration with" LaMotta. *Id.*, Ex. I. The Book was registered in 1970, listing "Peter Savage" (a pseudonym of Petrella), LaMotta, and Joseph Carter as co-authors. *Id.*, Ex. M. The 1973 Screenplay was registered in 1973, listing Petrella as the sole author and giving 1970 as the date of publication. *Id.*, Ex. N. On the copyright registration certificate issued, it was noted that the work, "The Raging Bull," was a "screenplay from the book of the same name." *Id.*

Pursuant to a written agreement dated November 19, 1976 (the "1976 Agreement"), Petrella and LaMotta assigned to Chartoff-Winkler Productions, Inc. ("CWP"), "exclusively and forever, including all periods of copyright and renewals and extensions thereof," all of their respective copyright rights in the

Book and “in and to those certain screenplays based on [the Book] which were written in 1963 and 1973,” save for a reservation of certain rights (not at issue herein) to the authors of the Book. *See* Defendant’s Response to Plaintiff’s Statement of Genuine Issues in Dispute (“RSS”) at No. 7; *see also* Grossman Decl., Ex. A. The 1976 Agreement represented that the Book “is original and has not been copied or adapted from any literary, dramatic, or other work.” RSS No. 9; Grossman Decl., Ex. A. It further represented that “[t]he Petrillo (sic) Screenplays are original and have not been copied or adapted from any literary, dramatic, or other work other than [the Book].” RSS No. 10.

In or about September 1978, UA (a wholly owned subsidiary of MGM) acquired the motion picture rights to “Raging Bull” pursuant to a written assignment from CWP. RSS Nos. 12, 13. UA registered a copyright in the film in or about September 1980. RSS No. 14. Petrella died in 1981 during the original 28-year term of the copyrights for the Subject Works, and his renewal rights in the Subject Works passed to his heirs.<sup>2</sup> RSS Nos. 15-17. Plaintiff alleges that she is now the sole owner of the Petrella interest in the three Subject Works. *See* RSS No. 19. In 1990, Plaintiff learned of the *Stewart v. Abend* decision and engaged an entertainment attorney, Lawrence Shire, to advise and assist her regarding her renewal rights

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<sup>2</sup> Joseph Carter was reported to have died in 1984. *See* Grossman Decl. Ex. P at Bates-stamped page PP00747.

in the Subject Works. *See* RSS No. 21. In 1991, Plaintiff's attorney filed a renewal registration for the 1963 Screenplay. RSS No. 22. Plaintiff did not make any claims or pursue litigation at that time. RSS No. 23. Plaintiff did not timely renew the copyrights in the 1973 Screenplay or the Book. *See* RSS No. 27.

In or about September 1998, attorney Shire contacted MGM concerning Defendants' exploitation of the film. RSS No. 24. MGM rejected Plaintiff's claim on two bases. *See* RSS No. 25. First, it contended that the 1963 Screenplay was a collaboration between Petrella and LaMotta, so it retained all necessary rights in the script pursuant to its agreement with LaMotta. *See id.*; Grossman Decl. Ex. E. Second, it contended that there was no substantial similarity of protectable elements between the Film and the 1963 Screenplay. *Id.* Subsequently, as reflected in the current motion, Defendants refined their position to argue that it does not matter whether Petrella was the sole author of the 1963 Screenplay, because Petrella and LaMotta represented that the 1963 Screenplay was based on the Book. *See* RSS No. 25. With their Reply brief, Defendants further clarify their argument to state that, because LaMotta was a co-author of the Book who had the power to fully assign his interest in that property, even if the Court were to find that the Book is a derivative work based on the 1963 Screenplay, LaMotta's assignment of rights to the Book to Defendants means that they cannot be liable for copyright infringement with respect to the 1963 Screenplay. The Court would

reject the latter contention except as to material that is unique to the Book (and to the 1970 Screenplay and to the historical facts of LaMotta's life) as opposed to the 1963 Screenplay.

