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**Cowan, Liebowitz & Latman**

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**Copyright Review**  
**2020**

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*“Recent Developments In Copyright”  
Selected Annotated Cases*

**By Thomas Kjellberg**

**with**

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**These annotations cover cases reported since our report at  
the 43rd Copyright Society Annual Meeting of 2019.**

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## I. JURISDICTION AND PROCEDURAL ISSUES

### A. Subject Matter Jurisdiction

*Incarcerated Entm't, LLC v. Cox*, No. 18-21991, 2019 U.S. Dist. LEXIS 166104 (S.D. Fla. Sep. 27, 2019)

District court granted plaintiffs' motion for summary judgment motion in declaratory judgment action. Plaintiff Efraim Diveroli was arms dealer to U.S. government during war on terror, and was later convicted and served prison time for fraud. During Diveroli's incarceration, he and defendant Matthew Cox executed work-for-hire agreement, which provided that defendant would assist Diveroli in writing memoir in exchange for up-front payment and royalties. Agreement also provided that all copyrights would be owned by Diveroli as sole author. After registering copyright in his book, Diveroli assigned his rights to plaintiff Incarcerated Entertainment. Following various litigations involving Warner Bros. regarding movie loosely based on Diveroli's story as well as parties' rights and copyright ownership under agreement, plaintiffs filed declaratory judgment against defendant, seeking declaration of rights under agreement and exclusive copyright in book, then moved for summary judgment. Court held it had subject matter jurisdiction because plaintiffs' declaratory judgment action anticipated copyright counterclaim by defendant. Indeed, defendant had filed, then dismissed, copyright counterclaim. Court therefore proceeded through contractual analysis of agreement, holding that agreement clearly provided that plaintiff was exclusive owner of book and any associated copyright, and granting plaintiffs' summary judgment motion on that ground.

*Brown-Thomas v. Hynie*, No. 18-2191, 2020 U.S. Dist. Lexis 29428 (D.S.C. Feb. 20, 2020)

Plaintiffs, children of singer James Brown, sued Brown's surviving spouse and her son, alleging that they entered into agreements with third parties intended to deprive plaintiffs of their copyright termination rights in Brown's works. Defendants had entered into settlement agreement(s) with fiduciaries of Brown's trust whereby surviving spouse was required to transfer sixty-five percent of proceeds from her termination rights to Brown's trust. Plaintiffs sought declaratory judgment that agreements were in violation of Act's termination provisions. District court denied defendants' motions to dismiss for lack of subject matter jurisdiction; defendants then moved district court to revise its orders denying motions to dismiss, arguing in part that district court lacked subject matter jurisdiction. District court applied *T.B. Harms Co.* test and found that plaintiffs' claims required court to determine whether alleged agreements were unlawful "agreements to the contrary" and whether they should be declared as void under Act, which required examination of scope of Act's termination provisions. District court observed that House Report associated with Act states that right to termination cannot be waived in advance or contracted away, which mirrored plaintiffs' allegations against surviving spouse. Consequently, district court denied

defendants' motion to revise court's prior orders, leaving in place its denial of defendants' motions to dismiss.

## **B. Personal Jurisdiction and Venue**

*Hydentra HLP Int. Ltd. v. Sagan Ltd.*, No. 17-16637, 2019 U.S. App. LEXIS 23041 (9th Cir. Aug. 1, 2019)

Ninth Circuit reversed district court's holding that no personal jurisdiction existed over foreign defendants under federal-long arm statute. Plaintiffs Hydentra, producers of pornographic materials distributed online to paid subscribers, brought copyright infringement suit against defendants, citizens of Seychelles, Barbados and Canada. Defendants successfully moved to dismiss for lack of personal jurisdiction. Under Federal Rule of Civil Procedure 4(k)(2), district court can exercise personal jurisdiction over foreign defendant if (1) claim arises under federal law; (2) defendant is not subject to personal jurisdiction in any state court; and (3) exercising jurisdiction comports with due process. Due process analysis requires that (i) defendant purposefully direct its activities to United States as whole; (ii) claim arise out of defendant's forum-related activities; and (iii) exercise of jurisdiction is reasonable. Defendant purposefully directs its activities at United States where defendant (a) committed intentional act (b) expressly aimed at United States that (c) causes harm defendant knows is likely to be suffered. District court correctly determined that defendants intentionally committed copyright infringement; because plaintiff's economic loss caused by intentional infringement is foreseeable, court should also have found that defendants caused harm they knew Hydentra was likely to suffer in United States. Because Hydentra's claims arose out defendants' U.S.-related activities and because defendants failed to show that exercising jurisdiction over them would be unreasonable and violative of due process, district court erred in dismissing suit for lack of personal jurisdiction.

*Parker v. Winwood*, 938 F.3d 833 (6th Cir. 2019)

Sixth Circuit affirmed district court's dismissal of plaintiffs' copyright infringement claim for lack of personal jurisdiction. In 1965, in Memphis, Tennessee, plaintiff Parker and plaintiff's husband Banks wrote *Ain't That a Lot of Love* and registered it with Copyright Office. In 1966, in London, England, defendants Steve and Mervyn Winwood, as members of Spencer Davis Group ("SDG"), wrote *Gimme Some Lovin'* and their record label registered it with Copyright Office. According to Steve, SDG wrote song with "American perspective" and contracted with record label to market and distribute SDG's music. While was Mervyn still SDG member, *Gimme Some Lovin'* debuted in United States. Personal jurisdiction assessed under Tennessee's long-arm statute, which extends personal jurisdiction to limits of due process, which in turn requires that out-of-state defendant have minimum contacts with Tennessee. Here, plaintiffs relied only on specific personal jurisdiction alleged, which requires defendant's suit-related conduct to establish substantial connection with Tennessee. Plaintiffs argued Mervyn's intentional harm of Tennessee residents, coupled with above facts, established personal jurisdiction over Mervyn. Because Sixth Circuit found plaintiffs failed to provide evidence that Mervyn himself directed distribution

of SDG's song within Tennessee or even United States, and showed only that Mervyn was merely aware that SDG's song might be distributed there, Sixth Circuit affirmed dismissal of all claims against Mervyn for lack of personal jurisdiction.

*Pickett v. Migos Touring, Inc.*, 420 F. Supp. 3d 197 (S.D.N.Y. 2019)

Plaintiff, author of the musical composition "Walk It Like I Talk It," alleged that defendants' composition "Walk It Talk It" infringed his work. Defendant Quality Control moved to dismiss on ground that court lacked jurisdiction over it. Court found that execution of contract with recording company based in New York was not sufficient to constitute transaction of business under New York's long-arm statute. However, plaintiff also alleged that Quality Control, with other defendants, distributed defendant's work nationwide, including New York, and that Quality Control's "premier artists," Migos, performed work in New York on six consecutive dates where work was "only song shared by Migos and Drake." Accordingly, court found that plaintiff pleaded sufficient facts to make *prima facie* showing of jurisdiction and denied motion to dismiss.

*Heritage Lace, Inc. v. Underwraps Costume Corp.*, No. 18-9796, 2019 U.S. Dist. LEXIS 139147 (S.D.N.Y. Aug. 16, 2019)

Court denied defendant's motion to dismiss for lack of venue, but granted motion to transfer. Plaintiff, owner of lace fabric designs known as "Spider Mantle Runner" and "Skeletons, Skulls and Spider Webs Designs," operated chiefly out of Iowa. Plaintiff alleged that defendant infringed its copyrights when it distributed items bearing designs at trade show in Louisiana. Defendant, who mainly operated out of California, sold few items into Southern District of New York. Some of defendant's products were also displayed in showroom on Fifth Avenue, which plaintiff described as defendant's "office and place of business," and plaintiff further alleged showroom was on defendant's website at least two years prior to litigation—contentions defendant disputed. Defendant moved to dismiss, or in alternative, to transfer case to Central District of California. Court first determined that venue was proper because it had personal jurisdiction over defendant. Court accepted plaintiff's argument that defendant supplied goods at Fifth Avenue "office and place of business," but noted that even if it accepted defendant's arguments, it would find that it had jurisdiction under long-arm statute because defendant contracted to sell goods in State. Court had specific jurisdiction over defendant's conduct because items were "purposefully directed toward" New York, and defendant's activities established that it personally availed itself of New York law benefits and protections. Exercise of jurisdiction comported with due process because defendant had not shown that exercise of jurisdiction was unreasonable. Court thus denied motion to dismiss. In reviewing motion to transfer, court found following factors militated in favor of transfer: only one party needed to travel to California, but both would need to travel to New York; most critical testimony would come from defendant's witnesses who resided in California; alleged infringement occurred in California, where defendant was located and only small portion of allegedly infringing products were made in New York; and trial efficiency and interests of justice. Court found smaller size of defendant weighed only slightly on side of transfer, and location of documents, ability to compel unwilling witnesses' attendance, and forum's familiarity with law to be neutral. Court also gave less deference to

plaintiff's choice of forum because it was not at home in New York. In sum, court found factors warranted transfer of case to Central District of California.

*Golden Ring Int'l, Inc. v. Cullen*, No. 18-1244, 2019 U.S. Dist. LEXIS 144444 (N.D.N.Y. Aug. 26, 2019)

Plaintiffs brought claim for declaratory judgment of ownership of worldwide distribution rights in film *London Fields* against defendants including Matthew Cullen, director of film and California resident. Defendants moved to dismiss complaint for lack of personal jurisdiction. Under New York long-arm statute plaintiff must prove five elements to establish jurisdiction: (1) defendant committed tortious act outside state; (2) cause of action arose from that act; (3) act caused injury to person or property within state; (4) defendant expected or should reasonably have expected act to have consequences in state; and (5) defendant derives substantial revenue from interstate or international commerce. Court found plaintiffs had not alleged sufficient facts to constitute New York-based injury. Domicile of plaintiff copyright holder is insufficient to establish personal jurisdiction; there must be non-speculative and direct injury in New York to intellectual property rights. Because defendant was not domiciled in New York, nor did defendant have minimum contacts in New York, and injury was not shown to have occurred in New York, court dismissed plaintiffs' complaint.

*Tolbert v. High Noon Prods., LLC*, No. 18-680, 2019 U.S. Dist. LEXIS 181528 (N.D. Ala. Oct. 21, 2019)

District court granted defendants' motion to dismiss for lack of personal jurisdiction. *Pro se* plaintiff alleged that HGTV television show *Good Bones*, which featured mother-daughter home renovation team, infringed copyright in trailer plaintiff created for similarly themed television show. After defendant production company was dismissed for lack of general personal jurisdiction, plaintiff amended complaint to allege specific personal jurisdiction, alleging that defendants knew when they infringed plaintiff's copyright that plaintiff was Alabama resident, and that her potential show was filmed and set in Alabama. Defendant argued that plaintiff failed to identify any relevant contacts between defendant and Alabama, and instead relied on plaintiff's contacts with Alabama, and that national broadcast of *Good Bones* did not establish minimum contacts with Alabama. Court held that plaintiff failed to allege defendant's personal availment of Alabama under "effects" test, because only link to Alabama was defendant's alleged contacts with plaintiff, and because broadcast of *Good Bones* in Alabama did not directly target or impugn plaintiff. Even under traditional minimum contacts analysis, defendant did not have sufficient contacts with Alabama: only alleged contacts were emails plaintiff claimed she sent regarding her television show concept (which defendant denied receiving), and knowledge that *Good Bones* would be broadcast in Alabama. Court explained that contacts with forum must be defendant's contacts, not plaintiff's, and dismissed case for lack of personal jurisdiction.

