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UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

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UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

Civil Action No.
71-1000-M

MARCEL DEKKER, INC.

Plaintiff

v.

JEAN-PIERRE ANSELME, and ORGANIC PREPARATIONS
AND PROCEDURES, INC.

Defendants

MEMORANDUM OF FINDINGS AND CONCLUSIONS

March 29, 1984

COHEN, M.

In this action, plaintiff initially claimed that the defendants Jean-Pierre Anselme and Organic Preparations and Procedures, Inc. (hereinafter "Organic Inc."), infringed its copyright and engaged in unfair competition in connection with the publication of a certain scientific journal. Defendants Anselme and Organic Inc. filed counterclaims alleging defamation, antitrust violations, and quantum meruit.¹ After the matter was referred to this court for certain discovery and discovery-related matters, the parties consented to a non-jury trial before this court pursuant to the provisions of

1. A third defendant, Macdonald and Evans, Inc., was voluntarily dismissed as a party.

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Rule 3(c) of the Rules for United States Magistrates in the United States District Court for the District of Massachusetts and 28 U.S.C. 636(c).

I. Factual Background

Based upon the testimony and exhibits received during the course of the seven day trial, this court makes the following findings of fact to the extent deemed relevant to the legal issues presented by the respective parties, to wit:²

A. The defendant Jean-Pierre Anselme (hereinafter "Anselme") was born in Port-au-Prince, Haiti, in 1936, and

2. Inasmuch as the services of a contract reporter were engaged during the course of the trial conducted under the provisions of 28 U.S.C. 636(c), and inasmuch as neither of the parties ordered a transcript, none has been filed with this court. At the conclusion of the trial, this court requested the parties to file proposed findings of fact. Counsel for plaintiff filed plaintiff's proposed findings on July 6, 1983. Despite numerous requests by the Clerk of this court, counsel for defendants did not file a Proposed Findings of Fact and Conclusions of Law--containing some 95 pages--until August 26, 1983. Prior to the receipt of those Proposed Findings of Fact and Conclusions of Law, however, the United States Court of Appeals for the Ninth Circuit had ruled that United States Magistrates did not have constitutional authority to enter judgments in cases tried with the consent of the parties under the provisions of 28 U.S.C. 636(c). Pacemaker Diagnostic Clinic, Inc. v. Instromedix, Inc., 712 F.2d 1305 (9th Cir. August 5, 1983). Shortly after the receipt of plaintiffs' Proposed Findings of Fact and Conclusions of Law, it came to the attention of this court that a similar issue had been raised in the United States Court of Appeals for this Circuit. Goldstein v. Kelleher, No. 83-1411. Accordingly, this court, by Procedural Order dated October 11, 1983, deferred further action on the matter pending resolution of the jurisdictional questions raised. It now appears that the jurisdictional issue has been resolved in favor of this court finally deciding the matter. See Goldstein v. Kelleher, No. 83-1411 (1st Cir. February 29, 1984), and cases cited therein. The findings of fact set forth herein, of necessity, are accordingly based upon the requested findings of fact made by the respective parties, the documents submitted by the parties at trial, and this court's limited notes reflecting the testimony during the course of trial.

emigrated to the United States in 1955. He received a Bachelor of Arts Degree from St. Martial College in Haiti, a Bachelor of Science Degree in Chemistry from Fordham University in 1959, and a PH.D. in Organic Chemistry from Polytechnic Institute of Brooklyn in 1963. Upon receiving his Ph.D. from Polytechnic Institute of Brooklyn, he remained there as an Instructor. On or about September 1965, he became an Assistant Professor of Organic Chemistry at the University of Massachusetts at Boston.

B. The defendant Organic Inc. was, at all relevant times, a Massachusetts corporation formed and controlled by the defendant Anselme to distribute a publication entitled "Organic Preparations and Procedures International" (hereinafter "OPP") as detailed infra.

C. At all relevant times, plaintiff Marcel Dekker, Inc., (hereinafter "Dekker") was and is a New York corporation engaged in the business of publishing scientific journals.

D. Subsequent to his receiving a Ph.D. from Brooklyn Polytechnic, Anselme conceived and considered the possibility of publishing a scientific journal devoted to preparations and procedures in the synthesis of organic compounds.³

E. To bring this conception to fruition, Anselme discussed the matter with his superior at the University of Massachusetts, Professor E.I. Becker. Becker, in turn,

3. According to Anselme and other witnesses, most scientific journals which were then current did not concentrate on procedures relating to the synthesis of organic compounds as such. To the contrary, scientific literature then extant was more often devoted to larger projects, and the so-called "nuts and bolts" of organic synthesis was either omitted in final publications, or given no emphasis at all. Anselme believed that he could fill the void by causing the publishing of a journal devoted solely to synthesis of organic compounds.

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initially brought the matter to the attention of Maurits Dekker, who was then Chairman of the Board of Directors of Dekker.⁴

F. After some preliminary written correspondence between Anselme and Maurits Dekker (see Defendants' Exhibits 148, 149, 150), Anselme and Maurits Dekker met in Boston on January 18, 1967. On the basis of their discussions, Maurits Dekker directed a letter to Anselme on the following day, indicating, inter alia (Plaintiff's Exhibit 20, Defendants' Exhibit 23):

Marcel and I definitely want to go ahead with your "Organic Preparations and Procedures", a quarterly journal devoted to organic and metal organic synthesis. We think that we will, in the first year, present the subscriptions with 200 pages of procedures, or about 50 pages per issue.

