No. _____

In the
Supreme Court of the United States

SAM FRANCIS FOUNDATION, ESTATE OF ROBERT GRAHAM, CHUCK CLOSE, and LADDIE JOHN DILL,

Petitioners,

vs.

SOTHEBY'S, INC., and EBAY, INC.,

Respondents.

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

---

PETITION FOR A WRIT OF CERTIORARI

BROWNE GEORGE ROSS LLP
Eric M. George (egeorge@bgrfirm.com)
Counsel of Record
Ira Bibbero (ibibbero@bgrfirm.com)
2121 Avenue of the Stars, Suite 2800
Los Angeles, California 90067
Telephone: (310) 274-7100

Attorneys for Petitioners Sam Francis Foundation; Estate of Robert Graham; Chuck Close; and Laddie John Dill

QUESTION PRESENTED

Where an action is brought under a state statute preempted by section 301(a) the Copyright Act of 1976, 17 U.S. C. § 101, et seq., Pub. L. No. 94-553, 90 Stat. 2541 (1976) ("Copyright Act"), is the action regarded as one under the Copyright Act?

More specifically, where the aforementioned state statute provides that the prevailing party shall recover attorney's fees, and is held to be preempted by the Copyright Act, does the discretionary standard under section 505 of the Copyright Act, 17 U.S.C. § 505, govern the award of attorney's fees in the action?

PARTIES TO THE PROCEEDINGS

Petitioners are the Sam Francis Foundation, the Estate of Robert Graham, Chuck Close, and Laddie John Dill. Respondents are Sotheby's, Inc. and eBay, Inc. (Christie's, Inc. was formerly a party to the actions below; petitioners dismissed Christie's, Inc., which no longer seeks an award of attorney's fees.)

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

The Sam Francis Foundation is a nonprofit public benefit corporation. It has no parent company and no publicly held company owns 10 percent or more of its stock.

TABLE OF CONTENTS

Page

TABLE OF APPENDICES

Page

TABLE OF AUTHORITIES

Page(s)

Cases:

Statutes & Other Authorities:

OPINIONS BELOW

The Ninth Circuit's order granting respondents' applications for attorney's fees is reported at 909 F.3d 1204 (9th Cir. 2018). App. 1a-18a. The order denying petitioners' motion for reconsideration or reconsideration en banc is not reported. App. 19a-21a. Prior decisions of the Ninth Circuit establishing that respondents are the prevailing parties are not included in the Appendix because petitioners do not challenge those orders. The prior decisions are reported at *Sam Francis Found. v. Christies, Inc.*, 784 F.3d 1320 (9th Cir. 2015) (en banc) and *Close v. Sotheby's, Inc.*, 894 F.3d 1061 (9th Cir. 2018).

JURISDICTION

The Ninth Circuit issued its order granting respondents' applications for attorney's fees on

December 3, 2018, and its order denying petitioners' motion for reconsideration or reconsideration en banc on February 12, 2019. No extension of time has been requested. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS AT ISSUE

The Ninth Circuit found that the California Resale Royalties Act, Cal. Civ. Code § 986 (the "CRRA") was expressly preempted by section 301(a) of the Copyright Act, and thereafter held respondents were entitled to an award of attorney's fees pursuant to the mandatory fee-shifting provision in the CRRA. Petitioners contend that discretionary fee-shifting under section 505 of the Copyright Act, 17 U.S.C. § 505, should control. The CRRA (App. 26a-30a), and sections 301 (App. 22a-

24a) and 505 (App. 25a) of the Copyright Act are reproduced in the appendix to this petition.

STATEMENT OF THE CASE

In 1976, California enacted the California Resale Royalty Act, Cal. Civ. Code § 986 (the "CRRA"), providing qualifying artists (or their estates) with a right to receive from a seller or seller's agent a royalty of five percent of the price of qualifying resales of their art. Cal. Civ. Code § 986(a), (a)(1), (a)(7), (b); App. 26a-29a. The CRRA applied to sales whether "the seller resides in California or the sale takes place in California . . . ." *Id*., § 986(a); App. 26a. The CRRA gave artists the right to sue to recover royalties if the seller or seller's agent fails to pay the royalty. *Id*, § 986(a)(3); App. 27a.

In 1980, the Ninth Circuit held that the CRRA was not preempted by the Copyright Act of 1909. *Morseburg v. Balyon*, 621 F.2d 972, 977-78 (9th Cir. 1980). Following the decision in *Morseburg*, California in 1982 amended the CRRA to require the prevailing party in an action under the CRRA to recover attorney's fees: "The prevailing party in any action brought under this paragraph shall be entitled to reasonable attorney fees, in an amount to be determined by the court." Cal. Civ. Code § 986(a)(3) (as amended in 1982); App. 27a. The prevailing party fee provision applied only to "transfers of works of fine art, whether created before or after January 1, 1983, that occur on or after that date." *Id.*, § 986(f); App. 30a

In 2011, invoking the district court's diversity jurisdiction under 28 U.S.C. § 1332(d)(2), petitioners Chuck Close, Laddie John Dill, the Sam

Francis Foundation, and the Estate of Robert Graham brought putative class actions to recover unpaid royalties against Sotheby's, Christie's, and eBay. *Close v. Sotheby's, Inc.*, 894 F.3d 1061, 1067 (9th Cir. 2018) ("*Close I*"). The Ninth Circuit, sitting en banc, partially struck down the CRRA, holding that it could apply only to sales within California. *Sam Francis Found. v. Christies, Inc.*, 784 F.3d 1320, 1322 (9th Cir. 2015) (en banc).

In 2018, the Ninth Circuit held that the CRRA was "expressly preempted by § 301(a) [of the Copyright Act, and therefore] Plaintiff's CRRA claims arising after the effective date of the 1976 Act – January 1, 1978 – are barred." *Close I*, 894 F.3d at 1072.

After the Ninth Circuit's ruling, petitioners dismissed Christie's, but Sotheby's and eBay applied to the Ninth Circuit for awards of

attorney's fees on appeal. Although the Ninth Circuit held that the CRRA was expressly preempted as applied to all sales on or after January 1, 1978, and although the fee-shifting provision in the CRRA applied only to sales on or after January 1, 1983, the Ninth Circuit nevertheless held that Sotheby's and eBay were entitled to recover attorney's fees from petitioners. The Ninth Circuit held that, unlike the remainder of the CRRA, the fee-shifting provision was not preempted by the Copyright Act, and the Copyright Act's attorney's fees provision – 17 U.S.C. § 505, App. 25a – did not apply to the actions before it. *Close v. Sotheby's, Inc.*, 909 F.3d 1204, 1211 (9th Cir. 2018) ("*Close II*"); App. 13a.

