

In the
Supreme Court of the United States

THE ESTATE OF THOMAS STEINBECK,
GAIL KNIGHT STEINBECK, AND
THE PALLADIN GROUP, INC.,

Petitioners,

v.

WAVERLY SCOTT KAFFAGA,
AS EXECUTOR OF THE ESTATE OF ELAINE ANDERSON STEINBECK,

Respondents.

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

BRIEF OF AMICUS CURIAE
CALIFORNIA SOCIETY OF ENTERTAINMENT LAWYERS
IN SUPPORT OF PETITIONERS

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IDENTITY AND INTEREST OF *AMICUS CURIAE*

Pursuant to Supreme Court Rule 37 the California Society of Entertainment Lawyers (“CSEL”) respectfully submits this brief as *amicus curiae* in support of Petitioners Estate of Steinbeck et al.¹

The California Society of Entertainment Lawyers (“CSEL”) is a non-profit and non-partisan organization of attorneys representing authors, screenwriters, songwriters, and other creative professionals in the entertainment industry. CSEL was founded in 2013 in response to the notable lack of artist-friendly professional societies in the Los Angeles entertainment law community. Located in Beverly Hills, California, CSEL consists of litigators and transactional lawyers who network, strategize, and collaborate on issues of common interest on behalf of our clients, many of whom are content creators.

Because a significant portion of CSEL members consist of plaintiffs attorneys, many of its members are involved in litigating the rights of creative professionals against major motion picture studios. Since the enactment of the Copyright Act of 1976 (“1976 Act”),

¹ Pursuant to Rule 37.2, *amicus curiae* notified counsel of record for all parties of their intent to file an amicus brief at least ten days prior to the due date for the brief. Pursuant to Rule 37.6, *amicus curiae* affirms that no counsel for a party authored this brief in whole or in part, and no person other than *amicus curiae* and their counsel made a monetary contribution to its preparation or submission. Pursuant to Supreme Court Rule 37.3, each party has consented to the filing of this brief. Letters evidencing consent have been filed with the Clerk of the Court.

creative professionals have possessed an inalienable power of termination, which is codified under 17 U.S.C. §§ 203 and 304. Congress passed this legislation to counteract the effects of *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943), which thwarted authors' and their families' rights to future copyright interests under the preceding Copyright Act of 1909 ("1909 Act").

Despite Congress's intent to make termination rights inalienable under the 1976 Act, the recent Ninth Circuit ruling in *Kaffaga v. Estate of Steinbeck* (*Kaffaga*), 938 F.3d 1006 (9th Cir. 2019), as well as several prior Second Circuit rulings relating to John Steinbeck's works, have run afoul of the congressional intent to protect an author's future interest, in the same way that *Fisher* did under the 1909 Act. 938 F.3d 1006 (9th Cir. 2019).

CSEL's fear is that *Kaffaga* will cause a ripple effect in the entertainment industry by opening the door for major studios, publishers, and distributors of artistic works to take explicit control over the termination rights of creative professionals by way of a written agreement. CSEL therefore has an interest in having this matter heard by the Court so that the Court can decide whether creative professionals can in fact convey their termination rights under the 1976 Act, or whether termination rights are truly inalienable as Congress had originally intended.



SUMMARY OF THE ARGUMENT

Over the past decades, lower courts in the Second and Ninth Circuit have rendered decisions that undermine the very purpose of the termination provisions under the 1976 Act. Reviews of such decisions have revived a climate under *Fisher* wherein major studios, publishers, and distributors can contractually prevent authors and their families from exercising termination rights. *See generally Kaffaga*, 938 F.3d 1006 (affirming the proposition that an author may relinquish his or her termination right by granting power of attorney over the termination right or by assignment of the termination right altogether); *see also Penguin Grp. (USA) Inc. v. Steinbeck (Steinbeck 2008)*, 537 F.3d 193 (2nd Cir. 2008); *Milne v. Stephen Slesinger, Inc.*, 430 F.3d 1036 (9th Cir. 2005), *cert. denied*, 548 U.S. 904 (2006).

Major studios, publishers, and distributors already flex their disparate bargaining power to obtain copyrights via contractual provisions that either: i) deem the works to be “works made for hire” even when they are not; or ii) grant the Studios power of attorney to enter into contracts that are necessary to effectuate the copyright transfer in furtherance of the contract for acquisition.