### C. Pleadings

*Yamashita v. Scholastic Inc.*, No. 17-1957, 2019 U.S. App. LEXIS 25957 (2d Cir. Aug. 28, 2019)

Second Circuit affirmed district court's dismissal of plaintiff's complaint as insufficiently pleaded, and denial of leave to amend complaint on ground that amendment would be futile. Plaintiff photographer Yamashita authorized stock photo agency Corbis to grant limited licenses to use plaintiff's photos to publishers, including defendant Scholastic. Plaintiff sued Scholastic for copyright infringement, claiming, upon information and belief, that Scholastic exceeded scope of Corbis-Scholastic license by exceeding unspecified express limitations on number of copies, distribution area, media, language and duration. Because license existed, burden was on plaintiff to prove that Scholastic's use exceeded scope thereof. However, plaintiff did not identify any specific license limitation, or explain how such limitation was breached by defendant or why plaintiff lacked access to license terms. Because complaint failed to establish single instance of infringement or even timeframe when infringement might have occurred, it did not allege sufficient supporting facts beyond mere speculation to satisfy Fed. R. Civ. P. 8, or to state plausible claim for relief per *Twombly* and *Iqbal*. In proposed amended complaint, plaintiff added information showing Scholastic's use of one photo after expiration of relevant license, but failed to add similar allegations for remaining photos. After parties settled with respect to identified photo, district court denied leave to amend complaint because amendment did not cure defects, and was therefore futile. Second Circuit affirmed district court's dismissal of complaint and denial of leave to amend because even proposed amended complaint was collection of speculative claims based on suspicion alone.

*Cortés-Ramos v. Martin-Morales*, 956 F.3d 36 (1st Cir. 2020)

First Circuit affirmed dismissal of plaintiff's complaint for failure to state copyright claim and remanded to allow district court to consider whether to dismiss without prejudice or permit plaintiff to supplement complaint to allege registration. Plaintiff songwriter submitted song and music video to songwriting contest sponsored by, among others, musician Ricky Martin. Although plaintiff was one of finalists, another participant was selected as winner of contest. Several months after selection of contest winner, Martin released his song named "Vida" with music video that was purportedly "identical to the one that [plaintiff] composed and created." Plaintiff sued Martin, alleging copyright infringement and claims under Puerto Rico law. District court initially dismissed case, holding that plaintiff's claims were subject to contest's arbitration provision; First Circuit reversed. On remand, district court granted defendant's renewed motion to dismiss and, dismissed plaintiff's copyright claim with prejudice, concluding that plaintiff failed to allege registration of his copyright to sustain cause of action, and failed to show that defendant copied his music video. Plaintiff again appealed. First Circuit found that district court "correctly held that the complaint failed to state a copyright claim because it did not allege registration," but also concluded that "district court erred in holding that the complaint otherwise failed to state a copyright claim and dismissing the complaint with prejudice." Court determined that, aside from

registration, plaintiff sufficiently alleged copyright violation because “there is a reasonable inference that Martin had access to [plaintiff’s] music video” and plaintiff’s allegation that “Vida” was “almost identical” to defendant’s music video was sufficient to meet “burdens of pleading both indirect actual copying and substantial similarity.” Therefore, court concluded that plaintiff’s complaint “adequately supported a reasonable inference of similarity so as to render his claim plausible.” Given that “complaint is insufficient as to only the registration ground, the district court should not have dismissed the copyright claim with prejudice,” particularly because there was no dispute that plaintiff obtained registration in his music video after he filed his complaint. Based on this, court determined that case appeared to be candidate for supplemental pleading under Rule 15(d) and remanded to “afford the district court ‘an opportunity to pass upon’ the question of whether [plaintiff] should be allowed to supplement his complaint under Rule 15(d) or instead he should be required to file a new action.”

*State Street Global Advisors Tr. Co. v. Visbal*, No. 19-1719, 2020 U.S. Dist. LEXIS 4706 (S.D.N.Y. Jan. 3, 2020)

District court denied plaintiff’s motion to amend complaint to add secondary copyright infringement claims as futile because they would require extraterritorial application of U.S. copyright law. Plaintiff commissioned defendant sculptor Kristen Visbal to create Fearless Girl statue (“Artwork”) for International Women’s Day. Plaintiff and defendant then executed agreements that granted plaintiff exclusive license to use Artwork in connection with (A) gender diversity issues in corporate governance and financial services sector and (B) plaintiff and its products and services, and generally prohibited defendant from selling, licensing or distributing Artwork for any commercial or corporate purpose, or to any third party for use in connection with issues in subsection (A). Defendant allegedly sold Artwork replica to three Australian companies, namely, law firm specializing in personal injury and financial services and two pension super funds. Law firm displayed photo of Artwork, allegedly taken by defendant, on its Instagram account alongside firm’s branding. Australian companies also allegedly publicized unauthorized replica in connection with workplace gender equality. Plaintiff sought to add secondary copyright claims against defendant, namely, inducement of copyright infringement, and contributory and vicarious copyright infringement, all of which require direct infringement by third party. Plaintiff’s indirect claims were based on direct infringement by Australian companies, none of which did business in, or had any other connection to or interest in, United States. Court held that Australian law firm’s posting of U.S. copyrighted image on internet in Australia, although such image was accessible in United States, insufficient basis for application of U.S. copyright law because such application would undermine extraterritorial limitations. Instead, in addition to accessibility of copyrighted property on internet, “plus” factor, such as direction of copyrighted material into United States, foreign acts that are intended to and do have effect within United States, or uploading of copyrighted materials to servers in United States, was required. Because no such factor was alleged, plaintiff’s secondary claims could not succeed, and amendment was denied as futile.

*Palmer/Kane LLC v. Benchmark Educ. Co. LLC*, No. 18-9369, 2020 U.S. Dist. LEXIS 4077 (S.D.N.Y. Jan. 6, 2020)

District court granted defendant's motion to dismiss plaintiff's copyright infringement claim to extent premised on unenumerated works or unspecified timeframe, without prejudice to repleading. Plaintiff stock photography company licensed certain copyrighted commercial images, subject to three group registrations, to non-party agency Corbis, which, in turn, licensed images under limited rights license to, among others, defendant educational publisher. Plaintiff sued defendant for copyright infringement, alleging that defendant used images without license, with expired license and/or in excess of license's scope. Plaintiff alleged infringement of 12 enumerated images, but also referred to unspecified additional images to be revealed upon subsequent access to defendant's records. Plaintiff further failed to provide information regarding timing or other details of alleged infringement for five images. Court held that plaintiff adequately identified enumerated images and sufficiently alleged infringement timeframe and other details for seven works, but dismissed, without prejudice, plaintiff's claims to extent premised on any unspecified works and/or works unaccompanied by allegations regarding infringement timeframe.

*Patel Burica & Assocs. v. Lin*, No. 19-1833, 2019 U.S. Dist. LEXIS 218533 (C.D. Cal. Dec. 19, 2019)

Court dismissed infringement claim without prejudice because plaintiff failed to sufficiently allege copying. Plaintiff structural engineering firm claimed it had created numerous "design details" for use in structural plans and obtained copyright registrations for same, without stating what said details comprised or how they were used, and without attaching registrations or even providing registration numbers. Plaintiff further claimed that defendants, former employee and his new structural engineering company, infringed plaintiff's copyrights by creating construction plans with design details identical to those in plaintiff's copyrighted works. Court held that, despite failing to attach or even identify copyright registrations, plaintiff sufficiently pleaded ownership of valid copyright via threadbare allegations of registration ownership. However, plaintiff failed to sufficiently plead copying because it did not allege facts sufficient for defendants to identify which specific works or design details they allegedly infringed. Insufficiency of plaintiff's allegations was particularly problematic because plaintiff asserted copying based on striking or substantial similarity theory (in addition to direct copying theory), meaning that plaintiff was required to identify concrete elements establishing that defendants' work was objectively similar to plaintiff's.

*DBW Partners, LLC v. Bloomberg, L.P.*, No. 19-311, 2019 U.S. Dist. LEXIS 195725 (D.D.C. Nov. 19, 2019)

Court granted defendant's motion to dismiss copyright infringement claim because complaint did not identify infringed and infringing works with particularity. Plaintiff "investigative news and legal analysis company" published and distributed copyrighted materials to its paid subscribers. Plaintiff alleged that Bloomberg solicited and obtained plaintiff's reports and

“published its own summary or abstract” of reports, adding none of its own material or analysis other than current market price or reference to past article. Plaintiff sued for infringement and contributory infringement (alleging that Bloomberg induced and encouraged infringement by plaintiff’s subscribers), and Bloomberg moved to dismiss. On motion to dismiss, Bloomberg argued that complaint failed to state claim because it “does not identify the specific works” plaintiff alleged were directly or indirectly infringed and made “only vague, blanket assertions” of infringement. Court agreed with Bloomberg, noting that complaint “failed to allege sufficient facts” for court to draw inference of liability for infringement. Defendant argued that it cured defect by identifying reports that Bloomberg copied in its opposition briefs and accompanying exhibits. Court rejected argument, because complaint itself, and documents upon which complaint relied, did not contain specific allegations, and because briefs and exhibits thereto cannot serve to amend complaint. Court held that plaintiff failed to identify specific infringed works, and dismissed direct and contributory infringement claims without prejudice. Court declined to exercise supplemental jurisdiction on common law claim for misappropriation under “hot news” doctrine, in view of its dismissal of all federal claims.

*Beyond Cushions Corp. v. TJX Co.*, No. 18-10268, 2019 U.S. Dist. LEXIS 204003 (D.N.J. Nov. 25, 2019)

Court granted plaintiff’s motion for default judgment. Plaintiff, owner of nine copyrighted designs of embroidered pillows containing famous skylines and landmarks worldwide, moved for default judgment against defendant. Plaintiff sold pillows to defendants for nearly two years but ended its relationship with defendant due to nonpayment. Defendant nonetheless sold and distributed pillows without authorization from plaintiff. Plaintiff twice provided notice to defendant that its sale of pillows constituted infringement, but defendant allegedly continued to import, manufacture, and sell pillows. Assessing sufficiency of alleged claims, court found plaintiff established prima facie infringement claim because it showed it was exclusive holder of registrations; alleged that defendant offered for sale, sold, and distributed designs without authorization; alleged that pillows sold by defendant were substantially similar in terms of composition, color, layout, and appearance of plaintiff’s design; and alleged defendant had access to designs based on prior business relationship and copied designs without plaintiff’s consent. Court next assessed whether default should be granted and found plaintiffs would be prejudiced if default was not entered because plaintiff could be harmed by continued infringement. Court also found defendant had not responded through counsel, which amounted to lack of meritorious defense and culpable conduct. Court therefore found default judgment should be entered.

*Affordable Aerial Photography, Inc. v. Modern Living Real Estate, LLC*, No. 19-80488, 2019 U.S. Dist. LEXIS 132023 (S.D. Fla. Aug. 6, 2019)

District court granted one defendant’s motion to dismiss plaintiff’s direct and vicarious infringement claims for failure to allege with sufficient particularity which defendants were responsible for which acts or omissions. Plaintiff aerial photography company alleged that defendants Compass Florida (“Compass”) and Modern Living Real Estate (“Modern”)

infringed plaintiff's copyrighted photographs by posting same on Modern's website in connection with advertising properties for sale or purchase. Compass moved to dismiss plaintiff's direct and vicarious infringement claims against it because plaintiff indiscriminately lumped together Compass and Modern. Court granted Compass's motion to dismiss, holding that, because plaintiff asserted multiple claims without specifying which defendant is responsible for which acts or omissions, complaint constituted "shotgun pleading" that did not enable Compass to frame responsive pleading.

