

No. 20–17397

**In the United States Court of Appeals
for the Ninth Circuit**

GREG KIHN, AN INDIVIDUAL, AND RYE BOY MUSIC, LLC,
A CALIFORNIA LIMITED LIABILITY CO., PLAINTIFFS-APPELLEES

v.

BILL GRAHAM ARCHIVES LLC, A DELAWARE LIMITED LIABILITY CO.,
DBA WOLFGANG’S VAULT, *ET AL.*, DEFENDANTS-APPELLANTS

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
CALIFORNIA, CASE NO. 4:17-CV-05343-YGR, HON. YVONNE GONZALES ROGERS

**BRIEF FOR THE CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA AS *AMICUS CURIAE* IN
SUPPORT OF DEFENDANTS-APPELLANTS AND REVERSAL**

BRIAN M. WILLEN
*Wilson Sonsini
Goodrich & Rosati, PC
1301 Ave. of the Americas
New York, NY 10019*

TARA S. MORRISSEY
JENNIFER B. DICKEY
*U.S. Chamber Litigation Center
1615 H Street, N.W.
Washington, DC 20062
(202) 463-5337*

STEFFEN N. JOHNSON
Counsel of Record
PAUL N. HAROLD
*Wilson Sonsini
Goodrich & Rosati LLP
1700 K Street, N.W.
Washington, DC 20006
(202) 973-8000
sjohnson@wsgr.com*

DAVID H. KRAMER
LAUREN GALLO WHITE
*Wilson Sonsini
Goodrich & Rosati, PC
650 Page Mill Road
Palo Alto, CA 94304*

Counsel for Amicus Curiae

CORPORATE DISCLOSURE STATEMENT

Pursuant to Federal Rule of Appellate Procedure 26.1, the undersigned counsel certifies that The Chamber of Commerce for the United States of America has no outstanding shares or debt securities in the hands of the public, and it does not have a parent company. No publicly held company has a 10% or greater ownership interest in *amicus curiae*.

/s/ Steffen N. Johnson _____

Steffen N. Johnson

Counsel for Amicus Curiae

TABLE OF CONTENTS

	Page
CORPORATE DISCLOSURE STATEMENT	i
TABLE OF AUTHORITIES	iii
STATEMENT OF INTEREST OF <i>AMICUS CURIAE</i>	1
INTRODUCTION AND SUMMARY OF ARGUMENT	3
ARGUMENT	4
I. Rule 23 imposes rigorous requirements that must be satisfied before a class may be certified.	4
II. Copyright infringement claims frequently require substantial individualized inquiries and rarely are suited for class treatment under Rule 23.....	7
A. Ownership	8
B. Registration	12
C. Authorization, license, and consent	12
D. Damages	16
E. Fair use	18
III. Because common questions do not predominate, the district court should not have certified the classes in this case.....	20
A. Individual issues unique to the Composer Class.....	20
B. Individual issues unique to the Performer Class	24
C. Individual issues affecting both classes	25
IV. Improper class actions impose substantial costs on the business community.	27
CONCLUSION.....	29
CERTIFICATE OF COMPLIANCE	
CERTIFICATE OF SERVICE	

TABLE OF AUTHORITIES

Cases

<i>ABKCO Music, Inc. v. Sagan</i> , 2018 WL 1626527 (S.D.N.Y. Mar. 30, 2018).....	9
<i>Am. Express Co. v. Italian Colors Rest.</i> , 570 U.S. 228 (2013).....	5
<i>Amchem Prods., Inc. v. Windsor</i> , 521 U.S. 591 (1997).....	6
<i>Amgen Inc. v. Conn. Ret. Plans & Tr. Funds</i> , 568 U.S. 455 (2013).....	6
<i>Asset Mktg. Sys., Inc. v. Gagnon</i> , 542 F.3d 748 (9th Cir. 2008)	12
<i>AT&T Mobility LLC v. Concepcion</i> , 563 U.S. 333 (2011).....	27
<i>Auscape Int’l v. Nat’l Geographic Soc’y</i> , 2003 WL 23531750 (S.D.N.Y. July 25, 2003).....	7
<i>Estate of Berlin v. Stash Records, Inc.</i> , 1996 WL 374176 (S.D.N.Y. July 2, 1996).....	7, 14
<i>Campbell v. Acuff-Rose Music, Inc.</i> , 510 U.S. 569 (1994).....	19
<i>Comcast Corp. v. Behrend</i> , 569 U.S. 27 (2013).....	1, 4, 5, 6
<i>Coopers & Lybrand v. Livesay</i> , 437 U.S. 463 (1978).....	2, 27
<i>Cosmetic Ideas, Inc. v. IAC/Interactivecorp.</i> , 606 F.3d 612 (9th Cir. 2010)	17
<i>Cruson v. Jackson Nat’l Life Ins. Co.</i> , 954 F.3d 240 (5th Cir. 2020)	23

Derek Andrew, Inc. v. Poof Apparel Corp.,
528 F.3d 696 (9th Cir. 2008)17

Effects Assocs., Inc. v. Cohen,
908 F.2d 555 (9th Cir. 1990)12, 14

Falcon Enters. v. Publishers. Serv., Inc.,
438 F. App'x 579 (9th Cir. 2011)14

Feist Publ'ns., Inc. v. Rural Tel. Serv. Co.,
499 U.S. 340 (1991).....8

Fitzgerald Publ'g Co. v. Baylor Publ'g Co., Inc.,
807 F.2d 1110 (2d Cir. 1986)16

Foad Consulting Grp., Inc. v. Musil Govan Azzalino,
270 F.3d 821 (9th Cir. 2001)15

Football Assoc. Premier League Ltd. v. YouTube. Inc.,
297 F.R.D. 64 (S.D.N.Y. 2013)3, 4, 7, 19, 21, 22

Fourth Estate Pub. Benefit Corp. v. Wall-Street.com,
139 S. Ct. 881 (2019).....12