REASON TO GRANT THE PETITION

This Court should grant certiorari to resolve a split between Circuits as to whether fee-shifting provisions in state statutes found to be preempted by the Copyright Act are themselves preempted. The Ninth Circuit in the action below held that, although the CRRA's substantive provisions were preempted by the Copyright Act, the CRRA's fee-shifting provision governs the award of attorney's fees in the action below.

The Fourth Circuit, in contrast, holding that "Congress intended that actions pre-empted by § 301(a) of the Copyright Act be regarded as arising under federal law," *Rosciszewski v. Arete Assocs., Inc.*, 1 F.3d 225, 232-33 (4th Cir. 1993), ruled that 17 U.S.C. § 505, App. 25a, governs an award of attorney's fees to the prevailing party in an action brought under a state statute preempted by the

Copyright Act. Similarly, the Sixth Circuit held that the Copyright Act's three-year statute of limitations in 17 U.S.C. § 507 applies to state law claims preempted by the Copyright Act. *Ritchie v. Williams*, 395 F.3d 283, 288 (6th Cir. 2005).[1]

In actions falling within the preemptive scope of the Copyright Act, an area where the Constitution mandates "'national uniformity,'" *Goldstein v. California*, 412 U.S. 546, 573 (1973) (quoting *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231, n.7 (1964)), prevailing-party attorney's fees should be governed by the uniform

---

[1] Other Circuits have concurred with *Rosciszewski*'s finding that actions preempted by the Copyright Act are regarded as arising under federal law; none has addressed whether 17 U.S.C. § 505, App. 25a, governs fee awards in actions brought under preempted state statutes. *See GlobeRanger Corp. v. Software AG*, 691 F.3d 702, 706 (5th Cir. 2012) (agreeing with Fourth Circuit that "'Congress intended that state-law actions preempted by § 301(a) of the Copyright Act arise under federal law'"); *Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 305 (2d Cir. 2004) (holding Copyright Act "preempts state law and substitutes a federal remedy for that law").

standard set forth in 17 U.S.C. § 505, App. 25a, and not be at the mercy of each state's own formulation. The distinction here is significant: whereas a court guided by state law will be required to award fees, one guided by federal law may determine that no fee award is appropriate (as should be the case here, where a fee award would penalize artists for defending the validity of California law and suing to enforce rights given to them by the California Legislature and found constitutional in 1980 by the Ninth Circuit in *Morseburg*, 621 F.2d 972). The different standards create confusion where uniformity is mandated. This Court should grant certiorari.

ARGUMENT

The Court should grant certiorari to ensure uniformity of treatment of cases brought under the

Copyright Act, whether the cases are brought directly under that Act or whether they raise state law claims which are "transform[ed]" into claims under the Copyright Act by operation of section 301(a) of the Copyright Act, 17 U.S.C. § 301(a), App. 22a. *See Rosciszewski*, 1 F.3d at 232-33.

I. CLAIMS PREEMPTED BY THE COPYRIGHT ACT ARISE UNDER FEDERAL LAW.

Of the six exclusive rights of a copyright holder, 17 U.S.C. § 106, "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that . . . come within the subject matter of copyright . . . are governed exclusively by [the Copyright Act]." 17 U.S.C. § 301(a); App. 22a. Federal courts

have exclusive jurisdiction of copyright cases. 28 U.S.C. § 1338(a).

Applying the "complete preemption" doctrine promulgated by this Court in *Metropolitan Life Ins. Co. v. Taylor*, 481 U.S. 58, 63-64 (1987) (holding section 502 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1132, completely preempts state law claims within its scope) and *Avco Corp. v. Aero Lodge No. 735, Int'l Ass'n of Machinists & Aerospace Workers*, 390 U.S. 557, 560 (1968) (holding that state law claim to enjoin union from striking "is one arising under the 'laws of the United States' within the meaning of the removal statute" because it is within the scope of section 301 of the Labor Management Relations Act, 29 U.S.C. § 185), the Second, Fourth, Fifth, and Sixth Circuits have held that the preemption and exclusive jurisdiction of the Copyright Act mean

that state court actions that involve rights equivalent to those protected by the Copyright Act may be removed to federal court because they arise under federal law. *Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 305 (2d Cir. 2004); *Rosciszewski*, 1 F.3d at 232-33 (4th Cir.); *GlobeRanger Corp. v. Software AG*, 691 F.3d 702, 706 (5th Cir. 2012); *Ritchie*, 395 F.3d at 288 (6th Cir).

II. THE FOURTH AND SIXTH CIRCUITS APPLY COPYRIGHT ACT STANDARDS (FOR ATTORNEY'S FEES AND LIMITATIONS OF ACTIONS) TO PREEMPTED CLAIMS.

Although this petition does not involve complete preemption per se – the actions below were originally filed in federal court – the Fourth and Sixth Circuits have interpreted the doctrine to

hold that the Copyright Act preempts not only the rights in section 106, but ancillary matters within the scope of the Copyright Act, namely the right to recover attorney's fees and the statute of limitations.

In *Ritchie*, the Sixth Circuit "recharacterized as copyright infringement and copyright ownership claims" the "bulk of the [plaintiffs'] state law claims," 395 F.3d at 287, and held that preempted state law claims were subject to the three-year statute of limitations for copyright infringement claims – without even considering the limitations period under the original state law claims, *id*. at 288.

Directly on point here is the Fourth Circuit's opinion in *Rosciszewski*, 1 F.3d 255. There, the plaintiff filed a complaint with seven claims under Virginia law in Virginia state court. *Rosciszewski*,

1 F.3d at 228. Although no claims on the face of the complaint arose under federal law, the defendant removed the action to federal court. *Id.* In affirming the district court's order denying remand as to most of the claims, the court held: "Congress intended that actions pre-empted by § 301(a) of the Copyright Act be regarded as arising under federal law." *Id.* at 232. The court continued: "Congress has clearly indicated that state-law claims which come within the subject matter of copyright law and which protect rights equivalent to any of the exclusive rights within the scope of federal copyright law . . . should be litigated only as federal copyright claims." *Id.* (emphasis added)

This finding allowed the court, to conclude that section 505 of the Copyright Act, 17 U.S.C.

§ 505, App. 25a, governed the prevailing party's right to attorney's fees:

> [W]e conclude that when § 301(a) completely preempts a state-law claim, it becomes a federal claim under Title 17. *Cf. Metropolitan Life Ins. Co.*, 481 U.S. at 67, 107 S.Ct. at 1548 (holding that suit alleging state-law claims that were completely preempted by ERISA "is necessarily federal in character"). Section 505, therefore, is applicable.

