

In the
Supreme Court of the United States

MARON PICTURES LTD.,

Petitioner,

v.

SAM EIGEN ET AL.,

Respondents.

On Petition for Writ of Certiorari to the
Court of Appeal of California, Second Appellate District

BRIEF IN OPPOSITION

RICHARD L. CHARNLEY
COUNSEL OF RECORD

ANNIE RIAN
NICOLE W. UHLMANN
CHARNLEY RIAN LLP
12121 WILSHIRE BLVD., SUITE 600
LOS ANGELES, CA 90025
(310) 321-4300
RLC@CHARNLEYRIAN.COM

OCTOBER 7, 2019

COUNSEL FOR RESPONDENTS

SUPREME COURT PRESS ♦ (888) 958-5705 ♦ BOSTON, MASSACHUSETTS

QUESTIONS PRESENTED

1. How can any state court make conclusions in relation to motion picture rights without referring to the Copyright Act to make a determination?

2. Pursuant to 17 U.S.C. § 301(a), if “all legal or equitable rights” that a plaintiff asserts under state law are “rights that are equivalent” to those protected “within the general scope of copyright as specified by section 106” then doesn’t the work involved fall within the “subject matter” of the Copyright Act?

3. How can the State of California stop a Copyright Owner from receiving bi-annual accounting and reporting as legally required by Federal Copyright Law (17 U.S.C. § 119(b)), and stop him receiving his royalties owed?

4. How can the State of California forfeit a Copyright Owner of his rights pursuant to 17 U.S.C. § 106, thus stopping him from exploiting his copyright protected work in the remaining global territories pursuant to 17 U.S.C. § 106(3), which is constitutionally protected under The Copyright Act of 1976 and under The Berne Convention Implementation Act of 1988?

CORPORATE DISCLOSURE STATEMENT

Respondents Mainsail, LLC and Shoreline Entertainment, Inc. are private companies with no parent corporations, and there is no publicly listed corporation that own 10% or greater of their stock. Respondent Sam Eigen is a real person.

TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED	i
CORPORATE DISCLOSURE STATEMENT	ii
TABLE OF AUTHORITIES	vi
BRIEF IN OPPOSITION.....	1
OPINIONS BELOW	1
OBJECTION TO JURISDICTION	2
STATUTORY PROVISIONS AND CANONS INVOLVED.....	2
STATEMENT.....	3
INTRODUCTION	5
A. The Trial Court’s Rulings	6
1. Application of the One-Year Contractual Limitations Period	6
2. Petitioner’s Defective Opening Brief and Petition for Writ of Certiorari	12
ARGUMENT	13
I. THE DECISION BELOW IS CORRECT.....	16
A. Petitioner Cannot Raise New Arguments on Appeal	16
B. Appellate Court’s Opinion Is Circum- scribed by Issues Raised in Opening Brief .	17
II. COPYRIGHT PREEMPTION DOES NOT APPLY TO EXTRA-TERRITORIAL CONDUCT.....	21

TABLE OF CONTENTS – Continued

	Page
III. PETITIONER’S CLAIM THAT AN OBVIOUS CONFLICT OF AUTHORITY IN THE QUESTIONS PRESENTED IS MISLEADING AS THE QUES- TIONS PRESENTED ARE NOT LOGICALLY RELATED TO THE SUBJECT APPELLATE OPINION.....	22
A. The California Court of Appeals Opinion Does Not Conflict with the First, Second and Ninth Circuit Courts of Appeals	23
B. The Court of Appeals Opinion Does Not Conflict with Federal Copyright Law and the Well-Established Precedents of the Second, Third, Fourth, Ninth and Tenth Circuit Courts of Appeals	29
C. Whether Petitioner’s Copyright Rights Have Been Forfeited	34
D. Whether the Trial Court’s Determina- tions Infringe Upon Petitioner’s Copy- right-Protected Work Such That the State of California and the Judges Involved in the Lower Courts Are Liable for Contributory Copyright Infringement	36
CONCLUSION.....	39

TABLE OF CONTENTS – Continued

Page

APPENDIX TABLE OF CONTENTS

Judgment of the Superior Court of the State of California (December 9, 2016)	Res.App.1a
Sales Agency Agreement (April 20, 2009)	Res.App.3a

TABLE OF AUTHORITIES

	Page
CASES	
<i>Antonick v. Electronic Arts, Inc.</i> , 841 F.3d 1062 (9th Cir. 2016)	35
<i>Bateman v. Mnemonics, Inc.</i> , 79 F.3d 1532 (11th Cir. 1996)	32
<i>Bekele v. Lyft, Inc.</i> , 918 F.3d 181 (1st Cir. 2019).....	15
<i>Brannan v. United Student Aid Funds, Inc.</i> , 94 F.3d 1260 (9th Cir. 1996)	26
<i>Cardinale v. Louisiana</i> , 394 U.S. 437, 89 S.Ct. 1161, 22 L.Ed.2d 398 (1969)	15
<i>Caterpillar v. Williams</i> , 482 U.S. 386 (1987)	24, 28
<i>Close v. Sotheby's, Inc.</i> , No. 16-56234 (9th Cir. 2018).....	26
<i>Cooksey v. Alexakis</i> , 123 Cal. App. 4th 246 (2004)	11
<i>Drop Dead Co. v. S. C. Johnson & Son, Inc.</i> , 326 F.2d 87 (9th Cir. 1963)	16
<i>Ferruzzo v. Superior Court</i> , 91 Cal. App. 3d 501 (1980)	12
<i>Filmvideo Releasing Corp. v. Hastings</i> , 668 F.2d 91 (2d Cir.1981).....	22
<i>Folio Impressions, Inc. v. Byer California</i> , 937 F.2d 759 (2nd Cir. 1991)	30
<i>Fonar Corp. v. Domenick</i> , 105 F.3d 99 (2nd Cir. 1997)	30, 31

TABLE OF AUTHORITIES—Continued

	Page
<i>Gamet v. Blanchard</i> , 91 Cal. App. 4th 1276 (2001)	12
<i>Great North R. Co. v. Alexander</i> , 246 U.S. 276 (1918)	24
<i>Gully v. First Nat’l Bank</i> , 299 U.S. 109 (1936)	24
<i>Hamil Am. Inc. v. GFI</i> , 193 F.3d 92 (2nd Cir. 1999)	30
<i>Hasbro Bradley, Inc. v. SparkleToys, Inc.</i> , 780 F.2d 189 (2d Cir. 1985)	31
<i>Home Depot U.S.A. Inc. v. Jackson</i> , No. 17-1471, slip op., (U.S. May 28, 2019)	26
<i>Jennings v. State of Ill.</i> , 342 U.S. 104, 72 S.Ct. 123, 96 L.Ed. 119 (1951)	15
<i>Johnson v. Armored Transp. of Cal., Inc.</i> , 813 F.2d 1041 (9th Cir. 1987)	26
<i>Lantzy v. Centex Homes</i> , 31 Cal. 4th 363 (2003)	18
<i>Lopez v. Corporacion Azucareera de Puerto Rico</i> , 938 F.2d 1510 (1st Cir. 1991)	20
<i>Louisville & Nashville R. Co. v. Mottley</i> , 211 U.S. 149 (1908)	24
<i>Mandell v. Superior Court</i> , 67 Cal. App. 3d 1 (1977)	11
<i>Manfredi & Levine v. Superior Court</i> , 66 Cal. App. 4th 1128 (1998)	11

