ValpoScholar Valparaiso University Law Review

Volume 44
Number 2 *Winter 2010*

*pp.*469-508

Winter 2010

Can the Application of Laches Violate the Separation of Powers?: A Surprising Answer from a Copyright Circuit Split

Emily A. Calwell

Follow this and additional works at: https://scholar.valpo.edu/vulr

 Part of the Law Commons

Recommended Citation

Emily A. Calwell, *Can the Application of Laches Violate the Separation of Powers?: A Surprising Answer from a Copyright Circuit Split*, 44 Val. U. L. Rev. 469 (2010).
Available at: https://scholar.valpo.edu/vulr/vol44/iss2/4

This Notes is brought to you for free and open access by the Valparaiso University Law School at ValpoScholar. It has been accepted for inclusion in Valparaiso University Law Review by an authorized administrator of ValpoScholar. For more information, please contact a ValpoScholar staff member at scholar@valpo.edu.

Valparaiso University

CAN THE APPLICATION OF LACHES VIOLATE THE SEPARATION OF POWERS?: A SURPRISING ANSWER FROM A COPYRIGHT CIRCUIT SPLIT

I. INTRODUCTION

Because all equitable terms tend to be softly defined and loosely used, a certain amount of confusion results.[1]

On January 27, 2010, the separation of powers doctrine got prime-time television coverage when President Obama openly criticized a recent Supreme Court decision[2] during the State of the Union address.[3] Prefacing his comments by giving "due deference to separation of powers"[4] and standing only a few feet away from members of the Supreme Court, the President outlined what he perceived to be the dire consequences of the Court's wrongly-decided opinion. Supreme Court Justices are expected to sit silently and refrain from reacting to the President's speech,[5] but Justice Samuel A. Alito, Jr. shook his head in disgust and "appeared to mouth the words 'not true.'"[6] Here, viewers

---

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

2 The President criticized Citizens United v. Fed. Election Comm'n, 130 S. Ct. 876 (2010), which held that the ban in 2 U.S.C. § 441b (2006) on corporate expenditures in elections violated the First Amendment. *Id.* at 913.

3 Adam Liptak, *Supreme Court Gets Rare Rebuke, in Front of a Nation*, N.Y. TIMES, Jan. 29, 2010, at A12.

4 *Id.* The separation of powers doctrine refers to the principle that the United States Government is separated into three distinct and independent branches: executive, legislative, and judicial. U.S. CONST. art. I (granting legislative powers to a Congress consisting of a Senate and a House of Representatives); U.S. CONST. art. II (vesting the executive power in a President of the United States); U.S. CONST. art. III (vesting the judicial power of the United States in "one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish"). *See also* 16A AM. JUR. 2D *Constitutional Law* § 246 (2010). "[I]t is generally recognized that constitutional restraints are overstepped where one department of government attempts to exercise powers exclusively delegated to another, and that officers of any branch of the government may not usurp or exercise the powers of either of the others." *Id.* This doctrine is a central feature of the federal government, and the Supreme Court emphasized "[t]his separation is not merely a matter of convenience or of governmental mechanism. Its object is basic and vital, namely, to preclude a commingling of these essentially different powers of government in the same hands." O'Donoghue v. United States, 289 U.S. 526, 530 (1933) (citation omitted).

5 Quinn Bowman, Criticism of President by Justice Is as Rare as Criticism of Court During SOTU, PBS Newshour, Mar. 11, 2010, http://www.pbs.org/newshour/rundown/2010/03/coyle-criticism-of-president-by-justice-is-rare.html.

6 Liptak, *supra* note 3.

Produced by The Berkeley Electronic Press, 2010

watched as the executive branch of government castigated the judicial branch, all in front of an applauding legislative branch. For those interested in the history of the separation of powers doctrine, this was high drama.

While it is unlikely that we will ever see the President of the United States giving an impassioned speech about the abuse of laches, the equitable remedy is raising separation of powers concerns in the area of copyright law. Judge Richard A. Posner of the Seventh Circuit calls the idea that laches could ever be in tension with the separation of powers doctrine "odd."[7] Four out of five circuits in a copyright circuit split disagree.[8] The Fourth, Sixth, Tenth, and Eleventh Circuits cite the

---

[7] Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002). Judge Posner writes that "just as various tolling doctrines can be used to lengthen the period for suit specified in a statute of limitations, so laches can be used to contract it." *Id.* Posner notes that other courts have taken a different approach to laches. *Id.* "We are mindful that some courts have invoked a presumption against the use of laches to shorten the statute of limitations." *Id.* (citing Herman Miller, Inc. v. Palazzetti Imps. & Exps., Inc., 270 F.3d 298, 321 (6th Cir. 2001); United States v. Rodriguez-Aguirre, 264 F.3d 1195, 1207–08 (10th Cir. 2001); Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 799 (4th Cir. 2001)). "One even made the presumption conclusive . . . on the odd ground that abridging a statutory period for suit by means of a judge-made doctrine is in tension with the separation of powers." *Id.* (citing Ivani Contracting Corp. v. City of New York, 103 F.3d 257, 259–61 (2d Cir. 1997)). Although *Gorman Bros.* dealt with a statute that did not contain an express federal statute of limitations, Posner's discussion suggests that using laches to shorten either an express or a borrowed statute of limitations would be proper. *Id.*

[8] *See infra* Part II.C.2 (discussing each circuit's position in the copyright circuit split). Support for the notion that a court's exercise of equitable discretion could be in tension with the separation of powers comes from Justice Thomas's concurring opinion in a 1995 case before the Supreme Court. *See* Missouri v. Jenkins, 515 U.S. 70, 131–32 (1995) (Thomas, J., concurring). Discussing the judiciary's equitable powers in a school desegregation plan, Thomas writes, "Two clear restraints on the use of the equity power—federalism and the separation of powers—derive from the very form of our Government." *Id.* at 131. Although the case before the Court did not present a situation where one branch of government infringed on the rights of another, Justice Thomas recognized the possibility that a court's equitable powers could violate the separation of powers doctrine. *Id.* at 132. Justice Thomas writes:

> The separation of powers imposes additional restraints on the judiciary's exercise of its remedial powers. To be sure, this is not a case of one branch of Government encroaching on the prerogatives of another, but rather of the power of the Federal Government over the States. Nonetheless, what the federal courts cannot do at the federal level they cannot do against the States; in either case, Article III courts are constrained by the inherent constitutional limitations on their powers. There simply are certain things that courts, in order to remain courts, cannot and should not do.

Id. Thomas goes on to discuss the history of the judiciary's equitable powers in his criticism of structural injunctions. *Id.* at 104–05. Thomas notes that the "Framers approached equity with suspicion." *Id.* at 105. After surveying the history of equity, Thomas concludes:

separation of powers doctrine as either a restraint or a complete bar on a court's ability to use laches to shorten the express federal statute of limitations found in the Copyright Act of 1976.[9] Circuit courts that ban or restrict laches due to separation of powers concerns reason that setting time limitations for copyright claims is the exclusive province of Congress, and when a court shortens a statute of limitations with an equitable remedy such as laches, the court oversteps its powers.[10] In other words, when the judicial branch uses laches to bar a statutorily timely claim, they are essentially amending the Copyright Act, which is an action reserved for legislators.

Is the equitable defense of laches the "golden girl" of equity or a judicial power grab?[11] If courts use the judicially-created doctrine to cut short an explicit statute of limitations, are they simply exercising their traditional equitable powers to tailor fair relief, or are they violating the separation of powers doctrine which allocates different powers to the executive, judicial, and legislative branches?[12]

> that there is no early record of the exercise of broad remedial powers. Certainly there were no "structural injunctions" issued by the federal courts, nor were there any examples of continuing judicial supervision and management of governmental institutions. Such exercises of judicial power would have appeared to violate principles of state sovereignty and of the separation of powers as late in the day as the turn of the century.

Id. at 130. This discussion seems contrary to Posner's view that it is "odd" to suggest that an equitable remedy could be in tension with the separate of powers doctrine. *See supra* note 7 (discussing Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002)). Thomas's review of history reveals that maintaining the separation of powers and being mindful of the principles of Federalism are very real concerns in equity jurisprudence.

[9] *See* Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789 (4th Cir. 2001); Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227 (6th Cir. 2007); Jacobsen v. Deseret Book Co., 287 F.3d 936 (10th Cir. 2002); Peter Letterese & Assocs. v. World Inst. of Scientology Enters., 533 F.3d 1287 (11th Cir. 2008). The Ninth Circuit does not mention the separation of powers doctrine in Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001). See *supra* note 4 for a discussion of the separation of powers doctrine.

[10] *See infra* Part II.C.2 (discussing the reasoning in Fourth, Sixth, Ninth, Tenth, Eleventh Circuit decisions).

[11] Gail L. Heriot, *A Study in the Choice of Form: Statutes of Limitation and the Doctrine of Laches*, 1992 BYU L. REV. 917, 918. "Contrast the statute of limitations with the doctrine of laches, that golden girl of equity jurisdiction." *Id.*

[12] *See* Leandra Lederman, *Equity and the Article I Court: Is the Tax Court's Exercise of Equitable Powers Constitutional?*, 5 FLA. TAX REV. 357, 375–78 (2001) (discussing the equitable powers of Article I courts and the doctrine of separation of powers). The separation of powers is a constitutional doctrine concerning the divisions and balances between the roles of the legislature, executive branch, and judiciary. *Id.* A violation of the doctrine occurs when one branch assumes too much power or gives away too much of its power to another co-equal branch. *Id.* at 363. *See generally* TOM CAMPBELL, SEPARATION OF POWERS IN PRACTICE (2004) (discussing the advantages and disadvantages of each branch of

Conflicting answers to these questions can be found both inside and outside the copyright context.[13] There is confusion in federal courts as to whether the equitable defense of laches may be used in various areas of the law to shorten statutes of limitations without violating the separation of powers doctrine.[14] While a Supreme Court decision is sorely needed to provide guidance regarding the operation of laches and express statutes of limitation generally,[15] an Amendment to the Copyright Act is the best solution to the current copyright circuit split.[16] The

---

government and analyzing which branch of government is most appropriate to handle certain disputes). Campbell summarizes the power of the doctrine as well as the dangers of its abuse:

> The American system of government separates power. It thereby achieves protection for its citizens against the potential of tyranny. The separation also can call forth advantages that each branch possesses for the efficient disposition of issues of public policy and private dispute and to enhance the public's confidence in the fairness of the process that led to those dispositions. In a government with no formal separation, a sacrifice is necessarily made of at least some of these advantages. A danger exists also, however, of too severe a separation. Where one branch fails to undertake a task for which it is the best suited, it willingly permits another branch to usurp that authority. The consequences often include a compromise in the efficiency of the branch assuming the power from the branch giving it up.

Id. at 1.

[13] *See infra* Parts II.C.1–2 (discussing cases both inside and outside the copyright circuit split that hold conflicting positions on the issue of when laches may operate to shorten a statute of limitations).

[14] *See infra* Part II.C (discussing the use of laches in various areas of the law).

[15] For the argument that the application of laches violates the separation of powers doctrine and that a Supreme Court decision is the best solution to the split of authority see Ryan Christopher Locke, Note, *Resetting the Doomsday Clock: Is it Constitutional for Laches to Bar Copyright Infringement Claims Within the Statute of Limitations?*, 6 BUFF. INTELL. PROP. L.J. 133, 153, 156 (2008–2009). *See also* Misty Kathryn Nall, Note, *(In) Equity in Copyright Law: The Availability of Laches to Bar Copyright Infringement Claims*, 35 N. KY. L. REV. 325, 346 (2008) (arguing that laches should be banned in copyright cases because the application of the equitable remedy within the statute of limitations impermissibly "circumvents the federal statute" and violates the separation of powers doctrine).

[16] *See infra* Part IV (offering a proposed amendment to the Copyright Act that would standardize laches analysis in copyright claims); *infra* Part II.C (discussing the guidance offered by the United States Supreme Court regarding the application of the equitable defense of laches). For the argument that separation of powers concerns are "only marginal at best" in copyright law, see Vikas K. Didwania, Note, *The Defense of Laches in Copyright Infringement Claims*, 75 U. CHI. L. REV. 1227, 1257 (2008). In part, Didwania reasons that a statute of limitations functions as only a maximum time limitation and not a guaranteed minimum time period in which to file. *Id.* at 1245. In other words, "It is unclear why just because a statute of limitations grants a plaintiff *up to* three years means it must also always grant a plaintiff *at least* three years." *Id. Contra* 51 AM. JUR. 2D *Limitation of Actions* § 8 (2010). "A statute of limitations signifies a fixed period within which an action may be brought to preserve a right . . . ." *Id. See also* DOUGLAS LAYCOCK, MODERN

consequences of the circuit split are illustrated by the following hypothetical.[17]

Imagine you are a small business owner whose arts and crafts store is struggling. One Halloween, you overhear customers complaining about the lack of decent children's costumes available for the holiday. In an attempt to boost revenue, you design a series of costumes and rent them out from your shop. The costumes are a huge success. Each year, you invest more in advertising and your rental business grows. In your eleventh and most profitable year of renting costumes, you are shocked when you are sued for copyright infringement. The creator of a children's cartoon alleges that one of your costumes infringes one of its copyrighted characters. Outraged, you learn that the copyright holder has known about your costumes for the past ten years. Can she sit back and watch for a decade as you build a successful business and sue you just when your profits peak? Isn't there a remedy that protects defendants from such gross delay?

