

News Release

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Justices Breyer, Kennedy, Roberts Align with DRI Amicus in Dissenting View in Petrella v. Metro-Goldwyn-Mayer, Inc.

Issue of Unreasonable Delay in Filing of Copyright Suit Regarding the film Raging Bull

CHICAGO – (May 22, 2014)—In a 6–3 opinion, the Supreme Court issued its decision in *Petrella v. Metro-Goldwyn-Mayer, Inc., et al.* (No. 12-1315), reversing the Ninth Circuit's decision regarding the equitable defense of laches in copyright litigation. In *Petrella*, an author's heir filed an action for copyright infringement, unjust enrichment, and accounting against the defendant movie production and distribution companies, alleging that the defendants infringed her purported interest in a book and screenplays that allegedly formed the basis for the 1980 motion picture *Raging Bull*. The district court granted summary judgment to the defendants, holding that Petrella's claims were barred by the equitable defense of laches given her failure to file suit until 18 years after she became aware of the potential claims. The Ninth Circuit affirmed.

DRI's amicus brief in support of respondents, advocated that the Ninth Circuit's decision be affirmed. In DRI's view, the non-statutory defense of laches should be available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations prescribed by Congress. DRI maintained that the Copyright Act was enacted against a backdrop of law suggesting that laches is available as a defense regardless of whether the plaintiff seeks legal or equitable relief and regardless of whether it bars a claim brought within an applicable statute of limitations.

The majority opinion, authored by Justice Ginsburg, rejected MGM's arguments on "the contemporary scope of the laches defense," noting, first, that the Court had "never applied laches to bar in their entirety claims for discrete wrongs occurring within a federally prescribed limitations period." The majority further found that "there is nothing untoward" about a copyright holder who waits "to see whether an infringer's exploitation undercuts the value of the copyrighted work, has no effect on the

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original work, or even complements it." Finally, the majority held that the doctrine of estoppel is available in situations where "a copyright owner engages in intentionally misleading representations concerning his abstention from suit, and the alleged infringer detrimentally relies on the copyright owner's deception"

Justice Breyer joined by Justice Kennedy and Chief Justice Roberts dissented, saying in part, "This Court has read laches into statutes of limitations otherwise silent on the topic of equitable doctrines in a multitude of contexts.... Unless Congress indicates otherwise, courts normally assume that equitable rules continue to operate alongside limitations periods, and that equity applies both to plaintiffs and to defendants.... The Court today comes to a different conclusion. It reads §507(b)'s silence as preserving doctrines that lengthen the period for suit when equitable considerations favor the plaintiff (e.g., equitable tolling), but as foreclosing a doctrine that would shorten the period when equity favors the defendant (i.e., laches).

DRI brief author Mary Massaron Ross of Plunkett Cooney (Bloomfield Hills, MI) is available for interview or expert comment through DRI's Communications Office.

For the full text of the amicus brief, <u>click here</u>.

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