

No. 19-1181

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In the  
**Supreme Court of the United States**



THE ESTATE OF THOMAS STEINBECK, GAIL KNIGHT  
STEINBECK, AND THE PALLADIN GROUP, INC.,

*Petitioners,*

vs.

WAVERLY SCOTT KAFFAGA, as Executor of the  
Estate of Elaine Anderson Steinbeck,

*Respondent.*

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ON PETITION FOR A WRIT OF CERTIORARI TO  
THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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**BRIEF OF *AMICI CURIAE* THE AUTHORS  
GUILD INC., DRAMATISTS GUILD OF  
AMERICA, INC., THE AMERICAN SOCIETY OF  
JOURNALISTS AND AUTHORS and RALPH  
OMAN IN SUPPORT OF PETITIONERS**

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RAYMOND J. DOWD  
*Counsel of Record*  
OLIVERA MEDENICA  
DUNNINGTON BARTHOLOW  
& MILLER LLP  
230 Park Avenue, 21st Floor  
New York, New York 10169  
(212) 682-8811  
rdowd@dunnington.com  
*Attorneys for Amici Curiae*

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**INTEREST OF *AMICI CURIAE*<sup>1</sup>**

*Amicus curiae* Authors Guild, Inc. is the nation's oldest and largest professional organization for all working and aspiring writers with approximately 10,000 members, writers of all forms of nonfiction and fiction. The Authors Guild promotes the rights and professional interests of authors in various areas, including freedom of expression and copyright. Consistent with its mission, the Authors Guild has a strong interest in the economic interests in copyrights of authors and their heirs. The Authors Guild helped to draft the Copyright Act of 1976 and the Copyright Term Extension Act of 1998. When Congress extended the term of copyright in 1976 and again in 1998 granting inalienable economic rights to authors and their heirs under the plain language of Section 203 and 304 of the Copyright Act, Authors Guild members looked forward to a significant share of the economic benefit.

Absent a clarification of grant termination rights by this Court, the Authors Guild members, as well as their family members, will suffer serious economic consequences and their families will be subjected to uncertainty and disputes over state inheritance, contract and tort law issues that Congress sought to avoid by drafting the Copyright Act to preempt state law. The Authors Guild's members all have an interest in achieving clarity to avoid their families

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<sup>1</sup> Pursuant to Sup. Ct. R. 37.6, *amici curiae* state that no counsel for any party authored this brief in whole or in part and no party or counsel for any party made a monetary contribution intended to fund the preparation or submission of this brief. Only *amici curiae* made such monetary contributions. All parties have received notice and consented to the filing of this brief.

being subjected, as individual Petitioner was, to multimillion-dollar judgments under state tort law theories for attempting – whether correctly or incorrectly – to assist a family member exercising termination rights under section 304 of the Copyright Act.

*Amicus curiae* Dramatists Guild of America, Inc. (the “Dramatists Guild”) is a 501(c)6 trade association (currently with over 8,000 members) that has been advocating for playwrights, composers, lyricists and librettists for over hundred years. In 2009, the Guild established The Dramatists Legal Defense Fund, a 501(c)(3) corporation, to advocate not only for writers, but for theaters and other theater artists (as well as audiences, schools, students, and the culture at large) confronting censorship and other related legal issues of public import, including assaults on copyright and diminishment of the public domain.

Like the Authors Guild, the Dramatists Guild promotes the interests of authors in their works, including their rights of property, artistic integrity, and compensation, and so has a similarly strong interest in this case which affects the economic interests in copyrights of all dramatists and their heirs. It is common in the theater industry for an author to be on both sides of the termination rights set forth in sections 203 and 304 of the Copyright Act. A dramatist may wish to terminate a contract with a publisher or motion picture studio; similarly, that same dramatist may have adapted a book (e.g., *Hamilton* adapted to a musical by Lin-Manuel Miranda) or a motion picture (e.g., *Grey Gardens*, adapted to a musical by Doug Wright, Michael Korie, and Scott Frankel) and be subject to termination rights from those underlying rights owners.

Therefore, in its advocacy for both copyright owners and copyright users, the Guild has a unique perspective – and duty – to present a balanced and reasoned view on this issue without an ideological predisposition one way or the other.