The answer is that laches is the defense you seek, but its viability depends on the circuit. If you are sued in the Fourth Circuit, laches is unavailable.[18] The statute of limitations will be calculated from the time of the most recent costume rental, and the plaintiff's claim will be timely.[19] However, if you are in the Ninth Circuit, laches is available to potentially stop the lawsuit.[20] If the costumes never substantially changed, the court will calculate the laches period from the very first rental and will likely hold that the plaintiff who waited ten years to sue unreasonably delayed filing her claim.[21] In sum, laches cannot help you in the Fourth Circuit, but in the Ninth Circuit, it just might save your business.

AMERICAN REMEDIES: CASES AND MATERIALS 7 (3d ed. 2002). "The conventional statute of limitations creates a fixed time in which suit must be filed. Time begins to run when the cause of action accrues, and the suit is barred when time runs out. It is possible to *precisely* identify the very last day on which suit can be filed." *Id.* (emphasis added). If statutes of limitations function only as maximum time limits and do not also protect a clearly-defined time in which a plaintiff may decide to file, due process concerns arise, especially in cases that do not involve continuing wrongs. *See* DOBBS, *supra* note 1, at 115–16, n.1 (noting that one key element of due process is "standards that can be known in advance").

17 The contents of this hypothetical are loosely based on the facts of Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 798 (4th Cir. 2001) (holding that laches does not apply to copyright claims within the statutory period). However, the facts have been altered and all names and characters are purely fictional.

18 *Lyons*, 243 F.3d at 798.

19 *See id.*

20 Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001) (holding that laches may bar relief, including prospective injunctive relief, where the feared future infringements are identical to the alleged past infringements).

21 *See id.*

This Note focuses on the conflicting approaches courts take to laches in copyright claims and briefly discusses cases outside the copyright context to highlight the fact that the use of laches is raising separation of powers concerns in other areas of the law.[22] Part II examines the background of equity jurisprudence, the defense of laches, statutes of limitations, and the Copyright Act.[23] Part III analyzes three possible resolutions to the copyright circuit split and examines to what extent each solution resolves separation of powers concerns and furthers the goals of the Copyright Act.[24] Part IV argues that laches should be available as a defense in copyright claims and proposes an amendment to the Copyright Act that combines the approaches of the Sixth and Ninth Circuits.[25]

II. BACKGROUND

> *Few American citizens, however, would think of themselves in court as humble petitioners, on their knees before the judge who may deny relief on grounds that cannot be stated as principles or applied even-handedly to all suitors . . . . So a full-blown discretion in the chancellor to deny relief may be hard to reconcile with the ideal of rights under the law.*[26]

It may be shocking to the average American to learn that when a judge rules on an equitable defense such as laches, she is ruling with powers inherited from a time when begging before an authoritative bishop in court was commonplace.[27] The discretion available in equity might be particularly alarming when it is applied to a right firmly

---

22 *See infra* Part II.C.

23 *See infra* Part II.C.

24 *See infra* Part III.

25 *See infra* Part IV.

26 DOBBS, *supra* note 1, at 115–16.

27 *Id.* Dobbs noted that the broad equitable discretion available in the original courts of equity are contrary to our modern concept of courts:

> The chancellor's discretion to deny relief is a peculiar tradition to encounter in a democratic society where citizens possess rights under the law, not merely the hope of indulgence. The chancellor–bishop's discretion to refuse enforcement of established rights may have seemed normal in 16th century England. He was an authoritative bishop who gave relief as a matter of grace and discretion to individuals who were subjects of the Crown, not citizens of a democracy.

Id. at 115.

established by the Constitution, such as copyright protection.[28] When addressing an issue concerning copyright infringement, it is imperative to note at the outset the importance the United States Constitution places on an individual's right to protect intellectual property.[29]

An interesting bit of trivia about the United States Constitution is that the term "right" is used only once in the entire document as ratified in 1787—in the copyright clause.[30] In Article I, Section eight, Congress has the power to protect authors and inventors by securing their "exclusive Right" to writings and discoveries.[31] By grant of this constitutional authority, Congress first set out to protect intellectual property with the Copyright Act of 1790, and the act now in effect is the Copyright Act of 1976 ("Act" or "Copyright Act").[32]

---

[28] *See infra* notes 30–32 and accompanying text (discussing the importance the founders placed on the right to protect intellectual property).

[29] U.S. CONST. art. I, § 8, cl. 8. The Constitution states that Congress has the power "[t]o 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." *Id.*

[30] *Id. See also* Boumediene v. Bush, 128 S. Ct. 2229, 2246 (2008). The fact that the word "right" is only used once in the eight articles of the Constitution is mentioned in a case before the Court concerning prisoners. *Id.* Considering the rights of Guantanamo detainees, the Court points to the specificity used in the Suspension Clause as evidence of the Framers' intent to establish the writ of habeus corpus as a "vital" protection of liberty. *Id*. The Court applies this reasoning to the Copyright context and notes that the Copyright Clause contains the only use of the word "right" in the entire ratified document. *Id*. For a discussion of an intent–based approach to interpreting the copyright clause see Ralph Oman, *The Copyright Clause: "A Charter For a Living People,"* 17 U. BALT. L. REV. 99, 103 (1987).

[31] U.S. CONST. art. I, § 8, cl. 8.

[32] 17 U.S.C. §§ 101-1332 (2006). For a basic discussion of previous Copyright Acts and subsequent amendments see PAUL GOLDSTEIN & R. ANTHONY REESE, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES 648, 649–50 (6th ed. 2008). *See also* MARSHALL LEAFFER, UNDERSTANDING COPYRIGHT LAW 6–15 (3d ed., 1999). Leaffer notes that before any copyright act existed in America, the colonies had their own forms of copyright laws. *Id.* at 6. The Framers of the Constitution placed the Copyright Clause in the document because they recognized a need for uniformity in copyright and patent law. *Id.* Congress passed the first copyright act in 1790, and modeled it on the English Statute of Anne which gave authors protection of their maps, charts and books for two fourteen year terms. *Id.* at 7. The second federal copyright law came with the Copyright Act of 1909 ("1909 Act") after President Theodore Roosevelt called for a revision of copyright law to keep pace with modern conditions. *Id.* An important change in the 1909 Act was that protection was expanded to "all the writings of an author." *Id.* The 1909 Act also expanded the amount of time a copyrighted work could be protected. *Id.* 7–8. The law imposed two twenty-eight year terms, with the second term as a renewal term which allowed for the option to protect the work for fifty-six years. *Id.* The current Copyright Act protects material that was fixed in a tangible form on or after January 1, 1978, for the life of the author plus seventy years. 17 U.S.C. § 302 (2006).

One of the issues courts face when interpreting the Copyright Act concerns the length of time plaintiffs have to bring a claim.[33] Circuits are split as to whether a plaintiff may be time-barred by the equitable doctrine of laches before the statute has run.[34]

At first glance, the split appears to be a relatively simple one with the Fourth Circuit as the only circuit supporting a flat ban on the application of laches to claims filed within three years of a copyright violation.[35] The Sixth, Ninth, Tenth, and Eleventh Circuits vary as to the

---

[33] *Doctrine of Laches May be Used to Reduce Limitations Period in Some Copyright Suits*, 75 U.S.L.W. 1420 (Jan. 23, 2007) (highlighting a circuit split over whether laches is available as an affirmative defense under the Copyright Act). The express statute of limitations has created a circuit split regarding its application in a civil action. *Id*. *See* 17 U.S.C. § 507 (2006). The Act provides an express statute of limitations for both civil and criminal actions. *Id*. The Act states, "Except as expressly provided otherwise in this title, no criminal proceeding shall be maintained under the provisions of this title unless it is commenced within 5 years after the cause of action arose." *Id.* § 507(a). For civil actions, the statute provides, "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." *Id.* § 507(b). Despite the apparent simplicity of a three–year statute of limitations, the provision has caused a circuit split. *Doctrine of Laches*, *supra*. *See also* BARACK OBAMA, THE AUDACITY OF HOPE: THOUGHTS ON RECLAIMING THE AMERICAN DREAM 76 (2006). President Barack Obama notes that even the simplest of provisions in a statute can cause an enormous amount of controversy. *Id.* Obama writes:

> The simplest statute—a requirement, say, that companies provide bathroom breaks to their hourly workers—can become the subject of wildly different interpretations, depending on whom you are talking to: the congressman who sponsored the provision, the staffer who drafted it, the department head whose job it is to enforce it, the lawyer whose client finds it inconvenient, or the judge who may be called upon to apply it.

Id. Obama goes on to note that controversy over a simple clause in a statute is, in part, due to the separation of powers. *Id.* at 76–77.

> Some of this is by design, a result of the complex machinery of checks and balances. The diffusion of power between the branches, as well as between federal and state governments, means that no law is ever final, no battle truly finished; there is always the opportunity to strengthen or weaken what appears to be done, to water down a regulation or block its implementation, to contract an agency's power with a cut in its budget, or to seize control of an issue where a vacuum has been left.

Id.

[34] *Doctrine of Laches*, *supra* note 33.

[35] Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 798 (4th Cir. 2001) (holding that laches does not apply to copyright claims within the statutory period). *See* Dylan Ruga, Comment, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663, 684–85 (2005) (arguing that because the Supreme Court holds that equitable defenses may not be applied to legal remedies, the only viable solution to the copyright circuit split is to allow the defense of laches to bar only equitable relief); Jason R. Swartz, Comment, *When the Door Closes Early: Laches as an Affirmative Defense to Claims of Copyright Infringement*, 76 U. CIN. L. REV. 1457, 1474–78 (2008) (arguing that the Sixth Circuit's

application of the equitable defense, but all hold that laches is available in certain circumstances.[36] However, upon closer inspection, the circuit split is more complicated than a lone circuit with a position contrary to the majority.[37] The circuit split reveals a deeper divide regarding the role of laches and the separation of powers doctrine generally.[38]

Below, Part II.A discusses the major policy objectives behind copyright law as well as the origins and provisions of the Copyright Act of 1976.[39] Part II.B contains an overview of the equitable defense of laches.[40] Part II.C introduces the argument raised by some circuits that the application of laches can violate the separation of powers doctrine and explores where the circuits stand on the issue both inside and outside the context of the Copyright Act.[41]

A. The Copyright Act of 1976

Two main objectives of copyright law are to reward creators for their labor and to serve the public good by encouraging the production of original work.[42] First, one justification for protecting intellectual

---

approach is the best balance between the Fourth Circuit's ban on laches as an affirmative defense and the Ninth Circuit's liberal approach).

[36] Peter Letterese & Assocs. v. World Inst. of Scientology Enters., 533 F.3d 1287, 1321–22 (11th Cir. 2008) (holding that laches may bar only retrospective damages in extraordinary circumstances); Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227, 236 (6th Cir. 2007) (holding that laches may bar relief within the statutory period when relief sought will create an unjust hardship on the defendants or on innocent third parties); Jacobsen v. Deseret Book Co., 287 F.3d 936 (10th Cir. 2002) (holding that laches may cut short a statute of limitations in rare cases); Danjaq LLC v. Sony Corp., 263 F.3d 942, 959–60 (9th Cir. 2001) (holding that laches may bar relief, including prospective injunctive relief, where the feared future infringements are identical to the alleged past infringements).

[37] While the Fourth Circuit is the only court to completely ban the application of laches within the statute of limitations period because of separation of powers concerns, the Sixth, Tenth, and Eleventh Circuits allow laches only in unusual circumstances and agree that the application of the doctrine raises separation of powers concerns. *See Peter Letterese*, 533 F.3d at 1321–22; *Chirco*, 474 F.3d at 236; *Jacobsen*, 287 F.3d at 936; *Lyons P'ship*, 243 F.3d at 798;. The Ninth Circuit is the only court to exclude separation of powers principles from laches analysis. *See Danjaq*, 263 F.3d at 959–60.

[38] *See supra* note 4 (explaining the basic concept of the separation of powers doctrine).

[39] *See infra* Part II.A (discussing policy, provisions, and history of the Copyright Act).

[40] *See infra* Part II.B (discussing the history of law and equity and the equitable defense of laches).

[41] *See infra* Part II.C (discussing separation of powers concerns and approaches used in laches analysis both inside and outside the copyright circuit split).

