

## **MEDIA, ENTERTAINMENT AND TECHNOLOGY GROUP 2020 YEAR-END REVIEW**

To Our Clients and Friends:

As we wrap up a particularly unique year in the legal industry, Gibson Dunn’s Media, Entertainment and Technology Practice Group highlights some of the notable rulings, developments, and trends that will inform industry litigation long after the COVID-19 pandemic has faded from view.

### **A. Copyright Litigation**

#### **1. Second Circuit Finds 50 Cent’s Right of Publicity Claim Against Rick Ross Preempted**

On August 19, 2020, the Second Circuit held that the Copyright Act preempted a Connecticut common law right of publicity claim brought by Curtis James Jackson III (the hip-hop artist known as 50 Cent) against William Roberts (the hip-hop artist known as Rick Ross).[1] Jackson alleged that Roberts violated Jackson’s personal right of publicity when Roberts used a sample from one of Jackson’s best-known songs, “In Da Club,” in a free mixtape that Roberts released in 2015.[2] Affirming the district court’s grant of summary judgment, Judge Pierre Leval wrote for the panel that the Copyright Act impliedly preempted and, in the alternative, expressly preempted, Jackson’s state law right of publicity claim.

As to implied preemption, the Second Circuit examined the state interests at play and the potential for conflict between the state law claim and the operation of federal copyright law. First, the circuit court held that “Roberts’s mere reproduction of a sound that can be recognized as Jackson’s voice, . . . do[es] not violate any substantial state law publicity interest.”[3] In reaching that conclusion, the Second Circuit emphasized that Roberts had not used Jackson’s name or persona “in a manner that falsely implied Jackson’s endorsement of Roberts” or his mixtape—*i.e.*, Jackson’s right of publicity claim was not seeking to vindicate an interest in preventing consumer confusion or false endorsements.[4] Nor had Roberts used Jackson’s music “in any way derogatory, or an invasion of Jackson’s privacy”—*i.e.*, Jackson’s claim was not seeking to vindicate a reputational or privacy interest.[5] Rather, in the circuit court’s view, the “predominant focus” of Jackson’s right of publicity claim was simply to challenge the unauthorized use of a copyright-protected sound recording.[6] But, as the Second Court noted, Jackson holds no copyright interest in “In Da Club,” which is owned by Shady Records/Aftermath Records—non-parties to the litigation.[7] If such a right of publicity claim were allowed to proceed, it “would impair the ability of a copyright holder or licensee to exploit the rights guaranteed under the Copyright Act.”[8]

Second, the appellate court examined the potential for conflict between state law and federal copyright law, finding two potential conflicts weighing in favor of a finding of preemption: (a) applying the right

of publicity to the publication, reproduction, or performance of the many works featuring depictions or appearances of real persons raises an “obvious and substantial” “potential for impairment of the ability of copyright holders and licensees to exploit the rights conferred by the Copyright Act”; and (b) Jackson’s suit “is more properly seen as a thinly disguised effort by the creator and performer of a work within the subject matter of copyright—who owns no copyright interest in the work—to nonetheless exert control over its distribution.”<sup>[9]</sup> The Second Circuit thus found Jackson’s claim impliedly preempted by the Copyright Act.

The Second Circuit held in the alternative that Jackson’s claim was expressly (*i.e.*, statutorily) preempted by Section 301 of the Copyright Act, finding that Jackson’s right of publicity claim focused on Roberts’s use of a work that plainly fell “within the subject matter of copyright,” as opposed to a use of Jackson’s voice independent of a work covered by the Copyright Act for the purpose of an endorsement.<sup>[10]</sup> The circuit court also found that the basis for Jackson’s right of publicity claim was “in no meaningful fashion distinguishable from infringement of a copyright.”<sup>[11]</sup> Thus, the claim was expressly preempted.

## **2. Ninth Circuit Adopts New “Asserted Truths” Doctrine for Nonfiction Works**

On September 8, 2020, as part of a long-running dispute, the Ninth Circuit affirmed the U.S. District Court for the District of Nevada’s decision granting judgment as a matter of law in favor of Frankie Valli, his former Four Seasons bandmates, and others involved in the creation of the musical *Jersey Boys*, holding that they did not infringe the copyright in a biography about the Four Seasons when creating and performing the musical.<sup>[12]</sup> Donna Corbello, widow of the ghostwriter and copyright owner of Tommy Devito’s unpublished autobiography about the band, alleged that the creators of *Jersey Boys* had access to the autobiography and that, in addition to infringing the copyright in the book, they had also breached a contract among the band members. At trial, a jury found that *Jersey Boys* infringed the book and was not a fair use. The district court subsequently vacated the jury’s verdict and entered judgment as a matter of law in favor of the defendant on the grounds that the musical was a fair use, and ordered a new trial on damages apportionment as it related to the contract issues.

The Ninth Circuit affirmed without reaching the district court’s analysis of the fair use defense, finding instead that *Jersey Boys* did not infringe Corbello’s copyright in the work in the first place. Applying the extrinsic test for substantial similarity, the Ninth Circuit found that half of the alleged similarities between the musical and the book were common phrases, scenes-a-faire, or otherwise non-protectable, non-copyrightable elements, and the other half were non-protectable because they were held out by the book’s authors as factual.<sup>[13]</sup>

In so holding, the Ninth Circuit adopted a new circuit standard for copyright protection for non-fiction works, which it dubbed the “asserted truths” doctrine, adapted from what other circuits and district courts have called “copyright estoppel”—a doctrine in which “elements of a work presented as fact are treated as fact, even if the party claiming infringement contends that the elements are actually fictional.”<sup>[14]</sup> Under this doctrine, “[a]n author who holds their work out as nonfiction [] cannot later claim, in litigation, that aspects of the work were actually made up and so are entitled to full copyright protection.”<sup>[15]</sup> The Ninth Circuit described the breadth of the asserted truths doctrine, noting that it “applies not only to the narrative but also to dialogue reproduced in a historical nonfiction work

represented to be entirely truthful,”<sup>[16]</sup> and found it applied to bar the assertion of infringement as to numerous alleged similarities given the book’s “emphatic representation that it is a nonfiction autobiography.”<sup>[17]</sup>

