

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- x
JOHN WAITE, an individual, et al.,

Plaintiffs,

-against-

UMG RECORDINGS, INC., et al.,

Defendants.
----- x

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 1-27-2023

19-cv-01091 (LAK)

MEMORANDUM OPINION

Appearances:

Roy W. Arnold
Ryan E. Cronin
Gregory M. Bordo
David M. Perry
Heidi G. Crikelair
Jillian M. Taylor
BLANK ROME LLP

Evan S. Cohen
Maryann R. Marzano
COHEN MUSIC LAW

Attorneys for Plaintiffs

Ariel Atlas
Rollin A. Ransom
Lisa M. Gilford
Lauren M. De Lilly
SIDLEY AUSTIN LLP

Richard S. Mandel
Thomas Kjellberg
COWAN, LIEBOWITZ & LATMAN, P.C.

Attorneys for Defendants

LEWIS A. KAPLAN, *District Judge.*

When Victor Willis co-wrote the lyrics to the “Y.M.C.A.,” he did not expect it to become a cultural icon that would be honored one day as a work of historical significance in the Library of Congress’s National Recording Registry.¹ For decades, most of the profits went to the record labels to which Willis transferred his copyright in exchange for their publishing and commercializing the song.² Years later, however, Willis regained ownership of the copyright

1

Neely Tucker, *National Recording Registry: It’s Victor Willis, Mr. “Y.M.C.A.”!*, Library of Congress, Mar. 25, 2020, <https://blogs.loc.gov/loc/2020/03/national-recording-registry-its-victor-willis-mr-y-m-c-a/>.

2

Larry Rohter, *A Village Person Tests the Copyright Law*, N.Y. Times, Aug. 16, 2011, <https://www.nytimes.com/2011/08/17/arts/music/village-people-singer-claims-rights-to-y-mca.html>; see also *Scorpio Music S.A. v. Willis*, No. 11-cv-1557 (BTM) (RBB), 2012 WL 1598043, at *1 (S.D. Cal. May 7, 2012).

pursuant to Section 203 of the Copyright Act of 1976, which established a limited opportunity for authors and other creators of copyrighted material³ to terminate their prior transfers of copyright.⁴

The recording artists in this putative class action aspire to the same. Plaintiffs are professional musicians who served written notices of termination on UMG Recordings, Inc. (“UMG”) and Capitol Records, LLC (“Capitol”) (collectively, “Defendants”) pursuant to Section 203 to reacquire copyrights in sound recordings they transferred to Defendants’ predecessors in exchange for the predecessors’ agreements to market and sell the recordings.⁵ Upon the effective date of termination in a notice, the grantee becomes the owner of the copyright and holds the exclusive right to reproduce and distribute the recordings.⁶ Plaintiffs allege that Defendants are infringing their copyrights (and those of other artists who also have served termination notices) by continuing to market and sell recordings for which the effective dates of termination have passed. They seek actual and statutory damages and an injunction prohibiting Defendants from infringing on their copyrights.⁷ With respect to recordings for which the effective date of termination has not

3

Under the Copyright Act, audiovisual, literary, musical, dramatic, pantomimic, choreographic, pictorial, graphic, sculptural, and architectural works, as well as sound recordings, are included among “[w]orks of authorship” in which copyright protection may subsist. 17 U.S.C. § 102(a). For ease of expression, this decision refers to all creators of works subject to copyright protection as “authors,” regardless of the media in which they expressed themselves.

4

Larry Rohter, *A Copyright Victory, 35 Years Later*, N.Y. Times, Sept. 10, 2013, <https://www.nytimes.com/2013/09/11/arts/music/a-copyright-victory-35-years-later.html>.

5

Dkt 95 at 3.

6

17 U.S.C. § 106.

7

Dkt 95 at 31.

yet been reached, Plaintiffs seek a similar injunction plus a declaration of certain legal rights and duties of the parties.⁸

The matter is before the Court on Plaintiffs' motion for class certification, their appointment as class representatives, and the appointment of class counsel.⁹

Background

Leonard Graves Phillips, Stan Sobol, Steve Wynn, Dennis Mehaffey, Joel David Pellish, and Susan Straw Harris (collectively, "Plaintiffs") are musicians, singers, and songwriters who entered into recording agreements with Defendants' predecessors in the 1970s and '80s.¹⁰ Phillips and Sobol, founding members of the punk rock band "The Dickies," signed a recording agreement in 1978 with A&M Records Limited ("A&M"), a predecessor of UMG, for their album "Dawn of The Dickies," which consisted of ten sound recordings.¹¹ Wynn, Mehaffey, and Pellish, members of the alternative rock band "Dream Syndicate," signed a recording agreement, also with A&M, in 1983 for their album "Medicine Show," which consisted of eight sound recordings.¹²

8

Dkt 95 at 41.

9

Dkt 149.

10

Dkt 95 at 16-35. Kasim Sulton, originally another plaintiff and proposed class representative in Plaintiffs' motion for class certification (Dkt 150 at 3), is not listed as such here because this Court granted summary judgment dismissing Sulton's copyright infringement claim after Plaintiffs' motion for class certification was filed. Dkt 247.

11

Dkt 150 at 9.

12

Id. at 12.

Straw Harris (“Straw”), a rock singer and songwriter, signed a recording agreement in 1987 with Virgin Records, a predecessor of Capitol, for her first solo album “Surprise,” which consisted of eleven sound recordings.¹³ Each of these agreements granted copyrights in the sound recordings to A&M and Virgin Records, which were passed to UMG and Capitol, respectively.

Such deals are common in the music industry. In theory, artists who wish to release and market their music may do so on their own, without the assistance of record labels. In reality, however, it is impractical for most artists to proceed independently of record labels, which offer the means and resources to market and promote artists’ works and are better positioned to accept the risk that the works might not succeed commercially.¹⁴ Many artists, especially those just starting out in their careers, accordingly tend to have little negotiating power and often relinquish copyright in their works to record labels as part of the bargains they strike for promotion and commercialization. As a result, when a work turns out to be a “hit,” the lion’s share of the profits – along with the exclusive rights to reproduce, distribute, and perform – usually belong to the record label rather than the artist who authored or performed the piece.¹⁵

Recognizing the “the unequal bargaining position of authors,” which results “in part from the impossibility of determining a work’s value until it has been exploited,” Congress enacted

¹³

Id. at 16.

¹⁴

Berklee College of Music, *What does a Recording Artist (or Group) do?*, <https://www.berklee.edu/careers/roles/recording-group-or-band#:~:text=The%20definition%20of%20a%20recording,that%20records%20and%20releases%20music> (last accessed December 19, 2022).

¹⁵

17 U.S.C. § 106.



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.