TABLE OF AUTHORITIES—Continued

	Page
<i>McClaran v. Plastic Industries, Inc.</i> , 97 F.3d 347 (9th Cir. 1996)	36
<i>Merrell Dow Pharmaceuticals, Inc.</i> <i>v. Thompson</i> , 478 U.S. 804 (1986)	24
<i>Metro. Life Ins. Co. v. Taylor</i> , 481 U.S. 58 (1987)	24, 26
<i>Moore v. Kulicke & Soffa Industries, Inc.</i> , 318 F.3d 561 (3d Cir. 2003)	37
<i>National Secretarial Service, Inc. v. Frohlich</i> , 21 Cal.App.3d 510 (1989)	21
<i>OBB Personenverkehr AG v. Sachs</i> , 577 U.S. ___, 136 S.Ct. 390, 193 L.Ed.2d 269 (2015)	33, 34
<i>Overman v. Loesser</i> , 205 F.2d 521 (9th Cir. 1953)	37
<i>Peter Starr Prod. Co. v. Twin Continental</i> <i>Films, Inc.</i> , 783 F.2d 1440 (9th Cir.1986)	22
<i>Reed Elsevier, Inc. v. Muchnick</i> , 559 U.S. 164 (2010)	32
<i>Robert Stigwood Group, Ltd. v. O'Reilly</i> , 530 F.2d 1096, <i>cert. denied</i> , 429 U.S. 848, 97 S.Ct. 135, 50 L.Ed.2d 121 (2d Cir. 1976)	21, 22
<i>Scandinavian Satellite System, AS v. Prime</i> <i>TV Ltd.</i> , 291 F.3d 839 (D.C. Cir. 2002)	32
<i>Shamrock Oil & Gas Corp. v. Sheets</i> , 313 U.S. 100 (1941)	26

TABLE OF AUTHORITIES—Continued

	Page
<i>Sickle v. Torres Advanced Enter. Sols., LLC</i> , 884 F.3d 338 (D.C. Cir. 2018)	26
<i>Subafilms, Ltd. v. MGM-Pathe Communications</i> <i>Co.</i> , 24 F.3d 1088 (9th Cir. 1994)	21, 22
<i>Taylor v. Freeland & Kronz</i> , 503 U.S. 638, 112 S.Ct. 1644, 118 L.Ed.2d 280 (1992)	16, 34
<i>Teselle v. McLoughline</i> , 173 Cal.App. 4th 156 (2009)	9, 19
<i>The Fair v. Kohler Die & Specialty Co.</i> , 228 U.S. 22 (1913)	24
<i>Urbont v. Sony Music Entm't</i> , 831 F.3d 80 (2nd Cir. 2016)	30
<i>Wasatch Min. Co. v. Crescent Min. Co.</i> , 148 U.S. 293, 13 S.Ct. 600, 37 L.Ed. 454 (1893)	5
<i>Webb v. Webb</i> , 451 U.S. 493, 101 S.Ct. 1889, 68 L.Ed.2d 392 (1981)	15
<i>Whimsicality, Inc. v. Rubie's Costume Co.,</i> <i>Inc.</i> , 891 F.2d 452 (2d Cir. 1989)	31

STATUTES

17 U.S.C. § 101	16, 32
17 U.S.C. § 102	27
17 U.S.C. § 103	27
17 U.S.C. § 106	passim

TABLE OF AUTHORITIES—Continued

	Page
17 U.S.C. § 119(b)	i, 34
17 U.S.C. § 122.....	5
17 U.S.C. § 301(a)	i, 25, 27, 28
17 U.S.C. § 411(a)	32
17 U.S.C. § 501.....	5
17 U.S.C. § 506.....	5
28 U.S.C. § 1257(a)	2
28 U.S.C. § 1331.....	32
28 U.S.C. § 1338(a)	25, 31, 32
28 U.S.C. § 1441.....	3, 26
28 U.S.C. § 1605(a)(2)	33

JUDICIAL RULES

CA. St. Bar R. 5.101.1.....	29
Canon 1, California Code of Judicial Ethics	38
Canon 2, California Code of Judicial Ethics	38
Canon 3, California Code of Judicial Ethics	38
Canon 6, California Code of Judicial Ethics	38
Sup. Ct. R. 10	13, 14, 15
Sup. Ct. R. 14.1(g)(i)	2
Sup. Ct. R. 15.4	2

TABLE OF AUTHORITIES—Continued

Page

OTHER AUTHORITIES

14B Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, FEDERAL PRACTICE AND PROCEDURE: JURISDICTION 3D § 3722.1 (3d ed. 1998 and Supp. 2005).....	28
---	----



BRIEF IN OPPOSITION

Respondents Sam (“Eigen”), Mainsail, LLC (erroneously sued as Mainsail Entertainment, Inc.) (“Mainsail”) and Shoreline Entertainment, Inc. (“Shoreline”) (collectively herein “Respondents”) respectfully submit that the Petition for Writ of Certiorari should be denied as Petitioner has failed to present arguable grounds for review.



OPINIONS BELOW

There are no opinions issued by any circuit court of appeal or district court in this matter. The opinion at issue is *Maron Pictures Ltd. v. Sam Eigen*, B280738 (Cal. Ct. App. Feb. 15, 2019)—not certified for publication (Pet.App.13a-55a)¹, which affirmed the orders of the Los Angeles Superior Court, entered February 10, 2016, granting Respondents’ motion for summary adjudication as to six of seven causes of action in Petitioner’s original complaint (Pet.App.60a-73a) and December 9, 2016, granting Respondents’ motion for summary judgment as to all claims and finding that Respondents were entitled to judgment as a matter of law on all claims in Petitioner’s first amended complaint (Pet.App.57a-58a).

¹ “Pet.” refers to the petition for writ of certiorari. “Pet.App.” refers to the appendix to the petition. “Res.” refers to the respondents’ brief in opposition. “Res.App.” refers to the appendix to the brief in opposition.



OBJECTION TO JURISDICTION

The California Court of Appeal entered its opinion on February 15, 2019. (Pet.App.13a-55a). A petition for rehearing was denied on March 5, 2019. (Pet.App.11a). A petition to transfer was denied on March 8, 2019. (Pet.App.6a). A petition for transfer of appellate division case was denied on March 14, 2019. (Pet.App.4a). A petition for review to the California Supreme Court was denied on May 15, 2019 (Pet.App.2a).

A petition for writ of certiorari was filed on May 29, 2019. Petitioner purports to invoke the jurisdiction of this Court under 28 U.S.C. § 1257(a).

Per Sup. Ct. R. 15.4, Respondents object to Jurisdiction. For reasons further detailed in the Argument (Res.13), the Petitioner did not raise the federal question in the Court of Appeal of California, Second Division, and is therefore barred from raising it in this Court. The petition fails the standard set out in Sup. Ct. R. 14.1(g)(i) which requires specific citation to the instance when the federal question was raised at each stage of the case.



STATUTORY PROVISIONS AND CANONS INVOLVED

Relevant provisions of the Copyright Act (17 U.S.C.) are reproduced at Pet.2-7.

Relevant provisions of the United States Supreme Court Rules are reproduced at Res.XX.

Relevant provisions of the federal removal statute (28 U.S.C. § 1441 et seq.) are reproduced at Res.XX, fn. 14.

Relevant provisions of the California Code of Judicial Ethics are reproduced at Res.XX, fn. 21.



STATEMENT

The legal relationship of Petitioner, on the one hand, and Respondent Mainsail/Shoreline, on the other hand, was defined by a Sales Agency Agreement (the “SAA”) that the parties entered in April 2009. The SAA appointed Mainsail/Shoreline as sales agent for the film *Strength and Honour* (the “Film”).

In 2010, Petitioner filed an arbitration demand with the International Film and Television Alliance (“IFTA”) as required by the SAA. In the demand, Petitioner alleged damages in connection with Respondents’ Mainsail/Shoreline’s activities as Petitioner’s sales agent. Petitioner chose not to include any copyright claims in that demand. Ultimately, Petitioner’s arbitration demand was dismissed because Petitioner deliberately chose (*i.e.* refused) not to pay the required fees.

Two years later in 2013, Petitioner filed suit, in California state court, alleging identical claims as in the IFTA claim—all state law causes of action. Petitioner chose not to include any copyright claims in its complaint.