### 3. Seinfeld Prevails in “Comedians in Cars” Copyright Ownership Dispute

On May 7, 2020, the Second Circuit rejected a copyright lawsuit targeting Jerry Seinfeld’s hit Netflix show, “Comedians in Cars Getting Coffee.”<sup>[18]</sup> Shortly after Netflix announced a deal to stream the show, Christian Charles, whom Mr. Seinfeld hired to direct the show’s pilot, filed suit against Mr. Seinfeld, Netflix, and Sony Pictures, alleging that Mr. Seinfeld stole the concept for the show and that he—not Mr. Seinfeld—was the owner of the show’s copyrights.<sup>[19]</sup> Judge Nathan of the U.S. District Court for the Southern District of New York dismissed the copyright claims with prejudice, ruling that they were time-barred by the Copyright Act’s three-year statute of limitations and that the facts pled in the complaint were self-defeating.<sup>[20]</sup> The district court found that Mr. Charles’s “attempts to distinguish Second Circuit precedent” were “unavailing” and concluded that, “[b]ecause Charles was on notice that his ownership claim had been repudiated since at least 2012, his infringement claim is time-barred.”<sup>[21]</sup> Specifically, the court held that Mr. Seinfeld expressly repudiated Mr. Charles’s ownership claim “in 2011 [when he] twice rejected Charles’s request for backend compensation and made it clear that Charles’s only involvement was to be on a ‘work-for-hire’ basis” and in 2012 when Mr. Seinfeld “went on to produce and distribute the show without giving any credit to Charles.”<sup>[22]</sup> The court also recognized the opportunistic nature of the lawsuit, finding that Charles was prompted to sue after the announcement in 2017 that “Netflix inked a lucrative new deal for the show to join their platform.”<sup>[23]</sup>

The Second Circuit issued a summary order affirming the judgment of the district court “for substantially the same reasons that [the district court] set out in its well-reasoned opinion.”<sup>[24]</sup> The Second Circuit agreed that the case concerned a copyright ownership dispute, as opposed to an infringement dispute—a key distinction for determining accrual of the Copyright Act’s statute of limitations, as while an infringement claim accrues after each separate infringement, an ownership claim accrues only once. The Second Circuit reaffirmed its precedent by holding that if “the ownership claim is time-barred, the infringement claim itself is also time-barred, even if any allegedly infringing activity occurred within the limitations period.”<sup>[25]</sup> Siding with the defendants’ classification of the dispute as one over copyright ownership, the Second Circuit found that Mr. Charles’s arguments to the contrary were “seriously undermined by his statements in various filings throughout this litigation which consistently assert that ownership is a central question.”<sup>[26]</sup> The Second Circuit then agreed with the defendants’ argument that Charles’s self-defeating allegations in his complaint were “enough to place [him] on notice that his ownership claim was disputed [as of 2012] and therefore this action, filed six years later, was brought too late.”<sup>[27]</sup>

Shortly thereafter, Charles filed a petition for panel rehearing.<sup>[28]</sup> Citing a recently decided Sixth Circuit Court of Appeals copyright case, *Everly v. Everly*<sup>[29]</sup>—discussed below in this update—Charles argued that the Second Circuit erred by failing to distinguish between authorship and ownership claims in the context of determining when the statute of limitations accrued.<sup>[30]</sup> On June 10, 2020, the Second Circuit declined to adopt *Everly* and summarily denied Charles’s petition for panel rehearing.<sup>[31]</sup> Charles filed a petition for a writ of certiorari—arguing that *Everly* created a circuit split—which the U.S. Supreme

Court denied on December 14, 2020.[32] The defendants’ motion for attorneys’ fees and costs is currently pending before Judge Nathan.[33] [Disclosure: Gibson Dunn represents the defendants in this action.]

#### **4. Ninth Circuit Rules Dr. Seuss–Star Trek Mashup Not a Fair Use**

On December 18, 2020, the Ninth Circuit held that a comic book “mashup” of Dr. Seuss and Star Trek was not protected against copyright claims as a fair use.[34] The mashup, which combined Dr. Seuss’s *Oh, the Places You’ll Go!* with elements of the television program *Star Trek*, is entitled *Oh, the Places You’ll Boldly Go!* The Ninth Circuit’s ruling revived the 2016 infringement lawsuit brought by Dr. Seuss Enterprises against ComicMix, the creator of the comic book, after the district court entered summary judgment in favor of ComicMix last year on the basis that the comic was a fair use, but affirmed the district court’s Rule 12(c) dismissal and grant of summary judgment in favor of ComicMix on Seuss Enterprises’ trademark claim.[35]

On the copyright infringement claim, the Ninth Circuit rejected the district court’s fair use conclusion, finding that each of the four statutory fair use factors weighs against *Boldly!* being considered a fair use. The circuit court found *Boldly!* was not a fair use because it placed characters in a “Seussian world that is otherwise unchanged,” was not transformative, failed to parody or comment on Dr. Seuss’s work, used a substantial quantitative amount of *Go!* (“replicat[ing], as much and as closely as possible from *Go!*, the exact composition, the particular arrangements of visual components, and the swatches of well-known illustrations”), “took the heart of Dr. Seuss’s works,” and harmed Seuss’s ability to sell derivative works, particularly where Seuss had a history of licensing authorized derivatives.[36]

