2015

Cases of Note -- State Jurisdiction for Contract Dispute or Federal for Copyright?

Bruce Strauch
*The Citadel, strauhb@citadel.edu*

Bryan M. Carson
*Western Kentucky University, bryan.carson@wku.edu*

Jack Montgomery
*Western Kentucky University, jack.montgomery@wku.edu*

Follow this and additional works at: [http://docs.lib.purdue.edu/atg](http://docs.lib.purdue.edu/atg)

Part of the [Library and Information Science Commons](http://docs.lib.purdue.edu/atg)

Recommended Citation

Strauch, Bruce; Carson, Bryan M.; and Montgomery, Jack (2017) "Cases of Note -- State Jurisdiction for Contract Dispute or Federal for Copyright?," *Against the Grain: Vol. 27: Iss. 1, Article 27.*

DOI: [https://doi.org/10.7771/2380-176X.7009](https://doi.org/10.7771/2380-176X.7009)

This document has been made available through Purdue e-Pubs, a service of the Purdue University Libraries. Please contact epubs@purdue.edu for additional information.
The federal district court dismissed the action, and the Hinkle book violated his copyright. The author and copyright holder, Valley Wine Book, sued, claiming the revised books with the same arrangement. Both books were later held copyright. The thing was who was given copyright under declaration of ownership or contractual rights, the contract. Threshold but not the principal question.

Off to the Ninth Circuit

The much-repeated rule of thumb comes out of the Harms case. “An action ‘arises under’ the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, … or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim.” 339 F.2d at 828.

Sounding simple, but tough to apply. Topolos alleged infringement and breach of contract. The district court found the “true thrust” of the thing was who was given copyright under the contract. “[W]here it has been determined that the claim is essentially for some common law or state-created right, most generally for a naked declaration of ownership or contractual rights, jurisdiction has been declined, even though the claim might incidentally involve a copyright or the Copyright Act.” Royalty Control Corp. v. Sanco, Inc., 175 U.S.P.Q. 641, 642 (N.D. Cal. 1972).

So how to you get to this true thrust thingy? Also called “the fundamental controversy,” “primary and controlling purpose of the suit,” or “gist” or “essence” of the claim. The Ninth Circuit said the district court erred by rejecting jurisdiction because the threshold question required interpreting a contract. Threshold but not the principal question.

If you sue for infringement, you must first establish ownership. Warner Bros., Inc. v. ABC, Inc., 654 F.2d 204, 207 (2d Cir. 1981). So it’s always the threshold question. Determination of infringement follows right along from ownership determination. In Topolos, the court had to decide whether the books infringe his copyright. And that belongs in federal court.

Good and confused? Let’s compare and contrast. Elan Associates, Ltd. v. Quackenbush Music, Ltd., 339 F.Supp. 461 (S.D.N.Y. 1972) was a suit between claimants to copyright to Carly Simon songs — a music publisher that claimed an exclusive contract with her or a corporation formed to publish and hold copyright to her compositions. It was purely a contract dispute.

In Wooster v. Crane & Co., 147 F. 515 (8th Cir. 1906) a publisher claimed equitable ownership in math books of an author. Publisher claimed author had written subsequent books incorporating material from Book #1 for which publisher owned copyright. So you had an issue of stealing math problems that was a proper one for federal jurisdiction.

Topolos claims the revised books and the Hinkle book are substantially copied from the one he wrote. So Topolos is more like Wooster.