Westlaw Journal Bonus Issue

SCOTUS SPOTLIGHT

2023 Term

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U.S. Supreme Court roundup: 2023 term

In this bonus issue for subscribers, Westlaw Journals shines a spotlight on U.S. Supreme Court cases from the 2023 term, including the groundbreaking decision on presidential immunity.

This issue includes an analysis of the unprecedented case involving former President Donald Trump's efforts to overturn the 2020 election in which the court ruled 6-3 that former presidents have absolute immunity from criminal prosecution for "official acts."

In addition, the issue analyzes two important decisions involving administrative agencies: one tossing the 40-year-old Chevron precedent regarding judicial deference to administrative agencies and the other involving the Securities and Exchange Commission's enforcement proceedings seeking monetary penalties.

This roundup also examines the high court's rulings on topics including abortion, banking, bankruptcy, civil rights, data privacy, employment law, energy and environmental law, gun regulation, intellectual property, social media, and tax law.

We hope you enjoy this special issue, a benefit of your regular subscription.

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a penalty on tribes for opting in favor of greater self-determination. Congress designed the statute to avoid such a counterproductive result," Justice Roberts said.

NOT FREE

In his dissent, Justice Kavanaugh said the majority's decision "upends" a long-standing federal practice that requires tribes to pay their additional overhead out of the money they collect from third-party programs.

"The extra federal money that the court today green-lights does not come free," he said, noting that the government estimated it could cost between $800 million and $2 billion annually, not including potentially billions more in retroactive payments.

Solicitor General Elizabeth B. Prelogar represented the government. Adam G. Unikowsky of Jenner & Block LLP represented the Northern Arapaho Tribe. Lloyd B. Miller of Sonosky, Chambers, Sachse, Endreson & Perry LLP represented the San Carlos Apache Tribe. WJ

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Related Filing:
Supreme Court opinion: 2024 WL 2853107
Petitioners' brief (merits): 2024 WL 113234
Northern Arapaho Tribe respondent's brief (merits): 2024 WL 647124
San Carlos Apache Tribe respondent's brief (merits): 2024 WL 647121
Northern Arapaho Tribe respondent's brief: 2023 WL 6810497
San Carlos Apache Tribe respondent's brief: 2023 WL 6810292
Certiorari petition (Northern Arapaho): 2023 WL 6127928
Certiorari petition (San Carlos): 2023 WL 6127907
10th Circuit opinion (Northern Arapaho): 61 F.4th 810
9th Circuit opinion (San Carlos): 53 F.4th 1236

INTELLECTUAL PROPERTY

Supreme Court assumes 'discovery rule' applies to copyright damages

By Patrick H.J. Hughes

The U.S. Supreme Court has held that damages can be calculated from infringing actions that happened more than three years prior to when a copyright complaint is filed as long as the infringement suit is deemed "timely."

Warner Chappell Music Inc. et al. v. Nealy et al., No. 22-1078, 2024 WL 2061137 (U.S. May 9, 2024).

In a 6-3 ruling written by Justice Elena Kagan, the court on May 9 sided with Miami music producer Sherman Nealy, who argued that because he was in prison when his musical works were infringed, he could not have reasonably known about the infringing acts.

Nealy filed his copyright infringement suit against music labels Warner Chappell Music Inc. and Artist Publishing Group LLC in 2018, years after they allegedly deprived Nealy of royalties.

The primary work at issue was Nealy's "Jam the Box," a tune that rapper Flo Rida sampled for the song "In the Ayer," released in 2008.

Justice Kagan pointed out that Section 507(b) of the Copyright Act, 17 U.S.C.A. § 507(b), precludes relief going back more than three years from when most copyright suits are filed, but this was no ordinary suit.

> Rather than make the assumption that the majority did, Justice Neil Gorsuch said he would have dismissed the case as improvidently granted.

The 11th U.S. Circuit Court of Appeals said the delayed discovery meant Nealy could recover damages from when the infringement began, well before 2015. *Nealy v. Warner Chappell Music Inc.*, 60 F.4th 1325 (11th Cir. 2023).

The music labels objected and asked the justices to step in, filing a certiorari petition in May 2023. The court granted certiorari in September. *Warner Chappell Music Inc. v. Nealy*, 144 S. Ct. 478 (2023).

JUSTICES ANSWER QUESTION THAT 'INCORPORATES AN ASSUMPTION'

In affirming the 11th Circuit's decision, Justice Kagan noted that the question the justices agreed to answer was whether Nealy could collect damages "under the discovery accrual rule applied by the circuit courts." That question "incorporates an assumption: that the discovery rule governs the timeliness of copyright claims," she wrote.

She explained that the rule, which says a suit is timely if filed when a plaintiff discovers or should have discovered the injury, has never been dissected by the Supreme Court for copyright claims. The music labels failed to properly present

ATTORNEYS SAY WHAT WILL FOLLOW SUPREME COURT'S RULE ON COPYRIGHT DAMAGES

"The court's decision now extends indefinitely the reach-back period for copyright infringement damage claims once a claim is found to have been timely filed, and has the potential to open the floodgates for infringement claims by rights owners seeking monetary damages in the form of profits."

– Barry Werbin, counsel, Herrick, Feinstein LLP

"The majority opinion did not opine at all — even in dicta — on the validity of applying the discovery rule in cases beyond fraud or concealment when a statute is silent on the issue. That could suggest that the dissent's position — that the discovery rule should not apply at all — will ultimately carry the day."