The Ninth Circuit, however, affirmed the district court’s ruling that Seuss’s trademark infringement claim failed because *Boldly!* is protected as an expressive work under the *Rogers* test (of *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), as adopted and extended by the Ninth Circuit’s precedents).[37] Under the *Rogers* test, “which balances artistic free expression and trademark rights,” the Ninth Circuit held that the Lanham Act does not apply because *Boldly!* was “not explicitly misleading as to its source.”[38]

#### **5. Liability for “Making Available” Works Protected by Copyright**

Federal courts continue to grapple with the bounds of the exclusive distribution right under the Copyright Act and whether an owner’s copyright has been infringed when a protected work is “made available” to the public for permanent download or streaming, even if no one purchases the work or listens to the clip. In June 2020, in *Sony Music Entertainment et al. v. Cox Communications Inc.*, the U.S. District Court for the Eastern District of Virginia upheld a jury verdict finding Cox, an Internet service provider, vicariously and contributorily liable for its subscribers’ infringement of the plaintiffs’ copyrights in their sound recordings and musical compositions.[39] Cox argued that direct infringement by its subscribers was not sufficiently proven at trial as the evidence supported only that the plaintiffs’ works were available for sharing, but not that they were disseminated.[40] The court considered prior Fourth Circuit caselaw holding that a work made available to the “borrowing or browsing public [ ] has completed all the steps necessary for distribution to the public,”[41] but found that line of cases to be of limited

applicability, noting that direct proof of dissemination is unnecessary to bring a claim under the Copyright Act.<sup>[42]</sup> Consequently, the court found overwhelming circumstantial evidence of direct infringement through distribution based on Cox’s subscribers’ use of P2P (peer-to-peer) networks such as BitTorrent to share files.<sup>[43]</sup> On January 12, 2021, the court upheld the \$1 billion award against Cox and entered judgment.

The U.S. District Court for the Western District of Washington considered similar issues in *SA Music, LLC v. Amazon.com, Inc., et al.*, addressing whether a violation of a copyright owner’s exclusive distribution rights requires actual dissemination of the infringed works by sale or other transfer of ownership, or by rental, lease or lending.<sup>[44]</sup> The plaintiffs—heirs to the rights of composers Harold Arlen, Ray Henderson, and Harry Warren—alleged that a content provider had pirated thousands of recordings of their compositions and then made them available, and sold them, in the United States through Amazon’s digital music store.<sup>[45]</sup> Amazon moved to dismiss the plaintiffs’ “making available” theory of liability (*i.e.*, liability for making the allegedly infringing works available in Amazon’s digital music store, without corresponding sales).<sup>[46]</sup> The court granted the motion, holding that distribution of a copyright-protected recording under § 106(3) of the Copyright Act on a digital music store requires the transfer or download of a file containing the work from one computer to another.<sup>[47]</sup> In so holding, the court distinguished Fourth Circuit precedent, reasoning that although a protected work may be deemed distributed when made available in a public library or a file-sharing network, when it comes to an online music store, the work is not distributed simply by being made available because the user cannot access the full work without first paying for the right to download the work.<sup>[48]</sup>

## **B. Trademark Litigation**

### **1. Supreme Court Holds that Combining “.com” with a Generic Term Can Create a Protectable Mark.**

As we wrote last summer, on June 30, 2020, the Supreme Court voted 8-1 to reject a bright-line rule promulgated by the U.S. Patent and Trademark Office (PTO) that would prevent registration of an otherwise generic term in combination with a top-level Internet domain (such as “.com”), finding that the combination can create a protectable mark if consumers recognize the term to identify a specific source of goods or services.<sup>[49]</sup> Booking.com, a hotel reservation website, applied to register the mark BOOKING.COM. The PTO denied registration because it broke down the proposed mark into its constituent elements and determined that “booking” is the generic term for hotel reservation services and “.com” is a generic indicator of a website.<sup>[50]</sup> Booking.com appealed that decision in district court, which ruled in favor of Booking.com, relying heavily on evidence that consumers recognized the term as a unique brand name and not a generic term.<sup>[51]</sup> The Fourth Circuit affirmed.<sup>[52]</sup>

The Supreme Court affirmed, with Justice Ruth Bader Ginsburg writing for the Court.<sup>[53]</sup> The Court based its holding on the “principle that consumer perception demarcates a term’s meaning.”<sup>[54]</sup> That principle applies even to marks that combine generic elements; “[b]ecause ‘Booking.com’ is not a generic name to consumers, it is not generic.”<sup>[55]</sup> The Court, however, did not adopt its own bright-line rule that all “.com” marks are protectable. Rather, the Court made clear that the protectability of marks is a fact question under the Lanham Act, and all relevant evidence must be taken into account in deciding



the ultimate question of whether consumers understand a particular term to serve as a trademark, including consumer surveys, dictionaries, and usage by consumers and competitors. The Court noted that the likelihood of confusion element of a trademark claim and affirmative defenses such as fair use will prevent companies like Booking.com from claiming a monopoly over otherwise generic terms, like “booking.”<sup>[56]</sup> [Disclosure: Gibson Dunn submitted an *amicus* brief on behalf of Salesforce.com, Inc. et al. in support of Booking.com BV.]