Jackson v. Sturkie,
255 F. Supp. 2d 1096 (N.D. Cal. 2003).....26

Lenz v. Universal Music Corp.,
815 F.3d 1145 (9th Cir. 2016)18

Lindsey v. Normet,
405 U.S. 56 (1972).....2

Louis Vuitton Malletier, S.A. v. Akanoc Sols., Inc.,
658 F.3d 936 (9th Cir. 2011)18, 26

Marya v. Warner/Chappell Music, Inc.,
131 F. Supp. 3d 975 (C.D. Cal. 2015)11

Mattel, Inc. v. Walking Mountain Prods.,
353 F.3d 792 (9th Cir. 2003)19

In re Napster, Inc. Copyright Litig.,
2005 WL 1287611 (N.D. Cal. June 1, 2005).....22

Oddo v. Ries,
743 F.2d 630 (9th Cir. 1984)12

Olean Wholesale Grocery Coop., Inc. v. Bumble Bee Foods LLC,
__ F.3d __, 2021 WL 1257845 (9th Cir. Apr. 6, 2021).....6, 27

Ownbey v. Morgan,
256 U.S. 94 (1921).....2

Palmer Kane LLC v. Scholastic Corp.,
2012 WL 2952898 (S.D.N.Y. July 16, 2012).....13, 14, 23

Peer Int’l Corp. v. Pausa Records, Inc.,
909 F.2d 1332 (9th Cir. 1990)17, 25

Perfect 10, Inc. v. Giganews, Inc.,
847 F.3d 657 (9th Cir. 2017)3

Resnick v. Copyright Clearance Ctr., Inc.,
2003 WL 22176619 (D. Mass. Sept. 22, 2003).....7

Shady Grove Orthopedic Ass’ns., P.A. v. Allstate Ins. Co.,
559 U.S. 393 (2010).....27

Sony Corp. of Am. v. Universal City Studios, Inc.,
464 U.S. 417 (1984).....18

Stewart v. Abend,
495 U. S. 207 (1990).....19

Taylor v. Sturgell,
553 U.S. 880 (2008).....5

Tresona Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n,
953 F.3d 638 (9th Cir. 2020)19

True Health Chiropractic, Inc. v. McKesson Corp.,
896 F.3d 923 (9th Cir. 2018)16

<i>Tyson Foods, Inc. v. Bouaphakeo</i> , 577 U.S. 442 (2016).....	6
<i>Utopia Entm’t, Inc. v. Claiborne Par.</i> , 2006 WL 8435006 (W.D. La. Jan. 10, 2006)	7
<i>Wal-Mart Stores, Inc. v. Dukes</i> , 564 U.S. 338 (2011).....	5, 21, 25
<i>WB Music Corp. v. Rykodisc</i> , 1995 WL 631690 (E.D. Pa. Oct. 26, 1995)	7
<i>Wu v. Pearson Educ. Inc.</i> , 2012 WL 6681701 (S.D.N.Y. Dec. 21, 2012)	7, 14
<i>Wu v. Pearson Education, Inc.</i> , 277 F.R.D. 255 (S.D.N.Y. 2011)	14
Statutes	
17 U.S.C. § 107	19
17 U.S.C. § 201	11
17 U.S.C. § 411(a)	12
17 U.S.C. § 412	12, 18
17 U.S.C. § 412(2)	17, 26
17 U.S.C. § 501(b)	8
17 U.S.C. § 504(c)(1).....	16, 25
17 U.S.C. § 1101	24
17 U.S.C. § 1101(a)	15
Other Authorities	
37 C.F.R. § 201.3	23
Adeola Adele, <i>Dukes v. Wal-Mart: Implications for Employment Practices Liability Insurance</i> , FINPro Focus (July 2011).....	28

Carlton Fields, 2020 Carlton Fields Class Action Survey (2020),
available at <https://ClassActionSurvey.com>27, 28

Fed. R. Civ. P. 231, 2, 4, 5, 7, 27

Fed. R. Civ. P. 23(b)(3).....1, 6, 26

Fed. R. Civ. P. 23(f).....2, 4

Harry Fox Agency, *Songfile Terms of Use*,
<https://www.harryfox.com/#/terms-of-use>21

Henry J. Friendly, *Federal Jurisdiction: A General View* (1973).....27

Melville B. Nimmer & David Nimmer,
 1 *Nimmer on Copyright* (2021).....8, 11

Michael Parrish, *More bands are ‘bootlegging’ own concerts*,
 Chicago Tribune (May 18, 2003)15

3 W.B. Rubenstein, *Newberg on Class Actions* (5th ed. 2013).....7

U.S. Chamber Institute for Legal Reform, *Do Class Actions Benefit
 Class Members? An Empirical Analysis of Class Actions* (Dec.
 2013), *available at* <https://bit.ly/3rrHd29>28

U.S. Copyright Office Circular 22, *How to Investigate the Copyright
 Status of a Work*, <http://www.copyright.gov/circs/circ22.pdf>.....9

U.S. Copyright Office Circular 12, *Recordation of Transfers and
 Other Documents*, <http://www.copyright.gov/circs/circ12.pdf>9

U.S. Copyright Office, *Copyright and the Music Marketplace, A
 Report of the Register of Copyrights* (Feb. 2015),
[http://copyright.gov/policy/musiclicensingstudy/copyright-and-the-
 music-marketplace.pdf](http://copyright.gov/policy/musiclicensingstudy/copyright-and-the-music-marketplace.pdf).....8, 9, 10, 21

U.S. Copyright Office, *Request a Search Estimate*,
https://www.copyright.gov/forms/search_estimate.html.....22

U.S. Copyright Office, *Termination of Transfers and Licenses under
 17 U.S.C. § 203*, <http://www.copyright.gov/docs/203.html>10

STATEMENT OF INTEREST OF *AMICUS CURIAE*¹

The Chamber of Commerce of the United States of America is the world's largest business federation. It represents approximately 300,000 direct members and indirectly represents the interests of more than three million companies and professional organizations of every size, in every industry sector, from every region of the country. An important function of the Chamber is to represent the interests of its members in matters before Congress, the Executive Branch, and the courts. To that end, the Chamber regularly files *amicus* briefs in cases that raise issues of concern to the nation's business community.