Kaffaga is disastrous for creative professionals in the entertainment industry because it opens the door for major studios, publishers, and distributors to exert even greater control over copyrights, particularly by requiring copyright holders to either grant an assignment of their termination rights, or grant power

of attorney over their termination rights. It further enables coauthors with superior bargaining power to obtain control over the termination rights using the same contractual mechanisms that both the Ninth Circuit under *Kaffaga*, and the Second Circuit decisions upon which *Kaffaga* relies, have held were valid and enforceable, and not an “agreement to the contrary.”

Therefore, this Court should grant the petition for writ of certiorari to determine whether the settlement agreement at issue (which deliberately conveys Petitioner’s termination rights) is an “agreement to the contrary” to the express inalienable right to terminate the grant of a copyright—a right that Congress specifically intended to protect under the 1976 Act. In the event that the Court is inclined to hold that the agreement is valid and enforceable, then the Court should address the issue of whether the settlement agreement is itself subject to termination.

By simply allowing *Kaffaga* to go unmitigated, the Ninth Circuit ruling will forever hold that an agreement that expressly conveys an author’s termination right is exempt from the rules and restrictions of 17 U.S.C §§ 203 and 304.



ARGUMENT

A. THE SECOND CIRCUIT DID NOT RESOLVE THE ISSUE OF WHETHER THE 1983 SETTLEMENT AGREEMENT WAS AN “AGREEMENT TO THE CONTRARY.”

In 1983, Elaine Steinbeck, together with Thom Steinbeck and Jonathan Steinbeck IV, entered into a settlement agreement regarding their respective copyright interests in the works of John Steinbeck (“1983 Agreement”). The 1983 Agreement contains two provisions that specifically purport to convey Thom’s termination rights to Elaine.

First, Paragraph 5 of the 1983 Agreement states the following:

Elaine Steinbeck and/or [McIntosh and Otis, Inc.] shall have the complete power and authority to negotiate, authorize and take action with respect to the exploitation and/or termination of rights. . . . Thom shall . . . execute . . . an irrevocable power of attorney in favor of Elaine Steinbeck. . . .

Decl. in Opp’n re: Cross Mot. to Stay or to Den. Pl.’s Mot. for Summ. J. Ex. A, at 5, *Penguin Group (USA) Inc. v. Steinbeck et al*, No. 1:06-cv-02438 (Entered: 09/18/2009).

Second, Exhibit A of the 1983 Agreement, entitled “Power of Attorney,” contains the following language:

I, Thom Steinbeck, hereby irrevocably appoint Elaine Steinbeck my attorney-in-fact to act in my place, to the extent I am permitted by

law to act through an agent or attorney-in-fact, as follows: to exercise my rights of renewal and rights to terminate grants to third parties . . . directly or through such agents or attorneys-in-fact as she . . . may appoint, all solely with respect to the works of John Steinbeck in which I now have or will have renewal or termination rights under the U.S. Copyright Law.

Decl. in Opp'n re: Cross Mot. to Stay or to Den. Pl.'s Mot. for Summ. J. Ex. C, at 2, *Penguin Group (USA) Inc. v. Steinbeck et al*, No. 1:06-cv-02438 (Entered: 09/18/2009).

Both provisions of the 1983 Agreement are deliberate attempts to relinquish Thom's inalienable termination rights, See *Steinbeck v. McIntosh & Otis (Steinbeck 2006)*, 433 F. Supp.2d 395, 404 n.30 (S.D. N.Y. 2006), rev'd sub nom. *Penguin Grp. (USA) Inc. v. Steinbeck (Steinbeck 2008)*, 537 F.3d 193 (2nd Cir. 2008), which this brief urges should contribute to why—through its reasoning below—the 1983 Agreement is an “agreements to the contrary” under the plain language of 17 U.S.C. § 304(c)(5). The issue was first litigated in *Steinbeck 2006*, where a footnote in support of this proposition provided:

If this theory is meant to suggest that the terms of the 1983 Settlement Agreement void all of Thom's and Blake's [heir to Jonathan IV] termination rights—that Elaine successfully contracted away the rights of these statutory heirs when she settled litigation with them—it is barred by the plain language of 17 U.S.C. § 304(c)(5) and (d)(1). Any portion of the settlement agreement which limits or

extinguishes Thom's and Blake's statutory termination rights is invalidated as a statutorily-prohibited "agreement to the contrary."

