

**CASE No. 16-12284-G**

**UNITED STATES COURT OF APPEALS  
FOR THE ELEVENTH CIRCUIT**

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**WILLIAM L. ROBERTS, II P/K/A RICK ROSS AND ANDREW HARR AND  
JERMAINE JACKSON COLLECTIVELY P/K/A THE RUNNERS,  
Plaintiffs-Appellants,**

**v.**

**STEFAN KENDAL GORDY AND SKYLER AUSTEN GORDY COLLECTIVELY  
P/K/A LMFAO, KOBALT MUSIC PUBLISHING AMERICA, INC., KIA  
MOTORS AMERICA, INC., DAVID & GOLIATH, LLC, DAVID JAMAHL  
LISTENBEE P/K/A GOON ROCK, NU80s MUSIC, LLC, LMFAO, LLC,  
PARTY ROCK, LLC, AND FOO & BLU, LLC,  
Defendants-Appellees.**

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**ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA**

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**BRIEF OF PLAINTIFFS-APPELLANTS WILLIAM L. ROBERTS, II p/k/a  
RICK ROSS and ANDREW HARR and JERMAINE JACKSON collectively  
p/k/a THE RUNNERS**

---

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**CERTIFICATE OF INTERESTED PERSONS  
AND CORPORATE DISCLOSURE STATEMENT**

Appellants William Roberts II, Andrew Harr and Jermaine Jackson, pursuant to Fed. R. App. P. 26.1 and 11th Cir. R. 26.1 make the following certification regarding interested persons and corporate disclosure:

Boyajian, Nina D.

Chieffo, Vincent H.

David & Goliath, LLC

Foo & Blu, LLC

Gaines, Jonathan L.

Gordy, Skyler Austen

Gordy, Stefan Kendal

GrayRobinson, P.A.

Greenberg Traurig, P.A.

Harr, Andrew

Jackson, Jermaine

Kia Motors America, Inc.

Kobalt Music Publishing America, Inc.

Listenbee, David Jamahl

LMFAO, LLC

NU80s Music, LLC

Party Rock, LLC

Roberts, William L.

Rothberg, Barry L.

Scherker, Elliot H.

Simonton, Andrea M.

Stetson, Karen L.

Varela, Stephanie L.

Williams, Kathleen M.

**STATEMENT REGARDING ORAL ARGUMENT**

Plaintiffs believe that, given the record in this matter, oral argument is unnecessary to resolve the issues raised in this appeal; however, Plaintiffs would welcome the opportunity to address any questions the Court may have should it deem oral argument appropriate.

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## STATEMENT OF SUBJECT-MATTER AND APPELLATE JURISDICTION

The District Court had subject-matter jurisdiction over copyright claims pursuant to 28 U.S.C. §1338(a), and this Court has jurisdiction over final decisions of district courts pursuant to 28 U.S.C. §1291, including the review of interlocutory orders which are merged into the district court's final order. *See, e.g., Calderon v. Geico Gen. Ins. Co.*, 809 F.3d 111, 120 (4th Cir. 2015). The Order on appeal (DE 399) was entered on April 8, 2016 and is a final order that disposes of all parties' claims. The Notice of Appeal was timely filed on May 9, 2016. DE 400.

### PREFACE

Citations to docket entries in the District Court are referred to by the symbol "DE\_\_\_." Citations to specific pages of a docket entry are referred to as docket entry number/page number (*e.g.*, page 4 of DE 228 is referred to as "DE 228/4"). Citations to specific paragraphs of a docket entry are referred to as docket entry number/paragraph number (*e.g.*, paragraph 19 of DE 376 is referred to as "DE 376/¶19"). Citations to deposition transcripts are referred to as docket entry number/page of deposition transcript (*e.g.*, reference to testimony on page 20 of a deposition excerpt filed at DE 228-6 is referred to as "DE 228-6/20"). The transcript of the Pre-Trial Conference of September 25, 2015, filed at DE 367, will

be referred to as “Tr/page number.” The transcript of the February 8, 2016 Status Conference, filed at DE 408, will be referred to as “Tr2/page number.”

## STATEMENT OF THE ISSUES

Whether the Court misinterpreted and/or misapplied Section 411 of the Copyright Act and erroneously ruled that the copyright registrations were invalid and incapable of supporting the action.

Whether the Plaintiff authors are the legal or beneficial owners of copyright with standing to sue as a matter of law.

## STATEMENT OF THE CASE

### **Introduction: The Plaintiffs' Infringement Claim and District Court Proceedings**

This copyright infringement action is based upon the unauthorized copying and use of the musical composition *Hustlin'* in *Party Rock Anthem*. DE 1.

Plaintiffs Roberts (p/k/a Rick Ross) and Harr and Jackson (p/k/a The Runners) are co-authors and copyright owners of *Hustlin'*, a highly successful, now classic rap song, featured on Roberts' 2006 debut album, *Port of Miami*. DE 158/3, 100-3/¶¶4-5; 100-4/¶2; 100-5/¶2, 228-5, 228-7, 228-11.

Defendants are the musical group LMFAO and the various entities who authored, produced, distributed and profited from *Party Rock Anthem* ("PRA"), which was released in 2011 and became a chart-topping worldwide hit (DE 158/3-6, 9) and Kia Motors and its advertising agency, David & Goliath ("D&G"), who used the infringing song in a television commercial. DE 158/4-5.

Plaintiffs filed a Complaint on January 31, 2013, an Amended Complaint on September, 15, 2014, and a Second Amended Complaint on March 6, 2015 (DE 1, 34, 158), to which Defendants filed Answers. DE 14, 38, 174, 195 and 199.

The copying of *Hustlin'* in *PRA* occurs in two manners: (1) repeated singing of the lyrical phrase “everyday I’m shufflin’” to the melody of “everyday I’m hustlin’” and (2) using the same melody in a prominent, recurring instrumental portion referred to as the “drop synth.” DE 49-1/¶6(f)(ii); DE 49-2/12-15, 26, 27 ¶¶15-22, 66-67,78; DE 228-27/17, 18, 26, 29; DE 100-13/4-6, 8 ¶¶ 18, 20, 22-27, 31; DE 265-3/76-78, DE 265-6/112-113, 115. Defendants’ expert opined that the combined use of these elements derived from *Hustlin'* accounts for 25% of *PRA*. DE 49-2/34, ¶ 90.

Defendants admit that they deliberately took from *Hustlin'* and used in *PRA* both (1) “everyday I’m shufflin’” and (2) the melody underlying “everyday I’m hustlin’.” DE 49-2/29-33, ¶82; 228-25/12-13; 228-27/152; 45-1/¶22. Defendants further admit to listening to a recording of *Hustlin'* in their recording studio during the creation of *PRA* to try to imitate it (DE 45-1/¶¶22, 24; 228-25/50-51; 228-26/186, 188), and then electronically enhancing the vocal portion to sound more like the way “every day I’m hustlin’” was recorded in *Hustlin'*.” DE 45-1/¶24; 228-25/51. Defendants asserted fair use as a defense. DE 14/11-15.

On October 1, 2014, Defendants filed a Motion for Summary Judgment based on fair use (DE 44), asserting that *PRA* was a parody of *Hustlin*.’ DE 44/14-16, DE 49-2/30-33, ¶¶81-88, p. 49; 265-5/49. On September, 17, 2015, the Court found, as a matter of law, that Defendants were not entitled to assert a parody-based fair use defense (DE 347), stating, *inter alia*:

It appears that *Party Rock Anthem* merely uses *Hustlin*’ ‘to get attention’ or to ‘avoid the drudgery in working up something fresh.’ *Campbell*, 510 U.S. at 580. The Court finds that Defendants’ assertion of parody is an unconvincing *post-hoc* rationalization and the Defendants simply cannot meet their burden of proving the necessity of use.

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This is, quite simply, a case where the purported parodist did nothing more than go to the heart of the original and seeks to get away scott free.

DE 347/22, 30.

The case was set for trial in October, 2015, and extensive discovery was conducted as to the issues raised by the pleadings, concluding on June 22, 2015. After the close of discovery, the parties filed various summary judgment motions, and engaged in full trial preparation. The parties prepared jury instructions (DE 353), filed a Joint Pre-Trial Stipulation (DE 355), and multiple pre-trial motions (DE 271, 274, 276-282, 284, 337-346, 349-352 and 354), leading up to a Pre-Trial Conference set for September 25, 2015.

The summary judgment motions included cross-motions as to ownership/standing. DE 228, 230, 229, 237, 245, 246, 249, 256, 259, 265, 266, 376.

On September 8, 2015, the Court issued an Order that the parties' pending cross-motions for summary judgment (DE 228 and 230) would be heard at the Pre-Trial Conference. DE 318.

At the Pre-Trial Conference, the Court heard no argument on the cross-motions as to ownership. Instead, the Court, *sua sponte*, raised an issue as to Plaintiffs' copyright registrations, resulting in the case being removed from the trial calendar so that the Court could send questions to the Copyright Office based upon the Court's application of 17 U.S.C. §411(b). That process culminated in the April 8, 2016 dismissal order that is the subject of this appeal (DE 399), which order also denied both parties' cross-motions for summary judgment as to ownership. *Id.*/42.

**I. Proceedings and Facts Pertaining to the Trial Court's Dismissal of the Action Based On Its Determination of Invalidity of the Copyright Registrations**

**(i) Course of Proceedings and Dispositions in the Court Below.**

While it was undisputed that the records of the Copyright Office contain three registrations for the composition *Hustlin*, Defendants never raised any issue or defense as to the invalidity of any registration, fraud on the Copyright Office,

any intentional misrepresentation by an applicant, or the inability of any registration to support the infringement action, prior to the Court raising the issue, *sua sponte*, at the Pre-Trial Conference.

The three registrations covering the musical composition *Hustlin*,’ in chronological order, are:

- Pau3-024-979, filed by the Runners’ entertainment lawyer, Leonard Zackheim on February 28, 2006 (hereafter “**Registration #1**”) (DE 228-20);
- PA 1-334-389, filed by non-party copyright owner First N Gold’s then publisher, non-party Warner/Chappell on June 28, 2006 (hereafter “**Registration #2**”) (DE 230-4/31-32);
- PA 1-367-972, filed by non-party copyright owner Sony/ATV on February 28, 2007 (hereafter “**Registration #3**”) (DE 230-4/35-36).

It is undisputed that the composition is covered by all three registrations, that all three list the Plaintiffs as authors, and that all three indicate *Hustlin*’ was not created as a work for hire. Moreover, there is no dispute that all three registrations were filed within 5 years from the first date of publication (regardless of whether publication first occurred in 2005 or 2006) and, thus, entitled to a presumption of validity pursuant to 17 U.S.C. §410(c). As to each, the Copyright Office certifies, “This work was registered in accordance with provisions of the United States Copyright Law.” DE 230-4/24, 30, 34. The registrations are inconsistent with one another in other respects including, *inter alia*, date of creation, authorship, and identity of claimants.



Defendants filed five Answers between March 19, 2014 and April 30, 2015 raising numerous defenses. None alleged fraud on the Copyright Office or the invalidity of any registration. DE 14/10-15; 38/17-24; 174/14-19; 195/9-13; 199/10-15. Instead, each Answer simply referenced the existence of registration records of the Copyright Office dated February 28, 2006 and February 28, 2007 and inconsistencies in the dates of creation, authorship and copyright claimants. DE 14/¶35; 38/¶44; 174/¶44; 195/¶45 and 199/¶44.<sup>1</sup>

The parties conducted 35 depositions and propounded multiple sets of interrogatories and document requests related to the claims and defenses raised in the case. No discovery was conducted as to the invalidity of any registration, or fraud on the Copyright Office, in connection with any registration of *Hustlin*.<sup>1</sup> Plaintiffs were not questioned about any registrations at their depositions, and no depositions of Warner-Chappell Music-Copyright Department or Sony/ATV Music Publishing (applicants of Registrations #2 and #3), were ever conducted.

On March 13, 2015, First N Gold Publishing, Inc. (“FNG”), a non-party copyright owner of *Hustlin*,<sup>1</sup> moved to intervene in the case. DE 172. Defendants argued against intervention as unwarranted:

This is not a case . . . in which Defendants are challenging the existence or validity of a copyright. See, e.g. Wales Indus., Inc. . . . noting that joinder ‘should not be required,’ *where as here*, ‘the only

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<sup>1</sup> The references to and descriptions of the registration records never changed over the 13 months that Defendants filed various Answers.

issue is whether the Defendants engaged in unlawful copying’) . . .  
Nor would a decision by this Court impair FNG’s future activities.