This is such a case. The Chamber's members have a strong interest in promoting fair and predictable legal standards, and they are particularly likely to be defendants in putative class actions. The Chamber's members depend on courts to apply "a rigorous analysis" to putative class actions to ensure that "Rule 23(b)(3)'s predominance criterion" has been satisfied before any class is certified. *Comcast Corp. v. Behrend*, 569 U.S. 27, 33-34 (2013) (citations omitted). Rule 23 is informed by both historical and contemporary due process norms designed to ensure that representative litigation proceeds only when the plaintiff's claims are genuinely representative of the claims of the non-parties (today, "absent class members"), such that

¹ All parties consented to the filing of this brief. No counsel for a party authored this brief in whole or in part. No one other than the amicus, its members, or its counsel made a contribution intended to fund the brief's preparation or submission.

any defense good against a non-party is good against the representative, and vice versa. Limiting class action litigation in this manner safeguards not only defendants’ “right to be heard” on every claim (*Ownbey v. Morgan*, 256 U.S. 94, 111 (1921)), but also the chance to “present every available defense” (*Lindsey v. Normet*, 405 U.S. 56, 66 (1972))—fundamental mandates of both Rule 23 and the due process principles it embodies.

The district court did not conduct the rigorous analysis called for by Rule 23 here, and if not reversed the costs of that decision will ultimately be felt throughout the economy. Defendants like Bill Graham Archives faced with the specter of potentially crushing class litigation “may find it economically prudent to settle and to abandon a meritorious defense”—simply to avoid the “potential damages liability and litigation costs” (*Coopers & Lybrand v. Livesay*, 437 U.S. 463, 476 (1978)), which may be “ruinous” (Fed. R. Civ. P. 23(f) Advisory Comm.’s Notes to 1998 Amendments). Ultimately, it is ordinary citizens who will pay—in the form of fewer employment opportunities and higher prices.

INTRODUCTION AND SUMMARY OF ARGUMENT

A litigant’s right to raise any and all claims and defenses is deeply rooted in American law. In class actions, this means parties have the right to raise any claim or defense specific to the individual class members. That right cannot be subverted through class certification. The district court’s certification order here lost sight of that bedrock principle. If allowed to stand, that order threatens to upend the ability of defendants to adequately defend themselves against copyright claims.

A copyright infringement lawsuit is “a specific lawsuit by a specific plaintiff against a specific defendant about specific copyrighted [works],” not a “lawsuit against copyright infringement in general.” *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657, 673 (9th Cir. 2017). Because the legal and factual disputes underlying copyright infringements are highly individualized, “[g]enerally speaking, copyright claims are poor candidates for class-action treatment.” *Football Assoc. Premier League Ltd. v. YouTube. Inc.*, 297 F.R.D. 64, 65 (S.D.N.Y. 2013).

As many courts have recognized, “[b]y their very nature, copyrightable works of art are each unique, and what infringes one work will probably have no effect upon another.” *E.g., id.* at 67. Copyright infringement claims typically present a host of highly individualized issues—including copyright ownership, registration, license, whether infringement actually occurred, and fair use—that “must be re-

solved upon facts which are particular to that single claim of infringement, and separate from all the other claims.” *Id.* at 65–66. As a result, class copyright proceedings generally do “not simplify or unify the process of [judicial] resolution, but multiply its difficulties over the normal one-by-one adjudications of copyright cases.” *Id.* at 66.

For these reasons, copyright infringement class actions should be the exception, not the rule. This case does not fall outside that paradigm. The district court certified two distinct classes—one for copyright infringement claims by the owners of musical compositions, the other for “bootlegging” claims by musicians whose live performances were recorded—only by hand-waiving away a bevy of highly individualized issues that will predominate over whatever common issues might exist. The result is dangerous not just for Bill Graham Archives—which now faces potentially ruinous litigation—but also for many other potential copyright defendants who face the prospects of unwarranted classwide litigation. This Court was right to accept the Rule 23(f) petition, and it should now reverse the misguided certification of those classes.

ARGUMENT

I. Rule 23 imposes rigorous requirements that must be satisfied before a class may be certified.

Class actions are “an exception to the usual rule that litigation is conducted by and on behalf of the individual named parties only.” *Comcast*, 569 U.S. at 33

(citation omitted). To ensure that this exception is properly limited, Rule 23 “imposes stringent requirements for certification that in practice exclude most claims.” *Am. Express Co. v. Italian Colors Rest.*, 570 U.S. 228, 234 (2013). These requirements provide crucial “procedural safeguards,” grounded in constitutional principles of due process, that must be satisfied before plaintiffs may take advantage of the class-action device. *Taylor v. Sturgell*, 553 U.S. 880, 901 (2008). In addition to protecting due process rights, these safeguards ensure that class actions do not “violate[] the Rules Enabling Act by giving plaintiffs and defendants different rights in a class proceeding than they could have asserted in an individual action.” *Tyson Foods, Inc. v. Bouaphakeo*, 577 U.S. 442, 458 (2016).

When plaintiffs seek to certify a class, they must prove (among other things) that class members have claims presenting at least one “common question[]” that, if adjudicated on a classwide basis, would “resolve an issue that is central to the validity of each one of the claims in one stroke.” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 350 (2011). It is not enough for a putative class action to raise “common ‘questions’”; rather, the proposed class must “generate common *answers* apt to drive the resolution of the litigation.” *Id.* (quoting Richard A. Nagareda, *Class Certification in the Age of Aggregate Proof*, 84 N.Y.U. L. Rev. 97, 132 (2009)).

If that requirement is satisfied, the named plaintiffs must then satisfy a “far more demanding” requirement: proving that the common questions they have identified “predominate” over individual ones. *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591, 622–24 (1997). Courts must “take a ‘close look’ at whether common questions predominate.” *Comcast*, 569 U.S. at 34. The “focus of the predominance inquiry” is on whether the class is “sufficiently cohesive to warrant adjudication by representation.” *Amgen Inc. v. Conn. Ret. Plans & Tr. Funds*, 568 U.S. 455, 469 (2013). Rule 23(b)(3) predominance “requires that questions of law or fact be shared by substantially all the class members, and these common questions must be superior in strength or pervasiveness to individual questions within the class.” *Olean Wholesale Grocery Coop., Inc. v. Bumble Bee Foods LLC*, __ F.3d __, 2021 WL 1257845, at *11 (9th Cir. Apr. 6, 2021).

