

No. 19-1181

IN THE
Supreme Court of the United States

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,
Respondent.

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

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether the Ninth Circuit correctly held that a 2017 ruling by the Ninth Circuit addressing the identical issue was entitled to collateral estoppel effect.

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INTRODUCTION

This petition presents the latest round in Petitioners' unceasing effort to relitigate a claim that several federal courts have repeatedly rejected: their claim that they have authority over intellectual property rights in the works of John Steinbeck. In 1983, John Steinbeck's sons, Thomas Steinbeck and John Steinbeck IV, entered into a settlement agreement (the "1983 Agreement") with John Steinbeck's widow, Elaine Steinbeck, in which the sons gave up control over those rights in exchange for receiving an increased share of the royalties. The sons and their successors have been attempting to invalidate that 1983 Agreement ever since.

In the first round, Thomas and Blake Smyle (John IV's daughter) sued Waverly Kaffaga (Elaine's daughter and executor)¹ in the Southern District of New York, arguing that they retained intellectual property rights in John Steinbeck's works. After years of bitter litigation, Kaffaga won. The Second Circuit ruled that the 1983 Agreement was valid and "forecloses any argument that the parties intended the Steinbeck sons to retain control over Elaine Steinbeck's exercise of the authority conferred upon her." *Steinbeck v. Steinbeck Heritage Found.*, 400 F. App'x 572, 575 (2d Cir. 2010) (Pet. App. 63a).

In 2014, undeterred by their Second Circuit loss, Thomas and Blake sued Kaffaga again, this time in the Central District of California. Again, Thomas and Blake

¹ Waverly Kaffaga passed away days after the Ninth Circuit issued its opinion. Her son, Bahar Kaffaga, recently was appointed executor of the Estate of Elaine Anderson Steinbeck in her place.

asserted they had rights in John Steinbeck’s works, notwithstanding the 1983 Agreement. The District Court ruled that the sons’ claims were barred by collateral estoppel, and in 2017, the Ninth Circuit affirmed. It explained that “the parties have already litigated the precise issues raised in this suit ‘*ad nauseum*’ in the Second Circuit.” *Steinbeck v. Kaffaga*, 702 F. App’x 618, 619 (9th Cir. 2017) (Pet. App. 37a–38a).

This petition arises out of a third lawsuit, in which Kaffaga, who is Respondent here, sued Petitioners here—Thomas,² his wife Gail, and their company Palladin Group—based on their improper efforts to interfere with Kaffaga’s exercise of her rights over John Steinbeck’s works in the marketplace. Kaffaga won a multi-million dollar jury verdict. On appeal, Petitioners argued that the verdict should be overturned based on their argument that had already been rejected by both the Ninth Circuit and the Second Circuit: that the 1983 Agreement was invalid and that they had rights in John Steinbeck’s works.

The Ninth Circuit upheld the verdict in relevant part, finding that Petitioners were collaterally estopped from relitigating this argument in view of the 2017 Ninth Circuit decision, which in turn held that Petitioners were collaterally estopped from relitigating this argument in view of the 2010 Second Circuit decision. Pet. App. 11a. The court explained: “Defendants’ arguments in this case (Kaffaga’s suit) were squarely before us in the earlier case (Thom and Blake’s suit), and we held that all

² Thomas Steinbeck died during the litigation, so his estate has been substituted as a party.

of defendants' arguments there were precluded by the decisions of the Second Circuit." Pet. App. 12a. In rejecting Petitioners' serial attempts to relitigate the same issue, the Ninth Circuit did not mince words:

Defendants must now stop attempting to relitigate the validity and enforceability of the 1983 Agreement. ... The 1983 Agreement vests those control rights exclusively in Kaffaga, as successor to her mother Elaine, and is enforceable according to its terms. Various federal courts, including this one, have repeatedly affirmed Elaine and Kaffaga's exclusive control. This has to end. We cannot say it any clearer.

Pet. App. 12a–13a.

Notwithstanding this clear decision from the Ninth Circuit, Petitioners have filed a petition for certiorari *still* pursuing their same failed arguments. The Court should deny certiorari and end this dispute once and for all.