### III. LEGAL STANDARD

Summary judgment is proper “if the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.” Fed. R. Civ. P. 56(c). “Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). For a dispute to be genuine, there must be sufficient evidence “such that a reasonable jury could return a verdict for the nonmoving party.” *Id.* “The moving party bears the initial burden to demonstrate the absence of any genuine issue of material fact.” *Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1035 (9th Cir. 2007) (citation omitted). “Once the moving party meets its initial burden, . . . the burden shifts to the nonmoving party to set forth, by affidavit or as otherwise provided in Rule 56, specific facts showing that there is a genuine issue for trial.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) (internal quotation marks and citations omitted).

#### IV. ANALYSIS

##### A. There Is a Factual Dispute Whether the Book Is a Derivative Work

Although Plaintiff's Complaint treats the three Subject Works together as the basis for her claim of copyright infringement (and alleges that all three works have been properly renewed), it is clear that analysis of her claims must focus on the 1963 Screenplay alone, as she now concedes that is the only one of the Subject Works for which a timely renewal has been filed. "In the absence of an agreement to the contrary, one joint owner may always transfer his interest in the joint work to a third party, subject only to the general requirements of a valid transfer of copyright." 1 *Nimmer on Copyright* § 6.11 at 6-38.1 (2009) ("*Nimmer*"). Thus, in order to have a claim for copyright infringement with respect to the 1963 Screenplay, it would seem that Plaintiff must contend that it is, as its registration certificate states, a work of *sole* authorship. In addition, and more problematically, in order to show infringement of any elements that are present in the 1963 Screenplay (and are also present in the Book and/or the 1973 Screenplay), Plaintiff would have to be able to show: 1) that, contrary to Petrella's representation in the 1976 Agreement, the Book is a derivative work based on the 1963 Screenplay, and 2) that Defendants' exploitation of the Film based on its ownership of rights in the Book would constitute infringement of Plaintiff's copyright in the 1963 Screenplay.



Even if Plaintiff could show that the Book is a derivative work, however, Defendants argue that they would still have the right to use the Book because they were granted rights in the Book by LaMotta. Even if LaMotta himself did not have the right to produce derivative works of the 1963 Screenplay, they argue, he could still, as a co-author of a derivative work based on that screenplay, grant rights in the derivative work which would serve as a defense to a claim of infringement of the underlying work.

Defendants' efforts to negate Plaintiff's contention that the 1963 Screenplay is a work of sole authorship are not compelling. Although the title page of the 1963 [sic] Screenplay states that it was written "in collaboration with" LaMotta, this attribution is not inconsistent with Petrella's claim of sole authorship unless it can be shown that LaMotta made some creative contribution to the screenplay. Defendants' inability to establish this precludes any finding for the purpose of summary judgment that LaMotta was a co-author of the 1963 Screenplay.<sup>3</sup>

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<sup>3</sup> As Defendants themselves admit: "The only question is whether Jake LaMotta's collaborative 'contributions' were sufficient to rise above the 'de minimis' level required under the Copyright Act. . . . However, as LaMotta and Petrella can no longer testify regarding the timing or origin of this work, this issue can never be conclusively resolved." *See* RSS at No.3.

Whether the 1963 Screenplay is a derivative work based on the Book<sup>4</sup> and/or whether the Book is a derivative work based on the 1963 Screenplay, are somewhat harder questions, but they, too, do not have to be definitively answered in light of this Court's decision on the laches issue, *infra*. Moreover, the answers would only matter with respect to those protectable elements (if any) that are unique to the 1963 Screenplay. If the 1963 Screenplay were a derivative work of sole authorship based on the Book, and Defendants were assigned LaMotta's rights in the book, Defendants would share in the right to create derivative works based on the Book, but Plaintiff might still be able to assert a claim for copyright infringement based on any new elements in the 1963 Screenplay. Similarly, if the Book were a derivative work of the 1963 Screenplay, even if Defendants own the rights to the book, Plaintiff might still potentially have a claim of copyright infringement based on any copyrightable expression that exists in the 1963 Screenplay but not in the Book.<sup>5</sup>

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<sup>4</sup> Although seemingly incongruent on a temporal level, the 1976 Agreement (which was executed/signed by Peter Savage under the pseudonym "Frank Peter Petrillo [sic]") states that both the 1963 and 1973 screenplays were "based on" the "published work . . . entitled 'RAGING BULL' written by Jake LaMotta, Peter Savage and Joseph Carter. . . ." See Exhibit A to Declaration of David Grossman (Docket Item No. 45) at Bates-stamped page MGM00668.