After engaging in discovery, Respondents sought summary adjudication to dispose of certain claims asserted in the complaint. Although Petitioner opposed that motion, Petitioner never raised any copyright claims or any argument that federal copyright law should apply to its claims or that the California courts should somehow be divested of jurisdiction on account of copyright preemption. After the trial court granted summary adjudication as to most of Petitioner's state law claims, Petitioner successfully moved to amend its complaint in 2016 to assert additional claims. But, in the amended complaint Petitioner again raised no copyright claims.

Fully represented by counsel during an ensuing state court bench trial, Petitioner again raised no copyright issues. Then, when the trial court issued its preliminary decision in favor of Respondents and invited objections or modifications thereto, Petitioner was silent. In so doing, Petitioner waived any objections and/or right to request modification of the trial court's preliminary decision or to invoke copyright claims under federal copyright law.

Based on the bench trial court's findings, Respondents moved for summary judgment on Petitioner's entire first amended complaint, and, again, Petitioner raised no copyright issues. The motion was granted and judgment, as a matter of law, was entered in favor of Respondents. (Pet.App.55a; Res.App.22a)

Hence, Petitioner had no less than seven bites at the proverbial apple to invoke some form of copyright protection at the trial court level, but Petitioner failed to do so. Instead, Petitioner sought to insert

copyright infringement claims for the first time on appeal and without any reference to a trial court evidentiary record.² Petitioner’s procedural manipulation is forbidden as a matter of law. *Wasatch Min. Co. v. Crescent Min. Co.*, 148 U.S. 293, 300, 13 S.Ct. 600, 602, 37 L.Ed. 454 (1893) (“The supreme court of the territory rightfully held that the defendant should have raised the question in the trial court, where ample power exists to correct and amend the pleadings, and not having done so, but having gone to trial on the merits, the defendant was precluded from assigning error for matters so waived.”).



INTRODUCTION

Each of the five (5) “questions presented” in the subject writ purportedly concern the Copyright Act; however, Petitioner never asserted any copyright claims at the trial court level. Never. In an effort to show error on appeal, Petitioner made repeated references to “Federal Copyright Law (17 U.S.C. §§ 106, 106A, 122, 501, 506)”³ and to its “certificate of copyright.”⁴ However, the appellate court found nothing in the record to support Petitioner’s claim that the subject copyright certificate had been admitted into evidence.⁵ Moreover, and more importantly, it held that

² Pet.19, fn. 2.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

“[Petitioner] may not raise Federal Copyright Law for the first time on appeal.”⁶

Thus, Petitioner has made numerous stabs at redress, each of which failed. Petitioner was intentionally unsuccessful in the arbitral arena. Petitioner was unsuccessful in obtaining redress in state court thereafter; Petitioner was fruitless in showing error on appeal, as well as in seeking reconsideration of its appellate opinion; Petitioner failed in seeking a transfer; and, finally, Petitioner was unsuccessful in its attempt to have the California Supreme Court grant its Petition for Review.⁷

A. The Trial Court’s Rulings

1. Application of the One-Year Contractual Limitations Period

The SAA contained a one-year internal claims limitation requiring that claims regarding the SAA be brought “within one year of becoming aware of the claim” (herein “the Contractual Limitations Period”). In its writ request, Petitioner admits that “[d]isputes arose between the parties within a few months of executing the SAA, but [Petitioner] did not file [its complaint] until four years later.” (Pet.14). Petitioner conveniently fails to inform this Court that Petitioner actually filed its complaint years after expiration of the Contractual Limitations Period.

⁶ *Id.*

⁷ California Supreme Court denied Petitioner’s petition for review on May 15, 2019.

The truth is thus: on October 6, 2010, Petitioner filed its demand for IFTA arbitration as required by the SAA (Pet.App.17a); then, Petitioner allowed the demand to stagnate for months because Petitioner deliberately refused to pay the filing fee required by IFTA; finally, after asking Petitioner to pay the fees, the IFTA arbitral agent advised that if Petitioner did not pay by a “date certain,” the arbitration claim would be dismissed; and, Petitioner then just chose not to pay, and IFTA dismissed the claim.

Hence the filing date of the IFTA demand (October 6, 2010) became a “knowledge date” for purpose of starting the Contractual Limitations Period. Accordingly, the Contractual Limitations Period (to which Petitioner’s claims are subject) began to “run” on October 6, 2010 and expired one year later on October 6, 2011. Petitioner, however, did not file its California court complaint until March 22, 2013 (Pet.13), by which time any of Petitioner’s claims that arose prior to October 6, 2010, were time-barred.

Applying the Contractual Limitations Period, the trial court granted summary adjudication on six of Petitioner’s seven causes of action, leaving the declaratory relief accompanied by an “accounting” cause of action, limited to the period of time from March 22, 2012 to March 22, 2013 (the date of filing), as the only remaining matter for the trial court to consider.⁸

⁸ It is worth noting that Petitioner’s claims actually accrued as of January 30, 2010 according to Petitioner’s admission, both in its opening brief and in its Petition before this Court. (Pet.9, 17). Thus, Petitioner’s claims actually became time-barred as early as January 2011, which means that Petitioner’s claims

1. Petitioner's Declaratory Relief Claim Was Rejected After Trial

Petitioner sought a declaration that Respondent Mainsail's alleged breach of its obligation to provide Petitioner with periodic accounting statements (showing revenue generated by the Film) entitled Petitioner to terminate or rescind the SAA. (Pet. App.42a). This issue was the subject of a bench trial. Trial court held Petitioner's declaratory relief claim was technically deficient, stating that "[t]o establish a claim for declaratory relief, [Petitioner] needs to show that there is some uncertainty with respect to the parties' obligation under the SAA that requires the Court to resolve." (Pet.App.44a). Because there was no uncertainty in the SAA, Petitioner naturally had no "evidence" thereof and, as the trial court observed, presented none. The trial court, thus, found Petitioner's declaratory relief action had failed.

On review, the appellate court, bound by the record, affirmed the trial court's holding, finding that Petitioner had failed to establish by a preponderance of the evidence that Respondent Mainsail had violated the terms of the SAA. (Pet.App.44a). Specifically: Paragraph 12.2 of the SAA obligated Respondent Mainsail to provide Petitioner with statements of Gross Proceeds only after delivery [of all of the "film elements" required by the SAA] was complete (Res.App.8a); the evidence established that Petitioner never completed delivery (Pet.App.43a); and thus, Respondent Mainsail had no contractual obligation to

would have been time-barred under the Copyright Act's 3-year statute of limitations period.

provide Petitioner with statements of Gross Proceeds. (Pet.App.47a)

2. Petitioner's Equitable Accounting Claim Fails

The trial court also determined whether Petitioner was entitled to an accounting on equitable grounds. The trial court held that “[a] plaintiff bringing a cause of action for an equitable accounting has the burden of showing “some balance is due the plaintiff that can only be ascertained by an accounting.” (Pet.App.50a (citing *Teselle v. McLoughline*, 173 Cal.App. 4th 156, 179 (2009)). However, as the trial court stated, Petitioner submitted no evidence that Respondents retained any revenues generated from selling/licensing the Film after March 22, 2012 (one year before Petitioner filed its complaint). (Pet.App.48a) (likewise, the appellate court found no evidence in the record to support “even an inference that [Respondents] must have received revenue from [the 13 showings on Turner Classic Movies (TCM) in Europe from 2014 to 2016].”). (Pet.App.50a). Respondents, on the other hand, established that Respondent Mainsail had not earned any revenue from licensing the Film since 2010. (Pet.App.43a) Thus, the trial court found in favor of Respondents on Petitioner’s equitable accounting claim. (Pet.App.50a) Having found no showing of clear error in the trial court’s findings, the appellate affirmed the trial court’s ruling. (Pet.App.50a).