– Ivy Estoesta, director, Sterne Kessler

"The dissenters may have signaled their willingness to entertain an attack on the discovery rule — but if the circuit courts remain fairly unified and consistent with applying the rule and don't develop a circuit split, then it may be practically unlikely that the current composition of the court has enough votes to grant certiorari in a future case that more squarely addresses the issue."

– Justin Thiele, associate, Hanson Bridgett LLP

"The unresolved question, not squarely presented in this case but highlighted by the dissent, is whether the Copyright Act authorizes the discovery rule in the first place."

– William Frankel, partner, Crowell & Moring LLP

that issue, so the opinion did not address it, she said.

PETRELLA CANNOT BE 'TAKEN OUT OF CONTEXT,' JUSTICES SAY

Justice Kagan also explained that the Supreme Court's opinion resolves a circuit split, as the 2nd U.S. Circuit Court of Appeals in *Sohm v. Scholastic Inc.*, 959 F.3d 39 (2d Cir. 2020), said damages were always limited to three years.

That cap was based on the U.S. Supreme Court's holding in *Petrella v. Metro-Goldwyn-Mayer Inc.*, 572 U.S. 663 (2014), which said the statute of limitations allowed plaintiffs to "gain retrospective relief running only three years back."

"Taken out of context, that line might seem to address the issue here," Justice Kagan wrote. "But that statement merely described how the limitations provision worked in *Petrella*, where the plaintiff had long known of the defendant's infringing conduct."

DISSENT

Justice Neil Gorsuch dissented, joined by Justices Clarence Thomas and Samuel Alito.

They said the Copyright Act "does not tolerate a discovery rule" and the majority's opinion "sidesteps" the question

of whether the statute "has room for such a rule."

Rather than make the assumption that the majority did, Justice Gorsuch said he would have dismissed the case as improvidently granted and waited for a more appropriate dispute to review.

Kannon K. Shanmugam of Paul, Weiss, Rifkind, Wharton & Garrison LLP argued for the petitioners. Wes Earnhardt of Cravath, Swaine & Moore LLP argued for Nealy. WJ

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Related Filing:
Opinion: 2024 WL 2061137
Oral argument: 2024 WL 729720
Certiorari petition: 2023 WL 3306517
11th Circuit opinion: 60 F.4th 1325
District Court opinion: 2021 WL 2280025

INTELLECTUAL PROPERTY

Justices battle trademark speech theories to reach contentious consensus on 'names clause'

By Kteba Dunlap, Esq.

The U.S. Supreme Court has held that the Lanham Act's "names clause" is constitutional, upholding the Patent and Trademark Office's decision to bar the trademark "Trump too small" from being registered.

Vidal v. Elster, No. 22-704, 2024 WL 2964139 (U.S. June 13, 2024).

In a fractured 9-0 ruling that featured a disputed opinion by Justice Clarence Thomas and two lengthy concurrences, the court on June 13 ruled that the prohibition against trademarks that include a person's name without consent is constitutional as it is viewpoint-neutral and necessarily content-based.

ATTEMPTED REGISTRATION

The trademark dispute began when Steve Elster tried to federally register a mark as a T-shirt slogan with a visual gag criticizing Donald Trump.

An examining attorney refused, finding that the mark violates the names clause because it "consists of or comprises a name, portrait or signature identifying a particular living individual."

The U.S. Court of Appeals for the Federal Circuit sided with Elster and reversed, saying that a trademark is not government speech, which the government can restrict. Rather, a trademark is private speech "entitled to some form of First Amendment protection." *In re Elster*, 26 F.4th 1328 (Fed. Cir. 2022).

PTO Director Kathi Vidal took the case to the Supreme Court.

3 THEORIES

At least three legal theories were posited in *Vidal v. Elster*, with a conservative faction relying heavily — in some cases, exclusively — on its interpretation of the history of trademark law against a more liberal set proffering tests from precedent cases.

At least three legal theories were posited in *Vidal v. Elster*, with a conservative faction relying heavily — in some cases, exclusively — on its interpretation of the history of trademark law.

Justice Amy Coney Barrett partly agreed with each side and put forth her own analogous standard, with support from the three liberal justices.

JUSTICE THOMAS: HISTORY AND TRADITION ARE ENOUGH

Noting that the case offered an open question of law — whether a viewpoint-neutral trademark restriction merits heightened First Amendment scrutiny — Justice Thomas wrote the main opinion that other conservatives joined.

In his view, the history of necessarily content-based trademark restrictions extending back to 18th-century England is enough to show that trademark law has had a "longstanding, harmonious relationship" with the First Amendment.

He interpreted this to mean that a viewpoint-neutral statute such as the names clause requires no further scrutiny to confirm its constitutionality. But the ruling is narrow, he added.

JUSTICE BARRETT: LIMITED PUBLIC FORUM ANALOGY

Justice Barrett disagreed that "loosely related cases" from history formed the sole basis for the names clause's constitutionality. She also took issue with Justice Thomas' analytical framework, characterizing it as "hunting for historical forebears on a restriction-by-restriction basis."

She would rather test the constitutionality of a content-based trademark restriction through a test borrowed from limited public forum jurisprudence, she said. Speech restrictions on public forums, like those on trademark registration, are implicitly content-based, she noted.

As long as the restrictions reasonably serve the purposes of trademark law, they pass constitutional muster, Justice Barrett said.