In taking a “close look” at predominance, district courts “must perform a ‘rigorous analysis’ to determine whether this exacting burden has been met before certifying a class.” *Id.* at *4. This rigorous analysis requires “‘judging the persuasiveness of the evidence presented’”—both “for and against certification”—as well as “resolv[ing] all factual and legal disputes relevant to class certification.” *Id.* (quoting *Ellis v. Costco Wholesale Corp.*, 657 F.3d 970, 982 (9th Cir. 2011)). When a district court “fails to adequately determine predominance was met *before* certifying the class,” that district court “abuses its discretion.” *Id.* That is the situation here.

II. Copyright infringement claims frequently require substantial individualized inquiries and rarely are suited for class treatment under Rule 23.

Applying these Rule 23 principles, courts have generally recognized that “copyright claims are poor candidates for class-action treatment.” *Premier League*, 297 F.R.D. at 65.² The underlying premise of adjudicating an entire class’s claims in a single aggregate trial is that “all of the issues in the case [including defenses] are common to all of the members of the class, and hence one unitary trial suffices.” 3 W.B. Rubenstein, *Newberg on Class Actions*, § 11.2 (5th ed. 2013).

Copyright infringement claims, however, invariably raise a bevy of substantial individualized inquiries and defenses that are not amenable to class treatment. In most such cases, there are “facts peculiar to each protected work and each claimed infringement,” including facts bearing on the “validity and ownership of the copyright, its licensing to and the authorization of the party asserting it (including by way of implied licenses and equitable estoppels) and amount of injury and damages, as well as the over-arching questions of substantial similarity and fair use.” *Premier League*, 297 F.R.D. at 66.

² See also *Wu v. Pearson Educ. Inc.*, 2012 WL 6681701 (S.D.N.Y. Dec. 21, 2012); *Utopia Entm’t, Inc. v. Claiborne Par.*, 2006 WL 8435006 (W.D. La. Jan. 10, 2006); *Resnick v. Copyright Clearance Ctr., Inc.*, 2003 WL 22176619 (D. Mass. Sept. 22, 2003); *Auscape Int’l v. Nat’l Geographic Soc’y*, 2003 WL 23531750 (S.D.N.Y. July 25, 2003); *Estate of Berlin v. Stash Records, Inc.*, 1996 WL 374176 (S.D.N.Y. July 2, 1996); *WB Music Corp. v. Rykodisc*, 1995 WL 631690 (E.D. Pa. Oct. 26, 1995).

A. Ownership

Under the Copyright Act, only “[t]he legal or beneficial owner of an exclusive right under a copyright” may sue for infringement. 17 U.S.C. § 501(b). And “ownership of a valid copyright” is the first element of a prima facie claim for infringement. *Feist Publ’ns., Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

Ownership often presents significant individualized questions, however. Accurately identifying the owners of copyrighted works is often difficult. There is no comprehensive database of all ownership information. In many instances, such information is completely lacking. But even where some information is available, there are many difficult-to-resolve issues such as: co-ownership; transfers; assignments; death of an owner; and exercise of reclaim and reversion rights. *See generally* Melville B. Nimmer & David Nimmer, 1 *Nimmer on Copyright* §§ 6, 10 (2021).

Ownership cannot be easily established from the records of the U.S. Copyright Office. “Copyright registration is not mandatory, and so registration records are far from complete.” U.S. Copyright Office, *Copyright and the Music Marketplace, A Report of the Register of Copyrights* (Feb. 2015) at 62–63, <http://copyright.gov/policy/musiclicensingstudy/copyright-and-the-music-marketplace.pdf>, at 62. Furthermore, “even when a work has been registered, the registration record is static and thus will not reflect a change in ownership.” *Id.* at 63.

Making matters worse, ownership of compositions changes “often.” U.S. Copyright Office Circular 12, *Recordation of Transfers and Other Documents*, at 1, <http://www.copyright.gov/circs/circ12.pdf>. Indeed, ownership can even change “[d]uring the course of th[e] litigation.” *ABKCO Music, Inc. v. Sagan*, 2018 WL 1626527, at *1 n.1 (S.D.N.Y. Mar. 30, 2018) (substituting a new party that had acquired works previously owned by a plaintiff). Recording transfers of copyrights with the Copyright Office is entirely “voluntary,” and often not done. *Recordation of Transfers and Other Documents*, at 1. The Copyright Office acknowledges that its records of assignments and transfers of ownership “are far from complete.” *Copyright and the Music Marketplace*, at 63. Moreover, “due to the historical separation of the registration and recordation systems,” “information about recorded documents” is not “reliably linked to registration records.” *Id.*

The Copyright Office itself thus explains that its records “cannot be regarded as conclusive in all cases.” U.S. Copyright Office Circular 22, *How to Investigate the Copyright Status of a Work*, at 3, <http://www.copyright.gov/circs/circ22.pdf>. Those records may be inaccurate for many reasons, including but not limited to the Office’s inability to track all assignments, co-ownership agreements, and reversion rights (i.e., when a license or transfer of certain rights in a copyrighted work expires or is terminated such that those rights revert back to the grantor, or the grantor’s

heirs). *See* U.S. Copyright Office, *Termination of Transfers and Licenses Under 17 U.S.C. § 203*, <http://www.copyright.gov/docs/203.html>.

For musical compositions in particular, the Register of Copyrights has detailed the “lack of publicly accessible, authoritative identification and ownership data.” *Copyright and the Music Marketplace* at 123. That is because “it is difficult to identify and keep track of musical work ownership due to changes when musical works and catalogs change hands,” and “[f]urther complicating the situation is that the rights to musical works are often split among multiple songwriters, with differing publishers and [performing rights societies], making musical work data harder to track and maintain.” *Id.* at 123. “Unlike sound recordings—which are typically wholly owned by an individual label—many musical works are controlled by two, three or even more publishers.” *Id.* at 163.

