

**TALES FROM THE CRYPT:  
And Other Stories From Copyright's Past Year**

**YOCEL ALONSO, *Sugar Land*  
Alonso, P.L.L.C.  
JUSTEN S. BARKS, *Houston*  
Beard & Barks P.L.L.C.**

State Bar of Texas  
**33rd ANNUAL**  
**ADVANCED INTELLECTUAL PROPERTY LAW**  
February 5-7, 2020  
Houston



**YOCEL ALONSO**  
**ALONSO, P.L.L.C.**  
**130 Industrial Blvd., Suite 110**  
**P.O. Box 45**  
**Sugar Land, TX 77487**  
**281-240-1492**  
[Yocel@AlonsoLaw.com](mailto:Yocel@AlonsoLaw.com)

Yocel Alonso is a wannabe conga drummer and Adjunct Professor of Law at the University of Houston Law Center, where he teaches Entertainment Law. He is also the former Chair of the State Bar of Texas Entertainment and Sports Law Section and the Houston Bar Association Entertainment and Sports Law Section.

Mr. Alonso been in the private practice of law for over 30 years, representing a diversity of clients in the entertainment industry, including recording artists, record companies, publishers, radio and television personalities, venues, and promotion companies. He handles entertainment transactions and disputes concerning recording agreements, royalties, music publishing, contracts, and other businesses.

His first published writings were letters to Marvel Comics which were published in *Tales of Suspense #77* and *Sgt. Fury & His Howling Commandos #85*. He has also written a few other things after earning his law license, including: *To Have and Have Not: Conflicts of Interest in Entertainment Law*, American Bar Association, 35 *Entertainment & Sports Lawyer* 2 (Fall, 2019); *Ethics and the Art of Entertainment Law*, American Bar Association, 31 *Entertainment & Sports Lawyer* 9 (2014); *Ethical Issues and Malpractice Prevention For Business Lawyers*, University of Houston Law Foundation Advising Small and Mid-Size Businesses Course, 2008; *Ethical Issues and Malpractice Prevention For Business Lawyers*, University of Houston Law Foundation Advising Small and Mid-Size Businesses Course, 2007; *Ethical Considerations and Malpractice Prevention for Business Lawyers*, University of Houston Advising Small Businesses Seminar, 2006; *Ethical Considerations and Malpractice Prevention in a Small Business Law Practice*, University of Houston Advising Small Businesses Seminar, 2004; *Ethical Considerations and Malpractice Prevention in a Small Business Law Practice*, University of Houston Advising Small Businesses Seminar, 2003; *The Sound of Música: Latin Music Record Deals*, State Bar of Texas Entertainment Law Institute, 2002; *Confidentiality and Privilege Issues in Representing Business Entities: Your Professional Responsibilities*, University of Houston Corporate, Partnership, and Business Law Seminar, 1998; *Economics of the Music Industry*, University of Houston and University of California at Davis Entertainment, Sports, and Publishing Law Seminar, 1997; *Fixing a Broken Record*, State Bar of Texas Appellate Practice Institute, 1995; *Rescuing the Record*, State Bar of Texas Advanced Civil Appellate Practice Course, 1994; *Fixing the Broken Record: Emergency Repairs on Appeal*, University of Houston Appellate Practice Seminar, 1994; *International Litigation*, University of Houston Advanced Civil Litigation Course, 1994; *Preservation of Complaints in Federal Court*, State Bar of Texas Advanced Civil Appellate Practice Course; 1992; *Evolving Issues in Real Estate Litigation*, University of Houston Advanced Business Litigation Course, 1990 and Real Estate Course, 1989.

Chair, State Bar of Texas Entertainment and Sports Law Section, 2004-2005; Chair, Houston Bar Association Entertainment and Sports Law Section, 2010-2011; Treasurer, Houston Bar Association Entertainment and Sports Law Section, 2008-2009; Director, Hispanic Bar Association, 1989-1992. Member, State Bar of Texas Entertainment and Sports Law Council, 2000-2006.

MUY IMPORTANTE: UN ABRAZO TO JENNIFER PEREZ AND PROFESSOR MICHAEL OLIVAS, THE ROCK AND ROLL LAW PROFESSOR, FOR THEIR HELP ON THIS ARTICLE. OF COURSE, THE OFFBEATS ARE ALL MINE.

**Justen S. Barks**  
**BEARD & BARKS PLLC**  
**3000 Wesleyan, Ste. 335**  
**Houston, Texas 77027**  
**832-317-67671**  
[jbarks@beardandbarks.com](mailto:jbarks@beardandbarks.com)

Justen S. Barks is entertainment and intellectual property practitioner in Houston. Mr. Barks began his entertainment pursuits at Belmont University in Nashville, Tennessee in 2004 where he majored in Music Business and Entertainment Industry Management. Prior to pursuing his legal education, Mr. Barks worked with the Fisk Jubilee Singers, Cherry Heart Music, and A&M Octone Records. Mr. Barks moved to Houston in 2010 to attend the University of Houston Law Center, and graduated in 2013, Order of the Barristers. Mr. Barks is currently a partner with BEARD & BARKS PLLC, a boutique entertainment and intellectual property firm representing clients in various industries. Mr. Barks has also proudly shared the teaching stage with Mr. Alonso since 2014 as an adjunct professor at the University of Houston Law Center teaching a course on Entertainment Law.