## **2. Videogame’s Depiction of Humvees Protected Under First Amendment**

On March 31, 2020, District Judge George B. Daniels of the U.S. District Court for the Southern District of New York ruled that the First Amendment protects Activision Blizzard’s depiction of real-life Humvee vehicles in the popular *Call of Duty* series of war videogames.<sup>[57]</sup> Humvee manufacturer AM General brought claims under the Lanham Act and New York state law against Activision over its widespread depiction of the vehicles across nine *Call of Duty* games, which allow players to ride in and interact with Humvees.<sup>[58]</sup>

The court held that because the *Call of Duty* games are “artistic or expressive,” the “*Rogers* test” of *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989) applied to the videogames’ depictions of Humvees.<sup>[59]</sup> Under the *Rogers* test, courts must determine whether the contested use is an “‘integral element’ of the artistic expression.”<sup>[60]</sup> The court held that, even accepting AM General’s evidence of some actual confusion by consumers, the depiction of Humvee vehicles in *Call of Duty* that bear recognizable trademarks does not infringe the trademark holder’s rights because “[i]f realism is an artistic goal, then the presence in modern warfare games of vehicles employed by actual militaries undoubtedly furthers that goal.”<sup>[61]</sup> In doing so, the district court acknowledged that commercial and artistic motivations behind a depiction can coexist, and that “an artist can sell her art without the First Amendment abandoning her.”<sup>[62]</sup>

## **C. First Amendment Litigation & Developments**

### **1. United States Agency for Global Media Senior Officials Preliminarily Enjoined from Interfering with Journalistic Activity**

On November 20, 2020, Chief Judge Beryl A. Howell of the U.S. District Court for the District of Columbia issued a preliminary injunction in *Turner v. USAGM*, prohibiting the Trump-appointed CEO of the United States Agency for Global Media (“USAGM”), Michael Pack, and his appointed officials, from “continuing” activities likely to violate the First Amendment.<sup>[63]</sup> The defendants’ conduct at issue was directed towards journalists and editors of USAGM’s publicly funded international broadcasting networks, such Voice of America (“VOA”), and included “taking or influencing personnel actions against” journalists or editors, “attempting to influence content through communications with individual journalists or editors, and investigating purported breaches of journalistic ethics.”<sup>[64]</sup>

The case was brought by career civil servants of USAGM and VOA who asserted that soon after the Senate’s June 4, 2020 confirmation of Pack as CEO of USAGM, Pack and his co-defendants “commenced a series of events designed to fundamentally undermine the networks’ independence” from the agency’s political leadership.<sup>[65]</sup> Plaintiffs claimed these events—including (among other things)

attempts by the defendants to interfere “directly in the newsrooms at VOA and [other] networks” and to commence investigations into purported “breaches of journalistic ethics . . . to root out perceived liberal bias”—violated the International Broadcasting Act, 22 U.S.C. §§ 6201-16, and associated regulations, designed to “guarantee . . . the networks’ journalistic independence in the face of government oversight”—as well as the First Amendment.[66]

While the district court found that subject matter jurisdiction was “likely lacking over plaintiffs’ statutory and regulatory claims,” it held that one of the plaintiffs, VOA’s Program Director, was likely to succeed on the merits of her First Amendment claim.[67] The district court rejected the defendants’ argument that this plaintiff had “no First Amendment protection for speech taken pursuant to [her] official duties,” holding that “network speech made in relation to editorial and journalistic activities is protected under the First Amendment,” specifically under the standard set forth in *Pickering v. Board of Education*, 391 U.S. 563 (1968).[68] Applying that standard, the court concluded that to the extent defendants had “taken or influenced personnel actions against individual journalists or editors,” had tried “to monitor VOA and network content through communications with individual editors or journalists,” and had undertaken “their own investigations of alleged discrete breaches of journalistic ethics,” the plaintiff was likely to succeed on her First Amendment claim.[69] The court found that each of the remaining preliminary injunction factors favored issuing an injunction. The court’s preliminary injunction order is currently on appeal before the D.C. Circuit.[70] [Disclosure: Gibson Dunn represents the plaintiffs in this action.]

## **2. New York Passes New Right of Publicity Law.**

As we noted in our [Fall 2020 update](#), in July 2020, the New York state legislature passed a much-anticipated right of publicity bill.[71] On November 30, 2020, Governor Andrew Cuomo signed the bill into law.[72] The bill, Senate Bill S5959D/Assembly Bill No. A05605B, replaced New York Civil Rights Law § 50 and changed the right of publicity landscape in the state.[73] Significantly, the bill makes a person’s right of publicity an independent property right that is freely transferable and creates postmortem rights for forty years after the death of an individual.[74] It further “protects a deceased performer’s digital replica in expressive works to protect against persons or corporations from misappropriating a professional performance.”[75]

After signing the bill into law, Governor Cuomo stated that “[i]n the digital age, deceased individuals can often fall victim to bad actors that seek to capitalize on their death and profit off of their likeness after they pass away—that ends today.”[76] He said that “[t]his legislation is an important step in protecting the rights of deceased individuals while creating a safer, fairer New York for decades to come.”[77] SAG-AFTRA praised Governor Cuomo for signing the legislation, which it believes protects its members and their families who are at risk for post-mortem exploitation.[78] The New York State Broadcasters Association, Inc., on the other hand, noted elements of the law that may narrow its scope and reduce the risk of litigation, including: (i) decedents must be domiciled in New York at the time of death; (ii) the law applies only to those who die after the legislation takes effect; (iii) rights extend for only 40 years after death; and (iv) the decedent’s estate must register with the New York Secretary of State before filing a lawsuit.[79]

Governor Cuomo’s signing of the right of publicity bill followed his signing in November 2020 of another notable piece of media-related legislation: New York’s revised anti-SLAPP law. We wrote about the details of that law in a prior alert, [here](#).

