

Legal Matters

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Selling Rights To Sue

Sony Pictures Wins Third Round In Copyright Infringement Suit

In a twist of fate, writer/producer **Nancey Silvers** has landed at center stage with 15 federal judges arguing over the right to sue for copyright infringement.

Copyright lawyers call this a "significant case." Yet it was only one of 2,050 copyright lawsuits filed in federal courts in 2000, with more than 9,985 others filed since then. How did this case become so special?

Fourteen years after the daughter of actor **Phil Silvers** began writing the TV movie "The Other Woman" for producer **Von Zerneck/Sertner Films**, the Ninth Circuit Court of Appeals in San Francisco held on March 25 that her contractual right to sue, which she obtained from the movie's producer, did not give her the legal right to sue **Sony Pictures Entertainment** over the film "Stepmom." Both films were about the relationship between a mother who discovers she has cancer and her ex-husband's new wife, who is to raise the children when the natural mother dies.

According to Silvers' lawyer, **Steven Glaser** with **Gelfand Rappaport & Glaser** in Los Angeles, the case began when Silvers wanted to sue Sony, claiming "her story" served as the basis for "Stepmom."

Although her work-for-hire agreement made the producer the "author"—and copyright owner—of the script, Silvers obtained a written assignment of "claims and causes of action" from the producer to pursue the infringement claim.

Before any facts were proved, Sony asked the District Court in Los Angeles to dismiss the action, arguing that the assignment did not give Silvers the legal right to sue under copyright law.

Copyright, the intangible property interest in a creative expression that is fixed in some tangible form, creates exclusive rights for its owners.

Subject to certain exceptions, owners may exclude others from reproducing the work in copies or phonorecords; distributing copies or phonorecords by sale, rental or lending; performing or displaying the work to the public; preparing derivative works (an adaptation); and performing sound recordings through digital audio transmission.

Any of these exclusive rights may be transferred to other parties.

Under the Copyright Act, the "legal or beneficial owner" of any exclusive right may sue for an infringement that was committed while the person was the owner of that exclusive right.

If any exclusive right is transferred to someone else after an infringement occurred, then the new owner may also receive the right to sue for that past infringement.

The District Court decided that an owner could transfer only the right to sue without other exclusive rights; Silvers could proceed with the claim. Sony sought review, but three judges with the Ninth Circuit Court of Appeals affirmed the decision on June 3, 2003.

Sony continued to challenge the ruling, requesting an "en banc" review by 11 Ninth Circuit judges. It was granted, and a majority of seven judges reversed the decision after hearing Sony's arguments.

Ronald Rauchberg with **Proskauer Rose** in New York argued for Sony, supported by an amicus (friend of the court) brief from the **Motion Picture Assn. of America**.

They asserted that a bare assignment to sue is not a right that is freely transferable under copyright law. Pointing out that the copyright owner chose not

to sue, they argued that allowing assignments of the right to sue would increase the number of frivolous lawsuits.

"One can envision a market developing in which speculators with no relationship to the copyrighted work pay a small sum to the copyright owner . . . in exchange for the ability to pursue a high volume of nuisance settlements or unwarranted jury verdicts," the MPAA argued.

Glaser says he intends to petition the Supreme Court for review.

A legal summary of the opinion is available at entertainmentlawweekly.com.

Attorney **Ronald Rauchberg** of Proskauer Rose