In addition to sharing the interests in clarity and certainty as expressed by the Authors Guild, dramatists require clarification of termination rights to minimize transaction costs in acquiring rights to copyrighted works and in achieving certainty in the ability to create derivative works and to exploit such works. In drafting Sections 203 and 304 of the Copyright Act, Congress sought to avoid a patchwork of confusing state laws that made acquiring rights to many valuable copyrighted works impossible due to uncertainty over ownership. Instead, dramatists must now look to state law and contracts, such as the disputed 1983 Agreement at bar, to venture guesses as to who owns what. Therefore, the Guild has a strong interest in a transparent, central federal copyright registry maintained by the Copyright Office, with ownership governed by the Copyright Act rather than the vagaries of state inheritance and contract law.

*Amicus curiae* American Society of Journalists and Authors (“ASJA”), founded in 1948, is the nation’s professional association of independent and entrepreneurial nonfiction writers. ASJA represents the interests of freelancers and promotes their rights to control and profit from the uses of their work wherever it appears.

*Amicus curiae* Ralph Oman served as the Register of Copyrights from 1985 to 1993. As Register, he advised Congress on copyright policy and testified

more than forty times on proposed copyright legislation and treaties, and on the state of the U.S. Copyright Office. Before then, Mr. Oman served on the staff of the Subcommittee on Patents, Trademarks, and Copyrights, including as Chief Counsel from 1982-85. He was personally involved in the final stages of the drafting and passage of the Copyright Act of 1976, 17 U.S.C. §§ 101 et seq. Mr. Oman is currently the Pravel, Hewitt, Kimball, and Kreiger Professorial Lecturer in Intellectual Property and Patent Law at The George Washington University Law School, where he has taught copyright law for twenty-six years. Given his prior service in the development of U.S. copyright law, Mr. Oman has a direct interest in the proper resolution of the issue presented by this case.

### SUMMARY OF ARGUMENT

*Amici* agree with Petitioner that the circuit split on federal issue preclusion doctrine relating to copyright termination rights warrants this Court's review. *Petition* at 22-26. Binding a non-party to a litigation result where the party was not represented offends due process. The dangers of failing to apply issue preclusion analysis to each party and each issue are highlighted in this complex case in which a widow who was a non-party to any prior litigation was stripped of all affirmative defenses and subjected to a multi-million dollar judgment for slander of title and tortious interference with contract simply for asserting her late husband's copyright ownership. The complaint against Gail alleged that she had acted as attorney-in-fact for her late husband Thom Steinbeck (and Petitioner Palladin Inc. to which Thom had transferred his copyrights) when Gail (again allegedly) falsely asserted Thom's and Palladin's

copyright ownership of *The Grapes of Wrath* and *East of Eden*. At a trial occurring after Thom's death, Petitioners were not permitted by the federal district court to present an expert copyright attorney's opinion that Thom's estate and Palladin owned the copyrights. Nor was Gail permitted to offer the jury the copyright expert's legal advice to prove her state of mind in support of her affirmative defenses of good faith and justification to tort law claims that, under California state law, required proof of Gail's state of mind. In affirming, the Ninth Circuit Court of Appeals called the jury's calculations of the award "indeed suspicious."<sup>2</sup> In light of this Court's teachings in *Taylor v. Sturgell*, 553 U.S. 880 (2008)(abolishing the doctrine of virtual representation), *Amici* cannot fathom how collateral estoppel could possibly have barred any of Gail's affirmative defenses in this action to tort law claims to which truth was a defense and which required proof of her state of mind.

In addition to the circuit split identified by Petitioners, *Amici* proffer five additional arguments in support of this Court's intervention. *First*, the inalienability of authors' copyright termination rights guaranteed by the plain language of the Copyright Act has been undermined by circuit courts finding the language ambiguous and resorting to legislative history to change the result intended by Congress --- to the detriment of authors. *Amici* proffer legislative history in support of the Copyright Act's plain language and urge this Court to grant review to guide

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<sup>2</sup> *Kaffaga v. Estate of Steinbeck*, 938 F.3d 1006 (9th Cir. 2019)("The fact that the jury gave \$1.3 million for both slander and breach and, when combined, now nearly equal the \$2.65 million awarded for tortious interference is indeed suspicious").

the nation on this important economic issue. *Second*, Petitioners – and most egregiously Gail – were deprived of property rights in copyrights in violation of the Seventh Amendment’s guarantee of a jury trial by the decision below, stripping Petitioners of all defenses. *Third*, because the circuits are also split on whether Section 301 of the Copyright Act preempts tortious interference with contract claims that – as in this case -- resemble copyright ownership or copyright ownership claims, reviewing this case would resolve that split as well. *Fourth*, because the important issues raised in this case involve the administration of the Copyright Office, *Amici* urge this Court to solicit the views of the Solicitor General. Because the tort law claims asserted against Petitioners were equivalent to copyright ownership or infringement claims, they are preempted. *Fifth*, if this Court decides not to grant full review, *Amici* agree with Petitioners that a grant, vacatur and remand in light of *Lucky Brands Dungarees, Inc. v. Marcel Fashion Group, Inc.*, No. 18-1086 (argued Jan. 13, 2020) would serve the interests of justice by preserving Petitioners’ important rights.

