
Appeal No. 08-4217

**IN THE
UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT**

THE SCO GROUP, INC.,

Plaintiff-Appellant,

vs.

NOVELL, INC.,

Defendant-Appellee.

On Appeal from the United States District Court for the District of Utah
The Honorable Dale A. Kimball (Case No. 2:04-CV-00139-DAK)

**APPELLEE NOVELL, INC.'S MOTION TO STAY THE MANDATE
PENDING THE FILING OF A PETITION FOR A WRIT OF CERTIORARI
IN THE SUPREME COURT OF THE UNITED STATES**

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Pursuant to Federal Rule of Appellate Procedure 41(d)(2) and Tenth Circuit Rule 41(B), appellee Novell, Inc. respectfully requests this Court to stay its mandate until January 18, 2010, which is 90 days after entry of this Court's October 20, 2009 order denying Novell's petition for rehearing and rehearing en banc. A stay will provide Novell with time to prepare and file a petition for a writ of certiorari in the Supreme Court of the United States, which would be due on January 18, 2010. *See* Sup. Ct. R. 13.1.

Rule 41(d)(2)(a) provides that a court of appeals may grant a stay of a mandate for a period not to exceed 90 days "pending the filing of a petition for a writ of *certiorari* in the Supreme Court," so long as the movant shows "the *certiorari* petition would present a substantial question and there is good cause for a stay." Fed. R. App. P. 41(d)(2)(a); *see also* 10th Cir. R. 41.1(B) (requiring "a substantial possibility that a petition for writ of *certiorari* would be granted"). Both of those conditions are met here. This case presents a fundamental question of copyright law on which the circuits are in disagreement: whether the written-transfer requirement of the Copyright Act, 17 U.S.C. § 204(a), requires a writing that identifies with reasonable certainty the specific subject matter and the essential terms of the copyright transfer. Because resolution of that threshold legal question could entirely foreclose the copyright and related tort claims, thus significantly

reducing the issues for trial in this case (as well as in two other cases), a stay of the mandate pending a petition for certiorari is warranted.

1. *Statement of the Case:* In a published opinion issued on August 24, 2009, this Court held that an ambiguous contractual provision that did not specify which particular copyrights were being transferred could nonetheless satisfy the written-transfer requirement of the Copyright Act. *See* 17 U.S.C. § 204(a) (“Section 204(a)”). The Court held that Section 204(a) requires only that the written instrument demonstrate an intent to convey some copyrights “as opposed to other categories of rights” so that, “when it is clear that the parties contemplated that copyrights transfer, * * * a linguistic ambiguity concerning which particular copyrights transferred” does not preclude the conveyance. Slip Op. 21. In adopting that standard, this Court recognized that the “paramount goal” of Section 204(a) is designed to “enhance[] predictability and certainty of ownership.” *Id.* at 18 (quoting *Konigsberg Int’l Inc. v. Rice*, 16 F.3d 355, 357 (9th Cir. 1994)). Nevertheless, the Court adopted a view of the written-transfer requirement that it acknowledged will require juries to determine, many years after the fact, what precise copyrights an ambiguous agreement conveys based upon the “self-serving testimony offered by partisan witnesses whose recollection is hazy from the passage of time and colored by their conflicting interests.”

Id. at 26 (quoting *Trident Center v. Connecticut Gen. Life Ins. Co.*, 847 F.2d 564, 569 (9th Cir. 1988)).

The Court also expressly recognized that “some courts,” by contrast, “have found that a writing is insufficient to transfer copyrights unless (1) it reasonably identifies the subject matter of the agreement, (2) is sufficient to indicate that the parties have come to an agreement, and (3) states with reasonable certainty the essential terms of the agreement.” Slip Op. 19.

On September 8, 2009, Novell filed a petition for rehearing and rehearing en banc of this Court’s August 24, 2009 opinion. On September 17, 2009, this Court ordered plaintiff-appellant SCO Group, Inc. (“SCO”) to file a response, which SCO filed on October 1, 2009. On October 20, 2009, this Court denied Novell’s petition for rehearing and rehearing en banc. A petition for a writ of certiorari to the Supreme Court of the United States would be due for filing in that Court on January 18, 2010. *See* Sup. Ct. R. 13.1.

