

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

MARINO,		:	
	Plaintiff,	:	
		:	
v.		:	Civ. No. 11-cv-06811
		:	
USHER, et al.,		:	
	Defendants.	:	
		:	

ORDER

Plaintiff alleges that Defendants’ use of “Club Girl” in the album *Confessions*, without including Plaintiff in the song credits, violated the Copyright Act, 17 U.S.C. § 411(a). (*Doc. No. 2.*) Plaintiff seeks a constructive trust and accounting under state law. (*Id.*) Defendants moved to dismiss. (*Doc. No. 23.*) The matter has now been fully briefed. (*Doc. Nos. 30, 32.*) I will grant Defendants’ Motion in part and deny it in part.

I. Background

As alleged, in or about 2001, Plaintiff formed a songwriting group called “Trio” with Will Guice and Dante Barton (*Doc. No. 2 at 31 ¶ 259.*) All three actively participated in songwriting collaboration and agreed to share songwriting credits if any of the co-authored songs became successful. (*Id. at 32, ¶¶ 261-62, 265.*)

In 2002, Plaintiff, Barton, and Guice collaborated on a song called “Club Girl.” (*Id. at 36, ¶ 292.*) Unknown to Plaintiff, Barton copyrighted “Club Girl” in 2003, listing only himself and Guice as authors. (*Doc. No. 23 Ex. 7.*) Van Dell, a publishing agent, heard “Club Girl” and wanted to “exploit this musical work composition and musical sound recording.” (*Doc. No. 2 at 37, ¶¶ 294, 302.*) Van Dell helped “shop” the song to Usher and Defendant Mark Pitts, Usher’s

artist and repertoire (A&R) representative. (*Id.* at 39, ¶¶ 304-06.) Pitts contracted with Plaintiff, Barton, and Guice to include “Club Girl” in Usher’s album. (*Id.* at ¶ 307.)

Plaintiff and Guice designated Barton to handle the negotiations for the songwriting, production, and royalty credits for the song. (*Id.* at 39-40, ¶¶ 308, 312, 314.) The “Trio” agreed to share songwriting credit equally, and Plaintiff and Barton would share production and royalty credits. (*Id.* at 40-41, ¶¶ 309, 312, 315.) Barton contracted with Usher’s representatives through Underworld Entertainment, a recording label created by Plaintiff and Barton between 2002 and 2003. (*Id.* at ¶¶ 266, 271); (*see also* *Doc. No. 23, Ex. 6.*)

On March 23, 2004, Defendant Usher released his album *Confessions* through subsidiaries of Sony Music Entertainment. (*Doc. No. 2 at 41, ¶ 319.*) The album included “Bad Girl,” the new name for “Club Girl.” (*Id.* at 42, ¶ 322.) Plaintiff purchased a copy of the album on its release date and discovered he was not credited as a writer or producer of the song, only as an instrumentalist. (*Id.* at 44-45, ¶¶ 324-40.) Barton and Guice were credited as writers along with seven others. (*Id.* at 44-45, ¶¶ 328-333.) Plaintiff alleges that only he, Barton, and Guice should be credited for the songwriting. (*Id.* at 45, ¶ 332.)

Plaintiff immediately confronted Barton about his omitted credit. (*Id.* at 49, ¶ 360.) Acknowledging that it was a mistake, Barton said that he would fix it. (*Id.* at ¶ 362.) When he did not, Plaintiff obtained counsel in October 2004 and threatened to sue. (*Id.* at 52, ¶¶ 378-79.) Barton continued to say that he was correcting the problem. (*Id.* at 54, ¶ 392.) In 2009, Barton disappeared without taking any remedial action. (*Id.* at 56 ¶ 401.) Between the release of the album and 2009, Plaintiff did not receive credit or any royalties for his contribution to writing the song “Bad Girl.” (*Id.* at 57, ¶¶ 406-07.)