Just as I told you yesterday, we cannot determine the subscription price yet, but this will be somewhere between \$6 and \$15 in the first year. We will grant you a royalty of 2% of all subscriptions sold beyond the first 1,200.

We expect to lose money on this journal in the first three years, as all publishers always do, but in the third or fourth year, the turning point will come and then you will participate in the profits, which we, at that time, will have. We should then renegotiate. (Emphasis added).

Enclosed with that letter was a standard publishing contract used by Dekker.

G. On January 22, 1967, Anselme directed a letter to Maurits Dekker, indicating, inter alia (Defendants' Exhibit 23):

As Editor of the Journal, I want the privilege of having, in consultation with Marcel Dekker, Inc. and you, the final decision on what is published. And conversely, Dekker and you, in

4. Becker had met Maurits Dekker in connection with earlier publications. Maurits Dekker is the father of Marcel Dekker, the latter being the President of Dekker.

consultation with me, will have the final word, on the commercial and business aspects of the journal. The Editorial Staff will be chosen and appointed by me as well as the Board of Editors. Editorial policy will also be formulated by myself.

Enclosed with that letter was certain material proposed to be used in the publication relating to notification to authors as to the method to be used in the preparation of manuscripts.⁵ Shortly thereafter, Anselme returned a signed contract which had been supplemented by a "Rider" suggested by a lawyer with whom Anselme had consulted. (Plaintiff's Exhibit 11). The contract, as modified by the rider, was thereafter executed by Marcel Dekker on behalf of Dekker, on or about February 9, 1967. (See Defendants' Exhibit 154).

H. To the extent relevant here, the contract, as modified by the "Rider", provided, inter alia--

2. The Editor hereby grants and assigns to the PUBLISHER the exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof.

3. The EDITOR hereby authorizes the PUBLISHER to take out copyright in the JOURNAL in the names of

5. This instructional material was eventually incorporated into the inside back cover and facing page of "Organic Preparations and Procedures" published by Dekker. It is primarily this material, and the front cover--but not the scientific literature--which plaintiff contends was copyrighted to the plaintiff. Plaintiff thus contends that the defendants violated its copyright by publishing a successor journal using the same instructional material and virtually the same front cover, and that defendants engaged in unfair competition for the same reasons.

At trial, plaintiff offered testimony to the effect that the instructional material finally incorporated into the journal published by Dekker, was a collaborative effort between Anselme and Marcel Dekker, Inc., and that the design of the front cover was the sole product of efforts of employees of Dekker. Anselme, on the other hand, offered testimony to the contrary. In view of this court's legal conclusions set forth infra, there is no occasion to resolve this conflicting evidence.

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both the PUBLISHER and the Editor and to take such steps required to secure such copyright in the United States of America....

8. The PUBLISHER agrees to pay the EDITOR a royalty of two (2) percent of the net receipts of copies sold beyond 1,200....It is hereby agreed that, three (3) years from the date of the above agreement, the amount of the above royalty shall be renegotiated.

12. The EDITOR agrees that, if sales of the JOURNAL have diminished to the extent that, in the sole opinion of the PUBLISHER, it is unprofitable to continue the JOURNAL in print, the PUBLISHER may allow the JOURNAL to go out of print. The PUBLISHER agrees that the PUBLISHER'S name shall be deleted from the copyright and the sole ownership of the JOURNAL shall be in the EDITOR'S name and the EDITOR shall have the sole right to enter into any publishing agreement that permits others to publish the JOURNAL.....(Emphasis added).

I. Over the course of the next two years, Anselme--in collaboration with Dekker--devoted his efforts to the selection of a Board of Editors for the journal, and to the selection of initial manuscripts to be published.⁷ In January 1969, Dekker, based upon manuscripts reviewed and selected by Anselme and the Board of Editors, published the first of eight

7. As evidenced by the testimony and exhibits (see Defendants' Exhibits 155 through 200), this "start up" period was not free from various disputes between Anselme and Marcel Dekker, Inc. These disputes ran the course from allocation of costs for stamps to the selection of a Board of Editors to other matters relating to the promotion and publication of the Journal, including, but not limited to, the selection of letterhead paper and the proper positioning--in terms of protocol--of Editors' names on the masthead of the letterhead paper. The question as to who may have been right or wrong during the course of these disputes--many quite quibbling in nature--is not clearly, or even indirectly, relevant to the issues presented by the complaint and counterclaims. Suffice it to say that, on the state of the evidence before this court, it is clearly apparent to this court that Anselme--albeit for the noble and altruistic purpose of advancing the aims and purposes of the contemplated Journal for the academic and scientific community to which it would be addressed, and certainly not so much for pecuniary reasons--occasionally strayed from his purely "Editorial" role to that of "Publisher", contrary to the terms of the agreement of the parties.

quarterly issues of "Organic Preparations and Procedures" (hereinafter the "Journal"). Copyrights were issued on that issue, as well as the remaining issues published by Dekker, to Dekker on the basis of Dekker's applications therefor. Inscribed on the bottom of the inside front cover of the first issue of the Journal was a copyright notice indicating that the copyright had been issued to Dekker alone, and not to Dekker and Anselme. Anselme apparently made some initial inquiries concerning the form of the copyright notice, but was on notice--at least as early as November 1969--if not earlier--that the copyright had been taken out in the name of Dekker alone, contrary to the provisions of Paragraph 3 of the "Rider" to the contract.

