

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ALVIN HOLM, A.I.A.,	:	
	:	
Plaintiff,	:	
v.	:	No. 00-CV-2893
	:	
HARRY POLLACK,	:	
	:	
Defendant.	:	

**MEMORANDUM**

**Green, S.J.** **October , 2000**

Presently before the court is Defendant’s Motion for Judgment on the Pleadings, Plaintiff’s Response, and Defendant’s Reply. For the reasons set forth below, Defendant’s motion will be granted in part and denied in part.

**I. FACTUAL BACKGROUND**

The pleadings disclose that Plaintiff and Defendant entered into a contract on or about November 30, 1998, whereby Plaintiff agreed to provide architectural services to Defendant for renovation of Defendant’s residential property. (Compl. ¶¶ 3 and 10, attached as Ex. A.) On or about December 2, 1998, Defendant allegedly paid Plaintiff a \$1000 retainer and Plaintiff began preparing architectural plans for the property. Beginning in January 1999, Plaintiff billed Defendant each month for architectural services. Plaintiff sent Defendant a total of twenty (20) monthly invoices, of which the first sixteen (16) were paid. (Compl. ¶ 13.) Defendant disputed the final four (4) invoices and refused to pay them. (Compl. ¶ 14.) On January 10, 2000, Defendant allegedly used Plaintiff’s architectural drawings for renovation of Defendant’s property without compensating Plaintiff for the drawings. (Compl. ¶ 6.) On May 30, 2000, Plaintiff filed a copyright registration for the drawings used for Defendant’s renovation. (Compl. ¶ 4.)

Plaintiff filed the instant action alleging that Defendant infringed, and continues to infringe, on Plaintiff's copyrighted architectural plans and drawings without compensation. Defendant filed a Motion for Judgment on the Pleadings, pursuant to Fed. R. Civ. P. 12(c), for lack of subject matter jurisdiction. Defendant alternatively moves to deny all statutory damages and attorneys' fees requested by Plaintiff.

## **II. DISCUSSION**

When considering a motion for judgment on the pleadings pursuant to Fed. R. Civ. P. 12(c), the court must "consider as true any well-pleaded factual allegations in the pleadings, [ ] must draw any permissible inferences from those facts in the non-moving party's favor, and [ ] may grant the defendants' motion only when the plaintiff has alleged no set of facts which, if subsequently proved, would entitle her to relief." DeBraun v. Meissner, 958 F.Supp. 227 (E.D. Pa. 1997) (citing Hishon v. King & Spalding, 467 U.S. 69, 73 (1984)). A motion for judgment on the pleadings may not be granted "unless the movant clearly establishes that no material issue of fact remains to be resolved and that he is entitled to judgment as a matter of law." Society Hill Civic Ass'n v. Harris, 632 F.2d 1045, 1054 (3d Cir. 1980).

The district courts have original jurisdiction over any civil action arising under any Act of Congress relating to copyrights. See 28 U.S.C. §1331; 28 U.S.C. §1338(a). The district courts also have supplemental jurisdiction over "all other claims that so related to the claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution." 28 U.S.C. § 1367(a). In determining whether a claim arises under the Copyright Act, 17 U.S.C. § 101 et seq., courts follow one of three tests. The three tests are: (1) "essence of the claim," (2) "face of the

complaint”<sup>1</sup> and (3) a variation of the “essence of the claim” test employing a three-part analysis.<sup>2</sup> The Third Circuit has not yet decided which of the three tests should apply when determining whether a claim arises under the Copyright Act, but two opinions from this court suggest that the “essence of the claim” test is the appropriate analysis to use. See AAMCO Transmissions v. Smith, 756 F.Supp. 225 (E.D. Pa. 1991); Wolfe v. United Artists Corp., 583 F. Supp. 52 (E.D. Pa. 1983). The “essence of the claim” test states that “an action ‘arises under’ the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act . . . or asserts a claim requiring construction of the Act.” Wolfe, 583 F. Supp at 55 (citing T.B. Harms Co. v. Eliscu, 339 F.2d 823, 828 (2d Cir. 1964), cert. denied, 381 U.S. 915 (1965)).

Under the “essence of the claim” test, Defendant argues that Count I of the Complaint, Plaintiff’s alleged Copyright Infringement claim, does not “arise under” the Copyright Act but is simply a breach of contract claim. Defendant states that the Complaint does not allege a violation of an exclusive right protected by Section 106 of the Copyright Act;<sup>3</sup> therefore, this court lacks subject matter jurisdiction over Count I. Absent subject matter jurisdiction, Defendant

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<sup>1</sup>The “face of the complaint” test analyzes the pleadings to determine whether the claims principally involve copyright or contract issues.