Mr. Barks has been regularly asked to speak to his knowledge of the entertainment industry for legal practitioners and entertainment professionals alike. In 2015 he spoke on the World Intellectual Property Day “Music of Houston,” panel; in February of 2016 he spoke on the Mack Performing Arts Collective and UH Institute for Intellectual Property and Information Law panel titled, “The Changing Economics of the Music Business”; in February 2017 he, along with Prof. Rick McElvaney presented the CLE, “Intellectual Property, Merchandising, and Fantasy Football,” for the UHLC Superbowl of CLE; in April 2017 he spoke on a panel for UH Libraries titled , “Culture Remix: Illegal Art, Copyright, and the Music Industry” alongside Dan Workman and Prof. Michael Olivas; and in November he presented a talk titled, “Legal Latverion: the Secret Wars of Comic Authors,” on behalf of TALA for the first annual Comic-Indie Convention in Houston.

# Table of Contents

INTRODUCTION: TALES FROM THE CRYPT AND OTHER STORIES FROM COPYRIGHT’S PAST YEAR.....	6
<b>I. Back to the Future: 2018 CASE UPDATES.....</b>	<b>6</b>
B. The SCOTUS Tells Us What the Meaning of “Registration” Is .....	8
<b>II. Copyright Termination and Claw-back .....</b>	<b>9</b>
A. The Good, The Bad, and the Terminated .....	9
<b>III. Copyright Estate Wars.....</b>	<b>10</b>
A. I Feel Fine (but my heirs maybe not so much): The Battle for the James Brown Estate. ....	10
B. The Crossroads (Redux) .....	11
C. The Grapes of Wrath .....	12
<b>IV. State Sovereign Immunity Cases: Quien Es Mas Macho?.....</b>	<b>12</b>
A. Copyright Conscription and Blackbeard’s Law .....	12
B. (T)Extra Credit: .....	14
<b>V. Infringement Round-up .....</b>	<b>14</b>
A. The Return of Tom Brady, Again and Again .....	14
B. The Year in Substantial Similarity .....	15
<b>VI. Music Modernization Act (“MMA”) Update .....</b>	<b>15</b>
A. Mechanical Licensing Body Selected .....	15
B. Final Rule for Non-commercial Use Exception for Unauthorized Uses of Pre-1972 Sound Recordings.....	16
C. One SoundExchange to Rule Them All .....	17

## INTRODUCTION: TALES FROM THE CRYPT AND OTHER STORIES FROM COPYRIGHT'S PAST YEAR

This past year yielded an unusual number of lawsuits at the crossroads of copyright and estate law, involving both the deceased copyright owner's will (James Brown), lack of a will (Prince), or in the case of Aretha Franklin, three hand-written wills, none of which can be probated. Some of these lawsuits have been recently filed, while others have made their way through the courts and yielded written opinions. Still others have festered in the courts for five decades and produced numerous court decisions. For example, Prince's estate is still unsettled and generating lots of court decisions almost 4 years after his death—over \$50 million has been spent on administrators and attorneys!

We have also begun to see lawsuits seeking to enforce the termination provisions of the Copyright Act of 1976, as well as rulings on its applicability, and rights thereunder. As with all things copyright, technology is beginning to rear its head in a few unusual ways. So, we tackle the recent set of lawsuits involving embedded tweets. Also this year, the States jumped into the mosh pit and clashing with individual copyright owners. Not to be left behind, the Supreme Court granted cert on the old 1990's Copyright Remedy Clarification Act and its application to the 11th Amendment sovereign immunity. We will tell you how it got there.

But we need to start with old business from last year that became new business. The Tom Brady joke case (finally!) came to a conclusion shortly before trial and five years after the dramatic ending of the Super Bowl that gave rise to the case. Not only did the case clarify the law concerning the copyrightability of jokes, but it also touched on the Copyright Act's registration requirement. Finally, in 2019 the United States Supreme Court ruled on long-standing conflicting rulings among the circuits as to whether it's necessary to register a copyright before filing an infringement suit. So let's start with those significant carry-over cases before we bring out the dead.

### I. BACK TO THE FUTURE: 2018 CASE UPDATES

#### A. *The Joke Has Legs!*

You may recall that five years ago the New England Patriots defeated the Seattle Seahawks after a last-minute interception by rookie cornerback Malcolm Butler in the end zone. The Seahawks' knuckle-headed pass play was called from the sidelines by Seattle head coach Pete Carroll after the game, Patriots quarterback Tom Brady was named the Super Bowl's Most Valuable Player and received the customary truck.