*Oppenheimer v. Morgan*, No. 19-2, 2019 U.S. Dist. LEXIS 106944 (W.D.N.C. June 26, 2019)

Plaintiff, photographer, alleged defendants Morgan and Capital at Play, Inc. infringed his copyrights when they published his works on their website. Plaintiff also alleged DMCA violation for removal of CMI, and averred that Morgan was contributorily and vicariously liable. Defendant Morgan moved to dismiss. On claim of direct infringement, Morgan argued that complaint insufficiently alleged that he was involved in decision to use photos or that he was aware photos were used. Court found, however, that complaint sufficiently alleged direct infringement by averring that Morgan controlled almost all decisions of Capital. Court similarly found that plaintiff sufficiently alleged DMCA violation by pleading that Morgan controlled almost all Capital decisions and exerted dominant influence on Capital, that one or more defendants removed CMI on plaintiff's works, and that defendants knew or should have known that removing CMI would induce, enable, facilitate, and/or conceal possible infringement. Court agreed with defendant Morgan that contributory infringement claim was insufficiently pleaded because complaint lacked allegation that Morgan induced or encouraged another person or entity to infringe plaintiff's works. Court accordingly dismissed claim. Court found vicarious infringement claim properly pleaded because plaintiff averred that Morgan controlled most decisions for Capital and exerted dominant influence on Capital; that he had right and ability to supervise or control Capital's infringement conduct and/or to stop Capital's infringements once they started; and had direct financial interest in Capital's infringement because he was officer, director, manager, or principal of or for Capital. Court granted in part and denied in part defendant Morgan's motion to dismiss.

*Brown-Thomas v. Hynie*, No. 18-2191, 2019 U.S. Dist. LEXIS 155589 (D.S.C. Sept. 12, 2019)

District court denied defendants' motion to dismiss plaintiffs' declaratory judgment action, holding that plaintiffs had alleged sufficient facts to establish existence of controversy. Plaintiffs filed declaratory judgment action alleging, *inter alia*, that defendants, heirs and representatives of deceased musician James Brown and his estate, had wrongfully deprived plaintiffs of their termination rights in certain of Brown's compositions. Defendants allegedly entered into agreement with music publisher owner of Brown's compositions under which defendants received proceeds from effecting their termination interests prior to effective date thereof, in contravention of Copyright Act's termination provisions. Defendants also allegedly entered into improper agreement with music publisher whereby

defendants agreed not to exercise other termination rights in exchange for payment, thereby depriving plaintiffs of their share of proceeds from termination rights. Court held that, by purporting to have their termination rights under Copyright Act adversely affected by defendants' actions, plaintiffs had established existence of controversy for purposes of maintaining declaratory judgment action. Because plaintiffs' action served useful purpose by clarifying legal relations between parties, court's exercise of jurisdiction over action would not constitute abuse of discretion. Court therefore denied defendants' motion to dismiss plaintiffs' declaratory judgment claim.

*Big Squid, Inc. v. Domo, Inc.*, No. 19-193, 2019 U.S. Dist. LEXIS 131094 (D. Utah Aug. 5, 2019)

Court denied motion to dismiss infringement counterclaim. Plaintiff provided "professional implementation services," which defendant's software often needed. Plaintiff and defendant entered into agreement in 2015; relationship soured, and each brought claims against the other. Court considered cross-motions to dismiss. Plaintiff moved to dismiss defendant's copyright claims on grounds that defendant did not sufficiently identify its work and describe plaintiff's infringement. Court found plaintiff sufficiently alleged its ownership of work and adequately pleaded facts to support inference that defendant copied plaintiff's work. Court also found that defendant sufficiently pleaded facts to suggest reasonable inference that plaintiff's derivative works were substantially similar to defendant's work. Specifically, defendant pleaded that plaintiff incorporated defendant's source code into defendant's products; plaintiff's works were derivative works of defendant's work; plaintiff used its derivative works in marketing plaintiff to defendant's customers; and plaintiff was sharing derivative works with defendant's competitors.

#### **D. Standing**

*Tresóna Multimedia, LLC v. Burbank High School Vocal Music Ass'n*, 953 F.3d 638 (9th Cir. 2020)

Defendants, Burbank High School Vocal Music Association Boosters Club and vocal music director at Burbank High School, held fundraisers at school to help cover expenses of competitive show choirs. Director commissioned non-party musical arranger to create custom sheet music for shows; arrangements included stanzas from multiple musical works, including "Magic," "(I've Had) The Time of My Life," "Hotel California," and "Don't Phunk With My Heart." Show choir performed arrangements at fundraisers and during student competitions. Plaintiff, licensing company that acquired rights in songs through series of assignments, sued alleging that defendants' use of songs without obtaining "custom arrangement license, grand right license, synchronization license, or mechanical license" infringed its copyrights in songs. District court granted in part defendants' motion for summary judgment, holding that plaintiff lacked standing to sue for infringement of "(I've Had) The Time of My Life," "Hotel California," and "Don't Phunk With My Heart" because plaintiff held only non-exclusive rights. Ninth Circuit affirmed dismissal of claims with respect to "(I've Had) The Time of My Life," "Hotel California," and "Don't Phunk With My Heart" for lack of standing. Plaintiff acquired its interests in those songs as license from

individual co-owner without consent of other co-owners, and accordingly held only non-exclusive rights.

*Narrative Ark Entm't LLC v. Archie Comic Publ'ns, Inc.*, No. 16-6109, 2019 U.S. Dist. LEXIS 148509 (S.D.N.Y. Aug. 29, 2019)

Court granted plaintiff's cross-motion for summary judgment dismissing declaratory counterclaim. Plaintiff's principal worked as freelance writer and artist for defendant Archie, and created and developed comic books featuring elements of videogame "Sonic the Hedgehog." Court held that Archie was not legal or beneficial owner of any rights in disputed works, and therefore lacked statutory standing to pursue its counterclaim. Archie transferred its right to disputed "Sonic" works to Sega of America, Inc. in transaction which assigned, *inter alia*, "all causes of action ... for past, present or future infringement ...." Because Archie did not currently own copyright and did not own copyright during disputed period of time, and in any event had transferred its right to sue to Sega, it lacked statutory standing to countersue.

#### **E. Miscellaneous**

*Allen v. Cooper*, 140 S. Ct. 994 (2020)

U.S. Supreme Court affirmed that Copyright Remedy Clarification Act of 1990 did not abrogate sovereign immunity of States because Congress lacked authority to abrogate sovereign immunity. Petitioner Fredrick Allen was hired to document recovery of pirate ship Queen Anne's Revenge, which was discovered off North Carolina coast in 1996. Allen took numerous videos and photos and registered copyrights in all of his works. State of North Carolina uploaded some of his photos and videos to its website in 2013 without Allen's permission. Allen sued for copyright infringement, and North Carolina moved to dismiss suit on ground of State sovereign immunity. Allen argued that CRCA removed States' sovereign immunity, thus allowing North Carolina to be liable for copyright infringement. Supreme Court affirmed Fourth Circuit ruling that CRCA did not abrogate sovereign immunity of States. Generally, federal courts cannot hear suits brought by individuals against non-consenting States. Court has permitted suits against non-consenting States when (1) Congress uses "unequivocal statutory language" abrogating States' immunity, and (2) there is constitutional provision that gives Congress authority to abrogate States' sovereign immunity. Since CRCA has clear language intending States' immunity to be abrogated, question turned on whether or not Congress had authority to abrogate sovereign immunity. Allen argued that Article I, which empowers Congress to provide copyright protection, provides that authority. Court, finding that its decision in *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank*, 527 U.S. 627 (1999), "made clear that Article I's Intellectual Property Clause could not provide the basis for an abrogation of sovereign immunity," held that Article I does not provide Congress with requisite authority. Allen also argued that Section 5 of Fourteenth Amendment, which authorizes Congress to enforce commands of due process clause, also gives Congress authority to abrogate States' sovereign immunity. Court once again disagreed. In order for abrogation statute to be

“appropriate” under Section 5, it must be tailored to “remedy or prevent” conduct infringing Fourteenth Amendment’s substantive prohibitions. Test turns on whether there is “congruence and proportionality between the injury to be prevented or remedied and the means adopted to that end.” Court found, as it had in *Florida Prepaid* with respect to patent infringement, that there was not pattern of unconstitutional copyright infringement by States, and thus test was not met. Section 5 of Fourteenth Amendment was not sufficient to authorize Congress to abrogate States’ sovereign immunity.

*Biswas v. Rouen*, No. 18-9685, 2019 U.S. Dist. LEXIS 179418 (S.D.N.Y. 2019)

District court granted defendants’ motion to dismiss *pro se* plaintiff’s claim of “intellectual property violation,” whether styled plagiarism or copyright infringement. Plaintiff, former business school PhD student, sued other former PhD students and faculty, bringing *pro se* claim of “intellectual property violation under oath in the form of plagiarism.” Plaintiff argued, based on overlapping key concepts between parties’ papers, that defendants had plagiarized plaintiff’s earlier paper. District court granted defendants’ motion to dismiss, finding that plaintiff failed to identify any actionable claim. Even if defendants had committed plagiarism, this would be violation of university policy to be adjudicated by university rather than judiciary. Further, even if plaintiff had sued for copyright infringement, because plaintiff did not own valid copyright registration for his paper, such claim would not be legally enforceable. Accordingly, court dismissed claim without leave to amend, finding amendment would be futile because amended pleading would not survive another motion to dismiss.

*Strike 3 Holdings, Inc. v. Doe*, No. 17-2313, 2017 U.S. Dist. LEXIS 212753 (S.D. Cal. 2017)

District court granted plaintiff’s motion to conduct limited discovery as to defendant’s identity because plaintiff identified defendant with sufficient specificity, described previous steps taken to locate defendant, and showed that its suit would withstand motion to dismiss. Plaintiff, owner of copyrights in various adult films, traced unauthorized copying and distribution of plaintiff’s films to specific IP address. After suing Doe defendant assigned IP address, plaintiff moved for limited discovery prior to discovery conference, namely, to serve third-party subpoena on internet service provider (ISP) associated with IP address to learn Doe defendant’s identity. Court held that plaintiff identified defendant with sufficient specificity because plaintiff had traced defendant to particular IP address within judicial district and determined identity of defendant’s ISP. Further, plaintiff showed that, while publicly available data allowed it to determine defendant’s ISP and associated city, plaintiff was unable to ascertain defendant’s identity. Finally, plaintiff established that its complaint would survive motion to dismiss because plaintiff had made *prima facie* case of copyright infringement (by pleading its copyright ownership and defendant’s unauthorized use and distribution of copyrighted works) and pleaded facts showing both that personal jurisdiction existed and venue was proper in instant court.