DE 177/17 (emphasis added). The Court denied FNG’s Motion to Intervene as untimely. DE 189.

On June 19, 2015, Defendants sought leave to file four additional summary judgment motions. None of the proposed issues related to the invalidity of any registration or fraud on the Copyright Office. DE 211.

On September 17, 2015, the parties filed their Joint Proposed Jury Instructions. DE 353. Defendants did not propose any instructions regarding fraud on the Copyright Office or the invalidity of any registration. In fact, Defendants opposed a jury instruction Plaintiffs proposed on a registration’s presumption of validity, stating: “This instruction is not necessary. Defendants do not claim the copyright in *Hustlin*’ is invalid.” DE 372-1 (emphasis added).

On September 17, 2015, the parties filed their Joint Pre-Trial Stipulation. DE 355. The Stipulation does not preserve any issue of invalidity of the registrations or fraud on the Copyright Office, nor is there any mention of 17 U.S.C. §411(b). *Id.*

At the Pre-Trial Conference, the Court determined that, as a result of the multiple registrations, it was legally required to submit questions to the Copyright Office so that it would know which registration (or copyright) it should follow to determine copyright ownership. Tr/63, 75. Plaintiffs objected to sending

questions to the Copyright Office because, *inter alia*, fraud was required and Defendants had never raised any defense or claim as to such issues. Tr/68- 69, 71-72; DE 366.

Plaintiffs provided the Court with proposed questions to the Copyright Office that focused on the Court's questions regarding multiple registrations. DE 372/1-3. All of Plaintiffs' proposed questions were rejected by the Court. DE 380/4.

Defendants failed to address any of Plaintiffs' objections, and submitted proposed questions regarding the box on the form that asks whether the work is the subject of a prior registration and inaccuracies as to the date of creation and the date of first publication. *Id.* Defendants supplemented the record with 40+ pages of deposition excerpts and other documents that were not previously filed of record to support their proposed questions. DE 372-2, 372-3, 372-4, 372-5. Plaintiffs objected to Defendants' intent to "supplement the record" without leave of court and requested a reciprocal opportunity. DE 372/3, n.2. The Court allowed Defendants to supplement the record, yet denied Plaintiffs a reciprocal opportunity, indicating incorrectly that Defendants had merely "provided the Court with record citations to support their questions." DE 380/4, n.3.

With regard to the publication issue, Plaintiffs objected that although Roberts did testify that a certain number of unspecified copies of *Hustlin'* were

handed out to radio and night club deejays, it was unclear as to when this occurred, how many copies were provided, how many people received such copies, and why such copies were distributed. DE 378.

On October 30, 2015, the Court entered an Order and Request to the Register of Copyrights Pursuant to 17 U.S.C. §411(b)(2) (DE 380) with questions focused on inaccuracies in the applications as to the existence of prior registrations, date of creation (2005 vs. 2006), and date of publication (2005 vs. 2006). DE 380/4-5.

On January 27, 2016, the Copyright Office responded to the Court's questions (DE 383), indicating that had it become aware of the errors at the time of registration, it would have provided "the applicant with an opportunity to correct the error or verify the response." DE 383-1/4-5. Failing that, however, had it been faced with applications it knew at the time to contain inaccurate information, the Copyright Office would have refused all three registrations. DE 383-1/5.

The Copyright Office indicated it would not have refused Registrations #2 or #3 for failing to disclose the existence of Registration #1, since both an "unpublished" and a "published" registration are permitted for the same work, *id.*, and set forth several other exceptions to their general "one registration per work" rule. DE 383-1/3.

On February 4, 2016, Plaintiffs sought a stay of the proceedings to allow for corrections, citing a similar procedure that was followed in *Olem Shoe Corp. v. Washington Shoe, Co.*, No. 09-23494 (S.D. Fla.). DE 385.

On February 8, 2016, the Court convened a status conference at which it expressed the view that the Copyright Office's Response, by itself, invalidated Plaintiffs' copyright registrations, and, therefore, the Court could proceed no further. DE 408, Tr2/19. Plaintiffs asserted that the registrations were not "invalidated," that scienter was required, that the defense had never been raised (Tr2/5-9, 11-12, 19-20), and that inconsistencies impacted the evidentiary presumption accorded the registrations, not their ability to support an infringement action. Tr2/12, 17. The Court denied Plaintiffs' requested stay, but stated there was no impediment to proceeding with corrections, indicating that any proposed corrections should address any and all inaccuracies, not limited to those that were the subject of the Court's Questions. Tr2/26. Plaintiffs requested the opportunity to brief the issues of scienter, fraud on the Copyright Office, the purpose and operation of §411(b), and the impact of inconsistencies in the registrations on the litigation, which the Court granted. Tr2/19; DE 388, 390, 391, 392, 393.

Plaintiffs subsequently briefed their position that neither multiple registrations nor the Copyright Office's Response provided any basis for dismissal. Rather, these issues impacted only evidentiary presumptions. DE 391, 393.

Defendants asserted, *inter alia*, that the registrations were “invalid,” tantamount to having no registration at all, and that the action should be dismissed. DE 390, 392.

Plaintiffs thereafter corresponded with the Copyright Office, submitting proposed corrections (DE 394-1/1-5), inquiring whether any registration could be withdrawn, and paying a fee for expedited treatment so as to prevent delay. DE 394-1. The Copyright Office responded to Plaintiffs’ submissions on March 11, 2016, stating, *inter alia*, that it would not take a position “one way or the other” on the correctability of the registrations precisely because of the pending litigation, including the continued briefing about the Copyright Office’s Response,<sup>2</sup> and that it would suspend the applications for supplementary registrations until the litigation had ended. DE 394-2. On March 14, 2016, Plaintiffs filed a Status Report as to Corrective Efforts. DE 394.

On April 8, 2016, the Court entered an Order dismissing the case (DE 399), stating that the Copyright Office Response meant that the registrations were invalid and incapable of satisfying the registration requirement of §411 for an infringement action. *Id.*/29.

This appeal followed. DE 400.

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<sup>2</sup> In *Olem Shoe*, the Copyright Office processed corrections upon the entry of an order staying the case for that purpose. In this case, the Court never entered a written order on Plaintiffs’ request to stay to seek corrections. Therefore, the Copyright Office chose to hold Plaintiffs’ requests in abeyance based on the uncertainty of the docket.

**II. Proceedings and Facts Pertaining to the Plaintiffs' Ownership/Standing**

**(i) Course of Proceedings and Dispositions in the Court Below.**

In its dismissal order, the Court denied Plaintiffs' Motion for Partial Summary Judgment as to ownership, and denied all other pending motions as moot, including Defendants' cross-Motion for Summary Judgment as to ownership. DE 399/42.

**(ii) Statement of the Facts**

**A. Roberts' Copyright Ownership**

At the time *Hustlin*' was created, Roberts was signed as a recording artist to Slip N Slide Records, Inc. ("SNS"). SNS Recording Agreement, DE 228-1; DE 30-3/58. Prior to any assignment of copyright, Roberts was 50% owner of the copyright to *Hustlin*.' Roberts Decl. DE 228-7/¶1. Under the terms of the SNS Recording Agreement, in exchange for royalty obligations, SNS became the owner of 50% of Roberts' copyright interests in any compositions (songs) he wrote during the term of the Agreement. DE 228-1/14, ¶¶3-4. As a result, SNS acquired a 50% interest in Roberts' 50% interest (or 25% of the whole) in *Hustlin*.' In January, 2006, the Agreement was amended whereby SNS assigned back part of its copyright interest to Roberts. DE 228-2, 228-7/¶2. As a result, Roberts owned 75% of his 50% interest (or 37.5% of the whole) and SNS owns 25% of Ross' 50%

interest (or 12.5% of the whole). Defendants agree that Roberts held a 37.5% interest in *Hustlin*' as of January, 2006. DE 376/¶17.

On May 1, 2006, Sony/ATV Tunes LLC entered into a co-publishing agreement with “3 Blunts Lit at Once LLC f/s/o William Roberts, p/k/a Rick Ross, individually and d/b/a 3 Blunts Lit at Once” (the “Sony/ATV Agreement,” DE 228-3). Pursuant to Exhibit A thereto, Roberts transferred 100% of his 37.5% copyright interest in *Hustlin*' to 3 Blunts Lit at Once, LLC, and its successors and assigns, who in turn, immediately transferred one half (18.75%) to Sony/ATV to perform administrative services, including issuing licenses and collecting and distributing royalties for *Hustlin*, among other compositions. DE 228-3/36. Sony/ATV is a legal copyright owner of 18.75% of *Hustlin*.' Defendants do not dispute Sony/ATV's copyright interest. DE 376/¶24.<sup>3</sup>

The Sony/ATV Agreement includes various obligations by both 3 Blunts Lit at Once, LLC and Roberts individually (as “Controlled Songwriter”), *see. e.g.*, DE 228-3/¶¶12.02-12.03. In addition, Roberts personally guaranteed all of the obligations of 3 Blunts Lit at Once, LLC. *See* Controlled Songwriter's Assent and Guaranty, DE 228-3/47. Although Sony/ATV has the right to enter into licenses

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<sup>3</sup> The Sony/ATV July 2006 “amendment” was not a further assignment but only a clarification of Roberts' d/b/a publishing designee. Roberts had utilized the d/b/a 3 Blunts Lit at Once (not “LLC”) for ASCAP and thereafter changed publishers, utilizing the d/b/a 4 Blunts Lit at Once (which was never an incorporated entity) for BMI. DE 228-7/¶3.



with third parties for the commercial exploitation of *Hustlin*,’ certain rights are nevertheless not granted to Sony/ATV. DE 228-3/¶6.02.1. Roberts is both the ultimate obligor and ultimate beneficiary of the Sony/ATV Agreement. Sony/ATV Decl., DE 228-8/¶5.

3 Blunts Lit at Once, LLC was established in November, 2003 to be a publishing company for the songs Roberts wrote. DE 228-6/18-19, 228-7/¶3, 228-5. Roberts was the only owner or member of 3 Blunts Lit at Once, LLC. DE 228-7/¶3. 3 Blunts Lit at Once, LLC was administratively dissolved in October of 2004, well before the Sony/ATV Agreement and the purported transfer of copyright contained therein. DE 228-5.

### **B. The Runners’ Copyright Ownership**

Plaintiffs Harr and Jackson (professionally known as the Runners), each own a 25% interest in *Hustlin*.’ Harr Decl. DE 228-11/¶¶1, 9; Jackson Decl. DE 228-12/¶¶1, 9. They have been musical and business partners since approximately 2003, writing songs and producing records for themselves and for others. *Id.*/¶2; *id.*/¶2. In 2003, they formed a company through which they conduct their entertainment business, now called Trac N Field Entertainment, LLC (“TNF”). TNF Corporate Information, DE 228-13. All royalties earned from their entertainment business (except “writer’s share” royalties) are paid to Harr and Jackson through TNF. DE 228-11/¶6, 228-12/¶6. Harr and Jackson are the sole

owners of TNF and make all decisions concerning their business. *Id.* ¶5; *Id.* ¶5. Harr and Jackson utilize TNF as their designated publishing designee with performing rights societies and to enter into third party contracts for the commercial exploitation and administration of their publishing rights. *Id.* ¶3-4; *Id.* ¶3-4. See sample Runners royalty statements, DE 228-14/1-2.

### **III. Standard and Scope of Review**

The *de novo* standard is applicable. The interpretation of a federal statute is a question of law that is reviewed *de novo*. *U.S. v. Murrell*, 368 F.3d 1283, 1285 (11th Cir. 2004). The Court's dismissal order is reviewed *de novo*. *Lovelace v. Dekalb Cent.*, 144 Fed. Appx. 793, 794 (11<sup>th</sup> Cir. 2005). Review of a district court's grant or denial of summary judgment is *de novo*. *Norfolk S. Ry. Co. v. Groves*, 586 F.3d 1273, 1277 (11th Cir. 2009).