Recent litigation over *Happy Birthday to You* illustrates the challenges. *See Marya v. Warner/Chappell Music, Inc.*, 131 F. Supp. 3d 975 (C.D. Cal. 2015). In that litigation (and for decades before it began), Warner/Chappell claimed a copyright in the composition, contending that the original authors, who wrote the song around the turn of the last century, held onto the common law rights for decades and then transferred them to Warner/Chappell’s predecessor publishing company, which registered the copyright in 1935. *Id.* at 981. The plaintiff argued that the registration was invalid, contending that the lyrics may have been written by someone else, that

the common law rights were lost due to general publication or abandonment before registration, and that the rights were never transferred from the authors to the publishing company. *Id.* at 984. The district court ruled that Warner/Chappell’s predecessor “never acquired the rights to the *Happy Birthday* lyrics,” and that as a result Warner/Chappell did not own the copyright. *Id.* at 1003. But resolving that threshold issue alone was a highly complex and individualized undertaking.

Ownership issues are also relevant to determining the existence of a license. *See infra* at 13–16. A license may depend on the relationship between the alleged infringer and the work’s owner—and, as discussed below, the existence of a license defeats the copyright claim. But one cannot begin to determine whether there is a license until one knows who owns the work. For example, if an alleged infringer has a blanket license covering “all works owned by Greg Kihn,” then it will be impossible to determine if a work is covered by that license without first knowing whether Greg Kihn owns the work.

Fractional rights make the threshold question of ownership still more complex. Copyright ownership is divisible (17 U.S.C. § 201), and “each co-owner has an independent right to use or license the use of the copyright” (*Oddo v. Ries*, 743 F.2d 630, 633 (9th Cir. 1984); *see* 1 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 6.10 (2006)). Thus, courts may need to determine *all* of the owners of a given

work to determine whether *any one* of those owners has licensed or authorized the alleged infringer.

B. Registration

Beyond the question of ownership itself, a copyright owner is not permitted to bring an infringement claim unless and until “registration [of the work] . . . has been made” with the U.S. Copyright Office. 17 U.S.C. § 411(a); *see Fourth Estate Pub. Benefit Corp. v. Wall-Street.com*, 139 S. Ct. 881, 886 (2019). If a work is not registered, then it cannot be the basis for a copyright infringement claim or membership in the Composer Class. Registration is also a prerequisite to an award of statutory damages or attorneys’ fees. 17 U.S.C. § 412. These issues too must be resolved on a work-by-work basis.

C. Authorization, license, and consent

In addition to the many issues affecting ownership, copyright infringement claims often turn on issues of authorization and license. Many licenses are express and in writing, but licenses “need not be in writing, and may be granted orally or by implication.” *Asset Mktg. Sys., Inc. v. Gagnon*, 542 F.3d 748, 754 (9th Cir. 2008). Licenses “may even be implied from conduct.” *Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir. 1990). Determining whether an alleged infringer had a license or other form of authorization to reproduce, distribute, or otherwise exploit

any specific musical composition thus requires multiple factual as well as legal inquiries, all of which are highly individualized.

To begin with, it is necessary to determine whether the work was expressly licensed, which can occur through numerous available mechanisms. Express licenses come in various shapes and sizes—they could include a work-specific written authorization from the copyright owner or a blanket license from a publisher or its representative. Assessing whether an effective license was secured for any individual work through any of these means may require third-party testimony and other evidence from the licensor. Accordingly, other courts have declined to certify classes of composers, for example, because each one “would have to provide independent proof . . . of what activities defendants engaged in which violated its particular copyright[, including] whether or not defendants obtained a license.” *E.g., Estate of Berlin*, 1996 WL 374176, at *1–2.

Even where defendants rely on form licenses, the presence of individualized license terms or negotiation history can cut against class certification. In *Palmer Kane LLC v. Scholastic Corp.*, for example, the court explained that even if there is “a form license . . . with form terms used across a class, common issues will not necessarily outweigh individual ones when those terms must still be individually interpreted.” 2012 WL 2952898, at *9 (S.D.N.Y. July 16, 2012). Because the licenses there were “a product of negotiations,” and interpreting their terms would

“involve a review of representations” made during those negotiations, the inquiry was “not suited for class action litigation.” *Id.* Similarly, in *Wu v. Pearson Education, Inc.*, the court initially ruled that the presence of individual license agreements did not defeat certification because “the claims here require the interpretation of a single provision that varies little in its form from contract to contract” (277 F.R.D. 255, 265 (S.D.N.Y. 2011)), but later decertified the class when new information emerged about the many varied “layers of individually negotiated contractual arrangements and courses of dealing” (2012 WL 6681701, at *7).

In addition, even if there is no evidence of an express license, there may well be facts demonstrating an implied license to use a particular work. As this Court and others have repeatedly held, that sort of implied license can arise from “course of conduct, and custom and practice”—fact-intensive inquiries that often turn on questions of knowledge and intent. *See Foad Consulting Grp., Inc. v. Musil Govan Azzalino*, 270 F.3d 821, 828 (9th Cir. 2001); *see also Effects Assocs.*, 908 F.2d at 558 (nonexclusive licenses may “be implied from conduct”); *Falcon Enters. v. Publishers Serv., Inc.*, 438 F. App’x 579, 581 (9th Cir. 2011) (implied license where work was “delivered to a recipient with the intent that the recipient copy and distribute it”).