## II. COPYRIGHTABILITY

### A. Originality

*Daniels v. Walt Disney Co.*, No. 18-55635, 2020 U.S. App. LEXIS 14198 (9th Cir. May 4, 2020)

Ninth Circuit affirmed district court's dismissal of complaint. Plaintiff developed line of anthropomorphic characters called Moodsters, color-coded characters that each represented different emotion, and created 30-minute pilot for TV series featuring characters. Plaintiff pitched Moodsters repeatedly to Disney and affiliates. Disney movie *Inside Out* centered on five anthropomorphized emotions that lived inside mind of 11-year-old girl. Plaintiff sued, alleging infringement of both individual Moodsters characters and ensemble of characters as whole. Disney filed motion to dismiss, which district court granted on ground that Moodsters were not protectable by copyright. Ninth Circuit affirmed. Court noted long history of extending copyright protection to graphically-depicted characters; under court's 2015 opinion in *DC Comics v. Towle*, character is entitled to copyright protection if character (1) has physical as well as conceptual qualities; (2) is sufficiently delineated to be recognizable as same character whenever it appears; and (3) character is "especially distinctive" and contains unique elements of expression. Individual Moodster characters met first prong of *Towle* test; because they had physical qualities, Moodsters were not mere literary characters. Second prong of *Towle* test presented "insurmountable hurdle," however. Court distinguished between idea for character and depiction of that character. Notion of using color to represent mood or emotion was idea that did not fall within protection of copyright. Colors themselves are not generally copyrightable, nor is "idea" of emotion copyrightable. Plaintiff, accordingly, could not copyright idea of colors or emotions, or idea of using colors to represent emotions where ideas were embodied in character without sufficient delineation and distinctiveness. Court acknowledged that Moodsters had consistently represented five human emotions, and emotions had not changed. But other than idea of color and emotions, there were few other identifiable character traits and attributes that were consistent over various iterations; plaintiff never settled on well-delineated set of characters beyond their representation of five human emotions. Finally, court concluded that Moodsters were not "especially distinctive," and therefore did not meet third prong of the *Towle* test. Nor did Moodster characters constitute "story being told" under alternative test; rather, Moodsters were "mere chessmen" in game of telling story. Court also rejected argument that even if individual Moodsters were not protectable, ensemble of five characters together met one or both of *Towle* and "story being told" tests. Moodsters as ensemble were no more copyrightable than individual characters. District court thus did not err in dismissing infringement claims.

*Infogroup, Inc. v. DatabaseLLC*, 956 F.3d 1063 (8th Cir. 2020)

Circuit court affirmed judgment against defendant for infringement of plaintiff's database. Defendant sought judgment as matter of law or new trial, arguing that plaintiff did not own valid copyright in database, because compilation of facts allegedly did not have minimal degree of creativity. Court of Appeals acknowledged that copyright in factual compilation is

thin; copyright protects selection and arrangement of facts as long as made independently by compiler and entails minimal degree of creativity. Court of Appeals found reasonable juror could have concluded plaintiff made independent selection and arrangement of facts that entailed minimal degree of creativity. Additionally, plaintiff's registration certificate protected "text, compilation" of database; certificate was entitled to rebuttable presumption of validity of copyright, and defendant did not submit evidence rebutting presumption. Court of Appeals held it was not necessary for plaintiff to submit entire database into evidence for reasonable juror to determine that database entailed minimal degree of creativity.

*Nucap Indust. v. Robert Bosch, LLC*, No. 15-2207, 2019 U.S. Dist. LEXIS 152554 (N.D. Ill. Sept. 7, 2019)

District court denied cross-motions for summary judgment on copyright infringement claim because factual dispute remained regarding plaintiff's ownership of valid copyright. Plaintiff manufacturer of aftermarket brake components ("Components") sold its Components to defendant, which used them to construct final aftermarket brake systems. In order to design Components, plaintiff reverse-engineered original equipment by measuring brake parts and creating electronic drawings based on measurements ("Drawings"), which were not registered with Copyright Office. Defendant reviewed and kept plaintiff's Drawings to determine whether particular Components conformed and fit with defendant's existing components. After breakdown of parties' business relationship, defendant desperately reached out to alternate suppliers for plaintiff's Components, determining compatibility of alternate components by overlaying their drawings on plaintiff's Drawings. Parties disagreed as to whether plaintiff used only outline of Components from plaintiff's Drawings, or entirety of plaintiff's Drawings, to compare with alternate suppliers' drawings, though defendant admitting to sharing plaintiff's information with third parties. Plaintiff sued defendant for, *inter alia*, infringing copyrights in Drawings. Court held that issue of fact existed as to whether Drawings were copyrightable. Evidence existed that Drawings, for which plaintiff did not obtain copyright registrations, were factual depictions of publicly available component parts and therefore not copyrightable. However, plaintiff presented evidence that Drawings were sufficiently original for copyright purposes because they do not merely reflect nominal dimensions but also take into account other considerations like tooling capability and prior performance experience.

*Viper Nürburgring Record LLC v. Robbins Motor Co. LLC*, No. 18-4025, 2019 U.S. Dist. LEXIS 152931 (D. Kan. Sep. 9, 2019)

On cross-motions for summary judgment, district court held plaintiff's photographs sufficiently original to support valid copyrights. Plaintiff Viper Nürburgring Record ("VNR") hired photographer to document attempt to set world record on race car track. Defendant Robbins Motor Co. ("RMC"), through vice president and defendant Robbins, entered into license agreement allowing RMC to use one world record event photo for RMC advertisement in exchange for payment. Robbins downloaded 13 photos, using one in banner advertisement for RMC and posting five others across RMC's websites and his personal Facebook. VNR registered copyrights in 13 photos at issue. RMC challenged validity of VNR's registrations, arguing that photos were not original because photographer received input from VNR, and other

photographers at event took similar photos. Court rejected VNR's contention; "if simply providing 'input' to a photographer renders the resultant photos 'unoriginal,' no photographer of an event such as a wedding (where the photographer is clearly instructed to photograph the bride and groom) would ever be able to obtain copyright protection for his work." Similarity to other photos of same event was likewise irrelevant, otherwise no photos of well-attended event would be protectable. Because photographer's creative decisions in taking photos exceeded minimal degree of creativity required for originality, court rejected defendants' arguments against validity of VNR's registered copyrights.

## **B. Pictorial, Graphic and Sculptural Works**

*Lanard Toys, Ltd. v. Dolgencorp LLC*, 958 F.3d 1337 (Fed. Cir. 2020)

Federal Circuit affirmed district court's holding that plaintiff did not own valid copyright because its work was useful article lacking separable copyrightable features. Plaintiff toy company developed "Pencil Chalk Holder" in shape of oversized No. 2 pencil and registered it as sculptural work. After defendants started selling similar pencil-shaped chalk holder, plaintiff sued, alleging copyright infringement. Notwithstanding registration, court found that plaintiff did not own valid copyright because Pencil Chalk Holder was useful article that had intrinsic utilitarian function of storing/holding chalk and facilitating writing. Moreover, Pencil Chalk Holder lacked separable, independently copyrightable features, such that plaintiff was essentially seeking to assert rights in any and all expressions of idea of pencil-shaped chalk holder.

*Silvertop Assocs. v. Kangaroo Mfg.*, 931 F.3d 215 (3d Cir. 2019)

Plaintiff, creator of banana costume, claimed that defendant's banana costume infringed its own. District court previously granted plaintiff preliminary injunction and defendant appealed. Court applied *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, and determined that plaintiff's work could be perceived separately from useful article of costume, and features of plaintiff's work would qualify it as sculpture. Court specifically focused on color, line, shape, and length features of work to find that it was protectable. Court rejected defendant's counterarguments, including its request that court find that "depictions of natural objects never be copyrighted," finding that request amounted to raising originality threshold. Court also rejected defendant's argument that plaintiff's work was not protectable based on merger doctrine and *scenes a faire* because there was no threat that plaintiff's copyright would monopolize idea of banana costume, noting that record contained 20 examples of non-infringing banana costumes. Finding plaintiff showed reasonable likelihood of success on merits, court affirmed grant of preliminary injunction.

*Town and Country Linen Corp. v. Ingenious Designs LLC*, No. 18-5075, 2020 U.S. Dist. LEXIS 15654 (S.D.N.Y. Jan. 29, 2020)

Court granted defendants' motion to dismiss copyright infringement claim. Plaintiff sued for infringement of certain features of its "CloseDrier" portable clothes dryer system. Infringement claim focused on copyrighted design of "control panel" for product. Court considered whether copyright in control panel was valid, or whether control panel was non-

copyrightable utilitarian article. Court considered functional nature of control panel, which provides means of operating clothes dryer. Although control panel was capable of existing independently of utilitarian aspects of clothes dryer system, court found that panel was itself utilitarian aspect of dryer system. Court held that control panel was useful article, and not copyrightable as pictorial, graphic or sculptural work.

### **C. Compilations and Derivative Works**

*Gunther v. Town of Odgen*, No. 19-6199, 2019 U.S. Dist. LEXIS 200897 (W.D.N.Y. Nov. 19, 2019)

District court denied defendants' motion to dismiss plaintiffs' claim for copyright infringement. Plaintiffs, residential and commercial electrical inspector licensed in New York State, created summaries of National Electric Code's electrical wiring requirements for storable swimming pools and hot tubs and spas. Plaintiffs registered copyrights in such summary sheets. Defendants, Town of Odgen and members of Town Board, began publishing plaintiffs' summary sheets on its website without authorization. After repeatedly demanding that defendants remove plaintiffs' copyrighted materials from its website, plaintiffs filed suit, alleging that "the materials published on defendant's websites are verbatim to plaintiffs' sheets, minus the diagrams and references to [p]laintiff, and are [p]laintiffs' copyrighted summaries of the 2014 [National Electric Code]." Defendants filed motion to dismiss, arguing that (a) entries on defendants' websites were not substantially similar to protectable elements in plaintiffs' summaries; and (b) there was "nothing protectable in plaintiffs' summary sheets" because they were culled entirely from National Electric Code. Court determined that plaintiffs adequately alleged that their summary sheets were protectable. In particular, court noted that defendants' own belief that "[p]laintiffs cannot claim copyright protection for the information, requirements, standards, and recommendations contained in the National Electric Code" was not enough to rebut presumption of validity created by certificates of registration owned by plaintiffs. In reaching this decision, court explained that plaintiffs did not claim protection for information contained in National Electric Code, but rather claimed protection for their summary sheets, which were compilations of information from National Electric Code, as well as plaintiffs' knowledge and experience.

### **D. Miscellaneous**

*Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020)

Split Supreme Court affirmed Eleventh Circuit's decision, holding that non-binding annotations to State code ineligible for copyright protection because authored by or for State's legislature in course of its legislative duties. State of Georgia's "Official Code of Georgia Annotated" contains, in conjunction with official statutes, annotations summarizing relevant materials such as judicial decisions, state attorney general opinions and law review articles. Code's annotations are prepared by private company under supervision of Georgia's Code Revision Commission, pursuant to work-for-hire agreement providing that any

copyright in Code vests in State via Commission. Proposed Code submitted annually by Commission to State legislature, which enacts statutory portion, merges it with annotations and publishes final merged document by State's authority. Although unannotated Code available to public for free, annotated Code only available by payment. Defendant Public.Resource.Org, nonprofit organization facilitating public access to legal materials, posted free digital copy of annotated Code across various websites and, despite numerous cease-and-desist letters from Commission, refused to stop distribution on ground that even annotated Code in public domain. Supreme Court, affirming Eleventh Circuit's reversal of district court's summary judgment decision, relied on government edicts doctrine to hold that copyright does not vest in works (1) created by legislators or judges (2) in course of their legislative or judicial duties, regardless of whether works carry force of law. First factor met because Commission (created by legislature and receiving resources designated for legislative branch) functions as legislature's arm in producing annotations and because Commission is contractually sole author of annotations, which are approved by legislature before being merged with statutory text. Second factor met because Commission's preparation of annotations is act of legislative authority under State law (namely, supreme court decision about separation of powers) and because explanatory annotations, which are deemed relevant by legislature and published alongside statutory text, constitute work performed by legislators in their legislative capacity. Accordingly, no copyright vested in annotations and State had no claim against defendant.