J. Notwithstanding this fact, publication of the successive issues of the journal continued--albeit, again, with minor skirmishes. On occasions, deadlines were missed, both in terms of preparing the necessary manuscripts, and in publishing the issues of the journal. Anselme continued in his efforts to receive financial assistance from Dekker to cover expenses incurred by him in his Editorial role. Anselme was disconcerted by the fact that Dekker was contemplating the publication of another scientific journal which, in part, may have overlapped in certain instances with OPP. Anselme further believed that there was a "dearth" of advertisements included in the issues of the Journal.

K. During the course of the 1969 calendar year, Dekker received 530 subscriptions to the Journal. Subscriptions increased to 622 during the 1970 calendar year. During 1969,

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Dekker received gross receipts--including prepayments for the anticipated Volume 2 to be issued in 1970--in the amount of \$8,174.00 from subscribers to the Journal. During the 1970 calendar year, Dekker received gross receipts--attributed to both Volumes 1 and 2 of the Journal--in the amount of \$10,005.00. The costs and expenses incurred by Dekker in promoting and publishing the Journal was \$18,000.00 for each year. Thus, during the calendar year 1969, Dekker lost \$9,826.00 in connection with the Journal, and, during the calendar year 1970, Dekker lost \$8,095.00 in connection with the Journal.

L. Notwithstanding this rather bleak financial picture, however, Anselme, personally, and through an attorney-advisor, starting in the early part of 1970, sought renegotiation of the terms of the contract relating to royalties--or other remunerations--to be extended to Anselme. Various proposals were submitted to or by Anselme and/or his attorney. The various proposals [propounded by Dekker] included fixed royalties and expenses wholly unrelated to gross receipts, plus additional royalties in the amount of 2% dependent upon net receipts, four free copies of each issue of the Journal, and a discount for further copies--e.g., Defendant's Exhibit No. 239, ¶¶ 9, 10, 12--as well as fixed royalties and expenses wholly unrelated to gross receipts, plus additional royalties in the amount of a variable rate dependent upon the number of subscriptions sold, four free copies of each issue of the Journal, and a discount for further copies--e.g., Defendant's Exhibit No. 240, ¶¶ 9, 10, 12. Additionally, Dekker indicated

its willingness to granting Anselme a copyright for a "normal term." Defendant's Exhibit No. 65. These proposals were rejected by Anselme. Anselme, on the other hand, sought royalties in the amount of 30% of net profits, together with an accounting by Dekker as to expenses actually incurred in publishing the journal. Defendant's Exhibit No. 68, Proposed Paragraph 13. Anselme also requested that a renegotiated contract provide that, inter alia, he hold the position of Editor for life. Defendant's Exhibit No. 14.

M. As might have been anticipated, the divergent positions of the parties vis a vis were not resolved. In early July 1970, Dekker learned that Anselme had sought the assistance of other publishers to publish the Journal. See Defendant's Exhibit No. 74. On July 14, 1970, Anselme mailed to Dekker thirteen manuscripts to be included in Volume 2, Issue 2, of the Journal. In a covering letter enclosed therewith, Anselme advised Dekker, inter alia--

Let it be specifically understood that, since January 19, 1970, we have not had and still do not have a contract (except for the original one) and that we are operating the Journal as an ad hoc situation. Defendants' Exhibit No. 70.

Just prior to that, and apparently before Anselme authored Defendants' Exhibit No. 70, Dekker, having learned of Anselme's approach to other publishers, and unwilling to accede to Anselme's increased demands, notified Anselme by letter dated July 9, 1970, that his services as Editor had been terminated. Defendants' Exhibit No. 14.

N. Notwithstanding this so-called "termination", however, Anselme continued to supply edited manuscripts, and Dekker

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continued to publish the Journal. The parties, and/or their respective counsel, continued their efforts to renegotiate the contract. Those attempts, however, proved to be unsuccessful. In a final effort to resolve the differences, the parties and their legal representatives met in New York City on November 20, 1970. These face-to-face negotiations were again unavailing. On or about November 27, 1970, counsel for Anselme advised counsel for Dekker that Anselme would not accede to the proposals made by Dekker. See Defendants' Exhibit No. 89. On November 30, 1970, counsel for Dekker advised Anselme that since he [Anselme] had failed to accede to the "fifth revision of a publishing agreement relating to [the Journal]," Anselme's services as Editor were terminated "effective immediately." Defendants' Exhibit No. 15. By the same token, in an apparent "crossing letter", Anselme advised Dekker (Defendants' Exhibit No. 89)--

...I cannot agree to the contract which was handed to me and which, according to Mr. Tenney's [Counsel for Dekker] statement constitutes the final conditions under which Marcel Dekker, Inc. would continue to act as publisher. Accordingly, I hereby notify you that the services of Marcel Dekker, Inc. as publisher of "Organic Preparations and Procedures" are terminated forthwith.

O. On or about December 14, 1970, [Anselme] mailed a letter to subscribers of the Journal indicating that he intended to continue publication of the Journal under the original title. See the Third Paragraph of Defendants' Exhibit No. 12. On January 13, 1971, counsel for Dekker authored a letter to the Office of the President of the University of Massachusetts at Boston in which he [counsel] indicated, after reviewing the

facts of termination--

You will doubtless appreciate that our client does not intend anyone to trade on the reputation and goodwill which it has built up over the years as publisher of that journal and other scientific works. With that in mind, we have been instructed to undertake an action for injunction and copyright infringement and damages if Dr. Anselme proceeds with his plans.

