

MANDATE

UNITED STATES COURT OF APPEALS
FOR THE
SECOND CIRCUIT

At a Stated Term of the United States Court of Appeals for the Second Circuit, held at the Thurgood Marshall United States Courthouse, 40 Foley Square, in the City of New York, on the 16th day of February, two thousand and seventeen.

Before: Guido Calabresi,
Denny Chin,
Susan L. Carney,
Circuit Judges.

Flo & Eddie, Inc., A California Corporation,
individually and on behalf of all others similarly
situated,

Plaintiff - Appellee,

JUDGMENT
Docket No. 15-1164

v.

Sirius XM Radio, Inc., a Delaware Corporation,

Defendant - Appellant,

Does, 1 through 10,

Defendants.

The appeal in the above captioned case from orders of the United States District Court for the Southern District was argued on the district court's record and the parties' briefs. Upon consideration thereof,

IT IS HEREBY ORDERED, ADJUDGED and DECREED that the district court's denial of Appellant's motion for summary judgment is REVERSED and the case is REMANDED to the district court with instructions to grant Appellant's motion for summary judgment and to dismiss the case with prejudice.

For The Court:

Catherine O'Hagan Wolfe,
Clerk of Court

A True Copy

Catherine O'Hagan Wolfe, Clerk

United States Court of Appeals, Second Circuit

Catherine O'Hagan Wolfe



Catherine O'Hagan Wolfe

MANDATE ISSUED ON 03/16/2017

15-1164-cv
Flo & Eddie, Inc. v. Sirius XM Radio, Inc.

**UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

August Term, 2015

Argued: February 2, 2016

Question Certified: April 13, 2016

Certified Question Answered: December 20, 2016

Decided: February 16, 2017

Docket No. 15-1164-cv

FLO & EDDIE, INC., a California Corporation,
individually and on behalf of all others similarly situated,

Plaintiff-Appellee,

– v. –

SIRIUS XM RADIO, INC., a Delaware Corporation,

Defendant-Appellant,

DOES, 1 THROUGH 10,

Defendants.

Before: CALABRESI, CHIN, and CARNEY, *Circuit Judges.*

Defendant-Appellant Sirius XM Radio, Inc., appeals from the November 14, 2014 and December 12, 2014 orders of the United States District Court for the Southern District of New York (McMahon, *J.*) denying its motions, respectively, for summary judgment and for reconsideration in connection with Plaintiff-Appellee Flo & Eddie, Inc.’s copyright infringement suit. *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, No. 13-cv-5784 (CM), 2014 WL 7178134 (S.D.N.Y. Dec. 12, 2014) (denial of motion for reconsideration); *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 62 F. Supp. 3d 325 (S.D.N.Y. 2014) (denial of motion for summary judgment). We previously concluded that the appeal raised a significant and unresolved issue of New York law that is determinative of this appeal: Is there a right of public

1 performance for creators of pre-1972 sound recordings under New York law and, if so, what
2 is the nature and scope of that right?

3 We certified this question to the New York Court of Appeals. *Flo & Eddie, Inc. v.*
4 *Sirius XM Radio, Inc.*, 821 F.3d 265 (2d Cir. 2016). The Court of Appeals accepted
5 certification and responded that New York common law does not recognize a right of public
6 performance for creators of pre-1972 sound recordings. *Flo & Eddie, Inc. v. Sirius XM Radio,*
7 *Inc.*, 2016 WL 7349183 (N.Y. Dec. 20, 2016).

8 In light of this ruling, we REVERSE the district court's denial of Appellant's motion
9 for summary judgment and REMAND with instructions to grant Appellant's motion for
10 summary judgment and to dismiss the case with prejudice.

