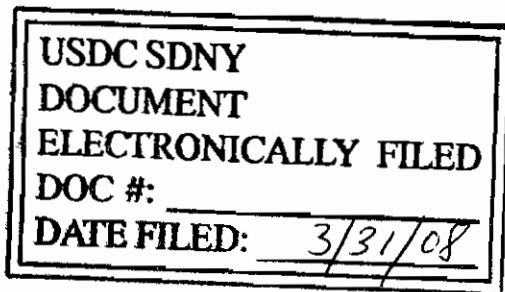


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK



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JOHN TOWNES VAN ZANDT II, WILLIAM  
VINCENT VAN ZANDT, KATIE BELLE  
VAN ZANDT, By Her Next Friend, JEANENE  
VAN ZANDT, and JEANENE VAN ZANDT,

Plaintiffs,

05 Civ. 10661 (RJH)

- against -

KEVIN EGGERS, THE EGGE COMPANY  
LIMITED, THE TOMATO MUSIC WORKS  
LIMITED, TOMATO MUSIC COMPANY,  
LTD., NAVARRE CORPORATION, THE  
ORCHARD ENTERPRISES, INC., and  
MARY EGGERS,

**ORDER**

Defendants.

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On March 19, 2008 the Court heard argument on (1) Plaintiffs' Motion for Summary Judgment on Defendant Kevin Eggers' Counterclaims [117] and (2) the Motion of Cross Defendants The Tomato Music Works Limited and Mary Eggers for Summary Judgment on Defendant Eggers' Cross-Claims [116]. For the reasons stated on the record, both motions [116, 117] are granted.

Plaintiffs have also moved for summary judgment on their copyright infringement claim against Kevin Eggers ("Eggers"). For the reasons set forth below, plaintiffs' motion [117] is granted.

Plaintiffs, the former wife and the children of the deceased songwriter, Townes Van Zandt, claim ownership of hundreds of Van Zandt songs written and recorded during

his lifetime. Approximately 200 of these recordings were re-released after his death on fourteen albums produced by The Tomato Music Works Limited (“TMWL”). While there is currently a dispute over ownership and control of TMWL, Eggers concedes that he was in charge of its operations during the period (2001–2004) that most of the allegedly infringing albums were released.

Plaintiffs’ infringement claim is based on the failure of TMWL to obtain mechanical licenses from, and to pay mechanical royalties to plaintiffs prior to the release of the disputed albums. Under Section 115 of the Copyright Act, the distribution of phonorecords without a mechanical license gives rise to a claim of infringement under Section 501 of the Act. 17 U.S.C. §§ 115, 501. Section 115 provides two alternate methods for obtaining mechanical licenses. A record company may obtain a compulsory license by filing a notice of intention to obtain a compulsory license, provided that notice is filed before the distribution of any phonorecords. No such notices were ever filed by TMWL. Once a company actually distributes a phonorecord, the ability to obtain a compulsory license is foreclosed under Section 115(b)(2) of the Act. In the absence of a compulsory license a record company may negotiate a mechanical license with the copyright holder. TMWL conducted negotiations with plaintiffs and their representatives to obtain mechanical licenses; however, no agreement was ever reached as to the amount of the license fee and no license agreement covering all the disputed albums was ever executed. Indeed, TMWL has admitted in a Consent Judgment previously entered in this case that all fourteen albums were released by TMWL “without the proper license.”

Since Eggers admits that “all [TMWL’S] major decisions and business relations, including all contracts, were handled by” him, (Eggers Aff. in Opposition to Motion of

TMWL and Mary Eggers ¶ 6) it would appear that Eggers is liable for contributory infringement for causing TMWL's infringement in connection with the distribution of the fourteen albums without any mechanical licenses. See *Davis v. Blige*, 505 F.3d 90, 105 n.13 (2d Cir. 2007) (theory of contributory infringement imposes liability on "one who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another" (quoting *Gershwin Publ'g Comp. v. Columbia Artists Mgmt, Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971))); *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 434-41 (1984) (discussing theory of contributory infringement); 3-12 *Nimmer on Copyrights* § 12.04(A)(3)(a). Eggers offers several reasons, however, why no infringement has occurred.

First, Eggers claims that he is the co-owner of all Townes Van Zandt compositions pursuant to the terms of an October 11, 1996 Agreement entitled "Confirmation of Ownership Interests" executed by Kevin Eggers, Townes Van Zandt and Jeanene Van Zandt. (Jeanene Van Zandt Aff., Ex. 11). This Agreement confirms that Eggers and his former wife, plaintiff Jeanene Van Zandt were the co-owners of certain Van Zandt songs that had been delivered to Columbine Music, Inc. (the Columbine Catalogue). By its terms, the Agreement relates only to the Columbine Catalogue and does not address the ownership of all songs written at any time by Van Zandt. Furthermore, all of Eggers' interest in the Columbine Catalogue was assigned by him to Bienstock Publishing Company on December 20, 1996. (Perkins Aff., Ex. 4.) Therefore, Eggers' claim of ownership, based on the "Confirmation of Ownership Interests" Agreement fails.