<sup>5</sup> Such is the legacy of the Supreme Court's decision in *Stewart v. Abend*.

There is at least a factual dispute whether the 1963 Screenplay is, as Defendants argue, a derivative work based on the Book. Plaintiff asserts that the 1963 Screenplay was created before the Book. The most compelling evidence in this regard would seemingly be the Registration Certificates themselves. No date of publication is given on the Registration Certificate for the Book, but Defendants concede that the Book was published in 1970. *See* RSS No. 56. The question then arises as to how, then, the Book could be characterized as a “pre-existing work” to the 1963 Screenplay. *See* 17 U.S.C. § 101 (defining “derivative works”). Indeed, the “general rule” is that publication of a derivative work constitutes publication of the underlying work. *See generally* 1 *Nimmer* § 4.12[A] at 4-59. If the Book already existed at the time the 1963 Screenplay was registered, publication of the 1963 Screenplay arguably would have cast it into the public domain. *See Richlin v. MGM Pictures, Inc.*, 531 F.3d 962, 964 (9th Cir. 2008) (“Publication before the effective date of the current Copyright Act divested an author of his common law copyright rights and injected the work into the public domain free for anyone to use.”).

Defendants correctly observe that Plaintiff in her declaration purports to attest to events related to the issue of the date the Book was created that occurred when she was so young they cannot possibly be within her personal knowledge. Moreover, they have filed objections to her documentary evidence in this regard (Ex. 4 to the Petrella Declaration) based on

the fact that it was not produced during discovery and is hearsay. Nevertheless, based on Defendants' concession that the Book was published in 1970, there is at least a factual dispute whether the 1963 Screenplay was based on the Book. One can imagine, possibly, an argument for why Plaintiff should be estopped from asserting that this is the case based upon the representations in the 1976 Agreement that the Book "is original and has not been copied or adapted from any literary, dramatic, or other work," but Defendants have not made it. Thus, there is a triable issue.

**B. LaMotta's Transfer of Rights in the Book Precludes a Claim for Copyright Infringement Only with Respect to Any Protectable Expression That is New to the Book.**

Assuming that Plaintiff is correct that the Book is a derivative work based upon the 1963 Screenplay, what would be the effect of LaMotta's transfer of his rights in the Book? Defendants argue that, because the Book is a joint work of authorship, each owner possesses "an undivided ownership interest in the entire work, including all of the contributions contained therein." 1 *Nimmer* § 6.03 at 6-7. Thus, they argue, even if the Book was based on the 1963 Screenplay, and even if the Court or trier of fact were to conclude that the 1963 Screenplay was a work of sole authorship by Petrella, LaMotta still would have had the right to authorize the use of the Book. The

right of a co-owner to license the use of the copyright being well-established, *see e.g., Meredith v. Smith*, 145 F.2d 620, 621 (9th Cir. 1944), Defendants argue that as a result of the 1976 Agreement they are LaMotta's licensees. (Whether the 1976 Agreement is treated as a transfer of LaMotta's interest in the copyright or a grant of non-exclusive license probably does not matter with respect to Plaintiff's copyright infringement claim). Nimmer observes that "an authorization to the defendant from one joint owner will be an effective defense to an infringement action brought by another joint owner." 1 *Nimmer* §6.10[A] at 6-35. The question then becomes whether such an authorization will also provide a defense to an action for infringement of an underlying work created solely by a co-owner. It will not.

