

No. 22-121

In the Supreme Court of the United States

ML GENIUS HOLDINGS LLC,
PETITIONER,

v.

GOOGLE LLC, LYRICFIND INC.,
RESPONDENTS.

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT*

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Section 301 of the Copyright Act preempts common-law claims that, *inter alia*, 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). Section 106, in turn, sets forth various exclusive rights for copyright holders, including the rights to “reproduce” copies of the copyrighted work, to “distribute” those copies, and to “display” the work. *Id.* § 106(1), (3), (5).

Petitioner ML Genius Holdings LLC obtains licenses from music publishers (*i.e.*, copyright holders) to display song lyrics on its website. Although Genius does not own copyrights in the lyrics, it sought to arrogate to itself copyright-equivalent rights by inserting into its “Terms of Service” language that purports to prohibit any website visitor from ever copying, reproducing, or displaying the lyrics on its website. Invoking those Terms of Service, Genius asserted contract claims against Respondents Google and LyricFind for allegedly copying and displaying lyrics from Genius’s website—even though Google and LyricFind hold licenses from the *actual copyright holders* to reproduce and display those same lyrics.

The question presented is:

Whether the Second Circuit correctly held that, based on the particular allegations here, Genius’s contract claims were equivalent to copyright infringement claims and therefore preempted under section 301’s express preemption clause.

II

CORPORATE DISCLOSURE STATEMENT

Google LLC is a subsidiary of XXVI Holdings Inc., which is a subsidiary of Alphabet Inc. Alphabet Inc. is a publicly traded company, but no publicly traded corporation owns 10% or more of its stock.

LyricFind Inc. has no parent company, and there is no publicly held company owning 10% or more of its stock.

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BRIEF IN OPPOSITION

INTRODUCTION

The Copyright Act offers creators of works of authorship an exclusive bundle of rights, including the right to make copies, to create derivative works, to publicly display works, and to authorize others to do the same. 17 U.S.C. § 106. Under the Copyright Act’s express preemption provision, 17 U.S.C. § 301(a), the Act establishes the exclusive way for copyright holders, and *only* copyright holders, to exercise and enforce these rights or rights equivalent to them.

Petitioner ML Genius Holdings LLC obtains licenses from music publishers to display song lyrics on its website. Yet Genius does not own the copyrights to any of the lyrics. Genius nevertheless wants to prevent any website visitor from reproducing or publicly displaying the lyrics. Its solution? Ignore the true copyright owners and invent new rights through a purported contract. Relying on Terms of Service inconspicuously tucked behind a tiny link at the bottom of its webpage, Genius purports to grant *itself* copyright-equivalent rights to halt the ability of any online visitor to “copy,” “reproduce,” “create derivative works from,” “display,” or “perform” lyrics displayed on its website. Pet.App.138a-139a. Invoking those Terms of Service, Genius sued Respondents Google and LyricFind for allegedly copying and displaying lyrics from Genius’s website—even though Google and LyricFind hold licenses from the true *copyright holders* to reproduce and display those same lyrics.

The Second Circuit correctly saw through Genius’s attempt to arrogate to itself copyright-equivalent rights outside the Copyright Act. In a non-precedential summary affirmance, the court ruled that section 301(a) preempts Genius’s quasi-copyright claims. Specifically, the court held “only that, given the specific facts Genius pleaded in its complaint, its breach of contract claim is not qualitatively different from a copyright claim and is therefore preempted.” Pet.App.12a-13a.

That fact-bound decision does not warrant further review. Contrary to the petition’s ambitious claims (at 1, 7), the decision does not widen a supposed circuit split, nor does it threaten to “override most private bargains.” Instead, the decision applied a well-established two-prong test that has long been the law of the Second Circuit and has been uniformly adopted by other circuits too. Under

that test, contract claims generally escape preemption unless they purport to enforce rights directly equivalent to copyright rights. That settled precedent, which derives from the plain text of section 301, has not and will not trigger the calamities that Genius imagines. Further, this case is an especially poor vehicle for addressing the petitioner’s claim (at 30) that “bilateral agreement[s]” automatically survive preemption, as it remains hotly contested whether Genius’s Terms of Service even qualify as a bilateral agreement and whether Respondents even obtained the lyrics here from Genius’s website.

Finally, the narrow decision below is plainly correct. With perhaps no appreciation for irony, Genius seems to have copied words directly from the Copyright Act into its Terms of Service. Given the clear overlap, Genius’s claims are a paradigmatic example of contract claims that warrant preemption under section 301. The Court should deny the petition.

STATEMENT

A. Statutory Background

The Constitution vests in Congress the power to regulate copyright protection. U.S. Const. art. I, § 8, cl. 8. The first Congress exercised that power with the Copyright Act of 1790, but state and common-law copyright protections continued, subject to implied preemption under the Supremacy Clause. *See Goldstein v. California*, 412 U.S. 546, 561 (1973). By 1976, Congress determined that the “dual system of ‘common law copyright’ for unpublished works and statutory copyright for published works” was unworkable. H.R. Rep. No. 94-1476, at 129 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5745. The country needed “a single system of Federal statutory copyright” protection. *Id.*

Congress thus enacted 17 U.S.C. § 301, which expressly preempts state common-law and statutory claims that create rights equivalent to the rights afforded in the Copyright Act:

[A]ll 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 U.S.C. § 301(a).

This provision expressly preempts state-law claims that meet two qualifications. First, the claim must concern works that fall within the “subject matter of copyright” as defined in §§ 102 and 103. *Id.* Section 102 protects “original works of authorship fixed in any tangible medium of expression, ... from which they can be perceived, reproduced, or otherwise communicated,” including literary and musical works. *Id.* § 102(a). Section 103 protects compilations and derivative works. *Id.* § 103.

Second, the state law must also create “legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106.” *Id.* § 301(a). Section 106, in turn, guarantees copyright holders exclusive rights, such as the right to reproduce copies, prepare derivative works, display the work publicly, and authorize others to do the same. *Id.* § 106(1)-(2), (5).

B. Factual Background

1. Since 2009, Genius has run an online platform that displays the text of speeches, literature, and song lyrics, all authored by others. After establishing itself through what was reported to be rampant copyright infringement,¹ Genius today pays copyright owners for licenses to display millions of song lyrics. Pet.App.69a. Some owners provide their lyrics directly to Genius. Pet.App.69a-70a. Otherwise, Genius gathers lyrics through what it dubs “an innovative crowdsourcing solution,” Pet. 7—which is functionally akin to what Wikipedia does for general knowledge—whereby “music enthusiasts” in the general public collaborate to transcribe, edit, annotate, and post song lyrics on Genius’s website, Pet.App.70a.