3. Petitioner's Argument that the Trial Court's Ruling on the Declaratory Relief and Accounting Claims Amounts to a Forfeiture is Unsound

Petitioner argued, on appeal, that the trial court's ruling on Petitioner's declaratory relief and accounting causes of action indirectly amounted to a forfeiture. This faulty thinking demonstrates Petitioner's misunderstanding of the trial court's ruling. To be clear — “[t]he trial court's ruling resulted in [Petitioner] having no contractual right to receive periodic accounting statements from [Respondents].” (Pet.App.47a) (emphasis added). “[Petitioner] still ha[d] a contractual right to obtain financial information from [Respondents].” *Id.* The SAA put the onus on Respondents to provide periodic accounting statements to Petitioner once delivery was complete. Where delivery was not complete, the SAA put the onus on Petitioner to obtain financial information from Respondents. (Pet.App.47a). Thus, the appellate court found, “the trial court ruling did not result in [Petitioner] having no access to financial information about its film's licensing, it merely shifted the cost and initiative from [Respondents] to [Petitioner].” (Pet.App.47a). The appellate court held that “[t]o the extent [Petitioner] contends the court's ruling means it lost all rights to the [F]ilm forever, [Petitioner] is mistaken.” (Pet.App.48a).

4. Petitioner’s Argument that the Trial Court Erred in Granting Petitioner’s Counsel’s Motion to Withdraw and Denying Petitioner’s Informal Request to Continue the Hearing on Respondents’ Motion for Summary Judgment/Adjudication of Petitioner’s First Amended Complaint Fails

Petitioner’s contention that the trial court erred in granting Petitioner’s counsel’s motion to withdraw and in denying Petitioner’s informal request to continue the hearing on Respondents’ motion for summary judgment/adjudication of Petitioner’s first amended complaint is flawed. (Pet.App.51a). The appellate court found no abuse of discretion⁹ by the trial court, identifying numerous bases to support the trial court’s determination of the existence of a complete breakdown of the attorney-client relationship. (Pet.App.49a-51a). The appellate court found unpersuasive Petitioner’s argument that the “trial court should nonetheless have required [Petitioner’s counsel] to continue his representation until [Petitioner] found another attorney, because a corporation may not represent itself”. (Pet.App.52a). “[A]n order [granting a motion to withdraw as attorney of record] puts pressure on the corporation to obtain new counsel, or risk forfeiting important rights through nonrepresentation.” (Pet.App. 52a (citing *Ferruzzo v. Superior Court*, 91 Cal. App.

⁹ Abuse of discretion is standard of review on order granting withdrawal and on order denying request for continuance of a motion for summary judgment. (*Manfredi & Levine v. Superior Court*, 66 Cal. App. 4th 1128, 1133 (1998); *Mandell v. Superior Court*, 67 Cal. App. 3d 1, 4 (1977)); and *Cooksey v. Alexakis*, 123 Cal. App. 4th 246, 254 (2004), respectively).

3d 501, 504 (1980); *Gamet v. Blanchard*, 91 Cal. App. 4th 1276, 1284, fn. 5 (2001))). Petitioner had knowledge that it needed to engage new counsel three months before Respondents’ motion for summary judgment hearing.¹⁰ In choosing not to engage and retain new counsel, Petitioner bore the risk of forfeiting important rights, such as continuing the hearing on Respondents’ motion for summary judgment/adjudication and raising federal copyright claims.¹¹

Petitioner claimed that it could have had raised federal copyright claims at the hearing on Respondents’ motion for summary judgment/adjudication of Petitioner’s first amended complaint. Because such argument was not before the trial court, the trial court did not have occasion to entertain this argument. Moreover, the raising of such claims would have necessitated Petitioner amending its complaint, which, the appellate court reasoned, was “highly unlikely” given the late date. (Pet.App.54a).

2. Petitioner’s Defective Opening Brief and Petition for Writ of Certiorari

Petitioner argues that the trial court erred in its ruling and that the appellate court erred in affirming the trial court’s ruling. However, Petitioner ignores

¹⁰ On September 7, 2016, Petitioner’s counsel filed a substitution of attorney form that showed Petitioner representing itself. On October 21, 2016, the trial court granted Petitioner’s counsel’s motion to be relieved.

¹¹ The appellate court held that “Raising a claim under Federal Copyright Law, at a minimum, have required [Petitioner] amending its complaint, and it is unlikely such an amendment would have been permitted at such a late date.” Pet.App.54a.

the fact that both the trial court and the appellate court are bound by the trial record. Petitioner's opening brief (before the California Court of Appeals) and the subject writ are rife with defects, including: lack of citations to the record to support factual assertions; incorrect citations to the record; failure to distinguish between exhibits identified during trial and those exhibits that were actually admitted as evidence during trial; and, citations to the record that relied on inadmissible evidence and that were not properly part of the record.



ARGUMENT

Rule 10 of the United States Supreme Court Rules concerns considerations governing review on writ of certiorari. It states as follows:

Review on a writ of certiorari is not a matter of right, but of judicial discretion. A petition for a writ of certiorari will be granted only for compelling reasons. The following, although neither controlling nor fully measuring the Court's discretion, indicate the character of the reasons the Court considers:

- (a) a United States court of appeals has entered a decision in conflict with the decision of another United States court of appeals on the same important matter; has decided an important federal question in a way that conflicts with a decision by a state court of last resort; or has so far departed from the

accepted and usual course of judicial proceedings, or sanctioned such a departure by a lower court, as to call for an exercise of this Court's supervisory power;

- (b) a state court of last resort has decided an important federal question in a way that conflicts with the decision of another state court of last resort or of a United States court of appeals;
- (c) a state court or a United States court of appeals has decided an important question of federal law that has not been, but should be, settled by this Court, or has decided an important federal question in a way that conflicts with relevant decisions of this Court.

A petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law.

United States Supreme Court Rule 10.

The appellate opinion does not address any federal law. It does not conflict with another the decision of another state court of last resort or of a United States court of appeals. It did not decide an important question of federal law that has not been, but should be, settled by this Court, nor did it decide an important federal question in a way that conflicts with relevant decisions of this Court. Thus, there is no basis for this Court to address the merits of Petitioner's claim that federal copyright law (and presumably preemption) should have applied to its claims.

Sub-section (a) of Rule 10 is inapplicable as the case at issue was never before a U.S. court of appeals. Sub-sections (b) and (c) of Rule 10 are inapplicable as no federal question was decided by the California Court of Appeals, and, with respect to sub-section (b), the California Supreme Court never issued a decision in this case.

This Court has long held that it will not decide cases where the sole federal question has never been raised, preserved, or passed upon in the state court below. *Webb v. Webb*, 451 U.S. 493, 498-499, 101 S.Ct. 1889, 1893, 68 L.Ed.2d 392 (1981) (“We cannot conclude on this record that petitioner raised the federal claim that she now presents to this Court at any point in the state-court proceedings. Thus, we confront in this case the same problem that arose in *Cardinale v. Louisiana*, 394 U.S. 437, 438, 89 S.Ct. 1161, 1162, 22 L.Ed.2d 398 (1969): ‘Although certiorari was granted to consider this question, . . . the sole federal question argued here has never been raised, preserved, or passed upon in the state courts below.’ Citing a long history of cases, this Court held that ‘[t]he Court has consistently refused to decide federal constitutional issues raised here for the first time on review of state court decisions.’ *Id.* (“We have had several occasions to repeat this rule since then, and we see no reason to deviate from it now.”); (*Jennings v. State of Ill.*, 342 U.S. 104, 108-109, 72 S.Ct. 123, 126, 96 L.Ed. 119 (1951) (“Where, as here, a federal claim can be raised at the trial, it may be forfeited by failure to make a timely assertion of the claim.”); (*Bekele v. Lyft, Inc.*, 918 F.3d 181, 186-187 (1st Cir. 2019) (“[Appellant] waived the contract formation issue by not raising it in his opening brief. It is well settled that ‘we do not

consider arguments for reversing a decision of a district court when the argument is not raised in a party's opening brief.”)

