Lessons From Picasso's Copyrights: Pleading, Proving, and Arguing Foreign Law in US Courts

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The great artist Pablo Picasso changed the world's fundamental notions of art in the 20th century. Now, battles over his artistic legacy shape how our courts view questions of foreign law. In *de Fontbrune v. Wofsy,* a plaintiff enforcing a French judgment based on infringement of copyrights in photographs of Picasso's artworks encountered questions of first impression involving a U.S. federal court's role in determining issues of foreign law.[1]

In deciding novel questions of how a federal judge may determine questions of French law at the pleadings stage, the Ninth Circuit's decision in *de Fontbrune v. Wofsy* provides useful guidance for legal practitioners who seek to raise and argue questions of foreign law in U.S. courts. The Ninth Circuit's criticism of the "semantic sloppiness" of other circuit courts that continue to place the burden of proving foreign law upon the party relying on it illustrates that foreign law advocacy is a topic that legal practitioners need to master.[2] In this article, we visit the case law on pleading and arguing foreign law questions in U.S. courts and present some tips on achieving success in our local New York state and federal courts.

Prior to the amendment to the Federal Rules of Civil Procedure (FRCP) in 1966, foreign law had to be pleaded and proven just as any other fact. This procedure was deemed to be uncertain and burdensome. In 1966, Congress passed FRCP Rule 44.1. The purpose of Rule 44.1 was to avoid unfair surprise, to make uniform the permissibility of raising an issue of foreign law after the pleadings stage where the choice of law issue became apparent later in the case, and to get rid of the notion that foreign law is a question of fact that must be proved at trial and reviewed on appeal only for clear error.[3] Rule 44.1 provides as follows:

> A party who intends to raise an issue about a foreign country's law must give notice by a pleading or other writing. In determining foreign law, the court may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence. The court's determination must be treated as a ruling on a question of law.[4]

Simply enough, the first thing that a party arguing a point of foreign law must do is to provide notice, otherwise the argument may be waived with the court free to apply local law.[5] Including choice of law arguments in pleadings may be sufficient to preserve a party's right to rely on foreign law.[6] For example, reference to an Indian law in a brief opposing a dismissal motion sufficed to preserve the party's foreign law question.[7]

Once the party has given notice of the foreign law question, when and how may the points be argued? The Ninth Circuit's decision in a battle over Picasso's copyrights gives important guidance.

Determining Foreign Law Underlying a Foreign Judgment to be Enforced in the United States: *de Fontbrune v. Wofsy*

In *de Fontbrune v. Wofsy*, the Ninth Circuit considered as a case of "first impression" the question of the appropriate role of a federal district court in researching and determining issues of foreign law on its own in the context of resolving a pre-answer motion to dismiss.

In 1979, French photographer Yves Sicre de Fontbrune purchased the assets of *Cahiers d'Art*, an art magazine, including a *catalogue raisonné* of Picasso's works. In doing so, de Fontbrune acquired copyrights for photographs of Picasso's artworks. De Fontbrune started a French infringement action after Alan Wofsy, an American art editor, reproduced the photographs for a Parisian book fair.

A 2001 Paris Court of Appeal judgment[8] found Wofsy liable for copyright infringement and enjoined him from using the photographs in the future under a penalty of *astreinte* of 10,000 francs per proven infraction. Additionally, the court awarded de Fontbrune pecuniary damages of 800,000 francs. *Astreinte* is a French legal tool a judge may use to ensure that the French court's decision will be respected and executed. *Astreinte* is independent of damages.[9]

After finding that Wofsy had violated the 2001 judgment by reproducing the copyrighted images, a French enforcement judge in 2012 awarded an *astreinte* in the amount of 2 million euros. De Fontbrune then sought to enforce the 2012 judgment in California under the Uniform Foreign Money-Judgments Recognition Act.

The District Court for the Northern District of California dismissed de Fontbrune's action. The Court of Appeals in the Ninth Circuit reversed. In reversing the district court's rejection of an attempt to enforce a foreign money judgment, the Ninth Circuit set forth important rules to apply when foreign law questions arise.

Unenforceable Penalty? Or Enforceable Money Damages? Lessons From Picasso's Legacy

The main question of law at stake in *de Fontbrune v. Wofsy* was whether the *astreinte* functions as a *fine or penalty*—which the California recognition act does not recognize—or as a *grant of monetary recovery*—which is statutorily cognizable.[10] In reversing, the Ninth Circuit determined that the district court properly considered a French lawyer's affidavit on French legal questions and concluded that the district court's finding that the *astreinte* was a "fine or penalty" was erroneous.