This was Brady's third time as Super Bowl MVP. Moreover, as one of the highest paid players in the NFL, he was the last Patriot to need a truck. So Brady said that he was going to give the truck to Butler, an underpaid rookie, for his game-winning play. The internet exploded with jokes about the game-winning play. Comedy writer Robert Kaseberg tweeted that:

**“Tom Brady said he wants to give his MVP truck to the man who won the game for the Patriots. So enjoy the truck, Pete Carroll.”**

Kaseberg also applied to register the joke with the Copyright Office. At first, the Copyright Office refused to register this joke but, on a second motion for reconsideration, the Copyright Office Review Board found that it exhibited “copyrightable authorship.” U.S. Copyright Office, Second Request for Reconsideration for the Refusal to Register A LITTLE BIT BAD, Blog Content, Brady Joke, February 3, 2015; Correspondence ID1-25KMZ9Z; SR #: 1-2752094070 (July 17, 2017). Citing the landmark case of *Feist Publ’ns v. Rural Tel. Serv. Co.*, 499 U.S. 345 (1991), the Board opined that it met “the threshold of copyright protection articulated in *Feist*.”

However, the Review Board also found that the copyright was “thin.” Also, because it was composed of elements in the public domain, “only the organization of those elements that is protectable.” *Ibid*, quoting *Well-Made Toy Mfg. Corp. v. Goffa Int’l Corp.*, 210 F.2d 147, 163 (E.D. N.Y. 2002).

Of course, late-night comedians also had a feast with Pete Carroll’s bonehead play call. Conan O’Brien was one of those comedians. O’Brien’s Super Bowl joke during his monologue was that

**“Tom Brady said he wants to give the truck that he was given as Super Bowl MVP...to the guy who won the Super Bowl for the Patriots. Which is very nice. I think that’s nice. I do. So Brady’s giving his truck to Seahawks coach Pete Carroll.”**

For Kaseberg, O’Brien’s joke was no laughing matter, so he sued O’Brien and the show’s producers for copyright infringement based on the Tom Brady joke and four others he claimed were ripped off. O’Brien moved for summary judgment, which was granted as to two of the jokes and denied for the three others, including the Tom Brady joke. While finding that the jokes were only entitled to “thin” protection, the Court held that:

Plaintiff’s protectable expression is his implication that a fictionalized Tom Brady would therefore give his truck to the coach of the opposing team, Pete Carroll. And although the Conan joke takes an active stance ... the fundamental expression is the same, i.e., that there was no doubt Brady would be giving his MVP award to the opposing team’s coach... [W]hile not exactly identical, the jokes are sufficiently objectively virtually identical to create a triable issue of fact regarding whether a jury would find these objective similarities to be virtually identical within the context of the entire joke. *Kaseberg v. Conaco, Ltd.*, Case No. 15-cv-1637 JLS (DHB) (S.D. Cal., May 12, 2017).

In 2018 O’Brien suffered another legal setback in the case when the Court granted Kaseberg’s motion for summary judgment on O’Brien’s affirmative defenses that Kaseberg had defrauded the Copyright Office and unclean hands. After describing the history of Kaseberg’s registration attempts, the Court concluded that:

It is clear that Plaintiff is under no obligation to disclose everything related to the Tom Brady joke to the Office. For example, Plaintiff is required to include, among other things, “the year in which

creation of the work was completed” and, “if the work has been published, the date and nation of its first publication.” Plaintiff is not required, however, to provide the geographical coordinates for where he composed the work, what he ate for breakfast that morning, or what color underwear he was wearing at the time, unless that is “information regarded by the Register of Copyrights as bearing upon the preparation or identification of the work or the existence, ownership, or duration of the copyright. *Kaseberg v. Conaco, LLC.*, 2008 WL 5994548 (C.D. Cal. 2018) (internal citations omitted).

However, a few weeks before the trial was scheduled to start, Conan not only settled the case but also wrote a column for *Variety* magazine explaining why he had opted to do so. In the article he said that:

[t]his saga ended with the gentleman in San Diego and I deciding to resolve our dispute amicably. I stand by every word I have written here, but I decided to forgo a potentially farcical and expensive jury trial in federal court over five jokes that don’t even make sense anymore. Four years and countless legal bills have been plenty.” Conan O’Brien, *Variety*, May 9, 2019.

#### *B. The SCOTUS Tells Us What the Meaning of “Registration” Is*

The *Tom Brady* case also touched on the Copyright Act’s registration requirement, yet another basic, but unsettled, issue at the time—until it came before the United States Supreme Court. Until the Supreme Court’s decision in *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, 139 S. Ct. 881 (2019), there was a split among the circuits concerning whether the Copyright Act means what it says. The Act provides that:

**“[N]o civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights.”**  
17 U.S.C. § 411(a).

However, the 5th and 9th Circuits previously ruled that it was sufficient to plead that “the deposit, application, and fee required for registration” have been filed. *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir. 2004), *abrogated in part by Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154 (2010).



