UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

JAMES MTUME,

Plaintiff,

– against –

SONY MUSIC ENTERTAINMENT,

Defendant.

OPINION AND ORDER

18 Civ. 11747 (ER)

Ramos, D.J.:

James Mtume, a musician, songwriter, activist, and radio personality, brings this action against Sony Music Entertainment ("Sony") seeking declaratory relief. Doc. 31. Before the Court is Sony's motion to dismiss for lack of subject matter jurisdiction pursuant to Federal Rule of Civil Procedure 12(b)(1). Doc. 41. For the reasons stated below, the motion is GRANTED.

I. BACKGROUND

A. Statutory Background

Under the Copyright Act, there are two avenues by which authors, including songwriters, or their successors, can terminate copyright grants. Section 304 of the Act describes a process for terminating grants that were executed prior to 1978 for works that were copyrighted and created as of January 1, 1978. 17 U.S.C. § 304. Section 203 sets forth a termination process for grants that were executed in or after 1978, irrespective of when the work was copyrighted.[1] *Id.* § 203.

Certain works, however, fit into neither category. These are works that were transferred and/or assigned by an agreement dated before January 1, 1978, but were not created until after

[1] Works made for hire are outside the scope of both termination provisions. 17 U.S.C. §§ 203(a), 304(c), 304(d).

this date. They are referred to as "gap works." Similarly, the term "gap grants" refers to pre-1978 agreements that concern works that were not created until 1978 or later. Because § 203 applies only to works with grants that were executed in or after 1978, gap works did not initially fit under § 203's framework. This changed in December 2010, when the Copyright Office opined that § 203 would be the relevant provision for gap grants and allowed termination notices for gap grants to be recorded under this provision. U.S. Copyright Office, *Analysis of Gap Grants under the Termination Provisions of Title 17*, p. i (2010), http://www.copyright.gov/reports/gap-grant-analysis.pdf; 37 C.F.R. § 201.10(f)(1)(ii)(C). In doing so, the Copyright Office noted that the recordation of termination notices was "without prejudice to how a court might ultimately rule on whether any particular document qualifies as a notice of termination within the scope of section 203, consistent with longstanding practices for all notices of termination recorded by the Office." Gap in Termination Provisions, 76 Fed. Reg. 32,316 32,320 (June 6, 2011).[2]

Parties may terminate grants under § 203 five years from "the end of thirty-five years from the date of execution of the grant," but if the grant "covers the right of publication of the work," that five-year period begins "at the end of thirty-five years from the date of publication of the work . . . or at the end of forty years from the date of execution of the grant, whichever term ends earlier." 17 U.S.C. § 203(a)(3). In relevant part, the statute provides that

> The [termination] notice shall state the effective date of the termination, which shall fall within the [specified five-year period], and the notice shall be served not less than two or more than ten years before that date. A copy of the notice shall be recorded in the Copyright Office before the effective date of termination, as a condition to its taking effect.

[2] Courts have yet to address whether § 203 applies to "gap works." Doc. 31 ¶ 3. Though this issue is raised in the case, the Court need not address it at this juncture.

Id. § 203(a)(4)(A). During this two- to ten-year period and after the termination notice has been served, the grantor may only enter into a valid agreement to make a further grant with the original grantee, or with that grantee's successor in title. *Id.* § 203(b)(4).

According to the legislative history, this period was included in the statute to provide the original grantee additional bargaining power. Though this period was referred to as being "in the nature of a 'right of first refusal,'" H.R. Rep. No. 94-1476, at 127 (1976), subsequent cases have clarified that the term "right of first refusal" was used imprecisely. *See Bourne Co. v. MPL Commc'ns, Inc.*, 675 F. Supp. 859, 865 (S.D.N.Y. 1987) ("The statute provides merely that an agreement between the terminating party and the terminated grantee prior to the effective date of termination is the only one that is valid and enforceable against the [terminating party]. The statute does not provide that any agreement negotiated by the terminating party must first be offered on the same terms to the terminated grantee, which is what a right of first refusal, as it is commonly understood, would require."). "The provision does give the terminated grantee,"—in the instant case, Sony—"a preferred competitive position[,] but if the author can afford to wait for competitive offers until after the effective date of termination, he can overcome any advantage the grantee or successor may seek to gain from the preferential position." *Id.* at 865–66 (internal quotation marks and citations omitted); *see also Baldwin v. EMI Feist Catalog, Inc.*, 805 F.3d 18, 26 (2d Cir. 2015) ("This existing-grantee exception was included in the 1976 Act to give the grantee some advantage over others in obtaining the terminated rights." (internal quotation marks and citations omitted)).