In reversing *Steinbeck 2006* on grounds that the 1983 Agreement was valid, the Second Circuit specifically dodged the issue of whether the 1983 Agreement could be enforced under 17 U.S.C. § 304(c)(5). *See Steinbeck 2008*, 537 F.3d at 203 n.5 ("Although [Elaine] possessed a power of attorney to exercise the Steinbeck Descendants' termination rights as a result of a 1983 settlement, it is unclear that her exercise of those rights would have been valid. But the resolution of these speculations is immaterial to the resolution of this appeal.") Instead, the central issue in *Steinbeck 2008* was whether a separate license agreement in 1994 was an "agreement to the contrary."

Notwithstanding the post-*Steinbeck 2008* litigation over issues concerning John Steinbeck's works, not a single case addressed the issue of whether the 1983 Agreement was an "agreement to the contrary" under 17 U.S.C. § 304(c)(5). *See Steinbeck v. McIntosh & Otis, Inc. (Steinbeck 2009)*, No. 04 CV 5497 (GBD), 2009 WL 928189 (S.D.N.Y. Mar. 31, 2009), *aff'd sub nom. Steinbeck v. Steinbeck Heritage Found. (Steinbeck 2010)*, 400 F. App'x 572 (2d Cir. 2010), *cert. denied*, 564 U.S. 1012 (2011). Moreover, only *Steinbeck 2010* analyzed the subsequent impact of the 1983 Agreement on the parties after making the assumption that the 1983 Agreement was valid.²

² The Second Circuit understood the 1983 Agreement to be a valid agreement, while limiting its review of the 1983 Agreement on appeal to four issues: i) whether the 1983 Agreement imposed fiduciary duties upon Elaine and/or McIntosh and Otis, Inc.

Here, *Kaffaga* has promulgated the Second Circuit determination that the 1983 Agreement is a valid conveyance of Thom's termination rights. In its opinion, the Ninth Circuit states, "the Second Circuit concluded that the 1983 Agreement was a valid and enforceable agreement, which 'forecloses any argument that the parties intended [Thom and Jonathan IV] to retain control over [Elaine's] exercise of the authority conferred upon her.'" *Kaffaga*, 938 F.3d at 1011. However, the record is clear that *Steinbeck 2008* deliberately avoided the finding in *Steinbeck 2006* that the 1983 Agreement was an "agreement to the contrary," and *Steinbeck 2010* deemed it to be a valid and enforceable conveyance without any consideration for 17 U.S.C. § 304(c)(5).

Thus, *Kaffaga* does not rely on any finding that the 1983 Agreement was not an "agreement to the contrary." Rather, *Kaffaga* simply relies on the assumptions that the Second Circuit was correct in determining that the 1983 Agreement is a valid and enforceable agreement regardless of whether it explicitly alienates Thom's termination rights by way of a conveyance and a grant of a power of attorney.

("M&O"); ii) whether the 1983 Agreement created any issues of promissory estoppel; iii) whether Elaine and/or M&O were unjustly enriched by the 1983 Agreement; and iv) and whether Elaine's powers under the 1983 Agreement were descendible to her heirs. *Steinbeck 2010*, 400 Fed.App'x. at 575-79.

B. THE 1983 AGREEMENT IS AN “AGREEMENT TO THE CONTRARY,” AND THEREFORE VOID AT ITS INCEPTION UNDER THE PLAIN LANGUAGE OF 17 U.S.C. § 304(c)(5).