I. THE DECISION BELOW IS CORRECT

A. Petitioner Cannot Raise New Arguments on Appeal

Petitioner raised a new theory on appeal—that the Copyright Act should have applied to its claims. However, Petitioner never invoked any reference to any provision of Federal Copyright Law (17 U.S.C. §§ 101, et seq.) and never asserted any claim related to copyright infringement at the trial court level. Accordingly, Petitioner cannot raise this new theory on appeal.

In its ordinary course, this Court “does not decide questions not raised or resolved in the lower court[s].” *Taylor v. Freeland & Kronz*, 503 U.S. 638, 645-646, 112 S.Ct. 1644, 1649, 118 L.Ed.2d 280 (1992). This Court’s rationale for doing so is to “help to maintain the integrity of the process of certiorari.” *Id.* at 646. “The Court decides which questions to consider through well-established procedures; allowing the able counsel who argue before us to alter these questions or to devise additional questions at the last minute would thwart this system.” *Id.* at 646. A claim that has not been properly presented before the trial court cannot be argued for the first time in the higher courts. *Drop Dead Co. v. S. C. Johnson & Son, Inc.*, 326 F.2d 87, 95 (9th Cir. 1963) (“On this appeal and for the first time, appellants claim that appellee should be thrown out of court on the ground of unclean hands because of alleged violations of the anti-trust laws. Since this

issue was not raised below, it cannot be raised here.”). Because Petitioner failed to raise copyright claims at the trial court level, it cannot raise copyright claims on appeal.

**B. Appellate Court’s Opinion Is Circumscribed
by Issues Raised in Opening Brief**

The appellate court’s opinion is circumscribed by the six issues framed by Petitioner in its Opening Brief. The appellate court ruled on these six issues, as follows:

**1. Appellate Court Rejects Petitioner’s
Argument That Contractual Limitations
Period Had Not Passed**

On Petitioner’s first claim that the Contractual Limitations Period¹² had not passed on any claim, the appellate court, limited to issues that Petitioner raised and briefed in its opening brief, found that “[t]he provisions of the SAA as a whole confirm paragraph 17.3 required [Petitioner] to bring and maintain a civil action within one year of knowledge of the violation on which the action is based.” (Pet.App.30a).

**2. Appellate Court Rejects Petitioner’s Argu-
ment That Respondents Should Be Equi-
tably Estopped from Relying on the Con-
tractually Shortened Limitations Period**

On Petitioner’s second claim that Respondents should be equitably estopped from relying on the

¹² Petitioner erroneously uses the term “statute of limitations” to describe the Contractual Limitations Period.

Contractual Limitation Period, the appellate court, again limited to issues that Petitioner raised and briefed in its opening brief, found that Respondents' alleged insincerity about mediating the claims was apparent by the end of January 2011, well before the one-year contractual limitations period expired. (Pet.App.36a). The appellate court concluded that equitable estoppel did not apply as a matter of law, noting that the application of equitable estoppel requires a plaintiff to proceed diligently once the truth is revealed. (Pet.App.34a) (*citing Lantzy v. Centex Homes*, 31 Cal. 4th 363, 384-385 (2003)). The appellate court held that Petitioner's inactivity in waiting to file suit for two years was not diligence as a matter of law. (Pet.App.36a, fn. 6) (emphasis added).

3. Appellate Court Rejects Petitioner's Argument That the Trial Court Erred in Deciding Petitioner's Declaratory Relief Cause of Action

On Petitioner's third claim related to the equitable claims of declaratory relief, the trial court found that Petitioner had not completed delivery of the Film, stating that "[i]t is simply not disputed [Petitioner] could not, and did not, make complete delivery as required by the Delivery Schedule. [Testimony of Mark Mahon and Sam Eigen]." (Pet.App.43a). Having failed to establish that Petitioner had completed delivery, Petitioner could not establish by a preponderance of the evidence that Respondents had violated the terms of the SAA, which were contingent upon complete delivery. Therefore, Petitioner's declaratory relief claim seeking a declaration that Respondents' breach

entitled Petitioner to terminate or rescind the SAA failed.

4. Appellate Court Rejects Petitioner’s Argument That the Trial Court Erred in Deciding Petitioner’s Equitable Accounting Cause of Action

Petitioner’s opening brief also sought to show error in the trial court’s ruling that Petitioner was not equitably entitled to an accounting by Respondents. The trial court found that Petitioner’s claims were limited to revenues received by Respondents after March 22, 2012 (*i.e.* within one year of filing suit against Respondents) and that Petitioner had failed to produce any evidence that Respondents received licensing revenue from the Film after March 2010. Thus, the trial court concluded, “[Petitioner] has failed to establish that it is entitled to any accounting from [Respondents].” (Pet.App.48a).

The appellate court found that substantial evidence existed to support the trial court’s finding that Petitioner had not met its burden of showing “some balance is due the [Petitioner] that can only be ascertained by an accounting.” (Pet.App.49a) (citing *Teselle v. McLoughlin*, 173 Cal.App.4th 156, 179 (2009)).

5. Appellate Court Rejects Petitioner's Argument That the Trial Court Erred in Granting Petitioner's Counsel's Motion to Withdraw and in Denying Petitioner's Informal Request to Continue the Hearing on Respondents' Motion for Summary Judgment/Adjudication

On Petitioner's fifth claim that the trial court improperly granted Respondents' motion for summary judgment/adjudication of Petitioner's first amended complaint, the appellate court found no abuse of discretion in the trial court's finding that a complete breakdown in the attorney-client relationship had arisen or in the trial court's denial of Petitioner's informal request for a continuance in light of Petitioner's failure to have secured counsel by December 9, 2016, the hearing date on Respondents' motion for summary judgment. The evidence established that Petitioner knew that it needed to engage and retain counsel as early as September 7, 2016. Having chosen not to engage and retain counsel, Petitioner again bore the risk that such decision engendered.¹³

¹³ Of note, in California, "[t]he failure of the nonmoving party to respond to a summary judgment motion does not in itself justify summary judgment. Rather, before granting an opposed summary judgment, the court must inquire whether the moving party has met its burden to demonstrate undisputed facts entitling it to summary judgment as a matter of law." *Lopez v. Corporacion Azucareera de Puerto Rico*, 938 F.2d 1510 (1st Cir. 1991).

6. Appellate Court Rejects Petitioner's Argument That Petitioner Should Have Been Entitled to Augment the Record

On Petitioner's sixth claim that Petitioner's motion to augment should be granted because the trial court lost the original exhibits, the appellate court correctly held that "[i]n the absence of a reporter's transcript, we are unable to review the trial court's rulings excluding [Petitioner's] exhibits, and so those exhibits have no relevance on appeal." (Pet.App.43a). "It is elementary and fundamental that on a clerk's transcript appeal the appellate court must conclusively presume that the evidence is ample to sustain the findings" (Pet.App.39a) (*citing National Secretarial Service, Inc. v. Frohlich*, 21 Cal.App.3d 510, 521-522 (1989)).

II. COPYRIGHT PREEMPTION DOES NOT APPLY TO EXTRA-TERRITORIAL CONDUCT

"United States copyright laws do not have extraterritorial effect." *Subafilms, Ltd. v. MGM-Pathe Communications Co.*, 24 F.3d 1088, 1094-1098 (9th Cir. 1994) (en banc). Thus, "each of the rights conferred under the five section 106 categories must be read as extending 'no farther than the [United States'] borders." *Id.* at 1094 (*See, e.g., Robert Stigwood Group, Ltd. v. O'Reilly*, 530 F.2d 1096, 1101 (2d Cir.), *cert. denied*, 429 U.S. 848, 97 S.Ct. 135, 50 L.Ed.2d 121 (1976) (holding that no damages could be obtained under the Copyright Act for public performances in Canada when preliminary steps were taken within the United States and stating that "[t]he Canadian performances, while they may have been torts in Canada, were not torts here"); *see also Filmvideo Releasing Corp. v. Hastings*,

668 F.2d 91, 93 (2d Cir.1981) (reversing an order of the district court that required the defendant to surrender prints of a film because the prints could be used to further conduct abroad that was not proscribed by United States copyright laws)). Thus, “infringing actions that take place entirely outside the United States are not actionable.” *Peter Starr Prod. Co. v. Twin Continental Films, Inc.*, 783 F.2d 1440, 1442 (9th Cir. 1986) (citing *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1101 (2d Cir.), *cert. denied*, 429 U.S. 848, 97 S.Ct. 135, 50 L.Ed.2d 121 (1976)). This applies to preemption of copyright claims as well. *Subafilms, supra*, at 1091 (citing *Peter Starr, supra*).