### **SUMMARY OF ARGUMENT**

The registration certificates satisfy the statutory formalities of §411, regardless of any inaccurate information, and there was no basis for the dismissal of the action. Consistent with overwhelming authorities in multiple jurisdictions, this Court held in *St. Luke's* that an inaccurate registration cannot be invalidated absent scienter, the intentional and purposeful concealment of the truth from the Copyright Office. Fraud on the Copyright Office, an affirmative defense codified by §411(b), must be pled and proven, and neither was done here. The issue was

waived, and the Court's *sua sponte* raising of the issue prejudicially by-passed procedural requirements, misapplied the statute, and improperly dismissed the action due to errors in the registrations, which created an evidentiary issue but did not negate the registrations' compliance with statutory formalities and ability to support the infringement action.

The record establishes that the Plaintiffs are authors and legal copyright owners of *Hustlin*. Neither the purported assignments of copyright to the Plaintiffs' wholly owned companies, or to other entities, nor the notion that *Hustlin* was a "work-for-hire," as argued by Defendants, are supported by evidence. Absent such evidence, copyright remains with the authors. Even if the purported assignments were deemed legally effective, the Plaintiff/authors remain beneficial owners of copyright, with standing to sue, based on their continuing financial interest in the commercial exploitation of *Hustlin*. Plaintiffs are entitled to summary judgment as to their ownership/standing.

## **ARGUMENT**

### **I. ERRORS IN THE REGISTRATIONS DID NOT PROVIDE A BASIS FOR DISMISSAL**

#### **1. Registration Does Not Confer Copyright**

Registration is not a condition of copyright protection:

[C]ertainly, if registration does not confer copyright, neither can erroneous registration take it away. Copyright ownership and the

effect of mistaken copyright registration are separate and distinct issues.

*Arthur Rutenberg Homes, Inc. v. Drew Homes, Inc.*, 29 F. 2d 1529, 1531 (11<sup>th</sup> Cir. 1994). Registration is an “element” of an infringement claim only to the extent plaintiff bears the burden of proving compliance with statutory formalities. That element is satisfied by the very existence and production of the registration itself. *Montgomery v. Noga*, 168 F.3d 1282, 1289 (11th Cir. 1999) (initial burden met by certificate of registration, shifting burden to defendants); *Brownstein v. Lindsay*, 742 F.3d 55, 77 n.16 (3d Cir. 2014) (“Validity of a copyright denotes ownership — a necessary element to bring a copyright infringement action....Registration of a copyright, on the other hand, is merely “*prima facie* evidence of the validity of the copyright....”); Nimmer §13.01 (“registration certificate is *prima facie* evidence of the satisfaction of statutory formalities”).

**2. Section 411 Was Amended to Codify the Fraud On the Copyright Office Defense and to Create a Safeguard Against Unwarranted Registration Invalidations**

Section 411(a) of the Copyright Act requires registration prior to filing suit.<sup>4</sup>

The Copyright Act does not require that plaintiff be the person who filed the copyright registration, but rather, requires that a registration is secured prior to filing a suit for infringement. “[T]he plaintiff in court obviously need not be the

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<sup>4</sup> Registration is a non-jurisdictional “claims processing rule,” which may be waived. *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 169 (2014).

same party who initially registered the subject work.” Nimmer §12.02[B]; *see also Isbell v. DM Records, Inc.*, No. 02-1408, 2004 WL 1243153, \*3 (N.D. Tex. June 4, 2004) (“no requirement under 17 U.S.C. §411 that the only person who may bring an action is the person who applies for the copyright registration.”).

In 2008, Section 411 of the Copyright Act was amended to include all of the following:

(b) (1) A certificate of registration satisfies the requirements of this section and section 412 [remedies provision], **regardless of whether the certificate contains any inaccurate information**, unless

(A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; **and**

(B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.

(2) In any case in which inaccurate information described under paragraph (1) is alleged, the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.

Pub.L. 110-403, Title I, §101(a), Oct. 13, 2008, 122 Stat. 4256 (hereafter the “Amendment”) (emphasis added).

“The legislative history for the PRO IP Act explains that the amendment aims to close the loophole whereby ‘intellectual property thieves’ argue that a mistake in the registration documents, such as checking the wrong box on the registration form, renders a registration invalid . . .”. Nimmer §7.20[B][2], *citing*

H.Rep. (PRO IP), Report 110-617, p.24, *citing In Re: Napster, Inc. v. Copyright Litigation*, 191 F.Supp.2d 1087, 1099 (N.D. Cal. 2002).

The Amendment codifies pre-existing judicial standards underlying the fraud on the Copyright Office defense:

[T]he PRO-IP Act, strengthens the intellectual property law of the United States in several respects. For example, **it amends section 411 of the copyright law to codify the doctrine of fraud on the Copyright Office in the registration process.**

Annual Report Reg. of Copyright, FY ending Sept. 30, 2008, pp. 12-13 (emphasis added). *See also*, Nimmer §7.20[B][2]; *Lennar Homes v. Perry Homes, LLC*, No. 14-1094, 2015 WL 4633514, \*3-4 (S.D. Tex. July 24, 2015) (Amendment codified court-made standard); *Frerck v. John Wiley & Sons, Inc.*, No. 11-2727, 2014 WL 3512991, \*3 (N.D. Ill. July 14, 2014) (Congress codified cases that registration should not be a trap for the unwary and that infringers not be permitted to defeat registrations on technicalities).

### **3. The Court Erred by Failing to Require Proof of Fraud – the Intentional Concealment of Material Information – As A Precondition to Invalidation**

In the Eleventh Circuit, “scienter” has always been an element of the fraud on the Copyright Office defense and the Amendment has not changed that. *See, e.g., pre-Amendment Original Appalachian v. Toy Loft, Inc.*, 684 F.2d 821, 828 (11<sup>th</sup> Cir. 1982) (inaccuracies cannot be basis to invalidate copyright registration absent scienter); *Arthur Rutenberg Homes, Inc. v. Berger*, 910 F.Supp. 603, 607

(M.D. Fla. 1995) (“law is well settled that absent a fraud, or any purposeful attempt to mislead the Copyright Office,” court will not invalidate registration); **post-Amendment** *St. Luke's Cataract v. Sanderson*, 573 F.3d 1186, 1201-1203 (11th Cir. 2009) (“there must be a showing of ‘scienter’ in order to invalidate a copyright registration”); *Habersham Plantation Corp. v. Art & Frame Direct, Inc.*, No. 10-61532, 2011 WL 4005454, \*2-3 (S.D. Fla. Sept. 8, 2011) (disputed issues of material fact regarding scienter; scienter requirement successfully argued by Defendants’ law firm herein (Greenberg, Traurig)); *Pegasus Imaging Corp. v. Allscripts Healthcare*, No. 08-1770, 2010 WL 497720, \*8-9 (M.D. Fla. Feb. 9, 2010) (scienter required).

The Eleventh Circuit is entirely consistent with other courts. *See, e.g., DeliverMed Holdings, LLC v. Schaltebrand*, 734 F.3d 616, 622-623 (7<sup>th</sup> Cir. 2013) (DeliverMed “knowingly lied” to “deceive the Copyright Office”); *L.A. Printex Industries, Inc. v. Aeropostale, Inc.*, 676 F.3d 841 (9<sup>th</sup> Cir. 2011) (registration of published works as unpublished did not invalidate registration without intent to defraud); *Mon Cheri Bridals, Inc. v. Wen Wu*, 383 Fed. Appx. 228 (3d Cir. 2010) (defendant failed to present evidence of intent to commit fraud); *One Treasure, Ltd., Inc. v. Richardson*, 202 Fed. Appx. 658, 660-61 (5<sup>th</sup> Cir. 2006) (intent to defraud the Copyright Office); *Eckes v. Card Prices Update*, 736 F.2d 859 (2d Cir. 1984) (inadvertent error unaccompanied by fraud cannot invalidate

registration); *Schenck v. Orosz*, 105 F.Supp.3d 812, 824 (M.D. Tenn. 2015) (defendants cautioned to consider “whether they possess any evidence that the plaintiffs intended to defraud the Register” before proposing questions to the Copyright Office); *Fleming v. Parnell*, No. 13-5062, 2014 WL 124678, \*4 (W.D. Wash., March 24, 2014) (hotly disputed whether a misstatement regarding publication was intentional); *Rogers v. Better Business Bureau*, 887 F.Supp.2d 722, 727-728 (S.D. Tex. 2012) (dispute over publication, failure to list co-author and to fill out compilation section; evidence fails to show the necessary scienter element); *Ranieri v. Adirondack Dev. Group, LLC*, 164 F.Supp.3d 305, 330 (N. D. N.Y. 2016) (“Court does not find that Plaintiff committed a fraud on the Copyright Office by failing to list the correct date of creation”); *Skidmore v. Led Zeppelin*, No. 15-3462, 2016 WL 1442461, \*8 (C.D. Cal. April 8, 2016) (registration errors do not invalidate absent detrimental reliance by the infringer or intentional fraud by the registrant).

This Court relied on *Original Appalachian* in unambiguously concluding that “there must be a showing of ‘scienter’ in order to invalidate a copyright registration” under §411(b)(1):

A certificate of registration satisfies the registration requirement in §411(a) “regardless of whether the certificate contains any inaccurate information, unless ... (A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; and (B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.”



*Id.* §411(b)(1). “[O]missions or misrepresentations in a copyright application can render the registration invalid” **where there has been “intentional or purposeful concealment of relevant information.”** *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 828 (11th Cir. 1982). **Thus, there must be a showing of “scienter” in order to invalidate a copyright registration.** *Id.*

*St. Luke’s*, 573 F.3d at 1201 (emphasis added).

Nevertheless, in its dismissal order, the Court below did not mention either *St. Luke’s* or *Original Appalachian* or the scienter requirement, specifically defined as **“intentional or purposeful concealment of relevant information.”** *St. Luke’s* at 1201.<sup>5</sup> When Plaintiffs’ counsel suggested that fraud was needed to invalidate a registration, the Court responded: “I know of no case that says it has to be tantamount to fraud.” Tr/69. The Court apparently interpreted *St. Luke’s* as only requiring a falsity: “*St. Luke’s* and other cases have said saying there are no previous registration(s) [when there have been previous registration(s)] is a misrepresentation.” Tr/70.

Instead, the Court relied on a partial quote from *Nimmer* to erroneously hold that fraud was not needed. The oft-quoted section of *Nimmer* is set forth below with the portion quoted by the Court *italicized* and the portion omitted **bolded and underlined**:

**The courts generally have been most lenient, under both the 1909 Act and the current Act, with respect to any innocent error**

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<sup>5</sup> The sole mention of *St. Luke’s* is at footnote 5, which discusses multiple registrations.

**contained in an application for a registration certificate. Simply stated, a misstatement or clerical error in the registration application, if unaccompanied by fraud, should neither invalidate the copyright nor render the registration certificate incapable of supporting an infringement action. However,** *this conclusion only pertains to the extent that the work in question would still have been eligible for copyright had the registration certificate contained a correct statement of the facts. If the claimant **wilfully misstates or** fails to state a fact that, if known, might have caused the Copyright Office to reject the application, then the registration may be ruled invalid.*

Nimmer §7.20[B][1].

When read in full, this section of Nimmer shows there is overwhelming support among the courts for requiring fraud to invalidate a registration for errors of all kinds. *See Id.* at n.19, including citation to *Original Appalachian*. The Court specifically omitted the word “willfully” from its quotation (DE 399/22), indicating that it may have read Nimmer as stating that willful misstatements can invalidate a registration, but that material omissions need not be willful in order to invalidate. However, based on the entirety of Nimmer’s section and the cases cited therein (and the absence of any logical basis for such a distinction), it is clear that “willfully” describes both affirmative statements and omissions. In fact, *St. Luke’s* involved both a willful omission (intentionally failing to disclose in its first application that not all of the material on its website was original) and a willful misstatement (intentionally claiming the subject matter of its second application as

a new edition when it was virtually identical to the largely unoriginal website that was the subject of the first application). 573 F.3d at 1202-03.