The specific question purportedly raised in this petition is whether the 2010 Second Circuit decision has collateral estoppel effect³ on the question of whether Petitioners have any rights in John Steinbeck's works. However, the Ninth Circuit did not resolve that question in this case. Rather, the Ninth Circuit resolved that collateral estoppel question against Petitioners in its

³ "Collateral estoppel" is sometimes referred to as "issue preclusion." See *Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.*, 140 S. Ct. 1589, 1594 (2020). Because case law uses both terms, this brief will use the two terms interchangeably; they mean the same thing.

2017 decision. Petitioners failed to file a petition for certiorari seeking review of that 2017 decision, and it is now final.

In the decision below, rather than reconsidering whether the 2010 Second Circuit decision was entitled to collateral estoppel effect, the Ninth Circuit held that its own 2017 decision was itself entitled to collateral estoppel effect. That holding is clearly correct because the issue presented to the Ninth Circuit in 2019 was identical to the issue presented to the Ninth Circuit in 2017. Petitioners attempt to use this petition as a vehicle to collaterally attack the Ninth Circuit's 2017 holding, wholly ignoring the Ninth Circuit's 2019 actual holding. They may not do so. Because the Ninth Circuit's decision in this case is clearly correct, and Petitioners do not even seek review of that decision, the petition should be denied.

Even if this case presented the question of whether the 2010 Second Circuit decision—as opposed to the 2017 Ninth Circuit decision—was entitled to collateral estoppel effect, the petition would still not be cert-worthy. The Ninth Circuit's unpublished 2017 decision was a standard, fact-bound application of the doctrine of collateral estoppel. Moreover, that 2017 decision and its treatment of the 2010 decision is correct. Petitioners litigated the validity of the 1983 Agreement in the Second Circuit; they lost; therefore, they may no longer challenge the validity of the 1983 Agreement. Although Petitioners now attempt to raise new *arguments* to relitigate that issue, they are collaterally estopped from doing so because the *issue* was resolved against them. *See Paulo v. Holder*, 669 F.3d 911, 918 (9th Cir. 2011) (“If

a party could avoid issue preclusion by finding some argument it failed to raise in the previous litigation, the bar on successive litigation would be seriously undermined.”).

Finally, the Court should reject Petitioners’ request to grant certiorari, vacate the judgment, and remand for further consideration in view of *Lucky Brand Dungarees, Inc. v. Marcel Fashions Group, Inc.*, 140 S. Ct. 1589 (2020). In *Lucky Brand*, this Court declined to recognize a doctrine of “defense preclusion” in cases where issue preclusion did *not* apply. *Id.* at 1595. The Ninth Circuit’s 2017 decision, by contrast, reflects a standard application of issue preclusion doctrine.

The petition should, therefore, be denied.

STATEMENT

The Ninth Circuit’s comparison of this case to *Bleak House*, Pet. App. 2a, was apt. A full recitation of the litigation history between these parties could fill several volumes. As such, Respondent will present only the specific information necessary to understand the latest dispute.

A. The 1983 Agreement.

John Steinbeck was the Nobel Prize-winning author of several classic novels, including *The Grapes of Wrath*, *East of Eden*, *Of Mice and Men*, and *The Pearl*. After he died, Elaine Steinbeck, and his sons from a previous marriage, Thomas Steinbeck and John Steinbeck IV entered into an agreement in 1974 whereby Elaine would receive 50 percent of the domestic royalties to certain of John Steinbeck’s works, and the sons would

receive 25 percent each.

A few years later, disputes arose between the parties when the sons sought to unwind this agreement, and the sons eventually sued Elaine in 1981 seeking more royalties. To settle that litigation, the sons and Elaine entered into a settlement agreement in 1983 (the “1983 Agreement”). The 1983 Agreement stated that the sons would each receive a third of the domestic royalties—more than the quarter they each received under the 1974 agreement. In exchange, Elaine and her successors would have “the complete power and authority to negotiate, authorize and take action with respect to the exploitation and/or termination of rights in the works of John Steinbeck in which [John IV] and [Thomas] have or will have renewal or termination rights.” Pet. App. 63a (quoting 1983 agreement ¶ 5). For two decades thereafter, the sons⁴ benefited from the 1983 Agreement by collecting their one-third share.