However, the 11th Circuit affirmed the Defendant’s Motion to Dismiss a copyright infringement case based on the fact that the Plaintiff had not obtained a copyright registration for its online articles before suing WallStreet.com for copyright infringement. *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, 856 F.3d 1338 (11th Cir. 2017), *cert. granted*, 138 S. Ct. 2707. While noting limited exceptions to the registration requirement in the copyright law, the Supreme Court then resolved the conflict by affirming the dismissal of the case for lack of a copyright registration, holding that “‘registration ... has been made’ within the meaning of 17 U.S.C. § 411(a) not when an application for registration is filed, but when the Register has registered a copyright after examining a properly filed application. The judgment of the Court of Appeals for the Eleventh Circuit is accordingly...Affirmed.” *Fourth Estate*, 139 S. Ct. at 892.

## II. COPYRIGHT TERMINATION AND CLAW-BACK

### A. *The Good, The Bad, and the Terminated*

The Copyright Act of 1976 generally provides for termination of post-1978 copyright grants after 35 years. Based on 17 U.S.C. §203, a number of musicians have tried to claw-back their copyrights by sending termination notices to their record companies, only to have their notices refused by the likes of Sony and Universal. Sony, Universal, and other record companies have taken the position that the works were “made for hire” under 201(b) and therefore not covered by §203.

The artists disagreed and, in response, artists including David Johansen (New York Dolls), John “Southside Johnny” Lyon, Paul Collins (Beat), John Waite (former lead singer of the Babys), and Joe Ely, a Texas guitarist who has performed with the Clash and Bruce Springsteen, have filed a class action against their respective record companies in the Southern District of New York. The case is currently in its pre-trial stages.

However, one case that has reached its conclusion through litigation in the Southern District of New York is the lawsuit filed by world-renowned Italian composer Ennio Morricone, who has scored over 400 films and television shows. He is also the undisputed king of western soundtracks. Morricone is famously known for scoring the spaghetti westerns (actually filmed in Spain, not Italy) that revived Clint Eastwood’s career—the Dollars Trilogy of “Fist Full of Dollars,” “For A Few Dollars More,” and “The Good, The Bad, and The Ugly.”

In 2017 Morricone sued the Bixio Music Group Ltd. under 17 U.S.C. §203 of the U.S. Copyright Act to terminate the copyrights on six movie scores that Bixio had commissioned him to write, pursuant to this contract language:

You do hereby **grant and transfer** to us, exclusively, **for the maximum total duration permitted by the laws in force in each country in the world**, and at the conditions established here below, **all the rights of economic use, in any country in the world, with regard to the works.**

Bixio was granted a summary judgment in the Southern District of New York based on the argument that the scores were the equivalent of Italian “works made for hire.” Morricone appealed to the Second Circuit, which disagreed with the District Court’s analysis. Although both sides agreed that the contract was governed by Italian law, the Second Circuit zeroed in on the phrase “in any country in the world” which, in this case was the United States, where the thirty-five year termination right applied. *Ennio Morricone Music, Inc. v. Bixio Music Group, Ltd.*, 936 F.3d 69 (2d Cir. 2019).

### III. COPYRIGHT ESTATE WARS

#### A. *I Feel Fine (but my heirs maybe not so much): The Battle for the James Brown Estate.*

There was also a train wreck at the intersection of Copyright Law and Estates Law in 2019. It involved the estate of legendary soul singer James Brown, who left a will omitting his last wife and daughter. The wife and daughter challenged the will in state court, seeking spousal rights. The South Carolina trial court upheld their spousal status but this ruling was being appealed. So far, a classic state court probate dispute.

But if that wasn’t enough, the brawl also spilled into the federal courts in the form of a copyright case. While the probate case was on appeal in the South Carolina courts, Brown’s beneficiaries under his will (the state court appellants) sued Brown’s disinherited wife and daughter. They alleged, *inter alia*, that before the termination of the copyright term the wife and son had entered into “secret agreements” in violation of 17 U.S.C. §§203(a)(5) and 304(c)(5), which are the termination provisions of copyright law. The wife and son moved to dismiss the case based on the probate exception to the federal courts’ exclusive copyright jurisdiction. But the court did not agree, holding that the probate exception was narrow and did not apply because the copyrights were not an asset under the control of the South Carolina state courts.

The Court then denied the defendants’ motion to dismiss under F.R.C.P. 12(b)1 and 12(b)(2), ruling in favor of the beneficiaries under Brown’s will, because under 28 USC §1338(a), their claims required construction of federal copyright law. In doing so, the court overruled the defendants’ argument that the claims were similar to ownership claims which invoked state law. Instead the court held that the alleged secret agreements had to be analyzed under federal copyright law. *Brown-Thomas v. Hynie*, Civil Action No. 1:18-cv-02191-JMC (D.S.C. Aug. 21, 2019).

