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### *Copyright / Restoration*

**Restoration of Copyright in Foreign Works Passes Constitution Muster**  
by Paul Devinsky and Rita Weeks

In a 6-2 decision, the Supreme Court of the United States affirmed a decision by the United States Court of Appeals for the Tenth Circuit upholding a federal law that

restored copyright protection to foreign works that had entered the public domain in the U.S. *Golan v. Holder*, Case No. 10-545 (Supr. Ct., Jan. 18, 2012) (Ginsburg, Justice) (Breyer, Justice, dissenting, joined by Alito, Justice).

*Golan* concerns the extent of U.S. copyright protection granted to foreign works. The Berne Convention, enacted in 1886, is the major treaty governing international copyright protection. Berne requires member countries to accord foreign works the same copyright protection as works created by its nationals. The United States joined Berne in 1989 but did not protect foreign works as Berne required. As a result, some foreign works never received copyright protection in the U.S.

In 1994, Congress enacted the Uruguay Round Agreements Act (URAA) in order to bring the United States into compliance with Berne. Section 514 of the URAA (applying mainly to works first published abroad from 1923 to 1989) grants U.S. copyright protection to foreign works of Berne member countries the same term of copyright protection given to U.S. works. In effect, the statute restored a U.S. copyright to foreign works that had never received U.S. copyright protection as they should have under Berne. This restoration of copyright effectively removed those foreign works from the public domain in the United States. The statute imposed no liability for any use of foreign works occurring prior to restoration and provided a grace period allowing anyone to copy and use copyright restored works for one year following the statute's enactment. Further, the statute included additional protections for "reliance parties," those who had, before the statute's enactment, used or acquired a foreign work that was previously in the public domain.

In 2001, Lawrence Golan, an orchestra conductor and music professor, along with other conductors, artists, musicians and publishers brought suit challenging § 514 as unconstitutional, arguing that Congress had exceeded its authority under the Constitution's Copyright and Patent Clause and the First Amendment by restoring U.S. copyright protection to foreign works that had been public domain. The plaintiffs stated that they had relied for years on the free, public domain availability of foreign works. The plaintiff argued that with the enactment of § 514 of the URAA, many orchestras and educators are priced out of performing pieces previously in the public domain. Golan explained that "[t]he core issue is wanting to have the ability to perform this great body of literature that we used to be able to perform but no longer can. What we used to do was absolutely legal and in concert with the Constitution, and right now what we're being told is that what we used to do is now illegal, you can't do it anymore."

After the district court granted the attorney general's motion for summary judgment (that § 514 was constitutional), the U.S. Court of Appeals for the Tenth Circuit agreed that Congress had not offended the Copyright Clause, but nevertheless remanded the case for further First Amendment analysis in light of the Supreme Court's 2003 decision in

*Eldred v. Ashcroft* ([IP Update, Vol. 6, No. 1](#)). On remand, the district court granted summary judgment to petitioners, holding that § 514's constriction of the public domain was not justified by any of the asserted federal interests. This time the 10th Circuit reversed. Deferring to Congress' predictive judgments in matters relating to foreign affairs, the 10th Circuit held that the law survived First Amendment scrutiny because § 514 was narrowly tailored to fit the important government goal of protecting U.S. copyright holders' interests' abroad.

In upholding the 10th Circuit's ruling that Congress has the authority to restore the copyrights, Justice Ginsburg, writing for the majority, stated "[n]either the Copyright and Patent Clause nor the First Amendment, we hold, makes the public domain, in any and all cases, a territory that works may never exit." Further, the Supreme Court explained that the law merely "places foreign works on an equal footing with their U.S. counterparts."

Concerning the Copyright and Patent Clause, which authorizes Congress "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," the majority disagreed with petitioners that the clause requires federal legislation to promote the creation of new works. Noting that the Court rejected a nearly identical argument in *Eldred*, the Court explained that Congress is empowered to determine the intellectual property regimes that overall will serve the general purpose of the Clause. In addition to providing incentives for the creation of new works, "the dissemination of existing and future works" serves its purpose. Concerning petitioners' First Amendment objections, the majority determined that free speech interests are adequately protected by the fair use doctrine and the idea/expression dichotomy—the "built-in First Amendment accommodations" of copyright jurisprudence.