## ARGUMENT

### **I. THE ISSUE OF COPYRIGHT TERMINATION RAISED BY THIS CASE IS OF EXTRAORDINARY IMPORTANCE BECAUSE RELIANCE ON LEGISLATIVE INTENT TO UNDERMINE INALIENABLE FUTURE TERMINATION RIGHTS GRANTED BY THE PLAIN LANGUAGE OF THE COPYRIGHT ACT IS CAUSING UNCERTAINTY AND PROMPTING LITIGATION NATIONWIDE**

This case presents an issue of extraordinary importance to all authors and their families and to the economics of the nation. The inalienability of the rights of authors and their heirs to terminate assignments or transfers of extended terms of copyrights despite any prior “agreement to the contrary” is guaranteed in Section 304(c)(5) of the Copyright Act. Congress made doubly sure of guaranteeing inalienability from over-reaching family members by permitting statutory heirs to void “future grants” of termination rights made before the effective date of termination in Section 304(c)(6)(D). Discovering ambiguity in the statutory language of Section 304(c), the Second and Ninth Circuits resorted to legislative history to determine that the words “any agreement to the contrary” meant the complete opposite, thereby frustrating Congress’ intent. See *Milne ex rel. Coyne v. Stephen Schesinger, Inc.*, 430 F.3d 1036, 1045 (9<sup>th</sup> Cir. 2005)(agreeing with Second Circuit’s finding of ambiguous language). In *Penguin Group (USA) Inc. v. Steinbeck*, 537 F.3d 193 (2008), *cert. denied* 556 U.S. 1253 (2009), a case involving John Steinbeck’s grant of certain publishing rights to Viking Books, the Second Circuit permitted heirs to

be disinherited and defeated the future termination rights of authors' heirs by honoring a grant of future termination rights prior to the vesting date specified by Congress for valid "further grants" in violation of Section 304(c) and (d).

In this case, the Ninth Circuit dealt another blow to authors' termination rights by permitting collateral estoppel to defeat Section 304 termination rights in "all of John Steinbeck's works" where Thom and Blake's termination of the film rights in question here, involving an entirely different 1939 Steinbeck grant of film rights, had never been decided by any court. *Kaffaga v. Steinbeck*, Case 2:14-cv-08699-TJH-FFM (C.D. Cal.) Docket Number 171-2 1/18/2017 (*Grapes of Wrath* copyright report describing 1939 Steinbeck film rights grant). Because the inalienable property rights created by Sections 203 and 304 of the Copyright Act are largely defeated by these decisions honoring grants prohibited by the Copyright Act because they were made prior to the effective vesting date specified by Congress in Section 304(c)(6)(D), this case raises issues of extraordinary importance on which this Court's guidance is necessary.

Unlike these courts, *Amici* find no ambiguity in the plain language of the Copyright Act. *Amici* find only resounding support in the legislative history for inalienable authors' termination rights. Additionally, because decisions from the Second and Ninth Circuits conflict with guidance given to the public by the Register of Copyrights and the U.S. Copyright Office on the inalienable nature of copyright termination rights under Section 304(c)(5) and Section 304(c)(6)(D), this issue is important.



This case is an appropriate vehicle to address the important and unsettled issue of termination rights because since 1976, authors have not had guidance from this Court on Congress' efforts to protect them under Section 304 by using "notwithstanding any agreement to the contrary" prophylactic language of Section 304(c)(5) and Section 304(c)(6)(D)'s prohibition on "future grants" of termination rights. As a result, thousands of authors are left in uncertainty over their rights and bargaining power. The issue of authors' inalienable rights in recapturing extended copyright terms has roiled the courts since 1909 when Congress extended the then-28-year copyright term by an additional 28-year renewal term with the expectation that the renewal term would revert to authors. Disputes over copyright terminations now occupying the nation's courts could be resolved by guidance from this Court not only under Section 304, but also under Section 203 of the Copyright Act (triggered by statute starting January 1, 2013). Evynne Grover, *Copyright Act S 203 Termination of Transfers and Licenses: Could More Blockbusters Get Busted?*, *Comm Law*, Winter 2020, at 23, 28 ("Without question, terminations under § 203 will create a new wave of litigation, and we have already seen some of it...").

