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14 UNITED STATES DISTRICT COURT
15
16 NORTHERN DISTRICT OF CALIFORNIA
17
18 SAN FRANCISCO DIVISION

19 JUNE EMILY SOMMA,

20 Plaintiff,

21 v.

22 GREAT ORMOND STREET HOSPITAL,

23 Defendant.

24)
25) Civil Case No. C-02-5889 JSW

26) **PLAINTIFF'S NOTICE OF MOTION**
27) **AND MOTION FOR LEAVE TO**
28) **AMEND COMPLAINT FOR**
29) **DECLARATORY JUDGMENT**
30) **PURSUANT TO FED. R. CIV. P.**
31) **15(a); MEMORANDUM OF POINTS**
32) **AND AUTHORITIES IN SUPPORT**
33) **THEREOF**

34) Date: March 18, 2004

35) Time: 9:00 a.m.

36) Location: Courtroom 2, 17th Floor

37 TO DEFENDANT AND ITS ATTORNEYS OF RECORD:

38 NOTICE IS HEREBY GIVEN pursuant to Civil Local Rule 7, that on March 18,
39 2005, at 9:00 a.m., or as soon thereafter counsel may be heard by the above-entitled
40 Court, located at 450 Golden Gate Avenue, San Francisco, California 94102, in the

41 **PLAINTIFF'S NOTICE OF MOTION AND MOTION**
42 **TO AMEND COMPLAINT FOR DECLARATORY JUDGMENT;**
43 **MEMO. OF Ps & As IN SUPPORT THEREOF**

44 Civ. Case No. C-02-5889 JSW

1 courtroom of Judge Jeffrey S. White, Plaintiff J. Emily Somma (herein “Plaintiff”) will
2 and hereby does move the Court pursuant to Rule 15(a) of the Federal Rules of Civil
3 Procedure for an Order granting Plaintiff leave to file the proposed Second Amended
4 Complaint attached to this Motion as Exhibit A. The proposed amendment will add a
5 sixth cause for action for copyright misuse. This motion is brought on grounds that the
6 proposed amendment will not prejudice Defendant, is timely, is not the result of bad faith
7 or dilatory motive, and the amendment is not futile. This motion is based on this Notice
8 of Motion and Motion, the Memorandum of Points and Authorities included below, the
9 pleadings and papers on file herein, and upon such other matters as may be presented to
10 the Court at the time of the hearing.

11 MEMORANDUM OF POINTS AND AUTHORITIES

12 FACTUAL BACKGROUND

13
14
15 Plaintiff initiated this action for a Declaratory Judgment on December 20, 2002.
16 (Pl.’s Compl., *filed* 12/20/02.)¹ After service of the complaint by way of the Hague
17 Convention, Defendant Great Ormond Street Hospital (herein “Defendant”) responded
18 with a Motion to Dismiss. (Def.’s Mot. to Dismiss, *filed* 04/09/04.) A Case Management
19 Conference took place on July 30, 2004, and this Court issued a Scheduling Order on
20 August 3, 2004. (Suppl. Jt. Case Mgt. State’t. *filed* 07/29/04 [herein “July 2004 Joint
21 Statement”]; Order Sched’g Trial & Pretrial Matters, *dated* 08/03/04; Civil Minute Order
22 *dated* 07/30/04.) Recent admissions by Defendant in the July 2004 Joint Statement
23 demonstrate Defendant’s intent to improperly leverage a limited copyright beyond its
24 proper legal scope, and—using false threats of legal action—squench Plaintiff’s First
25 Amendment rights. As a result, Plaintiff requests leave of this Court to further amend her
26 Complaint to add a claim for copyright misuse. *See* Fed. R. Civ. P. 15(a).

27
28 ¹ Plaintiff filed an Amended Complaint for Declaratory Judgment on January 10, 2003. (Plf’s First
29 Amended Complaint, *filed* 01/10/03).

