

C5GZWHIM

Motion

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 EDWARD WHITE,

4 Plaintiff,

5 v.

12 CV 1340 (JSR)

6 WEST PUBLISHING,

7 Defendants.

8 -----x
9 May 16, 2012
4:10 p.m.

10 Before:

11 HON. JED S. RAKOFF,

12 District Judge

13 APPEARANCES

14 GREGORY A. BLUE
15 Attorney for Plaintiff

16 BRAGAR, WEXLER, EAGEL LLC
Attorneys for Plaintiff
17 BY: RAYMOND A. BRAGAR

18 WEIL, GOTSHAL & MANGES LLP
Attorneys for Defendant West Publishing
19 BY: BRUCE RICH
BENJAMIN MARKS

20 MORRISON & FOERSTER LLP
21 Attorneys for Defendant Lexis Nexis
22 BY: JAMES E. HOUGH
JAMES McCABE
23 CRAIG B. WHITNEY
24
25

C5GZWHIM

Motion

1 (Case called)

2 MR. BLUE: Good afternoon, Greg Blue for the
3 plaintiffs.

4 MR. BRAGAR: Good afternoon, your Honor, Raymond
5 Bragar also for plaintiffs.

6 THE COURT: Good afternoon.

7 MR. RICH: Good afternoon, your Honor, Bruce Rich from
8 Weil Gotshal for West Publishing.

9 THE COURT: Good afternoon.

10 MR. MARKS: Good afternoon, your Honor, Benjamin Marks
11 also of Weil Gotshal also for West Publishing.

12 THE COURT: Good afternoon.

13 MR. HOUGH: Good afternoon, your Honor, James Hough
14 from Morrison & Foerster for Lexis Nexis.

15 THE COURT: Good afternoon.

16 MR. McCABE: Good afternoon, your Honor, James McCabe
17 also from Morrison & Foerster, also for Lexis Nexis

18 THE COURT: Good afternoon.

19 MR. WHITNEY: Good afternoon, your Honor, Craig
20 Whitney, Morrison & Foerster for Lexis Nexis.

21 THE COURT: Good afternoon.

22 Clearly counsel in this case are not strong believers
23 in gender diversity, but that's neither here nor there.

24 So we're here on the motion to dismiss the sub class
25 of attorneys of plaintiffs and prospective plaintiffs who have

C5GZWHIM

Motion

1 not registered their copyrights, as opposed to other class of
2 those who have.

3 After reviewing the papers, I am, frankly, leaning
4 strongly towards granting the motion.

5 So let's start with plaintiff's counsel, because maybe
6 you can convince me otherwise.

7 MR. BLUE: Thank you, your Honor. Since you've
8 indicated your leaning in this, I'd be happy to take questions
9 from you to start off, but --

10 THE COURT: Well, I mean the place obviously to start
11 is with 17 U.S.C. Section 411(a); "No civil action for
12 infringement of the copyright in any United States work shall
13 be instituted until preregistration or registration of the
14 copyright claim has been made in accordance with this title."
15 By definition, the sub class that's at issue here today have
16 not complied with that. So how can they bring a civil action?

17 MR. BLUE: Your Honor, obviously in our papers the
18 position we've taken is that Mr. Elan, who is not registered,
19 as well as the class that he represents, are entitled to two
20 forms of relief even without registration. And that would be
21 an injunction and the declaratory judgment.

22 THE COURT: Yes. Now these, of course, are remedies.
23 They are not, themselves, a form of action. But even assuming
24 they were, the statute is unequivocal; that compliance with
25 registration or preregistration is a precondition of filing a

C5GZWHIM

Motion

1 claim.

2 MR. BLUE: Your Honor --

3 THE COURT: For example, in a case that you make
4 reference to, Reed Elsevier versus Muchnick, 130 S.Ct., Supreme
5 Court, 1237, a 2010 decision of the Supreme Court, the Supreme
6 Court held that, "A failure to meet that registration
7 requirement did not deprive a district court of subject matter
8 jurisdiction."

9 But, of course, the motion here is not to dismiss for
10 lack of jurisdiction. It's a motion to dismiss for failure to
11 state a claim. And as to that, Muchnick expressly stated that
12 compliance with Section 411 and 412 was a precondition of
13 filing a claim.

14 MR. BLUE: Yes, your Honor.

15 Turning to section 502, the section that deals with
16 the remedies that you talked about, the injunction, I think
17 it's important that the section says that a court with
18 jurisdiction -- and this Court clearly has jurisdiction -- may
19 issue an injunction as it may deem reasonable to prevent or
20 restrain infringement of a copyright.

21 We have here an ideal situation where an injunction
22 would be necessary to prevent an infringement in the future.
23 As the complaint has alleged, both the defendants are engaged
24 in an ongoing course of business in which they copy these
25 materials and make them available for sale soon after they're

C5GZWHIM

Motion

1 filed with the courts.