Where a portion of the consideration promised for a single contractual object is unlawful, the entire contract is void. *Koenig v. Warner Unified Sch. Dist.*, 41 Cal. App. 5th 43, 55 (Cal. Ct. App. 2019) (citing Cal. Civ. Code § 1608). *See also McIntosh v. Mills*, 121 Cal.App.4th 333 (2004) (“where the illegal consideration goes to the ‘whole of the promise,’ the entire contract is illegal.”). Indeed, California law is rife with statutes that invalidate contracts containing unlawful provisions.³ We also see this happen in other jurisdictions as well as other areas of law. *See generally*, 28 N.Y. Prac., Contract Law § 7:2 (contracts that require a party to violate New York statutory law are unenforceable); 28 N.Y. Prac., Contract Law § 7:16 (“contracts that are contrary to public policy are void and unenforceable”), 11 U.S.C. § 541(c)(1)(B) (*ipso facto* clauses are unenforceable); Cal. Civ. Code § 711 (conditions that restrain alienation of real property are void); Cal. Bus. & Prof. Code § 16600 (non-compete provisions in employment contracts are void).

³ *See generally* Cal. Civ. Code § 1596 (a contract “must be lawful when the contract is made”); Cal. Civ. Code § 1598 (“Where a contract has but a single object, and such object is unlawful, whether in whole or in part, or wholly impossible of performance, or so vaguely expressed as to be wholly unascertainable, the entire contract is void”); Cal. Civ. Code § 1608 (“If any part of a single consideration for one or more objects, or of several considerations for a single object, is unlawful, the entire contract is void”); Cal. Civ. Code § 1667 (“That is not lawful which is: 1. Contrary to an express provision of law; 2. Contrary to the policy of express law, though not expressly prohibited; or, 3. Otherwise contrary to good morals”).

It is without question that a contract containing a provision that runs afoul of federal or state law will be deemed void. In a similar manner, the 1983 Agreement runs afoul of 17 U.S.C. § 304(c)(5) by creating a contract that alienates Thom's future interest in the works of John Steinbeck. Both Paragraph 5 and Exhibit A of the 1983 Agreement are designed to convey Thom's termination rights and future copyright interests to Elaine. This was indeed the primary consideration for Elaine to enter into the agreement.

The 1976 Act explicitly states that “[t]ermination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant.” 17 U.S.C. §§ 203(a)(5), 304(c)(5). Based on this language, the provisions of Paragraph 5 and Exhibit A are wholly impossible of performance. Additionally, nowhere in the 1983 Agreement is there a provision that separates Paragraph 5 or Exhibit A from the rest of the agreement, and for good reason. If either Paragraph 5 or Exhibit A were excluded from the agreement, then Elaine would have lost the very consideration that she had bargained for when she granted Thom a larger copyright interest in John Steinbeck's works.

Thus, the inseverable provisions within the 1983 Agreement render the entire agreement to be an “agreement to the contrary.” Because performance of Paragraph 5 and Exhibit A is impossible under the 1976 Act, the 1983 Agreement should have been ruled void at its inception.

C. THE SECOND AND NINTH CIRCUIT RULINGS FRUSTRATE THE PURPOSE OF 17 U.S.C. § 304(c)(5) AND CONGRESS INTENT BY AFFIRMING THAT A COPYRIGHT HOLDER CAN RELINQUISH HIS OR HER TERMINATION RIGHT BY WAY OF A WRITTEN DOCUMENT.

Despite the lower court in *Steinbeck 2006* finding that the 1983 Agreement was invalid pursuant to 17 U.S.C. § 304(c)(5), both the Second and Ninth Circuit have repeatedly held the 1983 Agreement to be valid and enforceable regardless of whether it was an “agreement to the contrary.”

Previously under the 1909 Act, authors and their heirs could recapture their future interests in a copyright by submitting for renewal at the end of the initial 28-year period. *See* Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 53 (Comm. Print 1961) [hereinafter Register of Copyrights Revision] (“the primary purpose of this [reversionary] provision was to protect the author and his or her family against his or her unprofitable or improvident disposition of the copyright”). Then in 1943, the court in *Fisher* held that, because the 1909 Act was silent on whether authors were prohibited from assigning their renewal rights, authors were free to assign them. This idea that an author could freely assign his or her renewal term became the most litigated issue under the 1909 Act. Register of Copyrights Revision, *supra*, at 53 (“[The renewal system] has also been the source of more confusion and litigation than any other provision in the copyright law.”).

