

No. 17-

IN THE
Supreme Court of the United States

OKSANA BAIUL AND OKSANA LTD.,

Petitioners,

v.

NBC SPORTS, A DIVISION OF NBCUNIVERSAL
MEDIA LLC; ON ICE INC.; BARRY MENDELSON,

Respondents.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Section 301(a) of the Copyright Act of 1976, as amended, grants Federal courts exclusive jurisdiction over “all legal or equitable rights that are equivalent to the exclusive rights” defined in Section 106, if the rights pertain to a work which is “within the subject matter of copyright”. Section 301(b) provides that: “Nothing in this title annuls or limits any rights or remedies under the common law or statute of any State” for any work that is not “within the subject matter of copyright” or concerns legal or equitable rights that are not “equivalent” to any of the “exclusive rights” specified in Section 106.

In this case, the Second Circuit held that Section 301 “completely” preempts all state causes of action of a performer that touch or concern a copyrighted work not based on express contract, even if Federal law provides no remedy for such causes of action. Such state causes of action include breach of “implied-in-fact” and “implied-in-law” contract, violation of right of publicity under common law and California Civil Code Section 3344, and their equitable equivalents. In contrast, the Seventh Circuit has opined: “We are not so sure,” and stated that Section 301 “completely” preempts state law claims only when Congress has provided a specific Federal remedy. These conflicting approaches reflect substantial uncertainty in the application of this Court’s decision in Metropolitan Life Ins. Co. v. Taylor, 481 U.S. 58 (1987) permitting Federal question jurisdiction on removal based on a preemption defense.

Therefore, does Section 301(a) completely preempt all state law claims of a star artist who contributes a

live performance to a copyrighted work not based on an express contract, such that Federal courts have Federal question jurisdiction on removal of a state action alleging such state law claims?

CORPORATE DISCLOSURE STATEMENT

The Petitioners are Oksana Baiul-Farina, an individual, and Oksana Ltd., a corporation all of whose capital stock was owned by Oksana Baiul-Farina. Oksana Ltd. was subsequently merged into The Empress Of Ice Oksana Baiul, LLC, a limited liability company all of whose membership interests are owned by Oksana Baiul-Farina.

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PETITION FOR WRIT OF CERTIORARI

Petitioners Oksana Baiul and Oksana Ltd. (collectively “Oksana”) respectfully request this Court grant a writ of certiorari to review the Summary Order of the Second Circuit Court of Appeal affirming the dismissal by the United States District Court for the Southern District of New York of Oksana’s revised Complaint with prejudice and without leave to amend.

Oksana is the Plaintiff-Appellant in the courts below. The Respondents are NBC Sports, a division of NBCUniversal Media LLC (“NBC”), On Ice Inc. and Barry Mendelson, Defendants-Appellees in the courts below.

OPINIONS BELOW

The Summary Order of the United States Court of Appeal for the Second Circuit in Baiul v. NBC Sports, No. 16-1616 (2d Cir. Sept. 7, 2017) is reprinted in Appendix A. The Order of October 23, 2017 of the Second Circuit denying Oksana’s Petition For Rehearing Or, In The Alternative, For Rehearing En Banc is reprinted in Appendix B.

The Summary Order affirmed three Orders dated February 16, 2016, April 19, 2016 and May 19, 2016 by the United States District Court for the Southern District of New York (“USDC”) in Baiul v. NBC Sports et al., No. 15-cv-09920, respectively denying (i) Oksana’s Motion For Remand (“Remand Denial Order”) and granting NBC’s Motions (ii) For Judgment On The Pleadings (“Dismissal Order”) and (iii) For Sanctions Pursuant to 28 U.S.C.

§1927 (“Sanctions Order”). These Orders are reprinted as Appendices C, D and E. The USDC also threatened Oksana’s counsel with sanctions under Section 1927 if he did not dismiss the action with prejudice in an Order dated March 3, 2016 and denied counsel’s motion to withdraw when Oksana refused to dismiss the action with prejudice in an Order dated March 10, 2016. These Orders are reprinted as Appendices F and G.

JURISDICTION

Oksana timely invokes this Court’s jurisdiction to grant the Petition for a Writ of Certiorari to the Second Circuit Court of Appeals pursuant to 28 U.S.C. §1254(1).

RELEVANT STATUTORY PROVISIONS.

17 United States Code Section 301:

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

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

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

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

California Civil Code Section 3344:

(a) Any person who knowingly uses another's name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services, without such person's prior consent, or, in the case of a minor, the prior consent of his parent or legal guardian, shall be liable for any damages sustained by the person or persons injured as a result thereof. In addition, in any action brought under this section, the person who violated the section shall be liable to the injured party or parties in an amount equal to the greater of seven hundred fifty dollars (\$750) or the actual damages suffered by him or her as a result of the unauthorized use, and any profits from the unauthorized use that are attributable to the use and are not taken into account in computing the actual damages. In establishing such profits, the injured party or parties are required to present proof only of the gross revenue attributable to such use, and the person who violated this section is required to prove his or her deductible expenses. Punitive damages may also be awarded to the injured party or parties. The prevailing party in any action under this section shall also be entitled to attorney's fees and costs.

(b) As used in this section, “photograph” means any photograph or photographic reproduction, still or moving, or any videotape or live television transmission, of any person, such that the person is readily identifiable.

(1) A person shall be deemed to be readily identifiable from a photograph when one who views the photograph with the naked eye can reasonably determine that the person depicted in the photograph is the same person who is complaining of its unauthorized use.

(2) If the photograph includes more than one person so identifiable, then the person or persons complaining of the use shall be represented as individuals rather than solely as members of a definable group represented in the photograph. A definable group includes, but is not limited to, the following examples: a crowd at any sporting event, a crowd in any street or public building, the audience at any theatrical or stage production, a glee club, or a baseball team.

(3) A person or persons shall be considered to be represented as members of a definable group if they are represented in the photograph solely as a result of being present at the time the photograph was taken and have not been singled out as individuals in any manner.

(c) Where a photograph or likeness of an employee of the person using the photograph or likeness appearing in the advertisement or other publication prepared by or in behalf of the user is only incidental, and not essential, to the purpose of the publication in which it appears, there shall arise a rebuttable presumption affecting the burden of producing evidence that the failure to obtain the consent

of the employee was not a knowing use of the employee's photograph or likeness.

(d) For purposes of this section, a use of a name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign, shall not constitute a use for which consent is required under subdivision (a).

(e) The use of a name, voice, signature, photograph, or likeness in a commercial medium shall not constitute a use for which consent is required under subdivision (a) solely because the material containing such use is commercially sponsored or contains paid advertising. Rather it shall be a question of fact whether or not the use of the person's name, voice, signature, photograph, or likeness was so directly connected with the commercial sponsorship or with the paid advertising as to constitute a use for which consent is required under subdivision (a).

(f) Nothing in this section shall apply to the owners or employees of any medium used for advertising, including, but not limited to, newspapers, magazines, radio and television networks and stations, cable television systems, billboards, and transit ads, by whom any advertisement or solicitation in violation of this section is published or disseminated, unless it is established that such owners or employees had knowledge of the unauthorized use of the person's name, voice, signature, photograph, or likeness as prohibited by this section.

(g) The remedies provided for in this section are cumulative and shall be in addition to any others provided for by law.

STATEMENT OF THE CASE

Underlying Dispute. Oksana gave a magnificent live performance as a professional ice skater and actress in the lead role of “Clara” in “Nutcracker On Ice Starring Oksana Baiul”, a live show on ice, performed in Chicago on December 16, 1994 (“Oksana’s Performance”). Oksana was then at the height of her worldwide fame, fresh off her electrifying win of the Gold Medal at the Winter Olympics held in February, 1994. Defendant-Appellee NBC Sports (“NBC”) taped Oksana’s Performance and produced a television special embodying Oksana’s Performance (Nutcracker Special) without a contract with Oksana or any authorization to record her performance or distribute it for commercial gain. The Nutcracker Special included “backstage” footage and interviews featuring Oksana.

NBC first broadcast the Nutcracker Special on its NBC network on December 29, 1994. Subsequently for more than 20 years, NBC and the other Respondents continued to broadcast the Nutcracker Special on the NBC network and on other channels and networks. NBC and the other Respondents¹ entered into two video distribution agreements first for direct response marketing and second to CBS/Fox Home Video for retail and rental store

1. The “Nutcracker On Ice” live show was also produced by Respondent On Ice Inc. and its then owner Respondent Barry Mendelson. The running time of Nutcracker Special as broadcast was 107 minutes. The version released on home video included an additional 28 minutes of Oksana skating and backstage interviews. At the time the Nutcracker Special was produced, Oksana’s “star” rate for a TV movie was a six figure advance and a participation of up to 30% of gross receipts after breakeven, as provided in her contract for her TV biopic produced around the same time.

distribution. The Nutcracker Special, as an “evergreen” holiday program, is available today for digital download and internet “streaming” as well as future television broadcast.

In the CBS/ Fox Home Video license, NBC agreed to pay a participation in revenue from video distribution to the promoter, Respondent On Ice Inc., and agreed to render accountings and pay “royalties” to Oksana pursuant to a performance agreement between her and NBC. NBC never accounted or paid any “royalties” or other participation to Oksana for video distribution or the hundreds of television broadcasts of the Nutcracker Special and now claims there is no such performance agreement. Oksana claims a participation in NBC’s and the other Respondents’ 23 years of worldwide revenues generated from use and exploitation of Oksana’s Performance in Nutcracker Special, estimated to be in excess of \$10,000,000.

NBC’s First Removal In New York. Oksana first filed an action against NBC and other defendants in New York County Supreme Court based on breach of a written contract, i.e. the failure to pay her a participation in the Nutcracker Special and in a TV “biopic” based on her life. On April 13, 2015, NBC joined in a belated Notice of Removal based solely on diversity of citizenship filed by co-defendant Sonar Entertainment Inc. (“Sonar”), Case No. 15-cv-02816, in an effort to bring the case before the USDC which had expressed strong reproof of Oksana and her counsel in an earlier suit against Oksana’s former agent. NBC had filed an answer in the state court action prior to its removal (“First NBC Answer”) responding to Oksana’s claim based on a written contract. The USDC

remanded that case to New York Supreme Court on September 10, 2015 since the Notice of Removal was not timely filed.

Operative NY Complaint And Second Removal. With NBC's prior review and consent and after advising NBC she would move for dismissal of the New York proceedings without prejudice, Oksana filed her Operative NY Complaint in New York Supreme Court, alleging entirely new causes of action not based on a written contract (after NBC made a judicial admission none existed)² and deleting several causes of action against NBC, and other defendants including Sonar, related to the TV biopic on her life. Before Oksana could move to dismiss the case in state court, NBC on December 18, 2015 purported to file a second Notice of Removal of that Operative NY Complaint, also intended to bring the action back before the same USDC. This second Notice of Removal was based on a Federal question arising from "complete" Federal preemption of all Oksana's newly alleged state law claims, by Section 301 of the Copyright Act of 1976 as amended, 17 U.S.C. §301 ("Copyright Act").

2. Both the two NBC video distribution agreements dated December 11, 1994 and February 10, 1995, and a Broadcast Agreement between NBC and D & F Consulting Ltd. (a commercial barter company) dated August 9, 1994, acknowledged a royalty participation agreement with Oksana. However, on May 7, 2014, NBC stated that no such contract existed, in open court before Judge Ramos of the New York Supreme Court. NBC's affiliate Universal City Studios made a similar admission in a suit filed August 24, 2009 by Jack Klugman and his "loan out" company for a participation due from profits of the Quincey M.E. TV series first broadcast from 1976 to 1983 and rerun thereafter: that no written contract existed confirming Mr. Klugman's 25% share of the profits of the series. www.reuters.com/article/us-klugman-idUSTRE57N59120090824.

Oksana's Notice Of Dismissal. On December 20, 2015, Oksana filed a Notice of Voluntary Dismissal of the case under FRCP 41(a)(1), consistent with her stated intention to dismiss the New York proceedings. The USDC assigned NBC a new case number [15-cv-09920]. NBC filed a second answer under that case number ("Second NBC Answer") but to the Operative NY Complaint alleging Causes of Action for Unjust Enrichment, Conversion and Accounting. The USDC held the First NBC Answer prevented a dismissal under FRCP 41(a)(1), since it concluded the previous case number [15-cv-02816] was the same action as the new case number [15-cv-09920], even though an entirely distinct basis for removal was now alleged by NBC and the First NBC Answer responded to an entirely different legal basis for recovery.

Remand Denial Order. After the USDC denied Oksana's Notice of Voluntary Dismissal, Oksana filed a Motion For Remand under 28 U.S.C. §1447 since NBC's Federal preemption claim was only a defense asserted for the first time in the Second NBC Answer. In a Remand Denial Order [A-3], the USDC found Federal question jurisdiction for NBC's second Notice of Removal because there was a "substantial question" whether the Copyright Act completely preempted all of Oksana's causes of action.

Dismissal Order. NBC then filed a Motion For Judgment On The Pleadings, asserting (a) all causes of action in the Operative NY Complaint were preempted by the Copyright Act, (b) no cause of action so alleged stated a claim under New York law (including causes of action for unjust enrichment and an accounting) and (c) all causes of action were barred by the New York statute of limitations. The USDC in its Dismissal Order [A-4] found all causes

of action in the Operative NY Complaint preempted by the Copyright Act and yet also did not state a cause of action under New York law and were also barred by the New York statute of limitation. The USDC did not address the limitations period provided in the Copyright Act and did not address whether the causes of action then alleged by Oksana in the California Action described below were preempted.

The USDC denied Oksana leave to amend the Operative NY Complaint and dismissed the action with prejudice. The USDC stated there were “insurmountable hurdles” for Oksana to plead any valid cause of action and that Oksana had a history of “vexatious” litigation. The USDC, however, had declined to make a finding of “vexatious” litigant status against Oksana in this or any other case. The USDC declined to discuss whether Oksana should be permitted to amend the Operative NY Complaint to allege the causes of action then alleged in the California Action described below, which were and are valid under California law. The USDC also denied Oksana’s Motion For Voluntary Dismissal pursuant to FRCP 41(a)(2).

Sanctions Order. In the Dismissal Order, USDC imposed sanctions against Oksana’s counsel under 29 U.S.C. §1927 for not dismissing the Operative NY Complaint with prejudice. The USDC had previously threatened counsel with such sanctions if he did not do so, in its Order of March 3, 2016 [A-6], and denied counsel’s request to withdraw when Oksana refused to dismiss the Operative NY Complaint with prejudice, in the USDC’s Order of March 10, 2016 [A-7]. In the USDC’s opinion, the Operative NY Complaint and all claims Oksana could

assert were clearly barred by the New York limitation period when filed in New York Supreme Court. Hence the action, in the USDC's opinion, was frivolous and any argument Oksana might use to avoid this result should also be denied.³ Notably, NBC had not complied with FRCP 11(c)'s "safe harbor" and Oksana was diligently seeking to dismiss the Operative New York Complaint immediately after it was removed to Federal court. The amount of sanctions was set in the Sanctions Order [A-5].

California Action. Oksana sought to dismiss the Operative NY Complaint in order to pursue an action based on the same nucleus of operative facts in California, in Baiul v. NBC Sports et al., No. 2:15-cv-5163 (C.D. Cal.

3. The USDC's punitive certainty on this issue is unfounded and erroneous: how could Oksana's claims be barred when the Nutcracker Special continues to generate revenues? Under the "continuous accrual" exception, Oksana could at a minimum maintain an action for her participation accruing on revenues earned within the four (California) or six (New York) years prior to filing her initial Complaint, and likely could be able to obtain equitable tolling of any limitation period at all by the "continuing wrong" doctrine. See Gilkyson v. Disney Enterprises, Inc., 244 Cal. App. 4th 1336, 198 Cal. Rptr. 3d 611, 614-15 & n. 3 (2d Dist. 2016) quoting and following Aryeh v. Canon Business Solutions, Inc., 55 Cal. 4th 1185, 1198-99, 151 Cal. Rptr. 3d 827, 292 P.3d 871 (2013) and authorities cited. Both the New York Supreme Court (Ramos, J.) and the district court in the California Action (Pregerson, J.) declined to dismiss Oksana's claims based on NBC's limitation defense. Incongruously the USDC in the Dismissal Order found all Oksana's claims preempted by the Copyright Act but then did not rule on whether Oksana's claims were barred by the limitation period in Section 507(b) of the Copyright Act (they weren't) and thus found all Oksana's preempted claims barred only by the New York limitations period, not applicable since all state law claims were found preempted.

removed July 8, 2015) on appeal, No. 16-56658 (9th Cir. filed Nov. 7, 2016) (“California Action”). The First Amended Complaint (“FAC”) in the California Action was virtually identical to the Operative NY Complaint. The California FAC was dismissed with leave to amend and thereafter Oksana filed her Second Amended Complaint (“SAC”) on February 16, 2016.

California SAC. The FAC alleged Causes of Action for Unjust Enrichment, Conversion and Accounting whereas the SAC alleged Causes of Action for Implied-In-Fact Contract, Implied-In-Law Contract (Money Had And Received) and Violation of Right of Publicity, both at common law and based on California Civil Code Section 3344. For purposes of FRCP 8, there is no difference in Oksana’s claims for relief in the California FAC and the SAC. Both are based on the same nucleus of operative facts and the same general set of equitable rights to obtain redress and an accounting for the use of Oksana’s Performance. The FAC was based on counsel’s understanding of Rule 8’s “notice pleading” of a simple short statement of claim and the forms of relief sought. The SAC followed California “form of action” pleading practice, to directly address the issues raised by Federal preemption and the district court’s dismissal order.⁴

4. The California Action was later dismissed based on claim preclusion arising from the Dismissal Order. Oksana has appealed that dismissal because the California Action should have been remanded for lack of diversity and because the district court erroneously applied Federal claim preclusion principles in a diversity case, as opposed to California’s “primary right” principles of “merger and bar.” Notably, NBC removed the California Action based on diversity not Federal question jurisdiction arising from “complete” preemption.

Summary Order. The Summary Order [A-1] affirms the Dismissal Order, by finding all causes of action alleged in the Operative NY Complaint are preempted by the Copyright Act and declining to consider the causes of action alleged in the California SAC, even though briefed to the Court. The Summary Order upholds the USDC's refusal to permit amendment to the Operative NY Complaint to allege a cause of action under the CR Act or the claims then alleged in the California SAC, reciting the reasons given by the USDC. The Summary Order declined to review the USDC's rulings on New York law and statute of limitations.

The Summary Order affirmed the Dismissal Order's denial of Oksana's Motion For Voluntary Dismissal under Rule 41(a)(2) and the USDC's earlier refusal to accept Oksana's Notice of Voluntary Dismissal under Rule 41(a)(1).

The Summary Order declined to address Oksana's objections to the Remand Denial Order based on its clear error of law which even NBC declined to defend. The existence of a "substantial question" concerning Federal jurisdiction is a basis for remand, not the basis for Federal question jurisdiction.

The Summary Order affirmed the USDC award of sanctions against Oksana's counsel under 28 U.S.C. §1927, principally because the Court accepted NBC's claim that Oksana had refused NBC's offer to dismiss the Operative NY Complaint with prejudice but (somehow) without prejudice to the California Action. Oksana disputes any

such offer was made.⁵ The Summary Order declined to address Oksana’s principal arguments against the award of sanction under Section 1927: A. Section 1927 may not be used as a “back door” escape hatch to avoid the “safe harbor” of FRCP 11(c). B. The USDC improperly relied on actions of Oksana’s counsel in New York Supreme Court prior to removal, not actions in the USDC, resulting in an improper application of Section 1927 to actions in state court.

REASONS FOR GRANTING THE PETITION

This Court Should Decide Whether The Copyright Act Completely Preempts State Law Claims Of A Performer So That Federal Question Jurisdiction Is Proper On Removal.

A. “Complete” Federal Preemption Should Not Apply To Authorize Federal Question Jurisdiction Over Claims Of A Performer Contributing Her Performance To A Copyrighted Work.

“Substantial Uncertainty” In Complete Preemption Doctrine. The “well-pleaded” complaint rule provides that a defense, such as preemption by Federal law, is not

5. There is no dispute Oksana offered to dismiss the Operative NY Complaint (before it was filed) without prejudice so she could pursue the California Action or that NBC insisted on dismissal with prejudice. The dispute arises because NBC’s offer was a “Trojan horse,” NBC claiming that a dismissal with prejudice of the New York action would not have claim preclusive effect in California but refusing to confirm that conclusion in the proposed stipulation. As expected, NBC then reversed its position and claimed in the California Action that the Dismissal Order precluded the California Action, an argument accepted by the district court.

the basis for Federal question jurisdiction on removal by defendant. Indeed, a “substantial question” at the outset of a case concerning Federal question jurisdiction must be resolved in favor of remand and against Federal jurisdiction. Shamrock Oil & Gas Co. v. Sheets, 313 U.S. 100, 105-06 (1941). This Court, however, in Metropolitan Life Ins. Co. v. Taylor, 481 U.S. 58, 65 (1987) permitted a Federal preemption defense to be the basis for Federal question jurisdiction on removal if (emphasis added): “Congress [has] so completely preempted a particular area that any civil complaint raising that salient group of claims is necessarily federal in character.”⁶

However, as stated in a leading treatise⁷ (emphasis added):

“Beyond cases involving ERISA, LMRA [Labor Management Relations Act], the National Bank Act and certain tribal claims, substantial uncertainty exists about the applicability of the complete preemption doctrine. . . . A number of Circuits have taken a relatively liberal approach, finding complete preemption outside of ERISA and LMRA but others have been considerably more restrictive. . . .”

6. “Complete” or “field” preemption must be distinguished from so-called “conflict” or “express” preemption, where some aspect of the state law claims may conflict with Federal law. “Conflict” preemption does not support Federal question jurisdiction on removal. See, e.g., discussion in Wurtz v. Rawlings Co., 761 F.3d 232, 238-39 (2d Cir. 2014) (ERISA claims) (“Wurtz”).

7. 15 MOORE’S FEDERAL PRACTICE ¶103.45[3][a], at 103-88, 89 and cases cited.

Such “substantial uncertainty” and conflicting approaches is particularly apparent in claimed “complete” preemption by Section 301(a) of the Copyright Act, in light of Congress’ express preservation of state law claims in Section 301(b). It is one thing to assert “complete” preemption with respect to a complaint that alleges state law claims which merely mimic copyright infringement claims. It is quite another to assert that preemption is so “complete” that it precludes state law claims that merely touch and concern a copyrighted work.