*Syngenta Crop Prot., LLC v. Willowood, LLC*, 944 F.3d 1344 (Fed. Cir. 2019)

On post-trial cross-appeals, Federal Circuit reversed district court's summary judgment dismissal of plaintiff's copyright claims because district court had failed to determine whether and to what extent another federal statute precludes plaintiff's claims based on alleged infringement of product label governed by other statute. Agrochemical company plaintiff sued fungicide manufacturer defendant and related companies for copyright infringement based on defendants' copying of two of plaintiff's fungicide product labels. District court held that Environmental Protection Agency's Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA") precludes copyright protection for required elements of fungicide labels because, under FIFRA, labeling of generic fungicide products seeking expedited approval (like defendants') required to be identical or substantially similar to currently-registered products (like plaintiff's) or to differ only in ways that would not significantly increase unreasonable environmental harms. Federal Circuit reversed, finding that FIFRA, on its face, did not require generic label to be identical to registered label. Accordingly, FIFRA conflicted with Copyright Act only to extent that some element of plaintiff's labels were both protected under existing copyright doctrines and necessary for expedited approval under FIFRA. Defendants' concern that labels were required to include certain information capable of being expressed in so few ways that substantial similarity is inevitable could be addressed under traditional copyright doctrine of merger. Likewise, doctrine of fair use available to shield copying mandated by EPA. Federal Circuit remanded to district court to consider whether defendants' use prohibited by Copyright Act and, if so, whether FIFRA fully precludes copyrights claims.

### III. OWNERSHIP

#### A. Works Made for Hire

*Estate of Kauffmann v. Rochester Inst. of Tech.*, 932 F.3d 74 (2d Cir. 2019)

Second Circuit reversed district court's grant of defendant's summary judgment motion in infringement suit brought by author's estate, because district court incorrectly concluded that letter agreement signed five years after creation of 44 subject works was sufficient to render them works for hire. Over 55 years, film critic Stanley Kauffmann wrote numerous reviews for *The New Republic* ("TNR"), but was never employed by TNR. In 2004, TNR sent letter agreement to Kauffmann purporting to retroactively confirm understanding that reviews written by Kauffmann for TNR were all works for hire; Kauffmann approved, endorsed and mailed back letter to TNR. In 2013, defendant Rochester Institute of Technology published anthology of Kauffmann's reviews, including 44 that were published in TNR in 1999. In 2015, plaintiff Kauffmann's estate learned of anthology and sued defendant for infringing Kauffmann's copyright in reviews. Under Copyright Act, work for hire is either work prepared by employee within scope of employment, or work specially ordered or commissioned as, *inter alia*, contribution to collective work pursuant to signed written agreement. Because it was undisputed that Kauffmann was never TNR's employee, work for hire status of Kauffmann's review hinged on effect of 2004 letter agreement. Although writing executed after creation of work for hire may satisfy writing requirement of second prong of work for hire test in Second Circuit, this requires unanimous intent among all concerned that work for hire doctrine would apply, notwithstanding that some paperwork may not be fully executed until after creation of subject work. Second Circuit held that 2004 letter agreement, which was executed five years after works at issue were created, and did not involve series of writings executed immediately after payment for each work, was insufficient to render Kauffmann's reviews works for hire for TNR, and therefore reversed district court's order and remanded for further proceedings.

#### B. Termination of Transfers

*Ennio Morricone Music Inc. v. Bixio Music Grp. Ltd.*, 936 F.3d 69 (2d Cir. 2019)

Second Circuit reversed district court's grant of summary judgment, holding plaintiff entitled to exercise termination right because assigned music scores were not works made for hire. In early 1980s, Italian composer Morricone was commissioned by defendant to compose scores for six Italian films. Pursuant to worldwide agreement, Morricone assigned works to defendant. Plaintiff argued that it possessed right to terminate assignment pursuant to § 203, which provides grant of transfer or license of copyright may be terminated 35 years from date of execution of grant, unless such work is work made for hire. Parties agreed question as to work for hire was governed by Italian law. Court found that under Italian law, in contrast to U.S. law, there is no work for hire equivalent; composer retains sole authorship in work, as there is no allocation of ownership *ab initio* despite grant of all economic rights of exploitation. Thus, court held assignments were subject to § 203 termination, as Morricone scores were not works for hire.

*Mtume v. Sony Music Entm't*, 408 F. Supp. 3d 471 (S.D.N.Y. 2019)

District court denied motion to dismiss for failure to state claim. Plaintiff recording artist brought suit against defendant for declaratory judgment, copyright infringement, and accounting. In 1977, plaintiff entered into recording agreement with entity that later assigned agreement to CBS on August 27, 1979. Songs at issue were released in 1978, 1980, and 1983, with corresponding copyright registration in 1978, 1980, and 1980. In 2015, plaintiff sent section 203 termination notice to defendant Sony (successor in interest to CBS), which incorrectly listed date of execution of grant as August 27, 1979. Defendant moved to dismiss on basis that termination was invalid due to wrong date of execution. Because works were assigned by agreement dated before January 1, 1978 but were not created until after January 1, 1978, songs were “gap works.” Court noted that only requirement for section 203 termination notice at issue was “execution date” of grant in question. When applied to gap works, “execution date” means date on which work was created. Plaintiff thus listed incorrect date on termination notice. In ruling on motion to dismiss, district court held that plaintiff’s incorrectly listed date might be harmless error, but it raised factual issues. District court held further that incorrect date on termination notice does not always automatically invalidate notice, so long as terminating party provides date of execution that is as accurate as terminating party is able to ascertain, and provided in good faith and without intention to deceive, mislead, or conceal relevant information. District court therefore held that more information was required to determine whether defendant was truly on notice of termination, whether different date of execution would materially affect application of termination provisions, and whether mistaken date of execution was provided in good faith.

### **C. Joint Works and Co-Ownership**

*Everly v. Everly*, No. 19-5150, 2020 U.S. App. LEXIS 14212 (6th Cir. May 4, 2020)

Don Everly sued children of late Phil Everly, seeking declaration that Don owned all copyright interest in Everly Brothers’ song *Cathy’s Clown*. Phil’s children counterclaimed that Don and Phil were co-authors of song. Don and Phil originally granted copyrights to music publisher in 1960. In 1980, they executed release and assignment in which Phil agreed to assign all rights and interest in song to Don. Subsequent licenses and credits listed Don as author, but both brothers continued to state publicly that Phil was co-author. When publisher exercised renewal right in 1988, it listed Don as only author. In 1990, Reba McEntire issued cover of *Cathy’s Clown* that listed Don as sole author. In 2011, Don filed § 304(c) notice of termination as to publishing company, and unsuccessfully attempted to remove Phil’s name as author on original registrations. In 2014, Phil’s children served notice of termination as to publishing company and again in 2016 as to Phil’s 1980 assignment to Don. District court granted summary judgment to Don, finding that Phil’s claim of co-authorship was time-barred by repudiation occurring no later than 2011. On appeal, Sixth Circuit held that authorship claim does not accrue until putative author’s status is expressly repudiated by someone asserting authorship in work. Circuit court found genuine issues of material fact, for reasons including Don’s and Phil’s continuing to acknowledge Phil’s co-authorship before and after 1980 assignment, which itself contained ambiguous language;

while Don received sole authorship credit on McEntire cover, Phil's right to receive public credit might have been transferred to Don without repudiation of actual authorship; and no evidence existed that Phil was aware of 2011 termination. Sixth Circuit therefore reversed grant of summary judgment.

#### **D. Contracts and Licenses**

*Sohm v. Scholastic Inc.*, No. 18-2110, 2020 U.S. App. LEXIS 15103 (2d Cir. May 12, 2020)

Plaintiff photographer licensed certain images to stock agency, which sub-licensed images to publisher Scholastic. Plaintiff sued for infringement, alleging Scholastic used photos in numbers exceeding terms of license. On cross-motions for summary judgment, district court granted summary judgment in favor of Scholastic on claim that plaintiff could sue only for breach of contract, not copyright infringement. On appeal, Second Circuit considered whether Scholastic's violation constituted failure to satisfy condition of license (which would mean there is no license, and that claims sound in copyright infringement), or if Scholastic's conduct constituted breach of covenant (which would mean license had been breached, and that claims sound in breach of contract). Second Circuit reversed district court, holding that licenses "contain unmistakable language of conditions precedent," and that claims properly sounded in copyright infringement. Second Circuit considered language of license, finding it contained clear conditional language that defined scope of license, and did not constitute mere covenants.

*Evoqua Water Techs., LLC v. M.W. Watermark, LLC*, 940 F.3d 222 (6th Cir. 2019)

Sixth Circuit reversed district court's holding that assignment through which plaintiff claimed copyright ownership was ambiguous, and remanded to allow consideration of extrinsic evidence. Prior owner of plaintiff, manufacturer and seller of equipment for removing water from industrial waste, had sold plaintiff to current owner pursuant to carve-out agreement that provided that seller sold and assigned to buyer "all information and data," irrespective of whether protected by copyright. After plaintiff sued defendants for infringing its copyrights in brochures and presentations, defendants countered that plaintiff did not own copyrights because they were not transferred by carve-out agreement. District court granted defendants' summary judgment motion on copyright infringement, holding that agreement unambiguously did not transfer any copyrights. Sixth Circuit vacated, holding that agreement was ambiguous because its plain language was sufficiently broad to support reasonable interpretation that copyrights were included in assignment. Accordingly, case was remanded to district court to consider extrinsic evidence as to buyer's and seller's intent with regard to assignment of copyrights.

District court granted plaintiff's motion to amend its complaint to add direct copyright infringement claim because plaintiff sufficiently alleged existence of exclusive license and defendant's violation thereof. Plaintiff commissioned defendant, sculptor Kristen Visbal, to create Fearless Girl statue ("Artwork") for International Women's Day. Plaintiff and defendant then executed three agreements, including Master Agreement ("MA") and Copyright License Agreement ("CLA"). CLA granted plaintiff exclusive license to use Artwork in connection with (A) gender diversity issues in corporate governance and financial services sector, and (B) plaintiff and its products and services, and generally prohibits defendant from selling, licensing or distributing Artwork for any commercial or corporate purpose, or to any third party for use in connection with issues in subsection (A). However, under limited circumstances, with both parties' consent, MA allowed defendant to distribute and display Artwork even where such use came within plaintiff's exclusive license. Defendant created website to sell smaller Artwork replicas to any buyer who completed sales form and paid purchase price, including, allegedly, employee acting on behalf of financial institution Edward Jones, apparently for use at corporate-sponsored event. Plaintiff moved to add direct copyright infringement claim to complaint, arguing that defendant's distribution to Edward Jones employee violated plaintiff's exclusive rights under subsection (A). Defendant opposed, arguing that use of "and" between subsections (A) and (B) meant that plaintiff's license was limited to uses that relate to both subsections; defendant argued it did not violate license because defendant's use did not relate to plaintiff and plaintiff's products or services. Defendant also claimed that MA's provision allowing defendant to make uses otherwise within scope of plaintiff's allegedly exclusive license did not make sense if plaintiff's license truly exclusive. Court disagreed with defendant, holding that CLA and MA together grant plaintiff exclusive license, which plaintiff may choose to waive. Because plaintiff adequately alleged exclusive license to use Artwork and that defendant violated same by distributing replica to Edward Jones employee, plaintiff's proposed amendment was not futile or prejudicial, and therefore was allowed.