B. First round of litigation: Second Circuit upholds validity of 1983 Agreement.

Elaine died in 2003, and her legal rights passed to her daughter, Kaffaga. After Elaine’s death, Thomas and Blake Smyle, John IV’s daughter, served “termination notices” which purported to terminate certain rights in John Steinbeck’s works and reclaim those rights for Thomas and Blake. Thomas and Blake then sued Kaffaga, Elaine’s daughter and executor, in the Southern District of New York, asserting sweeping

⁴ John IV died in 1991. After he died, his share of the royalties were largely paid to his daughter, Blake, in addition to other family members.

claims concerning the 1983 Agreement and Elaine's conduct thereunder; Kaffaga countersued, seeking a declaration that the 1983 Agreement was valid and gave her complete control over John Steinbeck's works.

After years of protracted and bitter litigation, Kaffaga won. The District Court granted summary judgment to Kaffaga on Thomas and Blake's claims, upholding the validity of the 1983 Agreement. *See Steinbeck v. McIntosh & Otis, Inc.*, No. 04 CV 5497 (GBD), 2009 WL 928171, at *2-3 (S.D.N.Y. Mar. 31, 2009), *aff'd*, 400 F. App'x 572 (2d Cir. 2010). In order to perfect their appeal, Thomas and Blake then entered into a stipulated judgment concerning Kaffaga's counterclaims providing that the termination notices they had served were invalid, and that "the terms of the 1983 Settlement Agreement continue to bind" them and "neither can contest the provisions set forth therein." *Compare* Supplemental Excerpts of Record at SER181,⁵ *Kaffaga v. Estate of Thomas Steinbeck*, 938 F.3d 1006 (9th Cir. 2019) (No. 18-55336), Dkt. No. 39, *with* SER173.

The Second Circuit affirmed that judgment. It ruled:

The 1983 Agreement increased the Steinbeck sons' shares in certain copyright revenue, from one-quarter to one-third each, and, in return, conferred upon Elaine Steinbeck "the complete power and authority to negotiate, authorize and take action with respect to the exploitation and/or termination of rights in the works of John

⁵ As used herein, "SER" refers to the Supplemental Excerpts of Record filed in the United States Court of Appeals for the Ninth Circuit at Dkt. No. 39, case No. 18-55336.

Steinbeck in which [John IV] and [Thomas] have or will have renewal or termination rights.” 1983 Agreement ¶ 5. This language is unambiguous and forecloses any argument that the parties intended the Steinbeck sons to retain control over Elaine Steinbeck’s exercise of the authority conferred upon her

Steinbeck Heritage Found., 400 F. App’x at 575 (Pet. App. 63a). The court further rejected the argument that Elaine Steinbeck had improperly exercised termination rights without seeking Blake’s consent, finding that this was “precisely what Elaine Steinbeck was empowered to do under the 1983 Agreement, which expressly bound Blake Smyle as John Steinbeck IV’s successor in interest.” *Id.* at 578 (Pet. App. 69a).

C. Second round of litigation: Ninth Circuit upholds validity of 1983 Agreement.

In 2014, Thomas and Blake brought a new lawsuit against Kaffaga in the Central District of California, seeking to accomplish what they had already tried and failed to accomplish in the New York litigation: invalidate the 1983 Agreement. Again, they attacked the validity of the 1983 Agreement, claiming that it was an invalid “agreement to the contrary” under the Copyright Act. *See* 17 U.S.C. § 304(c)(5) (“Termination of the grant may be effected notwithstanding any agreement to the contrary.”). The District Court dismissed the suit on the basis of collateral estoppel. Pet. App. 40a–58a.