Genius does not charge website visitors to view lyrics. Rather, Genius profits off their presence on the website, selling access to viewers’ eyeballs to online advertisers. Pet.App.71a. Genius otherwise profits from partnerships with platforms like Apple Music. Pet.App.71a.

Genius’s website content is publicly accessible. Pet.App.71a. Visitors often navigate directly to pages containing lyrics after using a search engine—including Google—to search for song lyrics. Pet.App.71a. Although visitors may think that they are merely accessing the lyrics of songs like “Tiny Dancer” when they visit the website, *see* Pet. 7, Genius considers any visit to include acceptance of a binding contract in the form of “Terms of Service” posted on a separate webpage. That page is accessible by scrolling down to the bottom of a page containing lyrics and clicking a small, inconspicuous link

¹ Ben Sisario, *In Music Piracy Battles, Lyrics Demand Respect Too*, N.Y. TIMES, Nov. 11, 2013, <https://tinyurl.com/4zvh5dar>; Ben Sisario, *Rap Genius Website Agrees to License With Music Publishers*, N.Y. TIMES, May 6, 2014, <https://tinyurl.com/4ad6y3cu>.

for Genius’s “Terms of Service.” *See, e.g.*, <https://genius.com/Elton-john-tiny-dancer-lyrics>. But a visitor may be unaware of that link and need not click it, let alone review and accept the Terms of Service, before viewing lyrics.

Even though Genius lacks copyrights in the lyrics posted on its site, its Terms of Service purport to create equivalent rights for itself. In language closely mirroring section 106 of the Copyright Act, the Terms of Service provide:

[Y]ou agree not to display, distribute, license, perform, publish, reproduce, duplicate, copy, create derivative works from, modify, sell, resell, exploit, transfer or transmit for any commercial purposes, any portion of the Service, use of the Service, or access to the Service. The Service is for your personal use and may not be used for direct commercial endeavors without the express written consent of Genius.

Pet.App.138a. A separate clause similarly provides:

[Y]ou agree not to modify, copy, frame, scrape, rent, lease, loan, sell, distribute or create derivative works based on the Service or the Genius Content, in whole or in part[.]

Pet.App.139a.

It is these lurking provisions that Genius sought to enforce as a contract here.

2. Genius is not the only platform that has mastered the ability to obtain licenses to display music lyrics online. Nor are Genius’s licenses with music publishers exclusive. LyricFind, for example, maintains a database of transcriptions of licensed lyrics that it offers to its customers so that they can display them on their own platforms.

Pet.App.68a. Unlike Genius, LyricFind’s business model has always included first obtaining licenses from copyright owners before displaying lyrics. Pet.App.68a; Paul Sawers, *LyricFind Gets the Global Rights for Song Lyrics From All Four Major Publishers*, TNW, Jan. 30, 2012, 3:33 PM, <https://tinyurl.com/3ab9jukn>.

Google is one of LyricFind’s customers. Beginning in 2014, Google obtained licenses so that it could display lyrics in “information boxes” at the top of search-result pages. Pet.App.73a. These information boxes, otherwise known as “knowledge panels,” give Google search users a quick snapshot of information responding to their inquiries. See <https://tinyurl.com/358yztwe>. To populate its information boxes, Google turned to, among others, LyricFind and its vault of licensed lyrics. Pet.App.68a.

Genius alleges that LyricFind copied (or “scraped”) some lyrics directly from Genius’s website before distributing them to Google, and that Google in turn displayed in its search results those “misappropriated” lyrics. Pet.App.67a. To bolster its allegations of copying, which LyricFind denies, Genius embedded “digital watermarks” in certain lyrics displayed on its site so it could track their reproduction elsewhere on the internet. Pet.App.80a-98a. Watermarked lyrics allegedly appeared in lyrics in Google information boxes. Despite Genius’s claim (at 10) that it caught Respondents “red-handed,” the mere appearance of the watermarks does not mean that Google or LyricFind copied the lyrics from Genius’s website, as third parties may have posted the lyrics to other websites where they could have been sourced by LyricFind or Google.

C. Proceedings Below

1. Genius sued Google and LyricFind in New York state court, asserting breach of contract and other claims.

Pet.App.103a-122a.² Invoking its Terms of Service, Genius alleged that Google and LyricFind breached purported contracts with Genius by copying and displaying lyrics from Genius’s website. Pet.App.103a-109a. Notably, Genius does not allege that Google or LyricFind copied any non-lyric content, such as user annotations, from Genius’s website.

Google and LyricFind removed the case to federal court. They argued that the complaint’s state-law claims were preempted by section 301(a) of the Copyright Act, 17 U.S.C. § 301(a), and thus fell within the exclusive jurisdiction of federal court. Genius moved to remand, arguing that none of its claims were preempted.

2. The district court denied the remand motion and dismissed the claims as preempted. Applying settled law, the court recognized that section 301 establishes a two-part test: Claims are preempted if they (1) involve types of works that fall within the subject matter of copyright, and (2) assert rights “equivalent to” any of the Copyright Act’s exclusive rights. Pet.App.27a-30a.

Here, Genius’s claims easily met the “subject matter prong.” The court defined the relevant “subject matter” as the lyrics, and Genius “concede[d]” that lyrics fall under federal copyright law. Pet.App.32a. On the “general scope” or “equivalency” prong, the court examined Genius’s state-law claims to determine whether they sought to vindicate rights equivalent to copyrights. Regarding the contract claims, the court explained that Genius sought to enforce a Terms of Service provision that is “nothing more than a recitation of exclusive rights reserved for true copyright owners under [s]ection 106.”

² On appeal Genius abandoned its unjust enrichment and indemnification claims. Pet.App.4a n.1. Genius similarly abandons those claims, as well as its unfair competition claim, in its petition.

Pet.App.34a (internal quotation marks omitted). At bottom, Genius’s “allegations that Defendants ‘scraped’ and used [its] lyrics for profit amount to allegations that Defendants made unauthorized reproductions of [its] lyric transcriptions,” which “is behavior that falls under federal copyright law.” Pet.App.42a. With all claims preempted, the court dismissed the action. Pet.App.64a.

3. The Second Circuit affirmed in a nonprecedential summary order. For the subject-matter prong, the court explained that lyrics are indisputably protected by federal copyright. Pet.App.7a. The court rejected Genius’s argument that it actually sought to protect not the lyrics themselves but rather its lyric-transcription *process*, noting that the complaint “repeatedly alleges that Defendants misappropriated *content* from Genius’s website.” Pet.App.8a (cleaned up).

