No. 12-1315

IN THE

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

—v.—

METRO-GOLDWYN-MAYER INC., ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF OF *AMICUS CURIAE* AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF NEITHER PARTY

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NOVEMBER 22, 2013

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STATEMENT OF INTEREST[1]

The American Intellectual Property Law Association ("AIPLA") is a national bar association of more than 15,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. AIPLA members represent both owners and users of intellectual property.

AIPLA has no interest in any party to this litigation nor does AIPLA have a stake in the outcome of this case, other than its interest in

[1] In accordance with Supreme Court Rule 37.6, amicus curiae states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae or its counsel. After reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

seeking a correct application of laches in intellectual property cases.[2]

SUMMARY OF ARGUMENT

AIPLA urges the Court to vacate the Ninth Circuit decision that laches can bar all relief, both equitable and legal, for past and future acts of copyright infringement. The Ninth Circuit ruling violates 17 U.S.C. § 507(b), which is Congress' express definition of the specific period within which a plaintiff may seek a remedy for copyright infringement. While a substantial delay that prejudices a defendant may or may not warrant barring equitable relief, laches should not bar all relief for infringement during and following the three-year limitations period. In particular, due regard for the statute, the legislature, and copyright policy goals militates against allowing laches to bar the legal remedy of damages for infringing acts within the limitations period.

The Ninth Circuit decision should also be vacated because it improperly relies upon trademark jurisprudence. Despite the general applicability of the principles of equity, courts applying laches should take into account the broader context, including specific attributes of the area of law at issue. Copyright and trademark laws have distinct policy objectives, applicable statutory provisions, and

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[2] In accordance with Supreme Court Rule 37.3(a), the parties have consented to the filing of this amicus brief in support of neither party, and consent letters have been filed with the Court.

durations of protection. These distinctions require that laches be applied with a nuanced approach, rather than a broad brush, as evidenced by the historically different treatment of laches in different areas of the law, including copyright and trademark.

AIPLA takes no position on who should prevail on the present facts, but instead seeks to address the broader concerns of authors and creators. Uniformity within copyright law is critical to avoid forum shopping by copyright owners and declaratory judgment plaintiffs. In providing uniformity in copyright law, however, the Court should take care not to disturb historical distinctions in applying laches in other areas of intellectual property law, or any other area of law. Doing so would indeed be "a major departure from the long tradition of equity practice" in separate areas of the law, which "should not be lightly implied." *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982).

BACKGROUND

I. Origin of Laches

Laches is a judicially created doctrine that originated in the English courts of equity because statutes of limitations did not apply to equitable claims. As this Court explained:

> From the beginning, equity, in the absence of any statute of limitations made applicable to equity suits, has provided its own rule of limitations through the doctrine of laches, the

> principle that equity will not aid a plaintiff whose unexcused delay, if the suit were allowed, would be prejudicial to the defendant.

Russell v. Todd, 309 U.S. 280, 287 (1940).

The laches doctrine serves to prohibit stale claims, protecting a defendant from harm caused by a plaintiff's unreasonable delay. Laches "requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense." *Costello v. United States*, 365 U.S. 265, 282 (1961).

Copyright law recognizes laches and equitable estoppel as distinct defenses. [3] Unlike laches, equitable estoppel may bar a copyright plaintiff's claim entirely. 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.07[A] (2007).

II. Copyright Remedies

The first copyright laws, state statutes passed in response to a 1783 resolution by the Continental Congress, [4] required an infringer to pay actual

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[3] The elements of equitable estoppel are: a) the plaintiff must know the facts of the defendant's infringing conduct; b) the plaintiff must intend that its conduct shall be acted on or must so act that the defendant has a right to believe that it so intended; c) the defendant must be ignorant of the true facts; and d) the defendant must rely on the plaintiff's conduct to its injury. *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960).

[4] Journal of the United States in Congress Assembled, Containing the Proceedings from Nov. 1782, to Nov. 1783, 256-57, *in* 8 NIMMER ON COPYRIGHT, Appendix 7.

damages, statutory damages, forfeitures and/or penalties.[5] Similarly, the first federal Copyright Act, passed in 1790, required the offender to "forfeit and pay the sum of fifty cents for every sheet" along with "damages occasioned by such injury." 1 Cong. Ch. 15, 1 Stat. 124 (May 31, 1790).