In a later opinion the District Court similarly denied the Defendants’ motion to dismiss the Plaintiffs’ declaratory judgment action under FRCP 12(b)(6), holding that:

Plaintiffs’ action for a declaratory judgment clearly serves a “useful purpose in clarifying legal relations in issue.” Plaintiffs allege that they are entitled to proceeds from James Brown’s copyright grants, they allege that they have been deprived of possible proceeds, and a declaration would return those proceeds to them and clarify the

allocation of their termination rights. Likewise, Plaintiffs' Complaint requests a declaration invalidating the alleged, secret agreements that impact their termination interests or any proceeds therefrom. Such a declaration would provide clarity surrounding questions related to the proceeds of which they are, or were, allegedly deprived. This would also allow for efficient litigation. *Brown-Thomas v. Hynie*, Civil Action No. 1:18-cv-02191-JMC, 2019 WL 4345277 (D.S.C. Sep. 12, 2019) (citations omitted).

### *B. The Crossroads (Redux)*

Robert Johnson grew up on a Southern plantation with the ambition of becoming a blues artist. He had lots of desire but was an unexceptional talent, according to his mentor, the great blues artist Son House. Then one day Johnson left his home town in Mississippi to find his fortune. Where he went is the stuff of legend.

The story goes that Johnson went to the crossroad of Highway 1 and Highway 8 in the south end of Rosedale, Mississippi (some claim that it was Highway 61 and US 49 in Clarksdale). There he sold his soul to the Devil and became the greatest blues artist of all time.

Unfortunately, Johnson recorded only 29 songs in his life—all at the Gunter Hotel in San Antonio and the Warner Brothers Studio in Dallas. He died in 1938 at the age of 27. His body was found by the side of the road, and he was buried in an unmarked grave—no one knows where. The circumstances of his death are still a mystery today.

Johnson died intestate. But his legend grew and so did the popularity of his music. Unsurprisingly, fifty-one years after his death his estate was opened for probate in Mississippi. Johnson's son Claud was initially excluded from receiving any benefit from Johnson's music, including the legendary song Cross Road Blues, because he was not deemed an heir. So, in 1991 Claud hired the law firm of Kitchens & Ellis under a 40% contingent fee agreement to establish that he was Johnson's heir and benefit from the estate. The agreement provided that Claud would:

set over and assign unto said firm of Kitchens & Ellis, causes of action or rights in the amount of forty percent (40%) of any and all sums of money or other benefits which they may recover or obtain for me by virtue of, or arising from, my biological relationship to the late Robert Johnson, as aforesaid, including, but not limited to, past, present, and future royalties, commissions, profits, and other benefits and/or revenues of every kind and character which have been derived, or may in the future be derived, from the sale, lease, rental or other marketing of sound or video recordings, sheet music, books, pictures, musical instruments, or devices, live or recorded performances and/or other productions and reproductions of the music and other works of Robert Johnson, including any and all use of the name Robert Johnson, whether such performances, products or productions, if any, were made by Robert Johnson or by others, or by Robert Johnson and others.

In return, Kitchens & Ellis agreed to:

represent [Claud] in any and all matters of every kind and character which in anywise pertain to any and all claims, causes of actions or rights which [he] now ha[s], or may hereafter have, whether known or unknown to [Claud], on account of [his] being the son of the late Robert Johnson, a musician who died in approximately 1938, whether such claims may be pursued in the State of Mississippi or elsewhere.

The contract had no specific provisions regarding the timeframe to perform.

Following years of litigation, Claud prevailed and began receiving substantial income from Johnson's estate. He paid the law firm its 40% share until his death in 2015. However, when Claud passed away, Claud's son Michael, the executor of Claud's estate, stopped making payments to the law firm. The law firm then sued and won, finding that the agreement was not unconscionable and survived Claud's death. *Estate of Johnson v. Kitchens Law Firm, P.A.*, 2019 WL 4024774 (Miss. Ct. App., Aug. 27, 2019) (Op. Not Released For Pub.).

### *C. The Grapes of Wrath*

Amazingly, none of the above cases compare to the litigation involving the estate of John Steinbeck, which has raged since the legendary author's death in 1968.

Steinbeck left a will, but that did not stop five decades (so far) of coast-to-coast lawsuits between family members, even after all the principals were deceased! Analogizing the history of the cases to the case in Charles Dickens' Bleak House, on September 9, 2019, the 9th Circuit affirmed the \$5.25 million in compensatory damages for slander of title, breach of contract, and tortious interference with economic advantage that a jury had awarded Plaintiff Kaffaga (the daughter of Steinbeck's third and last wife, Elaine) against the Estate of Steinbeck's son, which controlled by Steinbeck's daughter-in-law. The 9th Circuit upheld the jury's finding of the Defendants' tortious conduct such as lying, meddling, slandering, and threatening litigation to harm Kaffaga and Elaine's estate. *However, the 9th Circuit did reverse the award of \$7.9 million in favor of the Plaintiff. Kaffaga v. Estate of Steinbeck*, 938 F.3d 1006 (9th Cir. 2019).