Plaintiff proceeds under the Copyright Act, claiming copyright infringement, and under

state law demanding a constructive trust and accounting. Plaintiff filed and was granted a Request for Default against Barton and Guice. (*Doc. Nos. 3, 31.*)

II. Standard of Review

In deciding a motion to dismiss, I must accept as true the plaintiff's factual allegations and make all reasonable inferences in the plaintiff's favor. Fed. R. Civ. P. 12(b)(6); In re Rockefeller Ctr. Props., Inc., 311 F.3d 198, 215 (3d Cir. 2002). A complaint need not recite "detailed factual allegations." Bell Atl. Corp. v. Twombly, 550 U.S. 554, 555 (2007). The burden is on the defendant to show that the plaintiff has failed to allege facts sufficiently detailed to "raise a right to relief above the speculative level." Bell Atl. Corp., 550 U.S. at 555; Phillips v. County of Allegheny, 515 F.3d 224, 234 (3d Cir. 2008). "The inquiry is not whether plaintiffs will ultimately prevail in a trial on the merits, but whether they should be afforded an opportunity to offer evidence in support of their claims." In re Rockefeller, 311 F.3d at 215. I may disregard any legal conclusions in the Complaint. Fowler v. UPMC Shadyside, 578 F.3d 203, 210-11 (3d Cir. 2009).

III. Discussion

Defendants argue I should dismiss because: 1) Plaintiff lacks standing to sue; 2) the Copyright Act's three year limitation period bars Plaintiff's claims; 3) Plaintiff's co-authors authorized Defendants to use and exploit "Club Girl"; 4) the Copyright Act preempts Plaintiff's constructive trust and accounting claims; and 5) any amendment would be futile. Defendants base their Motion in part on a copy of the contract between Underworld and LaFace Records (one of Usher's recording companies). Plaintiff did not append a copy of that contract to his Complaint.

Underworld Contract

Because the contract between Underworld and LaFace Records (“UW agreement”) is outside the Complaint, I may consider it at the Rule 12 stage only if it is a “matter[] of public record” or “an undisputed authentic document” that is central to Plaintiff’s claims. Pension Benefit Guar. Corp. v. White Consol. Indus. Inc., 998 F.2d 1192, 1196 (3d Cir. 1993). Defendants argue that the agreement is an authentic document that is integral to Plaintiff’s claims. (*Doc. No. 23 at 5-6 n.2.*)

Plaintiff does not challenge the document’s authenticity. (*Doc. No. 30 at 35-38.*) Thus, I must decide whether the document is central to Plaintiff’s claims. Although the agreement was not attached to the Complaint, Plaintiff repeatedly referred to the creation of a contractual relationship between the “Trio” and Defendants. (*Doc. No. 2, at ¶¶ 304-315.*) The UW agreement represents this contractual relationship, which is at the heart of this dispute. Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 433 (1984) (infringement claim must be based on unauthorized use of disputed material).

Accordingly, I will consider the UW agreement.

A. Count I

Defendants argue that Plaintiff lacks standing under the Copyright Act, because he has not registered “Club Girl” or “Bad Girl” under the Act. (*Doc. No. 23, at 18-19.*) In a copyright infringement action, the plaintiff has standing if he has preregistered or registered his copyright claim in accordance with the Copyright Act or has applied for copyright and been refused (unless the claim arises from a violation of the author’s rights). 17 U.S.C. § 411 (2008). Here, Plaintiff contends he has a valid copyright registration: the copyright registered by Barton. (*Doc. No. 30 at 28.*)

Although the Third Circuit has not addressed whether a co-author's copyright registration can provide another author with the right to sue under the Copyright Act, other courts have recognized this right when the copyrighted item is a joint work. These courts hold that, "if one of several authors took out the copyright in his own name upon a joint work, the copyright was valid, but the copyright owner held it upon a constructive trust for the other authors." Edward B. Marks Music Corp. v. Jerry Vogel Music Co., Inc., 140 F.2d 266 (2d Cir. 1944); see also Novak v. Nat'l Broadcasting Co., 724 F. Supp. 141 (S.D.N.Y. 1989) (if a copyright is registered in the name of one co-author, it holds the copyright in trust for the other, and both have standing to sue for infringement); C&C Entertainment, Inc., v. Rios-Sanchez, 208 F. Supp. 2d 139, 142 (D. Puerto Rico 2002) (same); Corbello v. DeVito, 844 F. Supp. 2d 1136, 1163 (D. Nevada 2012) (same). The Copyright Act defines a "joint work" as "a work prepared by two or more authors with the intention that their contribution be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101.

Having alleged that "Club Girl" is a joint work of which he was a co-author, Plaintiff alleged sufficient facts to confer standing. Accordingly, I **DENY** Defendants' Motion to Dismiss, Count I.