In dissent, Justice Breyer joined by Justice Alito, argued that in enacting § 514 of the URAA, Congress had exceeded its authority "under any plausible reading of the Copyright Clause," because the clause does not authorize Congress to enact a statute that does not provide incentives for creation of new works. The dissent, phrasing the issue as to whether "the clause empower[s] Congress to enact a statute that withdraws works from the public domain, brings about higher prices and costs, and in doing so seriously restricts dissemination, particularly to those who need it for scholarly, educational, or cultural purposes—all without providing any additional incentive for the production of new material," answered "no."

## ***Patents / Jurisdiction over Unasserted Claims***

### **No Declaratory Judgment Jurisdiction over Non-Asserted Claims; Injunction Affirmed**

by Shon Lo

The United States Court of Appeals for the Federal Circuit declined to reconsider priority issues in a case in which it concluded it was bound by an earlier decision. *Streck Inc. v. Research & Diagnostics Systems, Inc.*, Case No. 2011-1044 (Fed. Cir. January 10, 2012). (O'Malley, J.). The Federal Circuit also concluded that the action should be limited only to the asserted claims due to defendant's failure to establish a case or controversy with respect to the unasserted claims and affirmed the district court's grant of a permanent injunction

The U.S. Patent and Trademark Office's Board of Patent Appeals and Interferences (the Board) had found Research & Diagnostic Systems (R&D) had priority of invention in an interference proceeding concurrently with litigation before a district court. An appeal from the Board's decision was made to the district court under 35 U.S.C. § 146, which reversed the Board decision and found priority for Streck. In an earlier appeal, R&D appealed this decision to the Federal Circuit, which awarded priority to Streck ([\*IP Update, Vol. 14, No. 11\*](#)).

In the district court the parties had agreed to be bound by the Patent Local Rules of the U.S. District Court of the Northern District of California which require the parties exchange infringement and invalidity contentions within 10 and 55 days, respectively of the Initial Case Management Conference. Streck provided preliminary infringement contentions regarding a subset of 15 claims from the three patents-in-suit (the asserted claims). R&D's preliminary invalidity contentions addressed only the asserted claims. R&D later amended its invalidity contentions to assert that all claims of the patents-in-suit but for one were invalid for failure to satisfy enablement and written description requirements. Streck later informed R&D it was narrowing the asserted claims to nine claims in total. In response, R&D amended its invalidity contentions.

After the parties filed cross-motions for summary judgment, the district court denied R&D's motion for summary judgment of invalidity and granted Streck's cross-motion that the asserted claims were valid and contained sufficient written description. The district court dismissed R&D's invalidity counterclaims with respect to non-asserted claims because R&D had "no 'reasonable apprehension' it will face an infringement suit on any claims other than" the asserted claims. R&D appealed.

On appeal, R&D argued the district court applied an out-dated "reasonable apprehension of suit test" in finding no declaratory judgment jurisdictions and that

Streck's withdrawal of claims two years into the case did not deprive the court of jurisdiction over the invalidity of the non-asserted claims. The Federal Circuit agreed that the district court had incorrectly relied on pre-*MedImmune* case law, but found that considering the totality of the circumstances (the proper post-*MedImmune* standard), the lower court had correctly determined it lacked jurisdiction over the unasserted claims. Specifically, the Federal Circuit noted that both parties were on notice from the start of the litigation that the claims-at-issue were only a subset of the full patents-in-suit, and both parties knew precisely which claims were at issue before the district court ruled on summary judgment or conducted trial. R&D was required to show a continuing case or controversy with respect to withdrawn or otherwise unasserted claims, which it failed to do.

The Federal Circuit also affirmed the district court's grant of summary judgment that the patents-in-suit satisfied the written description requirement and its judgment as a matter of law that the patents-in-suit enabled the claimed invention.

## ***Patents / Injunctions***

### **Preliminary Injunctions in Patent Cases Live On**

by Lauren Martin

In a case involving a patent directed to a method of preparing liver cells, the U.S. Court of Appeals for the Federal Circuit, in an appeal from a district court grant of preliminary injunction, concluded that the patent owner had established a likelihood of success on the merits over the defendants' obviousness and non-infringement defenses. The Court also affirmed the district court's grant of a preliminary injunction. *Celsis In Vitro, Inc. v. Cellzdirect, Inc. and Invitrogen Corp.* Case Nos. 10-1547; -4053 (Fed. Cir., Jan. 9, 2012) (Rader, C. J.) (Gajarsa, J. dissenting).