## **IV. STATE SOVEREIGN IMMUNITY CASES: *QUIEN ES MAS MACHO?***

### *A. Copyright Conscriptio and Blackbeard's Law*

While piracy regularly hits the news in the context of copyright, it isn't often that we are talking about renegades of the swashbuckling variety. The 4th Circuit Court of Appeals had its hands full, dealing with pirate ships, the Copyright Remedy Clarification Act of 1990, and sovereign immunity when it evaluated a motion to dismiss filed by the State of North Carolina and a number of state officials in their individual capacity in July 2018.

The case involves the *Queen Anne's Revenge*, the famous flagship of 18th century pirate Edward Teach p/k/a Blackbeard. The ship operated in Blackbeard's fleet for approximately one year before it ran aground in 1718. Approximately 280 years later, a private salvager found the ship off the coast of North Carolina. After the salvagers and the state entered into a contract, whereby the antiquities would belong to North Carolina, but the salvagers could exploit the images and film of the finding and removal of Blackbeard's cargo, the salvagers hired a company called Nautilus Productions and the photographer and filmmaker Frederick Allen to get to work creating copyright protectable content.

In 2013, Allen discovered that North Carolina agencies were reproducing his images and film, all of which were registered with the Copyright Office, and publishing them to YouTube and printed magazines. In a dispute that threatened to end nearly 10 years of successful findings, the State and the salvaging parties, including Allen, entered into a settlement agreement which restated Allen and Nautilus' right to capture and exclusively exploit the findings.

Then, in 2015 North Carolina passed N.C. General Statute § 121-25(b) which placed shipwrecks and all the artifacts in them strictly within North Carolina's exclusive dominion and control—including photographs and video recordings of shipwrecks. Allen, naturally calling the new statute Blackbeard's Law, claimed the statute was enacted in bad faith to justify North Carolina's infringement of his copyright protected works, which the state resumed shortly after the law was passed. Allen and Nautilus sued, specifically highlighting the Copyright Remedy Clarification Act of 1990, 17 U.S.C. § 511 ("CRCA"), which provides:

Any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity, shall not be immune, under the Eleventh Amendment of the Constitution of the United States, or under any other doctrine of sovereign immunity, from suit in Federal court by any person . . . for a violation of any of the exclusive rights of a copyright owner provided by [federal copyright law].

The state and its officials filed a motion to dismiss pursuant to FRCP 12(b)(6) as to injunctive relief, compensatory, statutory, treble, and punitive damages under the Copyright Act. The district court found (1) state sovereign immunity was abrogated by the CRCA; (2) the state officials were not entitled to qualified immunity, because reasonable officials would have known they were infringing Allen's copyright; and (3) a finding of legislative immunity associated with passing Blackbeard's law was premature at the dismissal stage. North Carolina appealed the decision, invoking Eleventh Amendment and claiming it and its officials were immune from suit in federal court. The 4th Court of Appeals agreed, reversing each of the district court's findings.

First, the Court of Appeals, following *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 72-73 (1996), determined that Congress did not exercise its authority to abrogate state sovereign immunity under Section 5 of the Fourteenth Amendment. Instead, it appeared Congress attempted to use only its Article I powers, which have widely been held to be insufficient, even when applied to the copyright and patent clause. *Allen v. Cooper*, 895 F.3d 337, 350 (4th Cir. 2018) (analogizing to *Fla Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 636 (1999), which found abrogation of state sovereign immunity in the Patent Remedy Act could not be sustained under commerce clause or patent clause).

Then the Court of Appeals knocked down the district court's official qualified immunity and legislative immunity findings. The Court of Appeals found that the North Carolina agency officials "would not have understood *beyond debate* that their publication of [the videos and images violated Allen's rights under the Copyright Act]." They also found that passing Blackbeard's law is a quintessentially legislative act, and that the motive or intent in exercising the legislative function is wholly irrelevant to the issue of immunity.

Allen sought petitioned for cert. On March 1st the Supreme Court, in a preliminary meeting asked North Carolina to respond to Allen's petition. In their response, the state noted that the federal courts generally understand that applying CRCA as an abrogation of sovereign immunity is unconstitutional. North Carolina continued that even if Congress had intended abrogation, they'd done a sloppy enough job that it wouldn't hold up. RIAA jumped in with an amicus brief, citing the remedy of injunctive relief to be wholly inadequate and noting preemption and untested theories of state law to get around the 11th Amendment issue make it untenable. Certiorari was granted on June 3, 2019.

### *B. (T)Extra Credit:*

Don't tell anyone we said this, but the RIAA's point isn't wholly without merit. Back home in Texas, Houston photographer Jim Olive filed a suit against the University of Houston System in state court, trying to test some of the very state court theories cited in the RIAA's amicus brief.