**4. The Court Erred by Holding that Materiality (§411(b)(1)(B)) Obviates the Need to Prove Fraud (§411(b)(1)(A))**

Section 411(b)(1) clearly states that *both* requirements – fraud and materiality – must be alleged and proven. *Microsoft Corp. v. Technology Enterprises, LLC*, 805 F.Supp.2d 1330, 1336 (S.D. Fla. 2011) (emphasizing that “both” requirements of §411(b)(1) must be met). However, the Court erred by accepting Defendants’ argument below that so long as the inaccurate information is deemed “material” under §411(b)(1)(B), the requirement of §411(b)(1)(A) is rendered irrelevant. DE 390/11-14.

In *Olem Shoe*, District Judge Huck asked the Copyright Office questions about a number of registrations that falsely claimed publication had not occurred. The Court made clear, before asking the questions, that defendant would still have to prove its first prong allegations even if the Register responded that the registrations would have been refused. 2010 WL 3505100 at \*3 (“Of course, if the Register of Copyrights advises the Court that it would have refused registration, *Olem Shoe* must still prove its factual allegations.”).<sup>6</sup>

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<sup>6</sup> Although §411(b)(2) is written as a mandate, it does not specify at what procedural juncture a Court needs to seek the advice of the Register of Copyrights. In *Olem Shoe Corp. v. Washington Shoe Co.*, No. 09-23494, 2011 WL 6202282 (S.D. Fla. Dec. 1, 2011), *aff’d*, 591 Fed. Appx. 873 (11<sup>th</sup> Cir. 2015), Judge Huck

The case of *Sunham Home Fashion, LLC v. Pem-America, Inc.*, No. 02-6284, 2002 WL 31834477 (S.D.N.Y. Dec. 17, 2002), *aff'd*, 83 Fed. Appx. 369 (2d Cir. 2003) further illustrates this point. In that case, a company stated it owned a copyright as a “work for hire.” After taking evidence at an injunction hearing, the court determined that the representation was both false and material:

The significance of the representation alone is not grounds to find a fraud has been committed, however . . . Thus [plaintiff] must have designated the designs as works made for hire with the intention of misleading the Copyright Office to approve an application it otherwise believed might be rejected.

*Id.* at \*5. Based on further facts adduced at the evidentiary hearing, the court concluded the company had acted innocently, even if irresponsibly, and went on to determine ownership based on chain of title and other evidence. Even though the court specifically found both falsehood and materiality, the court concluded the false registration supported the action in the absence of fraud. *See also Wilson v. Brennan*, 666 F.Supp.2d 1242, 1251 (D. N.M. 2009), *aff'd*, 390 Fed. Appx. 780

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suspended pending cross-motions for summary judgment in order to ask the Register questions. Other courts have thought it more appropriate to adjudicate the fact-intensive “fraud” prong (§411(b)(1)(A)) which, depending on the outcome, could obviate the “materiality” prong (§411(b)(1)(B)), and therefore, the need to seek the advice of the Copyright Office altogether. *DeliverMed, supra*, at 625 (defendants should first establish other preconditions to invalidity). *Fleming v. Parnell*, No. 13-5062, 2014 WL 124678, \*4 (W.D. Wash., Mar. 24, 2014) (request to submit questions premature where facts hotly disputed: “It would be imprudent on the eve of the court deciding dispositive motions and a jury trial in which the facts will be determined . . . 411(b)(2) meant to glean the register’s opinion before a court invalidates a copyright. This case is not at that point.”).

(10th Cir. 2010) (material non-fraudulent errors may lose *prima facie* status but do not invalidate registration). The Court erred by interpreting §411(b)(1) in the disjunctive instead of the conjunctive.

**5. The Never-Raised Defense Was Waived and Plaintiffs Were Severely Prejudiced by the *Sua Sponte* Introduction of the Issue at the Pre-Trial Conference**

Fraud on the Copyright Office is a defense to an infringement action and as with all other defenses, it must be pled and proven by the defendant (not preemptively rebutted by plaintiff). *Microsoft*, 805 F.Supp.2d at 1335-36, n.6; *Olem Shoe*, No. 09-23494, 2012 WL 28239, \*1 (S.D. Fla., Jan. 5, 2012) (defendant bears burden as attacking party). Typically raised as an affirmative defense, some defendants plead it as a counterclaim. *DeliverMed*, 734 F.3d at 621 (counterclaim); *Olem Shoe*, No. 09-23494, DE 55, p. 7 (affirmative defense); *Varsity Brands, Inc. v. Star Athletica, LLC*, 2014 WL 819422 at \*9 n.5 (W.D. Tenn. March 1, 2014) (affirmative defense); *Schenck v. Orosz*, *supra*, 105 F.Supp.3d at 814 (counterclaim).

And because of the element of fraud, it must be pled with the heightened specificity required by Rule 9(b) and proven by clear and convincing evidence. *Lumetrics, Inc. v. Bristol Instruments, Inc.*, 101 F.Supp.3d 264 (W.D.N.Y. 2015) (defendant met strict pleading requirements of Rule 9(b)); *O.T. Pickle Builders, Inc. v. Witowski*, No. 96-4233, 1998 WL 664949, \*7 (N.D. Ill. Sept. 16, 1998)

(striking affirmative defense of fraud on Copyright Office where allegations did not meet requirements of Rule 9(b) with leave to amend, subject to Rule 11); *Microsoft*, 805 F.Supp.2d at 1336 (S.D. Fla. 2011) (refusing to ask questions of the Copyright Office where defendant made no more than bald assertions of fraud); *See e.g.*, DE 391-1 (jury instructions requiring clear and convincing evidence). Not only have Defendants here failed to prove fraud on the Copyright Office, they have not even alleged it. *See, e.g., Rogers v. Better Business Bureau, supra*, at 729 (“defendant does not allege fraudulent intent, much less point to any such evidence.”).

Like any other affirmative defense, it is waived if not raised. *Lee v. Underwriters Universal Ins., Inc.*, 642 Fed. Appx. 969, 973 (11<sup>th</sup> Cir. 2016) (failure to raise affirmative defense typically results in waiver); *Design Ideas Ltd. v. Meijer, Inc.*, No. 15-03093, 2016 WL 4487830, \*13 (C.D. Ill. Aug 25, 2016) (fraud on Copyright Office defense factually unsupported, “In addition, the Court could find waiver of the defense . . .”); *Tacori Enterprises v. Rego Manufacturing*, 2008 WL 4426343, \*14 (N.D. Ohio Sept. 25, 2008) (denying fraud on the Copyright Office defense for, *inter alia*, failure to assert it as an affirmative defense).

Defendants did not allege invalidity or a fraud on the Copyright Office defense despite their dozen or so affirmative defenses. The most Defendants

“alleged” was the existence of 3 registrations, differing claimants and differing dates of creation, alerting Plaintiffs only to an evidentiary issue. A party “must affirmatively state any avoidance or affirmative defense, including ... fraud.” Fed. R. Civ. P. 8(c)(1). There is no allegation that any inaccuracies were either fraudulently or knowingly made and no suggestion that any inconsistencies “invalidated” any of the registrations. There is no discussion of the invalidity of Plaintiffs’ registrations within Defendants’ Motion for Summary Judgment and no issue as to the validity of the registrations preserved in the parties’ Pre-Trial Stipulation. *See, e.g., G.I.C. Corp. v. United States*, 121 F.3d 1447, 1450 (11th Cir. 1997) (“parties are bound by their stipulations and a pretrial stipulation frames the issues for trial”).

Not only did Defendants fail to raise this defense in their multiple Answers and Affirmative Defenses or Motions for Summary Judgment, or in the parties’ Pre-Trial Stipulation, but Defendants have twice specifically indicated otherwise. Specifically, in their Response to FNG’s Motion To Intervene, DE 177/17, Defendants stated they were *not* challenging the validity of a copyright, that the “only issue” was whether Defendants engaged in unlawful copying, and that no decision in the case would impair FNG’s future activities (yet invalidating *Hustlin’s* registration certainly would). To the extent Defendants later attempted to claim this argument only pertained to the underlying copyright and not to any

registration, Defendants' Comment to Plaintiffs' proposed jury instruction on a registration's presumption of validity is unambiguous: "This instruction is not necessary. Defendants do not claim that the copyright in *Hustlin* is 'invalid'." DE 372-1 (emphasis added).

It is difficult to imagine a more definitive waiver of registration invalidity or "fraud on the Copyright Office." The Court nevertheless suggested that the registrations were somehow placed at issue because Plaintiffs sought summary judgment on the ownership of the copyrights (a wholly different issue than the validity of the registrations). *Cf. Capital Concepts, Inc. v. Mountain Corp.*, No. 11-00036, 2012 WL 6761880, \*11-12 (W.D. Va. Dec. 30, 2012) (*citing Original Appalachian*) (despite summary judgment argument of invalidity: "Lacking any suggestion – not to mention evidence – that the mistake was an intentional fraud, Defendants' motion ... must fail.").

In all of the cases invalidating registrations for intentional misrepresentations, the defendants actually raised invalidity in some fashion, providing the plaintiff with fair notice that the validity of their registration was an issue and that evidence regarding this issue was necessary. Thus, when the Court *sua sponte* raised the issue long after the close of discovery and full summary judgment briefing, and forbade any supplementation of the record to address the newly raised issue, Plaintiffs were unfairly surprised and severely prejudiced. In



denying Plaintiffs' request to supplement the record as a matter of reciprocity, the Court states in a footnote to its Questions to the Copyright Office (DE 380, n.3) that Defendants only provided record cites, not supplementation, but that clearly was not the case. Defendants supplemented the record with new documents and deposition excerpts that were not previously filed in the record (DE 372-2, 372-3, 372-4, 372-5), and which ultimately constituted the sole factual basis to determine publication had occurred prior to the application for Registration #1 and, in turn, the sole basis to "refuse" that application.

Had Defendants raised the defense in their pleadings, as required, Plaintiffs would have conducted discovery or obtained affidavits from the parties who filed the applications – namely, the Runners' entertainment lawyer (application #1), non-party Warner Brothers (application #2) and non-party Sony/ATV (application #3) – specifically to determine the facts surrounding the preparation of the applications. Plaintiffs also would have moved for summary judgment, as they are confident that no registration was procured through fraud. There is no evidence Plaintiffs ever saw drafts of or approved any of the applications. And while the Runners' lawyer was deposed and asked about application #1 that he prepared, no one asked him about the publication status of *Hustlin'* on the application because neither side considered that to be relevant to the issues in the case as framed by the

pleadings.<sup>7</sup> *See, e.g., Nat. Union Fire. v. Westport Ins. Co.*, No. 10-C6096, 2012 WL 698540, \*3 (N.D. Ill. Feb. 29, 2012) (discovery is based on theory of case framed by the pleadings; party has right to obtain information regarding new claims through additional discovery).

Defendants having waived this defense, it was not proper for the Court to consider the affirmative defense *sua sponte*. *See, e.g., Latimer v. Roaring Toyz, Inc.*, 601 F.3d 1224, 1239 (11<sup>th</sup> Cir. 2010). The Court's dismissal was effectively a *sua sponte* summary judgment determination, completely bypassing the framing of the issues via adversarial pleadings, the development of the factual record as to those issues, and the consideration of summary judgment pursuant to the standards and procedures of Rule 56. *See, e.g., Artistic Entertainment, Inc. v. City of Warner Robins*, 331 F.3d 1196, 1201 (11<sup>th</sup> Cir. 2003) (*sua sponte* summary judgment inappropriate "where the non-moving party has not been afforded an adequate opportunity to develop the record"); *Burton v. City of Belle Glade*, 178 F.3d 1175, 1204 (11<sup>th</sup> Cir. 1999) (record incomplete, issue not joined).

Rule 56(f), which was not invoked by the Court, requires notice of a court's intention to consider a *sua sponte* summary judgment issue, identification by the court of the material facts not in dispute, and a reasonable opportunity to respond.

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<sup>7</sup> None of the Plaintiffs were deposed about any of the registrations and neither Warner nor Sony/ATV (the filers of Registrations #2 and #3) were deposed.

*See, e.g., Frasca v. NCL (Bahamas), Ltd.*, 654 Fed. Appx. 949, 955 (11<sup>th</sup> Cir. 2016). Given the issue's absence from the case up to that point, any reasonable opportunity to respond would have required supplementing the record and reopening discovery. The guiding principle of all of these authorities is that there must be fair notice of an issue and the opportunity, consistent with due process, to marshal evidence and respond, all of which is lacking here. Thus, in addition to the multiple substantive, independent bases for reversing the dismissal order, the dismissal order was procedurally improper and must be reversed.