In 1909, in 1976 and again in 1998, each time Congress extended the term of copyright, authors were the promised future beneficiaries of these expanded copyright terms. Congress' intent to protect authors from early, unremunerative transactions and to ensure them full economic benefits from a second 28-year renewal term was thwarted by this Court's decision in *Fred Fisher Music Co., Inc. v. M. Witmark & Sons*, 318 U.S. 643 (1943). In 1976 and 1998, Congress made the express "policy choice" in enacting

Sections 203 and 304 of the Copyright Act to give inalienable termination rights to authors that, according to *Fred Fisher Music*, Congress failed to make explicit in the 1909 Act.

Prior to the 1976 Copyright Act, the renewal recapture provision was “the source of more confusion and litigation than any other provision in copyright law.” Peter S. Menell & David Nimmer, *Judicial Resistance to Copyright Law's Inalienable Right to Terminate Transfers*, 33 Colum J.L. & Arts 227, 227-30 (2010) *citing* Staff of H. Comm. on the Judiciary, 88th Cong., Discussion and Comments on the Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 93 (Comm. Print 1963).

The initial term of a copyright under the 1909 Copyright Act was 28 years. Pub. L. No. 349 §24, 35 Stat. 1075, 1080-81 (1909). Under the 1909 Act, authors also held the right to renew for an additional 28 years by filing a renewal application with the Copyright Office. Pub. L. No. 349, §§ 23-24, 35 Stat. 1075, 1080-81 (1909). Congress intended this right to be “exclusive” to authors and their families so that they “could not be deprived of this right.” Menell & Nimmer, *Judicial Resistance*, 33 Colum J.L. & Arts at 230 (2010) *citing* H.R. Rep. No. 60-2222, at 14 (1909). The renewal right “creates a new estate, and the ... cases which have dealt with the subject assert that the new estate is clear of all rights, interests or licenses granted under the original copyright.” *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469, 471 (2d. Cir.), *cert. denied*, 342 U.S. 849 (1951). In *Fred Fisher Music Co., Inc. v. M. Witmark & Sons*, 318 U.S. 643 (1943) this Court upheld an author's assignment of the future right to renew a copyright, reasoning that if Congress had intended “statutory restraints upon

the assignment by authors of their renewal rights, it is almost certain that such purpose would have been manifested.” 318 U.S. at 655-56.

It is not for courts to judge whether the interests of authors clearly lie upon one side of this question rather than the other.... We do not have such assured knowledge about authorship ... as to justify us as judges in importing into Congressional legislation a denial to authors of the freedom to dispose of their property .... 318 U.S. at 657.

Congress' attempt in 1909 to grant authors and their families an inalienable future copyright interest thus “was substantially thwarted” by *Fred Fisher Music, Inc. v. Mills Music, Inc. v. Snyder*, 469 U.S. 153, 185 (1985) (White, J., dissenting).

**A. In the 1976 Copyright Act Congress Makes Termination of a Prior Transfer an Inalienable Right of Recapture**

Under the 1976 Copyright Act, when an author (or statutory heirs) serves a termination notice, the grantee's previously undivided copyright interest is effectively split into three pieces, one owned by the author (or statutory heirs) and two owned by the grantee. The author (or statutory heirs) holds a future interest in the copyright. *Baldwin v EMI Feist Catalog, Inc.*, 805 F.3d 18, 26-27 (2d Cir. 2015) *citing* 17 U.S.C. § 304(c)(6) (providing that the “rights under this title that were covered by the terminated grant revert, upon the effective date of termination, to th[e] author” or his statutory heirs”); *Mills Music, Inc. v. Snyder*, 469 U.S. at 162, (labeling the post-termination interest a “reversion”). This future

interest, however (unlike an author's renewal right under the 1909 Act), “become[s] vested on the date the notice of termination has been served.” *Baldwin v EMI Feist Catalog, Inc.*, 805 F.3d at 26-27. Congress’ intent to permit authors and their families to get a second economic bite at the apple was manifest:

The provisions of section 203 are based on the premise that the reversionary provisions of the present section on copyright renewal (17 U.S.C. § 24) should be eliminated, and that the proposed law should substitute for them a provision safeguarding authors against unremunerative transfers. A provision of this sort is needed because of the unequal bargaining position of authors, resulting in part from the impossibility of determining a work's value until it has been exploited.

