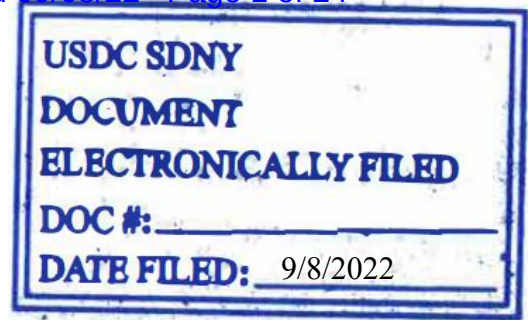


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



THE PAUL RUDOLPH FOUNDATION,

Plaintiff,

-against-

PAUL RUDOLPH HERITAGE FOUNDATION
and ERNST WAGNER,

Defendants.

No. 20 Civ. 8180 (CM)

**MEMORANDUM AND ORDER GRANTING PLAINTIFF’S MOTION TO DISMISS
DEFENDANTS’ COUNTERCLAIM AND GRANTING IN PART AND DENYING IN
PART PLAINTIFF’S MOTION TO STRIKE**

McMahon, J.:

Plaintiff, the Paul Rudolph Foundation (“PRF”) is a non-profit organization that was founded to preserve the legacy of modern architect Paul Rudolph and to educate others in the field of architecture. Defendant Ernst Wagner was one of the founding members of Plaintiff PRF; he was voted off PRF’s board of directors in 2014. Wagner thereafter founded Defendant Paul Rudolph Heritage Foundation (“Heritage”) (together with Wagner, “Defendants”).

PRF claims that Heritage is nothing more than a copycat organization founded by Wagner to impede PRF’s efforts to function without him. Plaintiff brings this seven-count action against Defendants for trademark infringement, willful copyright infringement, and related common law claims. Plaintiff also seeks a declaration that certain images of Rudolph’s work that were transferred to the Paul M. Rudolph Archive at the Library of Congress (and the intellectual property rights to those images dedicated to the public) are in the public domain, and that Defendants’ copyright registration purporting to cover those images is therefore invalid.

Defendants assert one counterclaim for copyright infringement and thirteen affirmative defenses to Plaintiff's claims.¹

Presently before the court is Plaintiff's motion to dismiss the counterclaim and to strike certain of the affirmative defenses asserted by Defendants. The motion to dismiss is granted and the motion to strike is granted in part and denied in part.

BACKGROUND

A. Relevant Factual Background

For a fulsome recitation of the facts as alleged in Plaintiff's Amended Complaint (later superseded by the Second Amended Complaint, Docket No. 67), please refer to the court's September 30, 2021, Memorandum and Order Granting in Part and Denying in Part Defendants' Motion to Dismiss the Amended Complaint. (Docket No. 66). The following facts relevant to the pending motions are taken from Defendants' Amended Answer and Counterclaim, filed November 17, 2021 ("Counterclaim") (Docket No. 86) and Plaintiff's Second Amended Complaint filed October 12, 2021 ("SAC") (Docket No. 67).

1. The Disposition of Rudolph's Estate and the Rudolph Archive.

On September 30, 1996, Rudolph executed a will (the "96 Will"), which named his attorney John Newhouse as his executor. (SAC ¶ 12.) Pursuant to the 96 Will, a \$2,000,000 testamentary trust was established for the benefit of Wagner, Rudolph's longtime friend. The trust was to be funded by the sale of certain real property at 23 Beekman Place in Manhattan. (SAC ¶ 13.)

In the 96 Will Rudolph bequeathed the physical copies of his drawings, plans, renderings, blueprints, models, papers, treatises, and other materials related to his architectural practice (the

¹ For clarity, the court refers to Wagner and Heritage as "Defendants" consistently throughout this opinion instead of "Counterclaim-Plaintiffs."

“Rudolph Archive”) to the Library of Congress. There was no mention of any disposition of the intellectual property in those materials in the 96 Will, but Wagner was named as the residuary beneficiary under the 96 Will.

On March 17, 1997, Rudolph suffered a heart attack and went into a coma. On April 16, 1997, after Rudolph awoke from the coma, he executed a new will (the “97 Will”), pursuant to which Rudolph bequeathed to Wagner \$1,000,000 outright, as opposed to \$2,000,000 in trust. (SAC ¶¶ 19-20). The 97 Will also provided for the outright transfer to Wagner of a piece of property on West 58th Street that Rudolph owned. (*Id.*).

In the ’97 Will, as in its predecessor, Rudolph bequeathed his Archive to the Library of Congress. (*Id.*). And, like its predecessor, the 97 Will said nothing about the intellectual property rights appurtenant to the physical items in the Archive. (*Id.* ¶ 21).