### **3. First Amendment Bars Right of Publicity Claim for Alleged Inspiration of *Gears of War* Character**

In September 2020, the Third Circuit rejected a former professional wrestler’s right of publicity lawsuit against Microsoft over a character in the *Gears of War* videogame, finding that the former athlete’s suit was barred by the First Amendment.<sup>[80]</sup> Lenwood Hamilton, a former professional wrestler and entertainer, alleged that Microsoft misappropriated his likeness to create the Augustus “Cole Train” Cole character.<sup>[81]</sup> The U.S. District Court for the Eastern District of Pennsylvania granted Microsoft’s motion for summary judgment, finding that the Cole character appears in such a “profoundly transformative context” that its use in *Gears of Wars* is protected by the First Amendment under the Transformative Use Test employed by the Third Circuit.<sup>[82]</sup>

The Third Circuit affirmed.<sup>[83]</sup> Applying the Transformative Use Test, the Third Circuit found that no reasonable juror could conclude that Hamilton was the “sum and substance” of the Cole character.<sup>[84]</sup> Despite acknowledging that Hamilton and Cole undoubtedly shared similarities—such as skin tone, facial features, and build—the Third Circuit found that significant differences revealed that Hamilton was at most, one of the “raw materials” that inspired the Cole character.<sup>[85]</sup> The circuit court explained that while Cole fights “a fantastic breed of creatures in a fictional world,” Hamilton “of course, does not.”<sup>[86]</sup> Similarly, the Third Circuit noted that in the game, the Cole character is not a wrestler—as Hamilton was—but a fictional soldier.<sup>[87]</sup> It also remarked that Hamilton himself admitted the “Cole character’s persona [was] alien to him” and unreflective of Hamilton’s actual personality.<sup>[88]</sup> Finding that the Cole character had been “so transformed as to become primarily the defendant’s own expression,” the Third Circuit held that the First Amendment barred Hamilton’s claims.<sup>[89]</sup>

## **D. Music Litigation & Related Developments**

### **1. D.C. Circuit Finds Copyright Royalty Board Improperly Set Streaming Royalties**

On August 7, 2020, the D.C. Circuit held that the Copyright Royalty Board (the “Board”) failed to provide fair notice or adequately explain its decision making when setting royalty rates for the period from January 1, 2018 through December 31, 2022.<sup>[90]</sup> The Copyright Act charges the Board with setting the royalty rates and terms every five years for the compulsory mechanical licenses that allow musicians to record their own versions of songs that have been publicly released in return for set compensation.<sup>[91]</sup> On January 27, 2018, the Board issued its Initial Determination of the royalty rates and terms for the 2018-2022 mechanical license, replacing the use of different formulas and percentages for different categories with a single, uncapped total content cost rate for all categories of offerings. The Board also increased the total content cost rate to 26.2% (the rates previously ranged from about 17% to 22%) and the revenue rate from 10.5% (for most but not all categories) to 15.1%. On November 5, 2018, the Board issued its Final Determination, which closely tracked the Initial Determination, but redefined how “Service Revenue” would be calculated for bundled offerings.<sup>[92]</sup>



Ruling in favor of streamers Spotify, Amazon, Google, and Pandora, the D.C. Circuit held that the Board failed to provide adequate notice of the rate structure it adopted, which deviated “substantially and unforeseeably” from the parties’ proposals, the arguments made during the evidentiary hearing, and preexisting rate structures.[93] The D.C. Circuit emphasized that the parties were deprived of the opportunity to object to the new structure, address the interplay between the new structure and increased rates, and create a record confronting the “significant, and significantly adverse, overhaul of the mechanical license royalty scheme.”[94] It further held that the Board failed to explain its rejection of prior settlements as benchmarks.[95] Finally, it held that the Board failed to explain what authority it had to redefine “Service Revenue” after publishing its Initial Determination, and remanded to the Board for further consideration.[96]

## **2. Sixth Circuit Revives Suit Concerning One Everly Brother’s Termination Rights to Best-Selling Song *Cathy’s Clown***

On May 4, 2020, the Sixth Circuit revived a copyright dispute between Don Everly and the successors-in-interest of his deceased brother, Phil Everly, over termination rights to the former duo’s best-selling single, *Cathy’s Clown*.<sup>[97]</sup> When the song was written, recorded, and copyrighted by Don and Phil in 1960, both brothers were listed as authors, received royalties, and took credit publicly for having co-authored the song.<sup>[98]</sup> But, the brothers granted the copyrights to a third party, Acuff-Rose Publications.<sup>[99]</sup> Following a personal dispute, Don and Phil executed a Release and Assignment in 1980, under which Phil relinquished to Don all of his rights and interests in the song, including as to royalties and any claim of co-authorship.<sup>[100]</sup> Even after the agreement was executed, however, both brothers continued to make public statements crediting Phil as co-author.<sup>[101]</sup> Over 30 years later, in 2011, Don sought to terminate the 1960 copyright grant to Acuff-Rose Publications, and, in doing so, claimed to have exclusive copyright ownership of the song.<sup>[102]</sup> Then, in 2016, Phil’s successors-in-interest attempted to terminate the 1980 assignment of Phil’s rights to Don.<sup>[103]</sup>

Don filed a complaint for declaratory relief in 2017, seeking an order declaring that he was the sole author of *Cathy’s Clown* and that the 1980 agreement did not grant Phil termination rights under the Copyright Act of 1976.<sup>[104]</sup> Phil’s successors-in-interest filed a counter-claim, seeking a declaration that Phil was a co-author of the song and that he had termination rights under the 2018 agreement.<sup>[105]</sup> Judge Aleta Trauger of the U.S. District Court for the Middle District of Tennessee granted summary judgment in favor of Don, finding that Phil’s authorship had been expressly repudiated no later than 2011, when he filed his notice of termination of the 1960 grant.<sup>[106]</sup> Phil’s claim of authorship was thus barred by the Copyright Act’s statute of limitations.<sup>[107]</sup>