In 2017 Olive filed suit against UH's use of an aerial photograph he owned, and which UH used to promote its business school. His argument? UH's use of the photograph without compensation or permission was an unlawful "taking" under the Texas constitution. UH challenged the suit on state sovereign immunity grounds and lost. UH appealed last year to the First Court of Appeals. On June 11, 2019, the First Court of Appeals reversed the district court's ruling. This began by recognizing that Texas had not waived sovereign immunity under the Texas Tort Claims Act for copyright infringement, nor had it waived its Eleventh Amendment immunity for claims in federal court. *University of Houston Sys. v. Jim Olive Photography*, 580 S.W.3d 360, 366 (Tex. App.—Houston [1st Dist.] 2019) (citing *Seminole Tribe of Fla.*, 517 U.S. at 54-55). The Court continued its analysis of Olive's takings claims, noting that while the authority on eminent domain and takings in relation to intellectual property was scant both the First Court of Appeals and the Fifth Circuit had dealt with similar claims in the past. *Schneider v. Ne. Hosp. Auth.*, No. 01-96-01098-CV, 1998 WL 834346 (Tex. App.—Houston [1st Dist.] 1998, pet. denied) (trademark infringement not a taking); *Porter v. United States*, 473 F.2d 1329 (5th Cir. 1973) (common law copyright infringement not a taking). Therefore, Olive was not able to assert a viable taking claim and the Court dismissed his suit for lack of subject-matter jurisdiction.

## **V. INFRINGEMENT ROUND-UP**

### *A. The Return of Tom Brady, Again and Again*

Tom Brady just can't stay away from US copyright law! You may recall back in 2018 the case of *Goldman v. Breitbart News Network, LLC* which involved the issue of circumventing the public display right by embedding, No? Here is a recap:

On July 2, 2016, Justin Goldman took a photograph of Tom Brady in East Hampton walking with a group of Celtics players and officials, uploaded the photo to Snapchat where it went viral and landed on several other social media platforms, including Twitter. Several of Breitbart's news and blog outlets reported on the Boston Celtics potential recruitment of Kevin Durant, suggesting Brady was playing a role. The sites used Goldman's photograph prominently, but instead of licensing it they embedded tweets that featured the photograph. Goldman filed suit in the Southern District of New York against Breitbart for violation of his public display right. Breitbart filed a motion for partial summary judgment on the issue of whether the embedded photograph was consistent with the Server Test from *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

The district court Judge Katherine Forrest, found Justice Scalia's dissent in *Aero* analogous, and *Perfect 10* and the Server Test distinguishable on the Facts. *Goldman v. Breitbart News Network, LLC*, 302 F. Supp.

3d (S.D.N.Y. 2018). Judge Forrest held there were genuine issues of fact surrounding Breitbart’s defenses, but that embedding the tweets in the blog and news postings constituted “display” under the Copyright Act.

Following summary judgment, the parties settled. However, 2019 has seen two significant follow-on cases. The first involving photographer Robert Barbera, who sued over CBS Interactive, Inc.’s use of his photograph of Justin Bieber with pastor Rich Wilkerson. *Barbara v. CBS Interactive, Inc.*, Case No. 1:19-cv-04298 (S.D.N.Y. May 11, 2019). The photo was shared on Bieber’s personal Instagram account, and the post was subsequently embedded into a CBS article on the singer. In the suit, Barbera relied heavily on Judge Forrest’s opinion. The case settled on September 17, 2019 without any written order of the Court. Justin Goldman and his Tom Brady photo returned on April 3, 2019—this time with Cox Media Group in his sights. *Goldman v. Cox Media Group, LLC*, Case No. 1:19-cv-02954-JMF (S.D.N.Y. 2019). Again, Goldman asserted unauthorized display of his Tom Brady photograph by way of embedded tweet in various online news articles and blogs (Cox Media Group owns a number of local news sights across the country, including [www.accessatlanta.com](http://www.accessatlanta.com), [www.springfieldnewssun.com](http://www.springfieldnewssun.com), and [www.palmbeachpost.com](http://www.palmbeachpost.com)). Ultimately, this new tactic of enforcement will need to be tested beyond Judge Forrest’s summary judgment order. To date, we haven’t seen a similar case make it up to a federal court of appeals.

### *B. The Year in Substantial Similarity*

Following the initial result of *Williams v. Gaye* in 2015, copyright experts and musicologists yearly lament on the ever broadening scope of what constitutes infringing activity in music. Enter this year’s big losers: Katy Perry and her collaborators Juicy J and Dr. Luke.

In a suit filed on April 3, 2017 in the central District of California, Marcus Gray p/k/a Flame, sued Perry for copyright infringement, alleging her 2013 hit “Dark Horse” lifted essential and highly characteristic musical elements from his song “Joyful Noise.” On defense, Perry’s experts and attorneys tried to demonstrate that there were no “significant structural, harmonic, rhythmic, melodic, or lyrical similarities individually or in combination with ‘Joyful Noise.’” Though Perry’s team acknowledged there were limited similar elements, those were not individually protectable. On July 29, 2019, the jury returned a verdict in favor of Gray, finding Perry and her team liable for infringement, with Perry to pay \$550,000 from the money she made from the song, and the remainder of the \$2.78M verdict to be paid by Capitol Records, and her collaborators.