We would assume that the foregoing constitutes your first knowledge of this matter and are writing so that the University may make an informed judgment as to its position as a potential defendant in such an action. Needless to say, our client is interested only in protecting its property rights to the specific title in question and not in inhibiting the publication of any journal in the field of synthetic organic chemistry which does not appropriate that title.

Defendants' Exhibit No. 12.

P. Shortly thereafter, Dekker, after consultation with its attorneys as to the language to be used, sent a letter to all of the board members of the Journal (the so-called "Dear Board Member" letter, Defendants' Exhibit No. 10) and to all of the subscribers of the Journal (the so-called "Dear Subscriber" letter, Defendants' Exhibit No. 11). After stating certain predicate facts, each letter contained the following concluding paragraph--

It has come to our attention that the former editor of our discontinued journal may attempt to continue publication under our title. If so, our attorneys have been instructed to institute legal proceedings to enjoin appropriation of the title which is our copyrighted property and to recover damages from all persons who may participate in such publication.

Q. Subsequently, Anselme formed the defendant Organic Inc. and, under that name, began to publish and distribute a publication entitled "Organic Preparations and Procedures

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International". The logo used by Anselme on the front cover of OPP was not totally dissimilar to that used on the Journal by Dekker. The format of the inside front cover of OPP, setting forth the names of the Editorial and Advisory Boards, and the dates of publication, was essentially the same as that in the Journal, compare Plaintiff's Exhibit 1A with Plaintiff's Exhibit 2A, with two exceptions, to wit: 1) The copyright notice was in favor of Organic Preparations and Procedures, Inc.; and 2) inscribed on the bottom of the inside front cover was the following--

NOTICE: Jean-Pierre was the Editor of Organic Preparations and Procedures, a journal conceived by him and published by Marcel Dekker, Inc.

Professor Anselme has no present connections with Marcel Dekker, Inc. nor does Marcel Dekker, Inc. have any connections with this publication, or Organic Preparations and Procedures, Inc.

Additionally, instructional material similar in all respects to that found on the inside back cover, and the page facing the inside back cover, of the Journal was also incorporated into OPP. Compare Plaintiff's Exhibit 1A with Plaintiff's Exhibit 2A.

R. Anselme and Organic Inc. have continued to publish OPP to the present.

S. Despite the disagreements which surfaced during the time, as well as after, Dekker published the Journal, Anselme has acquired and obtained great respect in the academic and

scientific community.⁸

II. Claims Asserted by Dekker against Anselme

Dekker seeks damages and injunctive relief from and against Anselme based on copyright infringement and unfair competition. In the circumstances, this court concludes that Dekker has not made out a claim for the relief sought.

A. Copyright Infringement

Assuming that those portions of the Journal referred to by Dekker, see footnote 5, supra, and Paragraph I.Q above, and further assuming that the corresponding versions of those portions used by Anselme in his OPP "copied" Dekker's versions, Dekker is nevertheless not entitled to the relief sought for the following reasons:

1. Although the original contract, as modified by the

8. The throes of the failed relationship between Dekker and Anselme did not appear to have any lasting effects. Although a few former members of the Editorial Board or the Advisory Board chose not to continue with Anselme and OPP, see e.g., Defendants' Exhibits Nos. 108, 110, 118, most of the former members, as well as new members, voiced no hesitation whatsoever in continuing with Anselme and OPP. See e.g., Defendants' Exhibits Nos. 91, 92, 112, 113, 114, 115, 116, 117, 141, 142, 143, 144. Nothing speaks more eloquently on behalf of the esteem that Dr. Anselme has gained in the academic and scientific community--notwithstanding the rift with Dekker--than his own Curriculum Vitae (Defendants' Exhibit No. 220). In 1971, he was invited as a Lecturer at the Fourth Cork Conference in Ireland. He was also invited as a Lecturer at the Spring Meeting of the Chemical Society of Japan in 1972, and became a Fellow of the Japan Society for the Promotion of Science in the same year. He was also a Visiting Professor at Kyushu University in Japan in 1972. In 1979, he was chosen as a Visiting Professor at the University of Miami. And on April 6, 1982, he was chosen for the prestigious award as the "Honoree of the Citizens' Committee on Immigration Reform."

Well after Dekker and Anselme had a parting of their ways, Anselme applied for positions in two other universities. He was rejected. There is no evidence whatsoever, that his rejection was based on his earlier disputes with Dekker.

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"Rider", is not a model of clarity,⁹ this court finds and concludes that the parties intended that a copyright on those portions be registered in the names of both Dekker and Anselme.