California's Uniform Foreign Money-Judgments Recognition Act permits a foreign money judgment to be enforced by a California court. The act provides that foreign-country judgments may be enforced if they (1) grant or deny monetary recovery and (2) are "final, conclusive, and enforceable under the law of the jurisdiction where rendered." A judgment constituting a "fine or other penalty" is not given any effect under the statute because fines and penalties are viewed as punitive rather than compensatory.

The Ninth Circuit held that in determining whether a foreign judgment is penal or compensatory, a district court should not stop at the direct translation or name of the judgment, but must look at

the "essential character and effect" of the judgment to conclude whether the judgment is penal in nature.

The Ninth Circuit applied the U.S. Supreme Court standard developed in *Huntington v. Attrill*[11]:

> Whether a foreign law is "a penal law, in the international sense, so that it cannot be enforced in the courts of another state, depends upon … whether its purpose is to punish an offense against the public justice of the state, or to afford a private remedy to a person injured by the wrongful act." … This inquiry entails consideration of whether the harm the foreign judgment seeks to redress is private or public. Private harms "are an infringement or privation of the private or civil rights belonging to individuals, considered as individuals," whereas public harms "are a breach and violation of public rights and duties, which affect the whole community, considered as a community."[12]

The Ninth Circuit applied the California Court of Appeals' test to determine if an award is penal or civil:

> (1) whether the purpose of the award is to compensate an individual or to "provide an example" or punish "an offense against the public"; (2) whether the award is payable to an individual or to the state; (3) whether the judgment arose in the context of civil action or through the enforcement of penal laws; and (4) whether the award was a "mandatory fine, sanction, or multiplier."[13]

The French remedy *astreinte* does not have any equivalent in the common law system. It is a "hybrid" concept, not entirely penal but not entirely civil in nature. Because of this complexity, the Ninth Circuit determined that a judgment based on *astreinte* should be analyzed in the context in which it was awarded and reviewed experts' declarations from both sides to decide the question.

In the underlying 2001 judgment, the French court only awarded civil sanctions to de Fontbrune. The injunction against future copyright infringements was accompanied by an *astreinte*. The Ninth Circuit considered the French Intellectual Property Code provisions that the French Court relied on in awarding *astreinte* damages in its 2012 judgment based on violations of the earlier injunction. The French Intellectual Property Code provides that in case of copyright infringement, civil and criminal sanctions may apply. Civil remedies include both damages and an order requiring the "cessation of the infringing acts."

The French court relied on an article of the French Code permitting injunctive relief against infringing acts, if necessary, under *astreinte*. The Ninth Circuit observed that the *astreinte* judgment did not rely on any provisions of the French Intellectual Property Code permitting criminal sanctions. The French court in this instance did not use the *astreinte* as an *amende*, which means "fine" in English. After reviewing additional explanatory materials, the Court concluded that the *astreinte* was comparable to a civil contempt order. From this, the Ninth Circuit concluded that the French judge used *astreinte* as a civil, rather than penal, sanction.

The Ninth Circuit noted that here, the *astreinte* operated as a "private penalty," ordering a party subject to a court order to comply with its order. The *astreinte* was awarded separately from the pecuniary damages, comparable to statutory damages in U.S. copyright law. The purpose of this *astreinte* was to protect de Fontbrune's copyrights and not to punish an "offense against the public." That the *astreinte* was payable directly to de Fontbrune and not to a court or the French state factored into the Ninth Circuit's analysis.

In determining that materials relating to the question of foreign law should be considered by the district court on a motion to dismiss, the Ninth Circuit noted that it is a federal court's duty to determine what foreign law is and that the district court's "adequate study" of materials—even materials outside those presented by advocates—would be appropriate.[14]

The Ninth Circuit reconciled its ruling in *de Fontbrune v. Wofsy* with its decision in *Yahoo! Inc. v. LaLigue Contre le Racisme et l'antisemitisme* where an *astreinte* awarded against Yahoo was not enforceable under the Uniform Recognition Act. The *Yahoo!* case arose from the availability in France of Nazi-related memorabilia on Yahoo's auction site. In *Yahoo!,* the *astreinte* was imposed in connection with a violation of the French Penal Code. Additionally, because the *astreinte* in *Yahoo!* involved an issue of public interest, the *astreinte* was penal in nature and therefore not enforceable under the California statute.[15]