The “relatively liberal approach” of many Courts of Appeal has the potential to authorize a dramatic expansion of Federal jurisdiction over state court claims touching or affecting copyrighted works, well beyond the holding of Metropolitan Life. This “relatively liberal approach” authorizes Federal question jurisdiction on removal whenever preemption is asserted as a defense to any cause of action. As a result, even preemption disputes affecting only one cause of action become Federal lawsuits, with pendant jurisdiction asserted for other state law claims, even after the only Federal claims are dismissed as preempted. Lower court decisions in this area of law are inconsistent. Only this Court can intervene to set clear standards for whether (if at all) Federal courts can effectively eviscerate Section 301(b) and long-established state law rights of artists whose performances appear in a copyrighted work without a contract or valid consent. Without such clarity, every performer runs the risk, in the modern age of i-phones, of having their performance photographed and that “movie” distributed through the world instantly without recourse so long as the photographer filed for copyright.

Conflicting Approaches Of The Circuits In Cases Concerning Copyrighted Works. The Second Circuit indicated it would accept complete preemption by the Copyright Act to create Federal question jurisdiction under certain limited and unusual circumstances in Brairpatch Ltd. v. Phoenix Pictures, Inc., 373 F.3d 296, 305-06 (2d Cir. 2004) (“Briarpatch”), the authority cited in the Summary Order. However, Briarpatch came to the Second Circuit in an unusual procedural posture, in which the district court had already ruled on the merits of the only state law claims.⁸ Briarpatch and three other Court of Appeals opinions appear to permit Federal question jurisdiction on removal based on a preemption defense arising under Section 301, even when not all state law claims alleged in the complaint are preempted, a potential dramatic expansion of Metropolitan Life and Federal jurisdiction over state law claims.⁹ These cases do not

8. In Briarpatch the district court had found subject matter jurisdiction based on diversity and resolved the state law claims on the merits. The Court of Appeals reversed on the issue of diversity and made its statements on Federal preemption in the context of being “tempted to salvage what we can of the district court’s work.” This problem of “salvage” arises because a denial of a motion to remand is not appealable and hence the courts of appeal review the issue only after the district courts have already adjudicated the matters at issue.

9. The only other appellate authority holding “complete” preemption by the CR Act authorized Federal question jurisdiction on removal are GlobeRanger Corp. v. Software A.G., 691 F.3d 702, 706 (5th Cir. 2012); Ritchie v. Williams, 395 F.3d 283, 286 (6th Cir. 2005); and Roscizewski v. Arete Assocs, Inc., 1 F.3d 225, 232-33 (4th Cir. 1993 (“Roscizewski”). These cases also appear to reflect a “temptation” to “salvage what we can of the district court’s work.” Relying in part on Briarpatch, Globe Rangers found complete preemption was a possible basis of Federal question jurisdiction on

address the specific preservation of state law claims in Section 301(b) or the myriad preemption issues raised by that Section.

On the other hand, the Seventh Circuit has stated in response to Briarpatch: “We are not so certain.” Wisconsin Interscholastic Athletic Ass’n v. Gannett Co., 658 F.3d 614, 620 (7th Cir. 2011). Rather, that Court of Appeal quoted the ever quotable Judge Easterbrook:

“ . . . the phrase ‘complete preemption’ is a misnomer, having nothing to do with preemption and having everything to do with federal occupation of a field. . . [so that] every claim arises under federal law.”

Lehmann v. Brown, 230 F.3d 916, 919 (7th Cir. 2000) (emphasis added). Given the express preservation of state law claims in Section 301(b), the Copyright Act is not intended to preempt the entire “field” of protection for artistic expression, particularly live performances,

removal but then in seeming contradiction found that the plaintiff had “pled factual allegations that at least in part fall outside the scope of copyright.” In Ritchie (the Kid Rock case), the Sixth Circuit also found “complete preemption” as the basis for Federal question jurisdiction on removal and yet also found two state law claims not preempted (but time barred). Rosciszewski appears to be the “mothership” of application of “complete” preemption doctrine to Section 301. There the Court faced an unusual situation in which the district court had found five claims barred by claim preclusion and remanded one state law claim. The Court boldly states that if a Federal preemption defense is raised to any cause of action, Federal question jurisdiction applies based on Section 301(a) without distinguishing among “express”, “conflict” or “field” preemption.

merely because some issues may touch or concern a copyrighted work. Judge Easterbrook had earlier rejected a comparable claim of “field” preemption of claims based on contracts affecting distribution of copyrighted works: “A copyright is a right against the world. Contracts, by contrast, generally only affect the parties, strangers may do as they please. . .” ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1454 (7th Cir. 1996). Judge Easterbrook’s opinions thus directly conflict with the Summary Order and Briarpatch.

The reasoning of Briarpatch also appears inconsistent with Orson, Inc. v. Miramax Film Corp., 189 F.3d 377, 381-83 (3rd Cir. 1999) (en banc) cert. denied 529 U.S. 1012 (2000). There the Court interpreted this Court’s precedent as authorizing three types of preemption: “Express”, “conflict” or “implied” or “field” preemption. Only “express” or “conflict” preemption was potentially applicable to bar a state cause of action by reason of Section 301. The Court of Appeals rendered decision based on “conflict” preemption which would not give rise to Federal question jurisdiction, declining to even discuss “field” preemption, the apparent basis for Federal question jurisdiction in Metropolitan Life.

Can there be “complete” preemption creating Federal question jurisdiction when there is no “field” preemption? A leading Federal treatise has stated that “complete” preemption by the Copyright Act is limited to “state law conversion claims” where the property converted was a copyrighted work,¹⁰ more restrictive than Briarpatch

10. 15 MOORE’S FEDERAL PRACTICE ¶103.45[3] [g], at 103-104 & n. 57. The treatise considers that Briarpatch and

but consistent with “express” preemption only. Another federal treatise takes a “relatively liberal” approach, which if followed could bring every preemption dispute under Section 301 to Federal court as a basis for Federal question jurisdiction.¹¹

Unresolved Issue: Complete Preemption Of Claims Of Performers. Neither Brairpatch nor any reported

the other three Court of Appeals cases meet this standard. This explanation is particularly persuasive as an explanation of Roscizewski and Ritchie, and if followed would not support the Summary Order or apply to the rights of a performer to be compensated for her performance. The cases in the Central District of California on the issue are conflicting, with as of yet no Ninth Circuit guidance. Compare Mattel, Inc. v. Bryant, 441 F.Supp.2d 1081, 1092-93 (C.D. Cal. 2005) with Coyle v. O'Rourke, 2015 WL 58700 (C.D. Cal. Jan.5, 2015) at *7-11. Sheldon Abend Revocable Trust v. NBC/Universal, Inc., No. 11-cv-00037 (C.D. Cal. June 28, 2011) illustrates the confusion in the Central District. There the district court denied remand because one state law cause of action was preempted but retained jurisdiction of the principal breach of contract claims, not preempted, and ruled on each even though no further Federal questions remained. The district court relied, as did NBC in its argument to the Second Circuit in this case, on supplemental jurisdiction under 28 U.S.C. §1367. But Section 1367(c)(3) would require remand of remaining state claims if all Federal claims were dismissed, as was suggested in Briarpatch for consideration on remand. Such use of supplemental jurisdiction effectively eviscerates any concept of “complete” or “field” preemption and authorizes Federal question jurisdiction in any case where a preemption defense is possibly applicable to any cause of action, even when the claim for purposes of FRCP 8 could be stated without reference to that possible preempted cause of action, as was the case in Abend.

11. 13D Wright-Miller-Cooper-Freer FEDERAL PRACTICE AND PROCEDURE §3582, at 742-43 & n. 38.

authority of the Courts of Appeal has addressed the issue raised by this case: can the USDC find Federal question jurisdiction on removal when the principal (if not all) causes of action of a performer for unauthorized recording of her live performance should not be preempted under Section 301(b)? This question has been answered in the negative in cases of “conflict” preemption outside the Copyright Act, such as in Wurtz, where some but not all claims “arise under federal law” but at present is currently unsettled and unresolved in actions touching or concerning copyrighted work. At least two of the causes of action alleged in the SAC in the California Action (based on the same nucleus of operative facts as the Operative NY Complaint) are clearly not preempted by the Copyright Act under directly applicable authority in the Second Circuit and the Ninth Circuit discussed in Part B below, i.e. raise “substantial questions” concerning Federal question jurisdiction under the “complete” preemption doctrine.

No Federal Remedy For Performers. The Summary Order’s extreme extension of “complete” Federal preemption creates a “no rights” zone under which performers, whose services are included in a copyrighted work, are denied both rights under the Copyright Act (the performer owns no copyright interest in his or her performance included in a copyrighted work) or under state law (all rights being allegedly preempted by the Copyright Act which provides no remedy), unless the state law claim arises based on an express contract. A performer in such circumstances, without a written or express oral contract, has no claim for compensation if his or her performance is appropriated without consent for use in a copyrighted work.

This untoward “no rights” zone is sanctioned by the Summary Order on a non-precedential basis and not applicable to any other trade or business.¹² Despite the Summary Order’s “legend” as required by Second Circuit IOP 32.1.1(b), this Court should have no doubt that the Summary Order will be widely cited in district courts as precedent to support the “no rights zone” created by it. No Court of Appeal opinion has heretofore directly accepted

12. This Court has previously expressed its concern with the use of “unpublished,” non-precedential rulings by the Courts of Appeal adjudicating important issues in previously unsettled areas of the law. E.g. County of Los Angeles v. Kling, 474 U.S. 936, 938 (1985) (Stevens, J. dissenting); Plumley v. Austin, 135 S. Ct. 828 (2015) (Thomas and Scalia, JJ. dissenting from denial of cert.). The issue was notably addressed in a published exchange of opinions between the Eighth Circuit, Anastasoff v. United States, 223 F.3d 898, 899-04 (8th Cir.) vacated 235 F.3d 1054 (8th Cir. 2000) (“underground body of law good for one place and time only”) and the Ninth Circuit, Hart v. Massanai, 266 F.3d 1155 (9th Cir. 2001) passim. The issue was also addressed in a leading law review article, discussing the history of stare decisis and the original intent of Article III. Weisgerber, Unpublished Opinions: A Convenient Means To An Unconstitutional End, 97 GEORGETOWN L.J. 621 (2009). As a result of this dialogue, the FRAppP were amended, adding FRAppP 32.1 which permits citations of “unpublished” opinions. Yet the Second Circuit, as most Circuits, continues to provide that such unpublished summary orders have no precedential effect, even though non-precedential decisions may now be cited. Local Rule 32.1.1(a); IOP 32.1.1(b) (required legend). The result of these conflicting rules is that unpublished summary orders may be cited but have no precedential effect, which presumably is the reason a summary order is cited in the first place. This Court has itself noted in one case that it was “remarkable and unusual” that the Court of Appeals “affirmed a judgment that an Act of Congress was unconstitutional as applied” in an unpublished order. United States v. Edge Broadcasting Co., 509 U.S. 418, 425 n. 3 (1993).

that Federal preemption could create such a “no rights” zone which should be permitted only with the clearest of Congressional intent and provision of a Federal remedy, certainly not present here.

As the Second Circuit stated in Wurtz, 761 F.3d at 238, quoting a leading treatise, complete preemption occurs when Congress intended “to replace the state law claim with a federal law claim.”¹³ Here the Summary Order applies “complete” preemption to eliminate all claims (state or federal) of a performer or other contributor to a copyrighted work not based on express oral or written contract, authorizing the wholesale conversion of the performance in direct contravention of the purposes of the Copyright Act. This extraordinary holding benefits not just major media companies such as NBC, but every ambitious producer who can easily capture a notable performance for later distribution as a copyrighted work.

Even though the Summary Order finds all Oksana’s state law claims preempted by the Copyright Act, the Summary Order, affirming the Dismissal Order, effectively denies any possible claims by Oksana under the Copyright Act itself with prejudice and without leave to amend, even in direct conflict with Briarpatch.¹⁴

13. 15 MOORE’S FEDERAL PRACTICE ¶103.45 [3][a], at 103-89 & n. 24: “A number of cases have focused on the presence of absence or a federal claim as determinative. . . .” Judge Easterbrook’s opinion in Lehmann is based on this principle. See Beneficial Nat’l Bank v. Anderson, 539 U.S. 1, 8 (2003) supporting this position.

14. 373 F.3d at 309 (proper procedure is to dismiss preempted state law claims and permit pleading of any Copyright Act claims). See Roscizewski, 1 F.3d at 233 (convert the state law claim into the applicable claim under the Copyright Act).

The Summary Order further fails to follow the policy of FRCP 15(a)(2) in denying Oksana the right to amend her Operative NY Complaint to conform to the California SAC which alleges claims which are not preempted, even when as here NBC successfully asserted claim preclusion in the California Action effectively dismissing those causes of action as well.

Conclusion: Complete Federal Preemption Of Performer Rights Raises Issues Of Exceptional Importance. The Summary Order is inconsistent with the reported precedent of the Second Circuit itself and the Ninth Circuit and in effect creates an “underground body of law good for one place and time only” in a case in which the USDC expressed open hostility to Oksana and her counsel.¹⁵ There can be no “complete” preemption by the Copyright Act sufficient to create Federal question jurisdiction when Section 301(b) does not so completely exclude claims by performers or contributors to a copyrighted work, for statutory and common law “rights of publicity” and implied-in-fact contracts or any common law equitable equivalents, such that all state law claims of the performer are “necessarily federal in character” and a Federal cause of action is substituted for the state cause of action.

15. This Court recently stated, that “the basic principle of justice” is that “like cases should be decided alike.” Martin v. Franklin Capital Corp., 546 U.S. 132, 139 (2005) (Roberts, C.J.) Every litigant including Oksana has the due process right to have her case decided based on precedent or reasoned reversal therefore. And further that every litigant, including Oksana, has the right to expect that the principles on which her case was adjudicated will be fairly applied as precedent in future cases affecting persons similarly situated.

B. Oksana's Claims Are Not "Preempted" By Copyright Act.

The Summary Order dramatically conflicts with existing Second and Ninth Circuit authority holding that the Copyright Act does not preempt Oksana's claims for relief, as more particularly alleged in the California SAC and which would have been alleged in an amended complaint in this action.

Section 301(b)(3): Desny Claims. In Montz v. Pilgrim Films & Television Inc., 649 F.3d 975, 979-81 (9th Cir. 2011) (en banc) the Ninth Circuit rejected a panel decision applying NBC's logic (and pre-Montz decisions) to an "implied-in-fact" contract claim, and stated inter alia (emphasis added):

"The extra element, the implied agreement of payment for use of a concept, is a personal one between the parties. The California Courts of Appeal have uniformly concluded that Desny claims are not preempted because they flow from agreement and understanding different from the monopoly protection of the copyright law. . . . We agreed with this assessment when we decided in Grosso [v. Miramax Film Corp.], 383 F.3d 965, 968 (9th Cir. 2004) amended 400 F.3d 658 (9th Cir.) cert. denied 546 U.S. 824 (2005) that copyright law does not preempt an implied contractual claim to compensation for use of submitted ideas."

There is no operative distinction between Oksana's implied-in-fact contract claim for compensation for

services in the California SAC and a Desny claim for submission of script ideas as asserted in Montz. Neither the Dismissal Order nor the Summary Order address Montz or implied-in-fact contract claims. Oksana based her allegations in the California SAC (§15) on the leading “Sea Hunt” decision:¹⁶ “the implied agreement of payment” for “use” of Oksana’s performance creates a personal relationship between the parties arising from NBC’s (and the other Defendants’) “conduct” in “voluntarily accepting the benefits” of recording Oksana’s performance with full “knowledge of the circumstances” and of the fact that Oksana did not render her performance “gratuitously.”

NBC admits that Oksana did not render her star performance as gift to NBC as confirmed by NBC’s agreement with Respondent On Ice Inc. to pay “royalties” to Oksana. The rights vindicated by such causes of action as “implied in fact” contract or equitable equivalents (such as unjust enrichment and accounting) are not “equivalent

16. Donahue v. United Artists Corp., 2 Cal App. 3d 794, 808, 83 Cal. Rptr. 131 (2d Dist. 1969) (“The Court recognizes . . . that usage and the Civil Code [§1621] have established the term ‘implied in fact’ for express contracts proved by circumstantial evidence . . . the promise is not expressed in words but implied from conduct. . .”) (emphasis added). Donahue is Justice Lillie’s cogent explanation of “implied-in-fact” contract claims upheld in the leading case of Desny v. Wilder, 46 Cal. 2d 715, 299 P.2d 257, 267-68 (1956) (“Desny”). For a lengthy discussion of Desny claims after Donahue, see Gunther-Wahl Productions v. Mattel, Inc., 104 Cal.App. 4th 27, 38-43, 128 Cal. Rptr. 2d 50 (2d Dist. 2002) (reversing jury verdict in favor of defendant because jury instructions improperly required proof of an express agreement on compensation). The Second Circuit followed Montz in Forest Park Pictures v. Universal Television Network, Inc., 683 F.3d 424 (2d Cir. 2012).

to any of the exclusive rights” protected by Section 106, rather only the right to reasonable compensation for services provided. Such causes of action, as Montz states, require proof of an “extra element” not necessary for proof of copyright infringement, a long-standing requirement for preemption by the Copyright Act. Montz deals with the second so-called “prong” or the “equivalent rights” preemption requirement of Section 301(b)(3).

Section 301(b)(1): Common Counts/Rights Of Publicity And Privacy. The first “prong” or preemption requirement, Section 301(b)(1), requires the appropriated work must be “within the subject matter of copyright” as defined in Sections 102 and 103, i.e. a “work of authorship” that is “fixed in a tangible medium of expression.” Oksana’s live performance as Clara in “Nutcracker On Ice” is the quintessential example of an ephemeral work that is not “fixed” in a “tangible medium of expression.” As defined in Section 101, a performance is not deemed “fixed” until the author consents to its embodiment in a copy. As a result, taping of Oksana’s Performance could not infringe any exclusive rights set forth in Section 106 since Oksana’s Performance is not “within the subject matter of copyright.” Thus “nothing” in Section 301 “annuls or limits any rights or remedies under the common law or statutes of any State.” Section 301(b).

The Nutcracker Special itself is neither a compilation, collective work nor derivative work, all as defined in Section 101, but rather an original copyrighted work not based on another copyrightable work, i.e. Oksana’s Performance. Nimmer has this to say:¹⁷

17. NIMMER ON COPYRIGHT §1.01[B][2][a], at 1.68.1. See Montz, 649 F.3d at 979. Thus, claims against unauthorized use of

“One prominent example fitting this category [of works that are not subject to copyright] is a live performance . . . As to such works, the states may further such protection as they wish, including rights that are the ‘equivalent’ to copyright.”

Two very different artistic expressions are at issue. One is Oksana’s Performance, a live performance not subject to copyright. The second is NBC’s taping of Oksana’s Performance which involves choices of lighting, scene selection, editing and the like, creating a motion picture which is a subject of copyright. The mere fact that a party makes an unauthorized recording of a performance should not mean the new copyright thereby created and its original artistic expression eliminates state law rights with respect to the performer’s uncopyrightable artistry.

An illuminating case is the Second Circuit’s “hot news” decision, National Basketball Ass’n v. Motorola, Inc., 105 F.3d 841, 846 (2d Cir. 1997). Judge Winter had this instructive approach:

“In our view the underlying basketball games do not fall within the subject matter of federal

“look alike” and “sound alike” of an artist’s likeness or voice by another are not preempted. E.g. Waits v. Frito Lay Inc., 978 F.2d, 1092, 1100 (9th Cir. 1992) cert. denied 506 U.S. 1080 (1993); Wendt v. Host Int’l, Inc., 125 F.3d, 806, 810-11 (9th Cir. 1997); Midler v. Ford Motor Co., 849 F.2d 460, 462 (9th Cir. 1988); White v. Samsung Electronics America Inc., 971 F.2d 1395, 1396 (9th Cir. 1992) cert. denied 508 U.S. 951 (1993). Nor is a model’s personal identity (her face) “fixed in a tangible medium of expression.” Toney v. L’Oreal USA Inc., 406 F.3d, 905, 910 (7th Cir. 2005) (“Toney”).

copyright protection. . . . The [statutory] list does not include athletic events. . . . Even where athletic performance most resembles authorship – figure skating . . . – a performer who conceives and executes a particularly graceful and difficult . . . acrobatic feat cannot copyright it without impairing the underlying competition in the future. A claim of being the only athlete to perform a feat doesn’t mean much if no one else is allowed to try. . . .”

Oksana Alleges Only Right To Receive A Participation. Oksana does not contend that she owns the exclusive rights to use and exploit Oksana’s Performance as embodied or “fixed” in the Nutcracker Special or that NBC or any Respondent violated this right by distribution of the Nutcracker Special. Oksana alleges that she “at no time had, and hereby disclaims, any interest in the copyright to the Picture [Nutcracker Special].” (California SAC ¶21). For example, Oksana would have no right to bring an action for infringement of her rights in her Performance against a downstream distributor or user of the Nutcracker Special. Oksana has only a personal right to receive a participation in NBC’s and other Respondents’ revenues from distribution of the Nutcracker Special, arising from a personal relationship with Respondents that results in an implied obligation for, or a statutory right to, the payment of money.¹⁸ Oksana cannot claim “exclusive” copyright to

18. Similarly an action in general assumpsit on the common counts, or “implied-in-law” contract, alleging only a right to money had and received, should not be preempted, an issue which has resulted in many conflicting district court decisions and deep confusion in the law. Numerous cases have held that dispute over sharing royalties from a copyrighted work are not preempted.

her own ephemeral performance because such ephemeral “works” are not subject to copyright protection.