The court next concluded that Genius’s contract claims satisfied the equivalency prong. Because the claims concerned “the copying and reproduction of Genius [c]ontent,” they were “coextensive with an exclusive right already safeguarded by the Act—namely, control over reproduction and derivative use of copyrighted material.” Pet.App.10a-11a. Nor did Genius’s particular contract claims contain any “extra element” that rendered them qualitatively different from copyright infringement claims. Pet.App.11a-12a.

The court noted that Genius “in effect” argued for “a *per se* rule that all breach of contract claims are exempt from preemption.” Pet.App.12a. After all, the “extra elements” that Genius identified as distinguishing its claims from copyright infringement—mutual assent, valid consideration, enforceability against only the contract’s parties—exist in all contracts. But the Second Circuit has never treated claims sounding in contract as either always

or never preempted. The panel observed that such a categorical rule would depart from settled circuit precedent and violate the “holistic” inquiry of the equivalency prong, which turns on “what the plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced.” Pet.App.12a (internal quotation marks omitted).

When rejecting Genius’s *per se* rule, the panel reiterated that it did not adopt the opposite categorical rule that breach of contract claims are always preempted by the Copyright Act. Pet.App.12a. Rather, the court “[h]eld only that, given *the specific facts Genius pleaded in its complaint*, its breach of contract claim is not qualitatively different from a copyright claim and is therefore preempted.” Pet.App.12a-13a (emphasis added). Since all claims were preempted, the court affirmed the dismissal. Pet.App.17a.

REASONS FOR DENYING THE PETITION

This case does not warrant further review. In an unpublished summary order, the Second Circuit followed well-settled precedent by applying an objective, two-part test adopted by all circuits to determine whether the Copyright Act preempts state-law claims, including contract claims. In doing so, the court did not adopt a rigid rule that contract claims involving copyright subject matter are always preempted by the Copyright Act, nor did it join the minority side of any purported circuit split. Instead, it held only that the particular claims here were expressly preempted by section 301 because Genius complained about nothing more than the reproduction, distribution, and display of copyrighted lyrics posted on its website. In seeking review, Genius vastly overstates the consequences of that narrow, nonprecedential ruling. And it overlooks the multiple issues that would make this case a

particularly poor vehicle for addressing broader applications of section 301 to contract claims.

I. There Is No Circuit Split

The petition rests on a mischaracterization of the decision below. *Genius* (at 1-3) suggests that the Second Circuit adopted a highly subjective, ad hoc rule that overrides most contract claims and that it joined the minority side of an alleged circuit split. None of this is true.

1. The text of section 301(a) sets out two clear prerequisites for the Copyright Act’s preemption of common-law claims. First, the subject matter of the claim must involve a type of work that falls “within the subject matter of copyright.” 17 U.S.C. § 301(a). And second, the claim must assert “rights that are equivalent to any of the exclusive rights” protected by the Copyright Act. *Id.*

This two-pronged test comes directly from section 301’s text and is uncontroversial. The Second Circuit has used the test for decades to evaluate whether the Copyright Act preempts a range of state-law claims. *See, e.g., Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 200 (2d Cir. 1983), *rev’d on other grounds*, 471 U.S. 539 (1985). Nor does the Second Circuit stand alone: *all* circuits employ this identical two-prong test to decide whether state-law claims, including contract claims, are preempted. *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1164 (1st Cir. 1994); *Facenda v. NFL Films, Inc.*, 542 F.3d 1007, 1027 (3d Cir. 2008); *OpenRisk, LLC v. MicroStrategy Servs. Corp.*, 876 F.3d 518, 523 (4th Cir. 2017); *GlobeRanger Corp. v. Software AG U.S. of Am., Inc.*, 836 F.3d 477, 484 (5th Cir. 2016); *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446, 453 (6th Cir. 2001); *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1453-54 (7th Cir. 1996); *Nat’l Car Rental Sys. Inc. v. Comput. Assocs. Int’l*, 991 F.2d 426, 431 (8th Cir. 1993); *Montz v. Pilgrim Films*

& *TV, Inc.*, 649 F.3d 975, 979-80 (9th Cir. 2011) (en banc); *Gates Rubber Co. v. Bando Chem. Indus.*, 9 F.3d 823, 847 (10th Cir. 1993); *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1311 (11th Cir. 2001); *Sturdza v. U.A.E.*, 281 F.3d 1287, 1304 (D.C. Cir. 2002).

The petition focuses on the second, “equivalency prong.” The statute does not define “equivalent,” but again the circuits take a uniform approach. Each circuit asks whether the asserted claim includes an “extra element” that makes it “qualitatively different” from a copyright infringement claim. See, e.g., *Data Gen.*, 36 F.3d at 1164; *Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc.*, 307 F.3d 197, 218 (3d Cir. 2002); *OpenRisk*, 876 F.3d at 524-25; *GlobeRanger*, 836 F.3d at 485; *Wrench*, 256 F.3d at 456; *Toney v. L’Oreal USA, Inc.*, 406 F.3d 905, 910 (7th Cir. 2005); *Nat’l Car Rental*, 991 F.2d at 431; *Montz*, 649 F.3d at 980; *Gates Rubber*, 9 F.3d at 847; *Foley v. Luster*, 249 F.3d 1281, 1285 (11th Cir. 2001); *Sturdza*, 281 F.3d at 1304; *Bowers v. Baystate Techs., Inc.*, 320 F.3d 1317, 1324 (Fed. Cir. 2003). Thus, Genius incorrectly asserts (at 1) that the Second Circuit joined the short end of a supposed split by asking whether Genius’s claim was “qualitatively different” from a copyright claim. The circuits uniformly apply that test.

Genius also is wrong (at 1) that the above test turns on a “subjective” inquiry. To determine whether claims are qualitatively different, the Second Circuit looks “at what [interest] the plaintiff seeks to protect, the theories in which the matter is thought protected and the rights sought to be enforced.” Pet.App.10a-11a (quoting *Briarpatch Ltd., L.P. v. Phx. Pictures, Inc.*, 373 F.3d 296, 306 (2d Cir. 2004)). This inquiry turns on *objective* comparisons of state-law claims to copyright claims—not on “subjective” considerations.

2. Because the circuits agree on section 301’s text-based two-prong inquiry, Genius tries to unearth a narrower split. But Genius is inconsistent in describing this purported split. It first insists the circuits are “intractably split” over whether “contracts [are] the sort of common law copyright protection Congress aimed to preempt” in section 301. Pet. 6-7 (internal quotation marks omitted). But elsewhere Genius claims circuits vary between “*near-categorical* rules against preemption” and “unpredictable ad hoc rules that override most private bargains.” Pet. 7 (emphasis added). In yet a third iteration, it describes a split over whether certain contract terms—“restriction[s] on copying and use of content”—are preempted. Pet. 15.