The technology at issue concerns methods for preparing multi-cryopreserved liver cells. In particular, one of the steps in the claimed method requires a "second thaw... 'without requiring' a density gradient step." Defendants Cellzdirect and Invitrogen (now Life Technologies Corp., or LTC) read the "without requiring" language to mean "prohibiting" a density gradient step and thus argued that its process did not infringe because it included the prohibited step. The district court characterized this argument as "hokum" and issued a preliminary injunction. The district court also found that Celsis was likely to prevail on the issue of non-obviousness, noting that while there were a "vast" number of publications in the prior art discussing cryopreservation and liver cells, no publications disclosed the claimed *multi*-cryopreservation of liver cells. After the district court granted Celsis' motion for a preliminary injunction, LTC appealed.

On appeal, the Federal Circuit upheld the district court's finding of likelihood of success with respect to infringement and validity. On the obviousness issue, the Federal Circuit noted the unpredictability in this particular field and also explained that the prior art taught against *multi*-cryopreservation of liver cells. The Court further stated that LTC's "vague references to 'market need'" in the absence of additional facts, and properly linked to the claimed invention, is actually evidence of long-felt need and thus probative of non-obviousness. The Court agreed with the district court that because none of LTC's experts actually predicted the results of the claimed method at the time of the invention and there was no teaching in the prior art predicting those results, that a person of ordinary skill in the art would not have found the invention to have been obvious.

In dissent, Judge Gajarsa argued that the district court erroneously required LTC to prove invalidity by clear and convincing evidence at the preliminary injunction stage. Judge Gajarsa asserted that in order to defeat a preliminary injunction, LTC needed only to show that the asserted patent was "vulnerable" to challenge, not invalid under a clear and convincing evidence standard.

Judge Gajarsa also contended that in affirming the district court's decision, the majority "reinvigorates the pre-*KSR* standard for obviousness, rigidly requiring an explicit teaching, suggestion, or motivation." Judge Gajarsa explained that while obviousness does not require each claimed element to be present in the prior art, in this case, each claimed element was taught in the prior art. Judge Gajarsa characterized the claimed invention as using "two known techniques" and repeating them. He concluded that "[r]epeating known steps to obtain a desired result is not inventive." Thus, in Judge Gajarsa's view, the district court abused its discretion in granting a preliminary injunction because the claimed invention was vulnerable to an obviousness defense in view of the prior art teachings.

## ***Patents / Exceptional Case***

### **Exceptional Case Fee Award Appropriate if Patent Owner's Litigation Conduct Is Deemed Vexatious**

by Natalie A. Bennett

The United States Court of Appeals for the Federal Circuit has affirmed a decision granting an award of fees for attorneys and experts under 35 U.S.C. § 285. Fees were awarded as a result of the plaintiff urging the district court to ignore specification and prosecution history evidence during claim construction and attempting to introduce unreliable expert testimony. The panel agreed with the district court that the plaintiff



had pursued unsupported legal positions that rendered the case exceptional. *MarcTec LLC v. Johnson & Johnson*, Case No. 10-1285 (Fed. Cir., Jan. 3, 2012) (O'Malley, J.),

MarcTec accused Johnson & Johnson and Cordis of infringing its patent directed to a drug-eluting, balloon-expandable blood vessel stent. During the prosecution of the asserted patent, the applicants amended the independent claims to disclose, *inter alia*, a *surgical application* as opposed to a *vascular graft* already known in the prior art. The examiner cited to distinguishing claim language in allowing the claimed subject matter over the prior art. In particular, while the prior art taught a graft with a “coating placed on wall surfaces,” the allowed claims recited “a heat bondable material which is bonded to an implant by application of heat.”

In an earlier appeal, after the district court granted summary judgment of non-infringement after construing the term “bonded,” and the Federal Circuit affirmed. In this part of the case, the district court addressed Cordis’ motion that the case be found to exceptional under § 285. Here, the district court concluded that MarcTec’s proposed claim construction was so lacking in evidentiary support that it lacked a good faith basis and that by continuing the litigation after the claim term “bonded” was construed, the case became exceptional. In addition to awarding attorneys’ fees for pursuing baseless claims, the district court also awarded expert fees. During claim construction, MarcTec’s expert had presented testimony in support of its position, but his testimony was excluded as unreliable under FRE 702 and *Daubert*. MarcTec appealed.