Rosciszewski, 1 F.3d at 233.[2]

[2] The application of section 505 of the Copyright Act preempted the application of Virginia law, which applies the American Rule precluding recovery of fees "in the absence of a specific contractual or statutory provision to the contrary." *Lannon v. Lee Conner Realty Corp.*, 385 S.E.2d 380, 383 (Va. 1989).

III. THE NINTH CIRCUIT FAILS TO APPLY THE COPYRIGHT ACT'S FEE-SHIFTING STATUTE, 17 U.S.C. § 505, TO PREEMPTED CLAIMS.

In the action below, the conclusion reached by the Ninth Circuit is the antipode of that reached by the Fourth Circuit in *Rosciszewski*. The Ninth Circuit found that even though the CRRA was preempted by the Copyright Act, section 505 of the Copyright Act nonetheless did not apply:

> Under the CRRA, fee shifting applies to "any action brought under this paragraph." Cal. Civ. Code § 986(a)(3). Under the Copyright Act, fee-shifting applies to "any civil action under this title." 17 U.S.C. § 505. The applicability of the two provisions depends on whether the "action" was

> brought "under" state or federal law. And here, plaintiffs brought this action under the CRRA. The CRRA fee-shifting provision thus applies, and the Copyright Act fee-shifting provision does not.

Close II, 909 F.3d at 1211; App. 13a.

But the Fourth Circuit rejected the same reasoning – which the Ninth Circuit finds controlling – out of hand:

> Rosciszewski first claims that no award under § 505 was proper because the action was not one under Title 17. Rosciszewski maintains that the complaint alleged only violations of the laws of Virginia and that, therefore, § 505 is inapplicable. Rosciszewski offers no authority for

> this argument, and we do not find it persuasive.

Rosciszewski, 1 F.3d at 233.

Under the Fourth Circuit's rule, because the preempted claims are "aris[e] under federal law" and are "litigated only as federal copyright claims," *Rosciszewski*, 1 F.3d at 232, the action in which they are raised is treated as a "civil action under this title [the Copyright Act]," 17 U.S.C. § 505, and therefore "the court may . . . award a reasonable attorney's fee to the prevailing party," *id*. Under the Ninth Circuit's rule, 17 U.S.C. § 505, App. 25a, is irrelevant because the plaintiff's complaint did not invoke the Copyright Act.

IV. NATIONAL UNIFORMITY IN THE COPYRIGHT LAWS WILL BE ADVANCED BY GRANTING CERTIORARI.

As this Court has held, "the federal policy expressed in Art. I, § 8, cl. 8, is to have 'national uniformity in patent and copyright laws . . . .'" *Goldstein*, 412 U.S. at 573 (quoting *Sears, Roebuck & Co.*, 376 U.S. at 231, n.7); *see also Brown v. Ames*, 201 F.3d 654, 660 (5th Cir. 2000) (holding one objective of the Copyright Act is "to promote national uniformity and avoid the difficulties of determining and enforcing rights under different state laws"); *Ritchie*, 396 F.3d at 287 ("Congress has indicated that 'national uniformity' in the strong sense of 'complete preemption' is necessary in this field."), 288 ("[T]he various publishing and performance rights of Kid Rock's songs should be

the same in Michigan as they are in New York and other states."); *Krause v. Titleserv, Inc.*, 402 F.3d 119, 123 (2d Cir. 2005) (discussing "the uniformity achieved by the Copyright Act"). Indeed, this Court has suggested that the section 505 of the Copyright Act itself should have a "uniform construction . . . ." *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 532 (1994).

The split between the Ninth and the Fourth Circuits as to whether to apply state or federal law to an award of attorney's fees where a claim is preempted by the Copyright Act destroys the "national uniformity in . . . copyright laws" mandated by the Constitution. *Goldstein*, 412 U.S. 573. Under the Ninth Circuit's rule, a litigant in a state where the preempted statute mandates an award of fees to the prevailing party will recover fees, and one in a state where recovery is prohibited will not. Under the Fourth Circuit's rule, the

preempted state statute is subsumed by the Copyright Act and the right to recover attorney's fees is, in the Sixth Circuit's words, "the same in Michigan as [it is] in New York and other states." *Ritchie*, 395 F.3d at 288. The Fourth Circuit's rule promotes uniformity, the Ninth Circuit's rule undermines it.

This is a distinction with a difference. Under the CRRA, an award of attorney's fees to the prevailing party is mandatory. Cal. Civ. Code § 986(a)(3); App. 27a. Under the Copyright Act, the district court may award all fees requested, some portion, or none at all. *See Fogerty*, 510 U.S. at 533 ("The statute says that 'the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.' The word 'may' clearly connotes discretion. The automatic awarding of attorney's fees to the prevailing party would pretermit the

exercise of that discretion."). Courts apply various factors in determining whether to award fees in a Copyright Act case, including "'frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.'" *Id*. at 535, n.19 (citation omitted). Here, where petitioners brought the actions below to enforce the right – honored only in the breach by respondents – to resale royalties given to them by the California Legislature (and found constitutional in 1980, *Morseburg*, 621 F.2d 972), and the bulk of the litigation was involved in defending (with limited success) the constitutionality of the CRRA, a court applying section 505 of the Copyright Act, 17 U.S.C. § 505, App. 25a, might be inclined to award respondents no fees.

V. CONCLUSION.

This Court should grant certiorari to ensure the constitutionally-mandated national uniformity in the application of the Copyright Act, including as it applies to preempted claims and actions.

Respectfully submitted,

ERIC M. GEORGE
IRA BIBBERO
BROWNE GEORGE ROSS LLP
2121 Avenue of the Stars
Suite 2800
Los Angeles, CA 90067
(310) 274-7100
egeorge@bgrfirm.com
Attorneys for Petitioners Sam Francis Foundation; Estate of Robert Graham; Chuck Close; and Laddie John Dill

APPENDIX

APPENDIX A — ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, FILED DECEMBER 3, 2018

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 16-56234

D.C. No. 2:11-cv-08604-MWF-FFM

CHUCK CLOSE; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiffs-Appellants,

v.

SOTHEBY'S, INC., A NEW YORK CORPORATION,

Defendant-Appellee.

No. 16-56235

D.C. No. 2:11-cv-08605-MWF-FFM

THE SAM FRANCIS FOUNDATION; CHUCK CLOSE, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiffs-Appellants,

Appendix A

v.

CHRISTIE'S, INC., A NEW YORK CORPORATION,

Defendant-Appellee.

