

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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HILLARY JOHNSON, :
 :
 Plaintiff, : 18 Civ. 9337 VLB)(PED)
 :
 - against - :
 :
 MAGNOLIA PICTURES LLC, 3 FACES FILMS :
 LLC, MOTTO PICTURES, CNN FILMS, a :
 division of TURNER BROADCASTING SYSTEMS, :
 INC. and MICHAEL RADNER, :
 :
 Defendants. :
 :
 - - - - - x

DEFENDANTS' MEMORANDUM OF LAW IN
SUPPORT OF THEIR MOTION TO DISMISS
THE FIRST AMENDED COMPLAINT

SHATZKIN & MAYER, P.C.

ATTORNEYS AT LAW
1776 BROADWAY, 21ST FLOOR
NEW YORK, NEW YORK 10019-2002
(212) 684-3000

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DEFENDANTS' MEMORANDUM OF LAW IN
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Preliminary Statement

Given a second chance by this Court to state a viable claim for relief, plaintiff's amended complaint fails to cure the fatal defects of her first pleading by which she is seeking to wrest money and a motion-picture credit from defendants Magnolia Pictures LLC ("Magnolia"), 3 Faces Films LLC ("3 Faces"), Motto Pictures Inc. ("Motto") and Turner Broadcasting System, Inc. ("Turner") (collectively, the "Documentary Defendants").

Accordingly, the Documentary Defendants again move to dismiss the amended complaint, pursuant to Federal Rule of Civil

Procedure 12(b)(6), and for attorneys' fees and costs, pursuant to 28 U.S.C. § 1927 and 17 U.S.C. § 505.*

As discussed below, plaintiff's first claim for a declaratory judgment that she is the co-owner of the Audiotapes (defined below) must fail as against the Documentary Defendants because she does not, and cannot, allege an "actual controversy" with them on that issue. Since they do not claim any rights of ownership whatsoever in the Audiotapes, there is nothing for the court to declare with respect to them.

The second claim, for infringement of plaintiff's alleged co-copyright, must equally be dismissed due to plaintiff's conceded inability to satisfy the threshold statutory requirement of obtaining a valid copyright registration prior to the commencement of this action. Moreover, as we established in the

* Although it should be rendered moot by the relief awarded on this motion, defendant Turner continues to be improperly named in this action, notwithstanding the Documentary Defendants' Rule 7.1 statement and the waiver of service of summons delivered to plaintiff on behalf of "CNN Films." As they state, "CNN Films" is not an entity with the capacity to be sued, but only a brand, and the brand is not owned by Turner Broadcasting System, Inc. (which is still incorrectly named in the caption as "Turner Broadcasting Systems, Inc.," of which plaintiff was also advised). A separate corporate entity, Turner's subsidiary Cable News Network, Inc., owns the brand. Yet plaintiff ignores the two legal conclusions that necessarily follow: First, "CNN Films" cannot be sued. *Sheldon v. Kimberly-Clark Corp.*, 105 A.D.2d 273, 276, 482 N.Y.S.2d 867, 869 (2d Dept. 1984) (affirming dismissal of misnamed defendant on court's finding that "defendant is not a separate, legal entity but rather is merely a part of the single corporate entity known as Kimberly-Clark Corporation"), *appeal dismissed*, 65 N.Y.2d 691 (1985). Second, it is improper to hold liable the corporate parent, Turner, rather than the separate corporate entity that owns "CNN Films" for its purported torts. *United States v. Bestfoods*, 524 U.S. 51 (1998).

prior motion, even if plaintiff complied with this prerequisite, no infringement claim can be asserted against the Documentary Defendants, who are valid licensees of the actual owner. As shown below, the propositions plaintiff cites to get around this rule are legally baseless.

Factual Background

Contradicting the account plaintiff published in a national magazine capitalizing on the beloved comedian Gilda Radner's tragic death from ovarian cancer in 1989, the amended complaint claims that the audio cassette tapes that Radner dictated (the "Audiotapes") in preparation of the manuscript of her memoir, *It's Always Something* (the "Autobiography"), were instead interviews conducted by plaintiff. (Amended Compl. ¶¶ 11-13 and Exh. 1.)

The biographical documentary film *Love, Gilda* (the "Documentary") and its trailer contain excerpts from the Audiotapes that the Documentary's producer, defendant 3 Faces, obtained from Gilda Radner's brother, Michael. (Amended Compl. ¶¶ 16, 17 and Exh. 2.)