2. For these reasons, this court finds and concludes that, consistent with established authority, although Dekker may have been the "legal" owner of the copyright, Dekker, by virtue of the provisions of Paragraph 3 of the contract, held that copyright in "constructive trust" for the benefit of Anselme. See e.g., Edward B. Marks Music Corp. v. Jerry Vogel Music Co., 140 F.2d 266, 267 (2d Cir. 1944 (L.Hand, C.J.)); Picture Music, Inc. v. Bourne, Inc., 314 F.Supp. 640, 646 (S.D.N.Y. 1970) (describing the relationship as akin to "tenants in common").¹⁰

9. The ambiguity is no more apparent than a reading of Paragraph 2 of the Contract together with the "Rider" version of Paragraph 3, agreed to by the parties as witnessed by their respective execution of that agreement. Paragraph 3 of the "Rider" required that the copyright be registered in the names of both Dekker and Anselme. Paragraph 2, however, provided that Anselme "...hereby grants and assigns to the PUBLISHER the exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof." Thus, what Paragraph 3, on the one hand, giveth to Anselme, was--with the possible exception of the right to translate, a matter which is clearly de minimis in the circumstances--taken away by Paragraph 2. In this court's view, a "copyright", without the correlative and "...exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof," was but a hollow victory for Anselme.

10. The cited cases were cases where the copyrighted material was the "joint effort" of two or more persons. To an extent, the relevant materials in this case were prepared as a "joint effort" between Dekker and Anselme. Although Dekker contends that Anselme was an "employee for hire" under the Copyright Act then in effect, 17 U.S.C. 26, see Picture Music, Inc., supra, that point adds nothing to plaintiff's case. For even if Anselme was an "employee for hire", Dekker nevertheless, by the terms of Paragraph 3 of the agreement, as modified by the "Rider", agreed to obtain the copyright in the names of both Dekker and Anselme. Accordingly, this court concludes that the rationale of the cited cases applies equally to the case at bar.

3. From this it follows that Dekker may not bring a copyright infringement action against Anselme. Under settled principles, a joint owner of a copyright cannot be held liable to another joint owner of the same copyright for copyright infringement. See Edward B. Marks Music Corp. v. Jerry Vogel Music Co., *supra*, at 268; Picture Music, Inc. v. Bourne, Inc., *supra*, at 646; cf. Richmond v. Weiner, 353 F.2d 41 (9th Cir. 1965), certiorari denied, 384 U.S. 928 (1966).

4. Thus, an action for copyright infringement does not lie between Dekker and Anselme.

B. Unfair Competition

Although Anselme--after Dekker had expended considerable funds in developing a market for the Journal, and lost a considerable amount of money in doing so--filled the void and used, to a large measure, Dekker's customer lists and channels of marketing in publishing and distributing his own OPP, plaintiff has not made out a case of "unfair competition".

1. Under settled principles, the sort of "unfair competition" of which Dekker complains is "false marketing" or "passing off." See e.g., Dixi-Cola Laboratories v. Coca-Cola Co., 117 F.2d 352 (4th Cir.), certiorari denied, 314 U.S. 629 (1941); Timken Roller Bearing Co. v. Leterstone Sales Co., 27 F.Supp. 736 (N.D.Ill. 1939); Standard Brands v. Smidler, 151 F.2d 34 (2d Cir. 1945). As stated by Professor Prosser (Prosser on Torts, §130, p. 957)--

It [the tort of "false marketing" or "passing off"] consists of the making of some false representation to the public, or to third persons, likely to induce them to believe that the goods or services of another are those of the

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plaintiff.

2. To the extent that Dekker's claims of "unfair competition" relate to the use of those limited and excerpted portions of the Journal which Dekker claims were subject to the Copyright laws, this court finds and concludes that a claim of "unfair competition" is precluded by the rationale of Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) and Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964)--i.e., that a claim of "unfair competition", brought under state law, is preempted by the federal copyright laws. Although Sears, Roebuck & Co. v. Stiffel Co., supra, and Compco Corp. v. Day-Brite Lighting, Inc., supra, focussed on the patent laws, and not the copyright laws, this court concurs with the analysis of Judge Keeton in AM International, Inc. v. A.J. Weiner, et al., Civil Action No. 80-1756-K, Memorandum and Order (D.Mass. September 8, 1983), that that rationale is equally applicable to the copyright laws.¹¹ Inasmuch as, for the reasons stated above, Dekker cannot prevail in its copyright infringement claim, "...the doctrine of ['false marketing' or 'passing off']¹² is preempted when it provides a right 'equivalent to' copyright." AM International, Inc., supra, at p.5.

11. The issue in AM International, supra, involved a common-law claim of misappropriation--a species of "unfair competition". This court is unaware of any difference of distinction warranting different treatment of another claim of "unfair competition"--i.e., "false marketing" or "passing off." Both claims are species of the more general claim of "unfair competition."

12. See footnote 11, supra.

3. To the extent that Dekker's claim of "unfair competition" relates to matters other than those materials which Dekker claims were copyrighted, and even assuming that claims of "unfair competition" as to the copyrighted material were not preempted, Dekker still has failed to sustain its burden in establishing "false marketing" or "passing off." Although Anselme's first edition of OPP was numbered Volume 3, No. 1--thus, perhaps, suggesting a mere continuation of the Journal which had been published by Dekker, although it had the equal effect of assuring subscribers that OPP would consist of the same subject matter previously edited by Anselme--Anselme nevertheless took precautions to advise all potential subscribers--past and future--first by an advisory letter, and secondly by a clear and conspicuous notice in Volume 3, No. 1 of OPP, and successor volumes of OPP, that Dekker was not the publisher of OPP, and that Anselme was no longer associated with Dekker. On the record before this court, there is no evidence whatsoever indicating that Anselme intended, by false representation or otherwise, to induce potential subscribers--past and future--to believe that OPP was the product of Dekker. Nor is there sufficient evidence to show that the consuming public--a quite sophisticated market given the nature of the publication in issue--was, in fact, confused or misled. To be sure, various libraries throughout the country may have shelved OPP consecutively after Volumes 1 and 2 of the Journal. But that indicates nothing more than that the librarians deemed it appropriate to shelve all materials edited by Anselme relating to the synthesis of organic compounds in

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one central location. Finally, although, on a very few occasions, Anselme may have received communications intended to be directed to Dekker, common sense and common experience teaches that such misdirected communications are not at all uncommon, given technological advances where missives to subscribers--present and/or potential--are normally generated from data bases of large mail order houses. Indeed, it is the rare consumer that fails to receive such misdirected communications on some occasion during his or her life.