**6. There Was No Proof, As Required, of the Applicants' Intentional Concealment of Any Information**

Defendants' failure to allege fraud is understandable in light of the combined requirements of Rules 9(b) and 11, and the plausibility pleading threshold.

Nothing about the nature of any of the errors points to "fraud," neither Plaintiffs nor anyone else gained any advantage as a result of the inaccuracies, and there was no motivation to provide incorrect information. Courts refer to this lack of relevance or advantage gained from the error as a lack of prejudice to the defendant infringer. *See In re Napster, Inc. Copyright Litigation*, 191 F. Supp.2d 1087, 1100 (N.D. Cal. 2002) ("Unless Napster can show that plaintiffs defrauded the Copyright Office in a manner that prejudiced Napster, the alleged inconsistencies in plaintiff's certificates do not rebut the presumption of ownership."); *Lennon v. Seaman*, 84 F.Supp.2d 522, 525 (S.D.N.Y. 2000) (citing numerous examples);

*Ultra-Images, LLC v. Franclemont*, 05-60538, 2007 WL 4557148 \*3 (S.D. Fla. Dec. 20, 2007) (fact issues as to whether the misstatement was even “relevant”).

Any contention that the inaccuracies here are anything other than inadvertent errors is belied by the utter lack of “motive” for any of them. In genuine fraud cases, the applicant (who is generally the plaintiff) misstates information in order to gain some advantage. But the inaccuracies here provide no advantage to Plaintiffs (or to the applicants) and have no relation whatsoever to the infringement claim.

As to the first registration, there is no reason to believe that the Runners’ entertainment lawyer knew that Roberts (who was not his client) had handed out demos of the song to deejays prior to the application (or the extent of that activity such that it could be legally determined “publication” had occurred within the meaning of the Copyright Act). *Kernel Records Oy v. Mosley, et al.*, 694 F.3d 1294, 1303-04 (11<sup>th</sup> Cir. 2012) (publication is a complex, factually intensive inquiry). “[P]ublication is a legal word of art, denoting a process much more esoteric than is suggested by the lay definition of the term.” *Id.* The Act does not state that distribution to a group of persons for the purpose of public performance

constitutes publication, which is the fact pattern the Court asked the Copyright Office to assume.<sup>8</sup>

Because the fact pattern supplied by the Court to the Copyright Office does not fit squarely within the Act's definition of publication, the Copyright Office instead relied on its "understanding" of what constitutes publication gained "by carrying out its registration functions." DE 383-1, p.4.<sup>9</sup> *But see* discussion of limited v. general publication in *Kernel, supra*, and *Hirshon v. United Artists Corp.*, 243 F.2d 640, 645-46 (Fed. Cir. 1957) (distribution of 2000 copies of song to broadcasting stations and musicians for "plugging" purposes was a limited publication). Nevertheless, the Court's decision does not discuss whether the unilateral evidence presented by Defendants meets the legal definition of publication, only that the Copyright Office would have considered it material, assuming publication had occurred and, on that basis, determined Registration #1 could not support the case.

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<sup>8</sup> Specifically, the Act provides that actual distribution to the public by sale or other transfer of ownership, etc. constitutes publication, or offering to distribute to a group of persons for purposes of further distribution, public performance, etc. constitutes publication. 17 U.S.C. §101. A public performance does not itself constitute publication. *Id.* In this case, the Court told the Copyright Office that there was actual distribution to an unspecified number of persons for promotional and/or performance purposes. Roberts' testimony does not establish, *inter alia*, when the work was distributed to a "group of persons" within the meaning of the Act, or the number of such persons.

<sup>9</sup> See *BMG Rights Management (US) LLC v. Cox Communications, Inc.*, 149 F.Supp.3d 634, 669 (E.D. Va. 2015) (letter from Copyright Office opining on statutory construction no controlling weight and not considered).

As to the second registration, there is no reason to believe that Warner knew the date of creation was 2005 but purposefully decided to put 2006 on the application to deceive the Copyright Office. Similarly, as to the third registration, there is no reason to believe Sony/ATV knew the correct date of creation but intended to mislead the Copyright Office by putting down the wrong date of creation, or that it knew Warner had previously registered the song but nevertheless purposefully checked the wrong box.

It seems obvious that the separate filers simply wanted to ensure the work was registered, did not know about the other registrations, and assumed the song was written the same year it was commercially released in 2006. Warner and Sony/ATV's knowledge and intent is, of course, not of record because the issue was not raised, but there is nothing to suggest fraudulent intent, let alone proof by clear and convincing evidence. *Arthur Rutenberg Homes, Inc. v. Berger*, 910 F. Supp. 603, 607 (M.D. Fla. 2005) ("It is not presumed that a copyright duly registered has been fraudulently obtained."); *Vaad L'Hafotzas Sichos, Inc. v. Krinsky*, No. 11-5658, 2015 WL 5719826, \*9 (E.D.N.Y. Sept. 30, 2015) (intent to deceive cannot be inferred merely from false claim of ownership).

**7. There Was No Evidence of Knowledge of Any Errors in the Applications**

Even under the lesser "knowledge" standard erroneously adopted by the Court, the Court assumed facts that simply cannot be assumed.

For example, the fact that Plaintiffs' names and their company names appear on the registrations does not establish that the Plaintiffs were the source of the errors as opposed to the respective filers' ignorance or misunderstanding of the facts or the legal consequences of facts, or by making incorrect assumptions. There is no evidence that the registrations are the product of concerted, organized communication between any or all of the rights holders. The Court's conclusion that the Plaintiffs must have known of the errors at the time the applications were made is based on the nature of the errors themselves (i.e., obviously an author would know the date he or she created the work) and because of the Court's perceived inter-relationship of the parties. Moreover, the Court held the filers to an even higher standard than what they may have actually known to what they could have known based on resources they presumably had available to them, i.e., knew or should have known.

However, none of this analysis is consistent with the applicable legal standard or holdings of other courts. First, any presumption of knowledge, as opposed to actual knowledge, is contrary to the adjudicative process. In *Original Appalachian*, this Court refused to infer an intent to deceive by the failure to list a co-author, although the plaintiff was clearly aware of his co-author. Plaintiff testified he omitted his co-author intentionally because the co-author had left the company and indicated she wanted nothing further to do with the company. This

Court held that since plaintiff had freely acknowledged the co-author's contributions, "we find it impossible to ascribe to this omission an intent to mislead." 684 F.2d at 828. *Original Appalachian* makes clear that it is not enough that the applicant had correct information within its knowledge; rather the correct information must have been omitted **with an intent to mislead**.

In *Delivermed*, the court specifically noted that the application was prepared and filed at the direction of DeliverMed's principal, Swift, and that Swift knew that ownership rights had not been granted to DeliverMed as of the time of the application. 734 F.3d at 621. *See also Ranieri v. Adirondack Dev. Group, LLC*, 164 F.Supp.3d 305, 330 (S.D.N.Y. 2016) (no knowing failure to list correct date of creation based on plaintiff's deposition in which he explained basis of belief that information was correct, even though wrong); *Beardmore v. Jacobson*, No. 13-361, 2014 WL 3543726 (S.D. Tex. July, 14, 2014) (applicant's genuine belief of work for hire status, even if later determined to be wrong, does not constitute "knowingly inaccurate information"); *Applied Concepts Unleashed, Inc. v. Matthews*, No. 12-14035, 2012 WL 12831313, \*8 (S.D. Fla. Oct. 1, 2012) (plaintiff's testimony credible that mistake not intentional).

The issue is not what knowledge was in the possession, custody or control of the filer at the time of the application, for that is the very nature of errors – the



correct information exists but may not actually be known by the filer or otherwise does not properly make its way onto the form (i.e., did not check the right box).

In *Mon Cheri, supra*, 383 Fed. Appx 228 (3d Cir. 2010), the company's designer knew she had incorporated public domain elements into her design which was not disclosed on the application. She played no role in the preparation of the application, though, and the two corporate representatives who signed and/or assisted in the preparation of the application were unaware of the use of public domain elements. The court refused to find fraud in these circumstances. The designer's knowledge was not merely imputed to the filer, even though she was an employee of the filer. The language of the application's certification – that the statements “made by me . . . are correct to the best of my knowledge” – together with the warning that a fine may be imposed against “any person who makes a false statement representation of material fact” shows that courts must look to the knowledge of the actual filer, as opposed to any other individual or company that may be listed on the application.

Additionally, the Court's reference to “willful blindness” and what any applicant or plaintiff “should have known” had they exercised diligence, aside from being utterly unsupported by the record, is simply not the legal standard. As this Court recognized in *Sovereign Military Hospitaller, etc. v. The Florida Priory etc.*, 702 F.3d 1279, 1292 (11<sup>th</sup> Cir. 2012), in the context of a fraud on the

Trademark Office case, “To the extent the district court relied on the inapplicable ‘willful blindness’ standard to find the required intent to deceive the PTO, it erred.” [F]urther, . . . by “[a]nalyzing the information that Plaintiff . . . ‘should have known,’ [the Court] impermissibly lower[ed] the standard for fraud . . .”. *Id.*

**8. Inaccuracies Are Immaterial Where, As Here, a Registration Would Have Issued Had the Application Been Accurate**

Plaintiffs do not concede that the Response from the Copyright Office satisfies even the second prong of §411(b)(1), materiality. Although the Response indicates that it would have refused registration, it also indicates (as it did in *Olem Shoe* and numerous other cases) that its practice (had it become aware of the falsity) would have been to communicate with the applicant and allow correction. See DE 383-1/4 and *Olem Shoe*, DE 209, pp 6-7.

In *Olem Shoe*, several registrations falsely stated the works were unpublished. The Court asked questions of the Copyright Office who, like here, responded:

While the ‘Office would have refused to register a claim to copyright in Zebra–Supreme–Olem as unpublished, in the course of corresponding with the applicant the Office could annotate or amend the application to indicate the work had indeed been published on the date of the first retail sales (internal citation omitted).’

2011 WL 6202282, \*7. The defendant then requested the court to ask the Copyright Office a further question about a false statement of publication

contained in an application that had not been the subject of the court's initial

Questions to the Register and the court refused, indicating:

[I]t would be duplicative and cause unnecessary delay to seek a new advisory opinion from the Register on this same issue. Thus, even if Washington Shoe's application contained an inaccuracy, the Court finds that Olem Shoe has not alleged any inaccurate information that, if known, would have caused the Register to refuse registration of Rose Zebra Supreme. Thus, such alleged inaccuracy does not disturb Washington Shoe's ability to proceed in this action.

*Id.* Despite defects, the false registrations continued to support the action and were entitled to retain their presumption of validity. 2011 WL 6202282, \*9.

Numerous courts have equated correctability, per the Copyright Office's rules and practices, with immateriality. *See L.A. Printex Industries, Inc. v. Aeropostale, Inc.*, 676 F.3d 841, 853 (9<sup>th</sup> Cir. 2012); *Rogers v. Better Business Bureau*, 887 F.Supp.2d 722 (S.D. Tex. 2012); *Shady Records, Inc. v. Source Ent., Inc.*, No 03-9944, 2005 WL 14920, \*11 (S.D.N.Y. Jan. 3, 2005). All of the errors in this case are correctible per Copyright Office Rules. *See* Compendium of U.S. Copyright Office Practices, Third Edition ("CIII"), §§1802.6(G) (date of creation), 1802.6(I) (date of publication), 1802.6(D) (author), 1802.6(F) (claimant).<sup>10</sup>

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<sup>10</sup> The one possible exception is Registration #1 (assuming the Court is correct that publication occurred in 2005 based on the limited evidence presented) because of differing deposit requirements (unpublished works require 1 deposit copy; published works require 2 deposit copies). *But see Art Attacks Ink, LLC v. MCA Entertainment, Inc.*, No. 04-1035, 2007 WL 935655, \*2-3 (S.D. Cal. March 5, 2007) (1 deposit copy constituted "substantial compliance" in the absence of fraud).