The Ninth Circuit affirmed. *Steinbeck v. Kaffaga*, 702 F. App’x 618 (9th Cir. 2017) (Pet. App. 36a–39a). It

stated:

As the district court correctly noted, the parties have already litigated the precise issues raised in this suit “*ad nauseum*” in the Second Circuit. The Second Circuit squarely held that a 1983 Settlement Agreement is “unambiguous and forecloses any argument that the parties intended the [Sons] to retain control over” the “exploitation and/or termination of rights in the works of John Steinbeck.” Moreover, a stipulated judgment entered in 2009 in the United States District Court for the Southern District of New York expressly provides that two of the termination notices at issue in this suit are invalid, and that the 1983 Settlement Agreement binds the parties.

The district court correctly concluded that the Sons already have fully litigated whether they have a right to issue and exploit copyright terminations of Steinbeck’s works, and that the prior litigation held that the Sons do not have those rights.

702 F. App’x at 619–20 (Pet. App. 37a–38a) (citations and footnote omitted). Petitioners did not seek Supreme Court review of that decision, and it is now final.

D. Third round of litigation: Ninth Circuit upholds validity of 1983 Agreement again.

After losing in the Second Circuit, Petitioners not only sued Kaffaga in California, but also interfered with Kaffaga’s rights in the marketplace. Petitioners’ actions harmed Kaffaga’s relationship with multiple Hollywood

studios, including with respect to planned film adaptations of *The Grapes of Wrath* and *East of Eden*. Pet. App. 7a–8a. As a result, Kaffaga sued Petitioners for breach of contract, slander of title, and tortious interference with prospective economic advantage. *Id.* The district court granted Kaffaga’s motion *in limine* barring Petitioners from relitigating the conclusion that the 1983 Agreement was valid and binding. Pet. App. 8a. A jury ruled in Kaffaga’s favor and awarded her \$5.25 million in compensatory damages. Pet. App. 3a.

On appeal, Petitioners argued—yet again—that the judgment should be overturned because the 1983 Agreement was invalid and that they retained authority over John Steinbeck’s works. The Ninth Circuit disagreed and affirmed the compensatory damages award. Citing its prior decision from 2017, the Ninth Circuit stated: “Defendants’ arguments in this case (Kaffaga’s suit) were squarely before us in the earlier case (Thomas and Blake’s suit), and we held that all of defendants’ arguments there were precluded by the decisions of the Second Circuit.” Pet. App. 12a. It found that the district court’s decisions were “consistent with our prior holding” and that it therefore would not “revisit them here.” *Id.* It emphasized that under the Ninth Circuit’s rules, “[w]hether a prior disposition is published or unpublished is of no consequence—unpublished decisions have the same preclusive effect.” *Id.*

The court then admonished:

Defendants must now stop attempting to relitigate the validity and enforceability of the 1983 Agreement, including whether it is an

“agreement to the contrary,” and their understanding of the 1983 Agreement and the plethora of court decisions interpreting it. They must also stop representing to the marketplace that they have any intellectual property rights or control over John Steinbeck’s works. The 1983 Agreement vests those control rights exclusively in Kaffaga, as successor to her mother Elaine, and is enforceable according to its terms. Various federal courts, including this one, have repeatedly affirmed Elaine and Kaffaga’s exclusive control. This has to end. We cannot say it any clearer.

Pet. App. 12a–13a.

ARGUMENT

The Ninth Circuit correctly ruled that its own prior decision from 2017 was entitled to collateral estoppel effect. That decision does not conflict with the decision of any other court and reflects a straightforward application of standard issue preclusion doctrine.

The Court should not grant, vacate, and remand in view of *Lucky Brand Dungarees, Inc. v. Marcel Fashions Group, Inc.*, 140 S. Ct. 1589 (2020). *Lucky Brand* rejected the Second Circuit’s application of “defense preclusion” in a case where all parties agreed that issue preclusion did *not* apply. In this case, by contrast, the Ninth Circuit applied standard issue preclusion doctrine. Therefore, *Lucky Brand* sheds no light on this case.