But no such “intractable split” exists in any form. The circuits agree that, although most contract claims survive preemption, some do not. Indeed, the petition implicitly acknowledges there is no clear split: it describes the purported majority as holding only that “contract provisions *generally* survive preemption” and the alleged minority as holding only that contract claims are “*often* preempted.” Pet. 1 (emphases added). Put more accurately, *no circuit* has adopted Genius’s categorical rule that contract claims always survive preemption, nor has any circuit held that they never do. The cases instead turn on the specific facts alleged and particular contractual provisions at issue. Most importantly, there is no conflict on the specific question here—whether section 301 preempts a claim (by a non-copyright holder, no less) based on a purported contract that simply parrots the exclusive bundle of rights set forth in section 106.

A. Courts take this nuanced, fact-specific approach for good reason: under section 301’s text, the label attached to a state-law claim is not controlling. Section 301 does not direct courts to preempt certain *categories* of

claims; instead, courts must consider whether plaintiffs seek to vindicate state-law rights “equivalent” to those in section 106. 17 U.S.C. § 301(a). To apply that statutory mandate, courts must probe the particular facts alleged and the terms of any contract to determine whether plaintiffs assert a right “equivalent” to a copyright or whether the right involves an “extra element” that makes it qualitatively different. Where, as here, the “gravamen” of a plaintiff’s claim is unauthorized copying, “the right [it] seek[s] to protect is coextensive with an exclusive right already safeguarded by the Act—namely, control over reproduction and derivative use of copyrighted material.” *Harper & Row*, 723 F.2d at 201. While most contracts do not create such copyright-equivalent rights, some do. As a leading treatise puts it: “Although the vast majority of contract claims will presumably survive scrutiny ... preemption should continue to strike down claims that, though denominated ‘contract,’ nonetheless complain directly about the reproduction of expressive materials.” 1 Nimmer on Copyright § 1.15[A][4][b] (2022).

In keeping with that understanding, the Second Circuit generally allows contract claims to proceed, while dismissing as preempted only those seeking to vindicate copyright-equivalent rights. For example, in *Forest Park Pictures v. Universal Television Network, Inc.*, 683 F.3d 424, 433 (2d Cir. 2012), it held that an implied contract was not preempted because the contract included an “extra element,” namely a promise to pay. There, the plaintiffs submitted an idea for a television series to USA Network, with the understanding that if the network used the idea, it would compensate them. *Id.* at 428. When the network used the idea without paying, the plaintiffs sued for breach of contract. *Id.* The Second Circuit reasoned that the contract did “not simply require USA Network to honor [the plaintiffs’] exclusive rights under the Copyright Act,” but “require[d] USA Network to pay for the

use of [the plaintiffs'] ideas.” *Id.* at 432-33. This placed the contract outside the scope of the Copyright Act, which only provides owners with the “right to prevent distribution, copying, or the creation of derivative works,” not with the right to “receive payment for the use of a work.” *Id.* at 431. Importantly, the court stopped short of holding “preemption is precluded whenever there is a contract claim.” *Id.* at 432. Instead, it held only that the particular contract at issue did not create a right equivalent to copyright. *Id.* at 432-33 & n.1.

The decision below, by contrast, addressed a purported contract that not only created “equivalent” copyright rights, but copied verbatim the specific rights the Copyright Act affords copyright owners and labeled them “contractual rights.” Pet.App.104a-105a. In this unusual circumstance—one rarely seen by other circuits—where a contract directly imports section 106’s listed rights, the Second Circuit determined that Genius sought to protect a right that is “coextensive with an exclusive right already safeguarded by the Act.” Pet.App.11a (quoting *Harper & Row*, 723 F.2d at 201); accord *Universal Instruments Corp. v. Micro Sys. Eng’g, Inc.*, 924 F.3d 32, 49 (2d Cir. 2019).

Other circuits similarly take a case-specific approach. The Eighth Circuit, for instance, recognizes that at least some contracts are not preempted and examines contracts’ specific terms to see whether they create rights mirroring those in the Copyright Act. In *National Car Rental Systems v. Computer Associates International*, the court held that section 301 did not preempt a contract that prohibited using software for a particular purpose. 991 F.2d at 433. Specifically, the license there prevented licensees from using the program to process any other company’s data. *Id.* at 427, 433. Breach of that agreement did not infringe any right “reserve[d] exclusively to the

copyright holder,” as the restriction on use did not prohibit the “mere act of reproduction, performance, distribution or display.” *Id.* at 433. The right created by the license was therefore “qualitatively different from one for copyright.” *Id.* at 431, 433. Contrary to Genius’s suggestion (at 19), the court declined to adopt a categorical rule against preemption, noting that it was not deciding “whether a breach of contract claim based on a wrongful exercise of one of the exclusive copyright rights [was] preempted.” *Id.* at 434 n.6.

Similarly, in *Wrench LLC v. Taco Bell Corp.*, the Sixth Circuit—like the Second Circuit in *Forest Park*—held that an implied contract to pay for an advertisement idea created a non-equivalent right and thus was not preempted. 256 F.3d at 457. The mere copying of an idea was not a breach, but “the failure to pay for it” was. *Id.* at 456. Because the “right to be paid for the use of the work” is not one of the “exclusive rights granted by § 106,” it did not qualify as “equivalent” under section 301. *Id.* Again, although the court determined that *this* contract was not preempted, it cautioned that it was not “embrac[ing] the proposition that all state law contract claims survive preemption.” *Id.* at 457. “[P]reemption should continue to strike down claims that, though denominated ‘contract,’ nonetheless complain directly about the reproduction of expressive materials.” *Id.* at 458 (quoting 1 Nimmer, *supra*, 1.15[A][4][b]); *see also Ritchie v. Williams*, 395 F.3d 283, 287 (6th Cir. 2005) (finding tort and contract claims preempted that “basically assert that [the defendant] infringed” the plaintiffs’ copyrights).

The Ninth Circuit (which Genius omits from the petition) also takes a case-by-case approach, asking whether specific contracts purport to create rights equivalent to copyrights. Under this approach, the Ninth Circuit has held that two different types of contractual provisions—

requiring compensation for use and restricting a particular unauthorized use—create rights distinct from those codified in section 106. *See Montz*, 649 F.3d at 981; *Altera Corp. v. Clear Logic, Inc.*, 424 F.3d 1079, 1089-90 (9th Cir. 2005).