The Federal Circuit affirmed the district court award of attorneys’ fees and expert fees. Judge O’Malley discussed the evidence supporting MarcTecs’ subjective bad faith, objectively baseless claims and litigation misconduct. The conduct the panel found most egregious was MarcTec’s mischaracterization of the prosecution history. The plaintiff knew from reading the prosecution history that the accused stents did not use “heat bonding” as MarcTec limited the claims during prosecution. Even so, MarcTec argued during claim construction that the accused stents sprayed droplets at the speed of sound, resulting in “heat bonding” for fleeting periods of time. This position and others were squarely rejected as barred by prosecution history estoppel because MarcTec could not overcome the clear disclaimer in the prosecution history.

The Federal Circuit treated the award of attorneys’ fees and expert fees separately, explaining that it was appropriate for courts to explain the basis for each sanction. In this case, however, the award of expert fees in combination with the attorneys’ fees was appropriate because the defendants were forced to incur expert witness fees to rebut MarcTec’s unreliable expert testimony and the plaintiff’s vexatious conduct increased the cost of litigation beyond what was compensable under § 285.

The final award to the defendants amounted to \$4.6 million, the Court noting that MarcTec failed to challenge the reasonableness of the fee award.

**Practice Note:** This decision underscores the importance of the effect of claim language amendments well in advance of bringing suit. As is often the case, separate counsel may be used to prosecute and later litigate a patent, but all distinguishing and disclaiming statements will be attributed to the litigant.

## ***Patent Infringement***

### **Transfer of Ownership Requires a Written Assignment**

by Jeremy T. Elman

Addressing the issue of patent ownership based on contractual assignments, the United States Court of Appeals for the Federal Circuit affirmed the district court's decision dismissing patent ownership claims where a consulting agreement contained no express assignment language requiring defendant to assign the patents-in-suit to plaintiffs. *Abbott Point of Care, Inc. v. Epocal, Inc.*, Case No. 11-1024 (Fed. Cir., Jan. 12, 2012) (Rader, C.J.)

Defendant-appellee Epocal was founded by Dr. Imants Lauks (Lauks), who was previously an employee of a predecessor company of plaintiff-appellant Abbott, with whom he signed three contracts (two employment agreements and one consulting agreement). Both Epocal and Abbott claim to own the patents-in-suit, which cover systems for testing blood samples. Epocal is the assignee of both patents. Lauks' 1984 employment agreement contained language assigning all inventions to Abbott's predecessor company (Integrated Ionics), but his 1999 consulting agreement, although it stated that the 1984 agreement remained in effect for work done while Lauks was an employee, was "silent" as to assignments of any inventions. Lauks filed applications for these two patents in 2001, after which Abbott sued Epocal and claimed ownership of the patents pursuant to the 1984 agreement. Epocal claimed ownership pursuant to the 1999 consulting agreement. After the district court granted Epocal's motion to dismiss, Abbott appealed.

After noting that the Court reviews decisions on standing and contracts without deference, the Federal Circuit noted that Abbott had the burden of showing ownership and concluded that under New Jersey law, where the contract was apparently signed, the 1984 employment agreement ceased upon the execution of 1999 consulting agreement. The 1999 consulting agreement expressly stated that Lauks resigned from his position and the 1999 consulting agreement then refers to Lauks as a "Senior Consultant," *i.e.*, no longer an employee. The Court found that the 1999 consultant



agreement did not specify that the entire 1984 employment agreement remained in effect, but only the confidentiality provisions. The 1999 consulting agreement was silent as to any assignment of inventions, but “recognized and allowed Lauks to pursue other, non-conflicting interests.” The Court thus found that there was an express recognition that Lauks’ agreement in the 1984 employment agreement to assign his inventions had ceased. The Court rejected the contention that Lauks had a duty to continue to assign his inventions to Abbott, finding that proposed interpretation to be in conflict with the express language of the 1999 consulting agreement. The Court thus held that Epocal was the owner of the patents-in-suit and affirmed the district court’s dismissal of Abbott’s infringement claim.

**Practice Note:** Companies should carefully examine patent assignment obligations of their employees or consultants and, in connection with corporate changes, examine whether prior assignment agreements will impose continuing assignment obligations after the employee or consultant has ceased employment with the company.

### ***Trademark / Cancellation Proceedings***

#### **Cancellation of Trademark Registration OK as Sanction for Failure to Comply with TTAB Discovery Orders**

by Rita Weeks

Reviewing the decision of the Trademark Trial and Appeal Board of the U.S. Patent and Trademark Office to enter summary judgment against a *pro se* litigant for failure to comply with discovery orders, the U.S. Court of Appeals for the Federal Circuit affirmed the judgment and the sanction of cancellation of his trademark. *Benedict v. Super Bakery, Inc.*, Case No. 11-1131 (Fed. Cir., Dec. 28, 2011) (Newman, J.)