I. THE NINTH CIRCUIT DECIDED THE QUESTION PRESENTED IN ITS SEPARATE 2017 DECISION THAT PETITIONERS MAY NOT RELITIGATE.

Petitioners seek certiorari on the following Question Presented: “Whether collateral estoppel bars an affirmative defense based on 17 U.S.C. § 304(c)(5) in a second litigation, when the first litigation involving different copyright termination rights never decided if the agreement at issue—purporting to transfer control over future termination rights before those rights vested—is unenforceable under § 304(c)(5).” Pet. i. In other words, Petitioners seek review on the question of whether the Second Circuit’s 2010 decision—the “first litigation” referenced in the Question Presented—is entitled to collateral estoppel effect. In line with the Question Presented, the entire petition is premised on the view that the decision below gave collateral estoppel effect to the Second Circuit’s 2010 decision. *See, e.g.*, Pet. 27 (“The Ninth Circuit’s decision rests on the premise that the Second Circuit decided that the 1983 Agreement was ‘valid and enforceable’ under 17 U.S.C. § 304(c)(5).”).

That premise is incorrect. The decision below did not decide whether the Second Circuit’s 2010 decision was entitled to collateral estoppel effect. Rather, the Ninth Circuit decided that question in its 2017 decision arising from a separate lawsuit. Petitioners did not seek certiorari review of that 2017 decision, and it is now final.

In the decision below, the Ninth Circuit ruled that *its own decision from 2017* was entitled to collateral estoppel effect. The Ninth Circuit stated: “We

previously held in 2017, in affirming the dismissal of Thom and Blake’s suit concerning the rights allocated in the 1983 Agreement, that ‘the parties have already litigated the precise issues raised in this suit “ad nauseum” in the Second Circuit’ Pet. App. 11a (emphasis added). Thus, “Defendants’ arguments in this case (Kaffaga’s suit) were squarely before us in the earlier case (Thom and Blake’s suit), and we held that all of defendants’ arguments there were precluded by the decisions of the Second Circuit.” Pet. App. 12a. The court emphasized that “[w]hether a prior disposition is published or unpublished is of no consequence—unpublished decisions have the same preclusive effect.” *Id.* The court then cited Ninth Circuit Rule 36-3, which states that unpublished Ninth Circuit decisions are preclusive—confirming that the Ninth Circuit was giving preclusive effect to the its own decision from 2017.

In sum, the Ninth Circuit did not decide the collateral estoppel question Petitioners raise, *i.e.*, whether the 2010 Second Circuit decision was entitled to collateral estoppel effect. Rather, the Ninth Circuit ruled it had *already* decided that issue in 2017, and its 2017 decision was preclusive. Petitioners undoubtedly disagree with the Ninth Circuit’s 2017 decision. But the whole point of the doctrine of collateral estoppel is to prevent litigants from relitigating final decisions, even if they disagree with them. See *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 147 (2015) (“Once a court has decided an issue, it is forever settled as between the parties, thereby protecting against the expense and vexation attending multiple lawsuits, conserving judicial resources, and fostering reliance on judicial action by

minimizing the possibility of inconsistent verdicts.” (internal quotation marks and alterations omitted); *Astoria Fed. Sav. & Loan Ass’n v. Solimino*, 501 U.S. 104, 107 (1991) (“[A] losing litigant deserves no rematch after a defeat fairly suffered.”).

Petitioners advance no argument that the Ninth Circuit’s application of collateral estoppel *in the decision below* is wrong. Nor could they: the issue presented in the proceedings below is identical to the issue presented in the prior Ninth Circuit case, *i.e.*, whether the Second Circuit’s decision is entitled to collateral estoppel effect. Because the Ninth Circuit’s decision in this case is clearly correct, and Petitioners do not even seek review of that decision, the petition should be denied.

II. EVEN IF THE NINTH CIRCUIT’S 2017 DECISION COULD BE RELITIGATED, IT WOULD NOT WARRANT REVIEW.

Even if Petitioners could use this case as a vehicle to relitigate the Ninth Circuit’s prior conclusion that the Second Circuit’s decision was entitled to collateral estoppel effect, the petition would not warrant review. The Ninth Circuit’s 2017 decision was an unremarkable application of the doctrine of collateral estoppel that does not conflict with the decision of any other court.