“Preemption” Depends On Whether Performer Gave Valid Consent To Include Her Performance In a Copyrighted Work. Oksana’s state law claims arise from the unauthorized fixation of her live performance. The exclusive rights under Section 106 do not include an exclusive right to “fix” a performance. The critical issue is thus whether the performer gave express or implied consent to or “authorization” for the recording. If consent

See the leading case of Oddo v. Reis, 743 F.2d 630, 632-33&n.2 (9th Cir. 1984) (duty to account among copyright owners does not arise under Copyright Act but rather under “equitable doctrines relating to unjust enrichment. . .”). See also Dead Kennedys v. Biafra, 37 F. Supp. 2d 1151, 1154, 1159 (N.D. Cal. 1999); Asanto v. Shoup, 132 F. Supp. 2d 445, 452-53 (E.D. La. 2000); Levine v. Landy, 832 F. Supp. 2d 176, 188 (N.D.N.Y. 2011). Neither the USDC nor the Second Circuit cite or discuss the authorities cited in this footnote directly on that issue. Rather the Summary Order makes a partial, inaccurate quotation from the “hot news” Motorola case discussed above, and then cites Briarpatch, Baltimore Orioles, a case substantially qualified if not overruled in Toney, and two district court cases, Gary Frederick Enterprises, LLC v. Marvel Enterprises Inc., 713 F. Supp. 2d 215, 230-31 (S.D.N.Y. 2010) and Weber v. Geffen Records, Inc., 63 F. Supp. 2d 458, 463 (S.D.N.Y. 1999), neither of which is apposite. Gary Frederick was an action filed in Federal court claiming unlawful use of plaintiff’s “Ghost Rider” character and story, both the subject of copyright. The district court merely accepted the Magistrate’s report that the state law and Lanham Act claim be dismissed, leaving the copyright claim. Weber did not dismiss an accounting claim as preempted, but rather dismissed the complaint based on the Copyright Act limitation period, finding that the accounting claim, based on an allegation that the plaintiff co-wrote two musical compositions with Guns ‘N Roses, accrued more than 3 years prior to filing of the complaint.

to the recording is given, then the performance is merged into the copyrighted work by that contract, under Section 101 and the assignment and “employee for hire” provisions of the Copyright Act, themselves referencing state law. Any further claims by the performer, outside the bounds of the contract providing her consent, are not “pre-empted” as such but just do not exist at all except under state law pursuant to the express or implied contract by which consent was given.¹⁹ All state law claims relating to consent or grant of “authority”, and the express or implied contract by which such was given, arise under state law and are not preempted.

Similarly, if the performer had no contract (as NBC claims here) or did not give consent or the consent or “authority” was obtained by fraud or mistake, then the performer may assert personal claims under state law for monetary compensation against the party with whom she had a relationship (just as she would claim under an express contract), but not a copyright claim based on her

19. Compare Fleet v. CBS, Inc., 50 Cal. App. 4th 1911, 1920-22, 58 Cal. Rptr. 2d 645 (2d Dist. 1996) (§3344 claims of actress based on her performance preempted; distinguishes cases to the contrary) (“Fleet”) with KNB Enterprises v. Matthews, 78 Cal. App. 4th 362, 366-72, 92 Cal. Rptr. 2d 713 (2d Dist. 2000) (§3344 claims of owner of erotic photos not preempted) and Timed Out LLC v. Youabian, 229 Cal. App. 4th 1001, 1012-13, 177 Cal. Rptr. 3d 773 (2d Dist. 2014) (same). See Judge Kronstadt’s learned discussion in Coyle v. O’Rourke, 2015 WL 58700 (C.D. Cal. Jan. 5, 2015) at *7-11, remanding the case because “complete” vs. “conflict” preemption not clearly established against §3344 claims in light of strong presumption against removal. The same distinctions regarding consent explain Toney, 406 F.3d at 910, and its limitation of that Court’s earlier decision, Baltimore Orioles, Inc. v. Major League Baseball Players Ass’n, 805 F.2d 663 (7th Cir. 1986) cert. denied 480 U.S. 941 (1987).

performance or likeness.²⁰ Such state law claims include “implied in fact” contract, “implied in law” contract or general assumpsit (money had and received), right of publicity or their equitable equivalents. There is no basis in the case law for NBC’s apparent contention that all claims under California Civil Code Section 3344 are preempted merely by inclusion of a likeness or identity in a copyrighted work.

Garcia v. Google, Inc., 786 F.3d 733, 740-41 (9th Cir.) (en banc) reversing 766 F.3d 929 (9th Cir. 2015), confirms this analysis. An actress in an anti-Islamic film agreed to recordings of her performance for a fee but was misled as to the nature of the film. She sought a preliminary injunction against Google based on copyright infringement of her performance in the film by reason of Google’s grant of access to the film on-line. The Ninth Circuit (en banc) and the Central District found it unlikely that Garcia would succeed on such a claim, but stated, apropos of this action, that this conclusion “does not mean that a plaintiff like Garcia is without options or that she couldn’t have sought an injunction against different parties or on other

20. This distinction also explains the apparently conflicting results in the 9th Circuit precedent, Waits, and Wendt, on the one hand (no consent given) and the cases cited by NBC, Jules Jordan Video, Inc. v. 144942 Canada, Inc., 617 F.3d 1146, 1153-54 (9th Cir. 2010) and Laws v. Sony Music Entertainment, Inc., 448 F.3d 1134, 1141 (9th Cir. 2006), on the other hand (consent given). The distinction also reflects the result and reasoning of G.S. Rasmussen & Assoc., Inc. v. Kalitta Flying Services, 958 F. 2d 896, 904 (9th Cir. 1992) cert. denied 508 U.S. 959 (1993). Nevertheless, confusion reigns at the district court level on these issues, wherein Laws and Jules Jordan are often cited (as did NBC) to preempt all possible claims of a performer not based on an express contract, even one who did not consent to use of her performance in a copyrighted work or that consent was induced by fraud or mistake.

legal theories, like the right of publicity. . . .” It is doubtful the Court (en banc) would have made such a statement if all such claims by Garcia would be pre-empted by the Copyright Act as NBC contends.²¹

The state law causes of action at issue here make no claim of monopoly ownership and no claim of any right to prevent or interfere with the distribution of the copyrighted work and seek no remedy under the Copyright Act for any purposes. Claims for monetary damages under either Section 3344 or general or special assumpsit (“implied-in-law” and “implied-in fact” contracts) or common law equitable equivalents, relating to a failure to obtain consent, or to obtain consent based on fraud or mistake, to recording of a non-copyrightable live performance, are not claims arising under the Copyright Act and are thus not pre-empted. There is no conceivable policy reason why Congress would prohibit such well-established common law claims to promote any cognizable policy of the Copyright Act, providing no Federal replacement remedy in the process.

21. The Second Circuit followed Garcia in 16 Casa Duse LLC v. Merkin, 791 F.3d 247 (2d Cir. 2015). The Ninth Circuit noted that the Copyright Office’s “expert opinion” was that “Garcia’s performance was not a copyrightable work . . .” and Garcia “never fixed her acting performance in a tangible medium,” 786 F.3d at 741, 743 (reversing the panel opinion on this issue). As the Court noted, the USDC found that Garcia granted Youssef an “implied license to incorporate her performance into the film.” 786 F.3d at 743, 737. But this conclusion does not leave the performer without remedy for Youssef’s reprehensible behavior in misleading Garcia in obtaining her consent. As the original panel said: “Youssef’s fraud alone is likely enough to void any agreement with Garcia.” 766 F.3d at 937-38. The full Court stated that: “By all accounts, Cindy Lee Garcia was bamboozled. . . .” 786 F.3d at 736. As was Oksana.

Conclusion: The Copyright Act and State Law Co-Exist In Resolution Of Claims Touching or Concerning Copyrighted Works And Hence There Can Be No “Field” Or “Complete” Preemption Of State Law Claims By Section 301. The extreme scope and potential consequences of the Summary Order extend well beyond the specific issues raised in this case: state law claims of a performer for compensation for the use of her performance without consent or with a consent induced by fraud or mistake. The Copyright Act and state law co-exist in many critical areas of law. For example, a security interest in a copyrighted work is created under state law and state law governs its foreclosure. However, the Copyright Act’s filing requirements determine which security interest has priority, so that no UCC-1 filing can perfect a security interest, only a mortgage of copyright filed in the Copyright Office. Are all actions for enforcement or foreclosure upon a security interest in a copyrighted work preempted by the Copyright Act and hence authorize Federal question jurisdiction, just because a priority issue may exist? Other similar examples abound.²²

22. On the relation of the Copyright Act and UCC Article 9 remedies for foreclosure of a security interest in a copyright, see In re Peregrine Entertainment Ltd., 116 B.R. 194, 199 (C.D. Cal. 1990) approved In re World Auxillary Power, 303 F.3d 1120, 1128 (9th Cir. 2002); In re Franchise Pictures, LLC, 389 B.R. 131, 142-43 (C.D. Cal. 2008). Similar issues arise in the relations between state law rights of rescission and restitution for material breach of a contract for the assignment or license of a copyrighted work and the Copyright Act requirements for written instruments of transfer, “employee for hire” status and termination rights. See, e.g., Yount v. Acuff Rose-Opryland, 103 F.3d 830, 833 (9th Cir. 1996); Effects Associates v. Cohen (II), 908 F.2d 555, 557-59 (9th Cir. 1990).

The Copyright Act could no more completely preempt the field of state law claims of performers than it could the field of enforcement of writer's or actor's contracts or implied terms therein (such a good faith and fair dealing) or of contracts for the distribution of motion pictures, such as was at issue in Orson or ProCD, or any other licenses for the use of a copyrighted work. The Copyright Act does not purport to provide Federal remedies for the manifold types of disputes that can arise, touching or concerning copyrighted works. The Copyright Act is therefore an inadequate and indeed empty vessel for resolution of such disputes and cannot completely preempt the field of any disputes touching or concerning a copyrighted work, including claims of a performer such as Oksana for appropriation of her performance without a valid consent and agreement on compensation.

CONCLUSION

Oksana respectfully pleads that this Court grant her writ of certiorari and permit briefing and arguments on the Question Presented in this Petition.

January 19, 2018 Respectfully submitted,

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APPENDIX

1a

**APPENDIX A — SUMMARY ORDER OF THE
UNITED STATES COURT OF APPEALS FOR THE
SECOND CIRCUIT, DATED SEPTEMBER 7, 2017**

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

16-1616-cv

OKSANA BAIUL, OKSANA LTD.,

Plaintiffs-Appellants,

v.

NBC SPORTS, A DIVISION OF NBCUNIVERSAL
MEDIA LLC, A DELAWARE LIMITED
LIABILITY COMPANY,

Defendant-Appellee,

BARRY MENDELSON, AN INDIVIDUAL, DOES
1-10, ON ICE INC., A CALIFORNIA CORPORATION,

*Defendants.**

Appeal from the United States District Court for the
Southern District of New York (Forrest, *J.*).

September 7, 2017, Decided

PRESENT: RALPH K. WINTER, DENNY CHIN,
SUSAN L. CARNEY, Circuit Judges.

*The Clerk of Court is respectfully directed to amend the official caption to conform to the above.

*Appendix A***SUMMARY ORDER**

UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the orders of the district court are **AFFIRMED**.

Plaintiffs-appellants Oksana Baiul and her company, Oksana, Ltd. (collectively, “Baiul”), appeal decisions and orders of the district court entered April 19, 2016, and May 19, 2016. Baiul appeals the April 19, 2016 opinion and order denying her motion to voluntarily dismiss her action without prejudice pursuant to Federal Rule of Civil Procedure 41(a)(2), and granting the motion of defendant-appellee NBC Sports, a division of NBCUniversal Media, LLC (“NBC”), for judgment on the pleadings, dismissing the action with prejudice pursuant to Federal Rule of Civil Procedure 12(c), and for sanctions pursuant to 28 U.S.C. § 1927. Baiul also appeals the May 19, 2016 decision and order setting sanctions in the amount of \$50,000. We assume the parties’ familiarity with the underlying facts, procedural history, and issues on appeal.

Baiul is a former competitive figure skater who won a world championship in 1993 and an Olympic gold medal in 1994. On December 22, 2013, Baiul filed this suit in New York State Supreme Court, New York County, for alleged breach of a contract entered into in 1995. After the case was removed to the district court, and after more than two years of litigation, including discovery, the district court granted NBC’s motion for judgment on the pleadings dismissing the action with prejudice and for sanctions against Baiul’s counsel, Raymond J. Markovich. Baiul timely appealed.

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This appeal presents four issues: (1) whether the Copyright Act preempts Baiul's claims such that dismissal was proper; (2) whether the district court erred in denying Baiul's attempts to dismiss her case without prejudice; (3) whether the district court abused its discretion in denying leave to amend her fourth amended complaint; and (4) whether the district court abused its discretion in imposing sanctions on Markovich. Each issue will be discussed in turn.

I. Motion for Judgment on the Pleadings

We review *de novo* the grant of a motion for judgment on the pleadings pursuant to Federal Rule of Civil Procedure 12(c). *See Biro v. Conde Nast*, 807 F.3d 541, 544 (2d Cir. 2015), *cert. denied*, 136 S. Ct. 2015, 195 L. Ed. 2d 217 (2016). The district court granted NBC's February 26, 2016 motion for judgment on the pleadings and dismissed the action with prejudice, finding, *inter alia*, that Baiul's claims are preempted by the Copyright Act. We agree.

The Copyright Act preempts a state law claim when

(1) the particular work to which the claim is being applied falls within the type of works protected by the Copyright Act under 17 U.S.C. §§ 102 and 103, and (2) the claim seeks to vindicate legal or equitable rights that are equivalent to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106.

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Briarpatch Ltd. v. Phoenix Pictures, Inc., 373 F.3d 296, 305 (2d Cir. 2004). A state law claim regarding a work of the type protected by the Copyright Act may proceed only if the claim contains “extra elements that make it qualitatively different from a copyright infringement claim.” *Id.*

We conclude that the Copyright Act preempts the claims asserted by Baiul in her fourth amended complaint: claims under New York law for unjust enrichment, conversion, and accounting. Here, the work forming the basis of Baiul’s claims -- a video of *Nutcracker On Ice* -- fits within the Copyright Act’s category of “motion pictures and other audiovisual works,” 17 U.S.C. § 102(a)(6), even if it contains material, such as Baiul’s performance, that may not be copyrightable. *See Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 849 (2d Cir. 1997) (“Once a performance is reduced to tangible form, there is no distinction between the performance and the recording of the performance for the purposes of preemption” (alteration omitted) (quoting *Balt. Orioles, Inc. v. Major League Baseball Players Ass’n*, 805 F.2d 663, 675 (7th Cir. 1986))).

Further, the state law claims seek to vindicate rights that are already protected by the Copyright Act. *See Briarpatch*, 373 F.3d at 306-07 (citing 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 1.01[B][1][g] (2003) for the proposition that “a state law cause of action for unjust enrichment . . . should be regarded as an ‘equivalent right’ and hence, pre-empted insofar as it applies to copyright subject matter”); *Gary*

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Friedrich Enters., LLC v. Marvel Enters., Inc., 713 F. Supp. 2d 215, 230-31 (S.D.N.Y. 2010) (finding conversion claim preempted by the Copyright Act); *Weber v. Geffen Records, Inc.*, 63 F. Supp. 2d 458, 463 (S.D.N.Y. 1999) (finding accounting claim preempted because “[i]t [was] only through th[e] basic [copyright] claim . . . that anyone profiting must account to plaintiff”). Accordingly, Baiul’s state law claims -- the only claims asserted in the fourth amended complaint -- are preempted by the Copyright Act and, therefore, the district court properly dismissed the action.

II. Motions to Voluntarily Dismiss

On December 28, 2015 and April 19, 2016, the district court denied Baiul’s attempts to voluntarily dismiss her case without prejudice.

A. Rule 41(a)(1)

Federal Rule of Civil Procedure 41(a)(1)(A)(i) provides that a plaintiff “may dismiss an action without a court order by filing . . . a notice of dismissal before the opposing party serves either an answer or a motion for summary judgment.” We review *de novo* the denial of a motion to dismiss pursuant to Rule 41(a)(1)(A)(i). *ISC Holding AG v. Nobel Biocare Fin. AG*, 688 F.3d 98, 109 (2d Cir. 2012).

Baiul lost her right to unilaterally dismiss the action without a court order on October 16, 2014, when NBC filed an answer. Baiul argues that her right to dismiss the action without a court order was revived when NBC removed the

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case on December 21, 2015, and when she amended her complaint. We disagree. First, Baiul’s attempted notice of voluntary dismissal was administratively rejected as defective by the Clerk of Court. Second, the removal of the action did not create a new lawsuit or new cause of action. *See Pritchett v. Office Depot, Inc.*, 420 F.3d 1090, 1094 (10th Cir. 2005) (“When a matter is removed to federal court, it is not traditionally viewed as recommenced, nor as a new cause of action.”). Third, no new right of dismissal is created by the filing of an amended complaint, even one with substantially new allegations. *See Universidad Cent. Del Caribe, Inc. v. Liaison Comm. on Med. Educ.*, 760 F.2d 14, 18 (1st Cir. 1985) (“[A] plaintiff cannot supersede the cutting off of its right to give notice of voluntary dismissal by filing an amended complaint after an answer . . . has been filed by the defendant.” (citing *Armstrong v. Frostie Co.*, 453 F.2d 914 (4th Cir. 1971))).

Baiul’s reliance on *Sheldon v. AmpereX Electronic Corp.*, 449 F.2d 146 (2d Cir. 1971) (per curiam), is misplaced. In that case, we held that a defendant’s “severance” from a multi-defendant suit created a separate action that the plaintiff was permitted to voluntarily dismiss under Rule 41(a)(1). *Id.* at 147. The defendants in *AmpereX*, however, had attempted to avail themselves of an answer that was filed by a co-defendant prior to severance. Here, NBC *itself* had already filed an answer and was not relying on an answer filed by another party that had been dismissed from the action.

Accordingly, the district court did not err in denying Baiul’s motion to voluntarily dismiss the action pursuant to Rule 41(a)(1).

*Appendix A***B. Rule 41(a)(2)**

Federal Rule of Civil Procedure 41(a)(2) provides that, absent agreement between the parties, “an action may be dismissed at the plaintiff’s request only by court order.” *See Kwan v. Schlein*, 634 F.3d 224, 230 (2d Cir. 2011). We review orders denying voluntary dismissal pursuant to Rule 41(a)(2) for abuse of discretion. *Id.*

In determining whether to grant a motion to dismiss pursuant to Rule 41(a)(2), a court considers (1) the plaintiff’s diligence in bringing the motion, (2) any undue vexatiousness on the plaintiff’s part, (3) the extent to which the suit has progressed, (4) the duplicative expense of relitigation, and (5) the adequacy of the plaintiff’s explanation for the need to dismiss. *Zagano v. Fordham Univ.*, 900 F.2d 12, 14 (2d Cir. 1990). In addition, dismissal without prejudice is improper “if the defendant would suffer some plain legal prejudice other than the mere prospect of a second lawsuit.” *Kwan*, 634 F.3d at 230 (quoting *Camilli v. Grimes*, 436 F.3d 120, 123 (2d Cir. 2006)).

The district court did not abuse its discretion in denying Baiul’s motion to voluntarily dismiss by court order. The motion came two years after the action was filed, and, after Baiul had amended the complaint multiple times. Baiul maintained a breach of written contract claim for over a year after she conceded in a parallel action in California that there was no written agreement. Baiul declined to dismiss her action voluntarily with prejudice after the district court indicated it was inclined to impose

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sanctions, even though NBC offered to stipulate, in writing, that it would not move to dismiss the California action on *res judicata* grounds in return. Further, NBC would suffer plain legal prejudice if Baiul were allowed to voluntarily dismiss the action without prejudice. Baiul is pursuing an action in California based on what her counsel admits are “the same set of operative facts” as those here. Granting the motion would give Baiul the opportunity to bring the claims again in New York and would multiply the already duplicative expenses incurred by NBC.

Accordingly, the district court did not abuse its discretion in denying Baiul’s motion to voluntarily dismiss her action by a court order pursuant to Rule 41(a)(2).

III. Denial of Leave to Amend

We review the denial of leave to amend for abuse of discretion. *See In re Am. Exp. Co. Shareholder Litig.*, 39 F.3d 395, 402 (2d Cir. 1994). Leave to amend should be “freely give[n] . . . when justice so requires,” Fed. R. Civ. P. 15(a)(2), and in the absence of “dilatory motive,” “bad faith,” or “undue prejudice” to the opposing party, *Kroshnyi v. U.S. Pack Courier Servs., Inc.*, 771 F.3d 93, 109 (2d Cir. 2014).

As an initial matter, Baiul did not request leave to amend. *See Gallop v. Cheney*, 642 F.3d 364, 369 (2d Cir. 2011) (“While leave to amend under the Federal Rules of Civil Procedure is freely granted, no court can be said to have erred in failing to grant a request that was not made. As a result, the contention that the District Court abused

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its discretion in not permitting an amendment that was never requested is frivolous.” (internal quotation marks and citations omitted)). And, in any event, the district court did not abuse its discretion in denying leave to amend. As the district court found, Baiul faced “numerous insurmountable barriers” in stating a cognizable cause of action, and Baiul had a history of vexatious litigation. App’x 658; *see Burch v. Pioneer Credit Recovery, Inc.*, 551 F.3d 122, 126 (2d Cir. 2008) (per curiam) (“[M]otions to amend should generally be denied in instances of . . . bad faith or dilatory motive.”).

IV. Imposition of Sanctions

Under 28 U.S.C. § 1927, a district court may impose sanctions on an attorney who “multiplies the proceedings in any case unreasonably and vexatiously.” “We have held that an award under § 1927 is proper when the attorney’s actions are so completely without merit as to require the conclusion that they must have been undertaken for some improper purpose such as delay.” *In re 60 E. 80th St. Equities, Inc.*, 218 F.3d 109, 115 (2d Cir. 2000) (quoting *United States v. Int’l Bhd. of Teamsters*, 948 F.2d 1338, 1345 (2d Cir. 1991)). Sanctions may be imposed only “when there is a finding of conduct constituting or akin to bad faith.” *Id.* (quoting *Sakon v. Andreo*, 119 F.3d 109, 114 (2d Cir. 1997)). We review a district court’s decision to impose sanctions for abuse of discretion. *Wolters Kluwer Fin. Servs., Inc. v. Scivantage*, 564 F.3d 110, 113 (2d Cir. 2009).

The district court did not abuse its discretion in sanctioning Markovich and requiring him to pay NBC’s

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costs and reasonable attorneys' fees. The court remarked, "If ever this Court has witnessed attorney conduct more vexatious and harassing or deserving of § 1927 sanctions, the Court has difficulty in recalling that occasion." App'x 660. The court determined that Markovich was aware of the meritless nature of the claims, yet continued to pursue litigation in New York anyway. Moreover, Markovich advanced claims based on a written agreement for over a year after learning that no written agreement existed.