2. *There Is More Than A “Substantial Possibility” That A Petition For A Writ Of Certiorari Would Be Granted:* In this case, there is a significant likelihood that the Supreme Court will grant certiorari. This Court’s decision constitutes a departure from decisions of other federal

courts of appeals that have confronted the important question of copyright law at issue in this case.

In contrast to the ruling by this Court, the Fifth and Ninth Circuits, in construing Section 204(a), have required significant specificity in the written conveyance. *See, e.g., Lyrick Studios, Inc. v. Big Idea Prods., Inc.*, 420 F.3d 388 (5th Cir. 2005), *cert. denied*, 547 U.S. 1054 (2006); *Konigsberg Int'l, Inc. v. Rice*, 16 F.3d 355 (9th Cir. 1994). As both the Fifth and Ninth Circuits have explained, a written instrument must be specific enough to “force[] a party who wants to use the copyrighted work to negotiate with the creator to determine *precisely what rights are being transferred.*” *Lyrick Studios*, 420 F.3d at 392 (quoting *Effects Assocs. Inc. v. Cohen*, 908 F.2d 555, 557 (9th Cir. 1990)) (emphasis added); *Konigsberg*, 16 F.3d at 357 (quoting same). The writing must contain sufficient information to “serve as a guidepost for the parties to resolve their disputes” so that the “parties *need only look to the writing* that sets out their respective rights,” rather than resorting to the courts to resolve the disagreement. *Konigsberg*, 16 F.3d at 357 (emphasis added). If the standard articulated by the Fifth and Ninth Circuits were applied to this case, SCO could not prevail, because the writings at issue lack the specificity required by those courts to be a valid instrument of conveyance.

Moreover, that this Court found support for its ruling in the decisions of the Second and Seventh Circuits (Slip Op. 23) bolsters the likelihood that the Supreme Court will grant certiorari review. As this Court explained, the Seventh Circuit has held that “a written asset transfer agreement may satisfy Section 204(a) even when it ‘does not mention the word “copyright” itself.’” *Ibid.* (quoting *Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410, 413 (7th Cir. 1992)). Likewise, this Court cited the Second Circuit decision in *Jasper v. Bovina Music, Inc.*, 314 F.3d 42 (2d Cir. 2002), for the proposition that, so long as there is a writing, the question of what is conveyed is a matter of contract interpretation. Slip Op. 20 (citing *Jasper*, 314 F.3d at 47); *but see Playboy Enters., Inc. v. Dumas*, 53 F.3d 549, 564 (2d Cir. 1995) (holding that document purporting to recognize prior “assignment * * * of all right[s], title and interest” is insufficient to transfer copyrights under 17 U.S.C. § 204(a)), *cert. denied*, 516 U.S. 1010 (1995). If, as this Court believed, its decision is in accord with the decisions of those circuits, the Supreme Court will likely grant review to reconcile the divergent decisions of the *five* federal courts of appeals that have addressed the written instrument requirement of Section 204(a). *See* S. Ct. R. 10(a). Indeed, the Supreme Court of Indiana has recently noted this conflict in the circuits, observing that “the federal circuits do not yet agree on the nuances” of what

is required to satisfy Section 204(a). *Conwell v. Gray Loon Outdoor Mktg. Group, Inc.*, 906 N.E.2d 805, 816 (Ind. 2009).¹

Finally, this case raises an issue of exceptional importance under the Copyright Act, which will likely interest the Supreme Court. The current duration of copyright protection is extraordinarily long: the author's lifetime plus a term of 70 years, 17 U.S.C. § 302(a), or, for pseudonymous works or for works made for hire, a term of 95 years from first publication or 120 years from the year of creation, whichever comes first, *id.* § 302(c). A uniform standard throughout the United States is thus vital to ensure that Section 204(a) promotes Congress' "paramount goal" of "enhancing predictability and certainty of copyright ownership." *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989) (citing H.R. Rep. No. 94-1476, at 129 (1976)). That goal is best served by a standard that requires that any transfer of copyright ownership be specified in a document that will survive long after memories have faded and witnesses have become