The Copyright Act did not authorize injunctive relief until 1819. The amendment extended the jurisdiction of circuit courts to include "original cognisance, as well in equity as at law" over copyright cases. The amendment further provided that the courts "upon any bill in equity, filed by any party aggrieved in any such cases, shall have authority to grant injunctions, according to the course and principles of courts of equity…" 15 Cong. Ch. 19, 3 Stat. 481 (Feb. 15, 1819).

Currently, the Copyright Act provides several types of relief, including injunctions (17 U.S.C. § 502), impounding and destroying infringing copies and phonorecords (17 U.S.C. § 513), actual damages and additional profits of the infringer not included as actual damages (17 U.S.C. § 504(a) and (b)), statutory damages (17 U.S.C. § 504(c)), and costs and attorney's fees (17 U.S.C. § 505). Actual damages and statutory damages are of legal origin, while the others are of equitable origin. *See* Dylan Ruga, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663, 673-685 (2005).

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[5] William S. Strauss, *History of the Damage Provisions* (October 1956), *in* 8 NIMMER ON COPYRIGHT, Study No. 22.

The Ninth Circuit decision ignored these important differences among copyright remedies in holding that the laches doctrine barred them all. The decision also disregarded separate acts of infringement that allegedly occurred within the statute of limitations period. Accordingly, the decision should be vacated and the case remanded for consideration of whether and how laches applies to the legal remedies in the Copyright Act.

ARGUMENT

I. The Ninth Circuit Decision Is Contrary To Congressional Intent, Violates Separation Of Powers Principles, And Is Against Public Policy

A. The Ninth Circuit Decision Is Contrary To Congress' Intent To Provide A Fixed Period Of Three Years To File Suit

Congress added a statute of limitations period to the Copyright Act to provide uniformity, avoid forum shopping, and provide plaintiffs with "an adequate opportunity" to commence litigation. S. REP. NO. 85-1014 at 1962 (1957). For a court to shorten the three-year statute of limitations for all relief in a copyright infringement action would deprive a plaintiff of its "adequate opportunity" to enforce its rights, in contravention of Congress' expressly stated intent.

Prior to 1957, the Copyright Act had no limitations period for civil claims, leaving courts to rely on state statutes or analogous limitations periods. 1 NIMMER ON COPYRIGHT, § 12.05[A] n. 1.

These periods ranged from one year in Alabama to eight years in Wyoming. S. REP. NO. 85-1014 at 1962 (1957).

In 1957, Congress amended the Copyright Act to add a statute of limitations for civil claims. Copyright Act of 1957, Pub. L. No. 85-313, 71 Stat. 633 (1957). The amendment was intended to bring uniformity to the law and to prevent forum shopping. S. REP. NO. 85-1014, at 1964 (1957). The revised statute, which has not changed since its enactment, provides as follows:

> No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

17 U.S.C. § 507(b) (2006).

The Senate Report for the 1957 amendment considered three years an appropriate time for a plaintiff to file suit. Concurring with the witnesses who testified before the House Judiciary Committee, the Senate Judiciary Committee stated that "[it] agrees that 3 years is an appropriate period for a uniform statute of limitations for civil copyright actions and that *it would provide an adequate opportunity for the injured party to commence his action*." S. REP. NO. 85-1014, at 1962 (1957) (emphasis added).

As this Court stated in *Holmberg v. Armbrecht*, 327 U.S. 392, 395 (1946): "If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter.

The Congressional statute of limitations is definitive."

Nearly all other circuit courts that have considered the issue have held that the statutory limitations period precludes application of laches to claims for damages for infringements within the limitations period. For example, the Second Circuit held, "The prevailing rule, then, is that when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely." *Ivani Contracting Corp. v. City of New York*, 103 F.3d 257, 260 (2d Cir. 1997). The Tenth Circuit similarly held, "when a limitation on the period for bringing suit has been set by statute, laches will generally not be invoked to shorten the statutory period." *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002), *citing United States v. Rodriguez-Aguirre*, 264 F.3d 1195, 1207-08 (10th Cir. 2001).

The Ninth Circuit decision that laches can bar all relief, even for infringements during the three-year limitations period, violates Congress' intent to provide plaintiffs a fixed period of time to file suit.

B. The Ninth Circuit Decision Violates Separation Of Powers Principles

When Congress has passed an express statute of limitations, and made clear it intended the period to serve as a fixed time within which a plaintiff may bring suit, the application of equitable principles to

shorten the period violates the separation of powers required by the Constitution.