No. 16-56252

D.C. No. 2:11-cv-08622-MWF-PLA

THE SAM FRANCIS FOUNDATION; CHUCK CLOSE, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiffs-Appellants,

v.

EBAY INC., A DELAWARE CORPORATION,

Defendant-Appellee.

December 3, 2018, Filed

Before: Danny J. Boggs,* Jay S. Bybee, and Paul J. Watford, Circuit Judges.

---

* The Honorable Danny J. Boggs, United States Circuit Judge for the U.S. Court of Appeals for the Sixth Circuit, sitting by designation.

Appendix A

ORDER

In *Close v. Sotheby's, Inc.*, 894 F.3d 1061 (9th Cir. 2018), we held that plaintiffs' claims for resale royalties under the California Resale Royalties Act ("CRRA") are expressly preempted by the 1976 Copyright Act. We thus affirmed the district court's dismissal of plaintiffs' claims that involved any art sales postdating the Copyright Act's effective date of January 1, 1978. We reversed, however, the district court's dismissal of plaintiffs' CRRA claims to the extent they involved sales occurring before January 1, 1978 (but after the CRRA's effective date of January 1, 1977), because those claims are not preempted by federal copyright law.

Defendants Sotheby's and eBay have filed applications for attorneys' fees pursuant to Ninth Circuit Rule 39-1.6. They seek fees under the CRRA fee-shifting provision, which mandates a fee award to the "prevailing party in any action brought under" the CRRA. Cal. Civ. Code § 986(a)(3). Plaintiffs argue that fees are not available under the CRRA because the effect of our decision was to void the CRRA, including its fee-shifting provision. We disagree. We hold that Sotheby's and eBay are entitled to fees under the CRRA fee-shifting provision and refer the applications to the Appellate Commissioner to calculate the amount of fees to be awarded.

I. BACKGROUND

The background of this case is detailed in the panel's opinion. In brief, the California Resale Royalties Act of 1976 ("CRRA") required the seller of a work of fine art

or the seller's agent to withhold 5% of the sale price and pay it to the artist. Cal. Civ. Code § 986(a). Artists could bring an action to enforce this requirement under the following provision:

> If a seller or the seller's agent fails to pay an artist the amount equal to 5 percent of the sale of a work of fine art by the artist or fails to transfer such amount to the Arts Council, the artist may bring an action for damages within three years after the date of sale or one year after the discovery of the sale, whichever is longer. The prevailing party in any action brought under this paragraph shall be entitled to reasonable attorney fees, in an amount as determined by the court.

Id. § 986(a)(3).

Plaintiffs filed this action against Sotheby's, Christie's, and eBay seeking royalties for resales of artwork dating back to the CRRA's January 1, 1977 effective date. After claims involving out-of-state sales were filtered out on dormant Commerce Clause grounds, *see Sam Francis Found. v. Christies, Inc.*, 784 F.3d 1320, 1322 (9th Cir. 2015) (en banc), the parties litigated the claims involving in-state sales. The district court granted defendants' motion to dismiss those claims on two grounds: (1) the CRRA claims were preempted, and (2) eBay was not a seller subject to the CRRA.

Appendix A

On appeal, we affirmed in part, reversed in part, and remanded. *Close*, 894 F.3d at 1076. We held that all CRRA claims that involved sales after the effective date of the 1976 Copyright Act—January 1, 1978—were expressly preempted by the Copyright Act's preemption provision, 17 U.S.C. § 301(a). *Close*, 894 F.3d at 1068-72. We thus affirmed the district court's dismissal of those claims. Because this holding disposed of all claims against eBay, we declined to rule on eBay's alternative argument that it was not subject to the CRRA. *Id.* at 1068 n.6.

We further held that any CRRA claims that involved sales before the 1976 Act's effective date, to the extent they exist, are not expressly preempted, because the operative federal law at the time of these sales—the 1909 Copyright Act—did not contain an express preemption provision. *Id.* at 1072. Nor are such claims barred by conflict preemption. *Id.* at 1072-74 (discussing *Morseburg v. Balyon*, 621 F.2d 972, 977-78 (9th Cir. 1980)). We thus reversed the district court's dismissal of any claims involving sales between the CRRA's effective date of January 1, 1977 and the 1976 Act's effective date of January 1, 1978—i.e., sales that occurred in 1977. *Id.* at 1074.

After we denied a petition for rehearing, Sotheby's and eBay filed timely applications for attorneys' fees pursuant to Ninth Circuit Rule 39-1.6, seeking fees under the CRRA fee-shifting provision, Cal. Civ. Code § 986(a)(3). Plaintiffs oppose these applications, arguing that the CRRA fee-shifting provision is preempted by federal law and that Sotheby's is not a prevailing party. Because this is a diversity case, state law governs both "the right to

fees" and "the method of calculating the fees." *Mangold v. Cal. Pub. Utils. Comm'n*, 67 F.3d 1470, 1478 (9th Cir. 1995). The preemptive effect of a federal statute is a question of federal law. *See Allis-Chalmers Corp. v. Lueck*, 471 U.S. 202, 214, 105 S. Ct. 1904, 85 L. Ed. 2d 206 (1985).

II. ANALYSIS

The CRRA fee-shifting provision provides: "The prevailing party in any action brought under this paragraph shall be entitled to reasonable attorney fees, in an amount as determined by the court." Cal. Civ. Code § 986(a)(3). Three features of this provision are significant. First, by using the phrase "prevailing party," this provision grants defendants as well as plaintiffs the opportunity for a fee award. *See Jankey v. Lee*, 55 Cal. 4th 1038, 150 Cal. Rptr. 3d 191, 290 P.3d 187, 191 (Cal. 2012). Second, by using the phrase "shall be entitled," fee-shifting under this provision is mandatory. *See id.* at 192; *Hsu v. Abbara*, 9 Cal. 4th 863, 39 Cal. Rptr. 2d 824, 891 P.2d 804, 809 (Cal. 1995) (explaining that "[t]he words 'shall be entitled'" mean that the court is "*obligated* to award attorney fees[] whenever the statutory conditions have been satisfied"). And third, the fee-shifting provision was added to the CRRA in 1982, *see* 1982 Cal. Stat. 6434, and it applies only to claims involving sales of art that occurred on or after January 1, 1983, *see* Cal. Civ. Code § 986(f). Thus, the only claims that remain pending on remand—those involving sales in 1977—do not fall within the fee-shifting provision.

Plaintiffs oppose the fee applications on two grounds, arguing that the CRRA fee-shifting provision is unenforceable because it is preempted, and that Sotheby's is not a prevailing party. We address each argument in turn.