17 U.S.C. § 103(b) provides:

The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

Therefore, if the Book is a derivative work of the 1963 Screenplay, Plaintiff still could have a claim of copyright infringement with respect to any parts of the

Book that are also present in the 1963 Screenplay, even though Defendants may have received a valid license from LaMotta.

**C. Defendants Have Not Shown that They Are Entitled to Summary Judgment on the Issue of Substantial Similarity between the Film and the 1963 Screenplay**

In order to prevail on her claim of copyright infringement, Plaintiff must show that the Film copied “constituent elements of [the 1963 Screenplay] that are original.” *Funky Films, Inc. V. Time Warner Entm’t Co.*, 462 F.3d 1072, 1076 (9th Cir. 2006). In their Separate Statement, Defendants assert that there are only four supposedly copyrightable elements common to both the Film and the 1963 Screenplay that do not exist in either the Book or the 1973 Screenplay: (1) the use of fight vignettes and vignettes of Jake’s personal life; (2) the use of sound of pictures from actual fights; (3) “popping camera flashbulbs;” and (4) the use of the phrase “playing possum.” *See* RSS No. 33. Fairly clearly, none of these elements would provide the basis for a claim of copyright infringement. The only evidentiary support offered for Defendants’ assertion, however, consists of Plaintiff’s responses to interrogatories in which she identifies numerous supposed similarities between the 1963 Screenplay and Film based upon “sequence of events,” theme and tone, characters, and settings. It is not clear how the Court is supposed to determine

that all but four of these similarities are present in the other Subject Works.

More generally, Defendants argue that the only similar elements between the 1963 Screenplay and the Film arise from the use of historical acts, biographical details, and scenes-a-faire. While many of the similarities identified by Plaintiff arguably arise from historical events and are not protectable, the issue of substantial similarity in this context is probably not conducive to summary judgment. As Plaintiff notes, the Ninth Circuit has held that if “an indicia of a sufficient disagreement concerning the substantial similarity of the two works” is present “then the case must be presented to the trier of fact.” *Swirsky v. Carey*, 376 F.3d 841, 845 (9th Cir. 2004). Moreover, it has been noted that where a high degree of access to the allegedly infringed work is shown, “a lower standard of proof of substantial similarity” is required. *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 485 (9th Cir. 2000). The question of when and how the use of biographical details or historical fact in an artistic work can give rise to copyrightable expression is rather more complicated than Defendants would allow. The Court will deny their motion for summary judgment on this point.

It is noted that Plaintiff has also submitted, with her opposition papers, the declaration of Dr. Lew Hunter going to the supposed similarities between the 1963 Screenplay and the Film. Defendants have objected to the Hunter Declaration based on the fact that Plaintiff failed to disclose Hunter’s testimony on

this point and refused to answer questions at her deposition regarding Hunter's analysis of substantial similarity. Even if this objection were well-taken (as it may be), Defendants have failed to carry their initial burden on this point.

**D. Defendants Are Entitled to Summary Judgment with Respect to their Equitable Defense of Laches**

Although laches is an equitable defense, the underlying elements of a laches defense are factual determinations. Defendants have met their burden of showing that there is an absence of disputed issues of fact in this regard. "To establish laches, a defendant must establish (1) lack of diligence by the plaintiff, and (2) prejudice to the defendant." *Grand Canyon Trust v. Tucson Elec. Power Co.*, 391 F.3d 979, 987 (9th Cir. 2004).

"The first element of laches is delay. Generally speaking, 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. [Citations]." *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 952 (9th Cir. 2001). It is essentially undisputed that Plaintiff had knowledge of the legal theories she is asserting in this action in 1990 or 1991 when she initially retained counsel and filed a renewal application for the 1963 Screenplay. *See* RSS Nos. 21-22. However, Plaintiff testified that she



refrained from filing suit at that time because the Film was not yet profitable. RSS No. 23. (Indeed, it apparently still has not earned a profit). Approximately seven years later, an attorney retained by Plaintiff initiated correspondence with Defendants and Plaintiff again never filed suit at that point – even after being told that Defendants were taking the position that there was no legal basis for any of her claims. RSS Nos. 24-26. “Laches is based on the plaintiff’s delay in beginning litigation, not on the information a defendant has regarding a claim.” *Id.* at 953 (quoting *Jackson v. Axton*, 25 F.3d 884, 889 (9th Cir. 1994)). This element of Defendants’ laches defense is easily satisfied.

