

v. Shoppers Drug Mart, Inc., 434 F.Supp. 697, 193 USPQ 165 (E.D. Mich. 1976), case involved a much different set of circumstances. Thus, in reaching my decision, the court has not given any weight to plaintiff's arguments of either constructive or actual use of the word "Mother's" prior to that of the defendants.

The court also did not have to reach one of the defendants' principal arguments. In light of the plaintiff's registration for "Mother's Pizza Parlour," and faced with the assertion of rights ordinarily accompanying registration, the defendants argued that a junior user who is the first to adopt a disputed mark in a limited geographical area is exclusively entitled to exploit the mark in that limited area, relying on *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916), and *United Drug Co. v. Rectanus Co.*, 248 U.S. 90 (1918). Because no importance was given to plaintiff's registration and, thus, no priority of use accorded to plaintiff, defendants' argument was not material and did not have to be reached. In any case, however, the continuing importance of the *Hanover-United Drug* exception is open to much question since the passage of the Lanham Act, especially 15 U.S.C. §1072. See *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 362-64, 121 USPQ 430, 432-435 (2d Cir. 1959). But see *Value House v. Phillips Mercantile Co.*, 523 F.2d 424, 187 USPQ 657 (10th Cir. 1975).

Summary

The defendants' motion for a preliminary injunction is denied.

The foregoing opinion constitutes the findings of fact and conclusions of law of this court, in accordance with Rule 52(a) of the Federal Rules of Civil Procedure.

The plaintiff is directed to prepare an order in accordance with this decision and submit it to the court, with notice to the defendants.

So ordered.

District Court, W.D. Michigan

The Urantia Foundation
v. Burton

No. K 75-255 CA 4
Decided Aug. 29, 1980

Action by The Urantia Foundation, against Robert Burton, for copyright infringement and unfair competition, in which defendant counterclaims for declaration of copyright invalidity. On cross-motions for partial summary judgment. Plaintiff's motion granted.

Thomas J. Heiden, and Varnum, Riddering, Wierengo & Christenson, both of Grand Rapids, Mich. (Emrich, Root, Lee, Brown & Hill, Chicago, Ill., of counsel) for plaintiff.

Peter P. Price, and Price, Heneveld, Huizenga & Cooper, both of Grand Rapids, Mich., for defendant.

Miles, Chief Judge.

[1] This is an action for copyright infringement and unfair competition brought by the Plaintiff, the Urantia Foundation, under 28 U.S.C. Sec. 1338 against the defendant, Robert Burton, claiming that he has infringed its copyright on The Urantia Book by reproducing sections of the book and distributing them to public officials in Washington, D.C. and elsewhere, and by having the book translated into Spanish for publication. The defendant admits the actions alleged by the plaintiff and as a defense challenges the validity of the plaintiff's copyright. By counterclaim the defendant asks for declaratory judgment declaring the plaintiff's copyright void. Both parties have moved for summary judgment as to the question of copyright infringement. Under Federal Rule of Civil Procedure 56(c) and (d), and by agreement of the parties, the questions of unfair competition and damages have not been considered in deciding these motions. Those matters will be decided by agreement of the parties or by later proceedings in this Court. The motions for summary judgment were decided under the copyright law as it existed prior to enactment of the Copyright Act of 1976, 17 U.S.C. Sec. 101 et seq., which became effective on January 1, 1978.

The facts are essentially undisputed. The Urantia Book came into existence between 1926 and 1935 and was originally in the possession of Dr. William S. Sadler, Sr. of Chicago. The book, which consists of 196 separate papers, was read to a group of peo-

ple who gathered at Dr. Sadler's home for that purpose on many occasions over that nine year period. The book at the time was in typed manuscript form. Dr. Sadler explained to his guests that the book had been written by one of his patients while in an unconscious or semi-conscious state and that the patient claimed to have no memory of having written the book. Dr. Sadler then had the handwritten manuscript transcribed into typed form. The defendant was one of the persons who came to these meetings but he never knew the identity of the patient/author. The plaintiff claims that everyone who knew the identity of the patient took a vow never to reveal that identity, and further states that the patient is now dead. Dr. Sadler died in 1969.

[2, 3] The *Urantia Book* is a religious-philosophical text which purports to give a blueprint for a better world. Dr. Sadler claimed, and both parties to this action apparently believe, that the book was written down as the result of divine or spiritual inspiration. As a result, in both written and oral arguments, there has been some discussion as to whether Dr. Sadler's patient was the author of the book or was merely a conduit for some spiritual author. Legally, however, the source of the patient's inspiration is irrelevant. No one contends that the *Urantia Book* was not original and therefore not copyrightable. The patient, as author, had an immediate, common law copyright, or right of first publication, in the book. *Nimmer on Copyright*, Sec. 2.02 and 5.01(B) (1979); *Schwartz v. Broadcast Music Inc.*, 180 F.Supp. 322, 124 USPQ 34 (D.C.N.Y. 1960). He was free to transfer or assign this right to whomever he saw fit, and the transferee would then succeed to his common law rights, including the right to claim a statutory copyright under Title 17 of the United States Code, 17 U.S.C. Sec. 9. *Nimmer on Copyrights* Sec. 5.01(b) (1979); *Remick Music Corp. v. Interstate Hotel Co.*, 58 F.Supp. 523, 63 USPQ 327 (D.C. Neb. 1945), affirmed 157 F.2d 744, 71 USPQ 138, cert. denied 329 U.S. 809, 72 USPQ 529.