Reversing the district court, the Sixth Circuit held that a genuine factual dispute existed as to whether Don’s actions constituted express repudiation of Phil’s claims for authorship, when Phil was indisputably not the owner of the song.<sup>[108]</sup> The circuit court held that in the rare case where a dispute involves “authorship claim[s] without [] corresponding ownership claim[s],” the statute of limitations on the authorship claim does not begin until an individual claiming authorship expressly repudiates authorship status, rather than ownership status, (1) privately through direct communication; (2) publicly, including in a listed credit on the published work; or (3) implicitly by receiving remuneration for the work to which the plaintiff is entitled.<sup>[109]</sup> The Sixth Circuit explained that its test of express repudiation in the

ownership context is “consistent” with the Second Circuit’s test and “should apply to such a claim for a declaration of authorship rights.”<sup>[110]</sup> Because a reasonable juror could find that no repudiation of Phil’s authorship status had taken place, the circuit court held that summary judgment was improper.<sup>[111]</sup> Judge Ralph B. Guy, Jr. dissented, reasoning that the 1980 Release constituted express repudiation and that “one cannot avoid the accrual of a claim based on a dispute over co-authorship by agreeing to give up the right to claim to be a co-author.”<sup>[112]</sup>

### **3. High School Prevails in Copyright Appeal Over Choral Performances**

On March 24, 2020, the Ninth Circuit upheld the U.S. District Court for the Central District of California’s grant of summary judgment in favor of Burbank High School and its competitive show choirs—the same choirs that reportedly inspired the television program *Glee*—in a copyright infringement suit brought by Tresóna Multimedia.<sup>[113]</sup> Tresóna had alleged that Burbank High violated its copyrights interests by failing to obtain licenses before incorporating segments of four songs into choir performances.<sup>[114]</sup> The district court had granted summary judgment in favor of Burbank High with regard to the alleged infringement of three of the songs, reasoning that Tresóna did not have standing to sue under the Copyright Act because it held only non-exclusive licenses in those works.<sup>[115]</sup> As to the fourth work, Olivia Newton John’s song “Magic,” the district court ruled that the choir director was entitled to qualified immunity and that the Booster Club and parent-members could not be held liable for any alleged infringement.<sup>[116]</sup>

The Ninth Circuit largely affirmed the district court in an opinion that strongly criticized Tresóna for its “aggressive litigation strategy” against a public high school engaging in educational extracurricular activities.<sup>[117]</sup> The court agreed that Tresóna’s licenses in the three songs were not exclusive because Tresóna received its interests “from individual co-owners of copyright, without the consent of the other co-owners.”<sup>[118]</sup> With respect to one of the songs (“Magic”), the Ninth Circuit affirmed on the ground that the school’s “non-profit educational and transformative” use of the song constituted fair use.<sup>[119]</sup>

After this ruling was handed down, Tresóna asked the Ninth Circuit to stay its mandate to allow Tresóna to petition for a writ of certiorari in the United States Supreme Court, contending that the Ninth Circuit incorrectly interpreted the Copyright Act.<sup>[120]</sup> Approximately five months after this motion was filed, the parties reached a settlement.<sup>[121]</sup>

### **4. Musicians Sue Trump Campaign Over Song Usage**

On August 4, 2020, Neil Young filed a copyright infringement lawsuit against Donald Trump’s campaign for unauthorized use of his songs at campaign rallies, stating that “Plaintiff in good conscience cannot allow his music to be used as a ‘theme song’ for a divisive, un-American campaign of ignorance and hate.”<sup>[122]</sup> The complaint objected to use of the songs “Rockin’ the Free World” and “Devil’s Sidewalk.”<sup>[123]</sup> On December 7, 2020, following the election, Young filed papers to dismiss the suit.<sup>[124]</sup> Lawsuits such as Young’s do not often prevail, as campaign venues obtain public performance licenses from ASCAP and BMI. However, due to recent controversies over the Trump campaign (primarily) performing artists’ songs against their wishes, ASCAP and BMI have begun to allow songwriters to exclude their music for political use, and warn candidates that a performance license may

not cover all claims by musicians.[125] Courts have yet to determine whether this limitation is permitted under ASCAP and BMI consent decrees.

Weeks after Young's suit, on September 1, 2020, Eddy Grant filed a lawsuit against the Trump campaign, alleging the use of his song "Electric Avenue" in a campaign video tweeted by Trump infringed Grant's copyright.[126] Trump's campaign filed a motion to dismiss the suit on November 11, 2020.[127] Grant's complaint, however, did not raise the issue of public performance, such as at campaign rallies, because his rights were allegedly infringed by unauthorized use in a recorded video. In its motion to dismiss, the Trump campaign claimed that its use of the song constitutes fair use, arguing that the song has been transformed by a clear "comedic, political purpose," and that the video was "choreographed to mock President Trump's political opponent." [128] A ruling on the motion to dismiss is pending.

## **E. Social Media Litigation**

### **1. TikTok Challenges Trump's Executive Order**

On December 7, 2020, U.S. District Judge Carl J. Nichols of the U.S. District Court for the District of Columbia issued a preliminary injunction barring enforcement of a set of restrictions that the Trump administration issued to ban the operation of social media application TikTok in the United States.[129] The challenged restrictions, which were published by the Secretary of Commerce in September 2020, prohibited five different types of transactions, including the provision of internet hosting services and content delivery network services, and the utilization of constituent code.[130] Plaintiffs TikTok and ByteDance filed suit on September 18, 2020, arguing that the restrictions violate the Administrative Procedure Act ("APA") as well as several constitutional provisions, and exceed the President and Secretary's authority under the International Emergency Economic Powers Act ("IEEPA"). On September 27, 2020, the court granted a partial preliminary injunction, enjoining the first of the five restrictions.[131] A month later, on October 30, 2020, in a separate case brought by a different plaintiff, a federal district court in Pennsylvania preliminarily enjoined all five prohibitions.[132]