4. Accordingly, plaintiff has not made out a valid claim of "unfair competition."

C. Breach of Contract

Finally, to the extent that Dekker contends that Anselme breached the contract to the extent that Paragraph 2 of that contract provided to Dekker "...the exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof[,] " this claim has not been established by the relevant evidence.

Paragraph 2 of the contract provided only that Dekker had "...the exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof." Paragraph 2 did not require Anselme to edit and submit manuscripts for the Journal during the course of that extended period; to the contrary, the renegotiation clause set forth in Paragraph 8 of the "Rider" attached to the contract clearly contemplated--absent a meeting

of the minds after good faith attempts¹³ to renegotiate the terms of the royalty payments--that each party was entitled to terminate his or its performance. In truth and fact, both Dekker and Anselme mutually terminated that contract. Nothing done by Anselme precluded Dekker of its "...exclusive right to print, publish, copy, and sell the JOURNAL [to the extent that the Journal existed] throughout the world during the original copyright term and the full term of any renewal thereof." Anselme simply did not breach the terms of the contract, and Dekker's claim on this score has not been proven.

III. Counterclaims asserted by Anselme against Dekker

Anselme seeks damages from Dekker based upon defamation, anti-trust violations, and quantum meruit. In the circumstances, this court concludes that Anselme has not made out a claim for the relief sought under any of the asserted claims.

13. Although the parties initiated their attempts to renegotiate consistent with the provisions of Paragraph 8 poles apart in their respective positions, and remained so throughout those extended negotiations, this court finds and concludes that all parties attempted to resolve the differences in "good faith". There was some give and some take. Anselme appeared to insist upon royalties which were simply not warranted--from a purely economical standpoint--in the scheme of things. He also requested greater control in those matters normally left to the discretion of the publisher--albeit for perceived altruistic reasons of insuring that the scientific and educational community was afforded the full import intended by the message and ideas communicated by the Journal. Dekker, on the other hand, appeared not to extend to Anselme all the accoutrements of a copyright, notwithstanding Paragraph 3 of the "Rider" to the contract, at least to the extensive period requested by Anselme. That the parties failed to resolve these issues does not, in this court's view, evidence a lack of good faith dealing on the part of either of the parties.

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A. Defamation

Defendant has not proven a valid claim of defamation.

1. In the present case, Anselme contends that he was libelled on account of the letter to the President of the University of Massachusetts, as well as the so-called "Dear Board Member" and "Dear Subscriber" letters authored by Dekker, after consultation with counsel, or by Dekker's counsel himself. See Paragraphs I.O, I.P, above. Under settled law, to establish a claim of libel, Anselme must show that Dekker made a writing, or caused to be made a writing, which would hold Anselme up to scorn, hatred, ridicule or contempt in the eyes of a considerable and respectable class in the community. E.g., Ingalls v. Hastings & Sons Publishing Co., 304 Mass. 31 (1939).¹⁴

14. Counsel for Anselme agreed during the course of various hearings before this court that the law of Massachusetts, insofar as it related to the general elements of a cause of action for libel, and defenses thereto, was consistent with laws of the other states where the publications may have been sent. In his Proposed Findings of Fact and Conclusions of Law filed August 26, 1983, pp. E-19--E-51, counsel for defendants did not argue to the contrary; indeed, counsel for defendants chose to cite no authority whatsoever in support of his libel claims.

Anselme did contend that--in the event that this court concluded that Anselme made out an actionable case of libel--the law of California, to the extent that it permitted an award of punitive damages, should likewise apply.

For the reasons which follow, there is no occasion to reach that issue. On that score, however, this court must indicate that this court cannot credit the expert testimony offered by Anselme--based upon a survey conducted by his expert--as being dispositive on the question as to whether any of the "Dear Subscriber" letters were received by educational institutions in the State of California. Although an expert may testify based on matters otherwise admissible in evidence, including surveys and/or opinion polls, provided that such matters are of the sort reasonably relied upon by experts in the particular field, see Rule 703, F.R. Evid., the "validity of the

(Continued)

2. In the circumstances of this case, [defendants have] not demonstrated that the writings complained of caused him to be held "...up to scorn, hatred, ridicule or contempt in the eyes of a considerable and respectable class in the community."¹⁵

14. (Continued) procedures" used must first be assessed by the court prior to admissibility. See Notes of the Advisory Committee on Proposed Rules immediately following Rule 703, F.R. Evidence. Putting to one side the rather unique statistical results generated--perhaps, in part, for the reason that statistics are often divorced from real world events--the "validity of the procedures" used in conducting the survey was neither fair nor appropriate. In the first place, the questions propounded in survey were not the right questions. The question sought information as to whether a particular library currently shelved the Journal and OPP. Even if the respondent answered in the affirmative, however, that answer does not necessarily indicate that that particular library had received copies of the Journal prior to the mailing of the "Dear Subscriber" letter. For ought that appears from the answers of the respondents, those respondents may have acquired copies of the Journal after the mailing in issue, and those respondents, including the respondents from the institutions in California, may never have received the so-called "Dear Subscriber" letter.