On August 10, 2018, plaintiff's counsel sent a demand letter to defendant Magnolia asserting claims of co-ownership in and infringement of the Audiotapes. (Amended Compl. ¶ 22 and Exh. 3.) The Documentary Defendants' counsel responded on September 4, 2018. A copy of counsel's letter, referenced in paragraph 23 of the amended complaint but omitted from plaintiff's exhibits, is attached as Exhibit A to the accompanying declaration of Karen Shatzkin, dated November 14, 2018.

Plaintiff commenced this action on October 12, 2018, asserting claims for a mandatory injunction and copyright infringement. The Documentary Defendants filed a motion to dismiss, and this Court afforded plaintiff a one-shot opportunity to refile. Undeterred by the copious legal authority that renders any claim against the Documentary Defendants unavailing, plaintiff has filed a second meritless pleading.*

Argument

POINT I

THE FIRST CLAIM FAILS BECAUSE
THERE IS NO ACTUAL CONTROVERSY
BETWEEN PLAINTIFF AND THE
DOCUMENTARY DEFENDANTS

The Declaratory Judgment Act provides, in relevant part:

In a case of actual controversy within its jurisdiction, . . . any court of the United States . . . may declare the rights and other legal relations of any interested party seeking such declaration.

28 U.S.C. § 2201. Here, plaintiff and the Documentary Defendants do not have adverse legal interests with respect to the issue of co-ownership of the Audiotapes. Plaintiff does not allege that the Documentary Defendants claim co-ownership, nor do they. Thus, the *sine qua non* of the Court's power to render a declaration is absent here: no "actual controversy" exists between these parties over the copyright ownership of the Audiotapes.

* The amended complaint is contained in Exhibit A to the Shatzkin Declaration.

In *Enreach Technology, Inc. v. Embedded Internet Solutions*, 403 F. Supp. 2d 968 (N.D. Cal. 2005), as here, a complaint was brought against licensees for a declaration that plaintiff owned the licensed copyrights. The court granted summary judgment to the licensees dismissing the complaint, holding that there was no actual controversy requiring declaratory relief where the licensees claimed no ownership interest in the licensed works. Dismissal is warranted on the self-same facts here.

POINT II

THE SECOND CLAIM MUST FALL BECAUSE AN INFRINGEMENT CLAIM CANNOT LIE AGAINST THE DOCUMENTARY DEFENDANTS

To survive a motion to dismiss for failure to state a claim pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure, a "complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). "A complaint is deemed to include any written instrument attached to it as an exhibit, materials incorporated in it by reference, and documents that, although not incorporated by reference, are 'integral' to the complaint." *Sira v. Morton*, 380 F.3d 57, 67 (2d Cir. 2004) (citations omitted) (quoting *Chambers v. Time Warner, Inc.*, 282 F.3d 147, 153 (2d Cir. 2002)).

For copyright infringement claims, a plaintiff must show "(i) ownership of a valid copyright; and (ii) unauthorized copying of the copyrighted work." *Jorgensen v. Epic/Sony Records*, 351 F.3d

46, 51 (2d Cir. 2003). The Copyright Act requires that the copyright have been registered prior to the commencement of an action for infringement.

Specifically, section 411(a) of the Copyright Act, 17 U.S.C. § 411(a), provides (with certain exceptions not relevant here) that "no action for infringement of the copyright . . . shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title." In *Reed Elsevier Inc. v. Muchnick*, 130 S. Ct. 1237, (2010) the Supreme Court confirmed that a plaintiff must prove registration as a "precondition to filing a claim" for copyright infringement. *Id.* at 1241, 1247.

The Second Circuit courts have consistently enforced the statutory requirement of registration prior to suit. *E.g.*, *Psihoyos v. John Wiley & Sons, Inc.*, 748 F.3d 120, 125 (2d Cir. 2014) (affirming dismissal; copyright plaintiff did not attempt registration prior to instituting infringement action); *Pyatt v. Raymond*, 462 F. Appx. 22 (2d Cir. 2012), *as amended* (Feb. 9, 2012) (affirming dismissal for failure to register and denying plaintiff an opportunity to amend). *Accord Accurate Grading Quality Assurance, Inc. v. Thorpe*, 2013 WL 1234836, at *7 (S.D.N.Y. Mar. 26, 2013) (a copyright claim without registration "is necessarily barred and must be dismissed"); *Jewel Source, Inc. v. Primus Jewels, LLC*, 2011 WL 4634019, at *2 (S.D.N.Y. Oct. 3, 2011); *Marketing Technology Solutions, Inc. v. Medizine LLC*, 2010 WL 2034404, at *5-6 (S.D.N.Y. May 18, 2010); *Caldwell v. Rudnick*, 2006 WL 2109454 (S.D.N.Y. July 26, 2006).