This Court has acknowledged that separation of powers impacts a court's ability to apply laches so as to bar a legal claim under a federal statute. "In deference to the doctrine of separation of powers, the Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes." *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 244 n. 12 (1985) (Stevens, J., dissenting) (referenced with approval in the majority opinion. *Id.* at 239 n. 16.).

Circuit courts have similarly held that separation of powers prevents a court from overruling the legislature's judgment. *See Lyons Partnership L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001) ("Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations."); *Ashley v. Boyle's Famous Corned Beef Co.*, 66 F.3d 164, 170 (8th Cir. 1995) ("separation of power principles dictate that federal courts not apply laches to bar a federal statutory claim that is timely filed under an express federal statute of limitations."). *See also* 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:55 (2007) ("misapplication of laches within the limitations period may violate the separation of powers doctrine.").

C. The Ninth Circuit Decision Is Contrary To Public Policy

While the facts of the Ninth Circuit decision concern delay of 19 years, the holding extends to bar damages for acts of infringement that occurred within the limitations period. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 946, 951 (9th Cir. 2012) ("[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches."). As such, if the Ninth Circuit decision is affirmed, copyright owners will be pressured to commence litigation shortly after learning of a potential infringement, simply to avoid the risk their claims may be barred completely by laches.

Treating the statute of limitations in copyright as a fixed time frame for commencing suit allows a plaintiff time to proceed deliberately upon learning of a potential infringement. It permits the plaintiff to investigate its claim, consult with counsel, contact the accused party, conduct settlement discussions, and consider whether litigation is necessary or appropriate. *See* Gail L. Heriot, *A Study in the Choice of Form: Statutes of Limitation and the Doctrine of Laches*, 1992 B.Y.U. L. REV. 917, 941 (1992) (a rigid rule allows for "amicable settlements when otherwise the anxious potential plaintiff might be forced to file a law suit for fear of being time barred.").

Under the law in most circuits, a copyright plaintiff must commence litigation quickly to seek a preliminary injunction, but she is not required to do

so simply to pursue damages. If the Ninth Circuit decision is affirmed, plaintiffs may feel obligated to commence litigation prophylactically, with the result that some litigation will be premature, unnecessary, and a waste of judicial and party resources.

II. The Ninth Circuit Improperly Denied All Relief To Petrella

A. Laches Cannot Bar Remedies At Law Where There Is A Federal Statute Of Limitations

Actual and statutory damages provided under the Copyright Act are both legal remedies. As such, they should not be barred by laches when Congress has determined the applicable temporal limitation on such legal remedies. Nevertheless, the Ninth Circuit in *Petrella* held that laches applied and affirmed the grant of summary judgment barring plaintiff's claims.

As discussed above, laches developed as equitable alternative to a statute of limitations, intended to achieve a similar goal. As such, laches has no place limiting legal remedies where an applicable federal statute of limitations applies.

This Court has clearly and consistently applied the principle that laches within a statute of limitations is no defense at law. In *Wehrman v. Conklin*, 155 U.S. 314, 326 (1894), this Court stated "[t]hough a good defense in equity, laches is no defense at law." *Wehrman* emphasized the role of the statute of limitations as a minimum, explaining:

> If the plaintiff at law has brought his action within the period fixed by the statute of limitations, no court can deprive him of his right to proceed. If the statute limits him to 20 years, and he brings his action after the lapse of 19 years and 11 months, he is as much entitled, as matter of law, to maintain it, as though he had brought it the day after his cause of action accrued….

Id. at 326; *cited with approval in Abraham v. Ordway*, 158 U.S. 416, 422-23 (1895).

In *United States v. Mack*, 295 U.S. 480, 489 (1935), this Court reiterated, "[l]aches within the term of the statute of limitations is no defense at law." Although *Mack* was decided prior to the 1938 merger of law and equity, it is well-established that the merger of law and equity was, in many respects procedural, not substantive. *See Stainback v. Mo Hock KeLok Po*, 336 U.S. 368, 382 n. 26 (1949) (acknowledging that notwithstanding the 1938 merger of law and equity into a single form of action, "the substantive principles of Courts of Chancery remain unaffected."). *See also* 4 CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE, § 1043 (2d ed. 1987) ("the substantive and remedial principles that applied prior to the advent of the federal court rules are not changed.").[6]

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[6] It is generally accepted that distinctions between law and equity continue to "be important in determining (1) the appropriate statute of limitation to apply to the plaintiff's

In his treatise on remedies, Professor Dobbs agreed that laches should not apply in the context of a federal statute of limitations:

> When laches is invoked to bar a claim that is valid on the merits and one that is permitted under an appropriate statute of limitations…, the defense has little place in a modern scheme of procedure and justice. If it is invoked at all in such a case, it should be invoked only as a factor bearing on the grant of coercive equitable remedies.