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13 HARVEY GELLER (Henry Gradstein, Maryann R.
14 Marzano, *on the brief*), GRADSTEIN & MARZANO, P.C.,
15 Los Angeles, CA; (Evan S. Cohen, *on the brief*), Los
16 Angeles, CA; Michael Gervais, Arun S. Subramanian,
17 SUSMAN GODFREY LLP, New York, NY; Robert
18 Rimberg, GOLDBERG RIMBERG & WEG PLLC, *for*
19 *Plaintiff-Appellee*

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21 DANIEL M. PETROCELLI (Cassandra L. Seto, *on the*
22 *brief*), O'MELVENY & MYERS LLP, Los Angeles, CA;
23 (Johnathan D. Hacker, *on the brief*), O'MELVENY &
24 MYERS LLP, Washington, DC; *for Defendant-Appellant*

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26 BRANDON BUTLER, AMERICAN UNIVERSITY
27 WASHINGTON COLLEGE OF LAW, Washington, DC, *for*
28 *Amici Curiae* Law Professors Gary Pulsinelli, Julie Ross,
29 and Peter Jaszi, in support of *Defendant-Appellant*

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31 EUGENE VOLOKH, UCLA SCHOOL OF LAW, Los
32 Angeles, CA, *for Amici Curiae* Howard Abrams, Brandon
33 Butler, Michael Carrier, Michael Carroll, Ralph
34 Clifford, Brian Frye, William Gallagher, Eric Goldman,
35 James Grimmelman, Yvette Liebesman, Brian Love,
36 Tyler Ochoa, David Olson, David Post, Michael Risch,
37 Matthew Sag, Rebecca Tushnet, and David Welkowitz,
38 in support of *Defendant-Appellant*

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40 MITCHELL STOLTZ, VERA RANIERI, Electronic
41 Frontier Foundation, San Francisco, CA, *for Amicus*

1 *Curiae* Electronic Frontier Foundation, in support of
2 *Defendant-Appellant*

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4 R. BRUCE RICH, BENJAMIN E. MARKS,
5 GREGORY SILBERT, TODD LARSON, KAMI
6 LIZARRAGA, WEIL, GOTSHAL & MANGES LLP, New
7 York, NY, *for Amicus Curiae* Pandora Media, Inc., in
8 support of *Defendant-Appellant*

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11 PANJWANI, Public Knowledge, Washington, DC, *for*
12 *Amicus Curiae* Public Knowledge, in support of
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15 STEPHEN B. KINNAIRD, PAUL HASTINGS LLP,
16 Washington, DC; RICK KAPLAN, National
17 Association of Broadcasters, Washington, DC; *for*
18 *Amicus Curiae* National Association of Broadcasters, in
19 support of *Defendant-Appellant*

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21 ADAM R. BIALEK, STEPHEN J. BARRETT,
22 WILSON ELSER MOSKOWITZ EDELMAN & DICKER LLP,
23 New York, NY; DAVID L. DONOVAN, New York
24 State Broadcasters Association, Inc., Albany, NY; *for*
25 *Amicus Curiae* New York State Broadcasters Association,
26 Inc., in support of *Defendant-Appellant*

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29
30 PER CURIAM:

31 On September 3, 2013, Flo & Eddie, Inc. (“Appellee”), a California corporation that
32 asserts it owns the recordings of “The Turtles,” a well-known rock band with a string of hits
33 in the 1960s, sued Sirius XM Radio, Inc. (“Appellant”), a Delaware corporation that is the
34 largest radio and internet-radio broadcaster in the United States. The suit was brought on
35 behalf of itself and a class of owners of pre-1972 recordings; it asserted claims for common-
36 law copyright infringement and unfair competition under New York law. In particular,
37 Appellee alleged that Appellant infringed Appellee’s copyright in The Turtles’ recordings by

1 broadcasting and making internal reproductions of the recordings (e.g., library, buffer and
2 cache copies) to facilitate its broadcasts.