H.R. REP. 94-1476, 124, 1976 U.S.C.C.A.N. 5659, 5740. Congress enacted the Copyright Act of 1976 to safeguard not only authors against unremunerative transfers but authors’ families that had in many cases been victimized by transfers made by an early heir, such as a stepmother to the detriment of later heirs or late-life transfers to lovers, sparking probate battles. Menell & Nimmer, *Judicial Resistance*, 33 Colum J.L. & Arts 227 (2010)(discussing legislative history and how permitting early statutory heirs to disinherit later statutory heirs would frustrate Congressional intent).

### **B. Congress Permitted Termination of Copyright Grants Made Prior to the 1976 Act**

The 1976 Act provided that grants of copyright made under the new regime would be terminable after thirty-five years from the date of the grant (the § 203 termination right), while grants of copyright made under the 1909 Act would be terminable fifty-six years after copyright was first obtained (the § 304(c) termination right). 17 U.S.C. §§203; 304(c). The opportunity to leave a legacy to one's children and grandchildren operates as an important incentive to create. Senator Orrin G. Hatch, *Toward A Principled Approach to Copyright Legislation at the Turn of the Millennium*, 59 U. Pitt. L. Rev. 719, 733 (1998). Thus, Congress determined that the new property right of an extended copyright term should pass to the author and independently protect the author's family members as statutory successors (husband or wife, children and grandchildren) as opposed to copyright devisees – like a late life lover – or assignees like a film or publishing company.

### **C. 1998–Congress Extends Copyright Duration Again, Grants Authors a Second Inalienable Right of Recapture**

In 1998, the Sonny Bono Copyright Term Extension Act (“CTEA”) extended copyright terms for another twenty years. Pub. L. No. 105-298, 111 Stat. 2827 (1998). Wishing to bestow property rights in this additional term on authors and their families, Congress again adopted the same termination device. 17 U.S.C. § 304(d) (2006). Section 304(d) granted authors and their statutory successors, who had not already exercised a statutory termination rights, a

new statutory termination right, allowing termination of agreements by which the author had sold the extended term, “notwithstanding any agreement to the contrary.” *Id.* §§ 304(c)(5) & 304(d)(1).

**D. To Avoid Authors and Families Alienating Their Rights Before Having Full Economic Power, Congress Invalidates Grants of Termination Rights That Pre-Date The Effective Date of Termination**

Section 304(c)(6)(D) provides that “[a] further grant, or agreement to make a further grant, of any right covered by a terminated grant is valid only if it is made after the effective date of the termination. *Baldwin v EMI Feist Catalog, Inc.*, 805 F.3d at 26 (noting exception for further grant to grantee after notice of termination). In enacting Section 304, Congress intended to void any attempts by heirs to transfer contingent future interests:

Under section 203, an author's widow or widower and children are given rights of termination if the author is dead, but these rights apply only to grants by the author, and any effort by a widow, widower, or child to transfer contingent future interests under a termination would be ineffective.

H.R. REP. 94-1476, 141, 1976 U.S.C.C.A.N. 5659, 5757. This provision creates a carefully-crafted timetable for vesting of termination rights over an extended period of time showing Congress' intent to give specific living statutory successors the benefits of property rights in an extended term of copyright

protection, rather than the author's assignees or devisees. The vesting timetable, expressed in the statutory language as a strict and total ban on future grants, also prevents future disputes over whether one heir, such as a stepmother, has disenfranchised future beneficiaries of termination rights.

**E. The Copyright Office Is Giving Advice To The Public That Conflicts With The Decision Below**

The tremendous importance of the issues relating to copyright terminations raised in this case to the *Amici* and the public is illustrated by the guidance that the Copyright Office gives to copyright owners: “*Where a grant was executed by one or more of the author’s heirs, the grant can be terminated by the surviving person(s) who executed the grant.*” <https://www.copyright.gov/recordation/termination.html> (last accessed April 19, 2020)(emphasis supplied). This advice is inconsistent with the decision below, highlighting the need for this Court’s guidance.