Unable to establish a defense to infringement based on co-ownership, Eggers attacks plaintiffs' ownership of certain of the copyrights originally registered in the names of Townes Van Zandt (26 songs), Townes Van Zandt Music (7 songs), Townes Van Zandt Songs (2 songs), Columbine Music (3 songs), Jando Music (3 songs) and Silver Dollar Music (2 songs). However, plaintiffs have established by means of uncontroverted documentary evidence their ownership of the copyrights through the proper chain of title: title to copyrights registered in the name of Townes Van Zandt, Townes Van Zandt Music and Townes Van Zandt Songs were either assigned to Jeanene Van Zandt pursuant to a Divorce Decree (Van Zandt Ex.1), or passed to the Estate of Townes Van Zandt through his Last Will and Testament, (Van Zandt Ex. 2); title to copyrights registered in the name of Columbine Music were assigned to Jeanene Van Zandt through the "Confirmation of Interests" Agreement, (Van Zandt Ex. 11); and title to copyrights registered in the names of Jando Music and Silver Dollar Music were also assigned to Jeanene Van Zandt pursuant to the Divorce Decree (Van Zandt Ex. 1).

Equally unavailing is Eggers' contention that mechanical license fees for the distribution of Van Zandt compositions were paid to plaintiffs by a company called Rhino/WEA. (Eggers Aff. in Opposition to Plaintiffs' Motion, ¶¶ 24-27. Eggers assertion is correct but irrelevant. Plaintiffs do not contend that Rhino failed to pay licensing fees for recordings released by it; rather plaintiffs sue for the failure of TMWL to obtain or pay royalties for mechanical licenses on the fourteen albums released by TMWL.

Finally, Eggers attempts to portray TMWL's failure to obtain mechanical licenses as a mere contract dispute between plaintiffs and TMWL over the amount of the royalty

payable under any such license. For support, Eggers relies on an agreement between Townes Van Zandt and the Tomato Music Company (“TMC”), presumably a predecessor of sorts to TMWL, dated June 19, 1978. (Eggers Aff. Ex. 10.) (the “1978 Agreement.”) The term of the 1978 Agreement is for one year, renewable annually for four additional years. Pursuant to paragraph 16 of the Agreement, royalties for mechanical licenses for compositions owned or controlled by Townes Van Zandt, or a person associated or affiliated with him, are payable at a rate that appears to be lower than the statutory rate. (*Id.*) When TMWL was formed in 2000 and began releasing the fourteen contested albums, a dispute arose over whether any of those albums were subject to the reduced statutory rate set forth in the 1978 Agreement. (Van Zandt Aff. ¶¶13–17). That dispute was never resolved and neither party in this litigation has made any effort to brief or present evidence necessary for resolution of the dispute. Nevertheless, the record clearly shows that TMWL only claims that three albums released in or around 1978 (“Old Quarter,” “Flyin’ Shoes,” and “The Nashville Sessions”) are covered by the 1978 Agreement, and that no mechanical royalties were paid for any of the fourteen contested albums, including those that Eggers and TMWL conceded were not subject to the 1978 Agreement but were governed by the higher statutory rate. (Van Zandt Aff. ¶¶ 13-17 and Ex. 6.) Therefore, TMWL’s infringement with respect to the eleven albums not in dispute is manifest, as is Eggers direct participation in that infringement.

Plaintiffs, for practical reasons, seek only injunctive relief against Eggers. (Hr’g Tr. 78, Mar. 19, 2008). Section 502(a) of the Copyright Act provides that a court may grant “final judgment on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.” 17 U.S.C. § 502(a). Injunctive relief is not automatic,

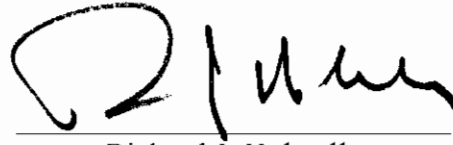
however, and a plaintiff seeking injunctive relief must meet the traditional four-factor test for such relief:

(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.

*e-Bay Inc. v. MercExchange, LLC*, 547 U.S. 388, 391 (2006). Plaintiffs here have established irreparable injury and the inadequacy of a remedy at law in that their copyrights were infringed repeatedly despite specific warnings sent to TMWL and Eggers. And while TMWL has already consented to injunctive relief, Eggers continues to maintain that he is the rightful owner of all Van Zandt compositions. Where, as here, a copyright owner establishes liability and a threat of continuing violations, injunctive relief may be appropriate. *Masterfile Corp. v. Country Cycling & Hiking Tours by Brooks, Inc.*, No. 06 Civ. 6363, 2008 WL 313958, at \*5 (S.D.N.Y. Feb. 4, 2008) (Maas, M.J.) (“In copyright actions, permanent injunctions are generally granted when there is a threat of continuing violations.”) (internal quotations omitted); *Mattel v. Robarb’s, Inc.*, No. 00 Civ. 4866 (RWS), 2001 WL 913894, at \*6 (S.D.N.Y. Aug. 14, 2001) (entering permanent injunction upon copyright owner’s demonstration of “a likelihood of future infringements.”). Furthermore, the balance of hardships favors the plaintiffs, and the public interest would be best served by protecting the true copyright owners. *Id.* at \*6. Accordingly, a permanent injunction is warranted. Plaintiffs shall submit a proposed form of injunction on or before April 15, 2008.

SO ORDERED.

Dated: New York, New York  
March 31, 2008

A handwritten signature in black ink, appearing to read "R. J. Holwell", written over a horizontal line.

Richard J. Holwell  
United States District Judge