

Plaintiffs JAMES REID and WILLIAM REID allege as follows:

I

## NATURE OF THE ACTION

- 1. This is an action brought by James Reid and William Reid, two of the founding members of the successful and critically acclaimed alternative musical group The Jesus and Mary Chain ("JAMC"), formed in their native Scotland in 1983, along with Douglas Hart ("Hart"), against Warner Music Group Corp. ("WMG"), the third-largest record company conglomerate in the world, for willful copyright infringement and declaratory relief. This action is brought upon the grounds that WMG, without any viable or tenable legal grounds for doing so, has stubbornly and willfully refused to comply with JAMC's Notice of Termination duly served pursuant to § 203 of the Copyright Act.
- 2. Since the first Copyright Act was enacted in 1790, that Act and the several successive copyright statutes have always had a feature which allows a second chance for authors (or their heirs) to reclaim copyrights from unwise grants made by authors early on in their careers, close to the creation of the works. While the particular features of those laws, and the length of the terms and statutory scheme of the terminations involved, have changed and evolved, the strong "second chance" concept has remained. In fact, the very first act, the Copyright Act of 1790, borrowed that concept from the English Statute of Anne, enacted in 1709, the first copyright law. The theme continued in the Copyright Acts of 1831, 1870, and 1909.
- 3. Likewise, § 203 of the Copyright Act of 1976 modified the Act of 1909 substantially but continued the "second chance" policy with full force. According to the Congressional Record, the purpose of the statute was to protect authors and their heirs from "the unequal bargaining position of authors" in dealing with unpublished works, because of "the impossibility of [an author] determining [his or her] work's prior value until it has been exploited." H.R. Rep. No. 94-1476, at 124 (1976).



Section 203 provides that authors (a term that includes both songwriters and recording artists) may terminate grants of copyright ownership thirty-five (35) years after the initial grant, generally computed from the date of the publication of those works subject to the grant.

4. But while the Copyright Act confers upon authors the valuable "second chance" that they so often need, the authors of sound recordings, in particular, who have attempted to avail themselves of this important protection have encountered not only resistance from many record labels, they have often been subjected to the stubborn and unfounded disregard of their rights under the law and, in many instances, willful copyright infringement.

II

## **JURISDICTION**

- 5. This court has subject matter jurisdiction over this action because it arises under the laws of the United States, 28 U.S.C. § 1331, and more particularly, because it arises under an Act of Congress relating to copyrights, 28 U.S.C. § 1338, namely, the Copyright Act of 1976, as amended, 17 U.S.C. § 101 *et seq*.
- 6. This Court is empowered to issue a declaratory judgment and further necessary or proper relief pursuant to 28 U.S.C. §§ 2201 and 2202.

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## **VENUE**

- 7. Venue is proper in this district pursuant to 28 U.S.C. § 1400(a), in that all of defendants or their agents reside or may be found in this district.
- 8. Venue is also proper in this district pursuant to 28 U.S.C. § 1391(b) in that either: (1) one or more defendants reside in this district, and all defendants reside in this state; (2) a substantial part of the events or omissions giving rise to the claim occurred in this district; or (3) at least one defendant resides in this district, if there



is no district in which the action may otherwise be brought. 2 3 IV **PARTIES** 4 9. 5 Plaintiff JAMES REID a/k/a Jim Reid ("James") is an individual residing in the United Kingdom. 6 Plaintiff WILLIAM REID ("William") is an individual residing in 7 10. 8 Tucson, Arizona. 9 11. Defendant WARNER MUSIC GROUP CORP. ("WMG") is a corporation duly organized and existing under the laws of the State of Delaware, with 10 11 its principal place of business at 777 South Santa Fe Avenue, Los Angeles,

12 13 California.

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caused by each such defendant's acts.

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sued herein as Does 1 through 10, inclusive, and therefore sue these defendants by

such fictitious names. Plaintiffs will amend this Complaint to allege the true names

and capacities of those defendants, when ascertained. Plaintiffs are informed and

believe, and on that basis allege, that each of the fictitiously named defendants is

responsible in some manner or capacity for the wrongful conduct alleged herein, and

that plaintiffs' losses and damages as alleged herein were proximately and/or directly

Plaintiffs are ignorant of the true names and capacities of the defendants

# FACTS COMMON TO ALL CLAIMS

13. After releasing several singles, James, William, and Hart signed to WEA Records Limited ("WEA"), a predecessor of WMG, on March 27, 1985. WEA released the first album by JAMC, entitled *Psychocandy*, on January 21, 1986, to widespread critical acclaim.



- 14. On January 7, 2019, James and William, a majority of the authors of all of the works of JAMC, served a Notice of Termination (the "Notice") upon WMG, and JAMC caused the Notice to be recorded in the United States Copyright Office, on May 8, 2019, as document V9964 D190 P1 through P3. A true and correct copy of the Notice is attached hereto as Exhibit A.
- 15. On December 9, 2020, shortly before the first effective date of termination as set forth in the Notice, Melissa Battino of Rhino Entertainment Company, another company wholly owned by WMG, wrote to JAMC (the "Battino Letter") and stated that it was WMG's position that: (1) WMG "is the owner of the copyrights throughout the world in each of the sound recordings comprising the Noticed Works, and the Notice is not effective to terminate WMG's U.S. rights;" (2) according to the copyright law of the United Kingdom, JAMC "never owned any copyrights in the recordings which [JAMC] could terminate;" and (3) the service of the Notice "may place [JAMC] in breach of [JAMC's] contractual obligations under the 1985 Agreement," and that the matter would need to be decided under the law of the United Kingdom, citing the so-called "Duran Duran Case" of 2016 [Gloucester Place Music Ltd v. Le Bon, EWHC 3091]. A true and correct copy of the Battino Letter is attached hereto as Exhibit B.
- 16. In the Battino Letter, Battino stated, in conclusion, that "Accordingly, your attempt to terminate WMG's rights in and to the Noticed Works is without effect and will have no impact on WMG's continued ownership and exploitation of the Noticed Works in the U.S. pursuant to its rights as outlined above."
- 17. As Battino promised, WMG ignored the effective dates of termination for the first four releases listed in the Notice, all of which had an effective date of termination of January 8, 2021. These four releases are the singles "Never Understand," with b-sides "Suck" and "Ambition," published February 22, 1985, "You Trip Me Up," with b-sides "Just Out of Reach" and "Boyfriend's Dead," published May 24, 1985, "Just Like Honey," with b-sides "Head," "Cracked," and



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