1 DAN B. DOBBS, DOBBS LAW OF REMEDIES: DAMAGES-EQUITY-RESTITUTION 104 (2d ed. 1993), *at* 152.

Nevertheless, the Ninth Circuit allowed laches to bar all relief, legal and equitable, adopting a stance that is "the most hostile to copyright owners of all the circuits." *Petrella*, 695 F.3d at 958 (Fletcher, J., concurring).

B. Laches Has Not And Should Not Bar Damages For Copyright Infringement

The following brief review of historical and contemporary applications of laches in copyright cases shows how far the Ninth Circuit has strayed from observing the proper role of law and equity.

Where laches applied in early copyright infringement cases, it was used to bar injunctive

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claim, (2) the right to a jury trial on one or more issues in the case, and (3) the right to an interlocutory appeal of a court order staying an action." WRIGHT & MILLER § 1045.

relief, but *not* damages. For example, in *West Publishing Co. v. Edward Thompson Co.*, 176 F. 833 (2d Cir. 1910), the Second Circuit held the plaintiff was entitled to damages, even though the trial judge properly denied an injunction and an accounting of profits because of plaintiff's delay and the resulting prejudice to the defendant:

> This court, having obtained jurisdiction of the cause and having the power to grant an injunction, has the right to do justice between the parties and to dispose of it finally, even if this involves withholding injunctive relief and awarding damages.

Id. at 839. *See also Blackburn v. Southern California Gas Co.*, 14 F. Supp. 553, 554 (D.C. Cal. 1936) (holding that plaintiff's lack of vigilance deprived it of injunctive relief and an accounting, but "does not justify the court in denying to the complainant all relief and any damages whatsoever."); *Hayden v. Chalfant Press, Inc.*, 177 F. Supp. 303, 307 (C.D. Cal. 1959) (holding that while laches might "result in denial of equitable relief, such as injunction and recovery of profits," unlike estoppel "it would not stand in the way of the granting of damages for the unauthorized copying or of injunction against future violations.").

In contemporary copyright infringement cases, courts use laches to bar injunctive relief but not damages. *See, e.g., New Era Pubs. Intern., ApS v. Henry Holt and Co., Inc.*, 873 F.2d 576, 585 (2d Cir. 1989) ("Such severe prejudice, coupled with the unconscionable delay already described, mandates

denial of the injunction for laches and relegation of New Era to its damages remedy.").

Accordingly, most courts will allow a plaintiff to recover damages for infringing acts during the limitations period, even if the infringement commenced *before* the limitations period. 1 NIMMER ON COPYRIGHT § 12:05[B] ("If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously."). In fact, prior to its decisions in *Petrella* and *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), even the Ninth Circuit recognized such recovery was permitted. *See Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994) ("In a case of continuing copyright infringements, an action may be brought for all acts that accrued within the three years preceding the filing of the suit.").

Assuming, *arguendo*, that laches extends to legal claims, allowing laches to bar damages would be inequitable, particularly in disputes between individual authors or artists who may not have commercialized their works and larger commercial entities that have invested substantially in the infringing work. *See* U.S. COPYRIGHT OFFICE, COPYRIGHT SMALL CLAIMS (2013). Awarding damages compensates a plaintiff for the use, enables the public to benefit from access to the work, and avoids the harm to a defendant of an injunction.[7] In

[7] Although some plaintiffs litigate to prevent use of their work altogether, others, the majority of plaintiffs, likely would allow

fact, unlike trademark litigation, where recovery of damages is rare, damages are a standard remedy in copyright infringement cases.[8] In this context, barring injunctive relief is more equitable, and more sensible, than barring damages.