Perry is currently taking the verdict up to the 9th Circuit, challenging the access prong of the copyright infringement test. *Gray v. Hudson*, Case No. 19-56195 (9th Cir., Oct. 15, 2019). Perry’s attorney’s claim “[n]o reasonable factfinder could have concluded that ‘Joyful Noise’ was so well-known that it could be reasonably inferred that Defendants heard it, particularly in this digital age of content overload, with billions of videos and songs available to users with trillions of streams.” An interesting take, though perspective may play a role here. While four million streams are not much in the way of a royalty return, it may be difficult to convince a 9th Circuit panel that four million is simply not enough to presume access. Moreover, it will be interesting to see how the 9th Circuit grapples with fame of this kind in 2020, with cases like *BrightTunes v. Harrisongs* as the cornerstone of this body of law.

## **VI. MUSIC MODERNIZATION ACT (“MMA”) UPDATE**

### *A. Mechanical Licensing Body Selected*

One of the first orders of business with the MMA was the selection of the quasi-government organization to administer it. The two main organization’s vying for the spot were the American Music Licensing Collective and the Mechanical Licensing Collective—extra IP points for creativity! Of course, because the MMA essentially requires involvement of the music industry, there was significant jockeying to become

the government contractor for handling all of the digital mechanical licenses for the highest growing music consumption medium in the country. In the end, which was on July 5, 2019, the U.S. Copyright Office designated the Mechanical Licensing Collective (“MLC”) as the mechanical rights society required under the Act. The organization is supported by National Music Publisher’s Association, Nashville Songwriters Association International, and Songwriters of North America.

Once it is up and running, the MLC will be primarily responsible for (1) offering and administering the world-wide blanket mechanical license; (2) collecting and distributing royalties; (3) identifying musical works and locating the copyright owners of such works; (4) maintaining the musical works database, which contains information relating to musical works such as the identity of the copyright owners of such works and the sound recordings in which the musical works are embodied; and (5) administering processes by which copyright owners can claim ownership of musical works and by which royalties for unmatched works are equitably distributed to known copyright owners. However, as we discussed last year, a big focus in the lead up to 2021 will be the transition to the blanket licensing schema, wherein unmatched and unclaimed “black box” songwriter payments will be distributed to existing and known copyright owners registered with the MLC by market-share.

#### *B. Final Rule for Non-commercial Use Exception for Unauthorized Uses of Pre-1972 Sound Recordings*

The second part of the Music Modernization Act was dubbed the “Classics Act,” which created a system for dealing with pre-1972 sound recordings which were not granted federal copyright protection. Under the Classics Act, the Copyright Offices was directed to establish safe harbor rules for unauthorized, but not necessarily “fair,” non-commercial uses of pre-1972 sound recordings in the event the owner of the sound recording is not immediately apparent.

To qualify for the exception, a user must (1) conduct a good faith, reasonable search for the rights owner of the sound recording, (2) file a notice of non-commercial use (NNU) with the Copyright Office, and (3) wait ninety (90) days following the publication of the notice for the rights owner to object. The open question, and the directive of the Copyright Office, was to clarify through rulemaking what constituted a “good faith search.” Now we know.

A “good faith search” for the rights owner of a sound recording is sufficient to file a NNU if a progressive search of the following categories/databases does not uncover the pre-1972 sound recording:

1. The Copyright Office’s database of Pre-1972 Schedules;
2. One of the following major search engines: Google, Yahoo!, or Bing;
3. One of the following major streaming services: Amazon Music Unlimited, Apple Music, Spotify, or TIDAL;
4. YouTube, for authorized uses;
5. The SoundExchange ISRC database;
6. Amazon.com, and, and if the pre-1972 sound recording is of classical music or jazz, searching a smaller online music store that specializes in product relative to that niche genre, namely: ArkivJazz, ArkivMusic, Classical Archives, or Presto; in either case, to determine whether the pre-1972 sound recording is being offered for sale in download form or as a new (not resale) physical product; and
7. In the case of ethnographic Pre-1972 Sound Recordings of federally recognized Alaska Native or American Indian tribes, searching through contacting the relevant tribe, association, and/or holding institution. If you do not have such contact information, you should use the information provided by the U.S. Department of the Interior’s Bureau of Indian Affairs’ Tribal Leaders directory, which provides contact information for each federally recognized tribe.



If the user does not find any commercial exploitation under the authority of the rights owner, the user may then file a NNU. The Copyright Office makes clear that an exhaustive search is not necessary—meaning the user does not need to read every webpage returned in a search of a major search engine.

*C. One SoundExchange to Rule Them All*

Finally, the third part of the MMA was the Allocation for Music Producers (“AMP”) Act. Within the AMP Act, the Copyright Office was required to designate an organization for managing the process whereby up to three percent (3%) of featured artist royalties for a song would be distributed to engineers, mixers, masterers, and/or producers who were able to present a contract which included featured artist royalty credits. Without much of any pomp or circumstance, the Copyright Office has stated that, as to the AMP Act, SoundExchange will handle adoption of policy for handling the verification and compensation, distributing AMP-royalties, handling objections by featured artists, and adopting a scheme for distributing royalties for certain pre-1995 sound recordings.