Even the Seventh Circuit, which Genius suggests falls on the other side of its purported circuit split, has refused to adopt a categorical rule that “anything with the label ‘contract’ is necessarily outside the preemption clause.” *ProCD*, 86 F.3d at 1455. There, as in *Forest Park*, the contract involved a software license that prohibited “us[ing] the [software] data without paying the seller’s price.” *Id.* at 1454; *id.* at 1450. As already explained, such a provision falls outside the scope of the Copyright Act’s rights, because copyright owners are not guaranteed compensation for their work.

Thus, the circuits that have considered the issue reject an all-or-nothing rule, choosing instead to analyze the particular contractual terms and rights created. And all, including the Second Circuit, recognize that many contract claims can and will survive section 301 preemption. Indeed, the circuits have allowed claims to proceed in most cases, which is unsurprising given that most (but not all) contracts create rights distinct from copyrights.

B. Cases from the Federal and Fifth Circuits also do not support Genius’s circuit-split narrative. First, the Federal Circuit’s decision in *Bowers v. Baystate Technologies*, does Genius little good. To start, the Federal Circuit merely predicted how the First Circuit would rule on the preemption of a contract claim (which the First Circuit has never addressed). 320 F.3d at 1324. Plainly, that decision binds neither the First Circuit nor the Federal Circuit itself in cases involving other circuits’ law.

Setting that aside, *Bowers* did not adopt a *per se* rule that contracts are never preempted. There, section 301 did not preempt an agreement to waive a fair-use defense. *Id.* Although the court made broad observations about contracts (including that “contracts do not create ‘exclusive rights,’” *id.* at 1325), the court’s actual holding was much narrower. In line with other circuits, it found no preemption based on the specific facts before it, explaining that “the Copyright Act does not preempt the state contract action *in this case*” and the “Act does not preempt *Mr. Bowers’ contract claims.*” *Id.* at 1324-25 (emphases added). Further, the contract there did not involve blanket prohibitions on copying or distribution, so the court never considered a contract like Genius’s.

Nor has the Fifth Circuit created any split. The only published opinion where that court has applied section 301 to contract claims is *Taquino v. Teledyne Monarch Rubber*, 893 F.2d 1488 (5th Cir. 1990). There, the court summarily affirmed the district court’s ruling that section 301 did not preempt a company’s contract claim that an independent contractor breached an agreement by using company drawings in his sales materials. *Id.* at 1501. But the Fifth Circuit offered no analysis on preemption beyond appending the district court opinion. Even that appended district court opinion does not support Genius’s sweeping declaration that “[b]reach of contract claims also escape preemption in the Fifth Circuit.” Pet. 18. The district court did not conclude that contract claims are never preempted. Only after examining the terms of the contract, the specific breach claimed, and its own factual findings did the court hold that the “action for breach of contract” was not preempted because it “involve[d] an element in addition to mere reproduction, distribution or display.” 893 F.2d at 1501. Had the court meant to adopt a categorical rule, it could have rejected the preemption argument outright. Instead, the court explained that

“[t]he right to claim *this breach* of contract is not preempted.” *Id.* at 1501 (emphasis added).

Indeed, several district courts in the Fifth Circuit have cited *Taquino* and nonetheless found that particular contract claims *were* preempted. *See, e.g., Tavormina v. Evening Star Prods., Inc.*, 10 F. Supp. 2d 729, 734 (S.D. Tex. 1998); *Genesys Software Sys., Inc. v. Comerica Bank*, 2013 WL 12126264, at *2 (N.D. Tex. Apr. 9, 2013). One court has even explained that reading *Taquino* the way Genius does—that “breach of contract claims are *never* preempted—stretches the holding too far.” *Versata Software, Inc. v. Infosys Techs. Ltd.*, 2013 WL 12385035, at *3 (W.D. Tex. Sept. 9, 2013).

Genius thus is wrong that “in the Fifth Circuit, breach-of-contract claims necessarily escape preemption.” Pet. 18-19. To be sure, some contract claims do—just as they do in every circuit. But district courts within the Fifth Circuit correctly understand that, under *Taquino*, contract actions “may or may not be preempted by copyright law depending upon the particular rights allegedly protected by the contractual promise.” *Versata Software*, 2013 WL 12385035, at *4.

At most, only one circuit has used language in tension with the approach taken by other circuits. The Eleventh Circuit has hinted that contractual rights are not equivalent to copyright rights because they involve a “promise” and establish rights between two parties, rather than rights against the world like copyright provides. *Utopia Provider Sys., Inc. v. Pro-Med Clinical Sys., L.L.C.*, 596 F.3d 1313, 1327 (11th Cir. 2010). But even *Utopia* should not be read to create any *per se* rule that contract claims are never preempted, as Genius suggests. Indeed, a prior Eleventh Circuit case noted that courts only “*generally* read preemption clauses to leave private contracts unaffected.” *Lipscher*, 266 F.3d at 1312 (emphasis added).

Moreover, *Utopia* would have come out the same way in the other circuits. The contract in *Utopia* “indisputably cover[ed]” defendants’ “alleged failure to pay royalties.” 596 F.3d at 1327 n.29. That claim would not be preempted in other circuits, including the Second, because a “claim for breach of a contract including a promise to pay is qualitatively different from a suit to vindicate a right included in the Copyright Act.” *Forest Park*, 683 F.3d at 433. Moreover, the Eleventh Circuit has never addressed a purported contract like the one here, which simply copies verbatim most of the terms of section 106.

C. Finally, the state appellate courts that Genius cites largely agree with the Second Circuit’s approach. They, like all the federal circuits, apply section 301’s two-prong preemption test, including by asking whether the contract claim includes an “extra element” that makes the state claim not equivalent to copyright infringement. See *Kabehie v. Zoland*, 125 Cal. Rptr. 2d 721, 727-28 (Cal. Ct. App. 2002); *Green v. Hendrickson Publishers, Inc.*, 770 N.E.2d 784, 788-89 (Ind. 2002); *TruLogic, Inc. v. Gen. Elec. Co.*, 177 N.E.3d 615, 623-24 (Oh. Ct. App. 2021). And they recognize that contract claims are not categorically preempted; determining whether contracts create equivalent rights requires a closer case-specific analysis. *Kabehie*, 125 Cal. Rptr. 2d at 721; *Green*, 770 N.E.2d at 789-90; *TruLogic*, 77 N.E.3d at 629.