Sections 203 and 304 of the 1976 Act were created to counteract the negative impact of *Fisher*, and allow an author and his or her statutory heirs to

recapture a future interest in the copyright to the work once the author has the opportunity to realize the actual value of that future interest. *See* Peter S. Menell & David Nimmer, *Pooh-Poohing Copyright Law's Inalienable Termination Rights*, 57 J. COPYRIGHT SOC'Y U.S.A. 799, 805 (2009); *see also* *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 172-73 (1995) (“[T]he termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made before the author had a fair opportunity to appreciate the true value of his work product. That general purpose is plainly defined in the legislative history and, indeed, is fairly inferable from the text of § 304 itself.”)

On its face, the termination provisions in the 1976 Act serve two purposes: i) they give an author the right to recapture a future interest in his or her copyright after a certain period of time, and ii) they prevent an author from alienating that right. This purpose is further emboldened by the existence of provisions that allow the author's statutory heirs to terminate a grant of a copyright, even if the original author is no longer alive. *See* 17 U.S.C. §§ 203(a)(2), 304(c)(2).

Following *Milne* and *Steinbeck 2008*, the Second and Ninth Circuits have opened the door to the notion that termination rights can be extinguished by renegotiating the terms of the existing grant before the termination right is exercised. The recent decision in *Kaffaga* then takes the notion one step further by affirming the idea that a termination right can be relinquished via conveyance or by granting a power

of attorney over the termination right, as long as it is in line with the intention of the parties at the time.

However, the plain language of 17 U.S.C. § 304 makes it clear that an author cannot relinquish termination rights by way of an agreement. Furthermore, the statute pays no attention to the state of mind of the parties to any such agreement, thus the intent of the parties is immaterial in determining whether an author may alienate his or her termination rights. The answer is simply that the 1976 Act intended termination rights to be inalienable, though the Ninth Circuit ruling in *Kaffaga* and the rulings by the Second Circuit in the prior *Steinbeck* cases clearly suggest otherwise.

The reason that the Ninth Circuit ruling in *Kaffaga* is so problematic is because the ruling affirms an erroneous assumption by the Second Circuit that the 1983 Agreement (which deliberately conveys Thom's termination rights to Elaine) is "valid and enforceable." *Kaffaga*, 938 F.3d at 1011. Prior to *Steinbeck 2006*, the Second Circuit held that a settlement agreement that recharacterizes an already-existing work to be a "work made for hire" (consequently transferring the author's termination right to the employer) is an "agreement to the contrary." *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 283 (2d Cir. 2002). Years later, the Second Circuit would hold that a settlement agreement which blatantly transfers termination rights by way of granting an assignment and power of attorney is a valid conveyance of that right. *Steinbeck 2010*, 400 F. App'x 572 at 575.

Thus, the termination provisions of the 1976 Act and the case law created by the Ninth Circuit ruling in *Kaffaga* (which affirms the findings by the Second

Circuit in the preceding Steinbeck cases) are inapposite. The legislation clearly intended for authors and their statutory heirs to be able to reclaim the future value of copyrights in a work once their full value has been realized. This termination right resides with the author and his or her statutory heirs “notwithstanding any agreement to the contrary.” It is therefore of utmost importance that the Court review the issue of whether the 1983 Agreement is an “agreement to the contrary.”

D. *KAFFAGA* OPENS THE FLOODGATES FOR ENTERTAINMENT COMPANIES TO EXTINGUISH THE TERMINATION RIGHTS OF CREATIVE PROFESSIONALS, WHICH IS EXPRESSLY WHAT CONGRESS SOUGHT TO PREVENT UNDER THE 1976 ACT.

The Ninth Circuit ruling in *Kaffaga*, as it presently stands, is deeply troubling because of the lasting impact that it may have on the entertainment industry as a whole. If *Kaffaga* remains good law, then studios, publishers, distributors, and film producers all across the United States will seek new and creative ways to extinguish creators’ termination rights by way of assignment or power of attorney.