A. *Preemption*

Plaintiffs contend that the CRRA fee-shifting provision is preempted and unenforceable. They raise two arguments: first, that our opinion in this case rendered the CRRA"null and void" and thus there is no surviving attorneys' fees provision to apply; and second, that the 1976 Copyright Act itself preempts the attorneys' fees provision of the CRRA. We disagree with both arguments.

1. The CRRA fee-shifting provision is not "null and void"

According to plaintiffs, our decision in this case means that, as of January 1, 1978 (the effective date of the 1976 Copyright Act), "the CRRA was null and void and could not thereafter be enforced" and, accordingly, the 1982 amendments to the CRRA are ineffectual because "a nonexistent statute cannot be amended." This argument misapprehends the effect of our decision.

The Supremacy Clause of the U.S. Constitution provides that the "Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land." U.S. Const. art. VI, cl. 2. As a consequence, "Judges in every State shall

be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding." *Id.* When we adjudge a state law preempted under this provision, we do not render the law null and void in some ultimate sense, such as a presidential veto; rather, our judgment renders the law unenforceable in the case before us. We, as judges, cannot enforce the state law because the "Laws of the United States" are "supreme" and displace the "Laws of any State to the Contrary." *Id.*

The doctrine of preemption therefore provides "a rule of decision" that "instructs courts what to do when state and federal law clash." *Armstrong v. Exceptional Child Ctr., Inc.*, 135 S. Ct. 1378, 1383, 191 L. Ed. 2d 471 (2015); *see also Gilchrist v. Jim Slemons Imports, Inc.*, 803 F.2d 1488, 1497 (9th Cir. 1986) (describing preemption as "a choice-of-law question"). When a state law, "in [its] application to [a particular] case, come[s] into collision with an act of Congress," the state law "must yield to the law of Congress." *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 210, 6 L. Ed. 23 (1824); *cf. Massachusetts v. Mellon*, 262 U.S. 447, 488, 43 S. Ct. 597, 67 L. Ed. 1078 (1923) (describing the power "to review and annul" a statute as "little more than the negative power to disregard an unconstitutional enactment, which otherwise would stand in the way of the enforcement of a legal right"); *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 178, 2 L. Ed. 60 (1803) (explaining that when "both [a state] law and [federal law] apply to a particular case, . . . the court must determine which of these conflicting rules governs the case," enforcing the "superior" law and "disregarding" the inferior law). The effect of our judgment is to render the preempted state law inoperative with respect to the claims before us. *See Trollinger v. Tyson Foods, Inc.*, 370 F.3d 602, 608 (6th Cir.

2004) ("[T]he [preemption] doctrine generally concerns the merits of the claim itself—namely, whether it is viable and which sovereign's law will govern its resolution.").

Holding that a state law is preempted by federal law does not, however, render the entire state law "nonexistent" in the way that plaintiffs argue. The state law continues to exist until the legislature that enacted it repeals it. At the same time, any portion of the law that is preempted is unenforceable in court until Congress removes the preemptive federal law or the courts reverse course on the effect of the federal law. *See* Jonathan F. Mitchell, *The Writ-of-Erasure Fallacy*, 104 VA. L. REV. 933, 953 (2018) ("[S]tate statutes that contradict 'supreme' federal law continue to exist as 'laws,' even as they go unenforced, and they would become enforceable if federal law were amended or reinterpreted to remove the conflict.").[1] Preemption is therefore claim-driven: when a

1. We are aware that, as far back as *Marbury*, there is language suggesting that an unconstitutional or preempted law is "void" and must be treated as "though it be not law." *Marbury*, 5 U.S. at 177; *see also, e.g., Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 479, 94 S. Ct. 1879, 40 L. Ed. 2d 315 (1974) (considering whether a state law was "void under the Supremacy Clause"); *Chi., Indianapolis, & Louisville Ry. Co. v. Hackett*, 228 U.S. 559, 566, 33 S. Ct. 581, 57 L. Ed. 966 (1913) (stating that "an unconstitutional act is not a law" and is "inoperative as if it had never been passed"); *Ex parte Siebold*, 100 U.S. 371, 376, 25 L. Ed. 717 (1879) ("An unconstitutional law is void, and is as no law."); *Duke Energy Trading & Mktg., L.L.C. v. Davis*, 267 F.3d 1042, 1058-59 (9th Cir. 2001) (finding state regulations "void under the Supremacy Clause"). Indeed, one court has gone so far as to declare that preempted state laws "are void ab initio." *Antilles Cement Corp. v. Fortuño*, 670 F.3d 310, 323 (1st Cir. 2012). Such sweeping pronouncements may overstate the actual effect of

party successfully invokes preemption as a defense to a state-law *claim*, the court will apply the federal law and the state law will be disregarded to the extent the laws conflict.[2]

---

judicial review and the Supremacy Clause. A federal law passed in violation of the Constitution's procedural requirements may be void ab initio, *see Mester Mfg. Co. v. INS*, 879 F.2d 561, 570 (9th Cir. 1989), but state laws that clash with federal law (including the Constitution) may be amended by the legislature that enacted them. It is more accurate to state that these laws are "without effect," rather than treat them as nonexistent. *Cipollone v. Liggett Grp., Inc.*, 505 U.S. 504, 516, 112 S. Ct. 2608, 120 L. Ed. 2d 407 (1992) (quoting *Maryland v. Louisiana*, 451 U.S. 725, 746, 101 S. Ct. 2114, 68 L. Ed. 2d 576 (1981)); *accord Harris ex rel. Harris v. Ford Motor Co.*, 110 F.3d 1410, 1415 (9th Cir. 1997). Preempted laws are constitutionally unenforceable, but they are not snipped from the statute books.

Here, the CRRA could not have been void ab initio, because its effective date antedated the effective date of the 1976 Copyright law that preempted it. There is no reason why the entire CRRA may not remain on the books in California until California chooses to amend or remove it. It is true that portions of the CRRA are, in effect, dormant—at least unless we reverse our judgment about the preemptive effect of the federal copyright laws, the Supreme Court reverses our judgment for us, or Congress removes the preemptive provision of the 1976 Copyright Act or otherwise recognizes the *droit de suite*. *See Close*, 894 F.3d at 1065-66 (discussing similar proposals). If, for example, Congress removed the preemption provision from the Copyright Act, the preempted portions of the CRRA would automatically revive; the CRRA would not have to be reenacted to become effective.