To be sure, in one 1985 case (before the federal courts of appeals fleshed out the application of section 301 to contracts), the New York Court of Appeals found that a contract claim was not preempted. *Meyers v. Waverly Fabrics*, 479 N.E.2d 236, 237-38 (N.Y. 1985) (per curiam). That opinion, though, offered little analysis, beyond citing

questionable legislative history.³ *Id.* And although the contract claim there survived preemption (as most contract claims do), the Court of Appeals did not clearly articulate any test, much less announce a categorical rule that contract claims *always* survive preemption. Later New York decisions, however, have clearly applied section 301's two-prong test when considering preemption of other common-law claims and, like the Second Circuit, have dismissed claims that are based solely on allegations of unauthorized copying. *See, e.g., Ippolito v. Ono-Lennon*, 526 N.Y.S.2d 877, 881 (Sup. Ct. 1988); *People v. Borriello*, 588 N.Y.S.2d 991, 994 (Sup. Ct. 1992); *see also Eclipse Jewelry Corp. v. Heber*, 2015 WL 11090365, at *2 (Sup. Ct. 2015). Thus, there is no conflict between New York cases and the Second Circuit's decision.

II. This Case Does Not Warrant This Court's Review

1. Contrary to Genius's suggestion, the summary order below is hardly a watershed decision. The Second Circuit did not "deepen[]" a circuit split or "join[]" a side. Pet. 15. Rather, as the petition (at 36) elsewhere admits, the Second Circuit's summary order merely expressed its "settled view" on section 301 preemption. Indeed, the Second Circuit reserves summary orders for unanimous decisions in which "each panel judge believes that no jurisprudential purpose is served by an opinion." Second

³The court cited House Report No. 94-1476 as evidence that Congress never intended to "derogate[] from the rights of parties to contract with each other and to sue for breaches of contract." 479 N.E.2d at 238. But that report commented on an earlier draft of section 301, which, at the time, offered examples of non-preempted rights, including "breaches of contract." H.R. 4347, § 301(b)(3), 89th Cong. (2d Sess. 1966). Those examples were later deleted from section 301. That report thus provides little insight into how courts should interpret the enacted provision. Genius (at 6-7) incorrectly relies on the same report.

Circuit IOP 32.1.1. That was the case here, as the panel merely applied the uncontroversial, two-pronged test that the Second Circuit has used since at least 1980. *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 919 & n.15 (2d Cir. 1980). And the circuit’s position eschewing a *per se* rule that contract claims always survive preemption dates back at least to *Forest Park* in 2012.

Likewise, any divergence in approaches is quite stale: Genius characterizes the Seventh Circuit’s 1996 decision in *ProCD* as planting the flag for a “majority rule,” Pet. 15-16, while it accuses the Sixth Circuit of creating a split back in its 2001 decision in *Wrench*, Pet. 20. Rather than exhibiting any intractable split, the petition’s citations spanning *decades* underscore just how infrequently the courts of appeals face this esoteric issue.

Moreover, this Court previously has denied petitions presenting similar issues. In *Wrench*, this Court denied review of whether an implied contract claim had an extra element letting it escape preemption. *Taco Bell Corp. v. Wrench LLC*, 534 U.S. 1114 (2002) (No. 01-701). That case was the genesis of the purported “split” that Genius claims exists, yet this Court still denied review. The Court also declined to review two later cases implicating the same purported split. *Pilgrim Films & Television, Inc. v. Montz*, 565 U.S. 1021 (2011); *Baystate Techns., Inc. v. Bowers*, 539 U.S. 928 (2003).

2. Genius warns (at 23-27) that the decision below will threaten the survival of “a wide range of businesses” off and on the internet. That is alarmist hyperbole. Genius fails to marshal any examples of calamitous consequences actually transpiring, despite claiming a conflict between the circuits stretching back decades. Indeed, Genius itself launched in 2009—well after the alleged circuit split emerged. Yet Genius does not offer any instance outside

this case in which preemption uncertainty allegedly hampered its operations. And it beggars belief that Genius would operate from New York if the Second Circuit’s “settled” preemption analysis actually threatened Genius’s viability. Pet. 2, 27. More broadly, if the consequences of the decision below remotely approached what Genius claims, one would expect amici from the business community to rally to Genius’s side. But not a single business or trade group filed an amicus brief supporting the petition—confirming that the supposed crisis does not exist.

Similarly hollow are Genius’s pleas that it deserves special consideration from this Court because it “facilitates creativity” among music enthusiasts and “serves a greater public good that furthers the purpose of the Copyright Act.” Pet. 32. Quite the contrary, Genius owes its very existence as a platform to its ability to secure permission from copyright holders to display their lyrics. Pet.App.70a. Given that it lives by the Copyright Act, Genius should abide by the Act, including section 301, rather than try to create copyright-equivalent rights through its own Terms of Service. Genius also warns that if it is “driven out of business, the infrastructure that [it] has built to generate accurate lyric transcriptions will no longer exist.” Pet. 32. But there are many other sources of accurate lyrics online, including LyricFind. And whatever value Genius adds as a hub for users to annotate or discuss lyrics does not depend on an ability (that it has never had) to protect others’ lyrics from copying.

Genius also asserts (at 24) that even the mere *possibility* that copyright law could preempt contract claims would pose an existential threat to longstanding online businesses like Yelp and Craigslist. These businesses *must* be able to bring contract claims overlapping with copyright, so says Genius, to protect online content from “blatant theft.” Pet.App.27a. But were Genius correct,

one would expect to see numerous cases in the lower courts making claims similar to those brought against LyricFind and Google. The dearth of similar actions filed by content-aggregating platforms shows that plaintiffs generally know better than to advance obviously preempted claims—even if Genius did not. The lack of cases is also unsurprising given that, as discussed below, *infra* pp. 25-26, websites have ample means to protect their content, apart from arrogating to themselves quasi-copyrights through contract.

3. None of Genius’s hypotheticals remotely justifies this Court’s review.

A. Genius raises (at 3) the specter of a photo gallery wishing to sue a visitor who captures high-quality photos of the pictures in the gallery and then sets up a competing photo gallery. But if the visitor in that hypothetical lacked a license to display photos of the pictures, the proper recourse would be for the artist who owns the copyrights in the pictures to sue—not for the gallery (to which Genius compares itself) to sue. The mere fact that the gallery may have expended effort displaying the pictures does not mean it may sue as if it were the copyright holder. The Copyright Act rejects that “sweat of the brow” basis for copyright. *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 351-61 (1991). Nor does section 301 permit the gallery to create for itself copyright-equivalent rights by inserting “terms” (Pet. 3) on the back of its tickets. If that were the case, then the gallery could sue the artist herself if she bought a ticket and then photographed and posted her *own* pictures hanging in the gallery.

