

**Keywords:** Copyright infringement; laches; statute of limitations; 17 U.S.C. §507(b).

**General:** Laches does not bar plaintiff's claim for infringement of copyright in a motion picture screenplay relating to conduct falling within Copyright Act's three-year statute even though plaintiff did not file suit until 18 years after renewing the copyright.

*Petrella v. Metro-Goldwyn-Mayer, Inc. (MGM)*  
No. 12-1315 (U.S. May 19, 2014)

**I. Facts**

After retiring from the ring, boxing champion Jake LaMotta worked with a longtime friend, Frank Petrella, to tell a story about the boxer's career. Frank Patrella wrote a screenplay registered in 1963 identifying himself as the sole author, in collaboration with Jake LaMotta. In 1976, Patrella and LaMotta assigned their rights, including renewal rights, to Chartoff-Winkler Productions. Two years later, United Artist Corporation, a subsidiary of Metro-Goldwyn-Mayer (MGM), acquired rights to the screenplay including all periods of copyright and renewals and extensions. In 1980, MGM released the film *Raging Bull* starring Robert De Niro, who won an Academy Award for his portrayal of LaMotta. Frank Patrella died in 1981, and under the pre-1978 Copyright Act, the Court decided in *Stewart* that heirs inherit renewal rights if an author who has assigned rights away dies before the renewal period. Paula Petrella, heir of Frank Petrella, renewed the copyright in 1991. In 1998, seven years after filing for renewal, Petrella's attorney informed MGM that Petrella had obtained the copyright to the screenplay.

After Petrella threatened legal action and MGM denied infringement, nine years later, Petrella filed a copyright infringement lawsuit. Over the years, MGM continued to spend millions to market the film and converted it into DVD and Blu-ray formats. In 2009, Petrella filed a copyright infringement suit alleging MGM violated and continued to violate her copyright in the 1963 screenplay by using, producing, and distributing *Raging Bull*, a work described as a derivative of that screenplay. Petrella only sought relief for acts of infringement occurring after 2006, because the statute of limitations for copyright claims requires commencement of suit "within three years after the claim accrued." 17 U.S.C. §507(b).<sup>1</sup> MGM moved for summary judgment under the doctrine of equitable laches and argued that waiting 18 years before commencing suit was unreasonable and prejudicial to MGM. The District Court and the Ninth Circuit both held that laches barred Petrella's complaint.

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<sup>1</sup>A claim accrues when a plaintiff has a complete and present cause of action. In other words, the limitation period begins to run at the point a plaintiff can file suit and obtain relief. In copyright law, when a defendant commits successive violations, each time an infringing work is reproduced or distributed, the infringer commits a new wrong. Each wrong gives rise to a discrete claim that accrues at the time the wrong occurs.

## II. Issue

Did the District Court and Ninth Circuit err in determining that laches bars a plaintiff's claim of copyright infringement relating to conduct falling within the three year statute of limitations of 17 U.S.C. §507(b)?

## III. Discussion

Yes. Laches does not bar a Plaintiff's claim for infringement relating to conduct falling within the Copyright Act's three-year statute of limitations. The Court reasoned that the copyright statute itself takes account for the delay in filing. Laches is a defense developed by courts of equity; its principal application is for claims where the Legislature has provided no fixed time limit. As to equitable relief, in extraordinary circumstances, laches may bar the particular relief requested by the Plaintiff.

In oral arguments, the Court asked whether laches could apply where there is a six year statute of limitation. MGM responded that case-specific circumstances could warrant a ruling that a suit brought in year five came too late.<sup>2</sup> The Court notes that nothing in its precedent suggests a doctrine of such sweep to override the Legislature. Quite the contrary, the Court commented that it never applied laches to bar in their entirety claims for discrete wrongs occurring within a federally prescribed limitations period. MGM compares laches to tolling, however, the Court notes that tolling is a rule of interpretation tied to a statute of limitation whereas laches is a guide when there is no rule.

MGM also argued that laches should be available to prevent a copyright owner from waiting to see what the outcome of an alleged infringer's investment will be. Here, Petrella conceded she waited to file because the film was deeply in debt. The Court rejected this argument, noting there is nothing wrong with waiting to see whether an infringer's exploitation undercuts the value of the copyrighted work, has no effect on the original, or even complements it. The Court stated that if the rule were, sue soon or forever hold your peace, copyright owners would have to mount a federal case fast to stop seemingly innocuous infringements.

MGM pointed to the danger that evidence needed or useful to defend against liability can be lost during a copyright owner's inaction. However, the Court noted that the copyright plaintiff bears the burden of proving infringement, and time disadvantages both parties equally. Finally, if a copyright owner engages in intentionally misleading representations and the alleged infringer relies on the copyright owner's deception, the doctrine of estoppel may bar the copyright owner's claims completely. The Supreme Court reasoned that if Petrella ultimately prevails on the merits, the District Court may account for the delays in commencing suit.

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<sup>2</sup> The Court notes that in contrast to the Copyright Act, the Lanham Act for trademarks contains no statute of limitations, and expressly provides for defensive use of equitable principles. Further, the Court notes that it has not reviewed the Federal Circuit's position with respect to the Patent Act in *Aukerman*.

**IV. Breyer dissented, with Roberts and Kennedy**

The dissent found that the majority's decision disables courts from addressing inequity. First, Breyer argued that there could be instances where a defendant earns no money from a derivative work, but after expenses are incurred, it earns profits. Additionally, the plaintiff can sue at regular 3 year intervals after a defendant takes on expenses or takes risks that pay off. Moreover, Breyer noted that a plaintiff could deliberately wait for the death of a key witness who can prove an understanding of a license for a defendant.

**V. Conclusion**

The Supreme Court holds that laches cannot be invoked to preclude adjudication of a claim for damages brought within the three-year window. The Supreme Court reverses the lower courts' determination that laches bars relief and remands the case for further proceedings.