

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Yellowcake, Inc. v. Hyphy Music, Inc.

Yellowcake · No. 1:20-CV-00988-JLT-BAM · Decided August 1, 2025

SUMMARY

The United States District Court for the Eastern District of California grants Counter-Defendant Jesus Chavez’s motion for summary judgment on Hyphy Music’s breach of oral contract counterclaim. The order addresses whether an alleged oral exclusive recording agreement could support claims involving ownership and transfer of copyrights in musical albums, and concludes that summary judgment is warranted for Chavez.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Jennifer L. Thurston
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	August 1, 2025
DOCKET	1:20-CV-00988-JLT-BAM
DISPOSITION	other
PROCEDURAL POSTURE	Counter-Defendant Jesus Chavez moved for summary judgment on Counterclaimant Hyphy Music, Inc.'s counterclaim for breach of an oral recording agreement and related implied-covenant theory.
STANDARD OF REVIEW	Summary judgment is proper when the movant shows that no genuine dispute of material fact exists and the movant is entitled to judgment as a matter of law. The court views the evidence and reasonable inferences in the light most favorable to the nonmoving party, does not weigh evidence or make credibility determinations, and requires the nonmoving party to identify specific admissible evidence creating a triable issue.
PRECEDENTIAL VALUE	Unknown

TOPICS

copyright law

breach of contract

summary judgment

implied covenant of good faith

commercial litigation

PRACTICE AREAS

copyright

contracts

civil procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether Hyphy could maintain its breach-of-oral-contract counterclaim when the alleged breach was based on an oral transfer of copyright ownership.
2. Whether Hyphy presented evidence creating a genuine dispute of material fact regarding the alleged breach of the oral agreement.
3. Whether Hyphy's alternative claim for breach of the implied covenant of good faith and fair dealing could survive when it was based on the same allegations as the unenforceable oral copyright-transfer theory.

HOLDINGS

1. An oral agreement purporting to transfer copyright ownership is invalid under 17 U.S.C. § 204(a), and therefore cannot support Hyphy's counterclaim insofar as the alleged breach consisted of Chavez's transfer of ownership interests in the albums.
2. Hyphy failed to identify admissible evidence or specific facts creating a genuine dispute of material fact, so Chavez was entitled to summary judgment.
3. Hyphy's implied-covenant claim failed because it was based on the same factual allegations as the deficient breach-of-contract claim and identified no separate contractual duty protected by the covenant.

KEY QUOTATIONS

“Copyright owners may transfer ‘[a]ny exclusive rights comprised in a copyright, including any subdivision of any of the rights specified in [17 U.S.C. § 106],’ . . . so long as the transfer is evidenced by a signed writing.” (at 16)

“Judges are not like pigs hunting for truffles buried in briefs.” (at 19)

“Accordingly, Chavez’s motion for summary judgment is GRANTED. Because this order terminates the counter-complaint in its entirety as to Chavez, he is entitled to judgment against Hyphy Music, Inc.” (at 20)

FACTUAL BACKGROUND

Hyphy alleged that in February 2013 it entered an oral exclusive recording agreement with Jesus Chavez concerning the creation and exploitation of Los Originales Albums. Hyphy alleged that it would produce and pay for the recordings and would own all rights, including copyrights, while Chavez would perform, follow Hyphy's artistic direction, and grant certain name-and-likeness rights. Hyphy alleged that Chavez breached the agreement in April 2019 by transferring, licensing, selling, or authorizing Yellowcake and Colonize Media to exploit the

albums and cover art. The parties agreed that no written agreement transferred ownership of the albums' copyrights from Chavez to Hyphy.

PROCEDURAL HISTORY

Yellowcake initiated the underlying copyright-infringement action against Hyphy Music on July 16, 2020. Hyphy filed counterclaims against Yellowcake, Colonize Media, Jose David Hernandez, and Jesus Chavez, and later amended its counterclaims to allege breach of an oral contract against Chavez. After prior dismissal proceedings and discovery, Chavez moved for summary judgment. The court granted the motion and entered judgment for Chavez, terminating the counterclaims against him.

