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# Cowan, Liebowitz & Latman, P.C.

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## Litigation News

### **Notable Cases for Our Clients:**

- Persuaded appellate court that Penguin retained the right to publish "The Grapes of Wrath" and other Steinbeck works  
See **Copyright Victory** ..... 1
- Successfully defended against copyright claim by compiler of Dorothy Parker's uncollected poems  
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## Copyright Victory

*Persuaded appellate court that Penguin retained the right to publish "The Grapes of Wrath" and other Steinbeck works*

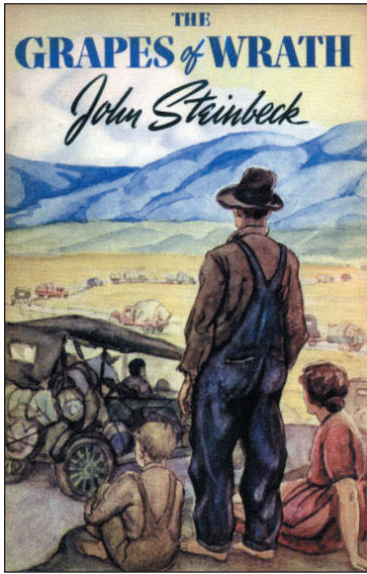
We successfully vindicated the right of our client, Penguin Group, to continue to publish the early works of the Nobel Prize winning John Steinbeck for the entire term of copyright.

In 1938 John Steinbeck entered into a publishing agreement with Penguin's predecessor The Viking Press covering many of his early works, including the iconic *Of Mice and Men* and *The Grapes of Wrath*. When Steinbeck died in 1968, he left his copyrights in the early works to his widow Elaine. In 1994, Elaine Steinbeck and Penguin entered into a

new publishing agreement for the early works, which by its terms "canceled and superseded" all prior agreements, and provided Elaine with substantially improved economic benefits and additional control over the use of the works.

When the current Copyright Act took effect on January 1, 1978, the duration of copyright for any work that was in its renewal term was extended by 19 years, to a term of 75 years from the date copyright was originally secured. In 1998 this was extended by another 20 years, to a term of 95 years from the date copyright

## Copyright Victory *(continued)*



was originally secured. Under two of the three "termination" provisions of the Copyright Act, authors or their specified heirs (spouse, children and grandchildren) are afforded the opportunity to terminate any grants, such as publishing agreements, that were "executed before January 1, 1978," and to take back, for the extended copyright terms, the rights that were granted before 1978.

When Elaine Steinbeck died in 2003, she left her copyright and royalty interests to her children and grandchildren from a previous marriage. In 2004 John Steinbeck's son and granddaughter served Penguin with a termination notice seeking to terminate Steinbeck's grants to Viking under the 1938 publishing agreement. Penguin sued for declaratory judgment that the termination notice was invalid—chiefly because there was no grant "executed before January 1, 1978" to terminate, the 1994 agreement between Penguin and Elaine Steinbeck having explicitly canceled and superseded any such prior agreements.

The district court found otherwise, however, and granted the son and granddaughter's motion for summary judgment. In the district court's view, even if the 1994 agreement was a valid contract (as it unquestionably was), it could be retroactively invalidated because of the

Copyright Act's provision that termination may be effected "notwithstanding any agreement to the contrary." The district court found that "any interpretation of the 1994 Agreement having the effect of disinheriting the statutory heirs to the termination interest ... must be set aside as contrary to the very purpose of the termination statute."

That, we argued, was wrong, and the Second Circuit agreed. To interpret the phrase "agreement to the contrary" so broadly that it would include any valid agreement or arrangement that has the "effect" of eliminating a termination right was not what Congress intended; in fact, as we argued, it would be a recipe for chaos. As the Second Circuit found, Elaine Steinbeck's cancellation and renegotiation of the old agreement "while wielding the threat of termination ... appears to be exactly what was intended by Congress." *Penguin Group (USA) Inc. v. Steinbeck*, 537 F.3d 193 (2d Cir. 2008).

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## Poetic Justice

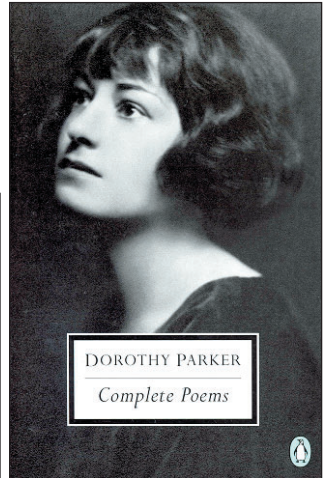
*Successfully defended against a copyright claim by compiler of Dorothy Parker's uncollected poems*

Between 1915 and 1944 the iconic American writer Dorothy Parker wrote over 300 poems. Most of Parker's poems first appeared in magazines and newspapers such as *The Saturday Evening Post*, *Vanity Fair* and *The New Yorker*. Parker had omitted 121 poems from her published collections. In 1994, Stuart Silverstein approached our client, Penguin Group, with a proposal for a book built around the "uncollected" poems. Penguin instead offered Silverstein the opportunity to edit a book it already had in the pipeline, Parker's *Complete Poems*.

Silverstein declined, and took his proposal to another publisher, which published *Not Much Fun: The Lost Poems of Dorothy Parker* in 1996. Meanwhile, Penguin proceeded with the *Complete Poems* project, and secured the rights to publish all of them. Penguin's outside editor assembled the manuscript for *Complete Poems* as anthology manuscripts are customarily assembled: by photocopying pages from earlier publications. When *Not Much Fun* was published, midway through the process, she bought a copy to use as a text source. Penguin then published the first and only complete collection of Parker's poems in 1999.