Moreover, even if plaintiff had met this pre-requisite for suit, and even if she were able to overcome the hurdle of proving co-ownership 31 years after she was employed by Radner's publisher (Amended Compl. ¶ 11) and 29 years after the release of the Autobiography – which plaintiff admits was the product for which the Audiotapes were made (Amended Compl. ¶¶ 11, 14)* – no action can be maintained against the Documentary Defendants.

In an effort to construct a colorable basis for this suit, the amended complaint makes the following unfounded legal pronouncements (in ¶ 33):

[A] co-owner of joint works lacks authority to convey or license the interest of his or her fellow co-owner(s) without their express written consent and also lacks authority retroactively to extinguish a co-owner's demand for compensation and/or eviscerate her right to sue for infringement.

In our first dismissal motion, we cited seminal authority in this Circuit for the fundamental principle of copyright co-ownership that each owner* has an equal "right to use or license

* But see the Documentary Defendants' counsel's letter (Shatzkin Decl. Exh. A), reviewing admissions in the *Rolling Stone* article and in the Audiotapes that belie plaintiff's present assertions of co-authorship. This Court may consider the entire contents of the letter on this motion to dismiss, This Court may consider the entire letter referenced in the amended complaint. *Cortec Industries, Inc. v. Sum Holding L.P.*, 949 F.2d 42, 44 (2d Cir. 1991).

* Radner's brother owns the physical Audiotapes, and he is Radner's heir. (Amended Compl. ¶ 16 [Radner's brother gave filmmaker the Tapes] and Exh. 2 ["Working with the [Gilda Radner] estate," the director "unearthed personal audio and videotapes"].) While plaintiff purports to dispute his ownership of the copyrights (see Amended Compl. ¶ 19), she gives no factual basis for her belief. "[L]egal conclusions,

the work in any way he or she wishes," without the other's consent. *Thompson v. Larson*, 147 F.3d 195, 199 (2d Cir. 1998). One joint owner cannot be liable for copyright infringement to the other joint owner, *Donna v. Dodd, Mead & Co.*, 347 F. Supp. 429 (S.D.N.Y. 1974).

It follows from this principle that a licensee of one joint owner is immune from suit by the other owner. *McKay v. Columbia Broadcasting System, Inc.*, 324 F.2d 762, 763 (2d Cir. 1963) (affirming dismissal of infringement claim because "a license from a co-holder of a copyright immunizes the licensee from liability to the other co-holder for copyright infringement"); *Piantadosi v. Loew's*, 137 F.2d 534, 537 (9th Cir. 1943); *Meredith v. Smith*, 145 F.2d 620, 621 (9 Cir. 1944); *Brown v. Republic Productions*, 56 P.2d 40 (Cal. App.), *aff'd*, 161 P. 2d 796 (Cal. 1945); *Crosney v. Edward Small Productions*, 52 F. Supp. 559, 561 (S.D.N.Y. 1942). See generally 1 *Nimmer on Copyright* § 6.10[A] (each copyright co-owner is entitled to exploit the whole or any part of the jointly owned copyright without the permission of the other co-owners and to allow others to do so without the permission of the other co-owners).

(footnote continued from previous page)

deductions or opinions couched as factual allegations" are not entitled to a presumption of truthfulness. *Allen v. Scholastic, Inc.*, 739 F. Supp. 2d 642, 653 (S.D.N.Y. 2011). Plaintiff does not go so far as to suggest that Radner herself did not own copyright in her own creative work, eloquently described in the *Rolling Stone* article, which would be an asset of her estate.