1 *Defendant's Threats.* On September 25, 2002, Defendant sent Plaintiff a cease
2 and desist letter informing her that Defendant's Trustees had decided not to authorize her
3 to publish her book, *After the Rain*. (Pl.'s Compl. ¶ 23, Exh. A (Letter from Palmer to
4 Somma of 09/25/02) [herein "September 2002 Letter"].) It also demanded Plaintiff
5 "cease and desist from any acts in respect of the [the *Peter Pan* play by J.M. Barrie] and
6 its characters, including its adaptation, production, sale, advertising and distribution."
7 (*Id.* at 1.)

8 In a second letter, dated November 19, 2002, Defendant's outside counsel
9 informed Plaintiff that Defendant has, in the past, "instituted litigation to protect its
10 rights, all of which has been resolved in the Hospital's favor." (*Id.*, Exh. B (Letter from
11 Deutch of McLaughlin & Stern to Emily Somma of 11/19/02, at 3) [herein "November
12 2002 Letter"].) This letter explicitly threatened Plaintiff with legal action, stating:

13 "any acts in respect to the Work in the United States, including its
14 adaptation, production, sale, advertising and distribution without the
15 permission of the Hospital will not be countenanced. The Hospital is
16 prepared to protect its rights.

17 (*Id.*) The ensuing conflict caused Plaintiff to delay publication and distribution of her
18 work, *After the Rain*, in certain markets including the United States.

19 *Defendant's Inconsistent Statement to this Court.* On July 29, 2004, in a filing
20 made to this Court, and only after it became apparent that Plaintiff would not be cowed
21 by Defendant's cease and desist letters, Defendant admitted its prior threats were empty
22 and unfounded. In Defendant's words: "This is an action for declaratory relief. Its
23 premise is that June Emily Somma faces a reasonable apprehension of being sued by
24 [GOSH]. Every party and lawyer involved in this matter knows that no such prospect
25 exists." (July 2004 Joint Statement, at 4 (emphasis added).)

26 Given this unequivocal statement, one of two options is possible: either
27 Defendant's statement to this Court is false and misleading or Defendant has admitted
28 copyright misuse. If the Defendant is in fact being truthful with this Court, then

1 Defendant's prior accusations of copyright infringement and its threats to sue Plaintiff
2 were made with knowledge of their lack of legal merit, and with the intent to wrongfully
3 suppress Plaintiff's work. By way of these meritless threats, Defendant attempted
4 illegally to expand the scope of its copyright beyond its proper legal bounds. This
5 constitutes copyright misuse.

6 Accordingly, Plaintiff asks this Court for leave to amend her Complaint to include
7 a claim for copyright misuse.

8
9 **ARGUMENT**

10 **I. A STRONG PRESUMPTION EXISTS IN FAVOR OF GRANTING
11 LEAVE TO AMEND**

12 Motions to amend a complaint are to be denied only in extraordinary
13 circumstances. Rule 15(a) of the Federal Rules of Civil Procedure states that leave to
14 amend "shall be freely given when justice so requires" (Fed. R. Civ. P. 15(a)), and courts
15 have interpreted this to indicate a strong preference for granting leave to amend a
16 complaint. While district courts have discretion in granting motions to amend, the Rule
17 15(a) provision that "leave shall be freely given" is a "mandate [] to be heeded." *Foman*
18 *v. Davis*, 371 U.S. 178, 182 (1962). This mandate is a "presumption ... in favor of
19 granting leave to amend," *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1052
20 (9th Cir. 2003), and is to be applied with "extraordinary liberality." *Carol Gamble Trust*
21 *86 v. E-Rex, Inc.*, 84 Fed. 975, 977 (9th Cir. 2004), citing *Morongo Band of Mission*
22 *Indians v. Rose*, 893 F.2d 1074, 1079 (9th Cir. 1990). "Though the decision to grant or
23 deny a motion for leave to amend is governed by the district court's discretion, the
24 general rule is that amendment of the pleadings is to be permitted unless the opposing
25 party makes a showing of bad faith, undue delay, prejudice to the opposing side, and
26 futility of amendment." *Meeker v. Meeker*, -- F. Supp. 2d --, 2004 WL 2554452
27 (N.D.Cal. October 24, 2004) (White, J.) (citing cases).