In January, 1950, the *Urantia Foundation* was created by an instrument of trust with its primary estate consisting of over two thousand printing plates which had been prepared from the manuscript of the *Urantia Book* to be used in reproducing the book. Apparently these plates had been paid for by contributions from some or all of the people present at the 1926 through 1935 meetings. Five of those people were named as trustees and officers of the Foundation.

According to the plaintiff the original handwritten manuscript was destroyed sometime before the plates were made and Dr. Sadler's typewritten manuscript was destroyed after the plates were made. Significantly, the headquarters of the Foundation were originally located at Dr. Sadler's home and he was intimately involved in the activities of the Foundation.

Under paragraph 3.3 of the document of trust one of the purposes of the Foundation, and one of the duties of the trustees was:

to retain absolute and unconditional control of all plates and other media for the printing and reproduction of The *Urantia Book* and any translation thereof * * *.

The *Urantia Foundation* subsequently published The *Urantia Book* in October, 1955 with proper notice of copyright and subsequently deposited copies of the book and registered its copyright claim with the Copyright Office, as required by federal law, 17 U.S.C. former sections 10, 11, and 13. On January 3, 1956 the Copyright Office issued a Certificate of Registration (A 216389) for The *Urantia Book* naming the *Urantia Foundation* as both copyright claimant and author of the book. The information on the Certificate is obtained from the claimant, so it is apparent that the plaintiff named itself as author even though it, of course, knew that it was not the author.

Sometime in the late 1960's or early 1970's the defendant became disenchanted with the way the Foundation was handling the dissemination of the ideas expressed in the *Urantia Book*. He first requested permission to copy and distribute certain sections of the book, but was turned down by the officers of the Foundation. He nevertheless undertook such copying and distribution and admits that he did so in order to test the validity of the plaintiff's copyright. The plaintiff obliged him by bringing this action for copyright infringement.

[4, 5] The plaintiff's Certificate of Registration has been entered into evidence and constitutes prima facie evidence of the facts stated therein. *Monogram Models Inc. v. Industro Motive Corp.*, 448 F.2d 282, 171 USPQ 266 (6th Cir. 1971). The ultimate fact embodied in a certificate of registration is that the claimant has a valid claim to a copyright in the work named. Thus, the certificate constitutes prima facie evidence of the validity of the claimant's copyright. *Blumcraft of Pittsburgh v. Newman Brothers, Inc.*, 373 F.2d 905, 153 USPQ 91 (6th Cir. 1967); *Wihtol v. Wells*, 231 F.2d

550, 109 USPQ 200 (7th Cir. 1956). In a case such as this, where copying is admitted, the introduction of a certificate of registration by the plaintiff will support a judgment in favor of the plaintiff unless the defendant presents evidence that the claim of copyright is invalid. In other words, the burden of going forward is on the defendant.

Nimmer states that the better view, under the former act, was that the certificate only constitutes prima facie evidence of the specific facts stated in the certificate, and not of the overall validity of the copyright which depends on a number of factors, such as originality and publication with notice, which are not specifically stated in the certificate. Nimmer on Copyright, Section 12.11(B) (1979). However, as Nimmer recognizes, the prevailing view, by a wide margin, was that the certificate was also prima facie evidence of validity. See *Flick-Reedy Corp. v. Hydro-Line Mfg. Co.*, 351 F.2d 546, 146 USPQ 694 (7th Cir. 1965) and *Tennessee Fabricating Co. v. Moultrie Mfg. Co.*, 421 F.2d 279, 164 USPQ 481 (5th Cir. 1970) plus numerous District Court cases cited in Nimmer, *supra*, footnote 21.