[42] 18 AM. JUR. 2D *Copyright and Literary Property* § 2 (2010) (citing Twentieth Century Music Corp. v. Aiken, 422 U.S. 151 (1975)). "While the immediate effect of the copyright law is to secure a fair return for an author's creative labor, the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good." *Id.* Further, copyright law creates "incentives for development, with dissemination, which seeks to foster learning, progress, and development." *Id.*

property is that each person has a right to be compensated for her labor.[43] For example, it would be unjust for an author to write a book that becomes famous world-wide, yet leaves the writer uncompensated for her contribution to knowledge or for her artful expression.[44] Second, the literal goal of copyright law as stated in the Constitution is to "promote the Progress of Science and useful Arts," and the broad purpose is to serve the public good.[45] The idea is that copyright law encourages individuals to introduce their creations into the market and thereby share them with the public, increasing the welfare of all.[46] Arguably, the founders designed the copyright clause as an incentive to ensure that the public welfare will always be enriched by the creations of individuals.[47] The design of the first copyright statute in the United States was similar to an English copyright statute, the Statute of Anne.[48]

United States copyright law finds its origins in fifteenth century England with the founding of the printing press at Westminster.[49] After the founding of the press, the Crown issued patents for printing to control the newly generated materials.[50] These patents served not only as mechanisms to prevent infringement of other licensed works, but also as censorship tools to control "seditious matter."[51] Censorship

---

43 LEAFFER, *supra* note 32, at 16–17 (citing JOHN LOCKE, SECOND TREATISE OF GOVERNMENT Ch. 5 (1960) (1690)). Leaffer notes that the concept of a person's moral right to "reap the fruits of his or her own labor" is based on natural law philosophy. *Id.* Leaffer points to John Locke, a famous natural law proponent, who posited that people own their bodies, the labor of their bodies and the fruits of that labor. *Id.* at 17.

44 *See id.*

45 U.S. CONST. art. I, § 8, cl. 8; Fogerty v. Fantasy, Inc., 510 U.S. 517, 526 (1994). The Fogerty Court stated:

> More importantly, the policies served by the Copyright Act are more complex, more measured, than simply maximizing the number of meritorious suits for copyright infringement . . . . We have often recognized the monopoly privileges that Congress has authorized, while "intended to motivate the creative activity of authors and inventors by the provision of a special reward," are limited in nature and must ultimately serve the public good.

Id. (citing Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 429 (1984)).

46 18 AM. JUR. 2D *Copyright and Literary Property* § 2 (2008).

47 *Id.* "Thus, copyright policy is meant to balance protection, which seeks to ensure a fair return to authors and inventors and thereby to establish incentives for development, with dissemination, which seeks to foster learning, progress, and development." *Id. See also* Tim Hering, Comment, *Users and Abusers: Has the Distinction Been Legislated out of Copyright*, 83 OR. L. REV. 1349, 1351 (2004) (citing CRAIG JOYCE ET AL., COPYRIGHT LAW § 1.03[A] (6th ed. 2003)).

48 GOLDSTEIN & REESE, *supra* note 32, at 648; Statute of Anne, 1709, 8 Ann., c. 19 (Eng.).

49 GOLDSTEIN & REESE, *supra* note 32, at 648.

50 *Id.*

51 *Id.*

ultimately declined in the seventeenth century, and Parliament passed the first copyright act in 1709.[52]

In America, Congress enacted the first federal copyright statute in 1790.[53] Like the Statute of Anne, the 1790 statute provided for a fourteen-year term that was renewable if the author was still living.[54] If any person "printed, reprinted, published, or imported from any foreign kingdom or state, any copy of copies of such map, chart, book or books, without the consent of the author or proprietor thereof, first had and obtained in writing, signed in the presence of two or more credible witnesses" they were subject to a fine of fifty cents for each infringing sheet found in that person's possession.[55] Additionally, to obtain protection, the author had to file a copy of the work with the clerk of the court and pay sixty cents for the registration.[56] The original statute allowed the author one year to file a cause of action for infringement.[57]

The purpose for the current statute of limitations in the Copyright Act is to prevent forum shopping among circuits and create uniformity in the courts. [58] Prior to 1957, versions of the Act did not contain a uniform statute of limitations, and courts borrowed analogous state statutes of limitations for torts and applied them to copyright claims.[59] As a result, limitations periods varied widely from state to state.[60] To eliminate forum shopping, Congress enacted Section 507(b) of the

---

52 *Id.* The statute provided authors with a once-renewable term of fourteen years and contained penalties for infringement. *Id.*; Statute of Anne, 1709, 8 Ann., c. 19 (Eng.).

53 Act of May 31, 1790, 1 Stat. 124 (1790).

54 *Id.*

55 *Id.* According to an economic history services website created by Samuel H. Williamson, Professor of Economics, Emeritus, from Miami University, fifty cents in 1790 is worth twelve dollars and eleven cents in 2010 (using the Consumer Price Index). http://measuringworth.com/index.html (follow "Relative Values - US $" hyperlink) (last visited Mar. 13, 2010). The registration fee today for a basic claim in an original work of authorship ranges from thirty-five dollars to sixty-five dollars. http://www.copyright.gov/docs/fees.html (last visited Mar. 13, 2010).

56 Act of May 31, 1790.

57 *Id.*

58 John E. Theuman, Annotation, *Construction and Application of 17 U.S.C.A. § 507(b), Requiring That Civil Copyright Action be Commenced Within 3 Years After Claim Accrued,* 140 A.L.R. FED. 641, § 2(a) (1997). Some federal courts used the state statute of limitations for torts and others used the limitations period for actions such as conversion, contracts, or trover. *Id.* Theuman notes that this resulted in a "wide divergence of time limits for filing suit" which resulted in forum shopping. *Id.* To resolve the disparity and eliminate the problem, Congress set the federal statute of limitations at three years after the cause of action accrues. *Id. See also* Swartz, *supra* note 35, at 1462–63 (discussing the history of the Copyright Act and arguing that the Sixth Circuit's approach to the copyright split is the best to resolve the controversy).

59 Theuman, *supra* note 58, § 2(a).

60 *Id.*

Copyright Act which mandates that a copyright holder must file within three years after the claim accrues.[61]

Courts vary, however, as to when a claim accrues.[62] If a jurisdiction uses a discovery rule, then a claim accrues when a litigant knows or should have known of the infringement.[63] If a jurisdiction uses an injury rule, then the claim accrues when the infringement actually occurs, regardless of the plaintiff's knowledge.[64] Some courts view a series of infringing acts as one "continuing wrong."[65] In cases of continuing wrongs, the three-year statute of limitations begins to run at the time of the most recent of those acts.[66] Liability attaches to all acts of infringement, including infringements that occurred more than three years prior to filing suit.[67] Other courts reject the continuing wrong theory and assess damages only for those infringements that occurred during the three years prior to filing.[68] Once an infringement is established, the Copyright Act affords copyright holders a wide variety of remedies.[69]

---

61 17 U.S.C. § 507. In criminal proceedings, a claim must be "commenced within five years after the cause of action arose." *Id.* § 507(a). However, the statute provides that "[n]o civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." *Id.* § 507 (b). See 1 DAVID NIMMER, NIMMER ON COPYRIGHT § 12.05 (2008) (identifying that this "spare formulation" regarding accrual presents a "host of problems").

62 Theuman, *supra* note 58, § 2(a).

63 NIMMER, *supra* note 61, § 12.05(B)(2). *See* Heriot, *supra* note 11, at 926. Despite Congress's intent, the goal of creating uniformity through a statute of limitations has not been entirely successful due the different ways courts handle the question of when a claim accrues. *Id.* Heriot argues that recent history has witnessed a convergence of statutes of limitations and the equitable doctrine of laches. *Id.* at 967. Heriot attributes the melding of the two doctrines to the methods courts treat discovery rules which "toll the commencement of the limitations period when plaintiff is excusably unaware of his or her cause of action." *Id.* at 954. The author urges that courts that change rigid rules like statutes of limitations into more flexible standards should be "viewed with suspicion in part because they are increasing their own power." *Id.* at 968. She notes the difficulty legislatures would have in formulating a workable statute to penalize judges and restrict their liberal treatment of statutes of limitations. *Id.* at 963.

64 Auscape Int'l v. Nat'l Geographic Soc'y, 409 F. Supp. 2d 235 (S.D.N.Y. 2004) (adopting an injury rule for claim accrual in copyright infringement cases). The court looked to the legislative history of the Copyright Act and reasoned that Congress intended a cause to accrue the moment the infringement occurred, regardless of plaintiff's knowledge. *Id.* at 245.

65 NIMMER, *supra* note 61, § 12.05(B)(1) (citing Taylor v. Meirick, 712 F.2d 1112 (7th Cir. 1983)).

66 Theuman, *supra* note 58, § 3(a).

67 NIMMER, *supra* note 61, § 12.05(B)(1).

68 *Id.*

69 17 U.S.C. §§ 502–05 (2006) (providing for injunctions, impoundments and disposal of infringing articles, infringer's profits, costs and attorneys' fees, seizure, forfeiture of the infringing articles, actual and statutory damages).

The Copyright Act provides a host of legal and equitable remedies, and the nature of the remedy sought becomes relevant to the availability of laches.[70] The Act provides for injunctions,[71] impounding and disposition of infringing articles,[72] damages and profits,[73] costs and attorney's fees,[74] and seizure and forfeiture.[75] Some of the Act's remedies are legal, such as actual and statutory damages.[76] Other remedies provided by the Act are equitable, such as injunctions.[77] Courts have traditionally used laches to bar only equitable remedies and a statute of limitations to bar only legal relief.[78] However, both inside and outside the context of the Copyright Act, the application of laches is

---

[70] *Id.* The Act provides for, inter alia, statutory damages and injunctions. *Id.* § 504. See LAYCOCK, *supra* note 16 for a discussion of legal and equitable remedies. Damages are a legal remedy and, in general, compensatory and punitive remedies are legal. *Id.* Injunctions are one of "the most important" equitable remedies. *Id.* With exceptions, Laycock classifies most legal remedies as substitutionary and most equitable remedies as specific. *Id.* Laycock describes the distinction:

> Remedies may be divided into two more basic categories: The most fundamental remedial choice is between substitutionary and specific remedies. With substitutionary remedies, plaintiff suffers harm and receives a sum of money. Specific remedies seek to avoid this exchange. They aspire to prevent harm, or undo it, rather than let it happen and compensate for it. They seek to prevent harm to plaintiff, repair the harm in kind, or restore the specific thing that plaintiff lost.

Id. at 6. *See also* Ruga, *supra* note 35, at 683. (citing Chauffeurs, Teamsters & Helpers Local No. 391 v. Terry, 494 U.S. 558, 565 (1990) and arguing that after the application of the Supreme Court test established in *Terry* to each remedy to determine which are legal and which are equitable in nature, laches should only be available to bar the equitable remedies).

[71] 17 U.S.C. § 502 (2006).

[72] *Id.* § 503.

[73] *Id.* § 504.

[74] *Id.* § 505.

[75] *Id.* § 509.

[76] LAYCOCK, *supra* note 16 (noting that damages are the most important legal remedy).

[77] *Id.* (noting injunctions and specific performance decrees are the most important equitable remedies).

[78] *See* DOBBS, *supra* note 1, at 103. "When laches does not amount to estoppel or waiver, it does not ordinarily bar legal claims, only equitable remedies." *Id.* at 104. The traditional function of the doctrine was to operate as a "flexible" statute of limitations barring delayed claims where no statute of limitations existed. *Id.* Dobbs writes that, "This traditional function suggests that laches should be limited to cases in which no statute of limitations applies." *Id. But see* A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1029–30 (Fed. Cir. 1992) (en banc) (citing Envtl. Def. Fund, Inc. v. Alexander, 614 F.2d 474, 478 (5th Cir. 1980) (noting that laches has been extended from suits in equity to suits at law and has become "part of the general body of rules governing relief in the federal court system").

Produced by The Berkeley Electronic Press, 2010

not so simple.[79] Below is an overview of the defense, its history, and its elements.[80]

B. The Equitable Defense of Laches

Laches is an equitable defense which was historically only available in courts of equity.[81] In thirteenth and fourteenth century England, courts were divided into courts of law and courts of equity.[82] The Chancellor, the second most powerful official next to the King, heard claims in a court of equity and applied a set of rules, procedures, and remedies that were separate from those applied in courts of law.[83] Equity courts did not use statutes of limitations, and if a plaintiff's delay in coming to court was inexcusable or had caused prejudice to the defendant, the Chancellor would bar relief according to the doctrine of laches.[84] Based on the maxim *vigilantibus non dormientibus aequitas*

---

[79] *See infra* Part II.C (discussing separation of powers concerns and what approach is used to laches analysis both inside and outside the copyright circuit context.). *See also* LAYCOCK, *supra* note 16, at 1003 (noting confusion in the courts as to whether laches may operate to shorten a statute of limitations). "When an equitable claim is subject to a statute of limitations, laches is irrelevant unless it bars the claim before the limitations period expires. . . . It is rare to bar a claim for laches before an applicable statute of limitations has run on a one–time event; some cases say it just can't happen." *Id.*; *see also* County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985) (noting in dicta that the application of laches in an action at law would be "novel").

