2015

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

Bruce Strauch

The Citadel, strauchb@citadel.edu

Bryan M. Carson

Western Kentucky University, bryan.m.carson@gmail.com

Jack Montgomery

Western Kentucky University, jack.montgomery@wku.edu

Follow this and additional works at: <https://docs.lib.purdue.edu/atg>

Part of the [Library and Information Science Commons](#)

Recommended Citation

Strauch, Bruce; Carson, Bryan M.; and Montgomery, Jack (2015) "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>

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.

LEGAL ISSUES

Section Editors: **Bruce Strauch** (The Citadel) <strauchb@citadel.edu>
Bryan M. Carson, J.D., M.I.L.S. (Western Kentucky University) <bryan.carson@wku.edu>
Jack Montgomery (Western Kentucky University) <jack.montgomery@wku.edu>

Cases of Note — Copyright

State Jurisdiction for Contract Dispute or Federal for Copyright?

Column Editor: **Bruce Strauch** (The Citadel) <strauchb@citadel.edu>

MICHAEL TOPOLOS V. JEFFREY CALDEWEY DBA VINTAGE IMAGE, RICHARD PAUL HINKLE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT 698 F.2d 991; 1983 U.S. App. LEXIS 30692.

Info not in the case, but found on Yahoo. Brothers Michael and Jerry Topolos planted a vineyard in the Sonoma Valley and produced critically acclaimed Zinfandel. Then Michael bought Russian River Vineyard with a manor house, winery, tasting room, and restaurant. He was indeed living the life.

In 1974, **Topolos** contracted with **Caldewey** (dba **Vintage Image**), giving them the exclusive right to publish a book he had authored on Napa Valley wineries. **Topolos** was to receive the usual pathetic dribble of royalties, and the book was to be copyrighted in his name.

Yes, you guessed it. *California Wineries Volume One, Napa Valley* was published in 1974. And — it was copyrighted in the name of Vintage Image!

Napa Valley Wine Tour was published in 1977. **Topolos** as author; **Vintage Image** holding copyright. Both books were later revised with the same arrangement.

Yes, you grit your teeth and put up with it. Your dribble of royalties is coming in.

Then in 1979, **Vintage** published *Napa Valley Wine Book* with **Richard Hinkle** as author and copyright holder.

Topolos sued, claiming the revised books and the **Hinkle** book violated his copyright. The federal district court dismissed the action,

saying it arose under state law rather than copyright and thus there was no jurisdiction.

Off to the Ninth Circuit

Copyright issues are all exclusive to the federal courts for jurisdiction. 28 U.S.C. § 1338(a). But just having some little copyright aspect to it is not enough. *Muse v. Mellin*, 212 F. Supp. 315, 316 (S.D.N.Y. 1962).

A contract dispute over copyright is not enough. *T.B. Harms Co. v. Eliscu*, 339 F.2d 823, 826 (2d Cir. 1964); 13 C. Wright, A. Miller & E. Cooper, *Federal Practice and Procedure* § 3582 (1975).

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.

Sounds 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 thing? 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*. 🐼

Rumors from page 51

Quoting **Don Hawkins** writing in *Information Today*, “**Kent Anderson**, publisher of the *Journal of Bone & Joint Surgery* noted that trust is a continuum from not trusting people at all to trusting them implicitly. He said that people or

companies in the publishing chain are said to be trustworthy, but our actions show otherwise. Brands and processes are trusted more than people are, but since the use of social media has increased, we have been forced to trust people more than previously. Some brands have been stretched into several products; how much can they be trusted?” Here’s hoping that **Kent** will be back to **Charleston** this year!

<http://scholarlykitchen.sspnet.org/2015/02/27/elvis-has-left-the-kitchen-thanks-kent/>
<http://www.infotodayblog.com/2010/11/04/who-do-we-trust/>

Speaking of Charleston, we are tentatively planning a **Library Legal Issues Seminar** in 2015 and we would be interested in your thoughts on topics, scheduling, etc. For

continued on page 59