**II. BECAUSE COLLATERAL ESTOPPEL WAS APPLIED TOO BROADLY, PETITIONERS WERE DEPRIVED OF PROPERTY RIGHTS AND THE RIGHT TO A JURY TRIAL GUARANTEED BY THE SEVENTH AMENDMENT TO THE UNITED STATES CONSTITUTION**

Because the trial court decided that Petitioners slandered title to all of John Steinbeck’s works without ever reaching the question of whether or not Thom Steinbeck owned the copyright in the works in question, Gail, Thom’s estate and Palladin were denied a jury trial, guaranteed by the Seventh Amendment to the United States Constitution, on

issues related to an ownership interest in a copyright. Over 200 years ago, this Court explained that where a second suit is “upon distinct and different causes of action” from a prior case “against the [same] defendant,” “the first cannot be pleaded in bar of the second.” *Clark v. Young & Co.*, 5 U.S. (1 Cranch) 181, 193 (1803) (“a verdict in a prior suit may be given in evidence as a bar to another suit [only] for the same cause of action”).

If Petitioners’ eminent copyright expert’s testimony --- that Thom and Palladin owned the copyright in *The Grapes of Wrath* and *East of Eden* --- had been credited, Petitioners would have had a complete defense to the breach of contract, tortious interference and slander of title claims. Because this defense was denied, Petitioners were deprived of a fair jury trial. Absent a grant of review, this case will threaten the Seventh Amendment rights of all authors and copyright owners to constitutionally-guaranteed jury trials on all issues relating to copyright ownership and damages. *Feltner v Columbia Pictures Tel., Inc.*, 523 U.S. 340, 355 (1998)(discussing history of copyright trials since nation’s founding).

**A. The Application of Collateral Estoppel To Preclude Gail’s Defenses Was Particularly Unjust Because She Was Not A Party To The First-Filed Litigation Involving The Scope of Collateral Estoppel**

Gail had never been involved in her personal capacity in any litigation prior to this action. On November 7, 2014 Thom Steinbeck (the son and one of the statutory heirs of author John Steinbeck) and Blake Smyle, the other statutory heir, filed a



declaratory judgment action against Respondents in the Central District of California for copyright infringement, breach of contract and declaratory relief to obtain a declaration that Thom and Blake were the beneficiaries of termination rights and thus had the right to negotiate film rights to *Of Mice and Men*. *Kaffaga v. Steinbeck*, (2:14-cv-08699) filed Nov. 10, 2014. Thom's corporation, the Palladin Group, Inc. (jointly owned with Gail) was created to hold Thom's copyright interests in John Steinbeck's works that vested during Thom's lifetime, and was also a plaintiff. Two years later, Thom died, making his co-plaintiff Blake Smyle the sole statutory heir for any termination rights accruing after the date of Thom's death. Thom, Palladin and Blake sought a declaration that a 1983 agreement, which purported to surrender copyright termination rights, was a void "agreement to the contrary" under 17 U.S.C §§ 304(c) and (d). Relying on *Steinbeck v. Penguin Group (USA) Inc.*, 537 F.3d 193 (2d Cir. 2008), the trial court dismissed the action on collateral estoppel grounds without reaching the question of whether the 1983 agreement was a void "agreement to the contrary" or a prohibited "future grant" concluding that the issue had been litigated "ad nauseum." *Kaffaga v. Steinbeck*, 2016 WL 11187014 (C.D. Ca. 11/10/2016). On November 16, 2017, the Ninth Circuit affirmed on collateral estoppel grounds in a three-paragraph, unpublished opinion repeating the "ad nauseum" characterization. *Steinbeck v. Kaffaga*, 702 Fed.Appx. 618 (9<sup>th</sup> Cir. 2017).

**B. This Second-Filed Diversity Action  
For Breach of Contract and Tortious  
Interference**

On November 10, 2014, three days after *Kaffaga v. Steinbeck* was filed, Respondents filed this action suing Gail personally along with Palladin and (the now-deceased) Thom, alleging breach of contract and tort claims (slander of title and intentional interference with prospective economic relationships). This case involves negotiations for film rights to *The Grapes of Wrath* and *East of Eden*. The district court, directly contradicting the “ad nauseum” characterizations, acknowledged that no court had previously determined the issue of who could file termination notices for those film rights under Section 304(c)(5) of the Copyright Act. *Kaffaga v. Steinbeck*, 2016 WL 11187014 (C.D. Cal. 11/10/2016) (noting that “decisions by the Southern District and the Second Circuit “left unresolved the narrow question about termination under the 1983 Agreement.”) Although having conceded that no court had ever ruled on the “narrow question” whether the 1983 prior agreement was a void “agreement to the contrary” the trial court relied on collateral estoppel to bar Gail from raising Section 304(c)(5) of the Copyright Act as an affirmative defense with the jury questionnaire stating: “The Court has already determined that Defendants Thom Steinbeck, Gail Steinbeck and The Palladin Group, Inc. are liable to Plaintiff for slander of title as to the entire catalogue of John Steinbeck’s works. What, if any, are the non-punitive damages suffered by Plaintiff because of Defendants’ slander of title?” *Kaffaga v. Steinbeck*, 18:55336, 12/07/201 (DktEntry:23-1 at 18 of 65).