Further, the Copyright Office did not answer the right question. Its Response appears to answer the question: “Would the Copyright Office have issued the subject registrations if it knew at the time of the registrations that they were false in a number of respects?” The issue is not, however, whether the Copyright Office prefers error-free registrations; we assume it does. In the context of a procedure to be utilized as part of a lawsuit, the correct question is: “Would the Copyright Office have issued the subject registrations had the applications contained the true facts?” The latter is the real question: would the plaintiffs have been entitled to a registration had they not made any errors? This interpretation is supported by Nimmer: “[P]laintiff’s failure to inform the Copyright Office of given facts is without substance, to the extent that the Office would have registered the subject work even had it known those facts.” Nimmer, §7.20[B] (emphasis added). For example, the Copyright Office did not, and cannot, say it would have refused Registration #2 if the application had contained a date of creation of 2005 instead of 2006. *See Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F.2d 663, 667 (3d Cir. 1990) (standard is knowing failure to advise the Copyright Office of facts which might have led to the rejection of the application); *Eckes v. Card Prices Update*, 736 F.2d 859, 861-62 (2d Cir. 1984) (same). Even Defendants utilized this definition of materiality: “material (i.e., would have caused the Copyright Office to refuse registration if it had known the true facts).” DE 390/12

(emphasis added). Nevertheless, “materiality” only comes into play if there is an allegation of fraud and that fraud is proven with clear and convincing evidence.

**9. Multiple Registrations Create Potential Evidentiary Issues, Not Invalidity**

The Court wanted to ask the Copyright Office questions, not because it was concerned about a date of publication or year of creation, but because it was concerned about the very existence of three registrations for the same work. When defense counsel indicated one could have both a “published” and “unpublished” registration and Plaintiffs’ counsel indicated there can be multiple registrations, the Court responded:

And if there can be multiples, why did Congress pass that pesky, pesky bill where it says, if there’s a question of multiples, you have to go to the register of copyrights?

Tr/62,63. Even though both sides agreed there can legitimately be more than one registration for the same work, the Court continually focused on which one was the “operative” registration, or, as the Court stated, “I have no idea what copyright is in play.” Tr/63.

Although Plaintiffs never believed there could only be “one” registration, when pressed by the Court to “pick one,” Plaintiffs chose the third registration since it was the registration that was provided by Roberts’ publisher, Sony/ATV, for purposes of the suit and because it was last in time. As to this registration –

and before submitting any questions to the Register – the Court clearly equated inaccuracy with invalidity:

And if it's number 3, isn't it invalid because it says, No, there are no previous copyrights ... I have no idea which of these copyrights is valid....

Tr/63.

I must go to the Register of Copyrights and present to him or her this issue to figure out upon which registration this litigation should proceed...

Tr/69-70.

I can't just ignore the first two [registrations], right? I mean, your theory is it's Number 3, which, by the way, gives Mr. Ross no interest that I can see.<sup>11</sup> But I have to have that cleared up by [the] Copyright

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<sup>11</sup> The Court's comment incorrectly suggests that the registration confers copyright (it does not), or that Plaintiff must be listed as a claimant in order to file suit. Courts have never required an exact "match up" of listed authors or claimants in order to decide ownership, and misidentification or omission of claimants or authors has neither affected the plaintiff's ability to maintain the action nor eliminated the registration's presumption of validity. *Smith v. Casey*, 741 F.3d 1236, 1242-43 (11<sup>th</sup> Cir. 2014) (plaintiff author not listed as claimant could rely on registration to support claim) (copy of registration, DE 391-3); *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 489 F.Supp. 174, 177 (N.D. Ga. 1980), *aff'd*, 684 F.2d 821 (11<sup>th</sup> Cir. 1982) (failure to list one of two co-authors did not impact validity of registration); *Key West Hand Print Fabrics, Inc. v. Serbin, Inc.*, 269 F.Supp. 605, 610 (S.D. Fla. 1966) (Chief Judge Dyer) ("it is not necessary that owner's true name be used in copyright so long as a name with which it is identified is used"); *Hanover Arch. Service, P.A. v. Christian Testimony-Morris, N.P.*, 2015 WL 4461327, \*5 (D. N.J. July 21, 2015) (corporation had standing to sue despite registration wrongly naming President as claimant); *BMG Rights Management (US) LLC, supra*, 149 F.Supp.3d at 645 (E.D. Va. Dec. 1, 2015) (certificates listing only the d/b/a's of plaintiff's predecessor in interest as claimant sufficient). Roberts is listed as a claimant on

Office before we go to the jury. I mean, do you – I see the statute as a clear mandate to me about this.

Tr/70.

When Plaintiffs’ counsel pointed out that Defendants had never challenged the registrations, the Court asked defense counsel:

All right. Let me ask Mr. Chieffo, then, One, I guess I could ask why you didn’t challenge it. But even if you did not am I not required to clear up this matter of the multiple registrations before we go any further?

Tr/72. Avoiding the Court’s first question, Defendants’ counsel responded: “Your Honor, I believe you are.” *Id.*

Plaintiffs believed then, as they do now, that the Court’s focus on multiple registrations was based on a misunderstanding of the registration process. Specifically, multiple registrations are allowed to co-exist on the Register, most often without any cross-reference to one another. It is a collective registration record, and conflicting or competing claims are not adjudicated or otherwise passed upon by the Register.<sup>12</sup> The Copyright Office’s Response makes

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Registration #1; his d/b/a’s are listed as claimants on Registrations #2 and #3. He is listed as an author on all three registrations.

<sup>12</sup> The Copyright Office is not an adjudicative body; hence, §411(b)(2) makes clear that its role is limited to providing advice with respect to (b)(1)(B) and not (b)(1)(A) (fraud). *Fleming, supra*, 2014 WL 1247678, \*4 (“whether defendants knowingly misstated information” is “within the purview of this Court, not the Register of Copyrights”). Even as to materiality, the Register’s opinion is advisory only. *Olem*, 2010 WL 3505100, \*3 (“Ordinarily, a district court is not necessarily bound by the Copyright Office’s refusal to register a copyright,” *citing* §411(a)).

clear that there are numerous exceptions to the apparently very general rule of one registration. DE 383-1/3. In addition to those set forth by the Copyright Office, Plaintiffs are aware of at least one other exception that was not included, namely, “adverse claimants.” CIII §1807; *Velasquez-Gonzalez v. Pina*; Case No. 07-1512, D. Puerto Rico, DE 109 at p. 3, *citing*, 37 C.F.R. §202.3(b)(11)(iii). Indeed, Roberts’ publisher, Sony/ATV, was specifically directed to this exception during the pendency of this case by the Office of the General Counsel of the Copyright Office. DE 394, p. 3, DE 394-3:

As a general rule the Office tries to issue only one registration per work. There is a limited exception to this rule for so-called “adverse claims” where two or more parties submit two or more applications naming different claimants as the owner of the exact same work. If the Office does discover that multiple parties have submitted applications to register the exact same work, the Office will attempt to communicate with both parties and ask if they wish to proceed with each claim. If each applicant confirms that they wish to proceed with their respective claim and if the applications are otherwise in order, we will register all of the claims. No cross references to the other claims will be provided.

DE 394-3.<sup>13</sup> CIII §1807 continues that neither registration cancels or takes priority over the other: “Instead, each registration will co-exist with each other in the public record.” Neither does a new “basic” registration or supplementary “corrective” registration resolve the issue, as they, too, do not cancel a prior basic

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<sup>13</sup> Plaintiffs believe Registration #2 falls within exception (i) listed in the Register’s Response (CIII §510.1) and that Registration #3 falls both within exception (ii) listed in the Response (CIII §510.2) and within the “adverse claimants” exception not listed in the Response (CIII §1807). *See* DE 394.



registration, but co-exist with each other in the public record. CIII §§1802, 1803. *See also Gener-Villar v. Adcom Group, Inc.*, 560 F.Supp.2d 112, 127-28 (D.P.R. 2008) (erroneous initial registration filed within 5 years of publication retained *prima facie* status and supported action; “supplementary registration augments but does not supersede earlier registration”); *Olem Shoe Corp. v. Washington Shoe*, No. 09-23494, 2015 WL 11669133, \*13 (S.D. Fla. Oct. 5, 2015), *aff’d*, 2015 WL 1166914 (S.D. Fla. Dec. 17, 2015) (date of initial erroneous registration, not date of supplementary registration, determined right to seek attorney’s fees).<sup>14</sup>

Since there are numerous exceptions to the general “one registration” rule, including a specific exception for registering differing claims, the question becomes how courts should treat inconsistent registrations. Absent allegations and proof of fraud, errors and inconsistencies in copyright registrations are treated as evidence only – they do not “invalidate” the registrations. *See Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, 342 F.3d 149 (2d Cir. 2003) (multiple inconsistent registrations regarding ownership; ownership determined based on trial evidence); *M & D Intern. Corp. v. Chan*, 901 F.Supp. 1502, 1510 (D. Hawaii 1995) (competing registrations cancel each other out regarding presumption of originality); *NBC Subsidiary, Inc. v. Broadcast Information Services, Inc.*, 717

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<sup>14</sup> Registration must predate commencement of infringement in order to seek statutory damages and attorney’s fees; registration must be filed within 5 years of first publication in order to enjoy *prima facie* validity. 17 U.S.C. §§410(c), 412.

F.Supp. 1449, 1451 (D. Colo. 1988) (conflicting statements regarding publication in multiple registrations would “neutralize” each other’s presumption, requiring court to analyze and adjudicate evidence).

In *Estate of Burne, supra*, the Second Circuit was faced with numerous registrations<sup>15</sup> for Tarzan books that conflicted with one another as to ownership, authorship, and whether the work was a “work for hire.” The Second Circuit requested an advisory opinion from the Copyright Office as to the priority and significance that should be afforded the conflicting registrations. After concluding that the registrations were entitled to contradictory presumptions, the Copyright Office opined that the ultimate answers to the disputed questions would be appropriately determined by independent evidence and not by the registrations themselves.<sup>16</sup> The Copyright Office agreed with the district court that the presumption of validity merely orders the burden of proof, citing the legislative history of §410(c). Letter/23, *quoting* House Report at 157. Ultimately, the Copyright Office concluded that “the Court’s application of the law governing works made for hire in reviewing the record evidence should take precedence over any *prima facie* weight accorded to the certificates.” Letter/30. *See also Skidmore v. Led Zeppelin*, No. 15–3462, 2016 WL 1442461 (C.D. Cal. April 8, 2016)

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<sup>15</sup> At issue were multiple “basic” registrations, multiple “supplementary registrations” and multiple “renewal” registrations. 342 F.3d at 153-56.

<sup>16</sup> *See* Appellants’ contemporaneously filed Motion for Judicial Notice as to the Court’s inquiry and the Register’s Response.

(inconsistent multiple registrations by different filers could not resolve ownership; must be determined by independent evidence).

To the extent there is any conflict, Plaintiffs may not be entitled to simply rely on the usual presumption that attends a registration but would have to present evidence of the underlying facts, which Plaintiffs did at least with respect to what had been challenged.<sup>17</sup> This is exactly what other courts have done. *See, e.g., Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417, 428 (4<sup>th</sup> Cir. 2010) (court should assess other relevant evidence of ownership, including documents and affidavits); *BMG Rights Management (US) LLC v. Cox Communications, Inc.*, No. 14-1611, 2015 WL 7756130 (E.D. Va., Dec. 1, 2015) (plaintiff must produce chain of title where not listed as claimant).

In short, Plaintiffs have satisfied the “claims processing” rule of registration prior to filing suit (errors and all) and Congress’ enactment of §411(b) makes that point clear if it was not already clear via case law. Defendants have failed to allege, much less prove, that any registration was procured through fraud. Absent that, the registrations are merely evidence and the facts stated therein can either be rebutted or proven through independent evidence.

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<sup>17</sup> Nimmer states, as cited by the Court, that the Amendment’s failure to specifically include §410 denotes that whereas non-fraudulent errors do not impact the institution or maintenance of an infringement action (§411), nor statutory damages or attorney’s fees (§412), such non-fraudulent errors can impact the registration’s presumption of validity (which would then require plaintiff to prove up any facts that are attacked.). Nimmer §7.20[B][1] n.25.2.