3 In due course, Appellant moved for summary judgment on two grounds. Appellant
4 contended first that there is no public-performance right in pre-1972 recordings under New
5 York copyright law, and hence that its internal reproductions of these recordings were
6 permissible fair use. Second, Appellant argued that a state law public performance right, if
7 recognized, would be barred by the Dormant Commerce Clause. On November 14, 2014,
8 the District Court (McMahon, *J.*) denied this motion. *Flo & Eddie, Inc. v. Sirius XM Radio,*
9 *Inc.*, 62 F. Supp. 3d 325, 330 (S.D.N.Y. 2014).

10 On the first issue, the court concluded that New York does afford a common-law
11 right of public performance to copyright holders, and that Appellant's internal reproductions
12 were correspondingly not fair use. *Id.* at 344-46. On the second issue, the court found that
13 the recognition of a performance right did not implicate the Dormant Commerce Clause. It
14 noted that, pursuant to *Sherlock v. Alling*, 93 U.S. (3 Otto) 99 (1876), such a right did not
15 constitute a "regulation" of commerce. *Flo & Eddie, Inc.*, 62 F. Supp. 3d at 351-53.

16 Soon after, Appellant, with new counsel, filed a motion for reconsideration of the
17 November 14, 2014 order. In the alternative, it asked the District Court to certify its
18 summary judgment order for interlocutory appeal. The District Court denied Appellant's
19 motion for reconsideration, *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, No. 13-cv-5784, 2014
20 WL 7178134 (S.D.N.Y. Dec. 12, 2014), but did certify both the summary judgment and
21 reconsideration orders for interlocutory appeal, *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, No.
22 13-cv-5784, 2015 WL 585641 (S.D.N.Y. Feb. 10, 2015).

1 Appellant then petitioned us to permit the interlocutory appeal, which we did. *Flo &*
2 *Eddie, Inc. v. Sirius XM Radio, Inc.*, No. 15-cv-497, 2015 WL 3478159 (2d Cir. May 27,
3 2015). After extensive briefing and oral argument, we concluded that the appeal raised a
4 significant and unresolved issue of New York law that is determinative of this appeal: Is
5 there a right of public performance for creators of pre-1972 sound recordings under New
6 York law and, if so, what is the nature and scope of that right?

7 Accordingly, we certified this question to the New York Court of Appeals. *Flo &*
8 *Eddie, Inc.*, 821 F.3d 265. The Court of Appeals accepted certification, and on December
9 20, 2016, responded that New York common law does not recognize a right of public
10 performance for creators of pre-1972 sound recordings. *Flo & Eddie, Inc. v. Sirius XM Radio,*
11 *Inc.*, 2016 WL 7349183 (N.Y. Dec. 20, 2016).

12 Following the Court of Appeals' answer, we ordered the parties to submit letter briefs
13 addressing the effect of the Court of Appeals' decision on the appeal before this court. In its
14 letter brief, Appellee argued that the Court of Appeals "did not resolve [Appellant's] liability
15 for unauthorized copying of [Appellee's] recordings and engaging in unfair competition by
16 publicly performing those copies for profit, which the District Court had identified as
17 separate and independent grounds for finding [Appellant] liable." Letter Brief for Appellee,
18 *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 821 F.3d 265 (2d Cir. 2016) (No. 15-1164), ECF
19 No. 215.

20 In our opinion certifying the question to the Court of Appeals, however, we noted
21 and held that

22 The fair-use analysis applicable to this copying . . . is bound up
23 with whether the ultimate use of the internal copies is
24 permissible. As a result, the certified question *is determinative* of
25 Appellee's copying claims Similarly, Appellee's unfair-

1 competition claim depends upon the resolution of the certified
2 question.

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4 *Flo & Eddie, Inc.*, 821 F.3d at 270 n.4 (emphasis added).

5 The answer to the certified question being determinative of the other claims, we
6 REVERSE the district court's denial of Appellant's motion for summary judgment and
7 REMAND to that court with instructions to grant Appellant's motion for summary
8 judgment and to dismiss the case with prejudice.