Petitioners contend that the Second Circuit did not address whether the 1983 Agreement was an “agreement to the contrary” under 17 U.S.C. § 304(c)(5), and that they should therefore be entitled to litigate that question in follow-on litigation. Pet. 23–24. That argument lacks merit. Courts and commentators uniformly hold that a court’s decision on an *issue* is

preclusive, even if a litigant comes up with new *arguments* related to that issue in subsequent litigation. See 18 James Wm. Moore et al., *Moore's Federal Practice* § 132.02[2][c] (2020) (“If a new legal theory or factual assertion raised in the second action is relevant to the issues that were litigated and adjudicated previously, the prior determination of the issue is conclusive on the issue despite the fact that new evidence or argument relevant to the issue was not in fact expressly pleaded, introduced into evidence, or otherwise urged.”); *Restatement (Second) of Judgments* § 27 cmt. c, Westlaw (database updated June 2020) (“[I]f the issue was one of law, new arguments may not be presented to obtain a different determination of that issue.”); *Paulo v. Holder*, 669 F.3d 911, 917–18 (9th Cir. 2011) (“The fact that a particular argument ... was not made ... does not mean that the issue ... was not decided. ... If a party could avoid issue preclusion by finding some argument it failed to raise in the previous litigation, the bar on successive litigation would be seriously undermined.”); *Yamaha Corp. of Am. v. United States*, 961 F.2d 245, 254 (D.C. Cir. 1992) (“[O]nce an *issue* is raised and determined, it is the entire *issue* that is precluded, not just the particular arguments raised in support of it in the first case.”).

Here, the *issue* that was determined in the Second Circuit proceedings was whether the 1983 Agreement was valid and binding. A stipulated judgment entered into by the parties, who were all represented by counsel, recited that “the terms of the 1983 Settlement Agreement continue to bind” Thomas and Blake and “neither can contest the provisions set forth therein.”

Compare SER181, *with* SER173. Moreover, the Second Circuit held that the 1983 Agreement must be enforced according to its terms: its language “forecloses any argument that the parties intended the Steinbeck sons to retain control over Elaine Steinbeck’s exercise of the authority conferred upon her.” *Steinbeck Heritage Found.*, 400 F. App’x at 575 (Pet. App. 63a). Petitioners’ argument that the 1983 Agreement is an “agreement to the contrary” is merely an argument in support of its already-rejected contention that the 1983 Agreement should be invalidated.

Contrary to Petitioners’ claim (Pet. 24–27), the Ninth Circuit’s 2017 decision does not conflict with *Marvel Characters Inc. v. Simon*, 310 F.3d 280 (2d Cir. 2002). *Marvel Characters* addressed the preclusive effect of a stipulation of settlement that was accompanied by no findings. 310 F.3d at 289. Here, the Second Circuit’s 2010 decision was not a settlement. It was a stipulated *judgment* following contested proceedings. Moreover, the Second Circuit issued its decision following a contested appeal. The Second Circuit’s decision contained detailed reasoning, which the Ninth Circuit quoted and relied on in its 2017 decision. 702 F. App’x at 619–20 (Pet. App. 37a–38a). Therefore, *Marvel Characters* is not remotely similar to the Ninth Circuit’s 2017 decision (much less the decision below).

Petitioners’ remaining arguments in support of certiorari are also unavailing. In an effort to show that Respondent has taken inconsistent positions, Petitioners quote the following statement from a prior brief filed by Respondent: “[T]he Second Circuit expressly declined to rule on the question of whether the

1983 Settlement Agreement was an ‘agreement to the contrary.’” Pet. 27–28 (quotation marks omitted). But this quotation is irrelevant because that brief was addressing a *different* Second Circuit decision: *Penguin Group (USA) Inc. v. Steinbeck*, 537 F.3d 193 (2d Cir. 2008), a decision that preceded the preclusive stipulated judgment and preclusive Second Circuit decision from 2010. Indeed, Petitioners acknowledge that the brief was quoting the Second Circuit’s 2008 decision, not the subsequent preclusive decisions. Pet. 28.

Petitioners also quote language from a district court decision from 2006. Pet. 28–29. That decision did not ultimately yield a final judgment, and the portion that was appealed was reversed by the Second Circuit. *Penguin Grp. (USA) Inc. v. Steinbeck*, 537 F.3d 193 (2d Cir. 2008); SER179–80. In any event, that decision is irrelevant to the question of whether subsequent decisions are issue-preclusive 14 years later.

