

High court looks to knock out 'severe' split

By Jonathan B. Sokol

Jake LaMotta, a former world middleweight boxing champion, fought many great fights in the 1940s and 50s, including a legendary six-bout rivalry with Sugar Ray Robinson. After LaMotta retired from boxing, he collaborated with his best friend, Frank "Pete" Petrella, to create a book and two screenplays about LaMotta's life that allegedly became the basis for the 1980 Martin Scorsese film, "Raging Bull," starring Robert De Niro.

Now Petrella's daughter, Paula Petrella, is fighting her own heavy-weight bout against MGM over the rights of MGM and other others to continue to exploit the film. On Oct. 1, the U.S. Supreme Court granted certiorari to decide whether the 9th U.S. Circuit Court of Appeals erred in holding that Petrella's copyright infringement claim is barred by the doctrine of laches. See *Petrella v. Metro-Goldwyn-Mayer*, 695 F.3d 946 (9th Cir. 2012). In *Petrella*, the court will resolve the circuit split over the availability of a laches defense in copyright cases.

At the trial and appellate court level, the studios successfully defeated Petrella's copyright infringement claim based on a laches defense because Petrella delayed some 18 years in filing her action after recapturing the copyright in her father's original screenplay.

In 1976, Pete Petrella and LaMotta assigned all of their copyrights in their original book and screenplays to a third-party production company.

In 1978, United Artists, acquired the motion picture rights to "Raging Bull" from the production company.

In 1981, during the initial term of the copyrights for the book and screenplays, Pete Petrella died, and his renewal rights in the works, including the rights previously assigned by Petrella to the production company, passed to his heirs.

In 1991, Paula Petrella filed a renewal application with Copyright Office for the 1963 screenplay, thereby recapturing the copyright in the screenplay on which the film was allegedly based.

However, she waited seven years until 1998, when she had her attorney send the defendants a cease and

desist letter regarding further exploitation of the film. She also waited 11 more years before filing a lawsuit for copyright infringement in 2009.

Under Section 507 of the Copyright Act, there is a three-year statute of limitations to file an action for copyright infringement. The 9th Circuit follows a "rolling" concept of measuring the three-year period, whereby recoverable damages are limited those sustained within the three-year period before filing suit. Under this concept, even if the first act of infringement took place more than three years before suit is filed, the claimant can still recover damages for infringement taking place within the three year period before filing suit. Thus, Petrella's lawsuit to recover damages based on exploitation of the film during the three-year period before she filed suit was within the statute of limitations — even though she delayed many years before filing her lawsuit.

Following its 2001 decision in *Danjaq v. Sony*, 263 F.3d 942, the 9th Circuit affirmed the district court's order granting summary judgment in favor of the defendants based on laches, finding the defendants satisfied all three elements of the defense: (1) Petrella delayed in filing suit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice to defendants who made significant investments in promoting the film and releasing it on Blu-Ray after several years elapsed without Petrella taking any action to carry out her threat to file litigation.

Judge William Fletcher wrote a strong concurring opinion in which he pointed out that there is a "severe circuit split" on the availability of a laches defense in copyright cases. According to Judge Fletcher, there is nothing in the Copyright Act or its history to indicate that laches is a proper defense to a suit brought under the act.

Part of the legislative history of the 1909 act also indicates that Congress amended the act to provide a three-year statute of limitations to eliminate an equitable defense of laches. In some circuits laches is not a defense at all to a copyright action. In other circuits, such as the 2nd that covers New York, laches is only a defense to injunctive relief, but not money damages within the three-



Robert De Niro as Jake LaMotta in a scene from Martin Scorsese's film "Raging Bull."

year limitations window.

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brought by claimants who come out of the "woodwork" so to speak long after a film has been released.

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right owners of all the circuits." In the 9th Circuit, absent intentional piracy, a laches defense can bar all relief.

Based on current law in the 9th Circuit, a laches defense has been a favorite defense for studios to knock out copyright infringement claims

The continued vitality of the defense will now be decided by the U.S. Supreme Court in the "Raging Bull" case. Simply put, the issue to be decided is whether laches trumps the statute of limitations.

The decision will likely have particular impact on older works

that were copyrighted before 1978 and were still in their initial 28 year term on Jan. 1, 1978 (the effective date of the current Copyright Act). For those works, if the author died before the 28th year of the original term, and his or her heir registered a timely renewal within the 28th year, that claimant can terminate an assignment made by the deceased author authorizing exploitation of a derivative work (i.e., a motion picture based on a screenplay). With all the popularity in Hollywood of remaking older works from the 1960s and 70s, one can certainly envision that the studios will be hoping to retain their favored laches defense.

The decision could also have implications in trademark cases where the law regarding the interplay of laches and the statute of limitations under the Trademark Act is also murky.

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