B. Factual Background

Mtume is "an award-winning musician, songwriter, activist, and radio personality." Doc. 31 ¶ 7. His instant dispute with Sony involves an eight-song album titled *Juicy Fruit*. *Juicy Fruit* is a "gap work" because it was released in the United States in 1983 pursuant to an

agreement made between Mtume and Zembu Productions, Inc. ("Zembu") in 1977 (the "1977 Agreement"). *Id.* ¶¶ 12–16. According to the 1977 Agreement, Mtume "agreed to render, on an exclusive basis, his services as a recording artist, and to deliver to [Zembu] long playing (LP) record albums consisting of master recordings embodying Mtume's musical performances." *Id.* ¶ 13. As part of the agreement, Mtume also granted Zembu all rights of copyright to these master recordings. *Id.* ¶ 14. Zembu assigned the1977 Agreement to CBS Records, Inc. ("CBS") on August 27, 1979. *Id.* ¶ 15. On June 6, 1983, CBS obtained a copyright registration for all of the recordings on the album. *Id.* ¶¶ 17–18. Sony subsequently acquired CBS in 1987 and became the successor in interest with respect to copyright interests in all of the sound recordings created under the 1977 Agreement, including *Juicy Fruit*. *Id.* ¶ 19.

In July 2015, Mtume sent a termination notice (the "2015 Notice") to Sony regarding two albums—*Kiss the world goodbye* and *In search of the rainbow seekers*—and one song—"Juicy Fruit, pt. 2 (reprise); Juicy Fruit,"[3]—all three of which were created under the 1977 Agreement. *Id.* ¶ 20. Sony subsequently informed Mtume via three separate letters that it believed the 2015 Notice was ineffective for several reasons, including that the sound recordings were works for hire[4] and therefore not subject to termination under the Copyright Act, and that the sound recordings created pursuant to the 1977 Agreement were not subject to termination under § 203 of the Copyright Act, presumably because Sony believes § 203 does not apply to "gap works."

[3] The song "Juicy Fruit, pt. 2 (reprise); Juice Fruit" is a remix single which was released prior to the *Juicy Fruit* album and which is also on the album.

[4] A work made for hire is defined as "a work prepared by an employee within the scope of his or her employment; or a work specially ordered or commissioned for use as a contribution to a collective work." 17 U.S.C. § 101. Section 203 is inapplicable to these works. *Id.* § 203(a).

Id. ¶¶ 21–22. The 2015 Notice is the subject of a related lawsuit between Mtume and Sony currently pending before this Court.[5] *Id.* ¶ 23.

On October 1, 2018, Mtume sent Sony another termination notice, this time in reference to the sound recordings on the *Juicy Fruit* album (the "2018 Notice"). *Id.* ¶ 24. The Copyright Office recorded the Termination Notice on December 19, 2018. *Id.* According to the notice, the effective date of termination is October 9, 2020. *Id.*, Ex. A. Sony has yet to respond to the 2018 Notice.

C. Procedural History

Mtume initiated this action on December 14, 2018 for declaratory relief pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201, *et seq*., and the Copyright Act, 17 U.S.C. § 203. Doc. 1. He subsequently amended the Complaint on June 4, 2019 to indicate that the 2018 Notice had been recorded by the Copyright Office. Doc. 31. Specifically, Mtume requests a declaration that the sound recordings on the *Juicy Fruit* album are terminable pursuant to § 203 of the Copyright Act and that the 2018 Notice is valid and complies with the provisions of 17 U.S.C. § 203.

Sony filed the instant motion to dismiss on August 9, 2019. Doc. 41. It argues that Mtume's request for declaratory judgment is unripe because Sony has yet to respond to the 2018 Notice and therefore has taken no position on its validity. In response, Mtume argues that Sony's position toward the 2015 Notice is sufficient to create a concrete dispute between the parties.

The Court agrees with Sony.

[5] In that case, the Court recently denied Sony's motion to dismiss Mtume's claims under Federal Rule of Civil Procedure 12(b)(6). *Mtume v. Sony Music Entm't*, 18 Civ. 6037 (ER), 2019 WL 4805925 (S.D.N.Y. Sept. 30, 2019). The Court presumes familiarity with the underlying facts in that case.

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