The next question in assessing Plaintiff’s diligence in pursuing the instant litigation is whether her delay was reasonable. In *Danjaq*, the Ninth Circuit wrote:

In determining reasonableness, courts look to the cause of the delay. Delay has been held permissible, among other reasons, when it is necessitated by the exhaustion of remedies through the administrative process, [citation]; when it is “used to evaluate and prepare a complicated claim,” [citation]; and when its purpose is “to determine whether the scope of proposed infringement will justify the cost of litigation,” [citation]. By contrast, delay is impermissible when its purpose is to capitalize on the value of the alleged infringer’s labor, by determining whether the

infringing conduct will be profitable. [Citation].

Here, the only justification offered for the delay is that Plaintiff waited to bring suit to assess the Film's profitability. In arguing the appropriateness of her delay in bringing suit, Plaintiff expressly relies upon *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 456 F.Supp. 531, 534 (S.D.N.Y. 1977), in which a district court found that a delay by the composer Scott Joplin's widow's trust in bringing an infringement action was reasonable because his works had "rested in oblivion" until they were essentially rediscovered in the 1970's. Here, even if the Court were to conclude that this holding is not inconsistent with *Danjaq* (which obviously controls), the situation is not analogous. "Raging Bull" has never rested in oblivion but is considered to be one of (if not the) best motion pictures of the decade of the 1980's. The Court concludes that Plaintiff's delay in bringing suit was unreasonable.

Finally, Defendants have shown prejudice resulting from the delay. "Courts have recognized two chief forms of prejudice in the laches context – evidentiary and expectations-based." *Grand Canyon Trust*, 391 F.3d at 987 (quoting *Danjaq*, 263 F.3d at 955). Defendants assert that they have been prejudiced as a result of Plaintiff's delay in bringing her claims because they have made significant investments in exploiting the film "based on their understanding that [they] were the rightful registrant and owner of the film." MSJ 21:23-25. If Plaintiff were permitted to

go forward with her lawsuit, she would potentially be allowed to reap the benefit of these expenditures. As the Ninth Circuit has observed,

In the copyright context, the most-repeated justification for the doctrine [of laches] was penned by Judge Learned Hand: “It must be obvious to every one familiar with equitable principles 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. Delay under such circumstances allows the owner to speculate without risk with the other’s money; he cannot possibly lose, and he may win. *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916).”

*Danjaq LLC*, 263 F.3d at 951. Although Plaintiff speculates that Defendants’ conduct would have been the same whether she had filed suit or not, Defendants undisputably have shown that they have suffered “expectations-based” prejudice from Plaintiff’s delay in bringing suit.

Defendants have also shown evidentiary prejudice resulting from the long delay. They note that Plaintiff now is attempting to contradict representations by Petrella and LaMotta in the 1976 Agreement that the Book is original and the two Screenplays were based on the Book. At this time, LaMotta is 88 years old and has suffered myriad blows to his head as a fighter years ago. Plaintiff has proffered no

evidence that LaMotta would be able to testify as to the important events in this case. Indeed, Plaintiff herself testified that LaMotta no longer recognizes her, even though he has known her for forty years. Likewise, both Petrella and Joseph Carter, who are listed in the copyright registration as the authors of the Book, have died. Also deceased are Petrella's wife and Vickie LaMotta (Jake's then wife depicted in the film). "Evidentiary prejudice includes . . . witnesses whose memories have faded or who have died." *Danjaq LLC*, 263 F.3d at 955. Although Plaintiff suggests that there [sic] numerous persons still alive who might be able to testify "on subjects relevant to this case," as observed in *Danjaq LLC*, "the inquiry is not whether *some* witnesses might be available – it is whether the absence of *other* witnesses (who will be absent because of [plaintiff's] delay) will prejudice [the defendant]. . . . That there are a few survivors to tell part of the story does nothing to erase the prejudice caused by the unavailability of most of the key players." *Id.* at 956.