In the case of the “bootlegging” claims at issue here, the authorization issue presents an additional wrinkle. The relevant statute requires that the allegedly unlawful conduct, typically the recording of a live performance, occurred “without the consent of the performer or performers involved.” 17 U.S.C. § 1101(a). This inquiry is necessarily specific to each performer, if not each performance. An artist’s decision to consent to the recording of a given live performance does not speak to whether the performer consents to the recording of another live performance. And even where the issue is undisputed concerning a given performer (say, because there is a blanket consent), that says nothing about whether some *other* performer consents to the recording of some *other* performance. Artists like Greg Kihn may take one view on bootlegged recordings. Other artists take a different view. For example, performers like “Pearl Jam, whose fans always ha[ve] been allowed to tape its shows,” permit or even encourage recording of their live performances. Michael Parrish, *More bands are ‘bootlegging’ own concerts*, Chicago Tribune (May 18, 2003), <https://www.chicagotribune.com/news/ct-xpm-2003-05-18-0305180395-story.html>. And the Grateful Dead famously encouraged fan recordings, “establishing a special taping section in each venue at which they performed.” *Id.*

For each performer and performance at issue, therefore, a separate and distinct factual analysis is needed, often requiring testimony or other historical evidence

from numerous individuals. In similar contexts, this Court has found that such individualized disputes over consent defeat predominance. *E.g.*, *True Health Chiropractic, Inc. v. McKesson Corp.*, 896 F.3d 923, 932 (9th Cir. 2018) (TCPA case holding that “consent defenses . . . based on individual communications and personal relationships” were “enough to support denial of class certification”).

D. Damages

Beyond these liability questions, damages issues in copyright litigation—whether the case involves actual damages and profits or statutory damages—require substantial individualized inquiries.

Actual damages and profits are, by definition, work- and infringement-specific. But even where class representatives seek only statutory damages on behalf of the class, individualized questions still remain. The Copyright Act provides for a range of statutory damages, to be determined “as the court considers just.” 17 U.S.C. § 504(c)(1). The factors that a court must evaluate to determine the correct amount—which must be awarded per infringed work—include: (i) the expenses saved and the profits reaped by the infringers; (ii) revenues lost by the owner of the work; and (iii) the value of the copyright. *Fitzgerald Publ’g Co. v. Baylor Publ’g Co., Inc.*, 807 F.2d 1110, 1117 (2d Cir. 1986). As this Court has held, “In measuring the damages, the court is to be guided by what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like.”

Peer Int'l Corp. v. Pausa Records, Inc., 909 F.2d 1332, 1336 (9th Cir. 1990) (quotation marks omitted). The circumstances presented by each individual work, copyright owner, and infringement can mean materially different statutory damages calculations when spread across a putative class.

In addition, the availability of statutory damages for each composition at issue will turn on a composition-specific comparison between when the alleged infringement first occurred and when that work was effectively registered with the Copyright Office—i.e., when a complete copyright application was submitted to the government. *See Cosmetic Ideas, Inc. v. IAC/Interactivecorp.*, 606 F.3d 612, 621 (9th Cir. 2010). That is because the Copyright Act prohibits statutory damages (and attorneys' fees) for “any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.” 17 U.S.C. § 412(2). Thus, the availability of statutory damages for any given work requires an inquiry into the work's effective registration date, and may require determining when the alleged infringement of that work first “commenced”—another case-by-case inquiry. *See Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 700–701 (9th Cir. 2008) (“*the first act of infringement* in a series of ongoing infringements of the same kind marks the commencement of one continuing infringement

under § 412,” which “furthers Congress’ intent to promote the early registration of copyrights”).

Another damages-related issue that arises if liability is established is willfulness. Proving willfulness requires showing “(1) that the defendant was actually aware of the infringing activity, or (2) that the defendant’s actions were the result of reckless disregard for, or willful blindness to, the copyright holder’s rights.” *Louis Vuitton Malletier, S.A. v. Akanoc Sols., Inc.*, 658 F.3d 936, 944 (9th Cir. 2011) (citation and quotation marks omitted). Willfulness requires individualized assessments because the circumstances surrounding the use of the work or licensing or other defenses likely varies by work and alleged infringement.

E. Fair use

Fair use is yet another highly individualized issue that frequently arises in copyright litigation. “[A]nyone . . . who makes a fair use of the work is not an infringer of the copyright with respect to such use.” *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 433 (1984). “Fair use is not just excused by the law, it is wholly authorized by the law.” *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1151-52 (9th Cir. 2016).

Fair use requires weighing at least four fact-specific factors: “(1) the purpose and character of the use . . . [;] (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole;

and (4) the effect of the use upon the potential market for or value of the copyrighted work.” 17 U.S.C. § 107. As this Court has explained, a determination of fair use requires “a case-by-case analysis and a flexible balancing” of these factors. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 800 (9th Cir. 2003). “Depending on the particular facts, some factors may weigh more heavily than others.” *Id.*; accord *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578–79 (1994) (fair use factors only provide “general guidance” and must be “explored” and “weighed together, in light of the purposes of copyright”). Nor is that surprising, as the doctrine is designed “to avoid rigid application of the copyright statute” where “it would stifle the very creativity which that law is designed to foster.” *Stewart v. Abend*, 495 U.S. 207, 236 (1990). Fair use analysis thus requires courts to “closely examine the particular facts”—it is “factually driven” (*Tresona Multimedia, LLC v. Burbank High Sch. Vocal Music Ass’n*, 953 F.3d 638, 648 (9th Cir. 2020)) and calls for “case-by-case analysis” (*Campbell*, 510 U.S. at 577) that is uniquely ill-suited for class treatment.

* * *

In sum, copyright infringement claims present individualized factual and legal inquiries that, generally speaking, make them “poor candidates for class-action treatment.” *Premier League*, 297 F.R.D. at 65.

III. Because common questions do not predominate, the district court should not have certified the classes in this case.

This case involves exactly the sort of individualized inquiries that often arise in copyright cases. Yet the district court erroneously certified two distinct classes—a so-called Composer Class³ and a Performer Class.⁴ Issues core to both classes—including ownership, authorization and license, and damages—require extensive individualized inquiries that should have defeated class certification. The district court swept these difficulties under the rug. This Court should reverse.

A. Individual issues unique to the Composer Class

Ownership. For the Composer Class, the district court erred in finding that that ownership was “susceptible to common proof.” 1-ER-18. The district court based this finding on its belief that the class members could “readily” establish their copyright ownership from “the records of the Copyright Office.” *Id.* The district court envisioned that “identification of the owners of the registered compositions c[ould] be accomplished simply by comparing the catalog of recordings offered by

³ The Composer Class is defined as “All owners of the musical compositions encompassed in sound recordings and audiovisual works of non-studio performances reproduced, performed, distributed, or otherwise exploited by Defendants during the period from September 14, 2014, to the present.” 1-ER-37.

