

Santa-Rosa v. Combo Records

471 F.3d 224 (1st Cir. 2006)

Authored by Samantha Halliburton

Gilberto Santa-Rosa (“Santa Rosa”), an accomplished salsa singer, producer, and composer, sued Combo Records (“Combo”) claiming he and Combo entered into a recording agreement (the “Agreement”). Santa Rosa argued that under this Agreement, he agreed to record four albums for Combo, and Combo agreed to pay him artist royalties for all albums sold. At the time of suit, Santa Rosa failed to produce a copy of the Agreement, but alleged that Combo possessed a copy. Between 1986 and 1989, Combo paid \$11,280 in advance royalties to Santa Rosa.

Combo continued to sell thousands of Santa Rosa’s albums and compilations, but did not make any additional royalty payments to Santa Rosa.

More than fifteen years after he recorded these albums, Santa Rosa filed suit against Combo, seeking declaratory judgment as to the ownership of the recordings, rescission of his contract based on material breach, violation of the Lanham Act, and damages for unjust enrichment. The district court dismissed all of Santa Rosa’s claims. Santa Rosa appealed the dismissal of the rescission and declaratory judgment claims, and the United States Court of Appeals for the First Circuit affirmed the district court’s decision.

A cause of action is preempted under the Copyright Act, 17 U.S.C. §301(a) if it does not require an element beyond mere copying, preparation of derivative works, performance, distribution or display. Some courts have held that a simple breach of contract action that seeks only damages would not be preempted by the Copyright Act because its substantive elements do not implicate ownership or infringement. A claim for rescission, however, would result in there being no written instrument signed by the parties, and therefore, the court would be required to resort to the Copyright Act to determine ownership of rights.

In this case, Santa Rosa did not seek damages, but instead sought rescission of the alleged Agreement. The court held that even if a contract existed, the rescission claim was preempted by the Copyright Act because the court would be determining whether Santa Rosa was entitled to compensation because of mere copying, performance, distribution, or display of his recordings. Therefore, the court dismissed the rescission claim for failing to state a cause of action since the only remedy available was a claim under the Copyright Act.

Santa Rosa also claimed that the courts should resolve the “uncertainty” over ownership of his recordings by issuing a declaratory judgment that he was the sole owner of those recordings. A claim for a declaratory judgment of ownership arises under the Copyright Act, 17 U.S.C. §201, which states, “no civil action shall be maintained under the provisions of this title unless it is commenced within three years” after the plaintiff knows or has reason to know of the alleged grounds for the ownership claim. Further, uncertainty of ownership does not exist as to co-ownership rights based on co-authorship. A co-author knows that he or she jointly created a work from the moment of its creation.

Since Santa Rosa was present when his performances were recorded by Combo, he knew from the moment that each recording was created that he had a potential claim for ownership. Because Santa Rosa was a co-author and failed to bring this claim

within three years, the court held that Santa Rosa's declaratory judgment action was time barred by the Copyright Act.