*Gasery v. Kalakuta Sunrise, LLC*, 422 F. Supp. 3d 807 (S.D.N.Y. 2019)

Court granted defendants' motion to dismiss infringement claims. Plaintiff photographer and defendant Kalakuta entered into agreement granting each undivided 50% interest in copyrights in plaintiff's photographs of musical production *Fela!* and directing plaintiff to take direction from defendant Stephen Hendel as Hendel deemed appropriate. Defendants Hendel and Fela Broadway, LLC subsequently used photographs in promoting production without plaintiff's authorization, and plaintiff brought suit alleging infringement based on this use. Because Kalakuta, as copyright co-owner, had right to grant to third parties prospective, non-exclusive license to use photographs, Hendel's and FB's liability depended on whether they were Kalakuta's non-exclusive licensees. Although neither express written nor oral license agreement existed, court found non-exclusive license could be inferred from parties' conduct. In particular, photographs were taken for express purpose of advertising production, and were provided to Hendel and Fela Broadway by co-owner Kalakuta for this

purpose, and Kalakuta's knowledge and approval of Hendel's and Fela Broadway's use was supported by symbiotic relationship between three as well as Kalakuta's granting of similar non-exclusive licenses to other third parties. Even under Second Circuit's more stringent test, which requires that author have created work at another's request and handed it over with intent that other copy and distribute same, implied license existed because photographs were created for promotion of production and handed by co-owner Kalakuta to Hendel and Fela Broadway with intent that they copy and distribute them in connection with such promotion. Because Kalakuta gave implied, non-exclusive license to Hendel and FB, plaintiff could not sue them for copyright infringement.

*Jose Luis Pelaez, Inc. v. McGraw-Hill Glob. Educ. Holdings LLC*, 399 F. Supp. 3d 120 (S.D.N.Y. 2019)

Court granted in part and denied in part parties' cross-motions for summary judgment. Plaintiffs were photographer Pelaez and Jose Pelaez Inc., and defendant was textbook and educational product publisher. Starting in 1990, Pelaez entered into agreements with non-party Corbis, allowing Corbis to sublicense Pelaez's photos. During relevant time period, Corbis and defendant entered into agreements regarding fees for predicted use of works. If defendant wanted to use work from Corbis's collection, defendant would request invoice from Corbis, and request would include information such as expected print run. In turn, invoice from Corbis would state rights given to defendant. Pelaez alleged that between 1992 to 2017, defendant infringed his works by exceeding invoice limitations by printing or distributing more than authorized number of copies, distributing works outside agreed distribution area, publishing works in certain publications without authorization, publishing works in international editions and publications without authorization, and publishing works after noted time limitation. Defendant moved for summary judgment on Pelaez's claims, arguing that Pelaez's claims at most amounted to breach of contract and not infringement. Court rejected argument, finding that exceeding license limitations was infringement claim. Court also rejected defendant's argument that overuse of works was within license's scope because of clause that allowed Corbis to bill defendant for heightened license fee for unauthorized use, finding that Corbis's potential remedy in contract did not contradict license limitations on defendant. Court denied defendant's motion insofar as it argued that Pelaez's infringement claim required showing that license limitations were conditions rather than covenants. Pelaez cross-moved for summary judgment on 129 of his claims. Defendant argued that its use was expressly or impliedly authorized by Corbis. Court agreed with Pelaez that defendant did not raise issue of material fact as to whether its use was expressly authorized because agreements and invoices limited defendant's licenses, and defendant could not rely on extrinsic evidence to create issue of fact related to meanings of agreements and invoices. Court also found that defendant failed to raise issue of material fact as to whether its use was impliedly licensed. First, while agreements did not prohibit finding of implied license, they bore on parties' intent and repeated warnings of unauthorized use undermined interpretation that Corbis intended to grant defendant license to use works in amounts greater than those listed in invoices. Court also found that provision related to "Increased Use" did not support inference that Corbis wished to grant defendant authorization to use works beyond scope of invoices without defendant re-licensing works. Second, court rejected defendant's argument that its use was impliedly licensed because Corbis never rejected request for express license, finding defendant did not show that Corbis knew defendant was

reproducing works beyond invoice limitations. Court also found fact that Corbis had long provided defendant with unrestricted access to image archive before requesting payment did not support implied license theory because delivery of works did not sufficiently show implied license. Third, court found that declaration failed to raise material issue of fact and did not establish implied license. Because Pelaez showed that there were no issues of material fact as to defendant's liability regarding particular claims, court granted Pelaez's motion for summary judgment on liability.

*Signorelli v. North Coast Brewing Co.*, No. 18-2914, 2019 U.S. Dist. LEXIS 104497 (N.D. Cal. June 21, 2019)

Plaintiff widow of deceased artist brought copyright infringement claim against defendant brewing company for use of late husband's artwork on beer labels and merchandising items. Defendant argued parties had unlimited implied license based on prior communications. Court agreed. Court found burden to be on licensor to express intent to limit license. Facts showed no discussions of scope of implied license at time license was granted. Court held plaintiff was granted unlimited implied license and granted motion to dismiss claims.

*Soos & Assocs. v. Five Guys Enters., LLC*, 425 F. Supp. 3d 1004 (N.D. Ill. 2019)

On plaintiff's motion to dismiss, district court declined to strike defendant's affirmative defense and counterclaim for declaratory judgment of non-infringement based on defendant's alleged implied, non-exclusive license to use plaintiff's architectural design standards. Defendant burger restaurant hired plaintiff architectural firm to develop centralized design standards ("Corporate Design Standards") and help distribute same, via file-sharing platform, to defendant's various other architects to incorporate into their plans to ensure design consistency across restaurants. Plaintiff simultaneously worked for defendant, under separate form agreement, as architect to create specific plans for particular restaurants ("Construction Documents"). Eventually, defendant moved its Corporate Design Standards work to plaintiff's competitor. Plaintiff brought action alleging defendant literally copied plaintiff's copyrighted Construction Documents. Defendant responded with both affirmative defense of, and claim for declaratory judgment based on, implied, non-exclusive license to use Corporate Design Standards. In particular, defendant alleged that it requested and paid for creation of Corporate Design Standards, that plaintiff delivered them to defendant and defendant's architects upon upload to file-sharing platform, and that plaintiff intended for defendant and defendant's architects to view, download, copy and creative derivative works from Corporate Design Standards. Court found this sufficiently pleaded affirmative defense, disregarding plaintiff's argument that no license existed for Corporate Design Standards because Construction Documents included repeated warnings against reuse, as this would require court to adjudicate facts. Court declined to strike declaratory judgment counterclaim because it served independent purpose of allowing defendant to vindicate its rights and potentially recover attorneys' fees.

*Viper Nürburgring Record LLC v. Robbins Motor Co. LLC*, No. 18-4025, 2019 U.S. Dist. LEXIS 152931 (D. Kan. Sep. 9, 2019)

On cross-motions for summary judgment, district court held defendants' downloading and posting of plaintiff's copyrighted photos constituted display sufficient to establish copying

for infringement analysis. Plaintiff Viper Nürburgring Record (“VNR”) hired photographer to document attempt to set world record on race car track. Defendant Robbins Motor Co. (“RMC”), through vice president and defendant Robbins, entered into license agreement authorizing RMC to use one world record event photo for RMC advertisement in exchange for payment. Robbins downloaded 13 photos, using one in banner advertisement for RMC and posting five others across RMC’s websites and his personal Facebook. VNR registered copyrights in 13 photos at issue. Robbins’ unauthorized downloading and saving 13 photos, posting of at least four photos on RMC’s website as well as RMC’s and Robbins’ Facebook pages, and including another photo in banner advertisement, each constituted infringing display of photos at issue. Contrary to defendants’ arguments, RMC did not have implied license to use additional photos because implied license requires, *inter alia*, that licensee (RMC) request creation of work, which defendants did not show. Moreover, remaining two elements of “classic” implied license, that licensor (VNR) delivered photos to licensee or that licensor intended that licensee copy and distribute photos, were likewise absent. Court therefore held that defendants exceeded scope of express license by copying more than one photo.

#### **E. Miscellaneous**

*State Street Global Advisors Tr. Co. v. Visbal*, No. 19-1719, 2020 U.S. Dist. LEXIS 4706 (S.D.N.Y. Jan. 3, 2020)

District court granted plaintiff’s motion to dismiss defendant’s direct copyright infringement counterclaim as futile due to irrevocable license, but granted defendant leave to replead by arguing that license invalid because obtained by fraud. Plaintiff commissioned defendant, sculptor Kristen Visbal, to create Fearless Girl statue (“Artwork”) for International Women’s Day. Plaintiff and defendant then executed agreements by which defendant granted plaintiff irrevocable, exclusive license to use Artwork and images thereof for certain purposes. Nevertheless, defendant argued that plaintiff committed copyright infringement by displaying, reproducing and distributing images of Artwork, because parties’ agreements voided by plaintiff’s material breaches of such agreements and of implied covenant of good faith and fair dealing. General rule, whereby material breach of agreement allows licensor to rescind license and hold licensee liable for infringement thereafter, inapplicable where, as here, license is termed “irrevocable,” because such license is impossible to revoke. Court therefore dismissed defendant’s claim but granted her leave to replead because, if defendant plausibly alleges that agreements procured by fraud, irrevocable license may be rescinded as result of same fraud.

## IV. FORMALITIES

### A. Registration

*Sohm v. Scholastic Inc.*, No. 18-2110, 2020 U.S. App. LEXIS 15103 (2d Cir. May 12, 2020)

Plaintiff photographer licensed certain images to stock agency which sub-licensed images to publisher Scholastic. Plaintiff sued alleging Scholastic used photos in numbers exceeding terms of license. On cross-motions for summary judgment, district court rejected Scholastic's argument that underlying registration was invalid because group registration did not include plaintiff Sohm's name as author. Second Circuit affirmed, holding that group registration need not identify individual author of each underlying work to be valid. Adopting Ninth Circuit's reasoning in *Alaska Stock, LLC v. Houghton Mifflin Harcourt Publishing Co.*, 747 F.3d 673 (9th Cir. 2014), Second Circuit held that plain language of § 402 does not require group registration to include author of each work included in collective work, reasoning that requirement in § 402(2) that "author" of "work" be identified is satisfied when author of collective work is identified in registration. Second Circuit affirmed district court's finding that group registration properly registered each photograph included in collective work.

*Cortés-Ramos v. Martin-Morales*, 956 F.3d 36 (1st Cir. 2020)

First Circuit affirmed dismissal of plaintiff's complaint for failure to state copyright claim and remanded to allow district court to consider whether to dismiss without prejudice or permit plaintiff to supplement complaint to allege registration. Plaintiff songwriter submitted song and music video to songwriting contest sponsored by, among others, musician Ricky Martin. Although plaintiff was one of finalists, another participant was selected as winner of contest. Several months after selection of contest winner, Martin released his song named "Vida" with music video that was purportedly "identical to the one that [plaintiff] composed and created." Plaintiff sued Martin, alleging copyright infringement and claims under Puerto Rico law. District court initially dismissed case, holding that plaintiff's claims were subject to contest's arbitration provision; First Circuit reversed. On remand, district court granted defendant's renewed motion to dismiss, and dismissed plaintiff's copyright claim with prejudice, concluding that plaintiff failed to allege registration of his copyright to sustain cause of action and failed to show that defendant copied his music video. Plaintiff appealed again. First Circuit found that district court "correctly held that the complaint failed to state a copyright claim because it did not allege registration." Court concluded, however, that "district court erred in holding that the complaint otherwise failed to state a copyright claim and dismissing the complaint with prejudice" because, aside from registration, plaintiff sufficiently alleged copyright violation. Given that "the complaint is insufficient as to only the registration ground, the district court should not have dismissed the copyright claim with prejudice" because plaintiff could allege registration in new action. Court noted that case appeared to be candidate for supplemental pleading under Rule 15(d), and remanded to "afford the district court 'an opportunity to pass upon' the question of whether [plaintiff]

should be allowed to supplement his complaint under Rule 15(d) or instead he should be required to file a new action.”