Lessons For Practitioners From Picasso's Copyrights

Even though Rule 44.1 was adopted more than 50 years ago to simplify and clarify the process for U.S. courts considering questions of foreign law, courts still struggle with how to tackle foreign law questions. As *de Fontbrune v. Wofsy* emphasizes, district courts are free to determine foreign law questions independent of submissions made by either party. Appellate courts consider foreign law questions *de novo* and are not constrained by the "clearly erroneous" standard governing questions of fact.[16] In sum, here are a few tips for advocates encountering foreign law issues:

Give Notice of an Intent to Raise a Point of Foreign Law

Pursuant to FRCP 44.1, a party intending to raise an issue about a foreign country's law must give notice by a pleading or other writing. New York law has a similar notice requirement. New York treats foreign law questions as subject to judicial notice with wide latitude to judges to conduct their own research. As stated in N.Y. Civil Practice Law and Rules, Rule 4511:

> (b) When judicial notice may be taken without request; when it shall be taken on request. Every court may take judicial notice without request of private acts and resolutions of the Congress of the United States and of the legislature of the state; ordinances and regulations of officers, agencies or governmental subdivisions of the state or of the United States; and the laws of foreign countries or their political subdivisions. *Judicial notice shall be taken of matters specified in this subdivision if a party requests it, furnishes the court sufficient information to enable it to comply with the request, and has given each adverse party notice of his intention to request it. Notice shall be given in the pleadings or prior to the presentation of any evidence at the trial, but a court may require or permit other notice.*

> (c) Determination by court; review as matter of law. Whether

> a matter is judicially noticed or proof is taken, every matter specified in this section shall be determined by the judge or referee, and included in his findings or charged to the jury. Such findings or charge shall be subject to review on appeal *as a finding or charge on a matter of law*.
>
> (d) Evidence to be received on matter to be judicially noticed. In considering whether a matter of law should be judicially noticed and in determining the matter of law to be judicially noticed, the court may consider *any testimony, document, information or argument on the subject, whether offered by a party or discovered through its own research.* Whether or not judicial notice is taken, *a printed copy of a statute or other written law or a proclamation, edict, decree or ordinance by an executive contained in a book or publication, purporting to have been published by a government or commonly admitted as evidence of the existing law in the judicial tribunals of the jurisdiction where it is in force, is prima facie evidence of such law and the unwritten or common law of a jurisdiction may be proved by witnesses or printed reports of cases of the courts of the jurisdiction*.[17]

New York courts, like federal courts, are sophisticated courts willing to apply foreign law.[18] Parties should submit and provide sufficient evidentiary support and documentary evidence for the court to take judicial notice of foreign law, making sure that affidavits are sworn and that certified translations are provided.[19]

In the federal context, notice of intent to raise an issue of foreign law, if not given in the pleadings, generally should be given before or during the pre-trial conference and normally a contention of application of foreign law should be disclosed at the latest in the pre-trial order.[20]

The rule requiring that parties give notice of intent to raise foreign law is to avoid unfair surprise, to make uniform permissibility of raising issues of foreign law after pleadings if choice of law issue became apparent laters and to clarify that foreign questions are legal questions to be determined at any stage of the proceedings.[21]A litigant is required to provides opposing party with reasonable notice that a foreign law argument will be raised but does not need to flesh out its full argument at the Rule 44.1 stage.[22]

There Are Numerous Ways to Put Issues of Foreign Law Before a Court

A practitioner should be proactive in raising issues of foreign law that may help a client's case. As to what constitutes reasonable timeliness, Rule 44.1 "does not attempt to set any definite limit on the party's time for giving the notice of an issue of foreign law; in some cases the issue may not become apparent until the trial and notice then given may still be reasonable."[23] Factors relevant to reasonableness include "the stage which the case had reached at the time of the notice, the reason proffered by the party for his failure to give earlier notice, and the importance to the case as a whole of the issue of foreign law sought to be raised."[24]

Where the law of a foreign jurisdiction is the same as the law of the forum, the law of the forum will be applied and there is no need to choose the law of another forum. Only when a conflict arises between the law of a foreign jurisdiction and the law of the forum is a choice of law necessary. Notice of foreign law is essential to trigger the application of choice of law rules.[25] However, a party may plead in the alternative the laws of several foreign jurisdictions and not settle on one at the pleading stage.[26] Ultimately, the responsibility for correctly identifying and applying foreign law rests with the court.[27] A court might apply U.S. law and foreign law to different intellectual property issues, even if it relates to the same subject matter.[28]

In *Bakalar v. Vavra*, we used a pre-trial motion *in limine* to ask the trial judge to determine in advance of trial the question of whether Austrian, Swiss, or New York law governed certain issues in a case involving stolen artworks.[29]