Plaintiff tries to extricate herself from the corner in which this law places her by suggesting that the Documentary Defendants secured a retroactive license for their use of the Audiotapes. (Amended Compl. ¶ 35.) *Cf. Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007) (retroactive license cannot be used to defeat a co-owner's accrued infringement claim), *cert. denied*, 555 U.S. 822 (2008). But the pleading itself shows this to be false: paragraph 16 admits that 3 Faces was using the Audiotapes with the owner's permission before plaintiff was contacted by the director to give an interview. Nor does plaintiff anywhere allege that she asserted copyright ownership or demanded any compensation for 3 Faces' use of the Audiotapes prior to her counsel's letter following the Documentary's release, other than "a modest sum of money in exchange for her cooperation" in the interview.

In yet another misstatement of law, paragraph 21 of the amended complaint states, "Any license from Defendant Michael Radner is . . . invalid because, on information and belief, it is not in writing." Even if there was no written license governing 3 Faces' use of the Audiotapes, a non-exclusive license may be granted orally. *Graham v. James*, 144 F.3d 229 (2d Cir. 1998); 3 Nimmer on Copyright § 10.03[A][7].

Accordingly, the copyright infringement claim equally fails as a matter of law, and the complaint should be dismissed.

POINT III

THE DOCUMENTARY DEFENDANTS SHOULD
BE AWARDED THEIR ATTORNEYS' FEES
AND COSTS

An award of defendants' attorney fees and the costs is amply warranted on the two dismissal motions necessitated by plaintiff's opportunistic, frivolous claims that are squarely prohibited by settled law.

Plaintiff filed this lawsuit without even engaging in discussion with the Documentary Defendants' counsel, who had provided detailed evidentiary and legal authority disputing plaintiff's claims. Counsel's letter (Shatzkin Decl. Exh. A) cited at least ten legal authorities and court decisions that supported defendants' position and decisively distinguished the single decision referenced by plaintiff's prior litigation counsel (Amended Compl. Exh. 3). Plaintiff's prior counsel never responded to the letter, and current counsel seems – still – not to have studied these authorities. Plaintiff's only comment is to brand an extensive discussion of the relevant law "condescending and combative." (Amended Compl. ¶ 23.) The defects of plaintiff's ownership and infringement theories were also spelled out in our first motion to dismiss.

Courts have discretion under the Copyright Act to award a prevailing party costs and attorney's fees, 17 U.S.C. § 505, based on the evaluation of a number of non-exclusive factors set out by the Supreme Court:

frivolousness, motivation, objective
unreasonableness (both in the factual and in the

legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.

Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 n.19 (1994). The Court must also consider the degree of success obtained by the prevailing party. *Jackson v. Axton*, 25 F.3d 884, 890 (9th Cir. 1994), *overruled on other grounds, Fogerty*, 510 U.S. at 531-32 (citing *Hensley v. Eckerhart*, 461 U.S. 424, 436-37 (1983)). Plaintiff's bad faith or "culpability in bringing or pursuing the action" may also be considered. *Fantasy, Inc. v. Fogerty*, 94 F.3d 553, 555-58 (9th Cir. 1996).

All of the factors set out in *Fogerty* and *Jackson* favor an award of fees to defendants. Courts have awarded attorney fees to prevailing copyright defendants who similarly "were forced to defend against Plaintiff's claims even after pointing out the fatal flaws from which her lawsuit suffered." *Scott v. Meyer*, 2010 WL 2569286, at *3 (C.D. Cal. June 21, 2010). See also *DuckHole, Inc. v. NBCUniversal Media LLC*, 2013 WL 5797204 *6 (C.D. Cal. Oct. 25, 2013)(awarding attorneys fees on successful motion to dismiss to defendants who "made an extra effort to educate Plaintiff of the governing case law"); *National Center for Jewish Film v. Riverside Films LLC*, 2012 WL 6565893, at *1 (C.D. Cal. Dec. 14, 2012) (awarding attorney's fees to filmmaker who prevailed against copyright plaintiff; the court evaluated, *inter alia*, the reasonableness of the plaintiff's position "in light of Defendant's attempts to educate and persuade" plaintiff on the relevant law).

Conclusion

For the reasons set forth above, the Court should grant the Documentary Defendants' motion to dismiss with prejudice, and award them attorneys' fees and costs on both of these defendants' dismissal motions.

Dated: New York, New York
November 15, 2018

Respectfully submitted,

SHATZKIN & MAYER, P.C.

By Karen Shatzkin
Karen Shatzkin
Attorneys for the Documentary
Defendants
1776 Broadway, 21st Floor
New York, New York 10019-2002
(212) 684-3000