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## Copyright and Trademark Case Review

MARCH 2, 2016

Summaries of Recent Precedential and Informative Appellate Opinions

January 29 – February 26

### Copyright Opinions

#### ***CBS Broadcasting Inc. v. FilmOn.com, Inc.*, No. 14-3123-cv (2d Cir. Feb 16, 2016): Second Circuit Upholds Finding of Contempt and Sanctions For Use of An Aereo-like System**

The Second Circuit affirmed the district court's contempt order finding that defendant violated an injunction precluding it from infringing plaintiffs' exclusive rights under the Copyright Act, where it continued to operate its Aereo-like remote storage DVR technology for nine days after the Supreme Court's *Aereo* decision (holding that Aereo's use of its time-shifted streaming technology constituted copyright infringement). The court rejected FilmOn's arguments that Aereo "created confusion" as to whether FilmOn's Teleporter system qualified for a Section 111 license, given that FilmOn never obtained a Section 111 license, and, that under *WPIX, Inc. v. ivi, Inc.*, 691 F.3d 275, 284 (2d Cir. 2012), "[i]nternet retransmission services do not constitute cable systems under §111." In addition, the district court did not abuse its discretion in holding defendant's CEO in contempt because the CEO had the ability to prevent defendant from deploying its infringing technology. The district court also did not abuse its discretion in imposing sanctions of \$90,000 on defendant; the sanctions were civil in nature, rather than criminal, because they served the purpose of coercing defendant into future compliance. Finally, the district court's award of attorneys' fees to plaintiff was authorized by the parties' prior settlement agreement, which had resulted in entry of the injunction.

#### ***Larson v. Warner Bros. Entertainment*, Nos. 13-56243, 13-56244, 13-56257, 13-56259 (9th Cir. Feb 10, 2016): The Ninth Circuit Re-Visits The Rights To Superman and Upholds The 2001 Transfer to DC Comics**

In an unpublished opinion, the Ninth Circuit upheld the district court's ruling that a 2001 letter from Jerome Siegel, co-creator of Superman, to DC Comics, transferred to DC Comics all of the copyrights listed in the agreement. In so doing, the court rejected the argument of Siegel's successor-in-interest that, notwithstanding the 2001 agreement, she had recaptured certain copyrights pursuant to 17 U.S.C. 304(c)(6)(D) and 304(c)(5), through notices of termination in 2002 and 2012. The court held that plaintiff's recapture notices were ineffective because the 2001

agreement properly replaced and superseded the earlier grants of the copyrights at issue, explaining that Siegel's 2001 re-grant of copyrights by contract in lieu of statutory termination was exactly what Congress intended in enacting Section 304(c) of the 1976 Copyright Act, i.e., he used his "increased bargaining power conferred by the imminent threat of statutory termination to enter into new, more advantageous grants." (*quoting Milne ex re. Coyne v. Stephen Slesinger, Inc.*, 430 F.3d 1036 (9th Cir. 2005)). The court also agreed with the district court that plaintiff waived her argument, raised for the first time on remand, that the 2001 agreement had been rescinded, in light of the substantial prejudice the argument would cause DC Comics. Finally, the court declined to revisit the district court's rejection of DC's argument that the Superman copyrights arose from works made for hire because it found no error in the district court's finding that the works were not made at DC's "insistence and expense."

### **Trademark Opinion**

#### ***C&L International Trading Inc. v. American Tibetan Health Institute, Inc.*, No. 14-4748 (2d Cir. Feb 22, 2016): Second Circuit Holds Protectability Argument Waived When Raised After Trial**

In a non-precedential summary order, the Second Circuit affirmed the district court's judgment restricting the use of "Tibetan Baicao Tea" by C & L International Trading, who raised for the first time after losing at trial, an argument that the mark was not protectable. "Without delving into the merits of plaintiff-appellants' protectability argument, we affirm the District Court's judgment on procedural grounds. By failing to raise this argument until after trial, plaintiffs-appellants forfeited it."

January 7–28, 2016

### **Certiorari Granted**

#### ***Supap Kirtsaeng v. John Wiley & Sons, Inc.*, No. 15-375 (Jan. 15, 2016)**

The US Supreme Court granted certiorari without comment. The question presented in the petition for certiorari is "What is the appropriate standard for awarding attorneys' fees to a prevailing party under § 505 of the Copyright Act?" Mr. Kirtsaeng appeals from a Second Circuit decision affirming a district court's decision to deny an award of attorneys' fees based on its finding that John Wiley & Sons had an objectively reasonable basis for bringing its copyright infringement lawsuit.

### **Precedential Copyright Opinions**

#### ***Simmons v. Stanberry*, No. 14-3106 (2nd Cir. Jan. 15, 2016)**

*Per Curiam.* Affirming the district court's dismissal of a copyright infringement action as time-barred under 17 U.S.C. § 507(b), where the plaintiff, a hip-hop writer and producer, waited more than three years to sue for copyright infringement after learning that rapper Curtis Jackson (50 Cent) used a beat in a song that Mr. Simmons had allegedly exclusively licensed and Mr. Jackson denied infringement. The Second Circuit found that the suit was time-barred even as to alleged infringing acts that had occurred less than three years before suit was filed, because § 507(b) requires suit to be brought within three years of first learning of the infringement dispute.

## Precedential Trademark Opinions

### ***LFP IP, LLC v. Hustler Cincinnati, Inc.*, No. 15-3135 (6th Cir. Jan. 13, 2016)**

*Sutton, J.* In a long-running business dispute between brothers Jimmy and Larry Flynt, affirming that the district court did not abuse its discretion by modifying a 2011 permanent injunction that prohibited Jimmy from using “Hustler” and “Larry Flynt”-related trademarks owned by Larry. The Court found that the district court properly adjusted its injunction to account for changed circumstances, and that one sibling can receive a trademark on his name that can prevent a sibling from using his name, as long as the scope of the injunction is properly tailored.

### ***A Corp. v. All Am. Plumbing, Inc.*, No. 15-1509 (1st Cir. Jan. 27, 2016)**

*Thompson, J.* Affirming dismissal of trademark infringement action based on lack of personal jurisdiction over defendant in Massachusetts. Alleged infringement on defendant's website that is accessible in Massachusetts was insufficient to establish specific personal jurisdiction over the defendant.

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