TikTok then renewed its motion to enjoin all five restrictions in the District of Columbia. Following a hearing, Judge Nichols found that TikTok was likely to succeed on the merits of its APA and IEEPA claims. The IEEPA expressly provides that the President's authority "does not include the authority to regulate or prohibit, directly or indirectly," certain activities, including "personal communications and the import or export of informational materials." [133] The court looked to the government's "stated goals" in issuing the prohibitions, which included "stopping the exportation of data" and "stopping the importation of propaganda," [134] and concluded that those intended regulatory objects constituted "informational materials" and likely exceeded the President and Secretary's IEEPA authority.[135] As to the APA claim, the court found that TikTok was likely to succeed in its claim that the Secretary's action was arbitrary and capricious, as a result of "the Secretary's failure to adequately consider an obvious and reasonable alternative" before issuing the prohibitions.[136] The court also declined to refrain from issuing the injunction because the restrictions at issue were also enjoined in the parallel Pennsylvania case, concluding that the Pennsylvania order was subject to appeal and could be "modified, stayed, or vacated at any time." [137]

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- [1] *In re Jackson*, 972 F.3d 25 (2d Cir. 2020).
- [2] *Id.* at 30.
- [3] *Id.* at 39.
- [4] *Id.* at 38.
- [5] *Id.* at 39.
- [6] *Id.*
- [7] *Id.* at 31.
- [8] *Id.* at 35.
- [9] *Id.* at 39-40.
- [10] *Id.* at 47-51.
- [11] *Id.* at 54 (citation omitted).
- [12] *Corbello v. Valli*, 974 F.3d 965, 984 (9th Cir. 2020).
- [13] *Id.*
- [14] *Id.* at 978.
- [15] *Id.*
- [16] *Id.* at 980.
- [17] *Id.* at 984.
- [18] *Charles v. Seinfeld*, 803 F. App'x 550, 552 (2d Cir. 2020), *cert. denied*, 2020 WL 7327869 (U.S. Dec. 14, 2020).
- [19] *Charles v. Seinfeld*, 410 F. Supp. 3d 656, 658 (S.D.N.Y. 2019).
- [20] *Id.* at 661.
- [21] *Id.* at 659, 661.
- [22] *Id.* at 660.

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[23] *Id.* at 661.

[24] *Charles*, 803 F. App'x at 551.

[25] *Id.*

[26] *Id.*

[27] *Id.* at 552.

[28] *Charles v. Seinfeld*, No. 19-3335-cv, Pet. for Rehearing, ECF 94 (2d Cir. May 21, 2020) [hereinafter, Pet. for Rehearing].

[29] *Everly v. Everly*, 958 F.3d 442 (6th Cir. 2020).

[30] Pet. for Rehearing at 8-12.

[31] *Charles v. Seinfeld*, No. 19-3335-cv, Order Denying Pet. for Rehearing, ECF 101 (2d Cir. June 10, 2020).

[32] *Charles v. Seinfeld*, 2020 WL 7327869, at \*1 (U.S. Dec. 14, 2020).

[33] *Charles v. Seinfeld*, No. 18-cv-01196, Motion for Attorneys' Fees and Costs, ECF 124 (S.D.N.Y. July 1, 2020).

[34] *Dr. Seuss Enterprises L.P. v. ComicMix LLC*, 983 F.3d 443 (9th Cir. 2020).

[35] *Dr. Seuss Enterprises L.P. v. ComicMix LLC*, 372 F. Supp. 3d 1101, 1128 (S.D. Cal. 2019).

[36] *Dr. Seuss Enterprises L.P.*, 983 F.3d at 451–61.

[37] *Id.* at 461–63.

[38] *Id.* at 463.

[39] 464 F. Supp. 3d 795, 805 (E.D. Va. June 2, 2020).

[40] *Id.* at 809.

[41] *Id.* at 810 (quoting *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199, 203 (4th Cir. 1997)).

[42] *Id.*

[43] *Id.* at 811.



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- [44] No. 2:20-cv-00105-BAT (Arlen Docket), 2020 WL 3128534 (W.D. Wash. June 12, 2020).
- [45] *Id.* at \*4.
- [46] *Id.* at \*2.
- [47] *Id.* at \*7.
- [48] *Id.* at \*4.
- [49] *U.S. Patent and Trademark Office v. Booking.com B.V.*, 140 S.Ct. 2298 (2020).
- [50] *Id.*
- [51] *Id.*; *see also*, *Booking.com B.V. v. Matal*, 278 F. Supp. 3d 891, 918 (2017).
- [52] *Id.* at 2304; *see also*, *Booking.com B.V. v. U.S. Patent and Trademark Office*, 915 F. 3d 171, 184 (2019).
- [53] *Id.* at 2300.
- [54] *U.S. Patent and Trademark Office v. Booking.com B.V.*, 140 S.Ct. 2298, 2304 n.3 (2020).
- [55] *Id.* at 2305.
- [56] *Id.* at 2308.
- [57] *AM General LLC v. Activision Blizzard, Inc.*, 450 F. Supp. 3d 467 (S.D.N.Y. 2020).
- [58] *Id.* at 475.
- [59] *Id.* at 477.
- [60] *Id.* at 484.
- [61] *Id.*
- [62] *Id.* at 485.
- [63] No. 20-2885 (BAH), 2020 WL 6822780, at \*34.
- [64] *Id.*
- [65] *Id.* at \*4-5.
- [66] *Id.* at \*2, \*6.

[67] *Id.* at \*10.

[68] *Id.* at \*26.

[69] *Id.* at \*33.

[70] *Grant Turner v. U.S. Agency for Global Media*, No. 20-5374 (D.C. Cir. Dec. 18, 2020).

[71] Senate Bill S5959D, 2019-2020 Legislative Session of The New York State Senate (last accessed Aug. 26, 2020), <https://www.nysenate.gov/legislation/bills/2019/s5959>.