2. Indeed, preemption must be claim-driven, because "[p]reemption ordinarily is an affirmative defense forfeitable by the party entitled to its benefit." *Sickle v. Torres Advanced*

Our opinion in this case made this distinction clear. We addressed the question "whether plaintiffs' *claims* are preempted by federal copyright law." *Close*, 894 F.3d at 1064 (emphasis added). Our answer to that question does not control our answer to the question whether defendants are entitled to attorneys' fees; rather, that question is a matter of state law. And nothing in the text of the CRRA fee-shifting provision is concerned with how a prevailing party prevailed. Rather, it applies if the "action [was] brought under" the CRRA, Cal. Civ. Code § 986(a)(3), which this action indisputably was. The reason for our dismissal of plaintiffs' claims is thus irrelevant, as it does "not affect the character or type of action that has been brought." *Tract 19051 Homeowners Ass'n v. Kemp*, 60 Cal. 4th 1135, 184 Cal. Rptr. 3d 701, 343 P.3d 883, 888 (Cal. 2015). Courts have awarded fees under provisions like this one even when the substantive law that houses the fee-shifting provision is inapplicable to the underlying claims. *See, e.g., Love v. Associated Newspapers, Ltd.*, 611 F.3d 601, 614 (9th Cir. 2010); *Tract 19051*, 343 P.3d at 889-94 (collecting cases).

Moreover, plaintiffs' proposed understanding of preemption would end up favoring certain defenses over others by conditioning fees based on *how* the defendant prevailed. We can easily envision cases in which defendants would forgo a meritorious preemption argument in order to preserve the possibility of recovering attorneys' fees.

Enter. Sols., LLC, 884 F.3d 338, 345 (D.C. Cir. 2018); *see Brannan v. United Student Aid Funds, Inc.*, 94 F.3d 1260, 1266 (9th Cir. 1996); *Johnson v. Armored Transp. of Cal., Inc.*, 813 F.2d 1041, 1043-44 (9th Cir. 1987).

In this case, the rule advanced by plaintiffs would be particularly unfair to eBay, as we specifically declined to "address eBay's argument that it is not subject to the CRRA" given our preemption holding. *Close*, 894 F.3d at 1068 n.6. It would be strange to allow eBay to recover attorneys' fees if we held that the CRRA is inapplicable to eBay, but not if we held that the CRRA is unenforceable because it is preempted.

In sum, we conclude that our preemption holding in this case did not render the CRRA fee-shifting provision "null and void."

2. The CRRA fee-shifting provision is not preempted

Plaintiffs also argue that the CRRA fee-shifting provision is preempted by the 1976 Copyright Act itself. As we explained in our opinion, two forms of preemption are available with respect to the 1976 Copyright Act—express preemption and conflict preemption. *Id.* at 1068. Neither applies here.

First, the 1976 Copyright Act does not expressly preempt the CRRA fee-shifting provision. The 1976 Act expressly preempts state laws governing "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright *as specified by section 106*." 17 U.S.C. § 301(a) (emphasis added). In other words, "the rights asserted under state law [must be] equivalent to the rights contained in 17 U.S.C. § 106" for the Act's preemption provision to apply. *Maloney v.*

T3Media, Inc., 853 F.3d 1004, 1010 (9th Cir. 2017) (citation omitted). The rights contained in § 106 are the rights of reproduction, preparation of derivative works, distribution, display, and performance. 17 U.S.C. § 106(1)-(6). Notably missing is any mention of attorneys' fees, which are in fact governed by a different section—17 U.S.C. § 505. The CRRA fee-shifting provision "does not fall within the scope of § 301(a) and therefore is not preempted by the express terms of the Copyright Act." *Ryan v. Editions Ltd. W., Inc.*, 786 F.3d 754, 761 (9th Cir. 2015).

Second, fee shifting in this case does not conflict with the 1976 Copyright Act. Under the CRRA, fee shifting applies to "any action brought under this paragraph." Cal. Civ. Code § 986(a)(3). Under the Copyright Act, fee-shifting applies to "any civil action under this title." 17 U.S.C. § 505. The applicability of the two provisions depends on whether the "action" was brought "under" state or federal law. And here, plaintiffs brought this action under the CRRA. The CRRA fee-shifting provision thus applies, and the Copyright Act fee-shifting provision does not.

That this action involves only state-law claims distinguishes it from actions brought under both federal law and state law. We have held that a prevailing party in such a case cannot "resort to a state statutory procedure to reach around [federal-law] attorneys' fees provisions for fees *on* [*a federal-law*] *claim*." *S.F. Culinary, Bartenders & Serv. Emps. Welfare Fund v. Lucin*, 76 F.3d 295, 298 (9th Cir. 1996) (emphasis added); *cf. Ryan*, 786 F.3d at 762 (noting that conflict preemption "might" apply in a case

involving "a [state] fee-shifting statute . . . that permitted a fee award where the Copyright Act did not" (emphasis omitted)). The reason is straightforward—when claims under state law and federal law overlap, it is generally "impossible to distinguish the fees necessary to defend against the [state-law] claim from those expended in defense against the [federal-law] claim." *Hubbard v. SoBreck, LLC*, 554 F.3d 742, 745 (9th Cir. 2009). A fee award in this circumstance would encompass fees for litigating the federal claim. And granting that award under a more generous state-law fee-shifting provision could allow the prevailing party to evade the stricter federal-law fee-shifting provision that would ordinarily apply to the federal claim.

Lucin is instructive. There, we held that a request for fees under a state fee-shifting statute for work performed in an underlying ERISA suit was "preempted" by ERISA's fee-shifting provision. 76 F.3d at 298. We did not, however, "declare the state statute itself preempted but only any implementation of it that fails to use the applicable ERISA standards to determine the propriety of an award of attorneys' fees for work done in the underlying ERISA action." *Id.* We thus made clear that "to the extent that state law provides for attorneys' fees with respect to a state law action, ERISA is *not* implicated." *Id.* And because "ERISA attorney's fees provisions do not apply to non-ERISA actions generally, those provisions likewise do not preempt them generally." *Id.*

That same principle applies here. The 1976 Copyright Act's fee-shifting provision governs only "action[s] under"

the Copyright Act. 17 U.S.C. § 505. Plaintiffs brought their claims exclusively under the CRRA. The Copyright Act's fee-shifting provision does not apply to—and has no preemptive effect in—this non-Copyright Act lawsuit.[3]

B. Prevailing Party Status

The CRRA fee-shifting provision awards fees to a "prevailing party." Cal. Civ. Code § 986(a)(3). Plaintiffs do not dispute that eBay is a prevailing party, as we disposed of all of the claims against eBay in eBay's favor. *See Close*, 894 F.3d at 1076. Plaintiffs argue that Sotheby's is not a prevailing party because the 1977 claims remain pending on remand. Indeed, plaintiffs make an abrupt about-face from their contention that defendants "succeeded in gutting the entire CRRA," now arguing that *they* are the prevailing parties because they succeeded in obtaining reversal of some of the previously dismissed claims.