*Energy Intelligence Grp., Inc. v. Kayne Anderson Capital Advisors, L.P.*, 948 F.3d 261 (5th Cir. 2020)

Plaintiffs published *Oil Daily*, newsletter regarding petroleum industry in North America. Defendants, investment firm, in 2004 began purchasing *Oil Daily* subscription for one partner. Between 2004 and 2014, partner shared access to *Oil Daily* with other employees and third parties; defendants renamed shared files to avoid detection by plaintiffs of illicit sharing. Plaintiffs alleged infringement and DMCA violations. Before trial, defendants moved for referral to Copyright Office, arguing under § 411(b) that plaintiff’s copyright registrations were invalid because they allegedly contained inaccuracies. District court found reference unnecessary because defendants failed to establish that plaintiffs knowingly included inaccuracies in applications for registration. Defendants appealed. Court first rejected defendants’ argument that § 411 mandates referral to Copyright Office for determination of materiality whenever party alleges opposing party knowingly included inaccurate information on application. Instead, court found that district court could make determination regarding inaccuracy before reference to Copyright Office. Court next determined that trial court did not clearly err in finding that *Oil Daily* was not compilation because inclusion of some materials over which plaintiffs could not claim authorship did not mean work was compilation. Court affirmed denial of defendants’ § 411(b) referral motion.

*Jose Luis Pelaez, Inc. v. McGraw-Hill Glob. Educ. Holdings LLC*, 399 F. Supp. 3d 120 (S.D.N.Y. 2019)

Court granted in part and denied in part parties’ cross-motions for summary judgment. Plaintiffs were photographer Pelaez and Jose Pelaez Inc., and defendant was textbook and educational product publisher. Starting in 1990, Pelaez entered into agreements with non-party Corbis, allowing Corbis to sublicense Pelaez’s photos. During relevant time period, Corbis and defendant entered into agreements regarding fees for predicted use of works. If defendant wanted to use work from Corbis’s collection, defendant would request invoice from Corbis, and request would include information such as expected print run. In turn, invoice from Corbis would state rights given to defendant. Pelaez alleged that between 1992 to 2017, defendant infringed his works by surpassing invoice limitations by printing or distributing more than authorized number of copies, distributing works outside agreed distribution area, publishing works in certain publications without authorization, publishing works in international editions and publications without authorization, and publishing works after noted time limitation. Defendant moved for summary judgment on Pelaez’s claims. Defendant argued that registrations for 97 of plaintiffs’ claims were invalid pursuant to § 409. These registrations were received beginning in 2002 as part of practice under which Pelaez transferred copyright in works to Corbis for registration purposes. Corbis then submitted single application attempting to register database that included many photographers’ works, including Pelaez’s. When registration was completed, Corbis assigned ownership of copyrights back to Pelaez. Pelaez was not listed on registrations, nor

were titles of his works. Relying on other district court opinion finding that author and title required to be named under § 409 were of collective work, rather than individual works, court found registrations in question valid. Court denied defendant's motion for summary judgment insofar as it claimed registrations were invalid.

*Masi v. Moguldom Media Group, LLC.*, No. 18-2402, 2019 U.S. Dist. LEXIS 121733 (S.D.N.Y. July 22, 2019)

District court granted plaintiff's summary judgment motion on copyright infringement because plaintiff sufficiently established that registration covered works at issue. In September 2010, plaintiff photojournalist took series of freelance photographs of luxury maximum-security Halden Prison in Norway and, on October 1, 2010, published them on internet for viewing and licensing. In July 2011, following spike of interest in Halden after imprisonment of Norwegian mass murderer, defendant for-profit media company published, on website *bossip.com*, article that prominently displayed eight of plaintiff's photographs ("Photographs"), without crediting plaintiff or seeking plaintiff's permission. In late 2016, plaintiff became aware of defendant's infringement after conducting internet searches prompted by unrelated infringement. On December 14, 2015, plaintiff applied for registration for photograph collection, which, according to plaintiff's sworn declaration and testimony, included eight Photographs ("Registration"). Though Registration was filed more than five years after Photographs' first publication, court accorded it weight because plaintiff submitted additional evidence of copyright's validity that was uncontradicted by defendant. Defendant did not dispute that it published Photographs without plaintiff's authorization but argued that plaintiff failed to prove that Registration covered Photographs at issue because he failed to produce documents reflecting deposit material. Given plaintiff's declaration and testimony, defendant's speculative statements insufficient to raise issue of fact as to Registration's coverage of Photographs, where defendant failed to move to compel plaintiff to produce deposit copy or to obtain same from Copyright Office.

*King-Devick Test, Inc. v. NYU Langone Hosps.*, No. 17-9307, 2019 U.S. Dist. LEXIS 117628 (S.D.N.Y. July 15, 2019)

District court granted defendants' motion for issuance of referral to Register. Plaintiff sued defendants alleging that defendants infringed plaintiff's registered copyright in reading test used to detect eye-movement impairments. Defendants claimed multiple inaccuracies in plaintiff's copyright application, including that application stated "No Publication" in space for "Date and Nation of First Publication," and "None" when asked to identify preexisting works on which test was based. Court noted that district courts may refer question of materiality to Copyright Office whenever knowing submission of materially inaccurate information is alleged. Court had discretion to await further factual development at summary judgment stage or trial before issuing referral to Register, but ultimately decided to refer questions to Register on existing record, based on meaningful factual support put forth by defendants. Court observed that proceedings could continue while awaiting advisory opinion from Register, and requested parties' input regarding which portions of case might proceed while awaiting Register's opinion.

*MerchDirect LLC v. Cloud Warmer, Inc.*, No. 17-4860, 2019 U.S. Dist. LEXIS 173971 (E.D.N.Y. 2019)

District court granted plaintiff's motion to dismiss defendant's copyright infringement counterclaim because defendant did not own copyright registration for software at issue. Defendant Cloud Warmer, through individual owner defendants, entered into agreement with plaintiff music industry merchandiser to provide plaintiff with e-commerce platform code and, upon termination of agreement, to transfer code and its copyright interest to plaintiff. Plaintiff registered code and sued defendants, alleging that their continued use of code after contract's expiration constituted infringement. Cloud Warmer counterclaimed, arguing that it was beneficial owner of code such that registration was fraudulently procured. Court dismissed counterclaim based on Cloud Warmer's failure to allege ownership of valid registration or to argue that any exceptions to registration requirement applied. Moreover, even if plaintiff's copyright application were fraudulent, this would only invalidate plaintiff's registration and not establish defendant's ownership of valid registration.

*Xclusive-Lee, Inc., v. Hadid*, No. 19-520, 2019 U.S. Dist. LEXIS 119868 (E.D.N.Y. July 18, 2019)

Plaintiff photographer sued supermodel Gigi Hadid who uploaded cropped version of Plaintiff's photograph to her Instagram account. Court granted Hadid's motion to dismiss because Plaintiff failed to allege that it had been granted copyright registration for photograph at time it filed complaint. Under Supreme Court's holding in *Fourth Estate*, copyright holder must actually hold registration when it files complaint; mere filing of application is insufficient. Court rejected plaintiff's argument that *Fourth Estate* should not preclude its claim because its complaint was filed before that decision issued. Court declined to grant plaintiff leave to amend complaint to allege registration should its copyright application later register, holding this would frustrate requirement under *Fourth Estate* that copyright registration is prerequisite to filing of copyright infringement claim.

*Whistleblower Prods., LLC v. St8cked Media LLC*, No. 18-5258, 2019 U.S. Dist. LEXIS 117396 (E.D.N.Y. July 15, 2019)

District court granted defendants' motion to dismiss copyright infringement claim due to plaintiff's failure to meet registration requirement. Plaintiff public school contractor Kathy Cole, after being subjected to years of retaliation following her report about safety issues in New York schools, hired defendants, media company and its members, to serve as editors of documentary about experiences of whistleblowers. Parties agreed that they would create short version of documentary to obtain funding for full-length version and would share equal credit. Plaintiffs Cole and others participated in production of short version and signed appearance releases that clarified that plaintiffs were not releasing rights to their individual stories and were entitled to notification and compensation for any derivative works. In July 2018, short version was completed with proper credit sharing. In August 2018, Cole discovered that defendants had signed agreement with third-party film company to develop movie or TV series based on short version and that plaintiffs no longer had access to same, in

violation of their contractual rights. Plaintiffs brought suit alleging, *inter alia*, copyright infringement but were unable to register documentary footage because they lacked physical access because defendants wrongfully denied it. Relying on statutory language and Second Circuit precedent, court declined to create exception to registration requirement and dismissed plaintiffs' copyright infringement claim because plaintiffs failed to register allegedly infringed work.

*Menzel v. Scholastic, Inc.*, No. 17-5499, 2019 U.S. Dist. LEXIS 217593 (N.D. Cal. Dec. 18, 2019)

Court granted in part and denied in part parties' motions for summary judgment. Plaintiff photographer sued defendant Scholastic for infringement, alleging that Scholastic exceeded scope of its license to use plaintiff's photographs. Both plaintiff and defendant moved for summary judgment. Court granted in part and denied in part plaintiff's summary judgment motion on defendant's affirmative defense that plaintiff's copyright registrations were invalid or unenforceable. Defendant challenged group registration owned by plaintiff, arguing that plaintiff was not entitled to summary judgment because "there is a question of fact as to whether the photographs in the group covered by the registration were all published within the same calendar year," as is required by federal regulations governing group registrations of photographs. Court held that, although there were some inaccuracies in one of plaintiff's copyright registrations, such inaccuracy "in and of itself is not a basis to invalidate a copyright." In reaching its conclusion, court explained that defendant made no claim that it relied on plaintiff's mistake and found that, given there were no other indicia of practice by plaintiff of including inaccurate information in his registration application, plaintiff did not intend to defraud Copyright Office. In addition to plaintiff's group registration, Scholastic challenged several other registrations, arguing that plaintiff claimed infringement before plaintiff registered photograph. Court agreed with defendant in two instances, but held that defendant's other examples did not show alleged infringement prior to registration date. Instead, court found that these examples were predicated on information "which shows only the publications where Scholastic was permitted to use the photographs – not publications where Scholastic infringed."