Because both the 96 Will and the 97 Will say nothing about the disposition of Rudolph’s intellectual property, had either been submitted for probate as written, the intellectual property would have likely been disposed of as “residue.” (*Id.* ¶ 22).

In July of 1997, Rudolph’s sister and his office manager instituted an Article 81 guardianship proceeding alleging that Wagner had induced Rudolph to amend his will in 1997 to Wagner's benefit. (SAC ¶ 25). Rudolph died before the hearing took place, and the ’97 Will was submitted for probate. (*Id.* ¶¶ 26, 28).

In its Second Amended Complaint, Plaintiff alleges that Newhouse (Rudolph’s attorney) sought leave to file objections to the ’97 Will (SAC ¶ 29) and that a Court-appointed Evaluator questioned whether Rudolph had the mental capacity to execute documents during the period when the ’97 Will was signed (SAC ¶ 27). Defendants dispute those allegations.

On June 6, 2001, Wagner, Wagner's attorney Heckman, Newhouse, and the LOCTFB resolved the probate challenges by entering into a stipulation of settlement (“Stipulation of Settlement”), and by modifying the terms of the 97 Will. (SAC 3¶ 1; Counterclaim ¶ 17). This “Reformed Will” is the will that was eventually probated.

In relevant part:

Article THIRD provides for a bequest of certain tangible property to Wagner. Excluded from that property in the Reformed Will is the following:

Currency and any and all drawings, plans, renderings, blueprints, models, papers, treatises, and other materials that I prepared or had prepared in connection with my professional practice of architecture which is hereinafter specifically disposed of in Article FOURTH hereof.

Article FOURTH of the Reformed Will bequeaths all such materials to the LOCTFB.

With respect to that bequest, the Stipulation of Settlement provides as follows:

In furtherance of fulfilling the wishes of Paul M. Rudolph as set forth in Article FOURTH of the Reformed 1997 Will, the LOC Trust Fund Board shall transfer to the Library of Congress those items among the Architectural Archives and among the items set forth in Paragraph 5 below that the Library of Congress determines are suitable for its collections. The intellectual property rights of all such items transferred to the Library of Congress shall be dedicated to the public.

Defendants allege in their counterclaim that “Wagner, as the residuary beneficiary of the Estate, inherited all intellectual property rights and, as the executor, owns the inalienable statutory right of termination under the Copyright Act.” (Counterclaim ¶ 18). Plaintiff PRF maintains that the phrase “The intellectual property rights of all such items transferred to the Library of Congress shall be dedicated to the public,” means that the Estate voluntarily and irrevocably abandoned Rudolph’s intellectual property rights in the 20,000 or so works from the Rudolph Archive which were donated to the Library of Congress and became part of the public domain. (SAC ¶¶ 36-40).

2. PRF and Heritage

In June of 2001, Wagner founded Plaintiff – the Paul Rudolph Foundation (aka PRF) – to preserve and share Rudolph’s architectural legacy. (Counterclaim ¶ 8). Defendants plead that, “Despite being the sole founder of PRF and the residuary beneficiary of Rudolph’s estate, [Defendant] Wagner did not insist on having exclusive control of PRF, and selflessly shared power among the board members.” (*Id.* ¶ 9). PRF operated out of the West 58 Street property that was transferred to Wagner in the Reformed Will; that property was designed by Rudolph and is referred to by the parties as the “Modulightor Building.” (*Id.* ¶ 10).

In 2014, PRF’s board members voted to remove Wagner from the board. (Counterclaim ¶12). Upon removal from PRF’s board, Wagner founded Heritage in 2015 to continue preserving and sharing Rudolph’s legacy. (*Id.* ¶ 14). According to Plaintiff, in reality, Wagner founded Heritage to compete with and harass PRF. (*See* SAC at page 2).

Plaintiff alleges that, prior to the founding of Heritage, PRF operated as the sole charitable organization chartered to further the knowledge, understanding, and preservation of the work of Paul Rudolph as well to promote dialog and greater public understanding of architecture. (SAC ¶ 41). In furtherance of its objective, PRF has worked closely with the LOC to digitize the Rudolph Archive so that the materials contained therein can be made available and readily accessible to those who wish to view them for educational and research purposes. (SAC ¶ 45). For example, in in October of 2018, Plaintiff co-sponsored the Paul Rudolph Centenary Symposium in conjunction with the Library of Congress in honor of what would have been Paul Rudolph’s 100th birthday. (*Id.* ¶ 46).

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