## **II. PLAINTIFFS ARE ENTITLED TO SUMMARY JUDGMENT AS TO OWNERSHIP/STANDING**

The Copyright Act provides that only the “legal or beneficial owner” of copyright is entitled to institute an action for infringement. 17 U.S.C. §501(b). Legal owners are in the direct chain of title of a copyrighted work. Although not defined in the Act, “beneficial owner” has been defined as an “equitable owner ... A person or entity who is entitled to enjoy the rights in patent, trademark, or copyright even though legal title is vested in someone else.” Black’s Law Dictionary, 1214 (9th ed. 2009). Authors of copyrighted works who part with legal copyright in exchange for royalties are, according to the legislative history of the Act, an “example” of “beneficial” copyright owners. H.R. Rep. No. 94-1476, at 159 (1976). *See, e.g., Righthaven LLC v. Wolf*, 813 F.Supp.2d 1265, 1270 (D. Colo. 2011) (“The former copyright owner, often the original author or creator, continues to derive an economic benefit from legal public access to the copyrighted material.”). Beneficial owners must be able to protect their financial interest from harm: “Otherwise the beneficial owner’s interest in the copyright could be diluted or lessened by a wrongdoer’s infringement.” *Cortner v. Israel*, 732 F.2d 267, 271 (2d Cir. 1984).

### **1. Plaintiff Authors Are Owners Under the Copyright Act**

Copyright vests in the authors at the time of creation. 17 U.S.C. §201(a).

The three authors initially owned the copyright to *Hustlin'* in the following percentages: Ross 50%; Harr 25%; Jackson 25%. DE 228-7/¶1, 228-11/¶1, 228-12/¶1. Since copyrights can only be assigned by written assignment, either there are valid assignments or the authors have retained copyrights. 17 U.S.C. §204(a).

“A plaintiff who has authored the work in issue has no chain of title problem of proof beyond demonstrating that authorship, in order to establish his ownership of the copyright.” Nimmer §12.11[c]. Regardless of their respective contributions to the composition, each of the authors’ copyrights attaches to the work as a whole. 17 U.S.C. §201(a); Nimmer §6.03. Moreover, each author is permitted to commercially exploit the work without the permission of the other authors. H.R. Rep. No. 94-1476 at 121 (1976); *Thomson v Larson*, 147 F.3d 195, 199 (2d Cir. 1998).

All three writers continue to receive the so-called “writer’s share”<sup>18</sup> of royalties for the public performance of *Hustlin'* from the performing rights societies (ASCAP and BMI) to which they belong based on their original

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<sup>18</sup> The “writer’s share” refers to the percentage of the income generated from the exploitation of the musical composition that is payable to the writers. See Nimmer §30.02. Performing rights societies, like BMI and ASCAP, pay the “writer’s share” of performance royalties directly to the writer; the “publisher’s share” is payable to the author’s publishing designee, which is then, as in this case, typically administered by a publishing company.

percentages.<sup>19</sup> DE 228-11/¶¶3, 9; 228-12/¶¶3, 9; 228-7/¶¶3, 4; 228-9, 228-14. All three authors also have a continuing right to receive other royalties, known as the “publisher’s share,” from the commercial exploitation of *Hustlin*.’ Because of Roberts’ subsequent assignment of copyright (to Sony/ATV and SNS), his “publisher” share of royalties from *Hustlin*’ is 18.75%. Harr and Jackson’s respective “publisher” shares remain unchanged at 25% each. Plaintiffs’ Motion for Summary Judgment asked the Court to determine Plaintiffs’ ownership/standing as a matter of law. Plaintiffs also asked the Court to either rule that Plaintiffs could seek 100% of damages in this case, based on the authorities set forth in Plaintiffs’ Motion, or in the event the Court determined that each Plaintiff could only pursue his “share,” to pre-determine those percentages. The specific percentages is a damages issue that was not reached by the Court and is, therefore, not argued here. However, it should be noted that Plaintiffs’ ownership/standing is not dependent on a particular percentage, but only on the fact of ownership.

For purposes of standing, the Court need only satisfy itself that Plaintiffs are either legal or equitable owners. In *Smith v. Casey*, 741 F.3d 1236 (11th Cir. 2014), for example, there was a dispute as to whether an agreement that

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<sup>19</sup> Ross’ publishing d/b/a designee for *Hustlin*’ was 3 Blunts Lit at Once (ASCAP), then 4 Blunts Lit at Once (BMI); the Runners’ publishing designee for *Hustlin*’ is Trac N Field (ASCAP). DE 228-7/¶3, 228-11/¶3, 228-12/¶3.

purportedly assigned copyright applied to the musical composition at issue. The Court held:

But even were we to treat Smith's agreement to permit Sunshine Sound to execute the form songwriter's contract appended to his Recording Agreement as acquiescence to its terms for the "Spank" composition, Smith still would only have assigned his rights to the musical composition in exchange for royalties. Thus, he has at least a beneficial interest that satisfies Section 501(b) of the Copyright Act.

*Id.* at 1242. "Because we conclude the estate has at least pleaded a sufficient beneficial interest for purposes of standing, we expressly do not reach the alternative claim that the estate has a legal interest in the composition." *Id.* See also *Mason v. Jamie Music Publishing Co.*, 658 F.Supp.2d 571 (S.D.N.Y. 2009) (even if assignment were effective, it calls for the payment of royalties and, therefore, the author would still be the beneficial owner with standing).

#### **A. Roberts' Continuing Legal Ownership**

Due to the fact that 3 Blunts Lit at Once, LLC ("3 Blunts") was a dissolved entity at the time of the "assignment of copyright" by Roberts to 3 Blunts, any attempted transfer was legally ineffective and Roberts, therefore, did not convey his copyright to 3 Blunts.

This interpretation is supported by the assignment language which specifically describes the assignee as: "3 Blunts Lit at Once, LLC, its successors and assigns." This interpretation is also supported by ¶15.01 of the Sony/ATV Agreement, which provides that in the event of dissolution, Roberts would

individually be substituted as the contracting party in place of 3 Blunts.

Sony/ATV and Roberts agree that, under the circumstances, Roberts is the party to the Sony/ATV Agreement in place of 3 Blunts. DE 228-7/¶5, 228-8/¶3.

Defendants never refuted or discussed the applicability of ¶15.01 of the Sony/ATV Agreement, nor the assignment's express language that includes 3 Blunts' "successors and assigns." *See also, e.g., Whetstone Candy Co., Inc. v. Kraft Foods, Inc.*, 351 F.3d 1067, 1075 (11<sup>th</sup> Cir. 2003) ("A 'successor' is 'one that follows,' especially 'one who succeeds to a . . . position vacated by another.'"). Defendants inappositely argued that Ross is not the legal owner of copyright based on Florida limited liability law, Fla. Stat. §605.0717 (DE 256/13). However, that provision does not address the situation presented here, namely, the ability of an already-dissolved company to transact new business and thereby acquire new assets.

As Defendants concede, DE 256/14 n.4, the effect of 3 Blunts' administrative dissolution was to limit its business to "wind up" activities. *See Fla. Stat. §608.4431* (1993). The acquisition of new property and the entry of new contracts to conduct future business cannot be deemed mere "winding up" activities. *In re Air Safety Intern., L.C.*, 336 B.R. 843, 854 (S.D. Fla. 2005), cited by both parties below, supports that, to be effective, receipt of property by an administratively dissolved LLC for its "winding up" purposes must be part of



collecting its already-acquired assets. The difference in the parties' positions is that Defendants wrongly assume that the copyright had already been acquired by 3 Blunts prior to its dissolution and, therefore, the copyright assignment constitutes the "marshalling of assets." But Roberts' argument is factually accurate in that 3 Blunts was already dissolved for more than a year prior to the failed transfer. Based on the actual undisputed facts, it is apparent that an agreement to acquire new assets post-dissolution must fall into the category of conducting "new business" which is disallowed as a matter of law. Therefore, for all of the above reasons, Roberts remains a legal copyright owner with standing to sue.

#### **B. The Runners' Continuing Legal Ownership**

The central dispute between the parties with respect to Harr's and Jackson's legal copyright is whether or not any assignment was ever made by them to their wholly owned company, Trac N Field Entertainment, LLC – an assignment Harr and Jackson maintain does not exist. *Konigsberg v. Rice*, 16 F.3d 355, 357 (9<sup>th</sup> Cir. 1994) ("transfer of copyright is simply 'not valid' without a writing"). The Runners' one-time entertainment lawyer, Leonard Zackheim, initially testified he had not prepared such a transfer, but when he was shown the application for copyright registration he signed that listed TNF as a claimant with the notation "transfer by written agreement," he changed his testimony, indicating "I must have prepared that." Zackheim had no independent recollection of having created such

a document and could not provide any details about any assignment document. DE 228-19/62-65; 228-20. The Runners have never seen (much less signed) any written assignment and maintain that they did not assign their individual copyright interests in *Hustlin'* to their wholly owned company. DE 228-11, 228-12/¶¶8,9, DE 245-3/70-71. Zackheim could not produce even an unsigned draft of any assignment, despite his ability to locate other documents and e-mails from the time period when he represented the Runners. DE 228-11/¶10.

There is no disagreement between the purported assignors (Harr and Jackson) and the purported assignee (TNF) regarding who owns the copyright, so why should infringers be able to claim otherwise? It is absurd under these circumstances where both sides of the alleged “assignment” are essentially one and the same and no written document exists. As the Ninth Circuit has held in the context of whether a copyright was owned by a company or its owner:

The problem with the district court’s analysis is that JJV was a one-man shop. Gasper was the sole officer, director, and shareholder of JJV, exercised complete control over it, and made all decisions concerning JJV and production of the films. It was all Gasper all the time. JJV as employer and Gasper as employee could certainly agree as to the scope of the employee’s employment, and could agree that Gasper should retain all copyrights. Since JJV was Gasper, JJV intended whatever Gasper intended, and if Gasper intended that his creative work be outside the scope of his employment with JJV, there was no one to disagree. See, e.g., *M & A Assocs., Inc. v. VCX, Inc.*, 657 F.Supp. 454, 459–60 (E.D.Mich.1987) (sole shareholder, director and officer of corporation that produced film was owner of the copyright).

*Jules Jordan Video, Inc. v. 144942 Canada, Inc.*, 617 F.3d 1146, 1156 (9<sup>th</sup> Cir. 2010) (emphasis added). Similarly (although there is no “employment” relationship), TNF is a “two man shop,” with Harr and Jackson its only owners. Therefore, if Harr and Jackson want to agree who owns the copyright – them or their wholly owned company – that is their decision. *See also Billy-Bob Teeth, Inc. v. Novelty, Inc.*, 329 F.3d 586, 592-93 (7<sup>th</sup> Cir. 2003) (where there is no dispute between copyright owner and [purported] transferee, “it would be unusual and unwarranted to permit a third-party infringer to invoke §204(a) [statute of frauds] to avoid suit for copyright infringement,” *quoting Imperial Residential Design, Inc. v. Palms Dev. Group, Inc.*, 70 F.3d 96, 99 (11<sup>th</sup> Cir. 1995)). In *Billy-Bob* and *Imperial*, both parties agreed there had been an assignment of copyright even though it was not evidenced by a simultaneous written agreement. While this case involves the opposite scenario, i.e., both agree there was no assignment, the principle is the same.

In addition to the “phantom” assignment, Defendants also argued that the Publishing Licensing Agreement between TNF f/s/o Harr and Jackson and Notting Dale proves that TNF is the copyright owner, not Harr and Jackson, simply because TNF is the contracting party granting permission to license certain songs. (DE 256/10). However, the only recitation of copyright ownership states that the songs are either owned or controlled by “Writer,” defined “jointly and severally”

as TNF f/s/o Harr and Jackson, which is entirely consistent with Harr and Jackson's declarations that they own the copyrights and authorized their wholly owned company to "control" the compositions for licensing purposes. DE 228-22/¶1.09. The attached Letter of Direction recites copyright ownership by "the undersigned," and is signed *only* by Harr and Jackson, individually. DE 228-22. Moreover, §10.01 makes clear that Notting Dale can neither register any copyrights nor pursue infringement actions in its own name. The Notting Dale Agreement reflects the authority granted to TNF by its two owners, namely to enter into contracts for the commercial exploitation of songs written and owned by them, and to act as their publishing designee with performing rights societies. DE 228-11, 228-12 at ¶¶3-4.

The Notting Dale Agreement conveys no copyright, but is a mere non-exclusive license to administer certain songs. Despite the recitation of exclusivity within the Notting Dale Agreement, where, as here, there are multiple co-authors with co-equal rights to commercially exploit the work, such nomenclature is actually a misnomer. *See Brownstein v. Lindsay*, 742 F.3d 55, 68-69 (3d Cir. 2014). The Notting Dale Agreement does not grant Notting Dale rights vis-vis the world at large, but allows it to make use of the work as authorized without fear of suit.