1 **II. GRANTING LEAVE TO PLAINTIFF TO ADD A CLAIM FOR**
2 **COPYRIGHT MISUSE SERVES THE INTEREST OF JUSTICE**

3 Defendant’s recent concession that it falsely threatened Plaintiff with legal action
4 leaves Plaintiff with little choice but to amend her Complaint to add a claim for copyright
5 misuse. Copyright misuse exists when a copyright holder attempts to illegally extend the
6 exclusive rights that it enjoys beyond what the copyright legally permits, or otherwise
7 violates the public policies underlying the copyright laws. *In re Napster, Inc. Copyright*
8 *Litig.*, 191 F.Supp.2d 1087, 1103 (N.D. Cal. 2002) (Patel, C. J.). Copyright misuse is a
9 well-accepted doctrine in this and other Circuits. *See Practice Mgmt. v. American*
10 *Medical Assoc.*, 121 F.3d 516, 520 (9th Cir. 1997); *see also Video Pipeline, Inc. v. Buena*
11 *Vista Home Entertainment*, 342 F.3d 191 (3rd Cir. 2003); *Alcatel U.S.A., Inc. v. DGI*
12 *Technologies, Inc.*, 166 F.3d (5th Cir. 1999); *Lasercomb America, Inc. v. Reynolds*, 911
13 F.2d 970 (4th Cir. 1990) (first case to specifically establish copyright misuse as an
14 affirmative defense to copyright infringement). The use of legal threats to illegally
15 broaden the reach of a copyright—threats such as those made by Defendant in its
16 letters—constitutes copyright misuse.

17 Defendant’s disavowal of any legal claims in the July 2004 Joint Statement
18 directly contradict its threats in the cease and desist letters sent to Plaintiff in September
19 and November of 2002. (July 2004 Joint Statement, at 4; September 2002 Letter;
20 November 2002 Letter.) Defendant crafted these letters to intimidate Plaintiff—through
21 Defendant’s threats of legal action—into abandoning her literary work. As a result,
22 Plaintiff initiated this action with a “reasonable apprehension of being sued” by
23 Defendant, an apprehension that Defendant itself succeeded in creating through its
24 explicit threats. (*Id.*) Defendant’s conduct was an illegal attempt to extend the scope of
25 its limited copyright, a copyright it now admits it was not going to sue Plaintiff for
26 infringing. Accordingly, it serves the interest of justice to allow Plaintiff to amend her
27 complaint to hold Defendant liable for the common law violation of copyright misuse.

1 Judge Posner discussed the damaging potential of copyright misuse in *Assessment*
2 *Technologies of WI, LLC v. WIREdata, Inc.*, 350 F.3d 640, 647 (7th Cir. 2003) [herein
3 “*WIREdata*”], where he opined that misuse should be defined to include cases where a
4 copyright owner uses an infringement suit to leverage rights the law does not confer:

5
6 [F]or a copyright owner to use an infringement suit to obtain property
7 protection ... that copyright law clearly does not confer, hoping to force a
8 settlement or even achieve an outright victory over an opponent that may
9 lack the resources or the legal sophistication to resist effectively, is an
abuse of process.

10 *WIREdata*, 350 F.3d at 647; *see also Ty, Inc. v. Publ’ns Int’l*, 292 F.3d 512, 2002 U.S.
11 App. LEXIS 10191 (7th Cir. Ill. 2002) (discussing possible copyright misuse in licensing
12 agreements which discourage or forbid critical commentary of licensee).

