

Robert W. Clarida
Reitler Kailas & Rosenblatt LLC
885 Third Avenue
New York, New York 10022
(212) 209-3044

Julie A. Ahrens
Stanford Law School
Center for Internet & Society
559 Nathan Abbott Way
Stanford, CA 94305-8610

Donn Zaretsky, Esq.
John Silberman Associates, PC
145 East 57th Street
New York, New York 10022

Attorneys for Defendant

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
ROBERT J. LANG, NOBORU MIYAJIMA, MANUEL
SIRGO, NICOLA BANDONI, TOSHIKAZU
KAWASAKI, and JASON KU,

Plaintiffs,

Case No.: 11 CV 8821
(BSJ)(AJP)

-against-

SARAH MORRIS,

Defendant.
-----x

**SUPPLEMENTAL MEMORANDUM OF LAW IN SUPPORT OF
MOTION FOR SUMMARY JUDGMENT**

I. PRELIMINARY STATEMENT

This supplemental memorandum of law addresses factual and legal issues that arise from the Plaintiffs' untimely production of a so-called "Assignment Agreement" (the "Agreement") on June 22, 2012. A copy of the Agreement is attached as Exhibit 1 to the Supplemental Declaration of Robert W. Clarida ("Clarida Supp. Dec.") submitted herewith.¹ As noted in Morris's initial memorandum of law at 11, this self-serving Agreement was created and produced by Plaintiffs after the close of discovery on June 6, 2012. Morris moved to preclude the document and Magistrate Judge Peck held a conference to address that motion on July 6, 2012. At the conference, Judge Peck ordered that Morris be allowed to conduct additional discovery, at Plaintiffs' expense, concerning the untimely Agreement. Exh. 2 (transcript of conference). The additional discovery has now been completed, and pursuant to stipulation (Dkt#57) Morris timely submits this supplemental memorandum. The additional discovery confirms that Plaintiffs lack any evidence of copyright ownership as to many of the crease patterns at issue. The Agreement does not grant any rights to Plaintiff Lang to bring suit for any of the claims in this case because it is a 2012 document that does not memorialize a prior oral transfer, and it does not convey the right to sue for past infringements.

II. ARGUMENT

A. **The Agreement Does Not Grant Standing to Plaintiff Lang To Sue For the Alleged Infringement of the Subject Crease Patterns**

The Agreement concerns the ownership of exclusive rights in a book, *Origami Design Secrets: Mathematical Methods for an Ancient Art*, (the "Book," or "ODS") authored by Plaintiff Lang and published in 2003 by AK Peters Ltd. ("Peters"). It is undisputed that Peters was the copyright owner in the Book at the time of publication, by written agreement, and Peters was the claimant on the initial 2003 copyright registration for the Book on which Plaintiffs here rely.

¹ All references to Exhibits in this supplemental memorandum are to the Clarida Supplemental Declaration.

Exh. 3 (2003 copyright certificate). As of 2011, Taylor & Francis Group, LLC (“T&F”) succeeded to Peters’ ownership of copyright in the Book by virtue of a stock purchase and merger. Exh. 4 (deposition transcript of T&F representative Thomas Etter (“Etter Tr.”)) at 6. Thirteen of Plaintiff’s Lang’s fifteen crease patterns at issue in this case (the “ODS Crease Patterns”) were published and registered as part of the Book, and Plaintiffs cite the 2003 copyright registration of the Book as their sole basis for claiming statutory damages and attorney’s fees in this action.

In fact, the Agreement does not grant any rights to Plaintiff Lang sufficient to give him standing to sue, or collect statutory damage or attorney’s fees, for any alleged infringement of the ODS Crease Patterns. The Agreement was first drafted, by Plaintiffs’ counsel, in May 2012, long after this action began. Exh. 5 (email between Plaintiff Lang and T&F). It was substantially modified by T&F and finally executed on or about June 16, 2012, after the close of discovery. Exh. 6 (July 5, 2012 letter from Plaintiffs’ counsel) at 2. For this reason alone, the Agreement should not be received into evidence in this case.

The Agreement is ineffective as well as untimely. The face of the Agreement does not even purport to memorialize a prior oral conveyance of rights, Exh. 1, and Peters and T&F both confirmed in testimony that they never in fact made any oral conveyance of exclusive rights to Lang. Exh. 7 (deposition transcript of Klaus Peters (“Peters Tr.”)) at 19:7-20; Exh. 4 (Etter Tr.) at 16:5-8. The Agreement therefore cannot have any effect prior to the date of its execution. See, e.g., *Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007). The “dated as of” January 2007 language in the document corresponds to no prior oral agreement between Lang and Peters. Exh. 7 (Peters Tr.) at 19:7-20. It was merely added by Plaintiffs’ counsel, Exh. 4 (Etter Dep.) at 9:2-6, in an attempt to create the appearance of standing.

The June 2012 Agreement also fails to grant Lang the right to sue for past infringements. Plaintiffs' counsel initially included such a grant in its proposed draft, but T&F refused to accept it and the language was deleted from subsequent drafts and from the final signed Agreement. Compare Exh. 8 (Plaintiff's draft) with Exh. 1 (final Agreement). Without an express grant of rights to sue for accrued causes of action, the grantee acquires no such right. See, e.g. *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971, 980 (2d Cir. 1991). Plaintiff Lang thus cannot rely on the Agreement to manufacture standing to sue over infringements that occurred prior to June 16, 2012. Before that date, he was not the owner of those rights. See 17 U.S.C. 501(b) (owner of an exclusive right may only sue for violation of "that particular right *committed* while he or she is the owner of it").