Super Bakery owned a U.S. registration for GOODY MAN in International Class 30 for cupcakes. Ward E. Benedict owned a U.S. trademark registration for G THE GOODYMAN in International Class 29 for various meat snacks and Class 30 for cookies and cake products. Subsequent to the registration of those marks, Super Bakery applied to register GOODY MAN in Class 30 for various bakery goods. The examining attorney at the U.S. Patent and Trademark Office rejected Super Bakery’s application on the ground of likelihood of confusion with Benedict’s mark G THE GOODYMAN. Super Bakery then filed a Petition to Cancel Benedict’s registration.

During the cancellation proceeding, Super Bakery served discovery requests to Benedict, who continually failed to respond. The Board issued multiple orders requiring Benedict to respond to the discovery requests. One day prior to a Board ordered discovery deadline, Benedict filed a motion for summary judgment. Benedict did not

meet the discovery deadline. Two weeks after filing his motion for summary judgment, the Board suspended the proceeding pending disposition of the motion. Super Bakery then filed a motion for sanctions against Benedict, requesting default judgment based on Benedict's most recent failure to provide discovery. The Board granted default judgment against Benedict and cancelled his registration.

On the first appeal, the Federal Circuit vacated the Board's decision and remanded for the Board to consider the applicability of Trademark Rule 2.127(d), which provides that upon filing a motion for summary judgment, "the case will be suspended by the [Board] with respect to all matters not germane to the motion and no party should file any paper which is not germane to the motion except as otherwise specified in the Board's suspension order." On remand, the Board held that the suspension of proceedings contemplated by Rule 2.127(d) is not automatic, but takes effect only after the Board issues a suspension order. Thus, the Board reasoned, despite filing a motion for summary judgment Benedict was obligated to comply with the discovery deadline until the Board issued a suspension order. The Board again granted default judgment against Benedict and imposed the sanction of cancellation of his trademark.

On the second appeal, the Federal Circuit disagreed with the Board's position that Rule 2.127(d) supported the entry of default judgment, finding that the rule's ambiguity did not support the extreme sanction of default judgment. However, the Federal Circuit affirmed the Board's decision, finding that default judgment was "well supported" by Benedict's repeated non-compliance with Super Bakery's discovery requests and multiple Board orders. The Board explained that "[t]he possession of a trademark registration places a routine obligation on the possessor to participate in reasonable procedures concerning rights or interests effected by that registration."

## ***Copyright / DMCA Safe Harbor***

### **DMCA Safe Harbor Held to Protect Content-sharing Website**

by Eric Levinrad

The U.S. Court of Appeals for the Ninth Circuit affirmed summary judgment in favor of a defendant "video-sharing" website, holding that defendant is protected from liability for copyright infringement under the safe harbor provisions of the Digital Millennium Copyright Act (DMCA). *UMG Recordings, Inc., et al. v. Veoh Networks, Inc.*, Case No. 10-55732 (9th Cir., Dec. 20, 2011) (Fisher J.)

Defendant Veoh Networks operates a publicly accessible video-sharing website. Plaintiff UMG, one of the world's largest recorded music and music publishing companies, and other copyright owners sued Veoh for copyright infringement. Despite

the various procedures implemented by Veoh on its website to prevent copyright infringement, videos containing songs for which the plaintiffs own the copyright had been posted on Veoh's site. Veoh asserted as an affirmative defense that it is protected by the DMCA's safe harbor provisions, contained in 17 USC § 512(c). The district court agreed and granted summary judgment in Veoh's favor. UMG appealed.

On appeal, UMG argued that because Veoh facilitated access to videos maintained on its system, it was not protected by the safe harbor because the alleged infringing activity was not "infringement by reason of the storage of material at the direction of a user," a threshold requirement under section 512(c). The 9th Circuit rejected this argument, concluding that the phrase "by reason of the storage at the direction of the user" covers "more than mere electronic storage lockers," and that "§ 512(c) encompasses the access-facilitating processes that automatically occur when a user uploads a video to [defendant's] website."

UMG further argued that the safe harbor protections were not available to Veoh because Veoh had actual knowledge of the infringing activity. The 9th Circuit held that Veoh's general knowledge that its services could be used to post infringing material was insufficient to demonstrate actual knowledge of infringement. Instead, the court held that a service provider must have *specific* knowledge of particular infringing activity to be ineligible for safe harbor protection. "[M]erely hosting a category of copyrightable content ... with the general knowledge that one's services could be used to share infringing material, is insufficient to meet the actual knowledge requirement."