Here, the SAA provided that “[t]he territory in which [Mainsail] may exercise its rights hereunder is the entire world, excluding the North America and Ireland (the “Territory”). (Res.App.2a). Thus, Respondents’ grant of license of the Film was limited to territories outside the United States. Thus, there is no basis for this Court to address the merits of Petitioner’s alleged copyright claims because any alleged infringement occurred outside the United States.

III. PETITIONER’S CLAIM THAT AN OBVIOUS CONFLICT OF AUTHORITY IN THE QUESTIONS PRESENTED IS MISLEADING AS THE QUESTIONS PRESENTED ARE NOT LOGICALLY RELATED TO THE SUBJECT APPELLATE OPINION

Petitioner claims that this Court should grant certiorari because “there is an obvious conflict of authority in the questions presented.” (Pet.19). However, the issue is not whether there is an obvious conflict of authority in the questions presented; rather, the issue is whether there is an obvious conflict of

authority in the questions presented that derive from the subject appellate opinion. The trial court’s grounds of decision to support its judgment and the appellate court’s affirmation thereof do not concern copyright law whereas each of the subject questions presented does. Moreover, Petitioner neither raised nor preserved copyright claims. Therefore, this Court should deny review due to this “obvious” procedural defect.

A. The California Court of Appeals Opinion Does Not Conflict with the First, Second and Ninth Circuit Courts of Appeals

Petitioner claims that review by this Court is warranted because the subject appellate opinion conflicts with previous decisions of the First, Second and Ninth Circuits. (Pet.20). To reiterate, the appellate opinion does not concern federal copyright law or copyright preemption whereas the cases cited by Petitioner in section “I.A.” of the writ concern copyright preemption (Pet.App.20a-24a). Thus, there is no conflict.¹⁴

1. Well Pleaded Complaint Doctrine

Petitioner’s complaint and first amended complaint fail to raise any federal claims, including, specifically, any copyright claims. Petitioner is master of its complaint—not only substantively (in terms of content) but also procedurally (in terms of where to file). Petition-

¹⁴ Parenthetically, Petitioner’s reference to the Second Circuit is confusing as there is no citation to the Second Circuit regarding preemption under the Copyright Act in Section I.A. Rather, the only citation is to a California district court case that, in turn, cites a New York district court case.

er failed to assert any federal claims, which is ostensibly why Petitioner's complaint, which was limited to state law claims, was filed in California state court. Having failed to assert any copyright claim in its complaint or first amended complaint, Petitioner posits that the mere introduction of a copyright certificate during trial or discovery somehow magically converted Petitioner's claim to a federal copyright law claim. Petitioner is wrong. First, to be part of the record, a copyright certificate, properly authenticated, must be admitted. Assuming *arguendo* that this had happened (it did not), producing the certificate does not render each cause of action in Petitioner's complaint a copyright claim.

Under the long established "well pleaded complaint" rule, a cause of action arises under federal law only when the face of the complaint raises a federal issue. *Metro. Life Ins. Co. v. Taylor*, 481 U.S. 58, 63 (1987) (citing *Gully v. First Nat'l Bank*, 299 U.S. 109 (1936); *Louisville & Nashville R. Co. v. Mottley*, 211 U.S. 149 (1908)); *Caterpillar v. Williams*, 482 U.S. 386, 392 (1987) (The well-pleaded complaint rule "makes the plaintiff the master of the claim; he or she may avoid federal jurisdiction by exclusive reliance on state law."). "Jurisdiction may not be sustained on a theory that the plaintiff has not advanced." *Merrell Dow Pharmaceuticals, Inc. v. Thompson*, 478 U.S. 804, 809, n. 6 (1986); *see also, The Fair v. Kohler Die & Specialty Co.*, 228 U.S. 22, 25 (1913) ("Of course, the party who brings a suit is master to decide what law he will rely upon") (Holmes, J.); *see also Great North R. Co. v. Alexander*, 246 U.S. 276, 282 (1918) ("[T]he plaintiff may by the allegations of his complaint

determine the status with respect to removability of a case”).

Thus, this Court should not entertain Petitioner’s writ because Petitioner failed, at the trial court level, to allege copyright claims and failed to make any argument that federal copyright law applied to its claims.

2. Preemption

Petitioner claims that the trial court erred in not applying federal copyright law to its claims despite not pleading federal copyright claims. (Pet.23 (“[T]he judge should have preempted the case pursuant to 17 U.S.C. § 301(a) and 28 U.S.C. § 1338(a) . . .”). Petitioner further contends that the trial court’s ruling “set incorrect parameters for all the other wrong determinations that followed.” (Pet.23-24). What Petitioner argues poorly is that complete preemption should have applied to its claims. However, even here, at this Court of last resort, Petitioner fails to address the complete preemption doctrine at all.

Nonetheless, Respondents will address the narrow inquiry of whether Petitioner’s state law claims are inherently federal such that the complete preemption doctrine mandates the Copyright Act apply to its claims.

a. Ordinary or Defensive Preemption

Ordinary preemption or “defensive preemption” concerns substantive jurisdiction and affords a defendant a basis to remove a state law action, containing state law claims, to federal court. Ordinary preemption is not available to Petitioner, who was plaintiff in the underlying action, because federal

preemption is an affirmative position available to defendants. *Metro. Life Ins. Co. v. Taylor*, 481 U.S. 58, 63 (1987); *Close v. Sotheby's, Inc.*, No. 16-56234 (9th Cir. 2018) (citing *Sickle v. Torres Advanced Enter. Sols., LLC*, 884 F.3d 338, 345 (D.C. Cir. 2018) (“Preemption ordinarily is an affirmative defense forfeitable by the party entitled to its benefit.”)); *see also, 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). The preemption doctrine affords a defendant the right to remove a cause of action¹⁵ that otherwise appears to lack federal question jurisdiction by asserting that federal law preempts the state law claim. *Shamrock Oil & Gas Corp. v. Sheets*, 313 U.S. 100 (1941); *Home Depot U.S.A. Inc. v. Jackson*, No. 17-1471, slip op. at 1 (U.S. May 28, 2019).¹⁶

In the present case, it is Petitioner, plaintiff in the underlying action, who seeks a determination that its state-law causes of action are preempted by federal copyright law. Petitioner fails to provide any

¹⁵ The removal statute, 28 U.S.C. § 1441, provides: “(a) Generally.—Except as otherwise expressly provided by Act of Congress, any civil action brought in a State court of which the district courts of the United States have original jurisdiction, may be removed by the defendant or the defendants, to the district court of the United States for the district and division embracing the place where such action is pending.” (emphasis added).