[80] *See infra* Part II.B (discussing the history and elements of the equitable defense of laches).

[81] LAYCOCK, *supra* note 16, at 959. Laycock summarizes the pre-merger use of laches:

> Before the merger of law and equity, equitable defenses were recognized by the chancellors but not by the law courts. The chancellors made some of these defenses available at law by enjoining the opposing litigant from pursuing his claim; fraud is the prime example. Other defenses, such as laches and unclean hands, were available only in equity.
>
> Since the merger of law and equity, the term *equitable defenses* has had no very precise meaning. In common usage, it means those defenses that were historically equitable and perhaps others similar to them.

Id.

[82] *Id.* at 7. *See also* Ruga, *supra* note 35, at 670–72 (summarizing the history of law and equity in light of Supreme Court precedent and arguing that in modern American courts, laches can defeat only equitable claims).

[83] Ivani Contracting Corp. v. City of New York, 103 F.3d 257, 259 (2d Cir. 1997) (noting that the Chancellor in Equity was called the "King's Conscience"); Ruga, *supra* note 35, at 670–72 (noting that many considered the chancellor to be the "government's leading moral authority") (quoting ROBERT N. LEAVELL ET AL., EQUITABLE REMEDIES, RESTITUTION AND DAMAGES 1 (6th ed. 2000)).

[84] Describing a plaintiff as "coming to court" in a 16th century equitable action may be inaccurate. Heriot, *supra* note 11, at 926. "After all, during the reign of Henry VIII, the

subvenit (equity aids the vigilant, not those who sleep on their rights),[85] laches is a flexible doctrine that has no fixed time for the barring of a claim.[86]

The United States inherited the equitable defense of laches and the dual law/equity court system from England, but merged the two in 1938.[87] This merger was due in part to American dissatisfaction with the discretionary nature and power of equity courts.[88] The Federal Rules of Civil Procedure created one action known as a civil action, giving the federal courts both legal and equitable powers.[89]

When modern courts allow the defense of laches, the three elements established by common law serve as a guide.[90] First, the defendant must show an unreasonable delay on the part of the plaintiff before filing

---

typical, well informed individual might not have considered equity courts to be courts, just as many persons during our time do not consider administrative agencies to be courts." *Id.*

85 *Ivani*, 103 F.3d at 259.

86 Thomas G. Robinson, Note, *Laches in Federal Substantive Law: Relation to Statutes of Limitations*, 56 B.U. L. REV. 970 (1976). "Because equitable relief is more a matter of grace than of right and because historically equity had no statute of limitations, courts hearing these claims evaluate the circumstances of the parties before deciding whether the plaintiff should be barred from bringing his action." *Id.* The flexibility inherent in equitable defenses such as laches can arguably help a court more closely carry out the will of Congress. *See* CAMPBELL, *supra* note 12, at 15. Campbell argues that courts' equitable powers are valuable methods for solving separation of powers issues. *Id.* Campbell argues that the Supreme Court has restricted courts' equitable powers too severely and an opportunity to "benefit from an inherent judicial advantage" has been lost. *Id.*

87 FED. R. CIV. P. 2. Federal Rule of Civil Procedure 2 merged equitable and legal actions into one form of action known as "the civil action." *Id.* The rule states, "There is one form of action––the civil action." *Id.*

88 Joseph H. Beale, *Equity in America*, 1 CAMBRIDGE L.J. 21, 22–23 (1921). Pre–merger, equity was an unpopular "method of applying law," and the equity courts were seen as "royalist persons administering the law of an effete monarchy." *Id.* *See* Edward Yorio, *A Defense of Equitable Defenses*, 51 OHIO ST. L.J. 1201 (1990). Further, the merger did not quell all criticisms of the flexible equitable doctrines. *Id.* "The merger of courts of law and equity has left an enduring legacy of debate about the survival of equitable doctrines in merged judicial systems." *Id.* One argument against equitable defenses is that historically the English Chancellor was ecclesiastic and because of his religious background, he adjudicated disputes on moral rather than legal principles. *Id.* at 1205–06. Since law and equity merged, it is "indefensible" for a judge to apply different standards of morality depending upon which type of claim she is deciding. *Id.* at 1206. *See also* Uisdean R. Vass & Xia Chen, *The Admiralty Doctrine of Laches,* 53 LA. L. REV. 495 (1992). Vass and Chen argue that criticism of the equitable doctrine of laches extends to the admiralty courts. *Id.* at 523. The advent of a prescriptive period for maritime personal injury and death actions may work against the equitable defense and result in less successful laches defenses. *Id.*

89 FED. R. CIV. P. 2.

90 LAYCOCK, *supra* note 16, at 998. "The essential elements of laches are well-defined by common law." *Id.*

Produced by The Berkeley Electronic Press, 2010

suit.[91] Second, common law requires plaintiff's awareness of the infringement.[92] Third, a reliance interest must result from the defendant's "continued development of goodwill" during the period of delay.[93] In other words, the defendant must show that she is prejudiced as a result of plaintiff's delay.[94] Plaintiff's delay is measured from the time of the act of infringement on which the suit is based.[95]

Delay and prejudice take a variety of forms.[96] Mere proof of delay in bringing a suit is not enough to successfully establish a laches defense.[97] Taking time to prepare a claim and evaluate the cost of litigation is an example of a reasonable delay, but capitalizing on an infringer's labor to see if the endeavor will be profitable is an unreasonable delay.[98] Judge Learned Hand famously wrote that for a plaintiff to engage in this type of delay is to "speculate without risk."[99] Prejudice to a defendant might take the form of evidentiary loss like the death of witnesses or misplaced documents.[100] Prejudice can also take the form of economic loss when a defendant continues to invest in a project, but might have acted differently if a plaintiff would have pursued her claim promptly.[101] This fact-intensive, two-step laches analysis is unlike the application of a fixed statute of limitations which simply requires the rigid application of a

---

91 *Id. See also* 27A AM. JUR. 2D *Equity* § 125 (2008). Unreasonable delay is stated in some courts as a lack of diligence or neglect and resulting prejudice is stated as "injury, injustice, or condition, that results from the delay to the defending party." *Id.* Further, courts may apply laches if the delay was "negligent, unjustifiable, unreasonable or inexcusable, or unconscionable." *Id.*

92 LAYCOCK, *supra* note 16, at 998.

93 *Id.*

94 *Id.*; *supra* notes 96–101 and accompanying text (discussing prejudice and delay).

95 NIMMER, *supra* note 61, § 12.06 (B)(1).

96 *Id.* § 12.06 (B)(3). See Ruga, *supra* note 35, at 665–68 for a discussion of various examples of prejudice and delay for the purposes of laches.

97 Gardner v. Panama R.R., 342 U.S. 29, 30–31 (1951).

98 Haas v. Leo Feist, Inc., 234 F. 105, 108 (S.D.N.Y. 1916).

99 *Id.* Judge Learned Hand also noted the flexibility of equity and explained why delay in a copyright claim is especially unjust:

> Equity will control its peculiar remedy of an account of profits according to its own sense of justice. It must be obvious to every one [sic] familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win.

Id.

100 NIMMER, *supra* note 61, § 12.05(B)(2).

101 *Id.*

deadline.[102] Below is a discussion of how statutes of limitations interact with the defense of laches to create a possible tension with the separation of powers doctrine.[103]

C. Laches, Statutes of Limitations, and the Separation of Powers

Unlike the doctrine of laches, which has no fixed time periods, statutes of limitations establish clear deadlines.[104] The benefits of rigid time limits for claims, as opposed to discretionary equitable doctrines like laches, is that a statute of limitations provides certainty and predictability.[105] However, the interaction of statutes of limitations and the equitable defense of laches has not been certain or predictable since the merger of law and equity.[106] Pre-merger, the defense of laches was available only in a court of equity, while a statute of limitations was

---

[102] CAMPBELL, *supra* note 12 (discussing the advantages and disadvantages of each branch of government and analyzing which branch of government is most appropriate to handle certain disputes); Heriot, *supra* note 11, at 926 (discussing the rule–based rigid qualities of statutes of limitations compared to the flexibility of laches). Campbell notes that equity affords courts the ability to fit statutes to difficult circumstances. CAMPBELL, *supra* note 12, at 15.

> A fundamental reason we have judges with broad discretion, rather than ministerial magistrates applying legislatively set rules unwaveringly, is because we recognize broad rules don't always fit specific circumstances . . . Congress could establish an absolute rule of no retrospective application or an absolute rule of retrospective application; but an absolute rule loses the advantage of individual accommodation.

Id.

[103] *See supra* Part II.C (comparing statutes of limitations with laches and discussing the position some courts take that the operation of laches may violate separation of powers principles).

[104] Although the doctrine of laches and statutes of limitations are different, they share the same goal of limiting the amount of time a plaintiff may bring a claim. *See* Heriot, *supra* note 11, at 921. "They [doctrine of laches and the statute of limitations] are two differing legal formulations designed to deal with the same underlying legal concern—that at some point a plaintiff's cause of action ought to perish for lack of timeliness." *Id.*

[105] Ivani Contracting Corp. v. City of New York, 103 F.3d 257, 259 (2d Cir. 1997).

[106] LAYCOCK, *supra* note 16. Remedies are classified as legal or equitable, but the line between them is "jagged and not especially functional" as a result of the bureaucratic "fight for turf" that occurred when law and equity merged. *Id.* Laycock notes:

> Where the law/equity distinction is especially murky, . . . lawyers and judges tend to overlook it, and the distinction becomes less and less important. Where the distinction is written into substantive law, judges have trouble applying it. . . . Perhaps the proper lesson from *Mertens* and *Great-West* is that courts and legislatures should quit using law and equity as doctrinal or statutory categories.

Id. at 7–8 (citing Mertens v. Hewitt Assocs., 508 U.S. 248, 256 (1993) and Great-West Life Annuity Ins. Co. v. Knudson, 122 S. Ct. 708 (2002) in which the Court produced different 5-4 splits on the meaning of "equitable remedies" in Congressional legislation).

applied only in a court of law.[107] In modern courts, the equitable defenses of estoppel, waiver, and unconscionability are available whether the relief plaintiff seeks is equitable or legal in nature.[108] The "conventional wisdom" is that the laches defense is only available if a plaintiff seeks equitable relief.[109] However, case law both inside and outside the copyright context reveals that this conventional wisdom is accepted by some courts and flatly rejected by others.[110]

The United States Supreme Court has addressed the interaction between laches and statutes of limitations.[111] In a case regarding the Federal Farm Loan Act, the Court noted that a federal statute of limitations is definitive.[112] In a 1937 pre-merger decision, the Court stated that "laches within a statute of limitations is no defense at law,"[113] and the Court reaffirmed the statement in a 1985 decision.[114] However,

---

[107] *Id.* at 959. The equitable defenses of laches and unclean hands were available only in equity before the merger. *Id.* The chancellors made some equitable defenses, such as fraud, available at law by enjoining the opposing litigant from pursuing his claim. *Id. See also* Heriot, *supra* note 11, at 926. As for statutes of limitations applying to equitable claims, it is helpful to look to history. *Id.* The model for the first statutes of limitations adopted by American legislatures was the Statute of James I passed by Parliament in 1623. *Id.* The existence of equity courts is not acknowledged in the statute, and it is doubtful that members of Parliament believed that statutes of limitations would ever cover matters in equity. *Id.*

[108] LAYCOCK, *supra* note 16, at 959.

[109] *Id.* at 960. "The conventional wisdom is that unclean hands and laches are available only if plaintiff seeks equitable relief. This conventional wisdom is not exactly false, but it is misleading." *Id.*; Robinson, *supra* note 86, at 970 (citing Holmberg v. Armbrecht, 327 U.S. 392, 395 (1946)). "If the cause of action is based upon a federally created right for which Congress has provided a limitations period, the court will apply the congressionally mandated limitation." *Robinson*, *supra* note 86, at 973.

[110] LAYCOCK, *supra* note 16, at 1003.

> When an equitable claim is subject to a statute of limitations, laches is irrelevant unless it bars the claim before the limitations period expires. . . . It is rare to bar a claim for laches before an applicable statute of limitations has run on a one–time event; some cases say it just can't happen.

Id.

[111] Cope v. Anderson, 331 U.S. 461, 463–64 (1947); *Holmberg*, 327 U.S. at 395; United States v. Mack, 295 U.S. 480, 489 (1935). "Laches within the term of the statute of limitations is no defense at law." *Mack*, 295 U.S. at 489; *see also* County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985) (arguably reaffirming the pre-merger holding in *Mack* by noting in dicta that "[a]pplication of the equitable defense of laches in an action at law would be novel indeed").

[112] *Holmberg*, 327 U.S. at 395. The court noted in dicta that "[i]f 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 limitation is definitive." *Id.*

[113] *Mack*, 295 U.S. at 489.