There are strong equitable arguments against allowing this action to proceed. Thus, Defendants' motion for summary judgment on their laches defense is GRANTED.

**E. Laches Will Bar Not Only Plaintiff's Copyright Infringement Cause of Action but also Her Unjust Enrichment and Accounting Claims**

As stated in *Boone v. Mechanical Specialties Co.*, 609 F.3d 956, 958 (9th Cir. 1979), “Laches is an equitable time limitation on a party’s right to bring suit. The doctrine bars an action where a party’s unexcused or unreasonable delay has prejudiced his adversary.” The laches defense rests on the maxim that “one who seeks the help of a court of equity must not sleep on his rights.” See *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002).

Recovery of an unjust enrichment is an equitable remedy. *McKesson HBOC, Inc. v. New York State Common Ret. Fund, Inc.* 339 F.3d 1087, 1093 (9th Cir. 2003); *Cruz v. PacifiCare Health Systems, Inc.*, 30 Cal.4th 303, 311 (2003). Seeking an accounting (which is not provided for in a contract) is also an equitable remedy. *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 478 (1962); *First Pac. Holding, Inc. v. Helfer*, 224 F.3d 1117, 1126 (9th Cir. 2000).

As noted above, Defendants have established that there are no material issues of fact in dispute and that Plaintiff’s lawsuit is barred by the doctrine of laches. Laches will serve as a basis for precluding Plaintiff from proceeding on her equitable state claims for unjust enrichment and accounting.

**V. CONCLUSION**

For the foregoing reasons, Defendants' motion for summary judgment is GRANTED on the basis of their affirmative defense of laches as to all three of Plaintiff's causes of action in her FAC.

The Plaintiff's evidentiary objections are dealt with in a separate Ruling on Plaintiff's Evidentiary Objections and Request to Strike Certain Evidence Submitted by Defendants.

Defendants are to prepare a proposed Judgment to be served on the Plaintiff and lodged with the Court by February 10, 2010.

Dated: This 3rd day of February, 2010.

/s/ George H. Wu  
GEORGE H. WU  
United States District Judge

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**APPENDIX C**

**UNITED STATES COURT OF APPEALS,  
NINTH CIRCUIT**

PAULA PETRELLA, an individual,

*Plaintiff-Appellant,*

v.

METRO-GOLDWYN-MAYER, INC., a corporation;  
METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation;  
METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC,  
a limited liability company; METRO-GOLDWYN-MAYER  
HOME ENTERTAINMENT DISTRIBUTION CORPORATION,  
a corporation; UNITED ARTISTS CORPORATION,  
a corporation; 20TH CENTURY FOX HOME  
ENTERTAINMENT, LLC, a limited liability company,

*Defendants-Appellees.*

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No. 10-55853

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Petition for Rehearing Filed Aug. 29, 2012  
Petition for Rehearing Denied Jan. 30, 2013

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Appeal from the United States District Court for the  
Central District of California  
George H. Wu, District Judge, Presiding  
D.C. No. 2:09-cv-00072-GW-MAN

Before: W. FLETCHER, and FISHER, Circuit Judges,  
and ZOUHARY, District Judge.\*

Judge W. Fletcher and Judge Fisher have voted to deny the petition for rehearing en banc, and Judge Zouhary so recommends.

The full court has been advised of the petition for rehearing en banc and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petition for rehearing en banc, filed August 29, 2012, is **DENIED**.

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\* The Honorable Jack Zouhary, United States District Judge for the Northern District of Ohio, sitting by designation.

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