

May 19, 2003

Charles R. Fulbruge III
Clerk

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 01-20869

ALAMEDA FILMS S A DE C V; CIMA FILMS S A DE CV;
CINEMATOGRAFICA FILMEX S A DE C V; CINEMATOGRAFICA
JALISCO S A DE C V; CINEMATOGRAFICA SOL S A DE C V,

Plaintiffs - Counter Defendants - Appellees
- Cross Appellants,

CINEPRODUCCIONES INTERNATIONAL S A DE C V; CINEVISION S A DE
CV; DIANA INTERNACIONAL FILMS S A DE C V; FILMADORA MEXICANA
S A DE C V; GAZCON FILMS S A DE C V; GRUPO GALINDO S A DE C V;
MIER S A DE C V; ORO FILMS S A DE C V; PELICULAS Y VIDEOS
INTERNACIONALES S A DE C V; PROCINEMA S A DE C V;
PRODUCCIONES EGA S A DE C V; PRODUCCIONES GALUBI S A DE C V;
PRODUCCIONES MATOUK S A DE C V; PRODUCCIONES ROSA PRIEGO S A;
PRODUCCIONES TORRENTE S A DE C V; PRODUCCIONES VIRGO S A
DE C V; VIDEO UNIVERSAL S A DE C V; SECINE S A DE C V;
CUMBRE FILMS S A DE C V,

Plaintiffs - Appellees - Cross Appellants,

v.

AUTHORS RIGHTS RESTORATION CORPORATION INC; MEDIA RESOURCES
INTERNATIONAL LLP; TELEVISION INTERNATIONAL SYNDICATORS INC;
H JACKSON SHIRLEY, III;

Defendants - Counter Claimants - Appellants
- Cross Appellees.

Appeal from the United States District Court for the
Southern District of Texas

Before WIENER, BENAVIDES, and DENNIS, Circuit Judges.

Wiener, Circuit Judge:

Plaintiffs-Appellees-Cross-Appellants Alameda Films, S.A., et

al. (collectively, "the Plaintiffs") are 24 Mexican film production companies that sued Defendants-Appellants-Cross-Appellees Authors Rights Restoration Corp., Inc., Media Resources International, Television International Syndicators, Inc., and H. Jackson Shirley, III (collectively, "the Defendants"), claiming copyright violations in 88 Mexican films that the Defendants distributed in the United States ("U.S."). Following a lengthy and vociferously disputed discovery process and the filing of numerous pre-trial motions, including eight motions filed by the Defendants for partial summary judgment, the district court eliminated from consideration seven of the 88 films in question and conducted a jury trial on the Plaintiffs' claims concerning the remaining 81 Mexican films. The jury returned a verdict for the Plaintiffs on all claims.

On appeal, the Defendants proffer myriad issues, but their principal complaints implicate the district court's (1) determining that production companies, such as the Plaintiffs, can hold copyrights under Mexican law, (2) permitting the Plaintiffs to recover damages for both copyright infringement and unfair competition, and (3) awarding attorney fees and costs to the Plaintiffs. In addition, the Defendants assert a litany of legal and factual errors purportedly committed by the district court during the trial. The Plaintiffs cross-appeal the district court's grant of partial summary judgment to the Defendants on the copyright status of seven of the 88 disputed films. We affirm the district court on all issues advanced on appeal, except for the

quantum of attorneys' fees and costs awarded to the Plaintiffs, which we remand to the district court for a more precise determination, per the Johnson factors,¹ of the Plaintiffs' recoverable fees and costs incurred.

I.
FACTS and PROCEEDINGS

In the mid-1980s, the Defendants began distributing a variety of Mexican films in the U.S. This activity included 88 films that had been produced and released by the Plaintiffs in Mexico during that country's "golden age" of cinema, between the late-1930s and the mid-1950s. The Plaintiffs acknowledge that, at the time the Defendants began distributing these 88 films in the U.S., 69 of them had lost their copyrights here for failure of the authors to comply with U.S. copyright formalities, such as registering and renewing copyrights. According to the Plaintiffs, however, the legal status of these films changed in 1994 when the U.S. adopted the Uruguay Round Agreement Act ("URAA"),² thereby amending the 1976 Copyright Act.³ The URAA eliminated many of the formalities previously required for copyrighting foreign works in the U.S, including registration and notice. The URAA also provided, effective January 1, 1996, for the automatic restoration of

¹ See Johnson v. Georgia Highway Express, Inc., 488 F.2d 714, 717-19 (5th Cir. 1974).

² Pub. L. 103-465, 108 Stat. 4809 (1994).

³ See 17 U.S.C. § 104A (codifying the portion of the URAA pertaining to copyright).

copyrights in various foreign works that had fallen into the public domain in the U.S. as a result of their foreign authors' failure to follow U.S. copyright formalities.⁴

Following Congress's 1994 adoption of the URAA, the Defendants began to obtain assignments of "rights" to the films from some individual "contributors," such as screenwriters and music composers. The Defendants did not, however, contact any of the Plaintiffs to obtain assignments or licenses to these films. The Defendants continued to distribute Mexican films in the U.S. after January 1, 1996, the date on which the U.S. copyrights were automatically restored in those films that were eligible for copyright restoration under the URAA.

In June 1998, the Plaintiffs filed suit in the U.S. District Court for the District of Columbia, alleging that the Defendants violated the Plaintiffs' (restored) U.S. copyrights in the 88 films here at issue. The Plaintiffs also alleged unfair competition by the Defendants in violation of the Lanham Act, as well as several common-law claims. The Defendants filed a counter-claim, and, a few months later, the case was transferred to the Southern District of Texas.

Following discovery, the Plaintiffs filed a motion for partial summary judgment that they were the "authors" of the films under Mexican law and thus held the U.S. copyrights that were restored

⁴ 17 U.S.C. § 104A(a)(1)(A) & (h)(2)(A).

under the URAA. Defendants filed two cross-motions for partial summary judgment, claiming that (1) under Mexican law, only natural persons, such as the individual contributors, and not artificial or juridical persons, such as film production companies, could be "authors"; and (2) seven of the 88 films produced by Plaintiffs were ineligible for copyright restoration under the URAA because these seven had fallen into the public domain in Mexico. The Defendants also filed a motion to dismiss the action and another for partial summary judgment.

The district court eventually denied all motions except one, granting the Defendants' second motion for partial summary judgment concerning the copyright status of the seven particular films that had fallen into the public domain in Mexico. In denying the Plaintiffs' motion for partial summary judgment, the district court acknowledged that interpretation of Mexican copyright law under 17 U.S.C. § 104A is a question of law for determination by the court.⁵ On this question, the district court ruled that film production companies can hold copyrights — a derecho de autor ("author's right") — under the Mexican Civil Code. The district court reserved for trial, though, the disputed issue whether the Plaintiffs had in fact obtained Mexican copyrights in the 81

⁵ See 17 U.S.C. § 104A(2)(b) (noting that a "restored work vests initially in the author or initial rightholder of the work as determined by the law of the source country of the work"). See also FED. R. CIV. P. 44.1 (noting that a "court's determination [of foreign law] shall be treated as a ruling on a question of law").

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