Conflicts of laws must be identified, resolved, and not ignored by the court.[30] Conflicts of law rules differ from state to state. In *Bakalar v. Vavra* regarding personal property located in New York that was alleged to have been stolen from a victim of the Nazis who died in the Dachau Concentration Camp, the Second Circuit applied an "interest analysis" in which the law of the jurisdiction having the greatest interest is applied and the facts or contacts that obtain significance in defining state interests are those that relate to the purpose of the particular law in conflict.[31]

Failure to raise a foreign law argument may result in the arguments being waived.[32] Where neither party addresses a choice of law argument, such arguments are waived and the court will ordinarily apply the law of the forum state.[33] For simplicity's sake, parties may often decide not to make potentially complicated and costly legal arguments in favor of the application of another jurisdiction's arguments. Such arguments may involve costly research, and the benefits may not be apparent until late into a litigation.

If You Don't Raise the Issue, Your Adversary or the Court May Do So

Legal advocates should be aware that if they do not address questions of foreign law, adversaries may foreclose them from doing so or courts may do so on their own initiative.

Rule 44.1 also states: "In determining foreign law, the court may consider any relevant material or source, including testimony, whether or not submitted by a party or admissible under the Federal Rules of Evidence." Courts are therefore given some flexibility when reviewing foreign law. The Ninth Circuit court conducted its own independent research in order to determine the nature of *astreinte* in France. The court argued that under Rule 44.1, courts are required to conduct independent research on the foreign law in question to supplement incomplete submissions by the parties.

The Ninth Circuit emphasized that the basic methods of independent research by the courts should include, but is not limited to, testimony and declarations of legal experts, extracts of foreign legal materials, regulations, treaties, scholarly articles, and legislative history.[34] Because of the variety of materials available when foreign law is at stake, parties may present and support their arguments with a broad range of materials, depending on the importance of the issue.

In *Bakalar v. Vavra*, we used expert affidavits on questions of Austrian and Swiss law. For certain questions, the parties submitted the questions to the court without cross-examining the experts. During the bench trial, a Swiss-law expert was permitted to testify by video from Zurich, with direct and cross-examinations conducted by attorneys located in a New York courtroom.

Conclusion

Lawyers intending to raise questions of foreign law in U.S. federal and state courts should master the rules of when and how to present

foreign law materials. A recent dispute over copyrights to photographs of Picasso's artworks involving high financial stakes illustrates the power of effective advocacy in addressing foreign law questions. The case law illustrates that although the rules have been liberalized, there are still traps for the unwary. ⦿