13 In *WIREdata*, plaintiff Assessment Technologies sued WIREdata for copyright
14 infringement (among other claims) alleging that WIREData could not access unprotected
15 real estate data without violating plaintiff’s purported copyrights in the database structure
16 that contained the information. *Id.* at 642. Judge Posner wrote that to allow “the attempt
17 of a copyright owner to use copyright law to block access to data that not only are neither
18 copyrightable nor copyrighted, but were not created or obtained by the copyright owner”
19 would be “appalling” were it to succeed. *Id.* at 641-42. Not only did WIREdata
20 successfully defend itself against the plaintiff’s infringement allegations, but in a
21 subsequent motion the court awarded WIREdata attorney’s fees as a sanction against the
22 plaintiff for bringing a “marginal” suit bordering on copyright misuse. *Assessment*
23 *Technologies of WI, LLC v. WIREdata, Inc.*, 361 F.3d 434, 437 (7th Cir. 2004).

24 The teachings of *WIREdata* are directly applicable in this case. Here, like the
25 plaintiff in *WIREdata*, Defendant GOSH was “hoping to ... achieve an outright victory
26 over an opponent that may lack the resources or the legal sophistication to resist
27 effectively.” *WIREdata*, 350 F.3d at 647. In the case before this Court, the “opponent” is
28 a lone Canadian author unlikely, in most circumstances, to have the resources to obtain

1 the legal advice necessary to respond to Defendant's intimidating letters. Defendant's
2 false legal threats against Plaintiff are precisely the type of copyright misuse
3 contemplated by Judge Posner in *WIREDATA*. *Id.*
4

5 **III. THE PROPOSED AMENDMENT DOES NOT PREJUDICE DEFENDANT,
6 NOR DO ANY OTHER *FOMAN* FACTORS WEIGH IN DEFENDANTS
7 FAVOR**

8 Under *Foman v. Davis*, the court must consider four factors in determining
9 whether to grant leave to amend: (1) prejudice to the opposing party; (2) undue delay; (3)
10 bad faith or dilatory motive; (4) futility of amendment. *Foman*, 371 U.S. at 182; *accord*
11 *Ascon Properties, Inc. v. Mobil Oil Co.*, 866 F.2d 1149, 1160 (9th Cir. 1989); *DCD*
12 *Programs, Ltd. v. Leighton*, 833 F.2d 183, 186 (9th Cir. 1987). Plaintiff's proposed
13 amendment does not implicate any of the four *Foman* factors, and thus should be
14 permitted.

15 **A. Defendant Would Suffer No Prejudice if the Complaint is Amended**

16 The most important factor for this Court to consider is whether the opposing party
17 will be prejudiced by the amendment. *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d
18 1048, 1052 (9th Cir. 2003). The party opposing the amendment "bears the burden of
19 showing prejudice." *DCD Programs, Ltd. v. Leighton*, 833 F.2d 183, 186-87 (9th Cir.
20 1987).

21 Defendant cannot show prejudice here. "[I]ndicators of prejudice include a need
22 to reopen discovery or the addition of complaints..." *In re Fritz Companies Securities*
23 *Litigation*, 282 F.Supp.2d 1105, 1109 (N.D. Cal. 2003), *citing Lockheed Martin Corp. v.*
24 *Network Solutions, Inc.*, 194 F.3d 980, 986 (9th Cir. 1999). This Motion results from
25 information uncovered during the pleading stage of the case. Defendant has yet to
26 answer the complaint and discovery has not yet commenced. While the proposed claim
27 is new, it results from Defendant's recent admissions that it employed false threats of
28 legal action against Plaintiff. Motions made at this early stage of the case should be
29 granted, especially where the proposed amendment is related to the issues being litigated

1 and would most likely surface during trial whether the amendment was granted or not.
2 *Qualcomm Inc. v. Motorola Inc.*, 989 F. Supp. 1048, PIN (S.D. Cal. 1997) (no prejudice
3 arising from addition of several causes of action based on new information arising during
4 discovery). It would be an injustice to penalize the Plaintiff for the Defendant’s late
5 disclosure of its improper motivations.