[114] *County of Oneida*, 470 U.S. at 244 n.16.

this guidance from the Court has not resolved the issue.[115] Some circuits in the copyright circuit split hold that laches may bar both legal and equitable relief before the statute of limitations runs.[116] Others maintain that out of deference to the separation of powers, only equitable remedies may be barred by laches, but never before the statute of limitations runs.[117] Still others hold that to bar either type of relief within a federal statute of limitations would violate the separation of powers doctrine.[118]

Copyright cases are not the only disputes concerning laches and separation of powers principles.[119] Cases outside the copyright context stand for the proposition that allowing laches to shorten a statute of limitations violates the separation of powers,[120] while other courts patently reject the idea.[121] Below is a discussion of decisions from inside and outside the context of the Copyright Act that address the notion that an application of laches could violate the separation of powers.[122]

---

115 LAYCOCK, *supra* note 16, at 1003 (noting the split of authority).

116 *See infra* Part II.C.

117 *See infra* Part II.C.

118 *See infra* Part II.C (discussing laches approaches both inside and outside the copyright circuit split). The separation of powers concept is summarized by the Supreme Court:

> While the Constitution of the United States divides all power conferred upon the Federal Government into "legislative Powers," Art. I, § 1, "[t]he executive Power," Art. II, § 1, and "[t]he judicial Power," Art. III, § 1, it does not attempt to define those terms . . . . Obviously, then, the Constitution's central mechanism of separation of powers depends largely upon common understanding of what activities are appropriate to legislatures, to executives, and to courts. In The Federalist No. 48, Madison expressed the view that "[i]t is not infrequently a question of real nicety in legislative bodies whether the operation of a particular measure will, or will not, extend beyond the legislative sphere," whereas "the executive power [is] restrained within a narrower compass and . . . more simple in its nature," and "the judiciary [is] described by landmarks still less uncertain."

Lujan v. Defenders of Wildlife, 504 U.S. 555, 559–60 (1992).

119 *See infra* Part II.C.1 (discussing the availability of laches in Title VII of the Civil Rights Act of 1964 ("Title VII"), the Age Discrimination in Employment Act ("ADEA") and the Employee Retirement Income Security Act of 1974 ("ERISA")).

120 United States v. Rodriguez–Aguirre, 264 F.3d 1195 (10th Cir. 2001) (criminal proceeding); Ashley v. Boyle's Famous Corned Beef Co., 66 F.3d 164 (8th Cir. 1995), *abrogated on other grounds by* Madison v. IBP, Inc., 330 F.3d 1051, 1057 (8th Cir. 2003) (reasoning that separation of powers principles prevent courts from shortening statutes of limitations); Hot Wax, Inc. v. Turtle Wax, Inc., 191 F.3d 813 (7th Cir. 1999) (reasoning that laches is available because no express statute of limitations exists).

121 Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002).

122 *See infra* Parts II.C.1–2.

1. The Availability of Laches in Title VII, ADEA, and ERISA Cases

The Eighth Circuit has not addressed whether laches is available as an affirmative defense in copyright claims filed within the federal statute of limitations period, but the circuit has addressed the laches issue in the context of Title VII of the Civil Rights Act of 1964 ("Civil Rights Act").[123] In *Ashley v. Boyle's Famous Corned Beef Co.*, a female worker sued her employer for gender and age discrimination.[124] The court held that laches should not bar a claim in an action with an express statute of limitations established by Congress.[125] Relying on a string of cases from the Supreme Court and other federal circuits, the court held that laches was not available within a statute of limitations and reasoned that separation of powers principles mandated their conclusion.[126]

Similarly, the Second Circuit addressed the availability of laches as an affirmative defense in the context of the Civil Rights Act.[127] There, a contracting company owned by Italian males challenged a state law preferentially awarding contracts to businesses substantially owned by minorities or females.[128] The lower court held that laches barred plaintiff's claims, and the appellate court reversed.[129] The Second Circuit stated that the "prevailing rule" is that laches cannot bar a federal statutory claim seeking legal relief where the action is filed within the express statute of limitations.[130] The court relied on separation of powers concerns in reaching its ban on laches.[131]

---

123 *Ashley*, 66 F.3d 164. Abrogating *Ashley*, the court in *Madison* held that in a hostile environment claim under Title VII, a plaintiff may recover for the entire period that the hostile environment existed. *Madison*, 330 F.3d at 1057. This abrogated the rule in *Ashley* that for continuing violations, the plaintiff could only recover for the two years prior to filing the charge. *Id.*

124 66 F.3d at 166.

125 *Id.* at 169.

126 *Id.* at 168–70 (citing FDIC v. Fuller, 994 F.2d 223, 224 (5th Cir. 1993); Miller v. Maxwell's Int'l, Inc., 991 F.2d 583, 586 (9th Cir. 1993), *cert. denied*, 510 U.S. 1109 (1994); United States v. RePass, 688 F.2d 154, 158 (2d Cir. 1982); Nilsen v. City of Moss Point, 674 F.2d 379, 388 (5th Cir. 1982), *vacated on other grounds by* 701 F.2d 556 (5th Cir. 1983) ("[A]lthough the equitable part of a mixed [section 1983] claim can be barred by laches, the legal part will be barred only by the statute of limitations . . . ."); Thropp v. Bache Halsey Stuart Shields, Inc. 650 F.2d 817, 822 (6th Cir. 1981); Sun Oil Co. v. Fleming, 469 F.2d 211, 213–14 (10th Cir. 1972); Morgan v. Koch, 419 F.2d 993, 996 (7th Cir. 1969); Straley v. Universal Uranium & Milling Corp., 289 F.2d 370, 373 (9th Cir. 1961)).

127 Ivani Contracting Corp. v. City of New York, 103 F.3d 257 (2d Cir. 1997).

128 *Id.* at 258.

129 *Id.* at 262.

130 *Id.* at 260.

131 *Id.* "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." *Id.*

In the context of another federal law with an express statute of limitations, the ADEA, the Ninth Circuit held that the doctrine of laches is inapplicable when Congress provides a statute of limitations.[132] There, a female employee's ADEA claims were barred by laches in the lower court.[133] The Ninth Circuit reversed and stated that the doctrine of laches was unavailable because Congress explicitly provided a statute of limitations to govern all ADEA actions.[134]

Conversely, the Seventh Circuit calls the argument that a court's use of laches might conflict with the separation of powers doctrine "odd."[135] In a case under ERISA, the court reasoned that just as equitable estoppel and equitable tolling may lengthen a statute of limitations, laches may operate to shorten it.[136] Although ERISA does not have an express statute of limitations, the court expanded its reasoning to cover federal laws which do have express limits.[137] The court noted further that laches may operate to shorten a statute of limitations regardless of whether the suit is at law or equity because the defense is available at law.[138] This dispute over the application of laches does not arise only in the context of the Civil Rights Act, ADEA, and ERISA. It also extends to the heart of the circuit split regarding laches and the Copyright Act.[139]

---

132 Miller v. Maxwell's Int'l, Inc., 991 F.2d 583, 586 (9th Cir. 1993), *cert. denied*, 510 U.S. 1109 (1994)).

133 *Id.* at 584.

134 *Id.* at 586.

135 Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002).

136 *Id.* at 881–82. "What is sauce for the goose (the plaintiff seeking to extend the statute of limitations) is sauce for the gander (the defendant seeking to contract it)." *Id.* at 882. Although ERISA does not have an express statute of limitations, the court addressed the question of when laches could apply within the statute of limitations whether it was a borrowed analogous state statute of limitations or an express one found in the statute itself. *Id.* at 881.

> For purposes of this appeal, therefore, it's as if ERISA contained a (10-year) statute of limitations; and this raised the question (not discussed by the parties) when if ever laches can be used to shorten a statute of limitations. It turns out that just as various tolling doctrines can be used to lengthen the period for suit specified in a statute of limitations, so laches can be used to contract it. . . . This is regardless of whether the suit is at law or in equity, because, as with many equitable defenses, the defense of laches is equally available in suits at law.

Id. (citing Hutchinson v. Spanierman, 190 F.3d 815, 823 (7th Cir. 1999); Hot Wax, Inc. v. Turtle Wax, Inc., 191 F.3d 813, 822 (7th Cir. 1999); A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1029–30 (Fed. Cir. 1992) (en banc)).

137 *Id.* at 881–82.

138 *Id.* at 881.

139 *See infra* Part II.B.2.

2. The Availability of Laches in Copyright Cases

The Fourth Circuit relies on separation of powers principles to completely bar the use of laches to shorten the statute of limitations found in the Copyright Act.[140] While the Fourth Circuit stands alone with its complete ban on laches, it is not alone on the separation of powers issue.[141] The Sixth, Tenth, and Eleventh Circuits allow laches to restrict the Copyright Act's statute of limitations in rare cases, but each circuit agrees with the Fourth Circuit that doing so raises separation of powers concerns.[142] The Ninth stands alone as the only circuit that both allows the application of laches to bar timely claims and excludes separation of powers principles from the laches analysis.[143]

a. Circuits Banning or Restricting Laches in Copyright Claims Based on Separation of Powers Principles

In 2001, the Fourth Circuit ruled on a case involving Lyons Partnership ("Lyons"), the owner of intellectual property rights in Barney, a large purple dinosaur who appears in various products marketed to children. [144] Lyons sued a costume shop for copyright infringement. [145] Although four years passed between the moment the plaintiff knew of the infringement and the time the claim was filed, the court held that the action was not barred by the statute of limitations or laches.[146] The court reasoned that each new costume rental represented a new infringement, so all costume rentals that took place during the three

---

[140] Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789 (4th Cir. 2001). Specifically, the court wrote:

> [W]hen considering the timeliness of a cause of action brought pursuant to a statute for which Congress has provided a limitations period, a court should not apply laches to overrule the legislature's judgment as to the appropriate time limit to apply for actions brought under the statute. 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.

Id. at 798.

[141] *See infra* Part II.C.2.a (discussing separation of powers analysis in Fourth, Sixth, Tenth and Eleventh Circuit decisions).

[142] *See infra* Part II.C.2.a.

[143] *See infra* Part II.C.2.b (discussing separation of powers analysis in the Ninth Circuit).

[144] *Lyons P'ship*, 243 F.3d at 794.

[145] *Id.* at 795. Lyons claimed that three costumes being rented by the shop under names such as "Hillary the Purple Hippopotamus," and "Duffy the Dragon" looked like Barney and lead children to believe the costumes were Barney. *Id.* at 795–96. The lawsuit also included claims of trademark infringement. *Id.*

[146] *Id.* at 797.

years prior to the filing of the claim were not barred by the statute of limitations.[147] In regards to the laches claim, the Fourth Circuit held that the equitable remedy could not bar the claim because separation of powers principles prevented the courts from using equitable rules to bar statutorily-timely claims.[148] The court reasoned that using a judicially-created doctrine to override a legislative enactment would overstep the court's authority.[149]

In 2006, a United States District Court in North Carolina applied the Fourth Circuit's new ban on laches in a copyright infringement claim.[150] In the 1970s and 1980s, the plaintiff received royalties for each episode of the television series *Dukes of Hazzard* because the show was based on his life and the lives of his family in Union County, North Carolina.[151] Other *Dukes of Hazzard* products were released in the 1980s, including two made-for-television movies and a Saturday morning cartoon series.[152] The plaintiff did not challenge the release of those products.[153] On August 5, 2005, Defendants released *The Dukes of Hazzard* feature film, and Plaintiff filed his copyright infringement suit in November.[154] Although the plaintiff was aware of *Dukes of Hazzard* products, such as cartoons and television movies over twenty years before the feature film release, the court applied the holding from *Lyons* and ruled that laches was inapplicable in Fourth Circuit copyright infringement claims.[155] The statute of limitations period began to run anew with the feature film release, and the plaintiff filed the claim well within the three-year period allowed by statute.[156]

---

147 *Id.* The lower court erred when it ruled that multiple rentals of costumes all infringing on the same copyrighted dinosaur character constituted one act of infringement. *Id.* The court ruled that "each sale or rental should be considered separately under an infringement analysis." *Id.*

148 *Id.* The court also noted that laches does not apply to copyright infringement claims because the doctrine only bars equitable actions and does not apply to actions at law. *Id.* The court suggested that the separation of powers violation was the more overriding concern. *Id.* The court wrote that even if laches could apply to legal actions, separation of powers principles would still bar the doctrine from shortening federally mandated statutes of limitations. *Id.*

149 *Id.* at 798.

150 Rushing v. Time Warner, Inc., No. 3:05CV474-H, 2006 WL 517674 (W.D.N.C. Mar. 1, 2006).

151 *Id.* at *1.

152 *Id.*

153 *Id.*

154 *Id.*

155 *Id.* at *2.