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Endnotes

[1]*de Fontbrune v. Wofsy*, 838 F.3d 992 (9th Cir. 2016), as amended on denial of reh'g and reh'g en banc (Nov. 14, 2016).
[2]*de Fontbrune*, 838 F.3d at 998 (citing *McGee v. Arkel Int'l LLC*, 671 F.3d 539, 546 (5th Cir. 2012)) (referencing the plaintiff's "burden of proving foreign law" and requiring that litigants "present to the district court clear proof of the relevant legal principles"), *Ferrostaal, Inc. v. M/V Sea Phoenix*, 447 F.3d 212, 216 (3d Cir. 2006) (explaining that, because Rule 44.1 does not impose a duty on courts to conduct independent research into foreign law, the parties "carry the burden of proving" it).
[3]*Rationis Enter. Inc. of Panama v. Hyundai Mipo Dockyard Co. Ltd.,* 426 F.3d 580, 585 (2d Cir. 2005).
[4]Fed. R. Civ. P. 44.1.
[5]*Rationis,* 426 F.3d at 585.
[6]*Id.*
[7]*Bristol-Myers Squibb Co. v. Matrix Labs. Ltd.,* 655 Fed. Appx. 9, 12 (2d Cir. 2016).
[8]Cour d'appel [CA] Paris, 4ème ch., sect. A, Sept. 26, 2001, RG nos. 1999/05665, 1999/08920.
[9]*See* Code civil [C. civ.] art. L131-2 (Fr.), https://www.legifrance.gouv.fr.
[10]*de Fontbrune,* 838 F.3d at 994.
[11]*Huntington v. Attrill*, 146 U.S. 657, 668-69 (1892).
[12]*de Fontbrune,* 838 F.3d at 1001 (citations omitted).
[13]*Java Oil Ltd. v. Sullivan*, 168 Cal. App. 4th 1178, 1187, 86 Cal. Rptr. 3d 177, 183 (Cal. Ct. App. 2008).
[14]*de Fontbrune,* 838 F.3d at 1000 (citing *Baloco ex rel. Tapia v. Drummond Co.,* 640 F.3d 1338, 1349 n.13 (11th Cir. 2011) (considering expert affidavit on Colombian law submitted to the district court as part of a response to a motion to dismiss under Rule 44.1)); *Twohy v. First Nat'l Bank of Chicago*, 758 F.2d at 1192-93 (7th Cir. 1985) (district court did not fully meets its duty to ascertain foreign law under Rule 44.1 by considering only foreign law expert affidavits).
[15]*de Fontbrune,* 838 F.3d at 1006.
[16]*See* Fed. R. Civ. P. 44.1 advisory committee's notes.
[17]New York Consolidated Laws, N.Y. C.P.L.R. 4511, paras. (b)-(d) (emphasis added).
[18]*See, e.g., Reid v. Ernst & Young Global Ltd.*, 13 Misc. 3d 1242(A) (Sup. Ct. 2006) ("the court is fully capable of applying Hong Kong law"); *Ekwunife v. Erike*, 171 Misc. 2d 554 (App. Term 1997) (trial court may take judicial notice of foreign law without being requested to do so and without expert testimony); *New York Times Co. v. City of N.Y. Comm'n on Human Rights*, 41 N.Y.2d 345 (1977) (state courts have ample authority to read, construe, and apply the laws of a foreign country in a routine fashion).
[19]*See Stone Column Trading House Ltd. v. Beogradska Banka A.D.,* 2017 WL 4390292 (N.Y. Sup. Ct.), 1, 2017 N.Y. slip op. 32077(U) (rejecting foreign expert's unworn affidavit without apostille certificate or certified translations of the foreign law).
[20]Raymond J. Dowd, Copyright Litigation Handbook 367 (2017-18).
[21]*Rationis,* 426 F.3d at 585.
[22]*Id.* at 586.
[23]Fed. R. Civ. P. 44.1 advisory committee's notes.
[24]*Al Maya Trading Establishment v. Global Export Mktg. Co. Ltd.,* 14 CIV. 275 PAE, 2014 WL 3507427, at *3 (S.D.N.Y. July 15, 2014); *S.A.R.L. Galerie Enrico Navarra v. Marlborough Gallery Inc.,* 2013 WL 1234937, *7 n.10 (S.D.N.Y. 2013) ("notice [of issues of foreign law] provided in the first submission by party with a motion usually adequate because opposing party has the opportunity to respond"); *Minovici v. Belkin BV*, 109 A.D.3d 520, 971 N.Y.S.2d 103 (2d Dep't 2013) (trial court properly applied New York law on employer's motion to dismiss employee's breach of contract claim, where employee failed to plead substance of foreign law to be applied, employee's opposition papers failed to provide sufficient information on the foreign law).
[25]*In re Magnetic Audiotape Antitrust Litigation,* 334 F.3d 204 (2d. Cir. 2003) (court barred party from raising foreign bankruptcy proceedings as defense to antitrust claims since party failed to raise issue in district court or even bring proceedings to court's attention); *Linde v. Arab Bank PLC*, 944 F. Supp. 2d 217 (E.D.N.Y. 2013) (defendant introduced motion to submit evidence of foreign law after pleadings had closed; court excluded proposed evidence as irrelevant).
[26]*See Rationis*, 426 F.3d at 585.
[27]*See id*.
[28]*Itar-Tass Russian News Agency v. Russian Kurier Inc.,* 153 F.3d 82, 84 (2d Cir. 1998) (the Court applied Russian law for the copyright ownership issue and U.S. law to the copyright infringement issue).
[29]*Bakalar v. Vavra*, 619 F.3d 136 (2d Cir. 2010).
[30]*Itar-Tass,* 153 F.3d at 88.
[31]*Bakalar*, 619 F.3d 136 (analyzing significant differences between Swiss law and New York law regarding recovery of stolen Nazi artwork. Swiss law recognizes that a person who acquires and takes possession of an object in good faith becomes the owner, even if the seller was not entitled or authorized to transfer ownership, whereas under New York law an artwork stolen during World War II belongs to the original owner, even if the subsequent buyers were unaware that they were buying stolen goods.).
[32]*See Vineberg v. Bissonnette*, 529 F.Supp.2d 300, 305 (D.R.I. 2007) (citing *Arrieta-Gimenez v. Arrieta-Negron*, 859 F.2d 1033, 1037 (1st Cir. 1988)).
[33]*E.g., Bergin v. Dartmouth Pharma. Inc*., 326 F.Supp.2d 179, 180 n.1 (D. Mass. 2004).
[34]*See de Fontbrune,* 838 F.3d at 997.