Silverstein sued in 2001, claiming that the *Complete Poems* volume infringed what he claimed was a "compilation copyright" in the uncollected poems in his book. Silverstein, who had only a nonexclusive license from the NAACP (copyright owner of most of Parker's poems), claimed creativity in and copyright protection for "determining" that the uncollected poems are poems and were written by Parker, and for copyediting them and altering or creating several titles.

In 2003 the New York federal district court entered summary judgment for Silverstein and enjoined Penguin from selling or further distributing *Complete Poems*, beginning an extended fight that ended in total vindication of Penguin's



and the NAACP's rights to publish Parker's poems, and the public's right to read them in one complete volume. The Second Circuit vacated the judgment, holding that an injunction could never be re-imposed in the circumstances here and sent the case back to the district court to nail down whether there was any protectible creativity in Silverstein's "selection." After a seven-day bench trial, the answer was a resounding No.

In a decision of major importance in copyright law, the court dismissed the case and found what we and Penguin had argued from the start: that Silverstein included in *Not Much Fun* all of the uncollected Parker poems that he could find, that "all" is not a selection, and that Silverstein's efforts involved no protectible creativity. *Silverstein v. Penguin Putnam, Inc.*, 522 F. Supp.2d 579 (S.D.N.Y. 2007).

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## Knowing the Urban Marketplace

*Established that a trademark for automobile accessories barred the same mark for hip-hop clothing*



Liz Claiborne Licensing, Inc., owner of the trademark ENYCE for urban lifestyle clothing, opposed an application by Cary Berman to register ENYCE for wheel covers and other automobile accessories. The goods seemed totally unrelated.

However, we submitted evidence that urban lifestyle jewelry often replicates automobile wheels and rims. We also proved that Opposer and others in the clothing industry advertise in urban lifestyle magazines, such as DUB and The Source, which also prominently feature car accessories.

The Trademark Trial and Appeal Board was convinced, deciding that there

was a likelihood of confusion, and finding that "an integral part of the urban lifestyle market is clothing, jewelry, automobiles and automobile accessories."

The Board also set an important trademark precedent by saying that "the mere assertion of an intent to use...without corroboration of any sort...does not establish a bona fide intent to use." It found that Berman lacked a bona fide intent to use the mark since he had failed to provide any documents to support such an intent. *L.C. Licensing, Inc. v. Cary Berman*, Opposition No. 91162330 (T.T.A.B. March 28, 2008).

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## Forced Them to Pay Up, With Interest

*Obtained \$3.3 million award enforcing a promissory note and an employment agreement*

Our client sold his meat purveyor business for cash and a promissory note. When payments came due on the note two years after the sale, the purchaser alleged that our client had fraudulently induced the sale, claiming that the company was insolvent at the time of sale. Our client counterclaimed for the amounts due under the note and other related payments.

After trial, New York's State Supreme Court held that our client had not committed any fraud, and awarded our client approximately \$2,000,000 on the promissory note and \$300,000 for unpaid wages under the accompanying employment agreement. With interest accruing during the course of the litigation, the judgment exceeded \$3.3 million. The court also awarded attorneys fees to our client.

The case twice went to the Appellate Division of the New York Supreme Court, first on issues of the propriety of alleging both fraud and breach of contract arising from the same activities, and second, on issues of the relationship between alleged losses from the operation of the business after the closing and the seller's representations at closing. *J.A.O. Acquisition Corporation v. Jeffrey D. Stavitsky*, Index No. 604798/99 (NY Sup. Ct. 2008).

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# Cleaned Up Vacuum Cleaner Competitor

*Obtained damages for false advertising and copyright infringement*

Our client, Electrolux Home Care Products, Ltd., manufactures the Sanitaire line of commercial vacuum cleaners. In 2005, Imig, Inc. sought damages for interference with business relations resulting from claims of infringement allegedly made to customers for Imig's Perfect vacuum cleaners. Electrolux counterclaimed for false advertising and copyright infringement against both Imig and Nationwide Sale and Services, Inc., Imig's sister company and a former Sanitaire distributor.

The Court awarded Electrolux \$281,153 on its false advertising and copyright infringement counterclaims.

The Court also found for Electrolux on all claims asserted by Imig and held that Imig and Nationwide engaged in false advertising by making baseless claims about the superiority of the motor life and motor strength of the Perfect vacuums as compared to the Sanitaire vacuums. *Imig, Inc. v. Electrolux Home Care Products, Ltd.*, 2008 WL 905898 (E.D.N.Y. 2007).

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## Recent Honors

*CLL was named The National Copyright Firm of the Year 2008 by Managing Intellectual Property.*

*CLL and its lawyers were the recipients of two awards for their pro bono work supporting human rights claims of Guantanamo Bay prisoners:*

- *The National Legal Aid and Defender Association* honored the firm with its 2007 Beacon of Justice Award "in appreciation for pro bono representation provided to detainees at Guantanamo Bay."
- *The Southern Center for Human Rights* also named Ron Meister and Jason Sanders among the recipients of its Human Rights Award for their Supreme Court *amicus* briefs on behalf of the National Institute of Military Justice in the cases of *Rasul v. Bush* and *Boumediene v. Bush*, which helped establish procedural safeguards for prisoners.

*CLL Partners were named in several peer surveys, including:*

- Ten in *The New York Area's Best Lawyers* 2008 Survey in the fields of Intellectual Property, Commercial Litigation and Information Technology
- Fourteen in *The New York Super Lawyers* 2008 Survey in the fields of Intellectual Property Counseling and Litigation, Business Litigation and International Trade.

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*Prior results do not guarantee a similar outcome*