Markovich argues that sanctions should not be imposed because he tried repeatedly to dismiss the case without prejudice. Markovich's attempts to dismiss the action were insufficient to overcome his vexatious conduct. Moreover, Markovich's refusal to dismiss the action with prejudice subject to Baiul's right to proceed solely in California unduly multiplied the proceedings and caused unnecessary expense.

Accordingly, the district court did not abuse its discretion in imposing § 1927 sanctions.

...

We have considered Baiul's remaining arguments and find them to be without merit. Accordingly, we **AFFIRM** the orders of the district court.

FOR THE COURT

/s/
Catherine O'Hagan Wolfe, Clerk

**APPENDIX B — MEMORANDUM DECISION &
ORDER OF THE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK, FILED MAY 19, 2016**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

15-cv-9920 (KBF)

OKSANA BAIUL *et al.*,

Plaintiffs,

-v-

NBC SPORTS, A DIVISION OF NBC UNIVERSAL
MEDIA LLC, A DELAWARE LIMITED
LIABILITY COMPANY, *et al.*,

Defendants.

MEMORANDUM DECISION & ORDER

KATHERINE B. FORREST, District Judge

This action, first commenced in December 2013 in the New York State Supreme Court, New York County, and twice removed to this Court, involves claims brought by Oksana Baiul (“Baiul”) and her company, Oksana, Ltd., against a variety of entities seeking millions in damages for events that took place decades ago. In an April 19, 2016 Opinion & Order, this Court denied plaintiffs’ Rule 41 motion to dismiss this action without prejudice,

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and granted defendant NBCUniversal Media LLC's ("NBCUniversal") motion for judgment on the pleadings pursuant to Rule 12(c). *Baiul v. NBC Sports*, No. 15-cv-9920 (KBF), 2016 WL 1587250 (S.D.N.Y. Apr. 19, 2016).

As this Court has explained in its prior decisions in this case, this action is just the latest in a series of frivolous suits initiated by Baiul that have been before this Court. In a previous suit initiated by Baiul, the Court awarded attorneys' fees to NBCUniversal performed by in-house counsel against Baiul personally in the amount of \$98,540.08 pursuant to 15 U.S.C. § 1117(a) based on a finding that Baiul filed her suit for an improper purpose, *Baiul v. NBCUniversal Media, LLC*, No. 13-cv-2205 (KBF) (S.D.N.Y.), ECF No. 127; that determination was affirmed by the Second Circuit on appeal, *Baiul v. NBCUniversal Media, LLC*, 607 F. App'x 99, 100 (2d Cir. 2015) (summary order). At all times, in all of her cases before this Court, Baiul has been represented by the same attorney who has continued to represent her throughout this case, Raymond J. Markovich.¹

When dismissing Baiul's claims in its April 19 decision, this Court also granted NBCUniversal's request for the imposition of sanctions pursuant to 28 U.S.C. § 1927 against Mr. Markovich, after finding clear evidence of Mr. Markovich's bad faith in his continued pursuit of this litigation long after it became clear that Baiul's claims

1. As discussed further below, Mr. Markovich recently moved to withdraw as counsel once it became clear that the Court was seriously considering imposing sanctions for his conduct in this case. (ECF No. 48.)

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were not viable. *NBC Sports*, 2016 WL 1587250, at *15-16. The Court therefore concluded that it was appropriate to order Mr. Markovich to pay NBCUniversal's costs and attorneys' fees in relation to this action. The Court thus directed NBCUniversal to "file a detailed submission concerning the precise amount of its costs and attorneys' fees in this action" not later than May 3, 2016. *Id.* at *16. The Court further ordered plaintiffs and/or Mr. Markovich to "file any opposition *with respect to the reasonableness of NBCUniversal's requested fees only*" not later than May 10, 2016. *Id.* (emphasis in original).

The parties have now provided their respective submissions regarding an appropriate fee amount. For its part, NBCUniversal has submitted declarations from Chelley E. Talbert (Talbert Decl., ECF No. 54), Gabrielle Lyons (Lyons Decl., ECF No. 57), and Jorge Mendez, Jr. (Mendez Decl., ECF No. 53), NBCUniversal's in-house Vice President of Litigation, Litigation Law Clerk, and Litigation Services Manager, respectively, who each performed work in relation to this action. Ms. Talbert's declaration also attaches several exhibits, including a time sheet for work performed in this action since December 22, 2015 (Talbert Decl., Ex. A), and several exhibits relating to market billing rates (Talbert Decl., Exs. B–F). In total, NBCUniversal seeks an award of \$88,300.05 in attorneys' fees. It does not separately seek an award for other costs.

In opposition to NBCUniversal's request, Mr. Markovich has submitted a memorandum of law that seeks to limit NBCUniversal's award to no more than \$5,000, based both on arguments that NBCUniversal's billing

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was excessive and on his inability to pay a larger amount. (ECF No. 60.) Despite the Court's clear instructions in its April 19 decision that Mr. Markovich should not use any opposition to NBCUniversal's fee petition to re-argue the merits of the Court's dismissal of this action, much of Mr. Markovich's memorandum of law reasserts the frivolous arguments that the Court previously rejected on the merits.² Mr. Markovich has also submitted an affirmation attaching exhibits that support his merits-based arguments (ECF No. 61), and has filed a confidential declaration under seal relating to his personal financial circumstances (ECF No. 62).

For the reasons set forth below, based on the Court's re-calculation of a reasonable hourly rate for Ms. Lyons, an across-the-board adjustment to the number of hours reasonably expended by NBCUniversal's counsel, and consideration of Mr. Markovich's ability to pay, the Court grants NBCUniversal attorneys' fees in the amount of \$50,000. In light of Mr. Markovich's asserted financial hardship, the Court also imposes a schedule for payments as set forth in this decision.

2. To the extent that Mr. Markovich seeks to re-argue the Court's determination that imposition of § 1927 sanctions is warranted, the Court rejects Mr. Markovich's arguments for the reasons set forth in its April 19, 2016 Opinion & Order.

*Appendix B***I. LEGAL STANDARDS****A. Sanctions Pursuant to § 1927**

Under 28 U.S.C. § 1927, “[a]ny attorney . . . who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys’ fees reasonably incurred because of such conduct.” 28 U.S.C. § 1927. The Supreme Court has observed that “§ 1927 does not distinguish between winners and losers, or between plaintiffs and defendants. The statute is indifferent to the equities of a dispute and to the values advanced by the substantive law. It is concerned only with limiting the abuse of court processes.” *Roadway Exp., Inc. v. Piper*, 447 U.S. 752, 762 (1980). “When congress amended § 1927 in 1980 to include attorneys’ fees among the category of expenses that a court might require an attorney to satisfy personally, it made clear that the purpose of the statute was to deter unnecessary delays in litigation.” *Oliveri v. Thompson*, 803 F.2d 1265, 1273 (2d Cir. 1986) (quotation marks omitted). “Courts retain discretion over the final amount of sanctions awarded under section 1927.” *In re Saint Vincent’s Catholic Med. Centers of New York*, Nos. 14-cv-3293 (PKC), 10-11963(CGM), 2014 WL 3545581, at *15 (S.D.N.Y. July 16, 2014); *see also Haynes v. City & Cnty. of San Francisco*, 688 F.3d 984, 987 (9th Cir. 2012).

B. Reasonable Attorneys’ Fee

A district court has “considerable discretion” in determining what constitutes a reasonable fee award.

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Arbor Hill Concerned Citizens Neighborhood Ass'n v. Cnty. of Albany, 522 F.3d 182, 190 (2d Cir. 2008). In order to determine an appropriate fee award, courts typically start with the lodestar amount, which is “the number of hours reasonably expended on the litigation multiplied by a reasonable hourly rate.” *Healey v. Leavitt*, 485 F.3d 63, 71 (2d Cir. 2007) (citing *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983)); *see also Anthony v. Franklin First Fin., Ltd.*, 844 F. Supp. 2d 504, 506 (S.D.N.Y. 2012) (explaining that “[t]he Supreme Court recently approved the lodestar approach over the more discretionary approach that had been adopted by the 5th Circuit in *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717–19 (5th Cir. 1974)”). Counsel for the prevailing party must submit “evidence supporting the hours worked and rates claimed,” and “should make a good faith effort to exclude from a fee request hours that are excessive, redundant, or otherwise unnecessary.” *Hensley*, 461 U.S. at 433–34. Contemporaneous billing records are required. *N.Y. State Ass’n for Retarded Children, Inc. v. Carey*, 711 F.2d 1136, 1148 (2d Cir. 1983); *see also Scott v. City of N.Y.*, 626 F.3d 130, 132 (2d Cir. 2010) (per curiam). Such records should “specify, for each attorney, the date, the hours expended, and the nature of the work done.” *Carey*, 711 F.2d at 1148.

Courts within this District have utilized the lodestar method in calculating an attorneys’ fee award in the context of a § 1927 sanction. *E.g., Vishipco Line v. Charles Schwab & Co.*, No. 02 CIV. 7823 (SHS), 2003 WL 1936142, at *1 (S.D.N.Y. Apr. 23, 2003). As explained further below, when attorneys’ fees are awarded as a sanction, a district court may also “take into account various mitigating factors

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bearing on the degree of sanction that is warranted,” including “ability to pay.” *Johnson v. New York City Transit Auth.*, 823 F.2d 31, 32-33 (2d Cir. 1987); *Bonded Life Fund, LLC v. AXA Equitable Life Ins. Co.*, No. 13 Civ. 5451 (KBF), 2014 WL 1329234, at *1 (S.D.N.Y. Apr. 1, 2014) (“[A] court may temper the amount [of sanctions] imposed based on a transgressor’s ability to pay.”).

Expenses and costs incurred in the course of litigation should also be itemized so that the reviewing court can determine whether each cost was in fact necessary to the success of the litigation. *See U.S. for Use & Benefit of Evergreen Pipeline Const. Co., Inc. v. Merritt Meridian Const. Corp.*, 95 F.3d 153, 173 (2d Cir. 1996) (refusing to grant the request for photocopying costs because the requesting party had not itemized the cost).

A reasonable hourly rate is based on “the [current] prevailing market rate for lawyers in the district in which the ruling court sits.” *Anthony*, 844 F. Supp. 2d at 507; *see also Costello v. Flatman*, No. 11 Civ. 287, 2013 WL 1296739, at *4 (E.D.N.Y. Mar. 28, 2013) (“A reasonable hourly rate is ‘the rate a paying client would be willing to pay . . . bear[ing] in mind that a reasonable paying client wishes to spend the minimum necessary to litigate the case effectively.’”) (alterations in original) (quoting *Arbor Hill*, 522 F.3d at 190)). “A court may determine the reasonable hourly rate by relying both on ‘its own knowledge of comparable rates charged by lawyers in the district,’ as well as on ‘evidence proffered by the parties.’” *Adorno v. Port Auth. of N.Y. & N.J.*, 685 F. Supp. 2d 507, 511 (S.D.N.Y. 2010) (quoting *Farbotko v. Clinton Cnty. of*

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N.Y., 433 F.3d 204, 209 (2d Cir. 2005); *Morris v. Eversley*, 343 F. Supp. 2d 234, 245 (S.D.N.Y. 2004)). The Court should consider the rates charged “by lawyers of reasonably comparable skill, experience, and reputation.” *Farbotko*, 433 F.3d at 208. The burden of proof is on the fee applicant to produce evidence of the relevant market and the rate charged in that market. *See Hensley*, 461 U.S. at 433; *Blum v. Stevenson*, 465 U.S. 886, 895 n.11 (1984).

In recent years, New York district courts have approved rates for experienced law firm partners in the range of \$500 to \$800 per hour. *E.g.*, *Malletier v. Artex Creative Int’l Corp.*, 687 F. Supp. 2d 347, 360 (S.D.N.Y. 2009) (\$540 for partner with 24 years of experience); *Union of Orthodox Jewish Congregations of Am. v. Royal Food Distribs. Ltd. Liab. Co.*, 665 F. Supp. 2d 434, 437 (S.D.N.Y. 2009) (\$735 for partner); *Sub-Zero, Inc. v. Sub Zero N.Y. Refrigeration & Appliances Servs., Inc.*, No. 13-CV-2548, 2014 WL 1303434, at *8-9 (S.D.N.Y. Apr. 1, 2014) (\$485 for partner with 16 years of experience). New York district courts have also recently approved rates for law firm associates in the range of \$200 to \$450 per hour, *e.g.*, *Malletier*, 687 F. Supp. 2d at 361-62 (noting that associate rates of \$390 to \$470 “fall at the very top of the spectrum of reasonable hourly rates for associates,” and approving associate rates ranging from \$200 to \$390.10 as reasonable), and for law firm paralegals in amounts of approximately \$200 per hour, *e.g.*, *Spring Commc’ns Co. v. Chong*, No. 13 Civ. 3846(RA), 2014 WL 6611484, at *8 (S.D.N.Y. Nov. 21, 2014) (collecting cases).

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A court may apply an across-the-board reduction to effectuate the reasonable imposition of fees. *See, e.g., Kahlil v. Original Old Homestead Rest.*, 657 F. Supp. 2d 470, 476 (S.D.N.Y. 2009) (“It is well established that across-the-board reductions are appropriate when billing records are voluminous and numerous billing entries are in dispute.” (internal quotation marks omitted)); *Marisol A. ex rel. Forbes v. Giuliani*, 111 F. Supp. 2d 381, 389 (S.D.N.Y. 2000) (“[R]ather than reducing a certain number of unreasonably billed hours, the Court will make an across-the-board percentage cut in plaintiffs’ fee award as is necessary and appropriate.”). Across-the-board reductions in the range of 15% to 30% are appropriate when block billing is employed. *See, e.g., Source Vagabond Sys. v. Hydrapak, Inc.*, No. 11 Civ. 5379 (CM) (JLC), 2013 U.S. Dist. LEXIS 4853, at *41-42 (S.D.N.Y. Jan. 11, 2013) (collecting cases), *adopted as modified by* 2013 U.S. Dist. LEXIS 25669 (S.D.N.Y. Jan. 11, 2013).

II. DISCUSSION

A. Attorneys’ Fees

NBCUniversal seeks a total attorneys’ fee award of \$88,300.05, based on 124.9 hours of work performed by Ms. Talbert at an hourly rate of \$594, 25.8 hours of work performed by Ms. Lyons at an hourly rate of \$375.25, and 36.9 hours of work performed by Mr. Mendez at an hourly rate of \$120.³ In her declaration, Ms. Talbert explains that

3. As stated above, because NBCUniversal has not submitted any request for costs aside from attorneys’ fees, the Court does

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NBCUniversal—which does not have traditional law firm billing software—began contemporaneously recording its time in relation to this matter in January 2016 and she details the process that she used to record and compile NBCUniversal’s time sheet. (Talbert Decl. ¶¶ 8-11, 33-34.)⁴ To assess whether the requested fees are reasonable, the Court first reviews the proposed hourly billing rates for NBCUniversal’s counsel and staff, and then determines the extent to which NBCUniversal’s counsel’s expenditure of hours was reasonable.

1. Hourly Rates

As stated above, NBCUniversal proposes hourly billing rates of \$594 for Ms. Talbert, \$375.25 for Ms. Lyons, and \$120 for Mr. Mendez. Ms. Talbert is Vice President of Litigation for NBCUniversal and has fifteen years of litigation experience, including eight years as an associate at Paul, Weiss, Rifkind, Wharton and Garrison LLP, two

not address or grant any award for other costs. The Court notes, furthermore, that NBCUniversal’s fee request does not include any time expended before this action was removed to this Court for the second time in December 2015. (*See* Talbert Decl. ¶ 13, Ex. A.)

4. Because NBCUniversal is represented by in-house counsel in this action, the Court does not impose as strict standards with respect to billing records as the Court would demand if NBCUniversal were represented by a law firm in this action. It would be unfair and unreasonable for the Court not to award reasonable recoupment for efforts that would be fully compensable if performed by outside counsel. NBCUniversal should not be penalized for choosing to litigate this matter in-house, especially as doing so necessarily caused a drain on its internal resources.

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years as Associate Counsel at Dover Corporation, and five years as litigation counsel to NBCUniversal. (Talbert Decl. ¶¶ 14-17.) In its decision awarding attorneys' fees to NBCUniversal in Baiul's prior suit, this Court concluded that a rate of \$508.78 for Ms. Talbert—who at the time had two years less experience and occupied a lesser position—was reasonable. *See Baiul v. NBCUniversal Media, LLC*, No. 13-cv-2205 (KBF) (S.D.N.Y.), ECF No. 127. Ms. Lyons has been a Litigation Law Clerk at NBCUniversal since August 2015 and previously worked as an attorney for approximately four years at a law firm in Australia; she has passed the New York State Bar Examination but is not yet admitted in New York. (Lyons Decl. ¶¶ 1, 3-6.) Mr. Mendez has been the Litigation Services Manager at NBCUniversal since 2012 and previously worked as a Senior Paralegal at the law firm of Hogan Lovells from 1998 until 2012. (Mendez Decl. ¶¶ 1, 3-4.)

In support of NBCUniversal's fee petition, Ms. Talbert affirms that the proposed hourly rates are comparable to what she approved for outside counsel representing NBCUniversal in a nearly identical action in the Central District of California, *Baiul v. NBC Sports*, 2:25-cv-05163 (DDP) (MRW) (C.D. Cal.), and that the rates are within the range of what she, Ms. Lyons and Mr. Mendez billed in their prior employment at law firms. (Talbert Decl. ¶¶ 20, 22.) In challenging these requested hourly rates, Mr. Markovich argues that NBCUniversal has failed to show that they are reasonable for this particular action, and thus NBCUniversal's claim for attorneys' fees should be denied in its entirety. Mr. Markovich further argues that, given their levels of experience and current positions,

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the appropriate hourly rates for Ms. Talbert, Ms. Lyons and Mr. Mendez should be \$200, \$80 and \$40, respectively.

Having considered the parties' respective submissions, and based on the Court's understanding of prevailing market billing rates in this District for this sort of action, the Court concludes that the requested hourly rates for Ms. Talbert and Mr. Mendez are well within the range of those prevailing in the community for similar services by lawyers and paralegals of reasonably comparable skill, experience, and reputation. *Farbotko*, 433 F.3d at 208; *Adorno*, 685 F. Supp. 2d at 511. Based on her experience and current position, Ms. Talbert may be appropriately viewed as equivalent to a junior partner; considered in that light, a rate of \$594 is reasonable. Similarly, as an experienced paralegal, a \$120 hourly rate for Mr. Mendez is clearly well within a reasonable range. As to Ms. Lyons, however, the Court concludes that her requested billing rate is excessive in light of the fact that she is not yet admitted as an attorney in New York or, for that matter, in the United States. That being said, given Ms. Lyons's several years of experience as an attorney in Australia, the Court concludes that an hourly rate of \$275 is in line with prevailing rates. In concluding that these rates are reasonable, the Court necessarily rejects Mr. Markovich's proposed rates, which the Court concludes are unreasonably low based on the relevant considerations.

2. Number of Hours Performed

Having determined the reasonable hourly rates for NBCUniversal's counsel, the Court next must determine

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the number of hours that NBCUniversal's in-house counsel and staff reasonably expended as a result of Mr. Markovich's unduly vexatious and unreasonable proliferation of this litigation. As stated above, NBCUniversal's time sheet reflects that Ms. Talbert performed 124.9 hours of work, Ms. Lyons performed 25.8 hours of work, and Mr. Mendez performed 36.9 hours of work, for a combined total of 187.6 hours. (Talbert Decl. ¶ 37, Ex. A.) The tasks for which NBCUniversal recorded time and for which it seeks fees include work performed in relation to, *inter alia*, plaintiffs' motion to remand, plaintiffs' motion to dismiss without prejudice pursuant to Rule 41, NBCUniversal's Rule 12(c) motion, review of miscellaneous ECF filings, internal strategy discussions and correspondence with opposing counsel. (Talbert Decl. ¶ 35, Ex. A.) Notably, NBCUniversal does not seek reimbursement for *any* of the substantial amount of work that counsel certainly expended in litigating this action between December 2013 and December 2015 in New York State Court and in this Court. (Talbert Decl. ¶ 36.) Because the Court has determined that Mr. Markovich's continued pursuit of this action became unduly vexatious from before the time that NBCUniversal removed the case in December 2015, hours expended for all of the tasks for which NBCUniversal seeks reimbursement are properly compensable under § 1927.

Mr. Markovich challenges NBCUniversal's calculation of hours in several respects, arguing that NBCUniversal expended far more time than was necessary as to each and every task for which it seeks reimbursement. In his memorandum of law, Mr. Markovich requests that the

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Court deny *all* fees for work performed in relation to: (1) plaintiffs' Rule 41(a)(1) notice of voluntary dismissal without prejudice—for which 0.5 hours were expended, (2) plaintiffs' motion to remand—for which 44.6 hours were expended, (3) plaintiffs' Rule 41 motion and NBCUniversal's Rule 12(c) motion—for which a total of 125.3 hours were expended, and (4) NBCUniversal's calculation of fees, correspondence, and Mr. Markovich's motion to withdraw—for which a total of 17.2 hours were expended. (Markovich's Mem. of Law in Opp. to Sanctions at 5-10, ECF No. 60.)⁵ When combined together, Mr. Markovich's proposals amount to a reduction of 187.6 hours, the total number of hours for which NBCUniversal seeks reimbursement. Mr. Markovich's proposed reduction of all of the hours that NBCUniversal expended in relation to obtaining successful dismissal with prejudice of Baiul's claims is entirely unreasonable, and the Court rejects Mr. Markovich's arguments outright. To the extent that Mr. Markovich suggests that NBCUniversal sought to pad its billing, that is wholly incredible given that NBCUniversal was represented by *in-house counsel*, who would have no incentive to do so.

Although Mr. Markovich has failed to sufficiently show that any particular entries in NBCUniversal's time sheet are excessive, the Court believes that a modest reduction in the number of hours expended is warranted because the time sheet reflects some degree of unnecessary work. In light of Mr. Markovich's failure to point to any specific

5. Separately, Mr. Markovich also argues that NBCUniversal engaged in duplicative billing on certain specified days. (Markovich's Mem. of Law in Opp. to Sanctions at 10.)