Furthermore, Genius’s hypothetical ignores a key feature of this case. Unlike the unlicensed photo-gallery visitor above, Google and LyricFind hold licenses to reproduce and display the lyrics at issue here. The copyright holders thus have no reason to sue for copyright

infringement. Genius is therefore seeking to supplant the actual copyright holders by creating quasi-copyrights through a purported contract. Section 301 preempts such an attempt to circumvent the Copyright Act.

At bottom, this dispute involves three parties who all stand in the same shoes: non-exclusive licensees permitted to reproduce and display copyrighted works that none created or own. Genius has no greater claim on the lyrics than Google or LyricFind does. Through Terms of Service (or any other purported contract), Genius cannot convert its nonexclusive licenses into exclusive ones.

B. The petition also asks if an online social-media company that aggregates user-generated information would be unable to sue competing platforms for breaching its terms of service by copying user-generated content onto copycat sites. Pet. 25. But had any social-media companies seen this case as important enough to weigh in via amicus brief, they would have confirmed that they are far from defenseless. The hypothetical social-media company might have a copyright claim based on competitors copying the overall look and feel of the website or copying its own original content (*e.g.*, the annotations appearing on Genius's website). It might have an unfair competition claim for any non-copyrighted content. It might have a Computer Fraud and Abuse Act claim if the copying involved hacking. At the very least, it might have terms of service that do more than parrot verbatim various rights listed in section 106. *Cf.* Pet.App.138a-139a. If so, and assuming the terms formed a binding contract, it might enforce terms requiring visitors to pay to reproduce content. *See Forest Park*, 683 F.3d at 432. What the social-media company would not have is the type of claim that Genius tried to assert here: namely, a claim for copying copyrighted content *owned by somebody else*. The copyright holder controls that claim.

C. Genius also worries (at 25-26) that reproducing confidential material in violation of a nondisclosure agreement might go unpunished, but it need not fret. Even if “confidential emails” are copyrightable material such that a contract claim might be preempted, businesses could still sue for copyright infringement. Indeed, that is what transpired in the one case cited by Genius. *See Alpha Media Works, Inc. v. Perception Rsch. Servs., Inc.*, 2012 WL 406914 (S.D.N.Y. Feb. 9, 2012). There, a contract claim based on distributing software was preempted because it was “indistinguishable” from the copyright claim that the plaintiff brought in the same suit. *Id.* at *2. Moreover, claims for violating nondisclosure agreements could have an extra element saving them from preemption: A duty of confidentiality. Indeed, the Second Circuit has singled out “unfair competition claims based upon breaches of confidential relationships, breaches of fiduciary duties and trade secrets” as state-law rights that often escape copyright preemption. *Comput. Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 717 (2d Cir. 1992).

4. In all events, this case is a uniquely poor vehicle for addressing the broader application of section 301.

The Second Circuit emphasized that it was not making new law, but merely applying the statutory two-prong test to the particular facts of this case. It explained that it held “only that, *given the specific facts Genius pleaded in its complaint*, its breach of contract claim is not qualitatively different from a copyright claim and is therefore preempted.” Pet.App.12a-13a (emphasis added). That fact-bound application of settled doctrine in a nonprecedential disposition does not warrant this Court’s review.

If anything, the peculiar facts of this case make it a particularly poor vehicle for addressing any larger issues. For starters, it remains highly doubtful that there ever

was any relevant contractual relationship between Genius, on the one hand, and Google or LyricFind, on the other. The contract claims rely on the Terms of Service prohibiting copying content from Genius’s website. But at various points, Genius has seemed to accept that Google received lyrics from LyricFind rather than directly from the Genius website—in which case there would be no basis for asserting Google accepted Genius’s Terms of Service. *See, e.g., Mot. To Remand, Genius Media Grp. Inc. v. Google LLC*, No. 19-cv-7279 (E.D.N.Y. Feb. 6, 2020), ECF No. 15 (“Google is knowingly paying LyricFind for a license for lyrics transcriptions that LyricFind is willfully misappropriating from Genius[.]”). The Second Circuit apparently understood the same when summarizing the allegations: “Genius allegedly discovered that LyricFind was copying its transcriptions and licensing them to Google, which displayed the copied transcriptions in response to user searches.” Pet.App.4a.

As to LyricFind, Genius alleges that LyricFind copied lyrics from Genius’s website because lyrics that appeared in Google’s information boxes contained certain watermarks. Pet.App.84a-100a. But of course, those same watermarks would appear if an unrelated third party copied the lyrics to another website, from which LyricFind or Google subsequently sourced the lyrics. In that scenario, there would be no basis for Genius to claim that either Google or LyricFind accepted its Terms of Service. Given that it is unclear that the parties here even had a contractual relationship, this case is a uniquely poor vehicle for considering the application of section 301 to contract claims.

Even worse, Genius’s claims arise in the peculiar context of so-called “browsewrap agreements.” The petition paints a picture wherein Google and LyricFind sat across a table from Genius, negotiated a deal not to copy lyrics

from Genius’s website, and then deliberately violated that agreement. But nothing like that occurred. Genius’s Terms of Service are a unilaterally written browsewrap agreement. Such online “agreements involve terms and conditions posted via hyperlink, commonly at the bottom of the screen [of a webpage], and do not request an express manifestation of assent.” *Nicosia v. Amazon.com, Inc.*, 834 F.3d 220, 233 (2d Cir. 2016). Unlike so-called “clickwrap agreements,” browsewrap agreements do not require users to click “I agree” boxes (or anything similar) to signify acceptance. *Id.* at 237-38.

Here, there are unresolved questions whether Genius’s browsewrap Terms of Service even qualify as an enforceable, bilateral agreement. Genius’s Terms of Service reside on a separate webpage from its lyrics content and are accessible by clicking an inconspicuous “Terms of Use” link in tiny gray font at the bottom of the page. A user could view lyrics on Genius’s website without ever reviewing, assenting to, or even being *aware* of the Terms of Service. Courts have declined to enforce similar purported agreements that lack clear indicia of notice and mutual assent. *See, e.g., Specht v. Netscape Commc’ns Corp.*, 306 F.3d 17 (2d Cir. 2002) (Sotomayor, J.). Especially given the petition’s emphasis (at 30) on contracts being “bilateral agreement[s],” a case involving browsewrap terms is poorly suited for addressing how section 301 applies to contract claims.

This case is poor vehicle for an additional reason: Genius’s claims would be preempted even if section 301 did not apply. As Google and LyricFind briefed below, Genius’s claims also are barred by *implied* preemption, a point that the Second Circuit did not need to reach given the clarity of express preemption. The doctrine precludes application of state laws when they frustrate the “accomplishment and execution of the full purposes and

objectives of Congress.” *Crosby v. Nat’l Foreign Trade Council*, 530 U.S. 363, 373 (2000) (internal quotation marks omitted); *see also In re Jackson*, 972 F.3d 25, 33-42 (2d Cir. 2020). Here, Genius effectively seeks to litigate third-party copyright-infringement claims under the guise of state law, which would interfere with Congress’ assignment of copyrights exclusively to copyright holders. Thus, the outcome of this case would be the same, regardless of whether section 301 applies.