B. Count II

Under the Copyright Act, a plaintiff must commence a civil action within three years from the date that the claim was accrued. 17 U.S.C. § 507(b). The accrual date depends on which part of the infringement claim the plaintiff asserts: ownership or unauthorized copying. See Kay Berry, Inc. v. Taylor Gifts, Inc., 421 F.3d 199, 203 (3d Cir. 2005) (to establish a copyright infringement claim, plaintiff must show "(1) ownership of a valid copyright; and (2) unauthorized copying of original elements of the plaintiff's work"); see also Kwan v. Schlein,

624 F.3d 224, 229 (2d Cir. 2011) (applying different tests to ownership and unauthorized copying).

Defendants argue that the Copyright Act's three year limitation period bars Plaintiff from establishing an ownership claim. (*Doc. No. 23, at 19-23.*) Ownership is only an issue under the limitations period if there is a question of (1) who wrote the material, or (2) who owns a copyright of the material. Kwan, 634 F.3d at 229. The Parties do not dispute that Plaintiff co-authored the song, and as I have explained, Plaintiff has alleged sufficient facts to make out ownership of a valid copyright through the constructive trust created by Barton's copyright registration. Accordingly, because ownership is not an issue at this early stage, Plaintiff's claim is not time-barred.

Accordingly, I **DENY** Defendants' Motion to Dismiss, Count II.

C. Count III

Defendants allege that they are not liable for copyright infringement, because they were authorized to use "Club Girl" by the UW agreement and the Plaintiff's implied conduct.

Generally, "anyone who is authorized by the copyright owner to use the copyrighted work in a way specified in the statute... is not an infringer of the copyright with respect to such use." Sony Corp., 464 U.S. at 433. "As a result, '[a] license is a defense to a claim of copyright infringement.'" Lowe v. Loud Records, No. CIV.A. 01-1797, 2003 U.S. Dist. LEXIS 21234, at *8 (E.D. Pa. Nov. 20, 2003) (quoting Keane Dealer Servs., Inc., v. Harts, 968 F. Supp. 9444, 947 (S.D.N.Y. 1997)). Authorization to create a license depends on the type of license granted: exclusive or non-exclusive. If the license is exclusive, it must be in writing, and signed by all the authors. Davis v. Blige, 505 F.3d 90, 100 n.10 (2d Cir. 2007). A non-exclusive or implied license need not be written. See 17 U.S.C. §§ 101, 204 (excluding non-exclusive licenses from the type

of licenses that need to be in writing); *MacLean Assoc. v. WM. M. Mercer-Meideinger-Hansen*, 952 F.3d 769, 799 (3d Cir. 1991).

Non-exclusive vs. Exclusive License

Defendants claim that the co-authors of “Club Girl” granted them a non-exclusive license under the UW agreement to use the song for Usher’s album. (*Doc. No. 23, at 23.*) Plaintiff argues that the UW agreement created an exclusive license. (*Doc. No.30, at 35-36.*) At this early stage, there is not enough information about the UW Agreement to determine whether the license is exclusive or non-exclusive.

Implied License

Defendants also allege that they received an implied contract based on the co-authors’ conduct. (*Doc. No. 23 at 23.*) A non-exclusive implied license can be created when “the creator of a work at a defendant’s request ‘hand[s] it [the work] over, intending that defendant copy and distribute it.’” *MacLean Assoc. v. WM. M. Mercer-Meidinge-Hansen*, 952 F.2d 769, 779 (3d Cir. 1991) (quoting *Effects Assocs. Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir. 1990)). It may also be created through circumstances signaling consent, such as mere permission or lack of objection. *Lowe v. Loud Records*, 126 Fed. App’x. 545, 547 (3d Cir. 2005). The Parties have not extensively addressed this issue, nor can I, at this early stage determine whether the actions of Plaintiff or any of his co-writers created an implied contract.

Accordingly, I **DENY** Defendants’ Motion for Dismissal, Count III.

D. Count IV

Defendants argue that the Copyright Act preempts Plaintiff’s constructive trust claim and accounting claim.