The Agreement also conspicuously fails to convey any rights to distribute or sell the ODS Crease Patterns. The Agreement, Exh. 1 at para. 2, reserves to T&F all rights to "market, sell and distribute" the Book and "any derivative works heretofore or hereafter created from" it. T&F confirmed unequivocally at its deposition that no one, including Plaintiff Lang, has the right under the Agreement to sell derivative works derived from the Book: "Q – Under this agreement, does anyone other than Taylor & Francis, LLC have the right to sell copies of the work or of derivative works derived from it? A – No." Exh. 4, at 15:5-9. T&F insisted on this reservation of rights as a condition of making the grant to Lang. *Id.* at 12:8-18; 13:9-19. Accordingly, even as to the post-June 2012 claims the Agreement might arguably enable Plaintiff Lang to bring, those claims are limited to violations of the specific rights granted to Lang, *i.e.*, to "produce derivative works and display visual art works." Exh. 1. No such violations are alleged here, and none have occurred.

Accordingly, the Agreement gives Plaintiff Lang no standing to pursue any claims that are the subject of this action.

B. Lang's Belated "Beneficial Ownership" Argument Should Be Rejected

After both parties' summary judgment motions had been filed and Plaintiffs had realized the fatal weaknesses in the Agreement, Plaintiffs' counsel wrote a letter to the undersigned on July 30, 2012 proposing yet a *third* theory of standing as to the ODS Crease Patterns. Plaintiff Lang now apparently intends to abandon the Complaint, the First Amended Complaint, his deposition testimony and the Agreement and assert standing as a "beneficial owner" of copyright in the ODS Crease Patterns. This desperate, last-ditch argument should be rejected.

First, the argument is egregiously untimely, having first been raised *after discovery closed and summary judgment motions were filed*. As this court noted in *Ebowo v. Martinez*, 306 F. Supp. 2d 600, 608 (S.D.N.Y. 2004)(Koeltl, J.), "it was unfair for plaintiff to cobble together the evidence need to oppose summary judgment only after the date specified . . . for the close of expert discovery, and only after the defendant had submitted his summary judgment motion." The *Ebowo* court further noted "that delay prejudiced the defendant, because the defendant made his motion based on what he believed was the strength of the plaintiff's case at the close of discovery. This is the type of 'sandbagging' of adversaries that Rule 37(c) was designed to prevent." *Id.* at 607.

Moreover, the argument is inapplicable to the facts of this case. The concept of beneficial ownership has no statutory definition. The doctrine has been applied very sparingly and only in cases presenting facts easily distinguishable from those at issue here. In this case, as noted above, the legal owner of the copyright, T&F, *considered and rejected* Lang's proposal that he be given standing to sue for "past, present and future" infringements of rights in the Book. Compare Exh. 8 (Plaintiff's draft) with Exh. 1 (final Agreement). The parties have therefore already decided how to allocate enforcement rights as between themselves. Our research reveals no case in which an author has been recognized as a beneficial owner, when as here the publisher

and legal owner has refused to grant permission to pursue infringement claims. *Cf. Jones v. Virgin Records*, 643 F. Supp. 1153, 1156-57 (S.D.N.Y. 1986)(author *reserved* right to sue by contract); *Psihoyos v. Pearson Educ., Inc.*, 2012 U.S. Dist. LEXIS 27265 (S.D.N.Y. 2012)(photographer *retained* right to sue if legal owner did not pursue infringement within 60 days). The cases that actually discuss the issue are clear that a beneficial owner must be more than a mere royalty recipient. See, e.g., *Manning v. Miller Music Corp.*, 174 F. Supp. 192, 195-197 (S.D.N.Y. 1959)(plaintiff had extensive ongoing rights in work after assignment including right to restrict publisher's exploitation, ownership of renewal term copyright, and right to sue and share in infringement proceeds; "plaintiff's reserved rights are substantial"); *Hearn v. Meyer*, 664 F. Supp. 832, 843 (S.D.N.Y. 1987)(*Manning* court "relied on the full array" of plaintiff's rights in finding beneficial ownership); *Wildlife Internationale, Inc. v. Clements*, 591 F. Supp. 1542, 1546 (S.D. Ohio 1984)(plaintiff was owner and president of assignee corporation, and reproduction of work was under his "direct supervision and control"). Plaintiff Lang retained no such rights under his publishing agreement.

Further, accepting beneficial ownership here would eviscerate the vital role of the Copyright Act's requirement that ownership of exclusive rights be conveyed in a signed writing, 17 USC 204(a). This writing requirement is essential because it "forces a party who wants to use the copyrighted work to negotiate with the creator to determine precisely what rights are being transferred and at what price." *Effects Assoc. v. Cohen*, 908 F.2d 555, 557 (9th Cir. 1990).

CONCLUSION

Based on the above reasons and authorities, and all previous submissions in connection with the instant motion, Defendant Sarah Morris respectfully requests that her motion for summary judgment be granted in all respects.

Dated: August 20, 2012

Reitler Kailas & Rosenblatt LLC

By:



Robert W. Clarida (RC 3190)

885 Third Avenue

New York, New York 10022

(212) 209-3044

Attorneys for Defendant

Of counsel:

Julie A. Ahrens
Stanford Law School
Center for Internet & Society
559 Nathan Abbott Way
Stanford, CA 94305-8610

Donn Zaretsky, Esq.
John Silberman Associates, PC
145 East 57th Street
New York, New York 10022