The court also rejected the contention that Veoh was not entitled to the protections of the safe harbor because it was aware of facts and circumstances from which infringing activity was apparent. The evidence cited by UMG in support of this argument included Veoh's removal of infringing content from its website and evidence that the existence of infringing content on its website had been brought to Veoh's attention. Citing its holding in *CCBill* that the burden of policing copyright infringement rests with copyright owners, not service providers, the court found this evidence insufficient to render the safe harbor protections unavailable. Noting that the notice and take-down procedures contained in the DMCA (of which UMG notably did not avail themselves) assumes that some infringing material will end up on service providers' websites, the court found that Veoh's knowledge that some infringing material had been placed on its website was insufficient to render the safe harbor protections unavailable.

**Practice Note:** Copyright owners should be advised to monitor content-sharing websites and follow the notice and take-down procedures of the DCMA to demand the removal of infringing material. They cannot rely on service providers—who are likely shielded from liability for copyright infringement—to do so for them.

**Copyright / Public Performance**

**Chicken, Waffles and Copyrights—Ninth Circuit Upholds Infringement of Public Performance Rights by Restaurant Chain**

by Sarah Bro

In an unpublished opinion, the U.S. Court of Appeals for the Ninth Circuit upheld a district court's grant of summary judgment against the owner of Roscoe's House of Chicken 'n Waffles chain restaurants for copyright infringement. *Range Road Music, Inc., et al. v. East Coast Foods, Inc., et al.* Case Nos. 10-55691; -55800 (9th Cir., Jan. 12, 2012).

The plaintiffs, a group of copyright owners, sued the defendants for copyright infringement for violation of the plaintiffs' public performance rights in various songs. The plaintiffs filed suit following a private investigator's visit to Roscoe's Long Beach, California location, where the investigator heard a live band in the adjacent Seabird Jazz Lounge perform various Coltrane standards, as well as a DJ who played another set of copyrighted songs from a compact disc. The plaintiffs alleged that the American Society of Composers, Authors, and Publishers (ASCAP) had tried to license public performance rights to the restaurant and lounge for years but the defendants had refused. The district court granted summary judgment to the plaintiffs, awarding \$36,000 for eight counts of copyright infringement and attorneys' fees of \$162,000. East Coast Foods appealed.

On appeal, the defendants argued that in order to establish copyright infringement, the plaintiffs were required to prove "substantial similarity" between the plaintiffs' copyrighted musical compositions and the works performed publicly in the lounge. The 9th Circuit disagreed, explaining that substantial similarity is not an element of copyright infringement, for which a plaintiff must demonstrate ownership of a valid copyright, as well as copying of constituent elements of the work that are original. Instead, substantial similarity is a doctrine that helps determine whether copying of original elements of a work has occurred. In this case, substantial similarity was irrelevant because the plaintiffs were able to produce evidence from the private investigator that the copyrighted works themselves were publicly performed.

The defendants also argued that evidence from the plaintiffs' private investigator should have been excluded because he was never certified as an expert witness. Finding that the district court did not abuse its discretion by admitting the investigator's testimony, the 9th Circuit noted that the defendants did not dispute any of the information contained in the investigator's declaration. Further, the court found that identifying popular song titles does not require "scientific, technical, or other specialized knowledge," and thus, no certification was necessary.

The defendants further argued that certain defendants could not be held liable for vicarious infringement because the Long Beach Roscoe's restaurant and the adjoining jazz lounge were owned by a separate company, Shoreline Foods. After finding that defendant Herbert Hudson is the president of both East Coast Foods and Shoreline Foods, with managerial authority over the Long Beach restaurant and lounge, the court found that the defendants controlled and derived financial benefit from the infringing performances, and thus were vicariously liable for copyright infringement.

Finally, the defendants argued that the district court's award of \$162,000 in attorneys' fees was an abuse of discretion. The 9th Circuit affirmed the fee award, however, noting that the district court provided a reasonable explanation for same. In particular, the district court found that the defendants could have avoided liability by properly licensing the compositions from ASCAP at any time since 2001. Furthermore, the court agreed that a significant portion of the fees incurred by plaintiff's attorneys were related to defendant's "obfuscation of the corporate structure of Roscoe's."

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