¹⁶ Justice Thomas, writing for a five-Justice majority that included Justices Ginsburg, Breyer, Sotomayor and Kagan, noted that neither the general removal statute nor the removal provision of the Class Action Fairness Act (CAFA) provides any support for the theory that the term “defendant” in those statutes also encompasses “counterclaim defendant.” *Home Depot, supra*.

authority that suggests that a plaintiff is entitled to have its state-law causes of action adjudicated through the lens of federal copyright law despite failing to plead federal copyright claims and despite failing to raise such argument at any time at the trial court level.

b. Complete Preemption

Section 301 of the Copyright Act provides:

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.¹⁷

Complete preemption requires a more explicit finding of Congressional intent to control an area of the law than ordinary preemption. Therefore, lower courts must find that ordinary preemption applies before considering whether “Congress desired to control the adjudication of the federal cause of action to such an extent” that it not only provided preemption as a defense, but “replaced the state law with federal law and made it clear that the defendant has the ability

¹⁷ 17 U.S.C. § 301(a).

to seek adjudication of the federal claim in a federal forum.”¹⁸ Petitioner’s inability to satisfy the requirements of ordinary preemption precludes this Court from finding complete preemption.

c. Application to Petitioner’s Claims

Petitioner contends that the subject matter of its complaint consists of claims for which copyright protection could have been can be obtained. (Pet.23). While that may be, in having failed to allege copyright claims on the face of its complaint and its first amended complaint, Petitioner waived this argument. There is no preemption based solely on the introduction of a copyright. *See, e.g., Caterpillar, Inc. v. Williams*, 482 U.S. 386 (1987). In *Caterpillar*, employees, who were subject to a collective bargaining agreement, had brought breach of contract claims in state court against their employer. The employer sought to remove the case to federal court on the basis that § 301 of the Labor Management Relations Act conferred federal jurisdiction as to suits for violations of collective bargaining agreements. This Court held that a plaintiff’s complaint must present a federal question on its face for federal jurisdiction to be proper. *Id.* at 398-399 (“The presence of a federal question, even a § 301 question, in a defensive argument does not overcome the paramount policies embodied in the well-pleaded complaint rule.”).

¹⁸ 14B Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, *FEDERAL PRACTICE AND PROCEDURE: JURISDICTION* 3D § 3722.1 (3d ed. 1998 and Supp. 2005) (discussing the difference in ordinary and complete preemption).

Here, Petitioner did not raise copyright claims. Petitioner did not assert that that federal copyright law ought to apply to its state-law claims. Petitioner never provided evidence that it was indeed the owner of the copyright, then moved to admit that affirming evidence into the court record. (California State Rules of State Bar Rule 5.101.1) (“A proposed exhibit which is withdrawn or not offered into evidence will not become part of the official record.”).¹⁹ Thus, Petitioner’s argument that the trial court erred in not applying federal copyright law to its claims, which is based on the mere existence of a copyright, is unfounded.

B. The Court of Appeals Opinion Does Not Conflict with Federal Copyright Law and the Well-Established Precedents of the Second, Third, Fourth, Ninth and Tenth Circuit Courts of Appeals

Petitioner claims that “federal copyright law and the Second, Third, Fourth, Ninth and Tenth Circuit Courts of Appeal have well-established precedents,” ostensibly to support its argument that its state law causes of action are preempted by the Copyright Act. (Pet.24). However, Petitioner must still show that these “well-established precedents” in the Second, Third, Fourth, Ninth and Tenth Circuits are actually in conflict with the California appellate court’s opinion. This Petitioner cannot do. On one hand, the appellate opinion does not address federal copyright

¹⁹ Petitioner referenced and introduced copyrights to the Film and the underlying screenplay, but Petitioner never presented the trial court with a copyright certificate and never caused its copyrights to be admitted into the record.

law, while on the other hand each of “precedents” cited by Petitioner in section I.B. of its writ petition does.

The “precedents” relied upon in this section (I.B.) by Petitioner are as follows:

1. “A certificate of registration from the United States Register of Copyrights constitutes prima facie evidence of the valid ownership of a copyright.” Pet.25 (*citing Hamil Am. Inc. v. GFI*, 193 F.3d 92, 98 (2nd Cir. 1999); *Folio Impressions, Inc. v. Byer California*, 937 F.2d 3d 759, 763 (2nd Cir. 1991); *Fonar Corp. v. Domenick*, 105 F.3d 99, 104 (2nd Cir. 1997); *Urbont v. Sony Music Entm’t*, 831 F.3d 80, 88 (2nd Cir. 2016)).

Petitioner’s copyright is not part of the record. Moreover, there is no evidence that Petitioner’s copyright was certified. Regardless, the trial court’s opinion neither invalidated Petitioner’s ownership rights nor infringed upon Petitioner’s rights to the subject copyright work—either directly or indirectly. Likewise, the appellate court’s affirmance of the trial court’s ruling did not invalidate or infringe upon Petitioner’s copyrights. The protections afforded Petitioner by virtue of the 2006 and 2008 copyright registrations in and to the Film have not been jeopardized by the trial court’s rulings or the appellate court’s affirmation thereof.

2. “A certificate of copyright registration is prima facie evidence that the copyright is valid.” (Pet.26) (*citing Fonar Corporation v. Domenick*, 105 F.3d 99, 104 (2dCir. 1997)).

The question of whether Petitioner’s copyright certificate is valid is not properly before this Court as Petitioner’s copyright certificate is not part of the trial record and, thus, cannot be considered. Even if the subject copyright certificate were part of the trial record, it is irrelevant in determining whether the appellate court erred with regard to Petitioner’s preemption argument raised here for the first time.

3. “Possession of a registration certificate creates a rebuttable presumption that the work in question is copyrightable.” (Pet.26) (*citing Whimsicality, Inc. v. Rubie’s Costume Co., Inc.*, 891 F.2d 452, 455 (2d Cir. 1989)).

Whether the Film is copyrightable is irrelevant. Petitioner includes this statement of law ostensibly to support its proposition that the certificate of copyright registration shifts to Respondents the burden of proving the invalidity of the copyright. (Pet.26) (*citing Hasbro Bradley, Inc. v. SparkleToys, Inc.*, 780 F.2d 189, 192 (2d Cir. 1985); *Fonar Corporation v. Domenick*, 105 F.3d 99, 104 (2d Cir.1997)). However, as explained above, the issue of the validity of Petitioner’s copyright certificate was never before the trial court.

4. Title 28 U.S.C. § 1338(a) provides, in pertinent part, for original and exclusive federal district court jurisdiction over any civil action arising from an act of Congress relating to copyrights. “(federal courts have subject mat-

ter jurisdiction over matters “arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks”). *Scandinavian Satellite System, AS v. Prime TV Ltd.*, 291 F.3d 839, 842 (D.C. Cir. 2002).

It is undisputed that no federal claims are stated on the face of Petitioner’s complaint or first amended complaint. Nonetheless, Petitioner argues that “once the certificate of copyright registration was presented to the trial court, the action was thereby preempted by the Federal Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* (the “Copyright Act”).” (Pet.27). Petitioner states that “[t]he Copyright Act expressly provides for exclusive Federal jurisdiction over any action involving Copyright. 17 U.S.C. § 106.” (Pet.27). This is false. First, Petitioner failed to have its copyright authenticated and admitted into the record. Second, while registration is a prerequisite to federal litigation under 17 U.S.C. § 411(a), a federal court’s jurisdiction is not conditioned on a registration. *See Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 164-65 (2010) (finding no conditional jurisdiction for copyright infringement actions based on 28 U.S.C. §§ 1331 and 1338). *Original Appalachian*, 684 F.2d at 821, 27-28 (“While the burden of persuasion as to the validity of the copyright rests with the plaintiff in an infringement action, once he produces a copyright certificate he establishes a prima facie case of validity of his copyright and the burden of production shifts to the defendant to introduce evidence of invalidity.”) (internal citations omitted); *see also Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1541 (11th Cir. 1996) (“Once the plaintiff produces a certificate of copyright, the

burden shifts to the defendant to demonstrate why the claim of copyright is invalid.”). Having failed to have its copyright certificate admitted, Petitioner has waived any claim based thereon.