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items that are excessive, the Court believes that the proper approach is to apply an across-the-board cut to effectuate a reasonable fee. As a result, the Court applies a 15% across-the-board cut to NBCUniversal's calculation of hours expended. *See Kahlil*, 657 F. Supp. 2d at 476. Therefore, the Court cuts Ms. Talbert's requested number of hours from 124.9 hours to 106.1 hours, Ms. Lyons's requested number of hours from 25.8 hours to 21.9 hours, and Mr. Mendez's requested number of hours from 36.9 hours to 31.3 hours.

In light of the foregoing, the Court concludes that NBCUniversal's reasonable attorneys' fee resulting from Mr. Markovich's vexatious and unreasonable proliferation of this action is \$72,801.90. To be clear, that calculation is based on Ms. Talbert's hourly rate of \$594 multiplied by 106.1 hours, plus Ms. Lyons's hourly rate of \$275 multiplied by 21.9 hours, plus Mr. Mendez's hourly rate of \$120 multiplied by 31.3 hours.

3. Inability to Pay

Finally, Mr. Markovich contends that NBCUniversal's sanctions award should be reduced to \$5,000 based on his inability to pay, as set forth in his confidential declaration filed under seal. (ECF No. 62.) The Second Circuit has instructed that, "given the underlying purpose of sanctions-to punish deviations from proper standards of conduct with a view toward encouraging future compliance and deterring further violations-it lies well within the district court's discretion to temper the amount to be awarded against an offending attorney by a balancing

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consideration of his ability to pay.” *Oliveri*, 803 F.2d at 1281. “[A] district judge need not award a lodestar amount calculated on the basis of hours and time charges but may appropriately take into account various mitigating factors bearing on the degree of sanction that is warranted,” including the ability to pay. *Johnson*, 823 F.2d at 32-33. While a district court may consider an offending party’s or attorney’s ability to pay, it is within the district court’s discretion to decide whether to reduce the amount of sanctions on that basis. *In re Saint Vincent’s*, 2014 WL 3545581, at *14; *see also In re Campora*, No. 14-CV-5066 (JFB), No. 14-CV-7123 (JFB), 2015 WL 5178823, at *12 n.11 (E.D.N.Y. Sept. 3, 2015); *Dahiya v. Kramer*, No. 13-CV-3079 (DLI), 2014 WL 1278131, at *9 (E.D.N.Y. Mar. 27, 2014), *aff’d sub nom. In re Khan*, 593 F. App’x 83 (2d Cir. 2015) (summary order).

As stated above, Mr. Markovich has submitted evidence of his financial circumstances, which he asserts demonstrates that he is unable to pay sanctions of more than \$5,000. While the Court understands the hardship that a sizeable sanctions award would impose on Mr. Markovich, the Court is also mindful that Mr. Markovich has long persisted in pursuing this action by asserting frivolous, baseless and inconsistent positions at significant cost and wasted time for NBCUniversal’s counsel. Mr. Markovich has persisted in this conduct despite the Court’s previous admonitions about the potential for sanctions. *See, e.g., Baiul v. William Morris Agency, LLC*, No. 13 Civ. 8683 (KBF), 2014 WL 465708, at *3 (S.D.N.Y. Feb. 3, 2014). After weighing the need for deterrence for further vexatious litigation against Mr. Markovich’s

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limited financial resources, the Court concludes that it is appropriate to reduce NBCUniversal's sanctions award to a still substantial, but not excessive under the circumstances, sum of \$50,000.

In light of Mr. Markovich's asserted financial circumstances, however, the Court believes it is unnecessary to require Mr. Markovich to pay the entire sanction immediately. The Court will therefore allow Mr. Markovich to pay the fee award over the course of five payments on an extended schedule, as follows: \$10,000 shall be due not later than 3 months following the date of this decision; \$10,000 shall be due not later than 6 months thereafter; not later than \$10,000 shall be due 6 months thereafter; not later than \$10,000 shall be due 6 months thereafter; and \$10,000 shall be due not later than 6 months thereafter. Should the parties jointly agree in writing to an alternative arrangement for payment, the Court will permit them to do so.

B. Mr. Markovich's Motion to Withdraw

The final remaining unresolved issue before the Court in this action is Mr. Markovich's motion to withdraw as plaintiffs' counsel. (ECF No. 48.) Mr. Markovich's request to withdraw was premised on his disagreement with Baiul relating to dismissal of this action, as Mr. Markovich sought dismissal in an effort to avoid the imposition of sanctions against him. Although NBCUniversal has not opposed the motion to withdraw, and the Court is therefore inclined to grant it, the Court is unclear whether Mr. Markovich continues to seek withdrawal as plaintiffs' counsel now

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that the Court has imposed sanctions against him. Mr. Markovich shall inform the Court not later than **May 26, 2016** whether he wishes to withdraw his motion in light of the Court's imposition of sanctions. After resolving Mr. Markovich's motion, the Court will terminate this action.

III. CONCLUSION

For the foregoing reasons, the Court hereby awards sanctions against Mr. Markovich pursuant to 28 U.S.C. § 1927 to NBCUniversal in the amount of \$50,000 as set forth in this decision.

Mr. Markovich shall inform the Court whether he continues to seek withdrawal as counsel not later than May 26, 2016.

SO ORDERED.

Dated: New York, New York
May 19, 2016

/s/
KATHERINE B. FORREST
United States District Judge

**APPENDIX C — OPINION & ORDER OF THE
UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK, FILED
APRIL 19, 2016**

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

15-cv-9920 (KBF)

OKSANA BAIUL *et al.*,

Plaintiffs,

-v-

NBC SPORTS, A DIVISION OF NBC
UNIVERSAL MEDIA LLC, A DELAWARE
LIMITED LIABILITY COMPANY, *et al.*,

Defendants.

April 19, 2016, Decided
April 19, 2016, Filed

OPINION & ORDER

KATHERINE B. FORREST, District Judge:

This action is the latest of several lawsuits in this Court brought by Oksana Baiul (“Baiul”) and her company, Oksana, Ltd., against a variety of entities seeking millions in damages for events that took place decades ago. In recent years, Baiul has initiated a lengthy series

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of frivolous actions in which she has effectively sought to sue everyone from her past based on essentially the same stale claims. Among Baiul's myriad lawsuits, she previously filed a lawsuit against more than 20 individuals and entities arising from substantially similar allegations to those here; this Court found that suit to be frivolous and wholly without merit, and granted defendants' motion to dismiss on statute of limitations grounds. *See Baiul v. William Morris Agency, LLC*, No. 13 Civ. 8683(KBF), 2014 U.S. Dist. LEXIS 62633, 2014 WL 1804526 (S.D.N.Y. May 6, 2014), *aff'd* 601 F. App'x 58 (2d Cir. 2015) (summary order). Baiul also previously brought two related actions against NBCUniversal Media LLC ("NBCUniversal") (among others) arising out of alleged commercial uses of Baiul's name and likeness relating to the same skating shows at issue here; this Court granted defendants' motion for summary judgment on those claims and awarded attorneys' fees to defendants. *See Baiul v. NBCUniversal Media, LLC*, Nos. 13 Civ. 2205(KBF), 13 Civ. 2208(KBF), 2014 U.S. Dist. LEXIS 57474, 2014 WL 1651943 (S.D.N.Y. Apr. 24, 2014), *aff'd* 607 F. App'x 99 (2d Cir. 2015) (summary order). In all of these actions, Baiul has been represented by the same attorney against whom the Court ultimately imposes sanctions in this case—Raymond J. Markovich.

As the Court previously stated in its February 16, 2016 decision denying plaintiffs' motion to remand this action to the New York State Supreme Court (ECF No. 27), this particular lawsuit is actually before this Court for the second time, and plaintiffs are currently on their

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Fourth Amended Complaint (“FAC”).¹ Having twice presided over this action, as well as over Baiul’s several prior actions against defendant NBCUniversal and various other entities and individuals, the Court is intimately familiar with the parties and the allegations underlying Baiul’s claims. The instant action has the same smell and feel as Baiul’s actions previously dismissed by this Court and is just as frivolous.

Pending before the Court are plaintiffs’ motion to dismiss this action without prejudice pursuant to Rule 41(a)(2) (ECF No. 28), and defendant NBCUniversal’s motion for judgment on the pleadings pursuant to Rule 12(c) and for sanctions pursuant to 28 U.S.C. § 1927 (ECF No. 31). Informed by its careful review of the operative pleadings and acute awareness of the history of the dispute between these parties, the Court finds this suit—as was the case with Baiul’s several prior suits in this Court—to be frivolous and wholly without merit. It is not in the interests of justice to allow plaintiffs an opportunity to escape final adjudication of this action by allowing them to withdraw their claims without prejudice for the sole purpose of an opportunity to continue to harass NBCUniversal. Instead, NBCUniversal is entitled to dismissal of plaintiffs’ futile claims *with prejudice* on multiple grounds. Finally, although plaintiffs’ counsel now seeks to withdraw from this action in the hopes of avoiding sanctions, given counsel’s vexatious conduct that

1. This Court previously remanded this action, which at the time was listed under a separate caption and governed by an earlier complaint, to state court for lack of subject matter jurisdiction. *See Baiul v. NBCUniversal Media, LLC*, 15-cv-2816 (KBF) (S.D.N.Y.).

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has vastly and unnecessarily multiplied these proceedings throughout this litigation, the Court concludes that sanctions are warranted.

For the reasons set forth below, plaintiffs' motion to dismiss this action without prejudice is DENIED. NBCUniversal's motion for judgment on the pleadings and for sanctions against plaintiffs' counsel is GRANTED. This action is hereby dismissed with prejudice.

I. BACKGROUND²

On December 23, 2013, plaintiffs commenced this action in the New York State Supreme Court, New York County, naming as defendants NBCUniversal and Sonar Entertainment ("Sonar"). (ECF No. 5-2.) The original complaint alleged that NBCUniversal failed to pay Baiul a fixed compensation and continuing royalties for the production of three audiovisual works, comprised of two figure skating performances in "Nutcracker On Ice" shows and a work titled "A Promise Kept: The Oksana

2. The factual allegations in this section are taken from the FAC and the exhibits attached thereto. (Talbert Decl., Ex. 13 ("FAC"), ECF No. 5-14; FAC, Ex. A.) The Court here recounts only those facts relevant to resolving the pending motions. For additional background on plaintiffs' prior suits that have been before this Court, the Court also refers to its decisions in those actions. *William Morris*, 2014 U.S. Dist. LEXIS 62633, 2014 WL 1804526; *NBCUniversal Media*, 2014 U.S. Dist. LEXIS 57474, 2014 WL 1651943. For a more detailed history of this particular suit, the Court also refers to its prior grant of plaintiffs' motion to remand this action under the then-operative third amended complaint, *Baiul v. NBCUniversal Media, LLC*, 15-cv-2816(KBF) (S.D.N.Y.), ECF No. 104.

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Baiul Story” starring Baiul; it alleged that Baiul was entitled to compensation pursuant to 1994 agreements between NBC Sports (a division of NBCUniversal) and On Ice, Inc. (“OII”), a third-party production company, and asserted claims for breach of contract (based on written agreements), unjust enrichment and *quantum meruit* as to each audiovisual work. (ECF No. 5-2.)

Between December 23, 2013 and January 9, 2014, plaintiffs filed approximately eight additional documents styled as amended complaints, all containing essentially the same allegations. (ECF Nos. 5-3, 5-4, 5-5, 5-6, 5-7, 5-8, 5-9, 5-10.) NBCUniversal moved to dismiss plaintiffs’ amended complaint based on, *inter alia*, the statute of limitations and the failure to plead the material terms of any written agreement; the New York Supreme Court denied that motion in a ruling from the bench on May 7, 2014. (Feb. 16, 2016 Markovich Affirmation, Ex. A, ECF No. 30-1.) At oral argument on NBCUniversal’s, Mr. Markovich argued that the performance agreement with Baiul called for royalties to be paid in perpetuity, and Justice Ramos denied the motion on the basis that he could not dismiss the complaint prior to discovery in the absence of having a copy of the alleged written performance agreement upon which plaintiffs’ claims were based. (*Id.*) Justice Ramos further stated that “I have serious doubts that this case is going to get very far, but it’s going to get past the pleading stage” and “I don’t want to drag this case out . . . NBC seems to have a very substantial defense here.” (*Id.* at 15-16.)

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Following the New York State Supreme Court's denial of NBCUniversal's motion, the parties engaged in extensive fact discovery (March 4, 2016 Talbert Decl. ¶¶ 3-8, ECF No. 35), and NBCUniversal answered the amended complaint following on October 16, 2014 (ECF No. 5-16). Plaintiffs subsequently filed a second amended complaint that modified the claims against Sonar (ECF No. 5-11), leading Sonar to remove the action to this Court on April 13, 2015 on the basis of federal question jurisdiction (*see* Notice of Removal, ¶ 5, ECF No. 5). On June 17, 2015, plaintiffs filed their third amended complaint in this Court, which, for the first time, added defendants Barry Mendelson and several entities. (ECF No. 5-13.) As with plaintiffs' prior complaints, the third amended complaint continued to allege that Baiul had a written agreement with NBCUniversal in relation to her 1994 performance in the Nutcracker On Ice show that NBCUniversal had fraudulently concealed from her; it also alleged several new claims. (ECF No. 5-13.) Plaintiffs subsequently moved to remand the action to state court; the Court granted the motion on September 16, 2015 based on the particular circumstances of Sonar's removal (which the Court explained in its remand decision), although the Court expressed its belief that Baiul's claims were meritless. (ECF No. 5-21.)

Prior to the Court's grant of plaintiffs' motion to remand, plaintiffs had also moved to, *inter alia*, dismiss the action without prejudice and NBCUniversal had cross-moved to, *inter alia*, dismiss it with prejudice, each pursuant to Rule 41. Each party also moved for attorney's fees and the imposition of sanctions against the other. This

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Court denied all of these motions as moot in light of its grant of plaintiffs' motion to remand.³

While the above motions remained pending in this Court, Baiul filed a new action against NBCUniversal in the Superior Court of the State of California arising from essentially the same events as this action but asserting a theory—entirely inconsistent with the position that plaintiffs had, up through the third amended complaint, been asserting in this Court—that NBCUniversal was liable for failing to enter into a written agreement with Baiul concerning her performance in the Nutcracker On Ice show. (March 4, 2016 Talbert Decl., Ex. 4, ECF No. 35-4; Notice of Removal ¶¶ 12-13.) NBCUniversal removed the California action to the United States District Court for the Central District of California and moved to dismiss Baiul's claims on the ground that they were preempted by the Copyright Act. (*Id.* ¶ 14.) The Central District of California granted NBCUniversal's motion to dismiss on February 2, 2016, but allowed Baiul leave to amend. (March 4, 2016 Talbert Decl., Ex. 5, ECF No. 35-5.) Baiul filed a second amended complaint in her California action on February 16, 2016. (March 4, 2016 Talbert Decl., Ex. 6, ECF No. 35-6.) The California action remains pending.

Subsequent to this Court's remand, on December 9, 2015, plaintiffs filed the operative Fourth Amended Complaint in New York State Supreme Court, naming

3. Prior to the Court's remand, plaintiffs had also filed notices of voluntary dismissal pursuant to Rule 41(a)(1)(A)(i) as to all defendants except for NBCUniversal as of right, as NBCUniversal was the only defendant that had answered a complaint in this action.

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as defendants NBC Sports (a division of NBCUniversal), previously dismissed defendant Barry Mendelson, OII, and John Does 1-10. (FAC, ECF No. 5-14.)⁴ The FAC alleges three state law claims for unjust enrichment, conversion and restitution, and an accounting on the basis that defendants used and exploited the television motion picture recording of the “Nutcracker On Ice Starring Oksana Baiul” without entering into a written contract with Baiul or compensating her. (FAC ¶¶ 1-2, 14-21.) The FAC alleges that Baiul performed in the Nutcracker On Ice show on or about December 19, 1994, and that defendants recorded the performance pursuant to an agreement executed on January 18, 1995 between OII and NBC Sports (the “Nutcracker Agreement”) (FAC ¶ 2), a copy of which plaintiffs attached as an exhibit to the FAC (FAC, Ex. A). By its terms, the Nutcracker Agreement states that it was effective as of December 31, 1994 and expired on December 31, 2004, with all rights to the recording reverting to OII after that date. (FAC, Ex. A.) The Nutcracker Agreement also gave NBCUniversal a six month sell-off period to advertise, sell, distribute and otherwise market all remaining copies of the Nutcracker On Ice recording. (FAC, Ex. A.) The source of Baiul’s assertion that she is owed royalty payments is a clause in the Nutcracker Agreement stating that NBCUniversal is responsible for production expenses, including payment of royalties to Baiul and the other performers pursuant to separate performance agreements. (FAC, Ex. A.)

4. NBCUniversal, on behalf of “NBC Sports,” is the only defendant named in the FAC that has appeared in this action. There is no indication that any other defendant has been served as of the date of this decision.

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The FAC further alleges, on information and belief, that the defendants “used and exploited the Picture throughout the world and *inter alia* entered into one or more license agreements with respect to the television broadcast and video distribution of the Picture, including without limitation (a) an agreement dated May 12, 1995 between NBC Sports and D+F Consulting, Ltd. (“D+F”); (b) an agreement dated July 19, 1994 between OII and D+F; and (c) an agreement dated March 28, 1995 between OII and D+F.” (FAC ¶ 2.) It further alleges that, “[b]y reason of fraud or mistake, no . . . written ‘performance agreement’ was entered into between [Baiul] and either OII or NBC Sports, no ‘royalties’ have ever been paid to [Baiul] by NBC Sports with respect to the . . . Performance, and [Baiul] made no grant of rights to either OII or NBC Sports to use and exploit [Baiul’s] Performance in the Picture.” (FAC ¶ 3.) The FAC also asserts that defendants’ “unjust enrichment and conversion were not reasonably discoverable by Plaintiffs and were not discovered by Plaintiffs prior to receipt of the Nutcracker Agreement and [NBCUniversal’s] judicial admissions on May 7, 2014 that no ‘performance agreement’ was entered into between [Baiul] and either OII or NBC Sports.” (FAC ¶ 5.) The allegations in the FAC bear substantial similarity to—and assert the same three claims as—those contained in Baiul’s initial complaint in her California action. (*See* March 4, 2016 Talbert Decl., Ex. 4.)

On December 21, 2015, NBCUniversal again removed this action to this Court on the basis of federal question jurisdiction under 28 U.S.C. § 1331, asserting that plaintiffs’ current claims are completely preempted by the

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Copyright Act. (Notice of Removal ¶ 22.) NBCUniversal answered the FAC on December 21, 2015. (ECF No. 6.) Plaintiffs again moved to remand the action to state court on January 20, 2016. (ECF No. 15.) The Court denied plaintiffs' motion on February 16, 2016, finding that there was a strong basis to conclude that plaintiffs' claims are completely preempted by the Copyright Act, and thus NBCUniversal had met its burden of showing that the Court properly has subject matter jurisdiction. (ECF No. 27.)

Immediately following the Court's denial of plaintiffs' remand motion, plaintiffs moved to dismiss this action without prejudice pursuant to Rule 41(a)(2). (ECF No. 28.)⁵ NBCUniversal opposed that motion, which became fully briefed on March 11, 2016. (ECF No. 43.) NBCUniversal, for its part, moved for judgment on the pleadings pursuant to Rule 12(c) on February 26, 2016 on the grounds that plaintiffs' claims are preempted by the Copyright Act and are barred by the statutes of limitations and frauds. (ECF No. 31.) NBCUniversal's motion also sought

5. Plaintiffs had previously attempted to file a notice of voluntary dismissal of this action (after NBCUniversal had erroneously initially removed it to this Court under the incorrect caption associated with Sonar's earlier removal) without prejudice pursuant to Rule 41(a)(1)(A)(i). (15-cv-2816 (KBF), ECF No. 108.) That notice of dismissal was improper and the Court would not have allowed it had the filing not otherwise been rejected. Because NBCUniversal had previously answered an earlier complaint in this action, plaintiffs lost their right to unilaterally dismiss the case under Rule 41(a)(1). *Tedeschi v. Barney*, 95 F.R.D. 182, 183 (S.D.N.Y. 1982). For this reason, the Court rejected plaintiffs' second attempt to file a notice of voluntary dismissal without prejudice on December 28, 2016. (ECF No. 11.)

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sanctions against Baiul’s counsel, Raymond J. Markovich, pursuant to 28 U.S.C. § 1927. On March 7, 2016, the Court issued an Order stating that it was seriously considering NBCUniversal’s request for sanctions but that sanctions could be avoided if plaintiffs voluntarily dismissed the action with prejudice not later than March 11, 2016. (ECF No. 37.) Plaintiffs did not dismiss the action with prejudice, instead opposing NBCUniversal’s Rule 12(c) motion on March 11, 2016. (ECF No. 40.)⁶ The motion became fully briefed on March 16, 2016. (ECF No. 46.)

II. BAIUL’S RULE 41 MOTION TO DISMISS WITHOUT PREJUDICE

A. Legal Standards

Where a defendant has answered the complaint or filed a motion for summary judgment, “an action may be dismissed at the plaintiff’s request only by court order, on terms that the court considers proper.” Fed. R. Civ. P. 41(a)(2). “Voluntary dismissal without prejudice is . . . not a matter of right.” *Zagano v. Fordham Univ.*, 900 F.2d 12, 14 (2d Cir. 1990). A grant of dismissal without prejudice

6. On March 9, 2016, plaintiffs’ counsel requested an adjournment of the deadline for plaintiffs to file an opposition brief in relation to NBCUniversal’s Rule 12(c) motion and a reply brief in relation to plaintiffs’ Rule 41 motion because he intended to move to withdraw from the case. (ECF No. 38.) The Court denied the motion on March 10, 2016, informing plaintiffs’ counsel that he could not move to withdraw until after the pending motions became fully briefed. (ECF No. 39.) Plaintiffs’ counsel subsequently moved to withdraw from the action on March 24, 2016. (ECF No. 48.)

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is improper “if the defendant would suffer some plain legal prejudice other than the mere prospect of a second lawsuit” or if the various factors set forth in *Zagano*, which the Court sets forth below, weigh against the grant of the motion. *Kwan v. Schlein*, 634 F.3d 224, 230 (2d Cir. 2011) (quotation marks omitted).