Major studios, publishers, and distributors in the entertainment industry have long been using their disparate bargaining power to incorporate boilerplate standard terms in their contracts that would extinguish an author’s future interest in the copyright.⁴ One example is how major studios, publishers, and distrib-

⁴ “Publishers could, and often did, thwart the purpose of this statutory scheme . . . by requiring authors to assign both their initial and renewal rights to the publisher at the same time and before the long-term value of an author’s work could be ascertained.” *Steinbeck 2008*, 537 F.3d at 197.

utors will classify the creative professional as a one-time “employee.” Often, studios who are acquiring an already-existing screenplay will nevertheless include boilerplate “work made for hire” language in the standard terms and conditions of a purchase agreement. A typical boilerplate provision in an industry contract for the purchase of a screenplay might appear as follows:

Artist hereby assigns to Company all of Artist’s rights in Artist’s services and the results and proceeds thereof (including all copyrights therein and all renewals and extensions thereof, if any), which shall be considered a work for hire. In the event that any of the work is not deemed to be a “work made for hire” for Company, Artist hereby irrevocably and exclusively grants and assigns to Company (or, if any applicable law prohibits or restricts such assignment, Artist hereby grant to Company an irrevocable royalty-free license of) all right, title and interest in and to such work, including, without limitation, all rights of every kind and nature (whether now known or hereafter devised, including all copyrights therein and thereto and all renewals and extensions thereof), throughout the universe, in perpetuity, in any and all media, whether now known or hereafter devised.

Studios will argue that the purchased screenplay is deemed a “work made for hire,” and thus the individual who wrote the screenplay holds no termination rights in the work. *See e.g. Marvel Characters*, 310 F.3d at 283; *Horror Inc. v. Miller*, 335 F.Supp.3d

273, 284 (D. Conn. 2018). Following *Kaffaga*, a studio now has the means to acquire the termination rights from the author outright. Hypothetically, a studio could include language that requires a writer to assign “all of Artist’s rights (including all copyrights therein and all renewals, extensions, and termination rights thereof).” Even though this would clearly seem to be an “agreement to the contrary,” such language is analogous to Paragraph 5 of the 1983 Agreement which was deemed valid and enforceable under *Kaffaga*.

Other common boilerplate standard terms that appear in purchase agreements in the entertainment industry are provisions where the purchaser is deemed the author’s attorney-in-fact for the purpose transferring the copyright. The boilerplate provision for granting power of attorney over copyright documents generally appears as follows:

Artist agrees to execute and deliver any additional documents consistent with this Agreement which Company may require to fully effectuate and carry out the intent and purposes of this Agreement. If Artist fails to execute and deliver to Company any such document within X amount of business days following Artist’s receipt of request, then Company is hereby irrevocably appointed attorney-in-fact with full right, power, and authority to execute, acknowledge and deliver same in the name of an on behalf of the party to whom a request.

If *Kaffaga* were to stand, the studios, publishers, and distributors would be given *carte blanche* to include provisions that would require the author to irrevocably appoint the purchaser as attorney-in-fact

over the author's termination rights. Doing so will arguably "effectuate and carry out the intent and purpose" of the agreement. This is precisely what occurred in the 1983 Agreement, and *Kaffaga* held this to be a valid and enforceable grant of Thom's termination right.

It is without question that the entertainment industry is built on the fruits of collaborative efforts among creative professionals. In many instances, screenplays are the product of two or more authors coming together on a project. All too often, a young screenwriter with a budding career and a million-dollar idea will team up with an established writer-producer because it will hopefully increase the chances for a studio to "green-light" the project. The more experienced writer-producer (who has a few blockbuster movies under his or her belt and therefore has the ability to hire a talent agent and a lawyer) will then enter into a joint-venture or collaboration agreement with the young writer. Often that agreement grants the experienced writer-producer an exclusive "right to shop" the joint work for a specified length of time, known as the "option period."

Presently, in this scenario, the experienced writer-producer has exclusive control over the commercial aspect of the joint work during the option period, even though ownership of the copyright is divided equally. Under *Kaffaga*, the experienced writer-producer now has the ability to acquire power of attorney over the young writer's termination rights in the joint work. The writer-producer simply needs to incorporate the same language that was present in Exhibit A to the 1983 Agreement, with the condition

precedent that the power of attorney be deemed effective upon writer-producer's exercise of the option.

In 2013, the first wave of termination notices came crashing through the entertainment industry.⁵ The examples provided above are just a few different ways that *Kaffaga* will open the floodgates to new entertainment industry practices in an effort to escape the purview of 17 U.S.C. §§ 203 and 304.

E. AT BEST, THOM'S CONVEYANCE OF HIS RIGHTS IN PARAGRAPH 5 AND EXHIBIT A OF THE 1983 AGREEMENT ARE GRANTS OF HIS SEPARATE RIGHTS, WHICH ARE SUBJECT TO TERMINATION UNDER 17 U.S.C. § 203.