Petitioner never alleged a federal copyright claim throughout any of the prior proceedings and has failed to proffer any substantial evidence that indicates otherwise. Thus, Petitioner should not be permitted to raise new arguments to support federal copyright claims that were never asserted in the first instance. Not only does Petitioner improperly raise a federal copyright claim for the first time, in a broad stroke, it presents a multitude of arguments in a desperate effort to fit and lump his already existing claims into the sphere and scope of a federal copyright claim. In the case of *OBB Personenverkehr AG v. Sachs*, 577 U.S. ___, 136 S.Ct. 390, 397, 193 L.Ed.2d 269 (2015),²⁰ a similar situation arose. This Court explained in turn:

Sachs raises a new argument in this Court in an attempt to fit her claims within § 1605(a)(2). . . . That argument was never presented to any lower court and is therefore forfeited . . . Absent unusual circumstances—none of which is present here—we will not entertain arguments not made below.

²⁰ As of February 2019, final bound volumes for the U.S. Supreme Court’s United States Reports have been published through volume 569. Newer cases from subsequent volumes do not yet have official page numbers and typically use three underscores in place of the page number.

Id. (emphasis added) (*citing Taylor v. Freeland & Kronz*, 503 U.S. 638, 645-646, 112 S.Ct. 1644, 118 L.Ed.2d 280 (1992)).

Plainly said, the arguments of Sachs in *OBB Personenverkehr AG* and the arguments of Petitioner in this action are likened to that of forcing a misplaced puzzle piece to fit in a jigsaw puzzle board—regardless of whatever angle the piece is positioned in, or the amount of exertion taken to lodge it in the slot, the puzzle piece simply will not fit.

Here, similar to *OBB Personenverkehr AG*, where Sachs raises new arguments to fit her claims within another statute, Petitioner in this action attempts to bundle its state law claims into a federal copyright claim under 17 U.S.C. § 119(b)**Error! Bookmark not defined..** And, just as this Court rejected Sachs' attempt to raise a new argument to fit her claims within a statute, this Court should also disallow Petitioner from raising a new argument to fit its claims, questions, and causes of action into a federal copyright claim under 17 U.S.C. § 119(b)**Error! Bookmark not defined..**

C. Whether Petitioner's Copyright Rights Have Been Forfeited

Petitioner's copyright rights have not been forfeited by virtue of the trial court's rulings and the appellate court's affirmance thereof. Petitioner still has complete ownership rights of its copyrights and every incident thereto. Petitioner had, and continues to have, rights to accountings—albeit after a showing that Respondents have earned revenue from licensing the Film within the one-year period.

Petitioner also contends that its royalties and distribution rights have been forfeited. (Pet.42). Petitioner further states, with no citation to any admissible evidence or record, that:

[T]he [trial] court and appellate [court] were made aware that Petitioner’s ‘copyright protected film is still being commercially exploited by major global corporations around the world even today, (MTA pp. 84-128, 141-155, 157-165, 190-192, 6 CT:1256, 1258, 1269),²¹ including but not limited to Apple, Amazon, Google, EOne, You Tube, to name a few, despite Respondents contending that the film was never delivered to them . . . it [has] never being withdrawn from the global marketplace, it continues to infringe Appellant’s exclusive rights . . .

(Pet.43).

Petitioner failed to present any evidence that Respondents had received revenue after 2010 whereas Respondents were able to present evidence that the trial court deemed credible that Respondents had not received revenue after 2010. Petitioner’s unsubstantiated claims are insufficient to establish its claim of forfeiture. *See, e.g., Antonick v. Electronic Arts, Inc.*, 841 F.3d 1062, 1069 (9th Cir. 2016) (“The district court dismissed this claim because Antonick offered no evidence of purported damages . . . Instead, Antonick cited only the report of his damages expert, which

²¹ Petitioner’s reference to its Motion to Augment is misleading and defective as it included incomplete documents, incorrect documents, and documents never filed or lodged in the action.

simply made generic royalty calculations based on existing sales without explaining how those calculations were relevant to the Development Aid claim. The district court correctly kept this unsubstantiated claim from the jury.”). Petitioner must prove its damages and cannot liberally speculate the extent of damages from lost royalties. *See McClaran v. Plastic Industries, Inc.*, 97 F.3d 347, 356-357 (9th Cir. 1996) (overturned the jury award for royalty damages because plaintiff was unable to provide sufficient proof of damages. The proof provided in the trial court was deemed to be too speculative.).

D. Whether the Trial Court’s Determinations Infringe Upon Petitioner’s Copyright-Protected Work Such That the State of California and the Judges Involved in the Lower Courts Are Liable for Contributory Copyright Infringement

Petitioner claims that its copyright-protected work was infringed upon by Respondents and that the trial and appellate courts deprived Petitioner of its claim for copyright infringement. Based thereon, Petitioner claims that the trial court, the appellate court and the State of California are liable for secondary contributory copyright infringement.

The trial court found that Petitioner had no viable claims against Respondent. No copyright infringement was found as copyright infringement was not even before the trial court. Thus, if the trial court’s, appellate court’s and State of California’s liability stems from that of Respondents, then because there is no viable claim for copyright infringement against Respondents, there can be no secondary infringement

as to the trial court, appellate court and State of California.

Petitioner unabashedly argues that the trial court and the appellate district had “actual knowledge and ‘ha[d] reason to know’ of direct infringement.” (Pet.44). Quite frankly, Petitioner has the order of things backwards. It is well-established that when prosecuting a claim, the plaintiff bears the burden of proof and persuasion. (*Moore v. Kulicke & Soffa Industries, Inc.*, 318 F.3d 561, 566 (3d Cir. 2003) (“At the outset of a trial, the plaintiff has both the burden of production and the burden of persuasion for each element of the prima facie case.”); *Overman v. Loesser*, 205 F.2d 521, 523 (9th Cir. 1953) (“The burden of proof, *i.e.*, the risk of non-persuasion, remains on the plaintiff throughout the presentation of the case, unless it is declared to be elsewhere by statute or practice. In a suit for copyright infringement, the plaintiff must prove that his copyrighted composition has been copied by the defendant, that is, he has the burden of establishing the requisites of the case.”))

Petitioner’s job was to bring its claims before the proper court and invoke appropriate jurisdiction. With respect to the “copyright claim,” Petitioner did neither. Then, after losing every claim at the trial level, it became Petitioner’s responsibility to sway the lower courts to accept its claims, arguments and theories pertaining to copyright infringement. Petitioner was unable to successfully do so and is undertaking efforts that demand the lower courts recognize its infringement claim in spite of the absence of clear facts and evidence. Without compelling facts and evidence, the trial court and the appellate court

should not be forced to recognize and accept Petitioner's failed infringement claims, arguments, and theories. Furthermore, because the courts did not cast Petitioner's contentions in a favorable light, Petitioner is aberrantly uncouth and unsavory in declaring that the trial court and the appellate district are knowingly and intentionally infringing on the copyrights of the Film out of some harbored bias and ill-will. This notion is utterly absurd and must not be entertained. Moreover, such argument mandates a finding that the judges breached Canons 1, 2, 3 and 6 of the California Code of Judicial Ethics,²² which the record simply does not support.

²² Canon 1 of the California Code of Judicial Ethics states that "[a] judge shall uphold the integrity and independence of the judiciary." California Code of Judicial Ethics (2018).

Canon 2 of the California Code of Judicial Ethics states that "[a] judge shall avoid impropriety and the appearance of impropriety in all of the judge's activities." California Code of Judicial Ethics (2018).

Canon 3 of the California Code of Judicial Ethics states that "[a] judge shall perform the duties of judicial office impartially, competently, and diligently." California Code of Judicial Ethics (2018).

Canon 6 of the California Code of Judicial Ethics requires judges be in compliance with the Code of Judicial Ethics. California Code of Judicial Ethics (2018).



CONCLUSION

The petition for writ of certiorari should be denied.

Respectfully submitted,

RICHARD L. CHARNLEY
COUNSEL OF RECORD

ANNIE RIAN
NICOLE W. UHLMANN
CHARNLEY RIAN LLP
12121 WILSHIRE BLVD., SUITE 600
LOS ANGELES, CA 90025
(310) 321-4300
RLC@CHARNLEYRIAN.COM

COUNSEL FOR RESPONDENTS

OCTOBER 7, 2019