2 What Mr. Elan brings to the table here is a claim for
3 people whose works aren't even in existence yet. They may be
4 getting drafted right now or around town and around the country
5 and to be filed next week and next month. By definition, we
6 can't possibly have obtained a registration for those works
7 because they're not in existence yet.

8 THE COURT: Well, the only case that I know of that
9 arguably would support that position is, which you cite, is
10 Olan Mills, Inc. versus Linn Photo Company, 23 F.3d, 1345, 8th
11 Circuit, 1994.

12 Now, putting aside the fact that that decision is
13 obviously not binding on this Court, it really stands for a
14 very different kind of proposition. Where you have a defendant
15 who has consistently infringed a party's registered
16 copyrights --

17 MR. BLUE: Yes, your Honor.

18 THE COURT: -- an injunction can issue because there's
19 the risk of future, clearly demonstrated risk of future such
20 violations against the same defendant. And I -- against the
21 same plaintiff -- I'm sorry -- and, therefore, a narrow
22 exception is carved out. Because otherwise you'd have the sort
23 of absurd situation which they keep infringing the plaintiff's
24 registered copyrights, but every time they have a new copyright
25 at work, they have to bring a new cause of action rather than

C5GZWHIM

Motion

1 getting an injunction. That's not this situation, at all. By
2 definition, your class has never registered their copyrights
3 and, therefore, it presents a totally different equitable
4 situation from that presented in a case like Olan.

5 MR. BLUE: Well, what we do have here is a situation
6 where we have Mr. White, the first named plaintiff, who has
7 registered his copyright.

8 THE COURT: Yes. We're not dealing with that claim
9 today. I don't think you can just willy-nilly glom your whole
10 huge class into a -- it would be a huge class of attorneys who
11 never registered their briefs. I think that is likely to be
12 the vast majority of attorneys from time in memorial to the
13 present. Because you've got the much smaller class,
14 represented by Mr. White, that have actually registered their
15 copyrights. That's not -- that's, what is it, the camel's nose
16 under the tent or one some such cliché. I don't think that
17 does it.

18 What else?

19 MR. BLUE: Well, your Honor, if I could turn for a
20 moment to declaratory judgment action here. And declaratory
21 judgment, as we've described in the brief, and professor said,
22 getting a declaratory judgment in this situation is not an
23 action for infringement at all. What you're looking to do is
24 declare the parties' rights. Now this isn't trying to make an
25 end run around and get damages for past infringements. What

C5GZWHIM

Motion

1 we're looking for is a declaratory judgment saying that what
2 the defendants are doing is unlawful. Of course as your Honor
3 well knows, all of these works are protected by the copyright
4 law from the moment of their creation, and getting a
5 declaratory judgment isn't an action for infringement.

6 THE COURT: This, of course, the logic of what you're
7 saying would mean that any time you had a requirement that
8 before you can bring a lawsuit in a case where there was an
9 actual potential controversy, you had to comply with some
10 statutory requirement. Your logic would say, you could always
11 get around that by asking for a declaratory judgment. That
12 makes no sense at all. Declaratory judgment is a remedy that's
13 available when you have a valid cause of action and you can
14 bring, but there are reasons why it makes more sense to deal
15 with the controversy before it becomes fully and totally ripe.

16 In addition, the declaratory judgment is a highly
17 discretionary remedy that the court need not take cognizance
18 of. So while I don't think you have a lawful basis for asking
19 for a declaratory judgment without compliance with the
20 requirements for filing a cause of action, I also think that
21 assuming arguendo you did, I would exercise my discretion to
22 deny it.

23 Anything else?

24 MR. BLUE: Your Honor, as we asked for at the end of
25 your papers, it's our belief, and I understand your Honor's

C5GZWHIM

Motion

1 comments about whether or not White could bring in the rest of
2 the class here, that White can go forward with his claims and
3 White can go forward with his claims as a registered member.
4 And then what we would want to do is address the scope of the
5 relief Mr. White could get, including an injunction and scope
6 of that relief, later on. For that reason we would ask for the
7 Court's permission to amend the complaint to make White a
8 representative of the class.

9 THE COURT: This would just undercut everything I've
10 just said, so that request is denied.

11 Well, you are a brave soul --

12 MR. BLUE: Thank you, your Honor.

13 THE COURT: -- to have made such a valiant stab at
14 what I think is a creative, but perhaps too creative attempt to
15 glom the unregistered folks onto the much more colorable claims
16 of the registered folks.

17 So, I will grant the motion and dismiss the claim so
18 far as the unregistered attorneys are concerned.

19 Anything else we need to take up today?

20 MR. BLUE: I don't believe so, your Honor.

21 MR. RICH: No, your Honor 33.

22 THE COURT: Thanks very much.

23 (Adjourned)
24
25