Under § 301 of the Copyright Act, a state law claim may be preempted if it creates the

rights “equivalent” to the exclusive rights within the scope of copyright. Orson, Inc. v. Miramax Film Corp., 189 F.3d 377, 382 (3d Cir. 1999); see also 17 U.S.C. § 301(a) (proving that “all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright... [and that] come within the subject matter of copyright... are governed exclusively by this title”). To determine whether a state law claim is preempted, I must apply a two part “functional” test:

(1) ‘[W]hether the work is the appropriate subject matter of a copyright’ as specified in 17 U.S.C. §§ 102 and 103 and (2) ‘whether the state law creates rights equivalent to the exclusive rights protected by the Copyright Act’ as set forth in 17 U.S.C. § 106.

Giordano v. Claudio, 714 F. Supp. 2d 508, 531 (E.D. Pa. 2010) (quoting MSC Servs., Inc. v. Johnsen, No. CIV.A. 01-4430, 2002 WL 32348500, at *5 (E.D. Pa. Aug. 13, 2002)). If both requirements are not met, the state cause of action survives. Gemel Precision Tool Co., Inc., v. Pharma Tool Corp., No. CIV.A. 94-5305, 1995 WL 71243, at *20-21 (E.D. Pa. Feb. 13, 1995).

Constructive Trust

Generally, the Copyright Act preempts constructive trust claims, as long as the underlying claim and the copyright claim derive from the same actions. Sullivan Associates, Inc. v. Dellots, Inc., No. CIV.A. 97-5457, 1997 WL 778976, at * 6 (E.D. Pa. Dec. 17, 1997); Fyk v. Roth, No. 94-3826, 1995 WL 290444, at *4 (E.D. Pa. May 24, 1995). Here, Plaintiff bases his constructive trust claim on the “illegally received money” that was “attributable to the infringement of Plaintiff’s copyrights.” (*Doc. No. 2, at 64, ¶¶ 442-43.*) The language of Plaintiff’s constructive trust claim thus explicitly confirms that its gravamen comes within the subject matter of copyright law, meeting the first prong of the test.

The second prong is also met. Plaintiff claims that he is entitled to a constructive trust as

a result of “Defendants’ wrongful infringement of Plaintiff’s copyright...” (*Id.* at 65, ¶ 445.) Plaintiff bases his constructive trust allegations on the same conduct he uses to support his copyright claims. (*See id.* at 60, ¶ 423 (“Defendants’ copying... constituted infringements of Plaintiff’s copyright”).) Accordingly, the constructive trust right is equivalent to the rights afforded by the Copyright Act, meeting the second prong of the functional test. Thus, Copyright Act preempts Plaintiff’s constructive trust claim.

Accounting Claim

The Copyright Act also typically preempts accounting claims that are based on the underlying copyright infringement claims. See Steven B. Golden Assoc., Inc., v. Blitz Art Prods., Inc., Nos. CIV.A. 96-2620, CIV.A. 96-6865, 1998 WL 288330, at *4 (E.D. Pa. June 1, 1998) (Plaintiff’s demand for accounting was preempted if based on substantive claims that were preempted). Like Plaintiff’s constructive trust claims, Plaintiff’s accounting claims meet both prongs of the “functional” test. Plaintiff’s demands for an accounting due to the “profits and gross receipts arising from or attributable to Defendants’... infringement of Plaintiff’s copyright,” arise from Plaintiff’s contentions that Defendants infringed on his copyright. (*Doc. No. 2, at 65, ¶ 448.*) Plaintiff’s accounting claims are more appropriately addressed through his copyright claims, which provide an equivalent right. Thus, the Copyright Act preempts Plaintiff’s accounting claims.

Accordingly, I **GRANT** Defendants’ Motion to dismiss Plaintiff’s state law constructive trust and accounting claims.

IV. Conclusion

For these reasons, I will grant Defendants' Motion to Dismiss as to Count IV and deny it as to Counts I, II, and III.

AND NOW, this day of 25th of September, 2012, it is hereby **ORDERED** that Defendants' Motion to Dismiss (*Doc. No. 23*) is **GRANTED IN PART** and **DENIED IN PART**.

It is further **ORDERED** that Count IV of the Complaint is **DISMISSED**.

It is further **ORDERED** that Defendants' Motion to Dismiss is otherwise **DENIED**.

IT IS SO ORDERED.

/s/ Paul S. Diamond

Paul S. Diamond, J.