[6] It is interesting to note that the new statute, 17 U.S.C.A. Section 410(c), provides expressly that the certificate will constitute prima facie evidence of validity, in line with the prevailing view. In the historical note to this section the House Committee on the Judiciary, House Report 94-1476, says this about the problem:

The principle that a certificate represents prima facie evidence of copyright validity has been established in a long line of court decisions, and it is a sound one. It is true that, unlike a patent claim, a claim to copyright is not examined for basic validity before a certificate is issued. On the other hand, endowing a copyright claimant who has obtained a certificate with a rebuttable presumption of the validity of the copyright does not deprive the defendant in an infringement suit of any rights; it merely orders the burdens of proof. *The plaintiff should not ordinarily be forced in the first instance to prove all of the multitude of facts that underline the validity of the copyright unless the defendant, by effectively challenging them, shifts the burden of doing so to the plaintiff.*

The Court takes this to mean that only those specific facts which are effectively challenged by the defendant need be proven by the plaintiff possessing a certificate of registration. All other facts upon which the validity of a copyright depends retain their prima facie value. Thus, if the defendant only

presents evidence challenging originality, the burden of proof shifts only as to originality.

The problem in this case is slightly different in that it involves the effect of a deliberate misstatement in the certificate and the effect this has on the prima facie value of the certificate as a whole. The defendant argues that by showing that the plaintiff is not the author of the *Urantia Book* as stated in the Certificate of Registration, something which the plaintiff concedes, he has destroyed the prima facie value of the Certificate and has placed the burden of proving the validity of its claim on the plaintiff. However, similar considerations to those discussed above argue against the view espoused by the defendant.

[7] The rule has been stated that the introduction of evidence showing the inaccuracy of some fact or facts stated in the certificate places the burden on the plaintiff to overcome this evidence. *Gardenia Flowers Inc. v. Joseph Markovits, Inc.*, 280 F.Supp. 776, 157 USPQ 685 (D.C.N.Y. 1968); *Van Cleef & Arpels Inc. v. Schecter*, 308 F.Supp. 674, 164 USPQ 540 (D.C.N.Y. 1969). However, it is also true that courts generally seek to preserve copyrights rather than invalidate them on the basis of minor defects in the registration certificates. *Huk-A-Poo Sportswear Inc. v. Little Lisa Ltd.*, 74 F.R.D. 621, 195 USPQ 763 (D.C.N.Y. 1977); *United States v. Backer*, 134 F.2d 533, 57 USPQ 133 (2d Cir. 1943). A misstatement in a Certificate of Registration, unless accompanied by fraud, will not invalidate the copyright or render the certificate incapable of supporting an action for infringement. *Baldwin Cooke Co. v. Keith Clark Inc.*, 383 F.Supp. 650, 183 USPQ 209 (N.D. Ill. 1974). This is particularly true when the mistake in the certificate did not affect the decision of the copyright office in issuing the certificate. *Thomas Wilson & Co. v. Irving J. Dorfman Co.*, 433 F.2d 409, 167 USPQ 417 (2d Cir. 1970) cert. denied 401 U.S. 977, 169 USPQ 65 (1971). Under 17 U.S.C. former section 209 the identity of the author of a work does not have to be disclosed in registering a copyright. It follows that a misstatement as to authorship, unless made for some fraudulent purpose will not invalidate an otherwise valid copyright. (see *Thomas Wilson, supra*). That is, the copyright remains valid as long as the claimant has a legitimate claim of copyright, regardless of who is the actual author.

It is obvious that such a rule is consistent with the majority view regarding the prima facie value of the certificate outlined above,

in that each of the facts stated therein are to be considered separately. Only if the misstatement was made with a fraudulent purpose, or if the Copyright Office might not have issued the certificate if the true facts had been revealed (in which case a fraudulent purpose in not revealing those facts may be inferred) will a proven misstatement cancel the entire prima facie effect of the certificate. Otherwise the burden of proof shifts to the plaintiff only as to those specific facts which are shown to be untrue.

[8] The most that the defendant has done in showing that the plaintiff was not the actual author of the book is to place a burden on the plaintiff to show the basis of its claim of copyright by some means other than actual authorship. The fact that the plaintiff listed itself as the author of the book on its application for copyright is not sufficient to completely destroy the presumption in favor of a registered copyright. Evidence presented by the defendant indicated that the plaintiff's motive in naming itself as author was to preserve the anonymity of the real author. No evidence of any intended fraud has been presented. If the plaintiff had simply listed the work as anonymous, the Copyright Office would have nevertheless issued the certificate. Thus, the plaintiff's misstatement, while not the preferred method of preserving anonymity, did not affect the decision of the Copyright Office, and was not intended to defraud anybody. Once the plaintiff overcomes the evidence showing the inaccuracy in its Certificate of Registration it is once more entitled to a presumption in favor of the validity of its copyright.