[72] *Governor Cuomo Signs Legislation Establishing a “Right To Publicity” for Deceased Individuals to Protect Against the Commercial Exploitation of their Name or Likeness*, Office of New York Governor Andrew M. Cuomo (last accessed Jan. 8, 2021), <https://www.governor.ny.gov/news/governor-cuomo-signs-legislation-establishing-right-publicity-deceased-individuals-protect>.

[73] Jennifer E. Rothman, *New York Reintroduces Right of Publicity Bill with Dueling Versions*, Rothman’s Roadmap to the Right of Publicity (May 22, 2019), <https://www.rightofpublicityroadmap.com/news-commentary/new-york-reintroduces-right-publicity-bill-dueling-versions>.

[74] Senate Bill S5959D, Summary Memo, *supra* note 72.

[75] *Id.*

[76] *Governor Cuomo Signs Legislation*, *supra* note 73.

[77] *Id.*

[78] Kevin Stawicki, *Cuomo Signs Bill Recognizing Post-Mortem Publicity Rights*, Law360, <https://www.law360.com/articles/1333362/cuomo-signs-bill-recognizing-post-mortem-publicity-rights>.

[79] Senate Bill S5959D, Summary Memo, *supra* note 72; *Governor Signs New Right of Publicity/Digital Replica and Deep Fakes Bill – Broadcasters Protected from Unwarranted Lawsuits*; New York State Broadcasters Association, Inc., <https://nysbroadcasters.org/2020/12/governor-signs-new-right-of-publicity-digital-replica-and-deep-fakes-bill-broadcasters-protected-from-unwarranted-lawsuits/>.

[80] *Hamilton v. Speight*, 827 F. App’x 238 (3d Cir. 2020).

[81] *Id.*

[82] *Hamilton v. Speight*, 413 F. Supp. 3d 423, 433-34 (E.D. Penn. 2019).

[83] *Hamilton*, 827 F. App’x at 241.

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[84] *Id.*

[85] *Id.*

[86] *Id.*

[87] *Id.*

[88] *Id.*

[89] *Id.*

[90] *Johnson v. Copyright Royalty Bd.*, 969 F.3d 363 (D.C. Cir. 2020).

[91] 17 U.S.C. §§ 115, 801(b).

[92] 84 Fed. Reg. 1918 (Feb. 5, 2019).

[93] *Johnson*, 969 F.3d at 382.

[94] *Id.* at 381, 383.

[95] *Id.* at 386-87.

[96] *Id.* at 389-92, 397.

[97] *Everly v. Everly*, 958 F.3d 442 (6th Cir. 2020).

[98] *Id.*

[99] *Id.* at 445.

[100] *Id.* at 446.

[101] *Id.*

[102] *Id.* at 447.

[103] *Id.*

[104] *Id.*

[105] *Id.*

[106] *Id.* at 448.

[107] *Id.*

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[108] *Id.* at 459.

[109] *Id.* at 453.

[110] *Id.* at 452.

[111] *Id.* at 457.

[112] *Id.* at 470 (Guy, J., dissenting).

[113] *Tresóna Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, 953 F.3d 638, 642, 655 (9th Cir. 2020).

[114] *Id.* at 642.

[115] *Tresóna Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, No. CV 16-4781-SVW-FFM, 2016 WL 9223889, at \*3 (C.D. Cal. Dec. 22, 2016).

[116] *Id.* at \*8; *Tresóna Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, No. CV 16-04781-SVW-FFM, 2017 WL 2728589, at \*6 (C.D. Cal. Feb. 22, 2017).

[117] *Tresóna Multimedia, LLC*, 953 F.3d at 647, 652–53.

[118] *Tresóna*, 953 F.3d at 646–67.

[119] *Id.* at 651, 652.

[120] *Tresóna Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, Nos. 17-56006, 17-56417, 17-56419, *Tresóna Multimedia, LLC’s Motion For Stay of Mandate* (9th Cir. May 21, 2020).

[121] *Tresóna Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, Nos. 17-56006, 17-56417, 17-56419, *Tresóna Multimedia, LLC’s Notice of Settlement and Stipulation of Dismissal* (9th Cir. Oct. 13, 2020).

[122] Complaint ¶ 1, *Young v. Donald J. Trump for President, Inc.*, No. 20-cv-06063 (S.D.N.Y.) (ECF No. 6).

[123] *Id.* ¶¶ 9–10.

[124] Notice of Voluntary Dismissal, *Young v. Donald J. Trump for President, Inc.*, No. 20-cv-06063 (S.D.N.Y.) (ECF No. 21).

[125] See “Using Music In Political Campaigns,” ASCAP, [https://www.ascap.com/~media/files/pdf/advocacy-legislation/political\\_campaign.pdf](https://www.ascap.com/~/media/files/pdf/advocacy-legislation/political_campaign.pdf).

[126] Complaint, *Grant v. Trump*, No. 20-cv-07103 (S.D.N.Y.) (ECF No. 1).

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- [127] Motion to Dismiss, *Grant v. Trump*, No. 20-cv-07103 (S.D.N.Y.) (ECF No. 19).
- [128] *Id.* at 10–11.
- [129] *TikTok Inc. v. Trump*, No. 1:20-cv-02658, 2020 WL 7233557, at \*1 (D.D.C. Dec. 7, 2020).
- [130] *Id.* at \*3.
- [131] *Id.* at \*5.
- [132] *Marland v. Trump*, No. 20-4597, 2020 WL 6381397, at \*14-15 (E.D.Pa. Oct. 30, 2020).
- [133] *TikTok*, 2020 WL 7233557, at \*7 (citing 50 U.S.C. § 1702(b)).
- [134] *Id.* at \*12.
- [135] *Id.*
- [136] *Id.* at \*15.
- [137] *Id.* at \*16.



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