The *Zagano* factors, which the Court must consider in determining whether it is appropriate to grant a plaintiff’s motion to dismiss without prejudice, include: (1) “the plaintiff’s diligence in bringing the motion,” (2) “any ‘undue vexatiousness’ on plaintiff’s part,” (3) “the extent to which the suit has progressed, including the defendant’s efforts and expense in preparation for trial,” (4) “the duplicative expense of relitigation,” and (5) “the adequacy of plaintiff’s explanation for the need to dismiss.” *Zagano*, 900 F.2d at 14; *see also Ogden Power Development-Cayman, Inc. v. PMR Ltd. Co.*, No. 14-cv-8169 (PKC), 2015 U.S. Dist. LEXIS 66417, 2015 WL 2414581, at *2 (S.D.N.Y. May 21, 2015) (stating that these factors are not necessarily exhaustive and no single one of them is dispositive). “Some, if not most, of these factors are influenced by the probable merit of the claims that a plaintiff is seeking to withdraw, because where a defendant has cast substantial doubt on the validity of a plaintiff’s claims or where such claims are dubious on their face, the prospect of relitigation offers little value but threatens much cost.” *Hoolan v. Stewart Manor Country Club, LLC*, 887 F. Supp. 2d 485, 496 (E.D.N.Y. 2012) (alterations omitted).

*Appendix C***B. Discussion**

Plaintiffs seek to dismiss their Fourth Amended Complaint without prejudice pursuant to Rule 41(a)(2), arguing that NBCUniversal will suffer no clear legal prejudice or loss of a substantial right by reason of a dismissal of this action without prejudice. Plaintiffs' proffered reasons for seeking dismissal include, *inter alia*, that (1) Baiul is prosecuting an action based on the same set of operative facts as those contained in the Fourth Amended Complaint in her California action, a case that she filed in June 2015, approximately 18 months after plaintiffs initially brought this case in New York State Supreme Court, (2) personal jurisdiction in California exists over defendants OII and Mendelson, and (3) California law should apply to the dispute. (Mem. of Law in Support of Pls.' Mot. to Dismiss without Prejudice at 3-5, ECF No. 29.) Given the vexatious conduct of Baiul and/or her counsel, the frivolous nature of the claims asserted, the fact that this case has already been ongoing for well over two years, and plaintiffs' manner of proceeding in this case and the previous lawsuits that have been before this Court, the Court vigorously disagrees with plaintiffs' characterization of how this suit has progressed and the merits of their motion. Upon consideration of the five *Zagano* factors, which the Court addresses below, the Court easily concludes that NBCUniversal would be seriously prejudiced by the grant of plaintiffs' motion and that plaintiffs have otherwise failed to show their entitlement to dismissal without prejudice pursuant to Rule 41(a)(2).

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First, plaintiffs were not diligent in bringing this motion, as they did not move for dismissal until more than two years had passed since they first filed this action in the New York State Supreme Court.⁷ Moreover, plaintiffs had already filed five complaints before bringing the instant motion, including multiple complaints asserting legal theories that plaintiffs concede they knew were no longer tenable. While plaintiffs previously sought to dismiss this action without prejudice after it was first removed to this Court by Sonar (a motion that was rendered moot by the Court's grant of plaintiffs' first motion to remand), they did not seek voluntary dismissal in the first instance until June 2015, even though Baiul's complaint in her California suit alleged that she was put on notice in May 2014 that the alleged written agreement underlying the contract claims in her several prior complaints in this action never existed. (*See* March 4, 2016 Talbert Decl., Ex. 4.) Plaintiffs' delay in seeking dismissal has significantly wasted the time and resources of this Court, the New York State Supreme Court, and NBCUniversal. *See Pizzulli v. Nw. Mut. Life*

7. Plaintiffs' argument, made in their reply brief, that the Fourth Amended Complaint constitutes an entirely new action that is only a few months old (*see* Pls.' Reply Mem. at 1, 5-7, ECF No. 43), is without any basis in law or fact. The Second Circuit's decision in *Sheldon v. Amperex Elec. Corp.*, 449 F.2d 146 (2d Cir. 1971), which held that a plaintiff could properly file a notice of voluntary dismissal under Rule 41(a)(1) against a defendant that had been severed from a larger lawsuit, is plainly inapposite. The Court is left to conclude that plaintiffs' counsel is being intentionally disingenuous or that he misunderstands the status of the proceedings. Plaintiffs' Rule 41 motion is properly considered within the context of the *entire* case, dating from December 2013, not from the date on which plaintiffs filed their most recent complaint.

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Ins. Co., No. 05-cv-1889 (LAP), 2006 U.S. Dist. LEXIS 7844, 2006 WL 490097, at *2 (S.D.N.Y. Feb. 28, 2006) (denying Rule 41(a) motion even though case was “still early in the discovery phase” because plaintiff was “not diligent in making the present motion in the context of the litigation history”). Plaintiffs’ delay and refusal to accept dismissal of this action with prejudice—especially in light of NBCUniversal’s proposal to stipulate that it would not move to dismiss the California suit, alleging essentially the same claims, on res judicata grounds (March 4, 2016 Talbert Decl. ¶ 16)—is entirely unjustified.

Second, plaintiffs’ conduct in this lawsuit has been unduly vexatious based on their frequent shifting of legal positions and filing of numerous frivolous motions in this Court, which have required NBCUniversal to expend an inordinate amount of time and expense to respond. Among myriad other examples, plaintiffs’ vexatious conduct is clearly exemplified by their pursuit of a breach of written contract claim for more than a year after plaintiffs admit they learned that Baiul had not entered into the alleged written agreement underlying that claim. (March 4, 2016 Talbert Decl. ¶ 19.) Second, as another recent example of plaintiffs’ vexatious pursuit of this litigation, after this Court’s remand of this action to the New York State Supreme Court, plaintiffs refused to dismiss this action and instead proceed exclusively in California (which NBCUniversal offered plaintiffs the option to do (March 4, 2016 Talbert Decl. ¶ 16)), instead choosing to again amend their complaint in New York with allegations that assert essentially identical claims to those made in the California action.

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Third, although plaintiffs argue that this case has not moved beyond the preliminary stage, NBCUniversal has already had to incur significant expense for more than two years in responding to plaintiffs' five complaints, substantial discovery requests, and numerous filings in this action and in defending against Baiul's meritless prior lawsuit against it in this Court. As detailed below, plaintiffs' counsel's conduct has so severely and unnecessarily multiplied these proceedings that the Court imposes sanctions against him pursuant to 28 U.S.C. § 1927. Beyond the expenses it has incurred, it is clear that NBCUniversal would be prejudiced by the prospect of having to face another lawsuit arising from the same allegations that plaintiffs have already reformulated numerous times, and because, as explained below, NBCUniversal has filed a substantive motion to dispose of the case with prejudice that the Court concludes is meritorious on several grounds. This case bears little resemblance to the circumstances addressed in *Kwan*, where the Second Circuit found that dismissal without prejudice was warranted "where no possibility of relitigation at the instance solely of the plaintiff exists" and a qualified dismissal without prejudice would not result in any plain legal prejudice to the defendant. *Kwan*, 634 F.3d at 231.

Fourth, allowing plaintiffs to dismiss this action without prejudice, thereby giving them another opportunity to refile these claims in this or another forum, would multiply the already duplicative expenses that NBCUniversal has had to incur in defending this action. There would clearly be substantial duplicative expense in forcing

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NBCUniversal to relitigate these claims over again, especially as it has already had to expend significant resources in defending entirely meritless claims in Baiul's prior action in this Court. Exposing NBCUniversal to such costs is unjustifiable when, as explained below, it is entitled to dismissal with prejudice on the merits based on several grounds asserted in its motion for judgment on the pleadings.

Fifth, plaintiffs have failed to provide any compelling reason why they should be allowed to relitigate these claims in California, or elsewhere. Plaintiffs commenced this action in December 2013, approximately a year and a half before Baiul filed her action in state court in California. To the extent that plaintiffs now claim that this action arises under California law (a dubious assertion) or that certain defendants are subject to personal jurisdiction only in California, she has failed to explain why she brought this action in New York in the first instance, why she waited so long to seek dismissal without prejudice, or why plaintiffs added these other defendants in the FAC but have not attempted to effect service on them in this action. Plaintiffs' grounds are, furthermore, clearly disingenuous. NBCUniversal offered to allow plaintiffs to discontinue this action and litigate their claims exclusively in California, but plaintiffs refused to accede to NBCUniversal's offer. (March 4, 2016 Talbert Decl. ¶¶ 14-18.) The Court has little doubt that if it were to grant plaintiffs' motion, and Baiul's California suit is dismissed on the merits, plaintiffs would refile this action in New York State Supreme Court based on the same meritless claims. Because none of the *Zagano* factors

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weigh in favor of allowing plaintiffs to dismiss this action without prejudice, plaintiffs' Rule 41(a)(2) motion is denied.

As part of its opposition to plaintiffs' Rule 41 motion, NBCUniversal also asks this Court to impose a filing injunction on plaintiffs to estop them from bringing claims against it. (Def.'s Mem. of Law in Opp. to Pls.' Mot. to Dismiss without Prejudice at 20-24, ECF No. 34.) "The issuance of a filing injunction is appropriate when a plaintiff abuses the process of the Courts to harass and annoy others with meritless, frivolous, vexatious or repetitive proceedings." *Lau v. Meddaugh*, 229 F.3d 121, 123 (2d Cir. 2000) (quotation marks and alterations omitted); *see also Malcolm v. Bd. of Educ. of Honeoye Falls-Lima Cent. Sch. Dist.*, 506 F. App'x 65, 69 (2d Cir. 2012) ("[A] court may prevent a litigant from filing pleadings, motions or appeals upon a showing of extraordinary circumstances, such as a demonstrated history of frivolous and vexatious litigation or a failure to comply with sanctions imposed for such conduct.") (summary order). A district court may not, however, "impose a filing injunction on a litigant *sua sponte* without providing the litigant with notice and an opportunity to be heard." *Lau*, 229 F.3d at 123. While the Court agrees that this action is frivolous and that plaintiffs have pursued this litigation in a vexatious manner, the Court does not believe that the requested injunctive relief is warranted at this time. NBCUniversal's request is therefore denied. That being said, should Baiul file any additional lawsuits against NBCUniversal that are meritless, frivolous, vexatious or repetitive with this action, the Court grants NBCUniversal leave to renew its application.

*Appendix C***III. NBCUNIVERSAL’S RULE 12(c) MOTION****A. Legal Standard for Motion for Judgment on the Pleadings**

Rule 12(c) provides that “[a]fter the pleadings are closed—but early enough not to delay trial—a party may move for judgment on the pleadings.” Fed. R. Civ. P. 12(c). The same standard applicable to Rule 12(b)(6) motions applies to motions brought under Rule 12(c). *Bank of New York v. First Millennium, Inc.*, 607 F.3d 905, 922 (2d Cir. 2010). Thus, the court must accept all factual allegations in the complaint as true and draw all reasonable inferences in the non-moving party’s favor, *id.*, and a complaint may be dismissed where it fails to plead “enough facts to state a claim to relief that is plausible on its face,” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007). “A pleading that offers ‘labels and conclusions’ or ‘a formulaic recitation of the elements of a cause of action will not do.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S. Ct. 1937, 173 L. Ed. 2d 868 (2009) (quoting *Twombly*, 550 U.S. at 555). “Nor does a complaint suffice if it tenders naked assertions devoid of further factual enhancement.” *Id.* (quotation marks and alterations omitted).

Under Rule 12(c), the movant bears the burden of establishing “that no material issue of fact remains to be resolved and that it is entitled to judgment as a matter of law.” *Juster Assocs. v. City of Rutland, Vt.*, 901 F.2d 266, 269 (2d Cir. 1990) (quotation marks and alteration omitted). Where necessary, the Court may supplement

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the allegations in the complaint with facts from documents attached to the complaint, referenced in the complaint, or relied upon in framing the complaint. *See DiFolco v. MSNBC Cable L.L.C.*, 622 F.3d 104, 111 (2d Cir. 2010) (“In considering a motion to dismiss . . . a district court may consider the facts alleged in the complaint, documents attached to the complaint as exhibits, and documents incorporated by reference in the complaint.”).

B. Discussion

NBCUniversal argues that it is entitled to judgment on the pleadings as to the Fourth Amended Complaint on several grounds, including that plaintiffs’ claims are completely preempted by the Copyright Act and are nevertheless time-barred, and that each claim is subject to dismissal for one or more reasons particular to that claim. As explained below, the Court finds that plaintiffs’ claims are subject to dismissal on several independent and alternative grounds.

1. Copyright Preemption

The Copyright Act provides that “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 . . . are governed exclusively by” the Copyright Act. 17 U.S.C. § 301. Any state law claim preempted by the Copyright Act must be dismissed. *E.g., Integrative Nutrition, Inc. v. Acad. of Healing Nutrition*, 476 F. Supp. 2d 291, 299 (S.D.N.Y. 2007).

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A state law claim is preempted by the Copyright Act: “(i) if it seeks to vindicate legal or equitable rights that are equivalent to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106—the general scope requirement; and (ii) if the work in question is of the type of works protected by the Copyright Act under 17 U.S.C. §§ 102 and 103—the subject matter requirement.” *Barclays Capital Inc. v. Theflyonthewall.com, Inc.*, 650 F.3d 876, 892 (2d Cir. 2011) (quotation marks omitted); *accord Briarpatch Ltd., L.P v. Phoenix Pictures, Inc.*, 373 F.3d 296, 305 (2d Cir. 2004); *Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 848 (2d Cir. 1997). The types of works protected by the Copyright Act include, *inter alia*, pantomimes, choreographic works, motion pictures and other audiovisual works. 17 U.S.C. § 102. “A work need not consist entirely of copyrightable material in order to meet the subject matter requirement, but instead need only fit into one of the copyrightable categories in a broad sense.” *Briarpatch*, 373 F.3d at 305. The bundle of exclusive rights protected by the Copyright Act includes, *inter alia*, the rights of reproduction, performance, preparation of derivative works, and distribution of copies. 17 U.S.C. § 106. Finally, for preemption to apply, the defendant must also satisfy the “extra element” test, which hold that a state law claim is not preempted if “an extra element is required instead of or in addition to the acts of reproduction, performance, distribution or display, in order to constitute a state-created cause of action.” *Barclays Capital*, 650 F.3d at 893 (citing *Computer Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir. 1992)) (quotation marks omitted). The Second Circuit takes “a restrictive view of

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what extra elements transform an otherwise equivalent claim into one that is qualitatively different from a copyright infringement claim.” *Briarpatch*, 373 F.3d at 306. A requirement relating to the defendant’s awareness or intent is not considered an extra element for purposes of this test. *Id.*

As discussed above, the FAC alleges three state law claims for unjust enrichment, conversion/restitution, and accounting on the basis that NBCUniversal (and the other defendants) used and exploited a television motion picture recording entitled “Nutcracker On Ice Starring Oksana Baiul” without entering into a written contract with Baiul or compensating Baiul for her participation. (FAC ¶¶ 1-2, 14-21.) In the Court’s February 3, 2016 decision denying plaintiffs’ motion to remand, the Court previously stated that although it could not yet rule on the merits of NBCUniversal’s preemption argument, there was a strong basis to conclude that plaintiffs’ claims are completely preempted by the Copyright Act. (ECF No. 27.) Now, with the benefit of full briefing on this issue, for the reasons stated below, the Court concludes that plaintiffs’ claims are entirely preempted by the Copyright Act and thus subject to dismissal.⁸

8. At the outset, the Court rejects plaintiffs’ argument that NBCUniversal’s motion should be denied because NBCUniversal does not assert that the FAC fails to state a claim under the Copyright Act. This argument lacks logic and is without any precedential support—plaintiffs do not point to a single instance in which a court denied a motion to dismiss on this ground. To the extent that plaintiffs now claim that they do seek to bring a copyright infringement claim, the FAC itself alleges that defendant

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As the Court explained in its decision denying plaintiffs' motion to remand, the subject matter requirement is clearly met here because there is no dispute that the motion picture recording of Baiul's performance—the alleged recording, distribution and exploitation of which underlies this suit—is a work entitled to protection under the copyright law. *E.g.*, *Nat'l Basketball Ass'n*, 105 F.3d at 847 ("The Copyright Act was amended in 1976 specifically to insure that simultaneously-recorded transmissions of live performances and sporting events would meet the Act's requirement that the original work of authorship be 'fixed in any tangible medium of expression.'" (quoting 17 U.S.C. § 102(a)).⁹ Plaintiffs' allegations that NBCUniversal and others distributed her performance and that Baiul is entitled to royalties as a result belies any argument that such performance was not fixed in a tangible medium of expression.

As to the general scope requirement, the Court concludes that a review of the FAC shows that plaintiffs' claims seek to vindicate legal or equitable rights that are equivalent to exclusive rights already protected by copyright law and that no qualifying extra element is

Mendelson—and not Baiul—owns the copyright for the Nutcracker recording. (FAC ¶ 8.)

9. In its decision on plaintiffs' motion to remand, the Court also observed that there is at least a substantial question whether Baiul's underlying performance, akin to a choreographed dance, is protected by copyright once fixed in a tangible medium of expression. *See Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624, 632 (2d Cir. 2004); *Horgan v. Macmillan, Inc.*, 789 F.2d 157, 160-62 (2d Cir. 1986).

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required to prove any of plaintiffs' asserted causes of action beyond the elements necessary to prove a copyright violation. The crux of events giving rise to plaintiffs' claims is that defendants "used and exploited" the motion picture recording of Baiul's performance by producing and distributing numerous copies and versions of it. (FAC ¶ 2.) Reproduction and distribution are clearly rights that are encompassed within the bundle of rights afforded to copyright owners. 17 U.S.C. § 106. As to the extra element requirement, none of plaintiffs' claims contain an extra element beyond that which is necessary to prove a copyright infringement claim.

Under New York law, an unjust enrichment claim requires proof that the defendant was enriched at plaintiff's expense and equity and good conscience militate against permitting the defendant to retain what the plaintiff is seeking to recover. *Briarpatch*, 373 F.3d at 306. The Court is persuaded by the reasoning of numerous other courts that such a claim does not contain an "extra element" beyond those necessary to assert a copyright infringement claim. *E.g., id.* ("While enrichment is not required for copyright infringement, we do not believe that it goes far enough to make the unjust enrichment claim qualitatively different from a copyright infringement claim."); *I.C. ex rel. Solovsky v. Delta Galil USA*, No. 1:14-cv-7289-GHW, 135 F. Supp. 3d 196, 2015 U.S. Dist. LEXIS 132052, 2015 WL 5724812, at *17 (S.D.N.Y. Sept. 29, 2015); *Stadt v. Fox News Network LLC*, 719 F. Supp. 2d 312, 321-22 (S.D.N.Y. 2010); *see also Forest Park Pictures v. Universal Television Network, Inc.*, 683 F.3d 424, 432 (2d Cir. 2012). A plaintiff's allegation that she

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did not receive royalties does not transform a copyright infringement claim into an unjust enrichment claim falling outside the purview of copyright. *Spinelli v. Nat'l Football League*, 96 F. Supp. 3d 81, 137 (S.D.N.Y. 2015). Plaintiffs' unjust enrichment claim is therefore preempted.

Under New York law, a claim for conversion requires a “denial or violation of the plaintiff’s dominion, rights, or possession” and it implies “a wrongful act, a misdelivery, a wrongful disposition, or withholding of property.” *In re Chateaugay Corp.*, 10 F.3d 944, 957 (2d Cir. 1993); *see also Berman v. Sugo LLC*, 580 F. Supp. 2d 191, 206 (S.D.N.Y. 2008) (“To establish a claim of conversion, a plaintiff must show legal ownership or an immediate superior right of possession to a specific identifiable thing and must show that the defendant exercised an unauthorized dominion over the thing in question . . . to the exclusion of the plaintiff[’]s rights.” (quotation marks omitted)). The Second Circuit has held that a conversion claim is coextensive with and preempted by the Copyright Act where based on the unauthorized publication of a work, *Miller v. Holtzbrinck Publishers, L.L.C.*, 377 F. App’x 72, 73 (2d Cir. 2010) (summary order) (citing *Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 201 (2d Cir. 1983), *rev’d on other grounds*, 471 U.S. 359, 105 S. Ct. 1996, 85 L. Ed. 2d 385 (1985)), and courts within this district have previously concluded that conversion claims are preempted when the defendants are said to be exploiting and infringing rights that are those of a copyright holder, *Archie Comic Publications, Inc. v. DeCarlo*, 141 F. Supp. 2d 428, 432 (S.D.N.Y. 2001). In contrast, courts have found that a claim for conversion

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based on the defendant's possession of a specific tangible object (rather than based on copying, displaying, or distributing the item) is not preempted by the Copyright Act. *E.g.*, *Buttner v. RD Palmer Enters., Inc.*, No. 5:13-CV-0342 (LEK/ATB), 2013 U.S. Dist. LEXIS 168449, 2013 WL 6196560, at *2 (N.D.N.Y. Nov. 27, 2013); *see also Harper & Row*, 723 F.2d at 201. A review of plaintiffs' allegations shows that her conversion claim is based on NBCUniversal's withholding of alleged royalty payments, not based on NBCUniversal's alleged wrongful possession or exclusive control over some tangible item rightfully belonging to plaintiffs. Plaintiffs' conversion claim is therefore preempted.

To establish a claim for accounting under New York law, a party must establish "(1) relations of a mutual and confidential nature; (2) money or property entrusted to the defendant imposing upon him a burden of accounting; (3) that there is no adequate legal remedy; and (4) in some cases, a demand for an accounting and a refusal." *Dayan Enters., Corp. v. Nautica Apparel, Inc.*, No. 03 Civ. 5706(LLS), 2003 U.S. Dist. LEXIS 21344, 2003 WL 22832706, at *1 (S.D.N.Y. Nov. 26, 2003). For the same reasons that plaintiffs' unjust enrichment and conversion claims are preempted, plaintiffs' claim for accounting is also preempted by the Copyright Act. Regardless of how plaintiffs style this claim, the basic allegation underlying it is that Baiul has been deprived of royalties to which she is entitled based on NBCUniversal's use and exploitation of motion picture recordings of her performance. The Court is persuaded by the reasoning of numerous courts that claims for accounting based on the defendant's alleged

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misappropriation and exploitation of a copyrighted work are preempted by the Copyright Act. *E.g.*, *Carell v. Shubert Org., Inc.*, 104 F. Supp. 2d 236, 249 n.9 (S.D.N.Y. 2000); *Weber v. Geffen Records, Inc.*, 63 F. Supp. 2d 458, 463 (S.D.N.Y. 1999); *Arden v. Columbia Pictures Indus., Inc.*, 908 F. Supp. 1248, 1264 (S.D.N.Y. 1995). Plaintiffs' accounting claim is therefore preempted.