Secondly, and more importantly in this court's view, is the fact that the questionnaire sent to the various respondents included a letter authored by counsel for Anselme. That letter (Defendants' Exhibit No. 264), in turn, in no uncertain terms, let it be known that the questionnaire was directed in the context of a legal battle between a member of the academic and scientific community--to which the respondents also belonged--and a commercial entity, i.e., a publisher. Moreover, the letter falsely represented, at least by implication, that Anselme was correct in his legal positions, and that the information was being solicited merely to "...get vital information relating to the fair measure of damages to my client Professor Anselme."

This biased and inappropriate questionnaire was clearly not the sort of material normally used by experts in giving expert opinions. The answers thereto are likewise inappropriate to support expert testimony under the provisions of Rule 703, F.R. Evidence. That evidence, therefore, has been rejected by this court.

15. Counsel for Anselme initially contended that the writings in issue, on their face, charged Anselme with the commission of a misdemeanor--i.e., copyright infringement. [Defendants have] since withdrawn from that position, conceding that "...the letters do not directly charge infringement." See Defendants' Proposed Findings of Fact and Conclusions of Law filed August 26, 1983, p. E-49. This court's review of the

(Continued)

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To the contrary, given Anselme's steady rise and notable acceptance in the academic and scientific community, Anselme has simply failed in proving by a preponderance of the evidence that the writings were defamatory.

3. Even if the letters in issue were defamatory, Dekker is entitled to qualified immunity--a point which Anselme apparently concedes. See Defendants' Proposed Findings of Fact and Conclusions of Law filed August 26, 1983, p. E-50. Under established principles, if a party who publishes an otherwise defamatory statement did so to protect legitimate interests of that party, then the defamed party may not recover absent a showing that the statement was made with actual malice--i.e., that it was made with knowledge that the statement was false or with reckless disregard of whether it was false. E.g., Stone v. Essex Newspapers, Inc., 367 Mass. 849 (1975). At the time the letters in issue were sent, Dekker reasonably believed that Anselme would continue to publish his version of the Journal (OPP) in the same format, and in a manner which might well have confused subscribers as to whether Anselme, or Dekker, was the publisher of that version. Dekker limited the mailing of those letters to those members of the Advisory and Editorial Boards

15. (Continued) letters in question does not indicate that, as a matter of law--much less as proven fact--a considerable and respectable class in the community would interpret those letters as an accusation of copyright infringement, much less "...the commission of a serious crime (i.e., one involving either infamous punishment or moral turpitude), Brown v. Nickerson, 71 Mass. 1 (5 Gray) (1885)[.]" Sullivan v. Choquette, 289 F.Supp. 780, 783 (D.Mass. 1968). The testimony of Anselme's friend and mentor, Professor Overberger, to the contrary on this score was simply not persuasive.

of the Journal, its then subscribers, and the University of Massachusetts under whose aegis Anselme was apparently operating, solely in order to protect its legitimate business interest--i.e., its interest in preventing Anselme from confusing Dekker's subscribers and its interest in precluding Anselme from trading on Dekker's good reputation. Based on the facts, this court concludes that Dekker enjoyed qualified immunity in connection with the mailing of these letters.

Despite Anselme's wholly unsupported assertion that "...[i]t will be impossible when all the evidence is examined to accept that [Dekker's] harassment of Defendants was in good faith[,]" (Defendants' Proposed Findings of Fact and Conclusions of Law filed August 26, 1983, p. E-50), this court finds quite to the contrary. Dekker reasonably believed that--notwithstanding the fact that Dekker had not obtained a copyright in both names--that Anselme violated the intent of the copyright laws by publishing a similar journal using that material which Dekker contends was copyrighted. At that time, in addition, Dekker reasonably believed--despite findings made by this court after some 14 years of 20/20 hindsight--that Anselme intended to engage in "unfair competition", i.e., that Anselme intended to "pass off" his version of the Journal (OPP) as that of Dekker. Finally, and equally as dispositive on the issue, one letter was drafted by counsel for Dekker, and the remaining two were drafted by Dekker after consultation with, and suggested phraseology made by, counsel for Dekker. In these circumstances, even assuming that the letters were defamatory, Dekker has proven his entitlement to a qualified privilege, and

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plaintiff has not established "actual malice" within the meaning of Stone v. Essex Newspapers, Inc., 367 Mass. 849 (1975). Anselme, accordingly, has not prevailed in his claim of libel against Dekker.

B. Antitrust Violations

Relying upon the "patent misuse" doctrine set forth in United States v. Loew's, Inc., 317 U.S. 38 (1962), Anselme would extend that doctrine to the law of copyrights and alleges that Dekker, by filing the initial complaint in this action, violated the provisions of Section 2 of the Sherman Act. That issue was directly reached in the case of Alberto-Culver Company v. Andrea Dumon, Inc., 466 F.2d 705 (7th Cir. 1972) (a case not referred to by counsel for Anselme. There the Court noted (Id. at 711)--

In its counterclaim, defendant alleges that plaintiff's action was brought in bad faith simply to impose the cost and burden of litigation on defendant to exclude it from the market....And as far as the Sherman Act contention is concerned, as the district court noted, defendant's counterclaim fails to allege any specific injury to its business or property by reason of plaintiff's conduct. Moreover, plaintiff's good faith effort to enforce its copyright...is not the exclusionary conduct condemned by § 2 of the Sherman Act. The counterclaim was properly dismissed.