6
7 Moreover, while the claim is new, the issues raised by this amendment closely
8 parallel issues set out in the First Amended Complaint. The current complaint involves
9 Plaintiff’s right to “publish, market, distribute and sell *After the Rain* in the United States
10 without Defendant’s permission.” (Plaintiff’s Amended Complaint, ¶ 69.) Plaintiff’s
11 proposed misuse claim merely extends that investigation to include the tactics Defendant
12 used to suppress Plaintiff’s literary work. Plaintiff’s allegation that Defendant attempted
13 to illegally foreclose her right to certain aspects of the *Peter Pan* story through the use of
14 false threats is based entirely on a limited amount of material already before the Court.
15 This new claim is closely related to the central question in this case—whether the court
16 should issue a declaratory judgment stating that Plaintiff’s work does not constitute an
17 infringement of Defendant’s limited copyright. Such a finding overlaps with Plaintiff’s
18 assertion that Defendant’s prior claims were improper and overbroad in light of the
19 narrow scope of its actual copyright, and its admission it used that copyright to make
20 empty threats. This amendment allows Plaintiff to address both Defendant’s substantive
21 and tactical overreaching in making these overbroad claims.

22 **B. Granting Plaintiff’s Motion to Amend Will Not Result in Undue**
23 **Delay, Nor Is Her Proposed Amendment Futile or a Product**
24 **of Bad Faith**

25 The remaining *Foman* factors also weigh in Plaintiff’s favor. First, the proposed
26 amendment will not delay this case in any way and is not the result of any delay by
27 Plaintiff. *See supra* Part IIIA (discussing pre-discovery stage of these proceedings).
28 Second, Plaintiff’s proposed amendment is not futile in the eyes of the law. “A proposed
29 amendment is futile only if no set of facts can be proved under the amendment to the

1 pleadings that would constitute a valid and sufficient claim or defense.” *Miller v. Rykoff-*
2 *Sexton Inc.*, 845 F.2d 209, 214 (9th Cir. 1988). Federal courts (including this Circuit)
3 recognize copyright misuse both as an equitable defense and as an affirmative claim. *See*
4 discussion *supra* Part II *citing In re Napster, Inc.*, 191 F.Supp.2d 1087; *Practice Mgmt.*,
5 121 F.3d 516; *Video Pipeline, Inc.*, 342 F.3d 191; *Alcatel U.S.A., Inc.*, 166 F.3d 772;
6 *Lasercomb America, Inc.*, 911 F.2d 970. Nor is this a case “where previous attempts
7 have failed to cure a deficiency and it is clear that the proposed amendment does not
8 correct the defect.” *Shermoen v. United States*, 982 F.2d 1312, 1319 (9th Cir. 1992). In
9 light of Defendant’s behavior, both past and present, Plaintiff has an actionable claim for
10 copyright misuse that is not futile and should be heard by this Court.

11 Finally, Plaintiff Somma’s claim is brought in good faith, in response to
12 Defendant’s improper attempt to extend the scope of its copyright beyond legitimate
13 bounds. Unlike cases where courts have found bad faith, see, e.g., *Lockheed Martin*
14 *Corp. v. Network Solutions, Inc.*, 194 F.3d 980, 986 (9th Cir. 1999) (facing a summary
15 judgment motion, moving party sought to amend its complaint to add causes of action on
16 which discovery had not been undertaken), Plaintiff’s motion is motivated by a desire for
17 this court to understand the full extent of Defendant GOSH’s conduct. *See* Exhibit A.

18 Accordingly, the motion is legitimately motivated according to the interest of
19 justice. Since none of the *Foman* factors arise as a result of this motion, the court should
20 therefore grant Plaintiff leave to amend her complaint

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CONCLUSION

Accordingly, for the reasons stated above, the Court should grant Plaintiff’s Motion and allow the filing of her Second Amended Complaint (Exhibit A, hereto).

Dated: November 19, 2004

Respectfully submitted,

/S/

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