DISPOSITION

other

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 247-55 (1986)
- Walls v. Cent. Contra Costa Cnty. Transit Auth., 653 F.3d 963, 966 (9th Cir. 2011)
- Scott v. Harris, 550 U.S. 372, 378 (2007)
- Karasek v. Regents of Univ. of Cal., 956 F.3d 1093, 1104 (9th Cir. 2020)
- Tauscher v. Phx. Bd. of Realtors, Inc., 931 F.3d 959, 962 (9th Cir. 2019)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322-25 (1986)
- Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 586-87 (1986)
- A.C.L.U. of Nev. v. City of Las Vegas, 466 F.3d 784, 790-91 (9th Cir. 2006)
- Las Vegas Sands, LLC v. Nehme, 632 F.3d 526, 532 (9th Cir. 2011)
- Khoja v. Orexigen Therapeutics, Inc., 899 F.3d 988, 1000 (9th Cir. 2018)
- Burch v. Regents of the Univ. of Cal., 433 F. Supp. 2d 1110, 1119-20 (E.D. Cal. 2006)
- Sali Corona Reg'l Med. Ctr., 909 F.3d 996, 1005 (9th Cir. 2018)
- Norse v. City of Santa Cruz, 629 F.3d 966, 973 (9th Cir. 2011)
- US E.E.O.C. v. Placer ARC, 114 F. Supp. 3d 1048, 1052 (E.D. Cal. 2015)
- Hanger Prosthetics & Orthotics, Inc. v. Capstone Orthopedic, Inc., 556 F. Supp. 2d 1122, 1126 n.1 (E.D. Cal. 2008)
- Galvan v. City of La Habra, No. SACV 12-2103, 2014 WL 1370747, at *4 (C.D. Cal. 2014)
- Stonefire Grill, Inc. v. FGF Brands, Inc., 987 F. Supp. 2d 1023, 1034 (C.D. Cal. 2013)
- Cherewick v. State Farm Fire & Cas., 578 F. Supp. 3d 1136, 1155 (S.D. Cal. 2022)
- Herbalife, 2024 WL 1158344, at *4
- Fraser v. Goodale, 342 F.3d 1032, 1036-37 (9th Cir. 2003)
- Corbello v. Devito, 777 F.3d 1058, 1062 (9th Cir. 2015)
- Jules Jordan Video, Inc. v. 144942 Canada, Inc., 617 F.3d 1146, 1156 (9th Cir. 2010)

- Effects Assocs. v. Cohen, 908 F.2d 555, 556-59 (9th Cir. 1990)
- Radio TV Espanola S.A. v. New World Entm't Ltd., 183 F.3d 922, 926-27 (9th Cir. 1999)
- Konigsberg Int'l, Inc. v. Rice, 16 F.3d 355, 356-57 (9th Cir. 1994)
- Foad Consulting Grp., Inc. v. Musil Govan Azzalino, 270 F.3d 821, 826 (9th Cir. 2001)
- ESC-Toy Ltd. v. Sony Interactive Ent. LLC, No. 21-CV-00778-EMC, 2021 WL 4817793, at *5 (N.D. Cal. 2021)
- United States v. Dunkel, 927 F.2d 955, 956 (7th Cir. 1991)
- Nissan Fire & Marine Ins. Co. v. Fritz Cos., 210 F.3d 1099, 1102 (9th Cir. 2000)
- Tellone Pro. Ctr., LLC v. Allstate Ins. Co., 562 F. Supp. 3d 757, 765 (C.D. Cal. 2022)
- Bernstein v. 365 F. Supp. 3d 984
- Schertzer v. Bank of America, N.A., 109 F.4th 1211, 1213 (9th Cir. 2024)
- Foley v. Interactive Data Corp., 47 Cal. 3d 654, 684 (1988)
- Boland, Inc. v. Rolf C. Hagen (USA) Corp., 685 F. Supp. 2d 1094, 1101, 1103 (E.D. Cal. 2010)
- Ramsey v. Farmers New World Life Insurance, No. CV 1:19-405, 2024 WL 3967470, at *5 (E.D. Cal. 2024)
- Careau & Co. v. Sec. Pac. Bus. Credit, Inc., 222 Cal. App. 3d 1371, 1394 (1990)
- Comunale v. Traders & Gen. Ins. Co., 50 Cal. 2d 654, 658 (1958)
- Nieto v. Blue Shield of Cal. Life & Health Ins. Co., 181 Cal. App. 4th 60, 86 (2010)
- Yellowcake, Inc. v. Hyphy Music, Inc., No. 1:20-CV-0988 AWI BAM, 2021 WL 3052535, at *13 (E.D. Cal. 2021)