In the present case, as in Alberto-Culver Company, Anselme has neither alleged nor proved any specific injury to his business or his property. And, in the present case, as in Alberto-Culver Company, for the reasons set forth in Paragraph III.A.3 above, this court finds and concludes that--even though Dekker did not ultimately prevail on these copyright or unfair competition claims--Dekker, by its attorneys, commenced and prosecuted the

above-entitled case in good faith and totally consistent with the provisions of Rule 26(g), F.R. Civ. P.

Anselme has accordingly failed to prove a violation of Section 2 of the Sherman Act.

C. Quantum Meruit

Finally, Anselme, relying upon a series of construction contract cases decided in New York¹⁶, see Defendants' Proposed Findings of Fact and Conclusions of Law filed August 26, 1983, p. E-48, contends that he is entitled to fair compensation for the services he provided to Dekker in connection with the publication of the Journal prior to the mutual termination of the contract. In the circumstances, however, Anselme misconstrues the applicable principles.

1. Under controlling principles, rescission and restitution is available to a party who has partly performed his part of the agreement where the other party has totally breached his part of the bargain and the damaged party chooses to seek rescission of the contract. See Restatement of Contracts, Section 347. The breach must be "total". E.g., Dekay v. Bliss, 120 N.Y. 91, 24 N.E. 300 (1885). In such cases, the innocent plaintiff may recover, as damages, the reasonable value of plaintiff's services to the defendant. E.g., Restatement of

¹⁶ The contract stated that the rights and obligations would be governed by New York law. This court accordingly applies New York law, although the general principles appear to be applicable in all jurisdictions. Contracts, Section 347, Comment c.17

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Contracts, Section 347, Comment c.¹⁷

2. In the circumstances, the remedy is not available to Anselme. His only claim is that Dekker breached the contract in that Dekker did not take out the copyright in the names of both Dekker and Anselme. That alleged breach, however, was neither material nor "total"--either from an objective or subjective point of view.

First, as noted above, during the life of the contract, the provisions of Paragraph 3 of the "Rider" could hardly be deemed material to the conduct of the parties. To be sure, the copyright would have been registered in Anselme's name as well as in Dekker's name. But by virtue of Paragraph 2 of the contract, Dekker retained "...the exclusive right to print, publish, copy, and sell the JOURNAL throughout the world during the original copyright term and the full term of any renewal thereof." Thus, the breach occasioned by Dekker could not fairly be deemed "material" or "total".

17. This court will simply pretermitt the labelling by counsel for Anselme as one to recover in quantum meruit. That doctrine--like the normal doctrine applied in the construction contract cases cited by Anselme--allows a defaulting plaintiff, whose default is not wilful, to recover an amount for the excess of the benefit conferred on the defendant by his part performance over the injury caused by his [the plaintiff's] breach. In such circumstances, however, the defaulting plaintiff may not recover damages in excess of the contract price nor more than the contract rate for his part performance. E.g., Gillis v. Gobe, 177 Mass. 584, 59 N.E. 455 (1901). This doctrine obviously would not benefit Anselme, inasmuch as he was entitled to nothing on the contract price or the contract rate for his performance.

Most favorably construed in favor of Anselme, this court treats his contract claim as one for rescission and restitution. See Restatement of Contracts, Section 347.

Second, Anselme did not consider this breach to be "material" or "total." Although fully aware of the alleged breach, he made but minor complaints--the thrust of his negotiations going to the royalties he demanded upon renegotiation under the provisions of Paragraph 8 of the "Rider" to the contract. It would be one matter had Anselme treated the failure on the part of Dekker to secure a copyright in his name as "material" and "total" upon learning of that fact and then demanding rescission and restitution. But Anselme chose to continue business as usual, perhaps anticipating "profits" under the then existing terms of the contract. By the same token, however, Dekker continued to expend funds and efforts in an attempt to broaden subscription sales for the Journal. Anselme cannot have it both ways. He chose not to pursue the matter, and then undauntedly traded upon the "good will" established by Dekker in promoting sales--not to mention customer leads--to subscribers and potential subscribers. In short, Anselme treated the breach as only a partial or insubstantial breach. His only remedy would have been one for damages under the contract, e.g., Barry v. Frankini, 287 Mass. 196, 191 N.E. 651 (1934), a remedy which Anselme, for quite obvious reasons, has chosen to forego.

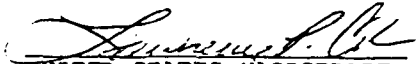
He thus may not recover for the value of his services under any contractual or quasi-contractual theory.

IV. CONCLUSION

For the reasons stated above, judgment shall enter for the defendants and against the plaintiff on all claims asserted by the plaintiff against defendants as alleged in the Complaint,

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as amended, and judgment shall enter for the plaintiff and against the defendants on all claims asserted by the defendants against the plaintiff in the counterclaims asserted by the defendants against the plaintiff.


UNITED STATES MAGISTRATE