California courts take a "pragmatic approach [to] determining prevailing party status," generally looking to "the extent to which each party has realized its litigation objectives, whether by judgment, settlement or otherwise." *Graciano v. Robinson Ford Sales, Inc.*, 144 Cal. App. 4th 140, 50 Cal. Rptr. 3d 273, 281-82 (Cal. Ct. App. 2006) (citations omitted). And here, Sotheby's has obtained a judgment in its favor for all claims involving sales that occurred after January 1, 1978. *See Close*, 894

3. We reject plaintiffs' judicial estoppel argument, as defendants have not taken "inconsistent positions regarding [their] entitlement to fees" so as to be judicially estopped from requesting them. *Ryan*, 786 F.3d at 763.

F.3d at 1076. All that remains on remand is the "sliver of claims" involving sales that occurred in 1977. *Id.* at 1072. Sotheby's is, in any practical sense, a prevailing party.

Plaintiffs argue that Sotheby's "cannot be deemed to be the prevailing party" because of the remanded claims. The CRRA fee-shifting provision, however, applies only to claims involving sales that occurred after January 1, 1983. *See* Cal. Civ. Code § 986(f). Sotheby's is thus the prevailing party for *all* of the claims that fall within the fee-shifting provision. And under California law, a party who prevails on a fee-shifting claim remains a prevailing party "even when such a claim is made with other claims on which attorney fees are not recoverable." *Sharif v. Mehusa, Inc.*, 241 Cal. App. 4th 185, 193 Cal. Rptr. 3d 644, 650 (Cal. Ct. App. 2015); *see Jankey*, 290 P.3d at 198 ("The general rule is that where a non-fee-shifting claim overlaps with a fee-shifting claim, it does not limit fee awards under the fee-shifting claim.").[4] The non-fee-shifting claims might affect the "*amount* of" the fee award, but they do not negate a party's "*entitlement* to" a fee award. *Graciano*, 50 Cal. Rptr. 3d at 283.

4. This rule disposes of plaintiffs' argument that a fee award is proper only when the prevailing party prevails in the entire "action." California courts have expressly considered and rejected this argument, holding that the phrase "any action" in a fee-shifting statute "refers to any 'cause of action,'" not the entire lawsuit. *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556, 146 Cal. Rptr. 3d 849, 868-69 (Cal. Ct. App. 2012); *see, e.g., Ramos v. Garcia*, 248 Cal. App. 4th 778, 204 Cal. Rptr. 3d 214, 222 (Cal. Ct. App. 2016).

Plaintiffs also contend that "there may be no fee award while, as here, a case is still pending." But California courts, like federal courts, "allow attorney fee awards even where there has been no decision on the merits." *Winick Corp. v. Safeco Ins. Co.*, 187 Cal. App. 3d 1502, 232 Cal. Rptr. 479, 481 (Cal. Ct. App. 1986); *accord Animal Lovers Volunteer Ass'n, Inc. v. Carlucci*, 867 F.2d 1224, 1225 (9th Cir. 1989) ("The fact [that] the dispute between the parties may continue does not preclude a fee award."). The "case need not be completely final" for fees to be awarded as long as the victory obtained on the fee-shifting claims is "secure." *Urbaniak v. Newton*, 19 Cal. App. 4th 1837, 24 Cal. Rptr. 2d 333, 336 (Cal. Ct. App. 1993) (citation omitted). And here, Sotheby's has obtained a secure victory on all of the claims for which fees may be awarded.

The cases cited by plaintiffs involve fee requests by a party who won a procedural victory on appeal that merely continued the litigation. *See Hanrahan v. Hampton*, 446 U.S. 754, 758, 100 S. Ct. 1987, 64 L. Ed. 2d 670 (1980) (reversing fee award where the applicants had "not prevailed on the merits of any of their claims" on appeal but instead only obtained a new trial); *Presley of S. Cal. v. Whelan*, 146 Cal. App. 3d 959, 196 Cal. Rptr. 1, 2 (Cal. Ct. App. 1983) (declining to award fees for achieving a reversal of summary judgment). But as we have explained, these cases addressing purely procedural victories are "irrelevant" if the prevailing party has "won a determination on the merits." *Animal Lovers*, 867 F.2d at 1225. Sotheby's is the "prevailing party" with respect to all of the fee-shifting claims and is entitled to a fee award for the work performed on them.

III. CONCLUSION

Sotheby's and eBay are entitled to a fee award under the CRRA fee-shifting provision. Their applications for attorneys' fees (Case No. 16-56234, Dkt. Nos. 72 and 74) are accordingly **GRANTED.**[5] We refer the matter to the Appellate Commissioner to determine the appropriate amount of fees to be awarded, subject to reconsideration by this panel. *See* Ninth Circuit Rule 39-1.9.

5. Plaintiffs' motion to strike defendants' replies in support of their fee applications (Case No. 17-56234, Dkt. No. 82) is **DENIED**.

APPENDIX B — DENIAL OF RECONSIDERATION OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT, FILED FEBRUARY 12, 2019

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 16-56234
D.C. No. 2:11-cv-08604-MWF-FFM
Central District of California,
Los Angeles

CHUCK CLOSE; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiffs-Appellants,

v.

SOTHEBY'S, INC., A NEW YORK CORPORATION,

Defendant-Appellee.

No. 16-56235
D.C. No. 2:11-cv-08605-MWF-FFM
Central District of California,
Los Angeles

THE SAM FRANCIS FOUNDATION; ESTATE OF ROBERT GRAHAM; CHUCK CLOSE,

Appendix B

INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Plaintiffs-Appellants,

v.

CHRISTIE'S, INC., A NEW YORK CORPORATION,

Defendant-Appellee.

No. 16-56252
D.C. No. 2:11-cv-08622-MWF-PLA
Central District of California,
Los Angeles

THE SAM FRANCIS FOUNDATION; CHUCK CLOSE, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUTATED; LADDIE JOHN DILL, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUTATED,

Plaintiffs-Appellants,

v.

EBAY INC., A DELAWARE CORPORATION,

Defendant-Appellee.

Appendix B

ORDER

Before: BOGGS,* BYBEE, and WATFORD, Circuit Judges.

The panel judges have voted to deny plaintiffs' motion for reconsideration. Judges Bybee and Watford have voted to deny plaintiffs' motion for reconsideration *en banc*, and Judge Boggs has recommended denying the motion for reconsideration *en banc*. The full court has been advised of the motion for reconsideration *en banc* and no judge has requested a vote on whether to reconsider the matter en banc. Fed. R. App. P. 35; 9th Cir. Gen. Order 6.11.