Finally, Petitioners claim that the question presented is “exceptionally important.” Pet. 32. But they then shift to a discussion of an issue that even Petitioners do not claim is actually presented in this case: the interpretation of the underlying “termination rights” provision of the Copyright Act. Pet. 33–41. This case is plainly an inappropriate vehicle to reconsider that issue given that Petitioners’ arguments are barred by two layers of collateral estoppel.⁶

⁶ Petitioners’ arguments regarding the Copyright Act are also wrong on their merits. As Respondent explained to the Ninth Circuit in the litigation leading up to its 2017 decision, the language

For the same reason, the amicus briefs submitted in this matter provide no sound basis for granting review. All three amicus briefs insist that the underlying question of termination rights is sufficiently important to warrant this Court's review. *See* Authors Guild Br. at 7; Society of Entertainment Lawyers Br. at 14; Digital Justice Br. at 20. But that question is not presented in this case. Rather, this case presents a highly fact-bound question of double collateral estoppel. The amicus briefs do not and cannot suggest that this question warrants Supreme Court review.

III. THE COURT SHOULD NOT GRANT, VACATE, AND REMAND IN VIEW OF *LUCKY BRAND*.

The Court should not grant, vacate, and remand in view of *Lucky Brand Dungarees, Inc. v. Marcel Fashions Group, Inc.*, 140 S. Ct. 1589 (2020), as Petitioners request. Pet. 42–43.

In *Lucky Brand*, this Court addressed whether a court should apply “defense preclusion” when all parties agreed that traditional issue preclusion did *not* apply. *See* 140 S. Ct. at 1595 (“The parties thus agree that where, as here, issue preclusion does not apply, a defense can be barred only if the causes of action are the same in the two suits” (internal quotation marks omitted)). The Court explained that “this Court has

in the Copyright Act concerning “agreements to the contrary,” 17 U.S.C. § 304(c)(5), does not foreclose agreements among heirs concerning the management of termination interests. *See* Response Brief of the Estate Appellees, *Steinbeck v. Kaffaga*, No. 15-56375, at 44–50 (9th Cir. Aug. 1, 2016), Dkt. No. 32.

never explicitly recognized ‘defense preclusion’ as a standalone category of res judicata, unmoored from the two guideposts of issue preclusion and claim preclusion.” *Id.* “Instead, our case law indicates that any such preclusion of defenses must, at a minimum, satisfy the strictures of issue preclusion or claim preclusion.” *Id.* In view of that case law, the Court held that “defense preclusion” did not apply because “the two suits here were grounded on different conduct, involving different marks, occurring at different times.” *Id.*

That holding could not possibly affect the Ninth Circuit’s decision. The decision below reflected a straightforward application of standard issue preclusion: the court held that its prior 2017 decision addressing the identical issue (*i.e.*, the preclusive effect of the Second Circuit’s decision) was itself preclusive.

Even if Petitioners could still challenge the Ninth Circuit’s 2017 decision, *Lucky Brand* could not possibly affect that decision, either. In its 2017 decision, the Ninth Circuit did not purport to apply a novel “defense preclusion” doctrine unmoored from issue preclusion. Rather, it also applied standard issue preclusion. 702 F. App’x at 619 (Pet. App. 37a) (“The district court dismissed the action, finding it barred by collateral estoppel (issue preclusion). We have jurisdiction under 28 U.S.C. § 1291 and affirm.”).

Although Petitioners disagree with the manner in which the Ninth Circuit applied the collateral estoppel doctrine in 2017, *Lucky Brand* sheds no light on that issue because it says nothing about the law of issue preclusion. Rather, *Lucky Brand* addresses whether a court should apply “defense preclusion” when all parties

agree that issue preclusion does *not* apply. *Lucky Brand* holds that courts should adhere to existing doctrines of issue and claim preclusion—which is exactly what the Ninth Circuit did. Thus, there is no reason to grant, vacate, and remand in light of *Lucky Brand*.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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