156 *Id.*

In 2002, the Tenth Circuit ruled on the issue.[157] Plaintiff, Dr. Jacobsen, a former prisoner of war in the Philippines and Japan during World War II, wrote a memoir about his experiences.[158] A writer by the name of Dr. Hughes requested a meeting with Dr. Jacobsen in 1994.[159] Dr. Hughes claimed he wanted to gather information about the war in the Pacific for use in a series of fictional books and got a copy of Dr. Jacobsen's memoir.[160] Dr. Jacobsen received a portion of Dr. Hughes' new book in 1996, but claimed he did not see any infringing material at that time.[161] Dr. Jacobsen claimed he discovered the allegedly infringing material when the book was published in 1997, and he filed suit in 1999.[162] The district court held that laches barred Dr. Jacobsen's claim because he had an opportunity to let Dr. Hughes know of his disapproval as early as 1994 and no later than 1996.[163] The Court of Appeals for the Tenth Circuit reversed.[164] The court reasoned that because Dr. Jacobsen filed his claim within three years of the publication of Dr. Hughes' book, the court should defer to the three-year statute of limitations found in the Copyright Act.[165] Whether Dr. Jacobsen knew of the infringement prior to publication of the defendant's book was in dispute.[166] The court relied on an earlier Tenth Circuit case, *United States v. Rodriguez-Aguirre*,[167] for the proposition that a statute of limitations may be cut short by the doctrine of laches, but that it is only possible in

---

157 Jacobsen v. Deseret Book Co., 287 F.3d 936 (10th Cir. 2002).

158 *Id.* at 940. Plaintiff, Dr. Jacobsen, writes about surviving a Bataan Death March and years of imprisonment and torture in work camps. *Id.* He also describes his harrowing journey to reach American troops after the war ended. *Id.* at 946. Dr. Jacobsen describes boarding a ship in an attempt to leave Japan:

> Approaching the sailors the second time, one of the fellows drove his souvenir sword into the deck of the ship and said somewhat fiercely, "*Listen you guys! General MacArthur* said that we had the authority *to use any means* of transportation *necessary* to get out of Japan, and this boat is necessary for us to reach American troops. *We* are *going to* get across *this bay with you or without you. If you want to take us across and get paid for your troubles, fine. If you don't get off the ship, and we'll take* ourselves across!"

Id.

159 *Id.* at 949.

160 *Id.*

161 *Id.* at 949–50.

162 *Id.* at 940.

163 *Id.* at 949.

164 *Id.*

165 *Id.* at 950.

166 *Id.* at 949. Further, the district court erred when it made a factual determination regarding laches. *Id.*

167 264 F.3d 1195, 1207-08 (10th Cir. 2001).

rare cases.[168] The court reasoned that the separation of powers doctrine constrained its ability to use a judicially-created equitable defense to truncate a legislative enactment, and where possible, the court should defer to the express limitations period.[169]

In 2007, the Sixth Circuit ruled on the issue.[170] Although the court did not go so far as to bar the availability of laches in a statutorily-timely claim, the court severely restricted the use of the doctrine and discussed separation of powers concerns.[171] In *Chirco v. Crosswinds Communities, Inc.*, plaintiffs sought destruction of a condominium complex that allegedly infringed on their copyrighted design.[172] While destruction of copies is a remedy available under the Copyright Act[173] and plaintiffs filed their claim two and a half years after discovering the infringement, the court declined to allow destruction of the buildings.[174] After a lengthy review of cases on equity and the separation of powers, the court held that laches may bar relief that would work an unjust hardship upon the defendants or upon innocent third parties.[175] However, claims filed within the statute of limitations are afforded a presumption that the plaintiff's delay in bringing the suit is reasonable.[176] Ultimately, the court awarded monetary damages and injunctive relief.[177]

---

168 *Id.* at 951.

169 *Id.* The separation of powers doctrine was central to the court's reasoning. *Id.* In deciding that Dr Jacobsen's case was simply not one of the rare situations that could justify shortening Congress's express time limitation, the court looked to the Fourth Circuit for guidance. *Id.* The court noted that the Fourth Circuit held that "separation of powers principles dictate that an equitable timeliness rule adopted by courts cannot bar claims that are brought within the legislatively prescribed statute of limitations" in the Copyright Act. *Id.* The court also relied on authority from a prior Tenth Circuit case noting:

> Because laches is a judicially created equitable doctrine, whereas statutes of limitations are legislative enactments, it has been observed that in deference to the doctrine of the separation of powers, the Supreme Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes. Accordingly, 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.

Id.

170 Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227 (6th Cir. 2007).

171 *Id.* at 232–33.

172 *Id.* at 229.

173 17 U.S.C. § 503 (2006).

174 *Chirco*, 474 F.3d at 236.

175 *Id.*

176 *Id.* at 233. The court reasoned that several reasons justified using the statutory period as the laches period. *Id.* The court wrote:

> It enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary. It also requires courts to make clear distinctions between threshold or special defenses or pleas in bar and

Produced by The Berkeley Electronic Press, 2010

In July of 2008, the Eleventh Circuit addressed the issue of laches in copyright claims.[178] The case concerned a dispute over the Church of Scientology's use of a former member's marketing book.[179] Citing separation of powers concerns, the court held that laches may only be applied to statutorily-timely claims in extraordinary circumstances, and even then, only to bar retrospective damages.[180] The court noted that it was "mindful" of separation of powers principles and held there is a strong presumption that a plaintiff's suit is timely if filed before the statute of limitations expires.[181]

b. Ninth Circuit: Separation of Powers Doctrine Does Not Affect Laches Analysis in Copyright Claims

Five months after the Fourth Circuit held that applying laches to a statutorily-timely claim violates the separation of powers doctrine, the Ninth Circuit disagreed.[182] In August of 2001, the Ninth Circuit ruled on the availability of laches as an affirmative defense in copyright claims filed before the limitations period expires.[183] In a case concerning rights to the famous James Bond character, the court held that laches barred the claim in its entirety, including prospective injunctions for future infringement.[184] Key to the court's reasoning was the fact that the

---

> the merits of the case. It enhances the rationality and objectivity of the process by preventing courts from short circuiting difficult issues on the merits by confusing or conflating the merits of an action with other defenses.

Id. (citing Tandy Corp. v. Malone & Hyde, Inc., 769 F.2d 362, 365 (6th Cir. 1985).

177 *Id.* at 236.

178 Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., 533 F.3d 1287 (11th Cir. 2008).

179 *Id.* at 1293. For a thorough summary and commentary on *Letterese*, see Brittany Adkins, Eleventh Circuit: Survey of Recent Decisions, *Defense of Laches in Copyright Infringement Action*—Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l, 533 F.3d 1287 (11th Cir. 2008), 39 CUMB. L. REV. 819, 855 (2008–2009).

180 *Id.* at 1321.

181 *Id.* at 1320.

182 Danjaq LLC v. Sony Corp., 263 F.3d 942, 955 (9th Cir. 2001).

183 *Id.*

184 *Id.* at 959. The opinion mimics the tone of the James Bond films and uses quotes from the movies to symbolize the competing views of laches. *Id*. at 947. The opinion begins with the epitaph for Mrs. Bond, "We have all the time in the world," and a quote from the Bond Film, "Equity aids the vigilant." *Id.* at 946–47. Further, to demonstrate that the case at bar was one of the extraordinary cases that called for a complete bar by the doctrine of laches, the court characterizes the legal battle in terms of spy drama. *Id.* at 947. The court states:

> Every so often, the law shakes off its cobwebs to produce a story far too improbable even for the silver screen—too fabulous even for the world of Agent 007. This is one of those occasions, for the case before us has it all. A hero, seeking to redeem his stolen fortune. The

alleged infringements on the James Bond character involved movie releases and DVD re-releases over many years.[185] The court reasoned that because the infringements had occurred over a lengthy period of time and were so similar in nature, they should be treated as one infringement for the purposes of laches analysis.[186] The court barred the entire claim and did not include any mention of the separation of powers doctrine in the opinion.[187]

With one circuit holding that laches may bar a statutorily-timely claim in its entirety,[188] one circuit banning laches in timely claims due to a separation of powers violation,[189] and two others limiting the use of laches,[190] the circuit split presents a widening dilemma. If the James Bond case occurred in the Fourth Circuit where laches is unavailable to bar relief within three years of an infringement, the plaintiff might have prevailed and won an injunction to halt the DVD re-release.[191] Congress intended to eliminate differing time limitations on claims when they

---

> villainous organization that stands in his way. Mystery! International intrigue! And now, not least of all, the dusty corners of the ancient law of equity.
>
> More specifically, this case arises out of an almost forty–year dispute over the parentage and ownership of a cultural phenomenon: Bond. James Bond. We are confronted with two competing narratives, with little in common but their endpoint. All agree that James Bond—the roguish British secret agent known for martinis (shaken, not stirred), narrow escapes, and a fondness for fetching paramours with risqué sobriquets—is one of the great commercial successes of the modern cinema. The parties dispute, however, the source from which Agent 007 sprang.

Id.

185 *Id.* at 954.

186 *Id.* The court explained:

> The perfect overlap between the alleged infringements in the DVD re-releases and the original movies requires us to treat them the same for purposes of laches, regardless of the statute of limitations. . . . Here, it has simply been alleged that DVDs "and other new media" contain the same infringing elements as the movies that they reproduce. In this situation, the new medium and the old should be treated as one.

Id.

187 *Id.* at 942. Separation of powers principles are not mentioned anywhere in the opinion.

188 *Id.* at 955.

189 Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 798 (4th Cir. 2001).

190 Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227, 236 (6th Cir. 2007) (holding that laches may bar relief within statutory period when relief sought will create an unjust hardship upon the defendants or upon innocent third parties); Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., 533 F.3d 1287, 1320 (11th Cir. 2008) (holding that laches may bar only retrospective damages in extraordinary circumstances).

191 *See Lyons P'ship*, 243 F.3d at 798.

Produced by The Berkeley Electronic Press, 2010

placed a statute of limitations in the Copyright Act.[192] Without a resolution, the circuit split threatens to destroy the uniformity that the statute of limitations was enacted to create.[193]

III. ANALYSIS OF POTENTIAL RESOLUTIONS TO THE COPYRIGHT CIRCUIT SPLIT

Congress placed a three-year statute of limitations in the Copyright Act to prevent forum shopping and create uniformity in the courts.[194] The statute of limitations provision has failed to bring about the uniformity that both Congress and the Framers of the Constitution intended.[195] To establish more uniform time limitations in the context of copyright claims, Congress needs to amend the Copyright Act, and this Note offers a combination of the Sixth and Ninth Circuits' approaches that would best resolve the circuit split.[196] First, Part III of this Note will analyze three possible amendments to the Copyright Act.[197] Part III.A will analyze an amendment codifying the approach taken by the Fourth Circuit to completely bar the use of laches in timely copyright claims.[198] Part III.B will analyze an amendment codifying the approach taken by the Sixth Circuit to afford a presumption of timeliness to claims filed within the statutory period and permit the defense of laches when relief would work an unjust hardship on the defendants or innocent third parties.[199] Part III.C will analyze an amendment codifying the approach taken by the Ninth Circuit allowing laches to bar both past and prospective relief in cases of similar infringements.[200]

---

192 See *supra* note 58 and accompanying text discussing Congress's intent to create uniformity and eliminate forum shopping by enacting a three-year statute of limitations in the Copyright Act.

193 *See supra* note 58 and accompanying text.

194 *See supra* note 58 and accompanying text.

195 *See supra* Part II.C.2 (discussing the conflicting approaches taken to time limitations in copyright cases).

196 See *infra* Part IV for the author's proposed amendment.

197 *See infra* Parts III.A–C (analyzing the strengths and weaknesses of the three approaches taken in the copyright circuit split).

198 *See infra* Part III.A.

199 *See infra* Part III.B.

200 *See infra* Part III.C.

A. The Fourth Circuit's Approach: A Flat Ban on Laches within the Statutory Period

The Fourth Circuit took the approach of banning the defense of laches.[201] Codifying the Copyright Act to reflect a ban on the equitable defense of laches within the statutory period would create uniformity, but the court's reasoning regarding the separation of powers is flawed and would overly restrict the equitable powers of the court.[202]

First, the Fourth Circuit's reasoning regarding laches and the separation of powers is flawed.[203] The court reasoned that Congress intended copyright plaintiffs to have three years to file suit for each infringement and to allow anything less would be acting contrary to congressional intent.[204] However, amending the Copyright Act to bar laches would eliminate an invaluable tool that *aids* the courts in carrying out the will of Congress.[205] With repeated violations of similar copyright infringements, laches is especially helpful in carrying out Congress's intent to limit copyright claims.[206] Without laches in cases of continuing

---

[201] *See supra* Part II.C.2.a (discussing the facts, holding, and reasoning of the Fourth Circuit's decision).

[202] *See supra* notes 102–05 and accompanying text (discussing the certainty and predictability provided by statutes of limitations). The Sixth Circuit criticized the Fourth Circuit's ban on laches within the statute of limitations. Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227, 232–33 (6th Cir. 2007). The court wrote "[W]e conclude that a flat proscription such as that invoked by the Fourth Circuit against the defense of laches in cases involving a federal statutory claim is both unnecessary and unwise." *Id.* at 233–34.