Defendants further argued that one other agreement may evidence a transfer of copyright. On October 11, 2005, Harr and Jackson entered into an agreement with Slip N Slide Records, Inc. (“SNS”) to provide producer services<sup>20</sup> for the sound recording of *Hustlin*’ (the “SNS Producer Agreement”). DE 228-15. As part of that agreement, Harr executed on behalf of himself an assignment of copyright (see Exhibit 1 thereto) assigning to SNS’ publishing arm, First N Gold Music, Inc. (“FNG”) 50% of his 25% interest in *Hustlin*, or 12.5%. No assignment was signed by Jackson and the agreement only references one assignor. The assignment was intended as consideration for First N Gold Music, Inc. to act as publisher for Harr’s interest and to make royalty payments pursuant to the Royalty Agreement that is part of the SNS Producer Agreement. DE 230-5/54, 56. But, in fact, First N Gold Music never acted as publisher for Harr, never accounted to Harr, and never made any royalty payments. DE 228-11/¶7, 228-12/¶7. Although SNS/FNG previously claimed otherwise,<sup>21</sup> it now agrees that its interest in *Hustlin*’

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<sup>20</sup> Producer services are the creative efforts involved in capturing the performance of music, i.e., recording (which results in a sound recording) as opposed to writing music (which results in a musical composition). This case involves the musical composition of *Hustlin*’ and not the sound recording, which has its own separate chain of title. (See *Saregama India Ltd. v. Mosley*, 635 F.3d 1284, n.18 (11<sup>th</sup> Cir. 2011) (discussing difference between song and sound recording).

<sup>21</sup> This dispute over percentage points predated this lawsuit and was resolved during the lawsuit. It was never a dispute over ownership, per se, only whether SNS/FNG’s share was 12.5% from Roberts’ share plus 12.5% of either Harr or Jackson’s shares. Even if SNS/FNG had been correct, both Harr and Jackson would still have been copyright owners, albeit with slightly smaller shares.

is 12.5% based on the SNS Recording Agreement with Roberts, and not on the SNS Producer Agreement with Harr and Jackson. DE 228-16. The SNS Producer Agreement, therefore, does not represent the assignment of any copyright by Harr or Jackson.

**2. Plaintiffs, At A Minimum, Have Standing As Beneficial Owners**

Plaintiffs submit that even if any of the purported transfers were deemed effective, Plaintiffs would still be considered beneficial owners of copyright as they would continue to have a current economic interest in the commercial exploitation of *Hustlin*.’ See, e.g., *Cortner v. Israel*, 732 F.2d 267, 269-70 (2d Cir. 1984) (authors remained beneficial owners despite initial transfer to “their own corporate vehicle” where ABC as subsequent assignee was obligated to make payments upon commercial exploitation of work, resulting in the payment of royalties to the composers by the performing rights society of which they were members); *Drake v. Malouf*, No. 99-0315, 1999 WL 1007642 \*4 (N.D. Tex. Nov. 5, 1999) (author beneficial owner despite transfer to wholly owned company for tax purposes); *Wildlife Internationale, Inc. v. Clements*, 591 F.Supp. 1542, 1546 (D. Ohio 1984) (author retained beneficial owner status, given his position as owner and president of company to whom copyrights had been transferred and fact that he controlled manner of reproduction of copyrighted works); *Sasnett v. Convergent Media Systems, Inc.*, No. 95-12262, 1997 WL 33142149 \*4 (D. Mass.

Aug. 29, 1997) (50% owner of company that held legal title to copyright had standing to sue for infringement; owner “may be” beneficial owner); *Silberman v. Innovation Luggage, Inc.*, No. 01-7109, 2003 WL 1787123 \*7, n.5 (S.D.N.Y. 2003) (beneficial owner may be based on continuing right to royalties or other indicia of control); *Love v. The Mail on Sunday*, No. 05-7798, 2006 WL 4046180 \*10 (C.D. Cal. 2006) (beneficial owner based on allegation that plaintiff was co-author and received royalties). See sample Roberts and Runners royalty statements, DE 228-9, 228-14. Plaintiffs clearly have a sufficient legal and economic interest to demonstrate standing herein.

Defendants do not dispute that authors who have parted with copyright in exchange for royalties are equitable owners of copyright with standing to sue. Instead, Defendants made a number of unsupportable, hyper-technical arguments as to why this proposition ought not to apply, including that Plaintiffs cannot produce written agreements between themselves individually and their wholly owned companies expressly stating they are “equitable” owners or spelling out exactly the percentage of royalties from *Hustlin*’ they are entitled to receive from their wholly owned companies as a result of *Hustlin*’.

None of the courts in the myriad of cases Plaintiffs cited required the owner of the company (whether they owned the company in whole or in part) to have a written agreement with their own company or royalty statements rendered by their

own company in order to hold that the authors were “equitable” owners of copyright. In each of the cases, there was assignment of copyright from the individual authors to their wholly or partially owned companies, who then in turn entered into contracts with third parties for the commercial exploitation of the copyrighted work. In each case, the fact of ownership (even part-ownership) of the company to whom copyright had been assigned and/or other indicia of control and the company’s right to receive royalties from third parties was held sufficient to render the authors “equitable” owners of copyright. Heightening the standard in this case would certainly fly in the face of the maxim “equity looks to substance rather than form.” *Garner v. Pearson*, 374 F.Supp. 580, 585 (S.D. Fla. 1973).

Defendants failed to cite any contrary authority below. Instead, Defendants argued that this Court’s decision in *Smith v. Casey*, 741 F.3d 1236 (11<sup>th</sup> Cir. 2014) narrowly defined beneficial owner as confined only to the factual scenario of an author who had parted with legal title to the copyright to a publisher (the one “example” provided by the legislative history to §501 and the precise facts presented by *Smith* and the Roberts/SNS Recording Agreement ). However, Defendants’ characterization is a gross overstatement. This Court’s discussion in *Smith* at no time meanders beyond the facts of that case, which simply did not involve an intermediate wholly owned company. Indeed, *Smith* specifically relied upon the seminal case of *Cortner v. Israel*, *supra*, in which writer’s share royalties



were paid to the authors and other royalties were paid to the composers’ “own corporate vehicle” at their direction. 741 F.3d. at 1241. *See Cortner, supra*, 732 F.2d at 269-70.

Plaintiffs maintain they are legal owners of copyright. Nevertheless, to the extent any assignment is deemed effective, Plaintiffs are beneficial owners with standing to sue.

### **3. The Baseless “Work-For-Hire” Argument Does Not Preclude Summary Judgment**

Defendants also speculated that the Runners may not be either legal or equitable owners because *Hustlin*’ may have been created as a “work-for-hire” by the Runners for TNF. Where a work is created as a work-for-hire, the hiring party becomes the “author” at the outset by operation of law and the true author never becomes part of the legal chain of title. 17 U.S.C. §201(b). However, there is absolutely no record support for such speculation. There are two categories of work-for-hire: (1) works created by employees; and (2) works created by independent contractors under special order or commission.” *SHL Imaging*, 117 F.Supp.2d 301, 312 (S.D.N.Y. 2000) (*citing* 17 U.S.C. §101). The second category requires a written work-for-hire agreement. *Id.* Defendants have not argued the second category, arguing instead the first category, “works created by employees.” The Supreme Court has identified thirteen potential factors, *see Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 750–751, 109 S.Ct. 2166, 104

L.Ed.2d 811 (1989) to determine whether a true employment relationship exists with respect to the creation of a work. *See also, Mohr v. Science and Engineering Services, Inc.*, No. 14-00045, 2016 WL 4553548 \*9 (N.D. Ala. Aug. 31, 2016) (even where employment relationship exists, must analyze whether work was created within scope of employment).

It is simply not accurate to characterize TNF is an “employer” of Harr and Jackson. TNF is an LLC, the sole members of which are Harr and Jackson. DE 228-11/¶5; 228-12/¶5; 228-13. The Runners testified that they do not receive a salary from TNF, that they jointly make all decisions about how much money and when they get paid from the company, and that they have “staff,” not that they are employees themselves. DE 230-3/65, 256-5/67, 228-11/¶¶5-6, 228-12/¶¶5-6. *See Woods v. Resnick*, 725 F.Supp.2d 809, 824 (W.D. Wis. 2010) (equal partner in limited liability company was not an employee under work-for-hire doctrine).

Although Jackson testified that he received a “W-2” from TNF at his deposition, that was corrected (after consultation with their accountant). DE 230-3/43. Defendants have offered no evidence keyed to any of the relevant factors for a defense on which they bear the burden of proof. *See, e.g., Foster v. Lee*, 593 F.Supp.3d 223 (S.D.N.Y. 2015) (granting plaintiff’s motion for summary judgment on the affirmative defense of work-for-hire where defendant offered evidence as to only one factor, *i.e.*, that Plaintiff had retained the photographer and told her who

to photograph, which was insufficient as a matter of law).<sup>22</sup> Moreover, in each of the three registrations regarding *Hustlin*, every box that asks whether the work is a “work-for-hire” is marked “no.”<sup>23</sup> DE 228-20, 230-4/31, 230-4/35, 228-19/62.

In a footnote, the Court states that because “relevant contracts” were entered into “by TNF either for itself or furnishing the services of Harr and Jackson” and because “both Harr and Jackson admit that all royalties for their services are paid to TNF,” there is support for a work-for-hire. DE 399, n. 30. Plaintiffs are not entirely sure which contracts the Court is referring to, but there is no songwriting agreement relating to the Runners’ composition of *Hustlin*. No one “hired” the Runners to write *Hustlin*. There is no agreement whereby TNF furnished the songwriting services of Harr and Jackson pursuant to which they wrote *Hustlin* for any third party (although even if there were, the fact of such an agreement would still not establish whether Harr and Jackson provided those services as employees of TNF or as independent contractors). *Hustlin* was written before either the SNS Agreement or the Notting Dale Agreement.

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<sup>22</sup> Aside from its substantive inapplicability, Defendants did not assert work-for-hire as an affirmative defense, and thereby waived the issue. *Mohr*, 2016 WL 4553548 \*8 (Eleventh Circuit regards work for hire as an affirmative defense on which defendant bears the burden of proof).

<sup>23</sup> Plaintiffs should be entitled to the statutory presumption of the accuracy of this fact, despite inconsistencies among the registrations as to other facts stated, where there is no inconsistency on this point and all of the registrations were filed within the 5-year statutorily required time period of §410(c) (regardless of whether publication took place in 2005 or 2006).

Again, the fact that Harr and Jackson have set up a corporate vehicle for the purpose of, *inter alia*, receiving money from the commercial exploitation of copyrighted works they own establishes nothing with respect to whether an employment relationship existed between the Runners and TNF when *Hustlin*’ was written. The simple fact is that the unrefuted evidence shows Harr and Jackson make all decisions about their business – they control the business and not the other way around. Defendants’ work-for-hire argument is no more than “wishful thinking.” *Boehm v. Zimprich*, 68 F.Supp.3d 969, 976 (W.D. Wis. 2014).

### CONCLUSION

Based on the forgoing, this Court should reverse the Order of dismissal, determine that Plaintiffs are entitled to summary judgment as to ownership/standing, and remand this matter for further proceedings.

Respectfully submitted,  
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**CERTIFICATE OF COMPLIANCE  
AS TO FONT SIZE AND WORD COUNT**

This brief complies with the typeface and typestyle requirement of Fed. R. App. 32(a)(5) and (6). It has been prepared in a proportionately spaced typeface, in Times New Roman 14 point font. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7), as modified by this Court's Order of February 27, 2017. It contains 15,686 words, excluding the portions exempted by 11<sup>th</sup> Cir. R. 32-4.

Dated: March 6th, 2017

By: /s/ Karen L. Stetson

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished via CM/ECF to: **ELLIOT H. SCHERKER, ESQ., VINCENT H. CHIEFFO, ESQ. and STEPHANIE L. VARELA, ESQ.**, Greenberg Traurig LLC, 333 S.E. Second Avenue, Suite 4400, Miami, FL 33131, this 6th day of March, 2017.

By: /s/ Karen L. Stetson