<sup>2</sup>The “three-part” analysis test examines (a) whether the plaintiff’s claim is only “incidental” to the claim seeking a determination of contractual rights, (b) if the claim is not merely incidental, whether the complaint alleges a breach of a condition to, or a covenant of, the contract that licenses or assigns the copyright; (c) if the complaint alleges a breach of a contractual covenant in the agreement that licenses the copyright, then the breach must be so material as to create a right of rescission. See Gerig v. Krause Publications, Inc., 58 F. Supp.2d 1261, 1267 (D. Kan. 1999); Kolbe v. Trundel, 945 F. Supp. 1268, 1271-72 (D. Ariz. 1996).

<sup>3</sup>Under Section 106, copyright owners have the exclusive rights to do and to authorize reproduction, adaptation, publication, performance and display of their copyrighted works. See 17 U.S.C. § 106.

also moves to deny supplemental jurisdiction over Counts II and III, Plaintiff's Breach of Contract and Unjust Enrichment claims. In response, Plaintiff contends that Count I "arises under" the Copyright Act because it alleges a violation of an exclusive right under the Act in that it states Defendant copied and used Plaintiff's copyrighted plans and drawings without authorization from, or compensation to, Plaintiff. (Compl. ¶ 6.) In addition, Count I seeks relief expressly authorized by the Act. Those remedies include injunctive relief, impoundment of the plans, damages and loss of profits, and attorney's fees. (Compl. ¶ 8.)

A factual issue exists as to whether Count I arises under the Copyright Act. Remembering that all inferences must be viewed in favor of Plaintiff, I would reach the same conclusion—that Count I asserts a claim under the Copyright Act—under any of the three tests, including the "essence of the claim" test. Count I alleges a violation of Section 106(a) in that it states that Defendant reproduced Plaintiff's copyrighted architectural drawings and plans without Plaintiff's authorization. In addition, Count I seeks relief that is expressly granted by the Copyright Act. Thus, under the "essence of the claim" test, Plaintiff has stated a claim that "arises under" the Copyright Act, and this court has jurisdiction over Plaintiff's copyright infringement claim, as well as Plaintiff's supplemental claims.

Alternatively, Defendant argues that Plaintiff's claim for statutory damages and attorneys' fees should be denied because Plaintiff's claims for said damages and fees are time-barred. Under the Copyright Act, a successful plaintiff can recover either actual or statutory damages. 17 U.S.C. § 504. The court may also award reasonable attorneys' fees to the prevailing party. 17 U.S.C. § 505. These remedies are not available in all cases however. The Copyright Act states:

no award of statutory damages or attorneys' fees, as provided in sections 504 and 505, shall be made for—

(1) any infringement of copyright in an unpublished work commenced before the effective date of the registration; or

(2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.

17 U.S.C. § 412.

Defendant argues that, pursuant to Section 412(2), this court should deny Plaintiff's request for statutory damages and attorneys' fees, because Plaintiff has pled that his architectural plans were published more than four (4) months prior to registration of the copyright. In the alternative, Defendant argues that Section 412(1) precludes Plaintiff from receiving statutory damages and attorneys' fees, because Plaintiff's plans "are unpublished." (Def.'s Reply at 4.) Defendant points to Plaintiff's copyright registration form, where Plaintiff failed to state the first date of publication. Since Defendant allegedly infringed on Plaintiff's work before it was registered, Defendant argues that statutory damages and attorneys' fees are barred. Plaintiff challenges Defendant's motion on the grounds that Plaintiff's copyright relates back to the original creation of Plaintiff's work under Section 302 of the Act<sup>4</sup> because Plaintiff's architectural work was derivative in nature.<sup>5</sup> Thus, Plaintiff contends that the date he registered his architectural plans in the Copyright Office should not determine whether statutory damages and attorneys' fees are barred.

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<sup>4</sup>Under Section 302, "copyright in a work created on or before January 1, 1978, subsists from its creation . . . ." 17 U.S.C. § 302.

<sup>5</sup>"A 'derivative work' is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101.

As pled, there is no allegation to support Plaintiff's contention that Plaintiff's copyright relates back to the original creation of his architectural work. The Complaint and its accompanying attachments do not state that Plaintiff prepared or delivered derivative work(s) to the Defendant. The Complaint does state, however, that Plaintiff registered the copyright for the architectural plans on May 30, 2000, more than four (4) months after the plans were allegedly first used, on or about January 10, 2000. Therefore, Plaintiff did not meet the three (3) month time limit required under Section 412(2) and, based upon his pleading, he is barred from recovering statutory damages and attorneys fees.

An appropriate Order follows.

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	:	
	:	
HARRY POLLACK,	:	
	:	
Defendant.	:	

**ORDER**

**AND NOW**, this        day of October, 2000, upon consideration of Defendant's Motion seeking Judgment on the Pleadings, Plaintiff's Response and Defendant's Reply, **IT IS HEREBY ORDERED** that Defendant's motion is **DENIED** as to Defendant's request to dismiss the complaint for lack of subject matter jurisdiction. **IT IS FURTHER ORDERED** that Defendant's motion is **GRANTED** as to Defendant's request to dismiss Plaintiff's claim for statutory damages and attorneys' fees.

BY THE COURT:

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CLIFFORD SCOTT GREEN, S.J.