2. Statute of Limitations

Under New York law, a six-year statute of limitations applies to claims for unjust enrichment and accounting. N.Y. C.P.L.R. § 213(1); *Golden Pac. Bancorp v. F.D.I.C.*, 273 F.3d 509, 518 (2d Cir. 2001); *Sirico v. F.G.G. Prods., Inc.*, 71 A.D.3d 429, 434, 896 N.Y.S.2d 61 (1st Dep't 2010) (unjust enrichment). "A cause of action for unjust enrichment accrues 'upon the occurrence of the wrongful act giving rise to a duty of restitution.'" *Elliott v. Qwest Commc'ns Corp.*, 25 A.D.3d 897, 898, 808 N.Y.S.2d 443 (3d Dep't 2006) (quoting *Congregation Yetev Lev D'Satmar, Inc. v. 26 Adar N.B. Corp.*, 192 A.D.2d 501, 503, 596 N.Y.S.2d 435 (2d Dep't 1993)). A claim for accounting accrues when the duty to pay arises. *Glynwill Investments, N.V. v. Prudential Sec., Inc.*, No. 92 Civ. 9267 (CSH), 1995 U.S. Dist. LEXIS 8262, 1995 WL 362500, at *3 (S.D.N.Y. June 16, 1995) (citing *Bernstein v. La Rue*, 120 A.D.2d 476, 477, 501 N.Y.S.2d 896 (2d Dep't 1986)). Under New York law, a claim for conversion is governed by a three-year statute of limitations. N.Y. C.P.L.R. 214(3); *Seneca Ins. Co. v. Wilcock*, No. 01 Civ. 7620 (WHP), 2002 U.S. Dist. LEXIS 9451, 2002 WL 1067828, at *6 (S.D.N.Y. May 28, 2002). A claim for conversion accrues "at the moment of conversion

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regardless of when the conversion is discovered.” *Seneca Ins.*, 2002 U.S. Dist. LEXIS 9451, 2002 WL 1067828, at *6 (quoting *Lennon v. Seaman*, 63 F. Supp. 2d 428, 439-41 (S.D.N.Y. 1999)).

Applying the limitations periods governing plaintiffs’ three claims, it is clear that plaintiffs commenced this action far too late and that all of these claims are time-barred. The FAC alleges that Baiul gave her performance in the Nutcracker On Ice show on or about December 19, 1994 (FAC ¶ 2), approximately 19 years before she filed this suit and 21 years before she filed the FAC. The FAC further alleges that the defendants recorded and exploited Baiul’s performance pursuant to the Nutcracker Agreement, dated January 18, 1995. (FAC ¶ 2; *see* FAC, Ex. A.) By its terms, the Nutcracker Agreement states that it was effective as of December 31, 1994 and expired on December 31, 2004, with all rights related to the recording reverting to OII after that date. (FAC, Ex. A.) The Nutcracker Agreement also gave NBCUniversal a six month sell-off period after the agreement’s expiration period to advertise, sell, distribute and otherwise market all remaining copies of the recording. (FAC, Ex. A.) The FAC alleges that it was in the Nutcracker Agreement that NBCUniversal allegedly took responsibility for paying “royalties” to Baiul pursuant to a separate performance agreement that the parties now agree never came into existence. (FAC ¶ 3; *see* FAC, Ex. A.)¹⁰

10. The FAC also alleges that the defendants entered into license agreements with respect to the television broadcast and video distribution of the Nutcracker On Ice recording, including agreements dated May 12, 1995, July 19, 1994 and March 28, 1995.

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Based on the terms of the Nutcracker Agreement, which the Court may consider on this motion because it was attached as an exhibit to the FAC, the occurrence of the wrongful act giving rise to a duty of restitution, the date on which NBCUniversal's alleged duty to pay arose, and the moment of conversion, all took place as early as January 18, 1995, but in no event any later than June 30, 2005, the conclusion of the sell-off period. This was the last date on which NBCUniversal had any rights to the Nutcracker recording before all such rights reverted to OII. NBCUniversal could not have earned any benefit from Baiul's performance or the Nutcracker recording (or be obligated to pay Baiul any royalties as a result), after this date. To the extent that plaintiffs argue that the limitations period has not yet run because NBCUniversal has committed a recurring or continuing wrong that persists to this day, that argument is facially implausible based on the terms of the Nutcracker Agreement attached as an exhibit to the FAC. The argument is conclusory, speculative, and without any concrete factual support. Because claims for unjust enrichment and accounting have a six-year limitations period, and a claim for conversion has a three-year limitations period, plaintiffs' claims expired—at the latest—on June 30, 2011, more than two years before they filed this suit and more than four years before plaintiffs first brought these particular claims in the FAC.¹¹

(FAC ¶ 2.) The FAC fails to explain how any of these agreements could serve as a basis for plaintiffs' instant claims.

11. Of course, there is a strong argument that plaintiffs' claims accrued on January 18, 1995, the date that NBC Sports and OII

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To the extent that plaintiffs argue that the limitations period for their claims must be tolled because Baiul's entitlement to royalties was not reasonably discoverable until NBCUniversal provided plaintiffs with the Nutcracker Agreement and admitted, on May 7, 2014, that no performance agreement was entered into between Baiul and either OII or NBC Sports (FAC ¶ 5), the Court rejects this argument for the same reasons that it rejected Baiul's similar argument in her suit against William Morris Agency, her former talent agency. *See William Morris*, 2014 U.S. Dist. LEXIS 62633, 2014 WL 1804526, at *7-8.

As this Court explained in *William Morris*, “under New York law, the doctrines of equitable tolling or equitable estoppel may be invoked to defeat a statute of limitations defense when the plaintiff was induced by fraud, misrepresentations or deception to refrain from filing a timely action;” the Court also explained that the plaintiff's due diligence in bringing an action is an essential element of invoking the doctrine. 2014 U.S. Dist. LEXIS 62633, [WL] at *7 (quoting *Abbas v. Dixon*, 480 F.3d 636, 642 (2d Cir. 2007)) (alterations omitted). The FAC alleges that Baiul performed in the Nutcracker On Ice show in December 1994—approximately 21 years

entered into the Nutcracker Agreement because NBCUniversal's alleged duty to pay would have been triggered at that point. If plaintiffs' claims did accrue at that time, the claims would have expired more than a decade before plaintiffs initiated this action. However, the Court need not determine whether this earlier date applies because plaintiffs' claims are time-barred even based on the latest possible date of accrual.

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before plaintiffs filed the FAC—and that Baiul was never paid any royalties thereafter. Based on the facts conceded in the FAC, it is clear that a person of ordinary intelligence would have been aware of a need to further investigate the alleged pattern of non-payment far earlier than six years before plaintiffs initiated this action. *See* 2014 U.S. Dist. LEXIS 62633, [WL] at *8. Significantly, the FAC alleges no facts, beyond conclusory allegations, to explain how plaintiffs were reasonably diligent in commencing this action. (*See* FAC ¶ 5.)

Recognizing the futility of countering NBCUniversal’s statute of limitations defense on the merits, plaintiffs attempt to defeat it primarily by asserting that the substantive law of either California or Nevada, rather than that of New York, applies to this dispute. (Mem. of Law in Opp. to Def.’s Mot. to Dismiss at 7-10, ECF No. 44.) This argument is meritless. First, the Nutcracker Agreement, which, as discussed above, serves as the alleged source of plaintiffs’ belief that NBCUniversal was responsible for paying royalties to Baiul (FAC ¶ 3), contains a choice of law clause that states that it shall be governed and construed, and the legal relations shall be determined, in accordance with New York law (FAC, Ex. A); *see Ministers & Missionaries Ben. Bd. v. Snow*, 26 N.Y.3d 466, 470, 25 N.Y.S.3d 21, 45 N.E.3d 917 (2015) (stating that “courts will generally enforce choice-of-law clauses”); *but see Fin. One Pub. Co. v. Lehman Bros. Special Fin.*, 414 F.3d 325, 334 (2d Cir. 2005) (explaining the “reluctance on the part of New York courts to construe contractual choice-of-law clauses broadly to encompass extra-contractual causes of action”).

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Second, even if the Nutcracker Agreement’s choice of law clause does not dictate the substantive law to be applied to plaintiffs’ claims, the Court is unpersuaded that the substantive laws of either Nevada or California should govern this dispute. Plaintiffs’ argument that Nevada law applies is frivolous—Nevada has no connection to this litigation other than the fact that Baiul moved there at some point after she commenced this action in New York, long after the events giving rise to this litigation took place. Plaintiffs’ argument that California law applies similarly fails because plaintiffs have waived their choice of law argument by affirmatively representing that New York law applies in numerous prior filings in this action. *See Krumme v. WestPoint Stevens Inc.*, 238 F.3d 133, 138 (2d Cir. 2000) (“The parties’ briefs assume that New York law controls, and such implied consent . . . is sufficient to establish choice of law.” (quotation marks omitted)); *Cargill, Inc. v. Charles Kowsky Res., Inc.*, 949 F.2d 51, 55 (2d Cir. 1991) (stating that the parties’ “conduct during litigation may indicate assent to the application of another state’s law”); (*see, e.g.*, March 16, 2016 Talbert Decl., Ex. 3). Moreover, based on New York’s choice of law rules, the Court also finds that plaintiffs have failed to show that California has more significant contacts or a more significant interest than New York with respect to the matters in dispute. *See Maryland Cas. Co. v. Cont’l Cas. Co.*, 332 F.3d 145, 151 (2d Cir. 2003); *Zurich Ins. Co. v. Shearson Lehman Hutton, Inc.*, 84 N.Y.2d 309, 319, 642 N.E.2d 1065, 618 N.Y.S.2d 609 (1994). The Court’s determination also relies, in large part, on plaintiffs’ own allegations that the Nutcracker Agreement “provides for substantial performance in New York” and that

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Mendelson “substantially performed obligations in New York and/or has received monies from New York for the use and exploitation” of the Nutcracker recording. (FAC ¶ 8.) Finally, the Court observes that, even if California law governed this dispute, the Court firmly believes that plaintiffs’ claims would be time-barred based on essentially the same reasoning that the Court relied on above to conclude that plaintiffs’ claims are time-barred under New York law. *See Norgart v. Upjohn Co.*, 21 Cal. 4th 383, 87 Cal. Rptr. 2d 453, 981 P.2d 79, 83 (Cal. 1999) (stating that a cause of action generally accrues as of the time when the cause of action is complete with all of its elements, but that the discovery rule postpones accrual of the cause of action until the plaintiff discovers, or has reason to discover, the cause of action).

3. Claim-Specific Grounds for Dismissal

In addition to the two grounds (Copyright Act preemption and the statute of limitations) discussed above that justify dismissal of all of plaintiffs’ claims, each of plaintiffs’ claims is, in the alternative, subject to dismissal for at least one additional reason specific to that claim. Although there may be additional bases for dismissing each of these claims (and NBCUniversal raises several), the Court here merely identifies the clearest reason why plaintiffs fail to state a plausible claim as to each of their asserted causes of action. For the reasons explained below, the Court concludes that plaintiffs’ unjust enrichment claim must be dismissed pursuant to the statute of frauds, their conversion claim must be dismissed because plaintiffs do not specifically identify the property at issue,

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and their accounting claim must be dismissed because plaintiffs fail to plausibly allege a confidential or fiduciary relationship or a breach of duty imposed based on such a relationship.

a) Unjust enrichment

Under New York’s statute of frauds, any agreement that by its terms is not to be performed within one year from the making thereof or the performance of which is not to be completed before the end of a lifetime, must be in writing to be enforceable. N.Y. Gen. Oblig. Law § 5-701(a) (1).¹² “To satisfy the statute of frauds, a writing must identify the parties, describe the subject matter, state all the essential terms of an agreement, and be signed by the party to be charged.” *Durso v. Baisch*, 37 A.D.3d 646, 647, 830 N.Y.S.2d 327 (2d Dep’t 2007). The writing “allegedly evidencing a contract must state the entire agreement with such certainty that the substance thereof will appear from the writing alone.” *Tamir v. Greenberg*, 119 A.D.2d 665, 666, 501 N.Y.S.2d 103 (2d Dep’t 1986); see *Olim Realty v. Lanaj Home Furnishings*, 65 A.D.3d 1318, 1320, 885 N.Y.S.2d 750 (2d Dep’t 2009). Agreements to pay recurring royalties must comply with the statute of frauds to be enforceable. *Sirico v. F.G.G. Prods., Inc.*, 71 A.D.3d 429, 434, 896 N.Y.S.2d 61 (1st Dep’t 2010) (“[A]ny agreement to royalties extending beyond one

12. Once again, plaintiffs primarily rest their opposition to NBCUniversal’s claim-specific defenses by arguing that the substantive laws of either California or Nevada govern this action. (Mem. of Law in Opp. to Def.’s Mot. to Dismiss at 12-15.) For the reasons previously stated, the Court concludes that all of plaintiffs’ claims are governed by New York law.

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year must be in writing to satisfy the statute of frauds.”); *Melwani v. Jain*, 281 A.D.2d 276, 276-77, 722 N.Y.S.2d 145 (1st Dep’t 2001) (“The alleged oral agreement, under which defendants were to pay plaintiff a royalty during his lifetime, and then pay it to his heirs in perpetuity, was correctly held to be unenforceable under the Statute of Frauds as incapable of performance within one year or of complete performance before the end of plaintiff’s lifetime.”).

In plaintiffs’ several complaints in this action filed prior to the operative FAC, plaintiffs alleged that NBCUniversal was liable for breach of a written contract agreement that it had entered into with Baiul. Having conceded that no such written agreement exists, plaintiffs have, in the FAC, refashioned their untenable contract claim as an unjust enrichment claim. Such a contract claim, premised on an unwritten agreement, would violate the statute of frauds because the agreement would not have been capable of performance within one year—plaintiffs allege that NBCUniversal had a recurring duty to pay royalties to Baiul from 1995 (or 1994) up through the present. *See Sirico*, 71 A.D.3d at 434. Because plaintiffs may not pursue an unjust enrichment claim under circumstances in which the statute of frauds bars the underlying contract upon which the unjust enrichment claim is predicated, *Thiam v. Am. Talent Agency, Inc.*, No. 11 Civ. 1465(GBD), 2012 U.S. Dist. LEXIS 46279, 2012 WL 1034901, at *5 (S.D.N.Y. Mar. 27, 2012), plaintiffs’ unjust enrichment claim also may not lie, and is therefore subject to dismissal.¹³

13. To the extent that plaintiffs seek to rely on the doctrine of part performance to escape the statute of frauds, plaintiffs have failed to establish that this exception applies. Neither party is

*Appendix C***b) Conversion**

“To establish a claim of conversion, a plaintiff must show legal ownership or an immediate superior right of possession to a specific identifiable thing and must show that the defendant exercised an unauthorized dominion over the thing in question . . . to the exclusion of the plaintiff[’s rights.” *Berman*, 580 F. Supp. 2d at 206 (quotation marks omitted). A claim for “conversion of intangible property is not actionable under New York law.” *MBF Clearing Corp. v. Shine*, 212 A.D.2d 478, 479, 623 N.Y.S.2d 204 (1st Dep’t 1995) (citing *Sporn v. MCA Records, Inc.*, 58 N.Y.2d 482, 489, 448 N.E.2d 1324, 462 N.Y.S.2d 413 (1983)). Where the property alleged to have been converted is money, “it must be specifically identifiable and be subject to an obligation to be returned or to be otherwise treated in a particular manner.” *Republic of Haiti v. Duvalier*, 211 A.D.2d 379, 384, 626 N.Y.S.2d 472 (1st Dep’t 1995); *see also Chang v. Gordon*, No. 96 CIV. 0152(JFK), 1997 U.S. Dist. LEXIS 13570, 1997 WL 563288, at *10 (S.D.N.Y. Sept. 8, 1997). A claim for conversion of money is not available where the plaintiff never had ownership, possession or control of the money in question. *It’s Entm’t, Div. of I.S. Enters., Inc. v. Choice Entm’t, Inc.*, No. 90 Civ. 0653 (RWS), 1991 U.S. Dist. LEXIS 18347, 1991 WL 285615, at *10 (S.D.N.Y. Dec. 31, 1991).

alleged to have taken any actions that were unequivocally referable to the parties’ purported oral agreement. *See Messner Vetere Berger McNamee Schmetterer Euro RSCG Inc. v. Aegis Grp. PLC*, 93 N.Y.2d 229, 235-36, 711 N.E.2d 953, 689 N.Y.S.2d 674 (1999).

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The FAC alleges, in relevant part, that defendants “converted Oksana Performance to their benefit in the use and exploitation of the Picture with no consideration to Plaintiffs.” (FAC ¶ 18.) The term “Oksana Performance” is not defined in the FAC, but appears to refer to Baiul’s December 19, 1994 performance in the Nutcracker On Ice show. (*See* FAC ¶ 2.) Plaintiffs fail to state a claim for conversion because they never allege that they had ownership, possession or control of any specifically identifiable property that is or was in NBCUniversal’s possession.¹⁴ Furthermore, it is unclear precisely what property plaintiffs allege that defendants converted. Baiul’s figure skating performance is not itself a tangible item of property capable of serving as the basis for a conversion claim. To the extent that plaintiffs’ claim is based on the recording of Baiul’s performance, the FAC does not allege that plaintiffs ever possessed a physical recording of the performance belonging to them that defendants have taken but refuse to return. *Cf. Sporn*, 58 N.Y.2d at 489 (“[A]n action involving infringement of property rights by virtue of misappropriating tangible property — in this case the master recording — should properly be considered an action to recover for conversion of that property.”). Finally, to the extent that plaintiffs’ claim is based on monetary royalty payments allegedly owed to Baiul, plaintiffs have not specifically identified that money with the requisite particularity, nor have they alleged that Baiul ever had ownership, possession

14. Additionally, as with plaintiffs’ unjust enrichment claim, their conversion claim is merely a thinly disguised contract claim, and is also subject to dismissal on that ground. *See It’s Entm’t, Div. of I.S. Enters.*, 1991 U.S. Dist. LEXIS 18347, 1991 WL 285615, at *10.

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or control of it. (FAC ¶ 3 (“[N]o ‘royalties’ have ever been paid to Oksana by NBC Sports with respect to the Oksana Performance.”).)

c) Accounting

A claim for accounting under New York law requires that a party establish “(1) relations of a mutual and confidential nature; (2) money or property entrusted to the defendant imposing upon him a burden of accounting; (3) that there is no adequate legal remedy; and (4) in some cases, a demand for an accounting and a refusal.” *Dayan Enterprises*, 2003 U.S. Dist. LEXIS 21344, 2003 WL 22832706, at *1. “The right to an accounting is premised upon the existence of a confidential or fiduciary relationship and a breach of the duty imposed by that relationship respecting property in which the party seeking the accounting has an interest.” *Ctr. for Rehab. & Nursing at Birchwood, LLC v. S & L Birchwood, LLC*, 92 A.D.3d 711, 713, 939 N.Y.S.2d 78 (2d Dep’t 2012) (quoting *Palazzo v. Palazzo*, 121 A.D.2d 261, 264, 503 N.Y.S.2d 381 (1st Dep’t 1986)).

Plaintiffs’ accounting claim fails at the initial step because the FAC does not allege the existence of a confidential or fiduciary relationship between plaintiffs and NBCUniversal. The FAC, in fact, does not even allege any direct relationship between plaintiffs and NBCUniversal or that NBCUniversal assumed a fiduciary obligation owed to plaintiffs by any other party. In the absence of such allegations, a cause of action for an accounting may not lie.

*Appendix C***4. Dismissal without Leave to Amend**

As explained above, NBCUniversal is entitled to judgment on the pleadings—on numerous grounds—as to all causes of action alleged in the Fourth Amended Complaint. Plaintiffs have not expressly asked for leave to amend the FAC in the event that the Court grants NBCUniversal’s motion, but, even if they had done so, this Court would deny leave to amend in light of plaintiffs’ bad faith in litigating this action and because of the numerous insurmountable barriers to plaintiffs’ ability to state a cognizable cause of action for which they might obtain any relief. *Milanese v. Rust-Oleum Corp.*, 244 F.3d 104, 110 (2d Cir. 2001). Plaintiffs have already had five chances to plead a plausible claim—that is far more opportunities than were warranted given the clear deficiencies in whatever claim they might hope to assert based on the events underlying this case. Plaintiffs’ claims against NBCUniversal are therefore dismissed with prejudice.

Because there is no evidence that any other defendant has been served with the Fourth Amended Complaint, and no other remaining defendant has appeared in this action or moved to dismiss any of plaintiffs’ claims, all claims against the remaining defendants are dismissed without prejudice.

IV. NBCUNIVERSAL’S REQUEST FOR SANCTIONS

The last issue that the Court must take up in resolving the parties’ motions is NBCUniversal’s request for sanctions against plaintiffs’ counsel, Raymond J.

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Markovich, pursuant to 28 U.S.C. § 1927. NBCUniversal contends that sanctions are warranted because, *inter alia*, Mr. Markovich maintained this action for years after it became clear that the allegations were meritless and contained numerous deficiencies that clearly precluded plaintiffs' entitlement to any of the their requested relief. For the reasons set forth below, the Court agrees that § 1927 sanctions against Mr. Markovich are justified. The Court therefore imposes a sanction of NBCUniversal's costs and expenses, including reasonably attorney's fees, on Mr. Markovich.