⁴ The Performer Class is defined as “All persons whose non-studio live musical performances are captured in the recordings of sounds or sounds and images which have been reproduced, performed, distributed, or otherwise exploited by Defendants during the period from September 14, 2014, to the present.” 1-ER-38.

defendants with the Copyright Office records.” *Id.* But ownership must be established work by work, not in “one stroke.” *Dukes*, 564 U.S. at 350.

As explained above, not even the Copyright Office thinks its records can readily or simply establish ownership, especially for musical works. The district court asserted that ownership could be established from the records of “third-party licensing rights agencies” (1-ER-18), but these are not “a comprehensive licensing resource,” and they “do not warrant the accuracy or completeness of the information they provide (perhaps because they are relying upon representations by third parties concerning authorship and ownership).” *Copyright and the Music Marketplace*, at 64.⁵ Moreover, even if the records were comprehensive and accurate, that would not make ownership subject to common proof: who owns a given work is typically an individualized question that is distinct for each work and requires a separate showing by each individual rightsholder.

By the district court’s logic, copyright ownership would never present significant individualized questions. Yet other courts have found precisely the opposite: that “each claim presents particular factual issues of copyright ownership.” *Football*

⁵ The Harry Fox Agency’s Songfile database, for example, disclaims any warranty for “the accuracy or completeness” of its data and it also warns that “the copyright ownership information shown for a musical composition or sound recording may not reflect actual copyright ownership of such musical composition or sound recording, or may no longer be current.” Harry Fox Agency, *Songfile Terms of Use*, <https://www.harryfox.com/#/terms-of-use> (last accessed April 25, 2021).

Ass'n Premier League Ltd., 297 F.R.D. at 67. Even the rare courts that have certified classes recognize that “proof of ownership . . . ultimately requires a work-by-work inquiry.” *In re Napster, Inc. Copyright Litig.*, 2005 WL 1287611, at *7 (N.D. Cal. June 1, 2005). The district court erred as matter of law in finding otherwise.

Registration. The district court likewise missed the mark in suggesting that, because copyright registration can be established from “Copyright Office records,” it weighs in favor of certification. 1-ER-18. No matter where the evidence of copyright registrations is maintained, establishing that each work that is part of the class was actually registered (and when) still requires individualized inquiries. Each work typically has its own registration certificate, which can establish the registration of that work—and no others. Further, contrary to the district court’s suggestion, searching the Copyright Office’s records is not a trivial burden. The Copyright Office charges \$200 per hour for a search report (37 C.F.R. § 201.3), and it estimates that preparing a single search report “may take from 6–12 weeks, depending on the length and complexity of the search requested.” U.S. Copyright Office, *Request a Search Estimate*, https://www.copyright.gov/forms/search_estimate.html (last accessed April 25, 2021). The district court’s cursory analysis wrongly gave no consideration to these difficulties.

Authorization and License. The district court also erred in concluding that issues of authorization and license for the Composer Class “weigh[ed] in favor of

finding a predominance of common issues.” 1-ER-22. According to the court, defendants had offered only three buckets of evidence to substantiate their license defense: “(1) the dozen or so Acquisition Agreements, substantially identical in their relevant terms; (2) the three Exploitation Agreements with the major record labels, also substantially similar in their key terms; and (3) a statement that they have paid royalties to the music publishing rights organizations for exploitation of all compositions.” 1-ER-21–22. The court characterized this evidence as a “limited universe of documents, with substantially identical material terms.” 1-ER-35. That was a gross oversimplification.

Even with “form terms used across a class, common issues will not necessarily outweigh individual ones when those terms must still be individually interpreted.” *Palmer Kane LLC*, 2012 WL 2952898, at *9. Individualized issues will predominate where there is relevant “extrinsic evidence” or differences in the governing “state [contract] law.” *Cruson v. Jackson Nat’l Life Ins. Co.*, 954 F.3d 240, 255 (5th Cir. 2020) (vacating class certification and discussing how “[p]redominance in form contract cases may be defeated”). Defendants pointed to the Acquisition Agreements, the Exploitation Agreements, and “several hundred individual agreements” with which the district court never grappled. Dkt. 110 at 5. Further, Defendants argued that extrinsic evidence bore on the interpretation of these agreements. Dkt. 108 at 29–30. Yet the district court failed to analyze whether any extrinsic evidence or

state-law differences might require individualized inquiries, or to address defendants' implied license arguments—failures that warrant reversal.

B. Individual issues unique to the Performer Class

Consent. The Performer Class's claims require them to show that the recordings were made "without the consent of the performer or performers involved" (17 U.S.C. § 1101)—another necessarily individualized inquiry. The recordings here involve thousands of works and live performances, meaning the inquiry into consent will require examining each performer's memory as to the creation of the recordings. 1-ER-94. Any individual member of the Performer Class who in fact consented to the recording would have no claim. This reality should have cut powerfully against class certification.

The district court tried to avoid this problem by shifting the burden of proving consent to defendants, stating: "section 1101 claimants need only establish that they are performers in the recording and that defendants exploited the recording by reproducing copies and trafficking in them. The burden then shifts to defendants to plead and establish that the recording was made, and copies reproduced, with effective consent and authorization of the performers." 1-ER-34. Whatever the merits of this burden-shifting approach, it did not justify class certification or transform an individualized inquiry into a collective one. Even assuming, *arguendo*, the defend-

ant bears the burden of proving consent, that showing would still require individualized and context-specific evidence, possibly including testimony from each performer concerning each recording, as well as other documents revealing the circumstances by which numerous different recordings were made. None of this is amenable to class treatment. Indeed, the district court's approach threatens to do exactly what class certification is not supposed to do: deprive defendants of their right to put on "defenses to individual claims." *Dukes*, 564 U.S. at 367.

C. Individual issues affecting both classes

Damages. For both classes, the district court in three sentences brushed aside concerns that damage determinations would raise significant individualized issues. 1-ER-23. By its lights, "[d]amage calculations can be managed as part of a class action," and "calculation of a statutory damage rate for the violations is straightforward." *Id.* The court's authority for its conclusion that statutory damages are "straightforward" was the statute itself, not the actual, developed case law applying it. *Id.* (citing 17 U.S.C. § 504(c)(1)). But as that case law confirms, calculating statutory damages is far from straightforward—and certainly not a matter of common proof.