### C. The Trial Court's Exclusion of Petitioners' Copyright Law Expert

Petitioners sought to have Lewis Petrich, a renowned copyright expert on copyright termination who argued *Stuart v. Abend*, 495 U.S. 207 (1990) before this Court with credentials including lectures on copyright termination at the Federal Judicial Center in Berkeley. Petrich had, in 2013, represented 20<sup>th</sup> Century Fox on the question of Steinbeck film issues and sought to testify on the question of whether Gail's termination notice was valid and the legal advice provided. *Kaffaga v. Steinbeck*, 18-55336 Dkt:23-4 at 112-126 of 297 12/07/2018. The trial court excluded Petrich's testimony as irrelevant. *Id.* at 121 of 297.

Stripped of the one defense that would explain to a jury her state of mind – why she or the other Petitioners appeared to have reneged on an earlier agreement, Gail was not permitted to present to the jury objective evidence that her actions – whether ultimately correct or not – had a reasonable, good faith grounding in the law or were supported by legal advice. The jury awarded a combined \$13.5 million in damages against Petitioners, \$7.9 million of it in punitive damages.

The deprivation of the opportunity to prove copyright ownership interests in a 1939 Steinbeck grant of film rights that no other court had previously decided as a defense to slander, breach of contract, and tortious interference deprived Petitioners to the right under the Seventh Amendment to a jury trial on property rights granted by the Copyright Act.

**III. THE DECISION BELOW THREATENS THE UNIFORMITY OF THE NATIONAL COPYRIGHT REGIME BECAUSE IT PERMITTED A MONETARY JUDGMENT ON CALIFORNIA TORT CLAIMS INCONSISTENT WITH THE PREEMPTION OF SECTION 301 OF THE COPYRIGHT ACT AND GRANTING REVIEW COULD RESOLVE A CIRCUIT SPLIT**

This case is an appropriate vehicle to clarify the law because there is also, in addition to the circuit split raised by Petitioners, a circuit split on whether Section 301 of the Copyright Act preempts the slander of title and tortious interference with contract claims against Petitioners that underpin the judgment below. Because the trial judge found Gail's mental state irrelevant when she was acting as attorney-in-fact for Thom asserting copyright ownership, these tort claims were equivalent to copyright infringement claims and thus preempted by Section 301 of the Copyright Act and should have been dismissed.

Permitting preempted state law claims to change the results under the Copyright Act threatens the uniformity of the national copyright regime. Congress passed section 301(a) of the Copyright Act to preempt state law that is inconsistent with or duplicative of federal copyright protection. Circuit courts are in conflict over how to approach copyright preemption. Bauer, Joseph, *Addressing The Incoherency Of The Preemption Provision Of The Copyright Act Of 1976*, 10 Vand. J. Ent. & Tech. L. 1 (Fall 2007).

“Generally, tortious interference claims (with contract or prospective economic advantage) are held to be preempted because the rights asserted in such

claims are not qualitatively different from the rights protected by copyright.” *Stromback v New Line Cinema*, 384 F.3d 283, 306 (6th Cir. 2004); *Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 201 (2d Cir. 1983) *rev’d on other grounds*, 471 U.S. 539 (1985) (claim for tortious interference with contractual relations based on a magazine publisher’s use of an unauthorized excerpt of plaintiff’s book preempted because claim was essentially one for violation of plaintiff’s exclusive right to create a derivative work, and additional elements pleaded by the plaintiff of awareness and intentional interference went “merely to the scope of the right” and did not “establish qualitatively different conduct”); *Progressive Corp. v. Integon P&C Corp.*, 947 F.2d 942 (4<sup>th</sup> Cir. 1991)(unpublished)(tortious interference claim preempted).

Other circuits take a contrary approach. *Altera Corp v. Clear Logic, Inc.*, 424 F.3d 1079, 1089-90 (9th Cir. 2005) (claim for tortious interference with contract not preempted because the claim concerning breach of those contracts against customers required proof of a meaningful “extra element”); *Telecom Technical Servs. Inc. v. Rolm Co.*, 388 F.3d 820, 833 (11th Cir. 2004) (tortious interference claim not preempted because it required plaintiff to demonstrate that defendants violated the terms of software license for third parties, an element beyond federal copyright law). Given these conflicting approaches, granting review would permit the Court to resolve the circuit split.