III. The Decision Below Was Correct

The Second Circuit correctly held that Genius’s contract claims were equivalent to a copyright infringement action and thus were preempted.

1. Genius’s contract claims are copyright claims in disguise. Indeed, Genius seeks to enforce rights that are not only equivalent, but virtually identical, to those found in section 106 of the Copyright Act. The Act gives copyright owners exclusive rights to, among other things, “reproduce” copyrighted works “in copies,” “prepare derivative works,” “distribute copies,” and “perform” or “display” works publicly. 17 U.S.C. §§ 106, 501. Although Genius does not own copyrights in the lyrics it displays, it seeks to bestow upon itself the same rights to prevent anyone who visits its website from “reproduc[ing],” “copy[ing],” “creat[ing] derivative works,” “distribut[ing],” “perform[ing],” or “display[ing]” the lyrics. Pet.App.138a-139a. And it seeks to enforce those manufactured rights under a “common law” theory, *see* § 301(a), namely breach of contract.

The purported contract here—Genius’s browsewrap Terms of Service—is also unlike the negotiated, bilateral contracts addressed in other preemption cases. It asserts numerous rights against any and every anonymous person who ever views Genius’s website content—mimicking

the rights that copyright owners have against anyone who encounters their work.

Indeed, Genius’s contract claims against Google and LyricFind would mirror a copyright infringement suit, if only Genius had copyright ownership over the lyrics. Genius alleges that Google and LyricFind “breache[d] Genius’s Terms of Service regarding the copying and reproduction of Genius Content,” specifically the lyrics on its website. Pet.App.105a, 109a. That is no different than alleging Google and LyricFind infringed the right to reproduce lyrics under section 106. Even worse, Genius effectively seeks to displace the rightful copyright owners, who licensed the works at issue to Google and LyricFind. Under the Copyright Act, it is the copyright owners’ choice—not Genius’s—to control how their works are used. Genius cannot usurp their rights by asserting equivalent rights under the guise of state-law contract claims. The Second Circuit correctly held on the facts here that section 301 preempts such pseudo-copyright claims.⁴

2. The panel also correctly rejected Genius’s extreme position that the Copyright Act *never* preempts contract claims.

First, a *per se* rule preempting contracts is incompatible with the statutory text. Section 301(a) preempts

⁴ The petition (at 34) suggests that the contract’s “commercial-use restriction” adds an extra element that makes the claim “qualitatively different” from copyright infringement. Indeed, it contends the Second Circuit “ignored entirely [this] element of Genius’s claim.” Pet. 34. But *Genius* ignored this element by not raising it in its appellate brief. See Brief for Appellant, at 39-41, *Genius Media Grp. v. Google LLC*, 2022 WL 710744 (No. 20-3113). It thus forfeited this argument. See Brief for Appellee, at 44-45, *Genius Media Grp. v. Google LLC*, 2022 WL 710744 (No. 20-3113) (noting Genius’s forfeiture); *O’Hara v. Weeks Marine, Inc.*, 294 F.3d 55, 67 n.5 (2d Cir. 2002).

enforcement of “all legal or equitable rights that are equivalent to any of the [section 106] exclusive rights,” including those arising “under the common law or statutes of any State.” By explicitly referencing common-law claims (of which contract claims are a paradigmatic example), the statute sweeps in those contracts that try to create and enforce copyright rights.

Second, Genius incorrectly suggests (at 28) that contract claims always survive preemption because contracts cannot create “exclusive rights”—that is, rights against the world. But section 301 is not limited to “common law or statutes” that create exclusive rights. Instead, it preempts state-law rights that are “equivalent” to any of the exclusive rights in section 106—*i.e.*, copying, distributing copies, performing, displaying, or preparing derivative works. A contract may create a right that is “equivalent” to a copyright owner’s right without itself being exclusive. In other words, while contract rights may be “narrower than the protection provided by copyright” in that a contract generally can only be enforced against a counterparty, a contract still may purport to provide rights that are equivalent to the protections of copyright and therefore be preempted. *Kabehie*, 125 Cal. Rptr. 2d at 732 n.7.

Third, the petition (at 32) wrongly claims that only a rule that contracts are *never* preempted will preserve “all sorts of other privately negotiated agreements.” To see through that exaggeration, this Court need only note that *no circuit*, including the Second, has adopted such a categorical rule. Moreover, Genius overlooks that under the approach taken by the Second Circuit and other circuits, contract claims generally *survive* preemption. Only those rare claims that “allege essentially nothing other than derogation of rights under copyright ... are to be deemed preempted.” 1 Nimmer, *supra*, § 1.15[A][2].

Genius offers additional hypotheticals concerning (1) a “screenwriter” who “might be resistant to giving his writing coach an outline of his script without a contract prohibiting the coach from writing a substantially similar script”; and (2) a “clothing designer” who “might be loath to show a piece from her upcoming collection to a competitor without an agreement prohibiting the competitor from copying and marketing those styles.” Pet. 32. But neither example helps Genius. The screenwriter would hold the copyright to his own script, so copyright law would fully protect against unlicensed copying or creation of unauthorized derivative works. Similarly, the designer might have a copyright claim if the competitor copied copyrightable design elements. See *Star Athletica, LLC v. Varsity Brands, Inc.*, 580 U.S. 405, 417 (2017). And “marketing” is not even a right protected by the Copyright Act. Pet. 32. For extra protection, though, the designer’s contract could also add an element, such as a promise to pay for any designs that are copied. See *Forest Park*, 683 F.3d at 430-32.

Finally, Genius’s extreme position is at odds with its own cited cases. Those cases recognize that some contracts may “interfere with the attainment of national objectives,” *ProCD*, 86 F.3d at 1455, or remove information from the public domain, *Lipscher*, 266 F.3d at 1318, and should thus be preempted. Indeed, a leading copyright treatise explains that there “should be no categorical rule that contract claims always may proceed (*i.e.*, that they are never pre-empted).” 5 Nimmer on Copyright § 19D.03[C][2][b]. Instead, contract claims that, like Genius’s, try “to enforce only rights that copyright law itself accords plaintiff ... should be held pre-empted.” *Id.*

CONCLUSION

For the foregoing reasons, the Court should deny the petition.

Respectfully submitted,

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