A. Legal Standards

Under 28 U.S.C. § 1927, "[a]ny attorney . . . who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct." 28 U.S.C. § 1927. To impose sanctions under § 1927, "the trial court must find clear evidence that (1) the offending party's claims were entirely meritless and (2) the party acted for improper purposes." *Agee v. Paramount Commc'ns Inc.*, 114 F.3d 395, 398 (2d Cir. 1997); *see also Enmon v. Prospect Capital Corp.*, 675 F.3d 138, 143 (2d Cir. 2012); *Gollomp v. Spitzer*, 568 F.3d 355, 368 (2d Cir. 2009). "[T]he imposition of sanctions under § 1927 requires a clear showing of bad faith on the part of an attorney." *Salovaara v. Eckert*, 222 F.3d 19, 35 (2d Cir. 2000) (quotation marks omitted). "Bad faith may be inferred only if actions are so completely without merit as to require the conclusion that they must have been undertaken for some improper

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purpose such as delay.” *Id.* (quotation marks and citation omitted).

B. Discussion

Based on plaintiffs’ numerous frivolous filings and misrepresentations over the course of this litigation, the Court finds that Mr. Markovich has unreasonably and vexatiously multiplied the proceedings in this case and that both of the necessary elements for imposing § 1927 sanctions have been met. If ever this Court has witnessed attorney conduct more vexatious and harassing or deserving of § 1927 sanctions, the Court has difficulty in recalling that occasion.

First, plaintiffs’ claims—which have morphed and transformed over the course of plaintiffs’ five complaints as a result of Mr. Markovich’s attempts to persist at prolonging the inevitable—have clearly been frivolous since the commencement of this action in December 2013. In particular, beyond the fact that plaintiffs’ three current claims are facially subject to dismissal on several grounds, all of the claims that plaintiffs have asserted over the course of this tortured litigation—ranging from those asserted in their initial complaint and up through the operative FAC—are clearly barred by any potentially applicable statute of limitations. Notwithstanding the New York State Supreme Court’s denial of NBCUniversal’s early motion to dismiss (which, as discussed below, rested on Mr. Markovich’s unfounded representation to that court that Baiul and NBCUniversal had entered into a written agreement that provided for perpetual royalties), it is

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plainly apparent that in December 2013 plaintiffs could not assert any claims based on Baiul's 1994 Nutcracker On Ice performance. To the extent that it would not otherwise have been clear to Mr. Markovich that the statute of limitations posed an insurmountable barrier to Baiul's ability to assert claims arising from her 1994 Nutcracker On Ice performance, that result became blatantly obvious when this Court dismissed Baiul's lawsuit against William Morris and her prior action against NBCUniversal, both suits in which Mr. Markovich also represented Baiul. *See William Morris*, 2014 U.S. Dist. LEXIS 62633, 2014 WL 1804526; *NBCUniversal Media*, 2014 U.S. Dist. LEXIS 57474, 2014 WL 1651943.

Second, there is ample evidence in the record to infer Mr. Markovich's bad faith based on his advancement of litigation positions that are so lacking in merit that the only reasonable conclusion to be drawn is that his actions were taken for the improper purposes of either delay or to inflict as much cost (in terms of time and expense) on NBCUniversal as possible.¹⁵ The Court

15. In *William Morris*, this Court previously considered whether to impose § 1927 sanctions against Mr. Markovich, but ultimately declined to grant such relief. The Court declined to impose sanctions because it was not clear whether it was Mr. Markovich or Baiul herself who was responsible for the unreasonable and vexatious conduct that the Court believed permeated that action. *William Morris*, 2014 U.S. Dist. LEXIS 62633, 2014 WL 1804526, at *13. Based on Mr. Markovich's conduct in this action and his numerous changes of position and continued pursuit of claims that even he apparently recognized were meritless, the Court cannot help but conclude that it is Mr. Markovich who is largely responsible for subjecting NBCUniversal (and this Court) to vexatious and harassing

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here outlines only several of the many examples of Mr. Markovich's conduct from which his bad faith may be inferred. Early in this litigation, Mr. Markovich avoided dismissal of this action in the New York State Supreme Court (based on readily apparent statute of limitations and statute of frauds issues) by asserting—without any non-speculative basis—that plaintiffs' claims were based on a written agreement, extending in perpetuity, between Baiul and NBCUniversal. Having just barely defeated NBCUniversal's early motion with that argument (Justice Ramos stated that he anticipated the litigation would not last long (Feb. 16, 2016 Markovich Affirmation, Ex. A at 15-16)), Mr. Markovich continued to rely on a theory that a written agreement existed up until excising this claim from the FAC in December 2015, despite conceding that plaintiffs became aware, in May 2014, that no such written agreement ever existed based on NBCUniversal's judicial admissions. (*E.g.*, FAC ¶ 5.) Although admitting that he was aware as of May 2014 that no written contract existed, Mr. Markovich nonetheless subsequently filed the third amended complaint, which continued to allege a claim for breach of a written contract, in June 2015. (ECF No. 5-13.) Even more egregiously, Mr. Markovich continued to pursue this theory despite knowing that Baiul had initiated an action in California that charged NBCUniversal with liability for having *not* entered into a written contract with Baiul. (*See* ECF No. 21-1.) Refusing to end his vexatious conduct there, Mr. Markovich proceeded to file the FAC in December 2015, which alleged essentially the same

litigation. The Court is, at this juncture, left with little doubt that Mr. Markovich has played at least a substantial role in unnecessarily multiplying Baiul's frivolous series of lawsuits.

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claims that Baiul was pursuing in the California action. Mr. Markovich elected to do so despite NBCUniversal's (more than reasonable) offer to allow Baiul to pursue her claims to finality in a single forum. Finally, NBCUniversal has also presented the Court with further evidence of Mr. Markovich's bad faith in the form of email communications between counsel in which Mr. Markovich threatened what would certainly be a baseless Rule 11 motion in response to NBCUniversal's Rule 12(c) motion. (*See* March 4, 2016 Talbert Decl., Ex. 9, ECF No. 35-9.)¹⁶ Based on all of this conduct, as well Mr. Markovich's numerous other frivolous submissions to this Court that have been rife with conjecture, *ad hominem* attacks and a blatant disregard for well-settled legal principles, *see Neroni v. Becker*, 609 F. App'x 690, 693 (2d Cir. 2015) (summary order), the Court finds, by clear and convincing evidence, that Mr. Markovich's conduct in this litigation has been in bad faith and made for improper purposes.

In opposing NBCUniversal's request, Mr. Markovich argues that § 1927 sanctions should not be imposed primarily because plaintiffs have made several attempts to voluntarily dismiss this action without prejudice, and because NBCUniversal has failed to assert any excess costs, expenses or attorneys' fees reasonably incurred as a result of his misconduct, or that he has engaged in any bad faith conduct warranting sanctions. (Mem. of Law

16. Mr. Markovich also suggests that Rule 11 sanctions should be imposed on NBCUniversal in his opposition brief to NBCUniversal's Rule 12(c) motion. (Mem. of Law in Opp. to Def.'s Mot. to Dismiss at 15.) Mr. Markovich's request is unfounded, and the Court rejects it on that basis.

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in Opp. to Def.'s Mot. to Dismiss at 16-19.) The Court rejects these arguments. First, Mr. Markovich's repeated attempts to withdraw this action without prejudice—including by filing improper notices of voluntary dismissal pursuant to Rule 41(a)(1)(A)(i)—do not counterbalance Mr. Markovich's numerous frivolous filings and arguments described above. Moreover, as explained above, Mr. Markovich's refusal to dismiss this action with prejudice and allow Baiul to proceed solely in her California action (with NBCUniversal's promise not to seek dismissal of that action on res judicata grounds) unduly multiplied these proceedings and caused unnecessary further expense. As to Mr. Markovich's conclusory assertion that he has not engaged in any bad faith conduct, that is belied by the actions from which his bad faith may be inferred that the Court laid out above.

As noted above, Mr. Markovich moved for leave to withdraw as plaintiffs' counsel on March 24, 2016. (ECF No. 48.)¹⁷ In support of his motion, Mr. Markovich states that, following the Court's March 7, 2016 Order informing him that § 1927 sanctions may be avoided if plaintiffs voluntarily dismissed this action with prejudice not later than March 11, 2016 (ECF No. 37), he attempted to persuade Baiul to dismiss the action with prejudice but was unable to obtain her consent. (Mar. 24, 2016 Markovich Affirmation ¶¶ 4-5, ECF No. 50.) Mr. Markovich states that he attempted to comply with the Court's March 7 Order to the extent that he could personally do so by

17. To date, NBCUniversal has not opposed Mr. Markovich's motion to withdraw.

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seeking an adjournment of filing deadlines so that he could seek withdrawal and plaintiffs could obtain new counsel, but that the Court rejected his effort to do so. (*Id.* ¶¶ 6-7.) Mr. Markovich further states that he had no authority to dismiss the action without prejudice without his client's consent. (*Id.* ¶ 11.) Even accepting Mr. Markovich's representations regarding his attempt to heed the Court's March 7 Order, the Court is not persuaded that Mr. Markovich's efforts to excise himself from the case at such a late stage—and only after sanctions were a serious threat—justifies the denial of NBCUniversal's sanctions request. Mr. Markovich's eleventh hour realization that his vexatious conduct throughout this litigation could have personal consequences does not excuse or counterbalance his preceding bad faith conduct described above.

For the foregoing reasons, the Court concludes that sanctions against Mr. Markovich are warranted. NBCUniversal is directed to file a detailed submission concerning the precise amount of its costs and attorneys' fees in this action not later than two weeks from the date of this decision. Plaintiffs (or, as appropriate, Mr. Markovich) shall file any opposition *with respect to the reasonableness of NBCUniversal's requested fees only*, not later than one week following the date of NBCUniversal's submission.

*Appendix C***V. CONCLUSION**¹⁸

For the reasons set forth above, plaintiffs' motion to dismiss this action without prejudice is DENIED, and NBCUniversal's motion to dismiss this action with prejudice pursuant to Rule 12(c) is GRANTED. The Court also GRANTS NBCUniversal's request for § 1927 sanctions, and concludes that Baiul's counsel must pay NBCUniversal's costs and attorneys' fees. NBCUniversal shall file a detailed submission concerning the precise amount of its costs and attorneys' fees in this action not later than two weeks from the date of this decision. Plaintiffs shall file any opposition *with respect to the reasonableness of NBCUniversal's requested fees only*, not later than one week following the date of NBCUniversal's submission.

The Clerk of Court is directed to close the motions at ECF Nos. 28 and 31.

SO ORDERED.

Dated: New York, New York
April 19, 2016

/s/ Katherine B. Forrest
KATHERINE B. FORREST
United States District Judge

18. The Court has considered plaintiffs' other arguments, and concludes that they are without merit.

APPENDIX D — LETTER AND ORDER, *OKSANA BAIUL ET AL. V. NBC SPORTS*, DATED MARCH 9, 2016 AND MARCH 10, 2016

March 09, 2016

VIA ECF and Email

Hon. Katherine B. Forrest
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street; Room 1950
New York, NY 10007-1312

Re: *Oksana Baiul et al. v. NBC Sports, a division of
NBC Universal Media, LLC, a Delaware limited
liability company, et al.*
Case No: 15-cv-09920-KBF

Dear Judge Forrest:

I am counsel for Plaintiffs in the above-referenced action (“Action”). I write to the Court in accordance with Rule 1.G of your Individual Practices to request at least a 30 day adjournment (from the date of this Court’s decision on my motion to withdraw) of the Opposition and Reply scheduled for March 11, 2016.

I have not discussed the issue with NBC due to its sensitive nature but expect that they will oppose and claim something akin to unjustified abuses against humanity for Oksana claiming monies owed. But if the Court investigates their grounds, they should fail.

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The reason for Plaintiffs' request is that I am planning to serve a motion to withdraw by tomorrow and my Client needs new counsel in light of your recent Order.

Respectfully submitted,

/s/
Raymond J. Markovich, Esq.
Counsel for the Plaintiffs

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ORDERED

The motion to withdraw is DENIED at this time. We are in the midst of dispositive motion practice and sanctions briefing. Those motions must be completed before you may withdraw. After they are fully briefed you may renew your application.

/s/ K.B. Forrest USDJ

3/10/16

**APPENDIX E — ORDER OF THE UNITED
STATES DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF NEW YORK, FILED MARCH 7, 2016**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

15-cv-9920 (KBF)

OKSANA BAIUL *et al.*,

Plaintiffs,

-v-

NBC SPORTS, A DIVISION OF NBC
UNIVERSAL MEDIA LLC, A DELAWARE
LIMITED LIABILITY COMPANY, *et al.*,

Defendants.

ORDER

KATHERINE B. FORREST, District Judge:

The Court hereby notifies the parties that it is seriously considering NBCUniversal's request that the Court impose sanctions against plaintiffs' counsel pursuant to 28 U.S.C. § 1927 and provide other appropriate affirmative relief. (*See* ECF Nos. 32, 34.) The Court further advises the parties that sanctions may be avoided if plaintiffs voluntarily dismiss this action *with prejudice* not later than **March 11, 2016**.

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SO ORDERED.

Dated: New York, New York
March 7, 2016

/s/
KATHERINE B. FORREST
United States District Judge

**APPENDIX F — MEMORANDUM DECISION
& ORDER OF THE UNITED STATES DISTRICT
COURT FOR THE SOUTHERN DISTRICT OF
NEW YORK, FILED FEBRUARY 16, 2016**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

15-cv-9920 (KBF)

OKSANA BAIUL *et al.*,

Plaintiffs,

-v-

NBC SPORTS, A DIVISION OF NBCUNIVERSAL
MEDIA LLC, A DELAWARE LIMITED LIABILITY
COMPANY, *et al.*,

Defendants.

MEMORANDUM DECISION & ORDER

KATHERINE B. FORREST, District Judge:

Once again before this Court is the latest in a series of lawsuits brought by Oksana Baiul (“Baiul”) and her company, Oksana, Ltd., against a variety of entities seeking millions in damages for events that took place decades ago. This particular case is now before the Court for the second time—the Court previously remanded this action to state court (at a time when a prior complaint was operative) for lack of subject matter jurisdiction. *See*

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Baiul v. NBCUniversal Media, LLC, 15-cv-2816(KBF). Plaintiffs are now on their Fourth Amended Complaint, and the case has been removed for the second time to this Court on the basis that plaintiffs' claims, as currently pled, are completely preempted by the Copyright Act, 17 U.S.C. § 101 *et seq.* (ECF No. 5.) Pending before the Court is plaintiffs' motion to remand this action to the New York State Supreme Court. (ECF No. 15.) For the reasons set forth below, plaintiffs' motion is DENIED.

I. LEGAL STANDARDS

A defendant may remove an action from state to federal court by filing a notice of removal in the federal court. *See* 28 U.S.C. § 1446(a). The notice must contain "a short and plain statement of the grounds for removal," *id.* § 1446(a), and "be filed within 30 days after the receipt by the defendant . . . of a copy of the initial pleading," *id.* § 1446(b)(1). "If the case stated by the initial pleading is not removable, a notice of removal may be filed within 30 days after receipt by the defendant . . . of a copy of an amended pleading . . . from which it may first be ascertained that the case is one which is or has become removable." *Id.* § 1446(b)(3). A "party seeking removal bears the burden of showing that federal jurisdiction is proper." *Montefiore Med. Ctr. v. Teamsters Local 272*, 642 F.3d 321, 327 (2d Cir. 2011).

Removal is proper in "any civil action . . . of which the district courts of the United States have original jurisdiction." 28 U.S.C. § 1441(a). A federal district court has federal question jurisdiction "of all civil actions arising

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under the Constitution, laws, or treaties of the United States.” *Id.* § 1331. “The presence or absence of federal-question jurisdiction is governed by the ‘well-pleaded complaint rule,’ which provides that federal jurisdiction exists only when a federal question is presented on the face of the plaintiff’s properly pleaded complaint.” *Caterpillar Inc. v. Williams*, 482 U.S. 386, 392 (1987); *see Romano v. Kazacos*, 609 F.3d 512, 518-19 (2d Cir. 2010). A federal question may arise in two ways—either where “federal law creates the cause of action asserted” or where a state law claim “necessarily raise[s] a stated federal issue, actually disputed and substantial.” *Gunn v. Minton*, 133 S. Ct. 1059, 1064-65 (2013) (quoting *Grable & Sons Metal Products, Inc. v. Darue Eng’g & Mfg.*, 545 U.S. 308, 314 (2005)).

A federal district court has subject matter jurisdiction over state law claims that are preempted by the Copyright Act. *Briarpatch Ltd., L.P v. Phoenix Pictures, Inc.*, 373 F.3d 296, 305 (2d Cir. 2004). A state law claim is preempted by the Copyright Act: “(i) if it seeks to vindicate legal or equitable rights that are equivalent to one of the bundle of exclusive rights already protected by copyright law under 17 U.S.C. § 106—the general scope requirement; and (ii) if the work in question is of the type of works protected by the Copyright Act under 17 U.S.C. §§ 102 and 103—the subject matter requirement.” *Barclays Capital Inc. v. Theflyonthewall.com, Inc.*, 650 F.3d 876, 892 (2d Cir. 2011) (quotation marks omitted). The types of works that are protected by Copyright Act include, *inter alia*, pantomimes, choreographic works, motion pictures and other audiovisual works. 17 U.S.C. § 102. The

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bundle of exclusive rights protected by the Copyright Act includes, *inter alia*, the rights of production, preparation of derivative works, and distribution of copies. *Id.* § 106. Finally, for preemption to apply, the defendant must also satisfy the “extra element” test, under which a state law claim is not preempted if “an extra element is required instead of or in addition to the acts of reproduction, performance, distribution or display, in order to constitute a statecreated cause of action.” *Barclays Capital*, 650 F.3d at 893 (citing *Computer Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 716 (2d Cir. 1992)) (quotation marks omitted).

II. DISCUSSION

In the operative Fourth Amended Complaint, which was filed on December 9, 2015, plaintiffs allege three state law claims for unjust enrichment, conversion and restitution, and an accounting on the basis that defendants used and exploited a television motion picture recording entitled “Nutcracker On Ice Starring Oksana Baiul” without entering into a written contract with Baiul or compensating her. (Fourth Am. Compl. ¶¶ 1-2, 14-21, ECF No. 5-14.) On December 21, 2015, defendant NBCUniversal Media, LLC (“NBCUniversal”) removed this action on the basis of federal question jurisdiction under 28 U.S.C. § 1331, asserting that plaintiffs’ claims are completely preempted by the Copyright Act. (Notice of Removal ¶ 22, ECF No. 5.) Specifically, NBCUniversal argues that the subject of plaintiffs’ claims—i.e. the use and exploitation of the recording of Baiul’s Nutcracker performance—is copyrighted material and plaintiff is alleging that she is entitled to royalties based on defendants’ distribution

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and/or publication of the recording without authorization or payment to Baiul. (Notice of Removal ¶¶ 19-22.) Although the merits of defendants' preemption argument are not yet ripe on this motion to remand, the Court finds that there is a strong basis to conclude that plaintiffs' claims are completely preempted by the Copyright Act. That is a sufficient ground to confer federal jurisdiction over this action. *Briarpatch*, 373 F.3d at 305.

As to the subject matter requirement, the Court believes there are two bases to find that the work in question is of the type protected by the Copyright Act. First, there is no dispute that the motion picture recording of Baiul's performance is a work entitled to copyright protection. *E.g.*, *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841, 847 (2d Cir. 1997) ("The Copyright Act was amended in 1976 specifically to insure that simultaneously-recorded transmissions of live performances and sporting events would meet the Act's requirement that the original work of authorship be 'fixed in any tangible medium of expression.'" (quoting 17 U.S.C. § 102(a)). Second, there is at least a substantial question as to whether Baiul's underlying performance in the Nutcracker on Ice show—which is akin to a choreographed dance—is entitled to copyright protection once fixed in a tangible medium of expression. *See Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624, 632 (2d Cir. 2004); *Horgan v. Macmillan, Inc.*, 789 F.2d 157, 160-62 (2d Cir. 1986). Because Baiul's filmed performance serves as the basis for plaintiffs' claims, there is a strong basis to conclude, at this stage, that the subject matter requirement is met.

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As to the general scope requirement, the crux of events giving rise to plaintiffs' state law claims is that defendants "used and exploited" the motion picture recording of Baiul's performance. (Fourth Am. Compl. ¶ 2.) The Fourth Amended Complaint alleges that defendants produced and distributed numerous copies and versions of the recordings of Baiul's performance. (*Id.*) Reproduction and distribution are clearly rights that are encompassed within the bundle of rights afforded to copyright owners. 17 U.S.C. § 106. Finally as to the extra element test, numerous courts have held that an unjust enrichment claim, such as plaintiffs', does not contain an extra element in addition to reproduction or distribution. *E.g., Briarpatch*, 373 F.3d at 306-07; *I.C. ex rel. Solovsky v. Delta Galil USA*, No. 1:14-CV-7289-GHW, 2015 WL 5724812, at *17 (S.D.N.Y. Sept. 29, 2015); *Stadt v. Fox News Network LLC*, 719 F. Supp. 2d 312, 321-22 (S.D.N.Y. 2010); *see also Forest Park Pictures v. Universal Television Network, Inc.*, 683 F.3d 424, 432 (2d Cir. 2012).

Because the Fourth Amended Complaint on its face raises a substantial question as to whether plaintiffs' claims are preempted by the Copyright Act, federal subject matter jurisdiction over this action is proper.

III. CONCLUSION

For the foregoing reasons, plaintiffs' motion to remand is DENIED. The Clerk of Court is directed to terminate the motion at ECF No. 15.

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SO ORDERED.

Dated: New York, New York
February 16, 2016

/s/
KATHERINE B. FORREST
United States District Judge

**APPENDIX G — DENIAL OF REHEARING OF
THE UNITED STATES COURT OF APPEALS FOR
THE SECOND CIRCUIT, FILED OCTOBER 25, 2017**

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 25th day of October, two thousand seventeen.

Docket No. 16-1616

OKSANA BAIUL, OKSANA LTD.,

Plaintiffs-Appellants,

v.

NBC SPORTS, A DIVISION OF NBCUNIVERSAL
MEDIA LLC, A DELAWARE LIMITED
LIABILITY COMPANY,

Defendant-Appellee,

BARRY MENDELSON, AN INDIVIDUAL, DOES
1-10, ON ICE INC., A CALIFORNIA CORPORATION,

Defendants.

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Appendix G

ORDER

Appellants, Oksana Baiul and Oksana Ltd., filed a petition for panel rehearing, or, in the alternative, for rehearing *en banc*. The panel that determined the appeal has considered the request for panel rehearing, and the active members of the Court have considered the request for rehearing *en banc*.

IT IS HEREBY ORDERED that the petition is denied.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk

/s/_____