

## With 'Raging Bull,' High Court Can Fix Laches Circuit Split

By **Bill Donahue**

*Law360, New York (October 1, 2013, 8:39 PM EDT)* -- In deciding Tuesday to hear a case filed by the daughter of "Raging Bull" author Frank Petrella against Metro-Goldwyn-Mayer Inc., the U.S. Supreme Court gave itself a great chance to clean up some widely inconsistent case law: the application of the doctrine of laches in copyright infringement cases.

Laches is an equitable defense that bars plaintiffs from suing after an unreasonable delay that prejudices the defendant. But the Copyright Act has its own three-year statute of limitations that restarts with each fresh infringement, and circuit courts haven't been particularly clear on how the two time limits mesh.

Last year, the Ninth Circuit said Paula Petrella was barred by laches from challenging MGM's sale of derivative versions of the 1980 Oscar-winning film that her father co-wrote — even for infringement claims based on brand-new DVDs that fell well within the three-year statute of limitations.

But as one of the Ninth Circuit's judges noted in a side opinion at the time — and as Petrella noted in her petition to the high court in May — the West Coast circuit's pro-laches stance in copyright cases isn't exactly a universal interpretation.

On the far other end, the Fourth Circuit has ruled that no laches defense is available at all, and that any claim brought within the Copyright Act's statute of limitations isn't time-barred. The Sixth Circuit has said it takes compelling circumstances to allow laches, while the Eleventh has said it requires "extraordinary" ones. The Second has said the doctrine can bar prospective relief, but not retrospective.

"The circuit split here is unusual in that it's so extreme," said Bennett A. Bigman, an entertainment partner with Los Angeles-based Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor LLP. He said the situation was "absolutely ripe" for the high court's decision to take it on Tuesday.

"It creates problems, because the case law depends merely on where your case is brought," Bigman said. "It encourages forum shopping."

In urging the justices not to take the case, MGM and co-defendant 20th Century Fox Home Entertainment LLC had argued that the circuit split was illusory, that the differing rulings were merely different outcomes based on varied "facts and circumstances of each case."

Though the high court doesn't announce why it grants or denies petitions of writ of certiorari, the fact

that it took the case would certainly indicate that the justices think the uncertainty caused by the varying decisions is a split worth tackling.

"If they really didn't believe there was a split in the circuits, they wouldn't have taken it," said Glenn G. Pudelka, a copyright attorney with Edwards Wildman Palmer LLP. "If they really thought it was just that the facts and circumstances justified different results, I don't know if they would have granted cert."

Winning a trip to the high court is certainly a victory for the plaintiffs, but the case isn't a slam-dunk reversal. Attorneys said the court was more likely to come down strongly on one side than issue a ruling that allows for continued uncertainty, but both parties have strong cases for how laches should be approached.

For example, Petrella waited 19 years to bring her lawsuit after first discovering that she could regain her father's rights and wield control over derivative works, during which time MGM spent large sums of money to market and sell Raging Bull. She now effectively wants the court to rule that she still had a right to sue for things like a special-edition Blu-ray released in 2009, even after admitting that she refrained from filing suit because the film was not yet profitable.

Petrella's argument for reversal is more fundamental: that Congress prescribed the time limit for copyright claims and set it at three years, and that under the constitutional separation of powers, courts should not be allowed to apply judicial doctrines that constrict that explicit legislative provisions.

Whichever way the justices rule — and attorneys polled didn't want to make predictions on how the court would lean — the case has big implications.

"If this laches defense is upheld, it is a very formidable defense that the studios would have to hoist if someone came out of the woodwork, so to speak," said Jonathan B. Sokol, partner at Greenberg Glusker Fields Claman & Machtinger LLP.

On the other hand, if the court sides with Petrella and says no copyright claim can be invalidated based on laches so long as it falls within the three-year window, studios, record labels and other big content producers will have much more to worry about.

"If it's always the possibility that you can at least get three years, I think you'll see more people come out of the woodwork [with infringement cases]," Pudelka said. "If you take away the laches defense, it doesn't help the studios or labels."

--Editing by John Quinn and Katherine Rautenberg.