III. The Ninth Circuit's Reliance On Trademark Cases Was Improper

The Ninth Circuit decision was based solely on its earlier decision in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), and its own trademark case law, with no consideration of the differing underlying principles of copyright and trademark law. In applying equitable principles, however, courts must take into account the facts of each case, as well as the legal context in which a claim arises, and avoid a "one-size-fits-all" approach. "Equity eschews mechanical rules; it depends on flexibility." *Holmberg*, 327 U.S. at 396. Such flexibility includes consideration of the cause of action and the context,

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the use, provided it was subject to a license that provided for adequate compensation, attribution, and other terms.

[8] For a discussion on the availability of damages to trademark plaintiffs, *see* Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 622 ("Only 5.5% of all [trademark] cases awarded any damages at all."). For a discussion on the availability of damages to copyright plaintiffs, *see* 6 PATRY ON COPYRIGHT § 22:88 ("From its inception in 1790, federal copyright law has provided monetary remedies for infringement. The types of such remedies have varied, from qui tam forfeitures split 50-50 with the government, to flat rates per infringing copy, to statutory damages awarded within a range of minima and maxima. All copyright statutes have permitted recovery of actual damages for at least some types of works.").

not only the unreasonableness of the delay and the prejudice to the defendant.

Without any discussion or analysis, the *Petrella* decision barred the plaintiff from all recovery. The Ninth Circuit court simply quoted its earlier decision in *Danjaq* for the proposition that "Laches is an equitable defense that prevents a plaintiff, who with full knowledge of the facts, acquiesces in a transaction and sleeps on his rights." *Petrella,* 695 F.3d at 951 *quoting Danjaq*, 263 F.3d at 950-51.

The *Danjaq* decision, however, has been criticized for its use of laches to bar relief. 3 NIMMER ON COPYRIGHT § 12.06 ("*Danjaq* ruled that laches barred a 1998 claim against the 1997 release of DVDs, and barred a future injunction as well as relief for past conduct—both doctrinally beyond the traditional scope of the laches defense."); 6 PATRY ON COPYRIGHT § 20:55 ("*Danjaq* should illustrate how there is no role for laches in copyright cases.").

The *Petrella* decision continued to hold that laches may be *presumed* if infringement commenced prior to the limitations period. "[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." *Petrella*, 695 F.3d at 951. Here, the Ninth Circuit cited only its decision in *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006), ignoring the fact that *Miller* and the cases it relied upon were trademark cases.

As discussed below, however, the laws supporting trademark infringement claims have distinct sources of legal authority, policy objectives, durations of protection, and statutory provisions.

A. The Copyright And Trademark Laws Have Distinct Sources Of Authority, Policy Objectives, And Durations Of Protection

The federal copyright and trademark laws are based upon distinct sources of legal authority. The Copyright Act is grounded in the Copyright and Patent Clause of the Constitution:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

U.S. CONST. art. I, § 8, cl. 8. By its express language, the Copyright and Patent Clause is evidence of a policy OBJECTIVE of promoting Science and useful Arts (authorship and invention) by incentivizing creativity. *See Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

In contrast, the Constitutional authority for the Lanham Act is found in the Commerce Clause, which is concerned with regulating trade. *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:3 (4th ed. 2013) ("The power of the federal government to provide for trademark registration comes only under its 'Commerce Power.'").

The copyright and trademark laws also have distinct policy objectives. The Copyright Act serves to promote authorship. U.S. CONST. art. I, § 8, cl. 8. The Lanham Act serves to protect the public against confusion in the market, and to protect the trademark owner's investment in its brand identity. 1 MCCARTHY ON TRADEMARKS § 2:1.

Additionally, the copyright and trademark laws have distinct terms of protection. Copyright protection exists for a limited time, [9] while trademark rights can last indefinitely, provided the trademark is properly used, maintained and enforced. *See e.g.* 3 MCCARTHY ON TRADEMARKS § 19:142 ("Lanham Act registrations remain in force for 10 (ten) years and can be renewed indefinitely for 10-year periods".).

B. The Copyright And Trademark Laws Have Distinct Applicable Statutory Provisions

The Copyright Act has an actual statute of limitations, codified at 17 U.S.C. § 507(b); in contrast, the Lanham Act has no limitations period applicable to actions for infringement, false advertising and federal unfair competition claims. 6 MCCARTHY ON TRADEMARKS § 31.6.

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[9] For works created after January 1, 1978, copyright protection generally lasts for the life of the author plus 70 years; for anonymous, pseudonymous and works made for hire, copyright protection generally lasts for 95 years from the year of first publication or 120 years from the year of creation, whichever expires first. 17 U.S.C. § 302 (2006).