Statutory damages depend on "what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like." *Peer Int'l Corp.*, 909 F.2d at 1336. What's more, in cases like this one, courts often focus

on the royalties that the infringer avoid paying—an amount likely to vary with each work. *See Jackson v. Sturkie*, 255 F. Supp. 2d 1096, 1102–103 (N.D. Cal. 2003). Additionally, statutory damages are unavailable for unregistered works or for “infringement of copyright commenced . . . before the effective date of [the work’s] registration”—adding yet more individualized issues about “the effective date” of registration and the date “infringement . . . commenced.” 17 U.S.C. § 412(2).

Finally, the court reserved judgment on whether willfulness could be “established on a classwide basis,” concluding that “[r]esolution of the issue is not essential to whether common questions predominate.” 1-ER-24. A finding of willfulness requires knowledge of infringement, recklessness, or willful blindness. *Louis Vuitton*, 658 F.3d at 944. Given the wide variety of circumstances surrounding Defendants’ acquisition and licensing of the live music recordings at issue, individualized issues bearing on willfulness would swamp any common issues. The district court erred in not concluding that willfulness weighed against Rule 23(b)(3) predominance.

* * *

For all these reasons, it is clear that each putative class member’s infringement claim requires numerous legal and factual inquiries specific to each composition and recording. Here, those individualized inquiries—ownership, registration, authorization and license, consent, and damages, among others—are extensive and plainly

predominate over common issues. The district court failed to take a “close look” at these issues and to conduct the “rigorous analysis” required by Rule 23. *Olean Wholesale Grocery Coop.*, 2021 WL 1257845, at *4. The two classes certified below should not have certified.

IV. Improper class actions impose substantial costs on the business community.

The failure to rigorously police class actions imposes substantial harms on both the business community and the general public. Class-action litigation costs in the United States are huge. They totaled a staggering \$2.64 billion in 2019, continuing a rising trend that started in 2015. *See* 2020 Carlton Fields Class Action Survey, at 4 (2020), *available at* <https://ClassActionSurvey.com>. Moreover, defendants in class actions face tremendous pressure to capitulate to what Judge Friendly termed “blackmail settlements.” Henry J. Friendly, *Federal Jurisdiction: A General View* 120 (1973). As the Supreme Court long ago explained, “[c]ertification of a large class may so increase the defendant’s potential damages liability and litigation costs that he may find it economically prudent to settle and to abandon a meritorious defense.” *Coopers & Lybrand*, 437 U.S. at 476; *see also AT&T Mobility LLC v. Concepcion*, 563 U.S. 333, 350 (2011) (noting “the risk of ‘in terrorem’ settlements that class actions entail”); *Shady Grove Orthopedic Ass’ns., P.A. v. Allstate Ins. Co.*, 559 U.S. 393, 445 n.3 (2010) (Ginsburg, J., dissenting) (“[A] class action can result in

‘potentially ruinous liability.’”) (quoting Advisory Committee’s Notes on Fed. R. Civ. P. 23).

Class action litigation continues to impose substantial costs on the business community. Class actions can drag on for years even before a court takes up class certification. See U.S. Chamber Institute for Legal Reform, *Do Class Actions Benefit Class Members? An Empirical Analysis of Class Actions*, at 1, 5 (Dec. 2013), available at <https://bit.ly/3rrHd29> (“Approximately 14% of all class action cases remained pending four years after they were filed, without resolution or even a determination of whether the case could go forward on a class-wide basis.”). The cost of defending a single large class action can run into eight or nine figures. Adeola Adele, *Dukes v. Wal-Mart: Implications for Employment Practices Liability Insurance*, FINPro Focus, 1 (July 2011) (noting defense cost of \$100 million).

With these high stakes, it is unsurprising that businesses often elect to settle class actions—even those lacking merit. In 2019, companies reported settling 60.3 percent of class actions, and they settled an even higher 73 percent of class actions the year before. See 2020 Carlton Fields Class Action Survey, *supra*, at 35.

If not reversed, the decision below will exacerbate the costs posed by class litigation. Watering down the predominance requirement encourages courts to elide individualized aspects of claims for the convenience of using a class vehicle, making it harder for businesses to present their defenses—as due process requires for all

parties. Meanwhile, the decision will only ratchet up the coercive settlement pressure on class-action defendants who have individualized defenses that a class-action vehicle will not allow them to present.

CONCLUSION

For the foregoing reasons, the district court's class certification order should be reversed.

BRIAN M. WILLEN
*Wilson Sonsini
Goodrich & Rosati, PC
1301 Ave. of the Americas
New York, NY 10019*

TARA S. MORRISSEY
JENNIFER B. DICKEY
*U.S. Chamber Litigation Center
1615 H Street, N.W.
Washington, DC 20062
(202) 463-5337*

Respectfully submitted,

/s/ Steffen N. Johnson
STEFFEN N. JOHNSON
Counsel of Record

PAUL N. HAROLD
*Wilson Sonsini
Goodrich & Rosati LLP
1700 K Street, N.W.
Washington, DC 20006
(202) 973-8000
sjohnson@wsgr.com*

DAVID H. KRAMER
LAUREN GALLO WHITE
*Wilson Sonsini
Goodrich & Rosati, PC
650 Page Mill Road
Palo Alto, CA 94304*

Counsel for Amicus Curiae

APRIL 26, 2021

CERTIFICATE OF COMPLIANCE

This brief complies with the type volume limits permitted by Fed. R. App. P. 29(a)(5). The brief is 6,486 words, excluding the portions exempted by Fed. R. App. P. 32(f). The brief's type size and type face comply with Fed. R. App. P. 32(a)(5) and (6).

Dated: April 26, 2021

By: /s/ Steffen N. Johnson
Steffen N. Johnson

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on April 26, 2021.

I certify that all participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

Dated: April 26, 2021

By: /s/ Steffen N. Johnson
Steffen N. Johnson