Accordingly, plaintiffs' motion for reconsideration and reconsideration *en banc* (Case No. 16-56234, Dkt. No. 88) is **DENIED**.

---

* The Honorable Danny J. Boggs, United States Circuit Judge for the U.S. Court of Appeals for the Sixth Circuit, sitting by designation.

APPENDIX C — RELEVANT STATUTORY PROVISIONS

17 U.S.C. § 301

§ 301. Preemption with respect to other laws

Effective: October 11, 2018

(a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to--

(1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or

(2) any cause of action arising from undertakings commenced before January 1, 1978;

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106; or

(4) State and local landmarks, historic preservation, zoning, or building codes, relating to architectural works protected under section 102(a)(8).

(c) Notwithstanding the provisions of section 303, and in accordance with chapter 14, no sound recording fixed before February 15, 1972, shall be subject to copyright under this title. With respect to sound recordings fixed before February 15, 1972, the preemptive provisions of subsection (a) shall apply to activities that are commenced on and after the date of enactment of the Classics Protection and Access Act. Nothing in this subsection may be construed to affirm or negate the preemption of rights and remedies pertaining to any cause of action arising from the nonsubscription broadcast transmission of sound recordings under the common law or statutes of any State for activities that do not qualify as covered activities under chapter 14 undertaken during the period between the date of enactment of the Classics Protection and Access Act and the date on which the term of prohibition on unauthorized acts under section 1401(a)(2) expires for such sound recordings. Any potential preemption of rights and remedies related to such activities undertaken during that period shall apply in all respects as it did the day before the date of enactment of the Classics Protection and Access Act.

(d) Nothing in this title annuls or limits any rights or remedies under any other Federal statute.

(e) The scope of Federal preemption under this section is not affected by the adherence of the United States to the Berne Convention or the satisfaction of obligations of the United States thereunder.

(f)(1) On or after the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to--

> **(A)** any cause of action from undertakings commenced before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990;
>
> **(B)** activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual art; or
>
> **(C)** activities violating legal or equitable rights which extend beyond the life of the author.

Appendix C

17 U.S.C. § 505

§ 505. Remedies for infringement: Costs and attorney's fees

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

Appendix C

WEST'S ANN.CAL.CIV.CODE § 986

§ 986. Work of fine art; sale; payment of percentage to artist or deposit for Arts Council; failure to pay; action for damages; exemptions

(a) Whenever a work of fine art is sold and the seller resides in California or the sale takes place in California, the seller or the seller's agent shall pay to the artist of such work of fine art or to such artist's agent 5 percent of the amount of such sale. The right of the artist to receive an amount equal to 5 percent of the amount of such sale may be waived only by a contract in writing providing for an amount in excess of 5 percent of the amount of such sale. An artist may assign the right to collect the royalty payment provided by this section to another individual or entity. However, the assignment shall not have the effect of creating a waiver prohibited by this subdivision.

(1) When a work of fine art is sold at an auction or by a gallery, dealer, broker, museum, or other person acting as the agent for the seller the agent shall withhold 5 percent of the amount of the sale, locate the artist and pay the artist.

(2) If the seller or agent is unable to locate and pay the artist within 90 days, an amount equal to 5 percent of the amount of the sale shall be tranferred[1] to the Arts Council.

---

1. So in chaptered copy.

(3) If a seller or the seller's agent fails to pay an artist the amount equal to 5 percent of the sale of a work of fine art by the artist or fails to transfer such amount to the Arts Council, the artist may bring an action for damages within three years after the date of sale or one year after the discovery of the sale, whichever is longer. The prevailing party in any action brought under this paragraph shall be entitled to reasonable attorney fees, in an amount as determined by the court.

(4) Moneys received by the council pursuant to this section shall be deposited in an account in the Special Deposit Fund in the State Treasury.

(5) The Arts Council shall attempt to locate any artist for whom money is received pursuant to this section. If the council is unable to locate the artist and the artist does not file a written claim for the money received by the council within seven years of the date of sale of the work of fine art, the right of the artist terminates and such money shall be transferred to the council for use in acquiring fine art pursuant to the Art in Public Buildings program set forth in Chapter 2.1 (commencing with Section 15813) of Part 10b of Division 3 of Title 2, of the Government Code.

(6) Any amounts of money held by any seller or agent for the payment of artists pursuant to this section shall be exempt from enforcement of a money judgment by the creditors of the seller or agent.

(7) Upon the death of an artist, the rights and duties created under this section shall inure to his or her heirs, legatees, or personal representative, until the 20th anniversary of the death of the artist. The provisions of this paragraph shall be applicable only with respect to an artist who dies after January 1, 1983.

(b) Subdivision (a) shall not apply to any of the following:

(1) To the initial sale of a work of fine art where legal title to such work at the time of such initial sale is vested in the artist thereof.

(2) To the resale of a work of fine art for a gross sales price of less than one thousand dollars ($1,000).

(3) Except as provided in paragraph (7) of subdivision (a), to a resale after the death of such artist.

(4) To the resale of the work of fine art for a gross sales price less than the purchase price paid by the seller.

(5) To a transfer of a work of fine art which is exchanged for one or more works of fine art or for a combination of cash, other property, and one or more works of fine art where the fair market value of the property exchanged is less than one thousand dollars ($1,000).

(6) To the resale of a work of fine art by an art dealer to a purchaser within 10 years of the initial sale of the work of fine art by the artist to an art dealer, provided all intervening resales are between art dealers.

(7) To a sale of a work of stained glass artistry where the work has been permanently attached to real property and is sold as part of the sale of the real property to which it is attached.

(c) For purposes of this section, the following terms have the following meanings:

(1) "Artist" means the person who creates a work of fine art and who, at the time of resale, is a citizen of the United States, or a resident of the state who has resided in the state for a minimum of two years.

(2) "Fine art" means an original painting, sculpture, or drawing, or an original work of art in glass.

(3) "Art dealer" means a person who is actively and principally engaged in or conducting the business of selling works of fine art for which business such person validly holds a sales tax permit.

(d) This section shall become operative on January 1, 1977, and shall apply to works of fine art created before and after its operative date.

(e) If any provision of this section or the application thereof to any person or circumstance is held invalid for any reason, such invalidity shall not affect any other provisions or applications of this section which can be effected, without the invalid provision or application, and to this end the provisions of this section are severable.

(f) The amendments to this section enacted during the 1981-82 Regular Session of the Legislature shall apply to transfers of works of fine art, when created before or after January 1, 1983, that occur on or after that date.