[203] See *supra* Part II.C.2.a for a discussion of the reasoning each circuit uses in laches analysis.

[204] Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 797 (4th Cir. 2001). Specifically, the court wrote that "because laches is a judicially created doctrine, whereas statutes of limitations are legislative enactments, it has been observed that '[i]n deference to the doctrine of separation of powers, the [Supreme] Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes.'" *Id.* at 789 (citing County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985) (Stevens, J., dissenting in part)).

[205] *See* CAMPBELL, *supra* note 12 (arguing that courts' equitable powers can actually provide a method for resolving separation of powers issues and aid the court in conforming a statute to different factual scenarios).

[206] The Ninth Circuit case in the copyright circuit split concerned a long series of copyright infringements, and the court rightly decided that even though technically the statute of limitations had not run, the plaintiff had impermissibly delayed in bringing suit. Danjaq LLC v. Sony Corp., 263 F.3d 942, 950 (9th Cir. 2001). The court described the extremely long time lapse:

> On the substance of the laches issue, the court concluded that McClory had known of the alleged infringement since at least 1961, and that his only suit to enforce any rights against Danjaq was the 1976 litigation, which was unrelated to the claims presented here. Thus, there had been a delay of at least twenty-one years—and more likely, thirty-six years—between

copyright violations, courts would be forced to allow a result that Congress surely did not intend—a plaintiff could wait for twenty years while her design is repeatedly copied only to bring suit once the infringements became profitable.[207] This scenario represents exactly the type of impermissible speculation with other's money that Judge Learned Hand warned against.[208]

Further, one traditional understanding of laches is that the defense may operate independently of a statute of limitations with the ability to cut it short.[209] While the Supreme Court has recognized that an exercise of equitable powers could violate the separation of powers doctrine, using laches to tailor just relief in extraordinary circumstances does not constitute the type of judicial power grab the Court has warned against.[210] A separation of powers issue could possibly be a concern if a court allowed laches to bar both legal and equitable relief in the case of a

---

> McClory's knowledge of the potential claims and the initiation of litigation.

Id.

[207] *See supra* Part II.A (discussing Congress's intent to limit the amount of time a plaintiff has to file a copyright claim).

[208] *See supra* note 99 and accompanying text (discussing Judge Learned Hand's famous characterization of delay in a copyright infringement case as speculation without risk).

[209] *See supra* note 7 (discussing Judge Posner's view that laches may shorten statutes of limitations just as equitable tolling doctrines can lengthen the time for a claim to be filed). *Contra* DOBBS, *supra* note 1, at 103. Dobbs writes that the "traditional function suggests that laches should be limited to cases in which no statute of limitations applies." *Id.*

[210] *See supra* note 8 (discussing Justice Thomas's concurring opinion in Missouri v. Jenkins, 515 U.S. 70, 131–32 (1995) in which he states that separation of powers principles are a restraint on the courts' equitable powers). Although Justice Thomas recognizes that a court could use equitable powers in such a way as to violate the separation of powers doctrine, he does so in an extreme case. *See* Missouri v. Jenkins, 515 U.S. 70, 131–32 (1995). In *Jenkins*, the Court addressed a situation in which a district court retained jurisdiction and became too involved in supervising a school desegregation plan. *Id.* at 74–75. The Court held that the district court overstepped its authority when fashioning a remedy for past legally-mandated segregation. *Id.* at 87–88. The district court ordered salary increases for teachers which was "grounded in remedying the vestiges of segregation by improving the desegregative attractiveness" of the school district. *Id.* at 80. Justice Thomas suggested the court breached the doctrine of federalism when it started "running school systems." *Id.* at 132–33. The example he gave of a court potentially using its equitable powers in violation of the separation of powers doctrine was a court "running Executive Branch agencies." *Id.* at 133. The extreme examples Thomas used of a court overstepping its authority are easily distinguishable from a situation in which a court uses laches to refuse the extraordinary relief of destroying a building as it did in the Sixth Circuit. *See id.* The example of a court running a school is also easily distinguishable and much less drastic than a court using laches to refuse relief in a situation in which a copyright infringement has gone on for decades. *Id.*

one-time infringement that was also absent compelling circumstances.[211] This is a rare event and has yet to occur in the copyright circuit split cases.[212] In the context of the copyright circuit split, each time laches shortened a statute of limitations, it only barred extraordinary legal relief or, in the case of continuing copyright infringements that occurred over the span of thirty years, barred all relief.[213] To quote the Sixth Circuit, the Fourth Circuit's flat ban on laches within the statutory period is "unnecessary and unwise."[214]

B. The Sixth Circuit's Approach: A Presumption of Timeliness

Another possible resolution to the copyright circuit split is to amend the Copyright Act and codify the Sixth Circuit's approach.[215] The approach taken by the Sixth Circuit is to allow laches within the statutory period in unusual circumstances, but to create a presumption that the defense does not apply if the claim is filed before the limitations period ends.[216] The main justification for this approach is that it offers a balance between the competing objectives of deferring to Congress's power to set strict time limitations while also deferring to courts' traditional equitable powers, which rely on flexibility to tailor fair results.[217] Out of deference to the separation of powers, the court in *Chirco* allowed laches to bar only equitable relief that would work an unjust hardship on the defendant.[218] By declining to apply laches to the

---

[211] LAYCOCK, *supra* note 16, at 1003 (explaining that it is "rare" for laches to bar a claim before a statute of limitations has run on a one-time event and noting that some cases stand for the proposition that laches is not allowed before the time has expired).

[212] *Supra* Part II.C.2 (discussing the fact patterns of cases from all circuits in the copyright circuit split).

[213] The Sixth Circuit allowed laches to bar the equitable remedy of impounding the infringing building. Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227, 231 (6th Cir. 2007). The Ninth Circuit allowed laches to bar both legal and equitable relief in the case of copyright infringements that had occurred over many years. Danjaq LLC v. Sony Corp., 263 F.3d 942, 959–60 (9th Cir. 2001).

[214] *Chirco*, 474 F.3d at 234.

[215] *See supra* notes 170–77 and accompanying text (discussing the Sixth Circuit approach to laches in copyright claims).

[216] *See supra* notes 170–77 and accompanying text. In the Sixth Circuit there is a presumption that the plaintiff's delay in filing suit was reasonable for the purposes of laches analysis if the claim is filed before the statute of limitations expires. *Chirco*, 474 F.3d at 229.

[217] *Chirco*, 474 F.3d at 232–33. The Sixth Circuit justifies its approach by claiming that it has "carved out a middle ground between the Fourth Circuit's strict prohibition on application of the laches doctrine in cases involving a statute with an explicit limitations provision and the somewhat more expansive application of the doctrine by the Ninth Circuit." *Id.*

[218] *Id.*

Produced by The Berkeley Electronic Press, 2010

entire claim, the Sixth Circuit's approach gives deference to the Supreme Court's admonishment that "laches within the term of the statute of limitations is no defense at law."[219] However, the Sixth Circuit's approach may reward plaintiffs who delay in cases of continuing infringements.[220]

Codifying the Sixth Circuit's approach is not an acceptable resolution to the circuit split because in the case of continuing infringements, it works against the policy objective of copyright law that plaintiffs should not be able to speculate without risk.[221] A codification of the Sixth Circuit's approach would provide a presumption of timeliness for all claims filed within the statute of limitations.[222] The court would presume any delay the plaintiff had in filing the claim was reasonable as long as the claim was filed within three years of an infringement, regardless of the similarity of past infringements.[223] Applying this reasoning to a continuing infringement produces an unjust result.[224] If the facts of *Chirco* had been that the alleged infringers had built condominiums from copyrighted plans each year for ten years and were sued in the eleventh year, the plaintiff would still have benefitted from the presumption of timeliness.[225] With each new building representing a new infringement and therefore starting the statute of limitations clock anew, the plaintiff's claim would be timely and the defendants would have the burden of overcoming the presumption that the plaintiff's delay was reasonable despite the fact that he had knowledge of the infringing conduct for eleven years.[226] This type of

---

219 United States v. Mack, 295 U.S. 480, 489 (1935).

220 *See supra* notes 123–26 (discussing Ashley v. Boyle's Famous Corned Beef Co., 66 F.3d 164 (8th Cir. 1995) where laches did not bar a claim for a harm that had been continuing over the course of many years).

221 *See supra* note 99 and accompanying text (quoting Judge Learned Hand's comments that it is impermissible for a plaintiff to delay in order to capitalize on an infringer's labor).

222 *Chirco*, 474 F.3d at 229. The court noted the Sixth Circuit presumption in its holding:

> To the extent that the plaintiffs in this case are seeking only monetary damages and injunctive relief, we give effect to the Sixth Circuit's presumption that the statute of limitations must prevail. However, to the extent that the relief sought is destruction of the condominium complex that allegedly infringes the plaintiffs' copyright, the facts before us suggest that this is indeed the extraordinary case in which the defense of laches is properly interposed.

Id.

223 *Id.*

224 *See infra* text accompanying notes 254–60 (arguing that continuing infringements raise special concerns about a plaintiff's delay in filing suit).

225 *See Chirco*, 474 F.3d at 229.

226 *See id.*

delay in bringing suit is exactly the type of delay laches guards against.[227]

C. The Ninth Circuit's Approach: Liberal Laches Application

Another possible amendment to the Copyright Act would be a codification of the Ninth Circuit's approach that laches is allowed to bar an entire claim within the statute of limitations and include a distinction regarding continuing infringements that are similar in nature.[228] The main justification for this approach is that courts are free to use their equitable powers to shape relief, and a separation of powers violation is not a concern, especially in the context of continuing infringements.[229] The Ninth Circuit reasons that allowing laches to bar a claim that involves substantially similar infringements over the span of thirty-six years does not frustrate Congress's intent to allow copyright plaintiffs three years to file a claim and could not possibly present a conflict with the separation of powers doctrine.[230]

A distinction regarding continuing infringements is crucial to an amendment of the Copyright Act. While laches should be allowed in copyright claims, simply clarifying this in the Act does not do enough to resolve the split. The primary goal of amending the Copyright Act is to establish uniformity in copyright decisions, which was the intent of both the Framers of the Constitution and the Congress that placed the statute of limitations in the Act.[231] The traditional understanding of courts' equitable powers supports the notion that laches may shorten a statute of limitations, but simply acknowledging this power in the Act misses an opportunity to provide courts with more specific standards to apply to claims.[232] An amendment to the Act should provide a workable, uniform standard so that the incentive system found in the copyright clause of the Constitution will continue to encourage the production of creative works.[233]

---

227 *See supra* note 99 (citing Judge Learned Hand's description of one of the perils of laches in a copyright claim that plaintiffs may speculate without risk).

228 Danjaq LLC v. Sony Corp., 263 F.3d 942, 960 (9th Cir. 2001).

229 *See id.* Separation of powers principles are not mentioned anywhere in the opinion. *Id.*

230 *Id.*

231 *See supra* Part II.A (discussing the history and purpose of the Copyright Act).

232 *See supra* note 7 (discussing Posner's explanation of laches in Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002)).

233 *See supra* notes 42–48 and accompanying text (discussing the policy objectives of Copyright Law and the incentive system built into the Constitution to continually encourage the production of creative works).

Produced by The Berkeley Electronic Press, 2010

Further, a distinction regarding continuing infringements supports the policy objectives of the Copyright Act. [234] The distinction further clarifies when an entire claim could be barred within the limitations period, and the clarification guards against any chilling effect the amendment may have on the production or use of creative works.[235] If authors believe that the courts powers are too broad and that courts have too much discretion when deciding to bar an entire claim within the three-year period, a distrust of copyright protection may arise.[236] An unintended consequence might be a resurgence of the kind of mistrust of equitable remedies that the 1938 merger of law and equity in America was intended to quell.[237]

Below, Part IV presents an amendment to the Copyright Act that combines the Ninth and Sixth Circuits' approaches and provides a resolution to the circuit split that gives deference to the separation of powers doctrine, preserves courts' traditional equitable powers, and furthers the goals of the copyright clause.[238]

IV. PROPOSED AMENDMENT TO THE COPYRIGHT ACT

Although trying to create a rigid rule for the application of the equitable defense of laches is like trying to tailor a tuxedo that would fit every man in America, a rule regarding the defense is needed in the

---

234 *See supra* Part II.A (discussing the policy objectives of the Copyright Act).

235 *See supra* Part II.A. *See also supra* note 16 (discussing due process concerns that arise when a plaintiff cannot rely on the statute of limitations to inform her of the time limits that apply to her cause of action). A reasonable inference from the notion that time limits on suing to protect one's copyright are flexible and to some extent unknowable is that the uncertainty will stifle the creation of artistic works. The strong protection the United States affords to copyrightable works is designed to assure creators they will reap the rewards of their labor. *See supra* notes 42–44 and accompanying text (discussing the incentives in copyright law).

236 *See supra* note 88 and accompanying text (discussing the distrust of equity courts in America pre-merger).