While a catch-all federal four-year statute of limitations can be found at 28 U.S.C. § 1658, that provision applies only to statutes enacted after December 1, 1990. Accordingly, it does not apply to trademark infringement claims under 15 U.S.C. § 1114, or to false advertising and unfair competition claims under 15 U.S.C. § 1125(a), because those provisions were enacted prior to December 1, 1990.[10] As a result, courts applying laches in trademark, false advertising, and federal unfair competition claims look to analogous state law statutes of limitation. 6 MCCARTHY ON TRADEMARKS § 31.1.

Moreover, unlike the Copyright Act, the federal trademark law states that a plaintiff's entitlement to damages is "subject to principles of equity." 15 U.S.C. § 1116(a) (2006). Thus, the Lanham Act expressly requires that damage awards be made based on equitable principles, which, obviously, include the equitable defense of laches.

C. Substantive Differences Between Copyright and Trademark Law Must Be Considered In Applying Laches

The fundamental distinctions between copyright and trademark law discussed above require that laches be applied differently in these areas of the law. Indeed, the policy objectives of trademark law have led this Court to support the application of laches to bar monetary relief, but not

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[10] This provision does apply to dilution and cybersquatting claims brought under 15 U.S.C. §§ 1125 (c) and (d) because they were enacted after December 1, 1990.

to bar an injunction. For example, in *McLean v. Fleming*, 96 U.S. 245, 256 (1877), this Court applied laches to hold that the plaintiff's delay barred an accounting of the defendant's gains and profits, but ruled that "the injunction was properly granted to prevent infringement subsequent to the filing of the bill of complaint."

> Cases frequently arise where a court of equity will refuse the prayer of the complainant for an account of gains and profits, on the ground of delay in asserting its rights, even when the facts proved render it proper to grant an injunction to prevent future infringement.

Id. at 257. This principle was reiterated in *Menendez v. Holt*, 128 U.S. 514, 525 (1888) ("Delay in bringing suit there was, and such delay as to preclude recovery of damages for prior infringement; but there was neither conduct nor negligence which could be held to destroy the right to prevention of further injury."), and again in *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 39-40 (1900) (citations omitted) (trademark infringement injunction will not be denied "on the ground that mere procrastination in seeking redress for depredations had deprived the true proprietor of his legal right.").

Trademark law largely exists to protect the public from confusion, which is one of the principle reasons for this distinction. It is one thing to deny a trademark plaintiff who has slept on its rights an

accounting or other monetary relief;[11] it is quite another to subject consumers to ongoing confusion because of the plaintiff's delay. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31, Comment E ("while a denial of monetary relief may rest solely on the relative equities as between the parties, the public interest [in protecting consumers from continued use of confusing designations] is an explicit factor in decisions relating to injunctions."); 6 MCCARTHY ON TRADEMARKS § 31.6 (given overriding public interest in being free from confusion and mistake as to source or affiliation, defense of laches rarely applied to preliminary injunctions.)

As the discussion above underscores, the Constitutional basis, statutory framework and policy considerations of copyright law prohibit reliance on principles of trademark law (or any number of other areas of law) in the application of laches.[12] The

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[11] "The distinction between the 'equitable' remedy of an accounting and the 'legal' remedy of damages has not generally been maintained in actions for unfair competition… and the 'equitable' doctrine of laches has frequently been invoked to preclude the recovery of damages by the trademark owner." RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 31, Comment D.

[12] For example, the Patent Act also differs materially from the Copyright Act. The limitations provision there simply limits *damages* to infringing acts committed within the six year period before the suit was filed, but serves as no bar to the cause of action itself. 35 U.S.C. § 286 (2006). In addition, in patent cases, laches prohibits recovery of past damages, but only equitable estoppel can prohibit recovery of future relief. *See A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992).

Ninth Circuit erred by blithely applying black letter pronouncements from trademark law without considering the significant substantive distinctions with copyright to its laches analysis. Accordingly, its decision should be vacated.

CONCLUSION

For the foregoing reasons, AIPLA respectfully requests that the Court clarify that the application of laches to the different areas of intellectual property law may produce different results related to the different rights conferred and policies behind those areas of the law. AIPLA also requests a clarification that laches, which may apply to acts occurring within a statute of limitations period, should not extend to damages as a remedy at law.

Respectfully submitted,

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