Since the plaintiff is not the author of The Urantia Book, it must demonstrate its claim of copyright as an assignee of the rights of the author. 17 U.S.C. former section 9; *Nimmer on Copyrights* Section 5.01(A) (1979); *Epoch Producing Corp. v. Killiam Shows, Inc.*, 522 F.2d 737, 187 USPQ 270 (2d Cir. 1975); *Borden v. General Motors Corp.*, 28 F.Supp. 330, 42 USPQ 117 (D.C.N.Y. 1939); *Van Cleef*, supra. The plaintiff claims that the right to claim statutory copyright was transferred orally from the author to Dr. Sadler, and that Dr. Sadler then transferred that right to the plaintiff through the document of trust by which it was created. The very facts which the defendant has used to show that the plaintiff was not the author have also established that Dr. Sadler was the assignee of the rights of the author of The Urantia Book. That Dr. Sadler had possession of the original manuscript and exercised complete

control over it until the formation of the Foundation in 1950 is evidence that the patient did transfer his common law rights to Dr. Sadler. *Callaghan v. Myers*, 128 U.S. 617 (1888); *Houghton Mifflin Co. v. Stackpole Sons*, 104 F.2d 306, 42 USPQ 96 (2d Cir. 1939) cert denied 308 U.S. 597, 43 USPQ 521; *Freudenthal v. Hebrew Publishing Co.*, 44 F.Supp. 754, 53 USPQ 466 (D.C.N.Y. 1942).

The defendant argues strenuously that the plaintiff has unique knowledge concerning the circumstances of the transfer of the original handwritten manuscript from the patient/author to Dr. Sadler and that it should be required to divulge this information or lose its copyright. The defendant does not claim that this information would reveal any improprieties but only claims that it could conceivably do so. The defendant asserts that it is just as likely that there was no transfer of the common law copyright as that there was, and that Dr. Sadler's mere possession of the manuscript is not enough to infer such a transfer. This position, however, ignores the circumstances of Dr. Sadler's possession of the manuscript. Significant in this regard are the facts that Dr. Sadler introduced the manuscript to the public through the meetings at his home; that the existence of the patient/author was revealed by Dr. Sadler; that Dr. Sadler exercised control over the manuscript for almost twenty-five years; that this control was never challenged by anyone; and that the real author has never revealed himself or claimed any interest in the book.

The plaintiff has also established that Dr. Sadler transferred the common law copyright to the Foundation. The words of the trust document could hardly be clearer in granting the Foundation exclusive control over the Urantia Book, including the right to claim a copyright. That document coupled with the Foundation's possession of the printing plates and Dr. Sadler's intimate connection with, and acquiescence in the activities of the Foundation, both before and after it obtained the statutory copyright, all lead to the conclusion that there was such a transfer.

Thus, the plaintiff has met the burden imposed upon it by the defendant's evidence regarding authorship and has overcome that evidence, which is all that it is required to do. Therefore its registered copyright is entitled to a presumption of validity without some further showing by the defendant. The burden of controverting the plaintiff's claimed chain of title in the copyright is squarely

on the defendant. Nimmer on Copyrights Section 12.11(C) (1979), however, the defendant has not presented one fact or pointed to any circumstance which would indicate that the plaintiff does not have a legitimate claim to statutory copyright. Neither has he indicated that any information not already available to the Court would be forthcoming at trial. In fact, the defendant has stated that this is an appropriate case for summary judgment since all of the facts are presented and are undisputed. Under these circumstances, a requirement that the plaintiff make more of a showing as to the validity of its copyright than it already has would be contrary to the statutory presumption in favor of the validity of registered copyrights.

Accordingly, this Court finds (1) that the plaintiff has a valid statutory copyright in the *Urantia Book*; (2) that the defendant has infringed that copyright; (3) that there are no issues of material fact; and (4) that the plaintiff is entitled to judgment as a matter of law. Therefore, the plaintiff's Motion for Summary Judgment is hereby granted. The defendant's Motion for Summary Judgment is denied.

Patent and Trademark Office

Trademark Trial and Appeal Board

In re Drums, Ltd.

Decided Feb. 5, 1981

Appeal from Examiner of Trademarks.

Application for registration of trademarks of Drums, Ltd., Serial No. 154,111, filed Jan. 3, 1978, and 154,222, filed Jan. 4, 1978. From decision refusing registrations, applicant appeals. Affirmed.

W. Melville Van Sciver, Chicago, Ill., for applicant.

Before Rice,* and Kera, Members, and Simms, Acting Member.

Kera, Member.

Drums, Ltd., located in Chicago, Illinois, has filed two applications to register the mark "DRUMS LTD" (the word "DRUMS" is disclaimed in both applications) for repairs and maintenance services to percussion musical instruments and accessories, including drums, timpani, chimes, marimbas, xylophones, vibraphones, musical instrument cases and pedals for cymbals and drums;¹ and for percussion musical instruments and accessories, namely, drums, drum heads, timpani, practice pads, cymbals, cases for drums, xylophones, marimbas, vibraphones, bell lyras, chimes, mallets, drum sticks, foot pedals for drums and cym-

* With applicant's consent, Board Member Rice has been substituted for Member Fowler, who has retired.

¹ Serial No. 154,111, filed Jan. 3, 1978, alleging first use on March 14, 1974.