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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

VICTOR WILLIS,

Plaintiff,

SCORPIO MUSIC (BLACK SCORPIO) S.A., CAN'T STOP PRODUCTIONS, INC., AND HENRI BELOLO,

Defendants.

Case No.: 15cv1078 BTM(RBB)

ORDER GRANTING **DEFENDANTS' MOTIONS TO DISMISS**

Defendants Scorpio Music ("Scorpio"), Henri Belolo ("Belolo"), and Can't Stop Productions, Inc. ("CSP"), have filed motions to dismiss the Complaint. For the reasons discussed below, Defendants' motions to dismiss are **GRANTED**.

I. BACKGROUND

In a prior lawsuit, Scorpio Music S.A. v. Willis, Case No. 11cv1557 BTM(RBB), Scorpio and CSP sought a judicial determination regarding the percentage of copyrights to 24 compositions ("24 Disputed Works") that Victor Willis was entitled to recover upon termination of his grants of copyright. Willis filed a counterclaim for a declaratory judgment that Belolo did not contribute to the



authorship of the lyrics or the music of the 24 Disputed Works and that Willis was entitled to recapture 50% of the copyright interests in each of those works. (Willis did not dispute that Jacque Morali composed the music to these works.)

After a jury trial in February 2015, the Court issued a judgment that decreed that Belolo is not a joint author of 13 of the 24 Disputed Works (the "13 Compositions"), including "YMCA," and that Willis has recaptured 50% of the copyrights in those 13 works.

On May 13, 2015, Willis commenced this action. Willis alleges that all financial and business decisions of CSP and its wholly-owned publishing division, Can't Stop Music ("CSM") were solely made by Belolo. (Compl. ¶ 23.) According to Willis, Belolo caused CSP/CSM to utilize a form contract that denominated songwriters that assigned their works to CSP/CSM as "adapters," even though such songwriters routinely created original music and lyrics that were not based upon any previously existing work. (Compl. ¶¶ 28-29.) Belolo also allegedly caused CSP/CSM to enter into a sub-publishing agreement with Scorpio (the "Scorpio Sub-Publishing Agreement"), under which Scorpio licensed allegedly original French songs to CSP/CSM for CSP/CSM to create English language "adaptations" of the alleged French songs. (Compl. ¶¶ 23, 39.) Willis alleges that Belolo engaged in these actions to create a foundation for Belolo's knowingly false claim to authorship of the lyrics of purported "Foreign Works" referred to in the form



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contracts, including the 13 Compositions. (Compl. ¶ 30.)

Belolo, by and through CSP, filed in the United States Copyright Office registrations for each of the 13 Compositions. (Compl. ¶ 40.) The Registrations identify Belolo as a co-author of the lyrics. (Compl. ¶ 43.)

Willis claims that by falsely claiming authorship, Belolo effectively obtained for himself a 50% share of royalties for all usages of the musical compositions governed by the form contract. (Compl. ¶ 31.) Belolo, by and through CSP/CSM caused registrations of the 13 Compositions with SACEM (the French rights organization that administers the collection and distribution of royalties for uses of musical compositions), which has remitted to Belolo a 50% share of royalties pursuant to its policy of remitting a 50% portion of royalties to the author of the underlying original language lyrics for all territories around the world except the United States. (Compl. ¶¶ 35-36.)

Belolo also caused registrations of the 13 Compositions with BMI, the American performing rights organization that administers the collection and distribution of royalties for uses of musical compositions in the United States. (Compl. ¶ 37.) Based on such registrations, BMI has remitted to Belolo a 25% share of nondramatic performance royalties pursuant to its policy of remitting royalties to the author of the underlying original language lyrics. (Compl. ¶ 38.)

Willis alleges that as a result of his fraudulent conduct, Belolo has advanced



his own self-interest to the detriment of Willis and has obtained substantial gains and advantages to which he is not entitled. (Compl. ¶ 40.) Accordingly, Willis asserts the following claims against Defendants: (1) unjust enrichment (against Belolo); (2) conversion (against Belolo); (3) misappropriation (against Belolo), and (4) fraud (against all Defendants).

The Complaint also asserts claims based on allegedly unauthorized dramatic "grand rights" performances of the 13 Compositions, 20 additional compositions, and "Macho Man," by Sixuvus, Ltd. ("Sixuvus"). According to the Complaint, during the three years prior to the commencement of this action, Sixuvus, an entity dominated and controlled by Belolo and CSP, presented grand rights public performances of the songs at issue through the group then performing under the name "Village People." (Compl. ¶ 52.) Willis alleges that CSP authorized third parties including Sixuvus to present the dramatic performances on a royalty-free license basis, charging only for the use of the Village People trademark. (Compl. ¶ 59.) CSP has never reported or paid to Willis proceeds from the dramatic performances. (Compl. ¶ 60.)

Willis asserts the following claims in connection with the dramatic grand rights performances: (1) vicarious copyright infringement (against Belolo); and (2) breach of fiduciary duty (against CSP).



II. DISCUSSION

A. Claims Based on Belolo's False Claim of Authorship

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Willis's first four causes of action (unjust enrichment, conversion, misappropriation, and fraud) are based on Willis's allegations that Belolo, through CSP/CSM, carried out a scheme that allowed Belolo to falsely claim to be an author of the lyrics of the 13 Compositions and thereby obtain credit and royalties, to which he was not entitled, in connection with the exploitation of the works. These claims are barred by the doctrine of res judicata because they could have been brought in the prior action.

The doctrine of res judicata "bars relitigation of all grounds of recovery that were asserted, or could have been asserted, in a previous action between the parties, where the previous action was resolved on the merits." <u>United States ex rel. Barajas v. Northrop Corp.</u>, 147 F.3d 905, 909 (9th Cir. 1998). "It is immaterial whether the claims asserted subsequent to the judgment were actually pursued in the action that led to the judgment; rather, the relevant inquiry is whether they could have been brought." <u>Id.</u>

There are three elements to a successful res judicata defense: (1) an identity of claims; (2) a final judgment on the merits; and (3) privity between the parties.

<u>United States v. Liquidators of European Federal Credit Bank</u>, 630 F.3d 1139, 1150 (9th Cir. 2011). There was a final judgment on the merits in the prior case

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