**IV. IN THE ALTERNATIVE, BECAUSE THIS CASE RAISES IMPORTANT QUESTIONS INVOLVING THE COPYRIGHT OFFICE'S ADMINISTRATION OF TERMINATION RIGHTS AND ADVICE TO THE PUBLIC, THIS COURT SHOULD SOLICIT THE VIEWS OF THE SOLICITOR GENERAL**

Because the decisions of the Second and Ninth Circuits respecting prior “agreements to the contrary” threaten an entire statutory scheme, *Amici* urge this Court to solicit the views of the Solicitor General. As noted in Point I.E., currently the general public and the creative and business communities receive conflicting guidance from two different branches of government on the meaning of Section 304(c)(5) of the Copyright Act and who owns what rights when. Because *Amici*, the general public and particularly the business and creative communities should not be getting conflicting advice from two different branches of government, *Amici* urge this Court to solicit the views of the Solicitor General on the proper workings of this complex statutory scheme to benefit authors and the public.

**V. IN THE ADDITIONAL ALTERNATIVE, AMICI CURIAE RESPECTFULLY REQUEST THAT THIS COURT GRANT, VACATE AND REMAND FOR A RULING ON WHETHER THE 1983 AGREEMENT IS AN “AGREEMENT TO THE CONTRARY” WITH RESPECT TO THE FILM RIGHTS TO *GRAPES OF WRATH* AND *EAST OF EDEN***

*Amici* further respectfully submit that the Court should grant, vacate and remand this case so that the

Ninth Circuit can correctly apply traditional collateral estoppel principles in light of the Court’s anticipated decision in *Lucky Brands Dungarees, Inc. v. Marcel Fashions Group, Inc.* No. 18-1086 (argued Jan. 13, 2020) (question of “[w]hether, when a plaintiff asserts new claims, federal preclusion principles can bar a defendant from raising defenses that were not actually litigated and resolved in any prior case between the parties.”)

*Amici* urge a grant of full review as primary relief. This Court’s decision in *Lucky Brands* would not resolve the important issues of authors’ rights raised in Point I, the due process concerns in Point II or the circuit split raised in Point III. Because *Lucky Brands* involved parties re-litigating issues among themselves repeatedly over decades, it does not give this Court an opportunity to address the more dangerous scenario of a non-party to any previous litigations being bound by issue preclusion the way Gail was (with the attendant due process concerns that arise when depriving a non-party of affirmative defenses). This case presents issues of greater complexity and importance as the broad application of collateral estoppel by the Ninth Circuit has entirely subverted Section 304(c)(5) of the Copyright Act and the Ninth Circuit is permitting preempted state law claims to subvert the Copyright Act’s damages provisions. Unlike *Lucky Brands*, the parties who were involved in past litigation are not identical (although there is some overlap), the issues are separate and distinct, and the issue of enforceability in light of Section 304(c)(5)’s barring any “agreement to the contrary” was never actually decided. This case also presents a better opportunity for the Court to provide guidance on treating parties with differing interests, particularly where one Petitioner was not a

party to any prior litigation and the broad brush of “collateral estoppel” was used to strip her of all defenses. However, in the alternative, if the Court decides not to grant full review, because it is of great importance to *Amici* that issues relating to grants of copyrights and the disparate impacts on each family member be carefully analyzed and actually decided by courts in applying the doctrine of collateral estoppel, *Amici* urge this alternative relief.



**CONCLUSION**

The petition for a writ of certiorari should be granted. In the alternative, the Court should solicit the views of the Solicitor General. In the additional alternative, the Court should grant, vacate, and remand in light of *Lucky Brands Dungarees, Inc. v. Marcel Fashion Group, Inc.*, No. 18-1086 (argued Jan. 13, 2020).

Respectfully submitted,

Raymond J. Dowd  
*Counsel of Record*  
Olivera Medenica  
Dunnington Bartholow & Miller LLP  
230 Park Avenue, 21<sup>st</sup> Floor  
New York, NY 10169  
[rdowd@dunnington.com](mailto:rdowd@dunnington.com)

April 28, 2020

*Counsel for Amici Curiae The Authors  
Guild Inc., Dramatists Guild of  
America, Inc., The American Society of  
Journalists and Authors and Ralph  
Oman in Support of Petitioners*