237 *See* DOBBS, *supra* note 1, at 115–16, n.1. In a discussion of the role of equitable discretion in equity and in modern courts, Dobbs notes that Americans do not think of themselves as a people governed by "unknown and unknowable" laws. *Id.* Dobbs notes that equitable discretion cannot be applied even–handedly to all suitors. *Id.*

> The first principle of due process embraces a rule of law which contains standards that can be known in advance, conformed to, and applied rationally. The doctrine of the supremacy of law is "a doctrine that the sovereign and all its agencies are bound to act upon principles, not according to arbitrary will; are obliged to follow reason instead of being free to follow caprice."

Id. (citing Mattison v. Dallas Carrier Corp., 947 F.2d 95 (4th Cir. 1991) (quoting ROSCOE POUND, THE SPIRIT OF THE COMMON LAW 183 (1963) (1921))).

238 See *infra* text accompanying note 241 for the author's proposed amendment.

Copyright Act to assure stability and uniformity in copyright decisions. An amendment to the Copyright Act is needed to resolve the circuit split effectively. Codifying the approach of the Fourth, Sixth, or Ninth Circuits alone is an inadequate resolution.[239] This Note presents an amendment to the Copyright Act that borrows the Ninth Circuit's distinction regarding substantially similar infringements and the Sixth Circuit's presumption of timeliness.[240]

A. Congress Should Amend 17 U.S.C. § 507(b) as Follows:

> § 507. Limitations on actions
>
> (b) Civil Actions. No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued. *Traditional equitable defenses are available within this period, but a presumption of reasonable delay will be afforded to claims filed within three years of the infringement. However, in cases of substantially similar, repetitive infringements, no such presumption of reasonable delay will be afforded to claims filed more than three years from plaintiff's first discovery of infringement.*[241]

This amendment effectively resolves the circuit split by offering a more concrete guideline for courts, promoting the policy objectives of copyright law, and resolving separation of powers concerns.[242] First, a presumption of timeliness provides a workable standard that promotes uniformity and furthers the policy objectives of the Act.[243] The statute of limitations in the Act gives a plaintiff notice that she has three years to file her copyright claim.[244] Although her claim may be entirely barred by laches within the limitations period if it represents a compelling case that will work an unjust hardship on the defendant, the presumption of timeliness safeguards the time she has to file.[245] Without a presumption

---

239 *See supra* Part III (discussing the strengths and weaknesses of codifying the different circuits' approaches to the availability of laches in copyright claims).

240 See *infra* text accompanying note 241 for the author's proposed amendment.

241 17 U.S.C. § 507(b) (2006). The italicized language represents the proposed amendments from the author.

242 *See supra* Part II.A (discussing the policy objectives of the Copyright Act).

243 *See supra* Part II.A.

244 *See supra* note 16 (discussing due process concerns that arise when a plaintiff cannot rely on the statute of limitations to inform her of the time limits that apply to her cause of action).

245 *See* Chirco v. Crosswinds Cmtys., Inc., 474 F.3d 227, 233 (6th Cir. 2007).

Produced by The Berkeley Electronic Press, 2010

in the statute that the delay is reasonable, laches could function to bar both legal and equitable relief without any procedural safeguard for the limitations period.[246] By placing the burden of proof on the defendant, shortening a plaintiff's time to file a claim becomes more difficult.[247] The uncertainty that may result from explicitly recognizing the courts' ability to use equitable powers within the statute of limitations is balanced by the procedural safeguard that will provide assurance to copyright holders.[248]

Second, allowing laches within the statute of limitations period enables courts to render fair results which can only encourage the production of creative works.[249] Restricting courts' equitable powers by banning laches within the statutory period may force unjust results that are contrary to the intentions Congress expressed in the Copyright Act.[250] However, acknowledging the availability of laches within the statutory period with no procedural safeguard or other limitation will not provide uniformity and may chill the production and use of creative works.[251] If authors understand that cases will not be subject to strict rules which might mandate unjust consequences, incentives to put creative work into the marketplace will remain.[252] Similarly, the incentive to produce creative works remains viable if authors understand that judges do not have unlimited discretion to shorten statutory periods.[253]

Limiting the presumption of reasonable delay in cases of continuing infringements guards against the type of risk-free speculation that Judge Learned Hand warned against.[254] Continuing infringements, such as those that occurred in *Danjaq*, are most likely to allow plaintiffs to impermissibly delay and only file suit when the infringer's efforts have become profitable.[255] In jurisdictions that use an injury rule for the tolling of the statute of limitations, repetitive infringement of a copyright

---

246 *See id.* at 229. The Sixth Circuit offers the presumption as a procedural safeguard as a restraint on its equitable powers. *Id.*

247 *Id.*

248 *See supra* Part IV (outlining proposed amendment).

249 *See supra* Part II.A.

250 *See supra* Part III.A (analyzing the strengths and weaknesses of a complete ban on laches).

251 *See supra* note 235 (discussing the potential chilling effect of uncertain time limitations).

252 *See supra* note 235.

253 *See supra* Part II.B (discussing the history of laches and the discretion used in courts of equity).

254 *See supra* note 99.

255 Danjaq LLC v. Sony Corp., 263 F.3d 942, 960 (9th Cir. 2001).

could extend the time to file indefinitely.[256] For example, in *Lyons*, Plaintiff sued the costume shop for renting costumes that allegedly infringed on his copyright of Barney the purple dinosaur.[257] Despite the fact that Plaintiff filed his claim four years after he knew of the first costume rental, the court ruled that the statute of limitations period had not run on any rentals that occurred within the last three years.[258] Following the reasoning in *Lyons,* plaintiff could passively watch as the costume shop rented allegedly-infringing costumes for twenty years and choose to sue in the twenty-first year when the costumes became extremely popular and profitable.[259] A plaintiff who waits to sue for more than three years in the case of a continuing infringement should not get the benefit of a presumption of reasonable delay.[260]

Amending the copyright act to reflect the availability of laches with a limited presumption of timeliness resolves separation of powers concerns for two reasons. First, Congress amends the Act, thereby clarifying its intentions with regard to the amount of time plaintiffs have to file a copyright claim.[261] Congress can also make its intentions clear as to how equitable defenses or remedies should operate in these claims.[262] As a result, courts would have more guidance as to how long a plaintiff has to file and in what circumstances, and would direct courts to promulgate congressional intent.[263] Second, the proposed amendment offers an approach that achieves a balance between the power of Congress and the power of the courts. The amendment explicitly recognizes courts' equitable powers to determine reasonable and unreasonable delays, yet places a limit on the ability to do so.[264] The amendment provides for a strict three-year statute of limitations to prevent forum shopping and create uniform guidelines, yet recognizes

---

256 *See supra* notes 62–68 and accompanying text (discussing the injury rule and continuing wrongs).

257 Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 798 (4th Cir. 2001).

258 *Id.*

259 *See id.*

260 *See supra* note 99 and accompanying text.

261 *See supra* notes 62–68 (discussing how the varying methods courts use to calculate when a claim accrues has frustrated Congress's intent to create uniformity in the Act through a statute of limitations).

262 See *supra* text accompanying note 241 for author's proposed amendments to the Copyright Act.

263 See *supra* text accompanying note 241 for author's proposed amendments to the Copyright Act.

264 See *supra* text accompanying note 241 for author's proposed amendments to the Copyright Act.

Produced by The Berkeley Electronic Press, 2010

that rigid rules may need to be changed to fit extraordinary circumstances.[265]

Finally, an amendment is necessary because either the cases in the split have not been appealed to the Supreme Court, or the Court has refused certiorari.[266] As for areas of the law outside the copyright context, the Supreme Court needs to revisit the issue of laches in suits with explicit statutes of limitations and provide guidance in this "murky" area of the law.[267] Courts are clearly confused and conflicted regarding their equitable powers in the face of congressionally-mandated statutes of limitations.[268] The Supreme Court needs to establish whether laches may apply to both legal and equitable causes of action and remedies or if the old distinction remains.[269] The Court needs to address how continuing wrong, rolling statutes of limitations, discovery rules, and injury rules affect the application of laches.[270] A Congressional amendment to the Copyright Act regarding the statute of limitations would aid those in copyright litigation but leave the issue unresolved for the vast array of other plaintiffs suing under federal statutes that contain time limitations.

V. CONCLUSION

There is a divide both inside and outside the context of the Copyright Act about whether laches may operate to cut short an explicit federal statute of limitations without violating separation of powers principles. This confusion in the courts goes to fundamental questions about the nature of statutes of limitations and the traditional equitable powers of the courts. In the copyright context, the results vary from circuit to circuit, and outside the copyright context, the answer is no

---

[265] See *supra* note 36 (listing cases that recognize the use of laches in cases with extraordinary circumstances).

[266] Lyons P'ship v. Morris Costumes, Inc., 243 F.3d 789, 798 (4th Cir. 2001) (not appealed to the Supreme Court); Chirco v. Crosswinds Cmtys. Inc., 474 F.3d 227 (6th Cir. 2007), *cert denied*, 551 U.S. 1131 (2007); Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001) (not appealed to the Supreme Court); Jacobsen v. Deseret Book Co., 287 F.3d 936 (10th Cir. 2002), *cert denied*, 537 U.S. 1066 (2002); Peter Letterese & Assocs. v. World Inst. of Scientology Enters., 533 F.3d 1287 (11th Cir. 2008) (not appealed to the Supreme Court).

[267] Laycock acknowledges that this area of the law remains "murky." LAYCOCK, *supra* note 16, at 7–8. "Where the law/equity distinction is especially murky, . . . lawyers and judges tend to overlook it, and the distinction becomes less and less important." *Id*.

[268] *See supra* Part.II.C.2 (discussing the approach taken by cases in the copyright circuit split).

[269] *See supra* note 267 (discussing the distinction between law and equity).

[270] *See supra* notes 62–68 (discussing how the varying methods courts use to calculate when a claim accrues has frustrated Congress's intent to create uniformity in the Act through a statute of limitations).

clearer with some courts denying themselves the power to cut short explicit federal statutes of limitations and others freely doing so.

The copyright circuit split demonstrates that the judiciary is uncertain about the role of laches in cases with express statutes of limitations. Judge Posner dismisses the argument that laches could violate separation of powers principles as "odd."[271] Yet, other sources proclaim that "laches is irrelevant" in a suit with a statute of limitations.[272] Textbooks give a fleeting reference to a line of cases which stand for the proposition that laches can never operate to shorten a statute of limitations.[273] The Supreme Court states that the application of laches to an action at law would be "novel."[274] Further, the Court has cautioned against the application of equitable principles to Congressional mandates.[275]

The debate regarding laches and separation of powers principles is problematic. The Supreme Court needs to address the issue to provide clarity for all areas of the law, and an amendment to the Copyright Act is needed to resolve cases in the copyright context. Codifying the approach of the Fourth, Sixth, or Ninth Circuits alone would provide an inadequate resolution. Amending the Copyright Act to reflect the availability of laches within the statute of limitations, but provide a limiting presumption of timeliness in cases that do not involve continuing infringements offers the best solution. The proposed amendment effectively resolves the circuit split by offering concrete guidance for courts, promoting the policy objectives of copyright law, and resolving separation of powers concerns.

Emily A. Calwell[*]

---

271 Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix, 283 F.3d 877, 881 (7th Cir. 2002).

272 *See* LAYCOCK, *supra* note 16, at 1003.

273 *Id.*

274 County of Oneida v. Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985) (noting in dicta that the application of laches in an action at law would be "novel").

275 *See supra* note 8 (discussing the Supreme Court's admonishment in Missouri v. Jenkins, 515 U.S. 70, 131–32 (1995) that the separation of powers is a restraint on a court's equity powers).

* J.D. Candidate, Valparaiso University School of Law (2010); M.F.A., Creative Writing, University of Southern Maine (2004); B.A., Political Science, Brown University (2000). This Note is dedicated my parents, Ann and W. Stuart Calwell, Jr. Your humor, your compassion for others, and your love of art, literature, and big ideas have made me who I am today. Thank you for supporting me through every challenge, victory, and dream I've had. I also thank my sister, Elisa C. Rushworth, for always taking my calls and listening for hours. Thanks to Dr. Kevin C. France for asking me to the 9th-grade dance in 1992 and still loving me and making me laugh all these years later. Thanks to Dr. Jennifer K. Smith for her invaluable friendship and for letting me borrow her faith in me on a daily basis.

Produced by The Berkeley Electronic Press, 2010

Thanks to Professor Howard Chudacoff of Brown University for giving me a love of history. Thanks to Professors Joellen Lind and Rosalie Berger Levinson for their help with this Note. Thanks also to Professor Robert Blomquist. I had some of the most rewarding moments of my educational career in your classes, and I am so grateful I had the opportunity to learn from all of you. Thanks to the Executive Editors of Volume 44 who surfed this year with me with patience, kindness, and a sense of humor. Finally, thanks to Megan Hannah for being the greatest and truest friend I have ever had. We did it!