The 1976 Act provides that a copyright interest may be conveyed in such a manner that consists of less than one-hundred percent of the copyright. *See* 17 U.S.C. § 201(d)(1) (“[T]he ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law. . . . Any of the exclusive rights comprised in a copyright . . . may be transferred . . . and owned separately.”). Section 201 further provides that “[a]ny of the exclusive rights comprised in a copyright . . . may be transferred as provided by clause (1) and owned separately.” 17 U.S.C. § 201(d)(2). An assignment or other type of alienation of rights

⁵ *See, e.g.*, Matthew Belloni and Eriq Gardner, *Tom Petty, Bob Dylan Vs. Music Labels: The Industry's New Copyright War*, THE HOLLYWOOD REPORTER, Feb. 10, 2012, <https://www.hollywoodreporter.com/news/tom-petty-bob-dylan-copyright-law-music-rights-289295>; Ed Christman, *Reversion Rights: Will 2013 Be A Game-Changer?*, BILLBOARD, Dec. 27, 2012, <https://www.billboard.com/bbiz/articles/news/1483926/reversion-rights-will-2013-be-a-game-changer> [<https://perma.cc/DN9E-9JF5>].

(separate from the exclusive rights under Section 106) must be conveyed exclusively, that is, the recipient must control one-hundred percent of that right. *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137, 1146 (9th Cir. 2008).

As has been repeatedly stated hereinabove, the Second and Ninth Circuits have held that the 1983 Agreement is valid and enforceable. This agreement is the basis for which Respondent Waverly Scott Kaffaga claims ownership of the respective termination rights that were once held by Thom and Jonathan IV. If we assume, *arguendo*, that the termination rights in and to John Steinbeck's works may in fact be conveyed to Elaine, then the termination rights were conveyed exclusively to Elaine by way of Paragraph 5 and Exhibit A of the 1983 Agreement. Therefore, in order for the 1983 Agreement to be valid and enforceable, Paragraph 5 and Exhibit A must necessarily be interpreted as grants of Thom's and Jonathan IV's copyright in accordance 17 U.S.C. § 201.

Under the 1976 Act, the author of a copyright and his or her statutory heirs hold a termination right that vests "at the end of thirty-five years from the date of execution of the grant." 17 U.S.C. § 203(a)(3). In this case, Thom "granted" his copyright interest by way of written instrument in 1983.

If it is true that the 1983 Agreement is a valid and enforceable conveyance, then it must also be true that the 1983 Agreement is subject to termination under 17 U.S.C. § 203. The 1983 Agreement cannot be a valid and enforceable conveyance of Thom's rights, while simultaneously not be subject to termination. If this Court declines to grant the petition for writ of certiorari, then courts will continue to operate

under the presumption that termination rights may be assigned or alienated by the author. This is what Congress and the 1976 Act expressly sought to prevent from happening.



CONCLUSION

It would not be a stretch for this court to invoke the familiar canons of statutory construction to determine that the legislative intent and purpose of §304 (c)(5), not to mention the plain language of the statute, sought to protect creative professionals from the leveraged bargaining positions of studios and publishers.

The policy implications that would result from not encompassing the 1983 Agreement within the reach of §304(c)(5) would serve as dangerous authority and precedent. The negative externalities resulting from the continued deference to resourceful studios and publishers notwithstanding the passage of the 1976 Act have the potential to disincentivize the John Steinbecks of the future. Life, liberty, and property as applied to the protection of creative works have instilled the determination by *amicus curiae* to support this petition for certiorari.

Unless the Court grants the Estate of Steinbeck's petition for a writ of certiorari, then the question will remain whether termination rights can be assigned by an agreement that is contrary to the plain language of 17 U.S.C. §§ 203 and 304. If termination rights are to remain a sacred right for creative professionals, then the onslaught on the sanctity of termination rights by the circuit courts must come to an end. If Congress

desires to permit inalienable termination rights to become alienable, they alone can do so, as such is a matter for legislators not litigators. Until that happens, all courts should respect 17 U.S.C. §§ 203 and 304 at face value.

For these reasons stated above, the petition for writ of certiorari should be granted.

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