¹ As a result of the circuit split over the proper interpretation of 17 U.S.C. § 204(a), federal district courts also are divided as to the specificity required for a written instrument to convey a copyright. Indeed, a number of district courts outside the five circuits that have addressed the issue have required significantly greater specificity under Section 204(a) than did the Court in this case. *See, e.g., Forasté v. Brown Univ.*, 290 F. Supp. 2d 234, 239-240 (D.R.I. 2003); *American Plastic Equip., Inc. v. Toytrackerz, LLC*, No. 07-2253, 2009 U.S. Dist. LEXIS 27787, at *16-17 (D. Kan. Mar. 31, 2009); *Morgan v. Hawthorne Homes, Inc.*, No. 04-1809, 2009 U.S. Dist. LEXIS 31456, at *47-50 (W.D. Pa. Apr. 14, 2009).

unavailable. Indeed, the Supreme Court recognizes the importance of nationwide uniformity in the interpretation of the Copyright Act, as demonstrated by its review this very Term of an issue regarding the enforceability of unregistered copyrights. *See Reed Elsevier, Inc. v. Muchnick*, No. 08-103 (U.S.).²

3. *There Is Good Cause For Granting a Stay:* If the mandate is not stayed, this case will return to the district court for trial, even though a legal issue that could resolve completely the copyright and related tort claims would be pending on a petition for a writ of certiorari in the Supreme Court. That would cause a waste of judicial resources and would force the parties to litigate in two courts simultaneously. Indeed, good cause particularly exists here because, as SCO has acknowledged, an adverse ruling for SCO in this case will ultimately affect how two other federal district court actions concerning the same copyrights will proceed. Thus, absent a stay of the mandate, there is a significant possibility that those issues would unnecessarily proceed to trials in three separate actions if the Supreme Court reviews and reverses the decision of this Court.

² This Court's ruling has generated significant interest from a number of industry groups which depend upon UNIX or have interests in UNIX, and it is expected that many of those entities potentially affected by this Court's decision will file amicus briefs in support of Novell's petition, which will further increase the prospect for Supreme Court review.

4. *Appellant Opposes The Stay:* Pursuant to Tenth Circuit Rule 27.3(C), counsel for Novell contacted counsel for SCO regarding this motion and SCO's counsel has stated that SCO objects to a stay of the mandate.

CONCLUSION

For the foregoing reasons, this Court should grant a stay of its mandate until January 18, 2010, so that appellee Novell is allowed adequate time to prepare and file a petition for a writ of certiorari in the Supreme Court.

Respectfully submitted,

/s Michael A. Jacobs

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CERTIFICATE OF SERVICE

I, Michael A. Jacobs, certify that on this 27th day of October, 2009, a true and correct copy of the foregoing APPELLEE NOVELL, INC.'S MOTION TO STAY THE MANDATE PENDING THE FILING OF A PETITION FOR A WRIT OF CERTIORARI IN THE SUPREME COURT OF THE UNITED STATES was served via electronic mail to the following recipients:

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CERTIFICATE OF DIGITAL SUBMISSION

I, Michael A. Jacobs, certify that no privacy redactions were necessary for this filing. This APPELLEE NOVELL, INC.'S MOTION TO STAY THE MANDATE PENDING THE FILING OF A PETITION FOR A WRIT OF CERTIORARI IN THE SUPREME COURT OF THE UNITED STATES submitted in digital form is an exact copy of the written document filed with the Clerk. This digital submission has been scanned for viruses with the most recent version of a commercial virus-scanning program (using Symantec AntiVirus v.10.1.4.4, last updated April 4, 2009) and, according to the program, is free of viruses.

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