

# PUBLICATION

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## U.S. Supreme Court Rules in Favor of Music Producer in *Warner Chappell Music, Inc. v. Nealy*

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**The United States Supreme Court issued a ruling on May 9, 2024, in a copyright case that would allow a music producer to seek damages for alleged infringements occurring more than ten years ago when it held that the Copyright Act entitles a plaintiff to receive monetary relief for any timely infringement claim, regardless of when the infringement occurred.**

But the Court also forecasted the need for another ruling to squarely address whether the "discovery rule" or the "injury rule" applies to the Copyright Act, which may one day result in a stricter time limitation on copyright claims.

### Background

In 2018, music producer Sherman Nealy brought a copyright-infringement action against Warner Chappell Music, Inc., for its use of certain copyrighted musical works, alleging that the works were being used pursuant to invalid licenses that were granted by third parties that did not own the copyrights. In filing the infringement suit, Nealy invoked the so-called "discovery rule" applied by the United States Court of Appeals for the Eleventh Circuit, which treats a copyright claim as timely if brought within three years of when the plaintiff discovered the infringement. Warner Chappell did not challenge Nealy's invocation of the discovery rule but instead argued that Nealy was precluded from recovering damages for acts that occurred more than three years prior to the filing of the lawsuit. The District Court agreed with Warner Chappell's argument and held that even when claims for older infringements are timely filed, monetary relief is limited to the three years prior to filing the action.

The Eleventh Circuit reversed the District Court's ruling and held that a copyright plaintiff with a timely-filed claim may recover retrospective relief for infringement occurring more than three years before the lawsuit's filing. In reaching this conclusion, the appellate court found that the Copyright Act does not support the existence of a separate damages bar for a copyright claim that is otherwise timely filed.

### Supreme Court Ruling

The Supreme Court affirmed the Eleventh Circuit's judgment and held that a copyright plaintiff may recover damages for infringement occurring more than three years before the filing of a lawsuit, so long as the plaintiff's claim is timely. However, in reaching this conclusion, the Court assumed for the sake of review that Nealy's claim was timely filed under the Act and expressly declined to address the question of whether the discovery rule should govern the accrual of a copyright claim under the Copyright Act. The Court found that the issue of whether the discovery rule governs copyright-infringement claims was not before the Court because Warner Chappell never challenged the Eleventh Circuit's use of the discovery rule below. Instead, the Court limited its review by "excluding consideration of the discovery rule and asking only whether a plaintiff with a timely claim under the rule can get damages going back more than three years." The Court ultimately

responded to this question in the affirmative and held that a copyright plaintiff may "obtain monetary relief for any timely infringement claim, no matter when the infringement occurred."

## Dissenting Opinion and Related Implications

As noted above, the majority decision in *Warner Chappell* does not address the antecedent question of whether the discovery rule governs the accrual of claims brought under the Copyright Act. Notably, however, Justice Gorsuch issued a dissenting opinion in which Justices Thomas and Alito joined that expressly recognized that the Act "almost certainly does not tolerate a discovery rule." The dissent suggested that the Court should have instead waited to decide a case that squarely addresses whether the discovery rule is properly applied under the Act, rather than issuing a decision based on a rule that may be assumed, "but very likely does not exist."

Notably, a petition for certiorari is currently pending before the Supreme Court in *Hearst Newspapers, L.L.C., et al. v. Antonio Martinelli*, which directly raises the hotly debated question of whether the discovery rule applies to the Copyright Act's statute of limitations. While the petition in *Hearst* was not explicitly referenced in the dissent, the opinion authored by Justice Gorsuch suggests that the fate of the discovery rule (as applied under the Copyright Act) may finally be addressed by the Court soon. In either event, the Court's decision in *Warner Chappell* illustrates the urgent need for guidance by the Court as to whether the discovery rule should be applied at all under the Copyright Act.

Should you have any questions about this topic, please contact [Benjamin West Janke](#), [Addie Guida](#), or [Jeremy D. Ray](#).