*Universal Dyeing & Printing, Inc. v. Knitwork Prods. II, LLC*, No. 17-5660, 2019 U.S. Dist. LEXIS 107182 (C.D. Cal. June 26, 2019)

District court denied defendants' motion for summary judgment. Plaintiff brought copyright infringement claims based on alleged unauthorized use of plaintiff's textile designs. Plaintiff received registration for textile design, but deposit copy submitted was for different design. Plaintiff received supplementary registration so that information on application properly corresponded with materials deposited with application. Additionally, plaintiff received single work registration for additional 15 textile designs, some of which were comprised of elements in public domain, and others of which were not authored by plaintiff but were procured through assignment. Plaintiff received supplementary registration that purported to correct problems in initial registration. Defendants argued that first registration was invalid due to plaintiff's failure to disclose certain information in initial application, which defendant

argued was based on intent to defraud Copyright Office. Compendium of U.S. Copyright Office Practices does not prohibit supplementary registration from correcting information in basic registration, which plaintiff accomplished by ensuring supplementary registration correlated with material deposited by plaintiff. Court noted plaintiff did not swap out deposit material but simply corrected information relating to application. Thus, court held defendants had not rebutted presumption of validity or shown errors in registration were in fact not inadvertent mistakes. Defendants asserted that second registration was not valid single work registration because 15 designs registered were not published in single unit of publication because plaintiff purchased eight of designs from third party; defendants contended that purchase constituted publication. However, even assuming that eight of 15 designs were previously published, those eight designs were not at issue in case; previous publication of those designs would not invalidate registration as to remaining designs.

*Universal Dyeing & Printing, Inc. v. Knitwork Prods. II, LLC*, No. 17-5660, 2019 U.S. Dist. LEXIS 107182 (C.D. Cal. June 26, 2019)

District court denied defendants' motion for referral to Register pursuant to § 411(b). Plaintiff received two supplementary registrations correct certain information contained in original applications. Defendant argued plaintiff knowingly included inaccurate information in original applications. Copyright registration satisfies precondition of infringement suit regardless of inaccurate information unless inaccurate information was included in application for registration with knowledge that it was inaccurate, and inaccuracy would have caused Register to refuse registration. Court noted that good faith or inadvertent mistake does not constitute knowing inaccuracy. Accordingly, court held that there was no evidence that errors in plaintiff's registration were purposeful, as plaintiff accidentally swapped deposit materials, which was later corrected with supplemental registration. Additionally, plaintiff sought supplementary registration to include missing information. Court noted that Copyright Office issued supplementary registration, which demonstrated registration would not have been initially refused, and therefore referral to Register of Copyrights was not warranted.

*Blue Book Servs. v. Farm Journal, Inc.*, No. 18-7155, 2020 U.S. Dist. LEXIS 12727 (N.D. Ill. Jan. 27, 2020)

District court granted motion to dismiss for failure to state claim. Plaintiff Blue Book Services published "Blue Book Rating" regarding reliability and creditworthiness of companies in produce industry. Defendant bought publisher of competing collection of ratings known for decades as Red Book, and began posting Blue Book Ratings as part of defendant's online publication. Plaintiff sued for copyright infringement. Defendant argued that plaintiff's two copyright registrations covered ratings database as whole, and not specific text of individual Blue Book Ratings. District court first took judicial notice of plaintiff's copyright registrations, finding that each registered work was compilation of database material, without any reference to "text." In addition, district court took judicial notice of plaintiff's correspondence with Copyright Office, noting that when plaintiff requested registration of "new text," Office rejected request and stated that any text in submitted work

was words and short phrases, which are not copyrightable. Plaintiff then declared itself “satisfied” with registration description that omitted reference to “text” “as long as the ratings are covered by the registration.” District court observed that plaintiff’s conditional satisfaction with registration decision did not constitute endorsement of that position by Copyright Office. Instead, correspondence demonstrated that Copyright Office rejected claim in text of ratings; registration extended only to database compilation. Despite refusal of registration of ratings text, plaintiff could have instituted action for infringement by providing notice to Register under § 411(a). Due to plaintiff’s failure to comply with § 411(a) requirements, district court dismissed case without prejudice.

*Krist v. Scholastic, Inc.*, 415 F. Supp. 3d 514 (E.D. Pa. 2019)

Plaintiff, professional photographer, participated in copyright group registration program facilitated by stock photography agency Corbis. Under program, plaintiff would assign to Corbis rights to his photographs solely for purpose of copyrighting photographs; Corbis registered photographs through group registration program whereby multiple photographers’ work was registered at once under Corbis name. After registering photographs, Corbis assigned complete copyright ownership of photographs back to plaintiff. Corbis also entered into preferred vendor agreements, which listed prices, terms, and rights, with third parties including defendant Scholastic. Years later, on November 30, 2016, plaintiff filed infringement suit alleging that defendant’s use of plaintiff’s photographs exceeded scope of license with agency. Plaintiff and defendant both moved for summary judgment. Plaintiff sought partial summary judgment on four photographs and dismissal of defendant’s affirmative defenses, while defendant sought summary judgment on all of plaintiff’s claims, including on (a) one particular photograph, alleging that plaintiff never showed ownership of registration for such photograph; and (b) photographs copyrighted as part of group registration, arguing “that this was an invalid method of copyright” because, contrary to statutory requirements, “only one of the registrations included [plaintiff’s] name.” Although court granted summary judgment to defendant as to one photograph for which plaintiff did not provide proof of copyright ownership, court determined that plain language of § 409(2) validates group copyright registration. Court noted that even if statutory text were ambiguous, plaintiff “would still prevail because the Copyright Office’s manuals and opinion letters interpreting Section 409(2) to allow for group registration are entitled to *Skidmore* deference.” Based on this, court determined that agency group registration was valid, even though it did not list all individual authors’ names, because agency complied with Copyright Office’s requirements by listing its own name as author of collective work, identifying title for collective work, and including names of other photographers. Therefore, court denied defendant’s motion based on these grounds and held that plaintiff met burden of showing no genuine dispute as to ownership of valid copyright and that defendant copied photographs.

*Art of Design, Inc. v. Pontoon Boat, LLC*, No. 16-595, 2019 U.S. Dist. LEXIS 133409 (N.D. Ind. Aug. 8, 2019)

Plaintiff sued defendant boat manufacturer for selling boats incorporating plaintiff’s copyrighted “Shatter Graphic” design. Defendant argued that plaintiff’s copyright

registration contained inaccurate information because it stated that design was “original,” and failed to disclose that design was compiled from or derivative of other works. Defendant asked court to seek advisory opinion from Register under § 411(b) as to whether inaccurate information, if known, would have caused Register to refuse registration. Plaintiff stated that application was prepared by its lawyer, and argued that Register’s opinion was not necessary because defendant had not shown that plaintiff knew information was inaccurate, and had not shown that there was fraudulent intent. Court held that fraudulent intent was irrelevant in this case, because defendant presented adequate possibility of fraud to justify referral to Register, and because existence of undisclosed prior work was material to question of originality and copyrightability. Court also denied defendant’s request that proceedings be stayed until Register’s opinion was returned, reasoning that opinion was merely advisory, and that regardless of content of opinion, parties would have opportunity to argue legitimacy of registration and its effect on legal claims.

*Ronaldo Designer Jewelry, Inc. v. Cox*, No. 17-2, 2019 U.S. Dist. LEXIS 142851 (N.D. Miss. Aug. 22, 2019)

District court granted in part defendant’s motion for request to Register pursuant to § 411(b). Defendants argued that plaintiff’s application to register bracelet designs contained knowing material misrepresentations because plaintiff (1) was not claimant or owner of either of works; (2) was not author of either of works; and (3) did not identify or exclude substantial portions of each bracelet that were in public domain, common, or previously published at the time applications were filed. Court held proceeds from assignment rather than copyrights in bracelets were at issue in bankruptcy proceeding, and thus contention that plaintiff was not owner when applications filed was unwarranted and failed to set forth good faith allegation that plaintiff did not own copyrights when applications were filed. Regarding authorship challenge, while initial applications erroneously listed plaintiff as author of bracelet designs and failed to specify that plaintiff acquired copyright through transfer, supplementary registration issued by Copyright Office correcting error demonstrated initial application would not have been rejected. However, court held defendant put forth good faith allegation that one bracelet design was “based on” prior design, and relationship between plaintiff and designer indicated access to prior design and would have required disclosure; and thus warranted referral to Register to provide guidance as to whether, had it known bracelet design was derivative of prior design, Register would have rejected application for failure to disclose previous material works.

## V. INFRINGEMENT

### A. Access

*Horizon Comics Prods. v. Marvel Entm't*, No. 16-2499, 2019 U.S. Dist. LEXIS 117437 (S.D.N.Y. July 15, 2019)

Court granted defendants' motion for summary judgment. Defendants owned, created, and distributed *Iron Man* franchise. Around debut of *Iron Man 3*, defendants released poster showing Iron Man crouching in armor. Approximately 12 years before *Iron Man 3* was released, comic book artist brothers who jointly owned plaintiff created Caliban character for *Radix*, comic book series. Brothers created depiction of Caliban kneeling in armor suit for series. Brothers published three editions of *Radix*, but no edition contained Caliban drawing. *Radix* gained popularity in comic industry, and plaintiff alleged at least six of defendants' employees knew of comic series, two of whom had working relationship with brother comic creators. One of defendants' employees, Cebulski, spoke to brothers at booth of comic book convention where Caliban drawing was displayed, and later tried to hire brothers to work at Marvel. Cebulski also emailed address embedded on plaintiff's website where Caliban drawing was displayed, and was friends with two other Marvel employees who allegedly were involved in developing poster. Defendants created *Iron Man 3* poster by having outside vendor design inspiration boards, showing crouching figures and characters wearing armor, and pencil sketches. Marvel then hosted photoshoot with actor playing Iron Man to create photos for poster. Vendor used many photos that show actor in crouching pose. Poster concept was finalized, and vendor made drafts of poster. Plaintiff alleged defendants infringed Caliban drawing in producing *Iron Man 3* poster. Defendants moved for summary judgment on grounds that they did not have access to plaintiff's work, that works were not strikingly similar, and that they independently created *Iron Man 3* poster. On access, court found record evidence did not show reasonable possibility that Cebulski shared Caliban drawing with Marvel employees allegedly involved in developing *Iron Man 3* poster. Court also found that employees' awareness of *Radix* did not indicate knowledge of Caliban drawing, and as to other Marvel employees, court found no non-speculative evidence showing that they knew of Caliban drawing or were involved in *Iron Man 3* poster design. Court also rejected plaintiffs' argument that Caliban drawing was widely disseminated, as argument was based on dissemination of *Radix* rather than Caliban drawing. On striking similarity, plaintiff relied on expert report, but court found (1) report did not show "unequivocal opinion" on striking similarity and did not bar reasonable possibility of independent creation; and (2) even crediting expert report, court found that enough differences existed between works to prevent striking similarity finding. On independent creation, court found that even if it could assume plaintiff could have established *prima facie* infringement claim, it would grant summary judgment based on defendant's evidence of independent creation. Court granted defendants' motion for summary judgment.

*Gray v. Perry*, No. 15-5642, 2020 U.S. Dist. LEXIS 46313 (C.D. Cal. Mar. 16, 2020)

Court granted defendants' renewed motion for judgment as matter of law. Jury previously returned verdicts for plaintiffs, finding that eight-note ostinato in Katy Perry song "Dark Horse" infringed eight-note ostinato in plaintiffs' song "Joyful Noise," and awarding plaintiffs \$2.8 million in damages for infringement. Defendants moved for judgment as matter of law based on argument that there was insufficient evidence to support finding that they had access to "Joyful Noise." Court found, however, that plaintiffs' trial evidence sufficiently supported the jury's finding that defendants had access to plaintiffs' work. Plaintiffs showed that "Joyful Noise" played more than six million times on YouTube and MySpace; work was nominated for Grammy; work was performed at hundreds of concerts nationwide; and work was highly ranked on Billboard charts. Accordingly, court found that reasonable jury could have surmised that composer defendants had reasonable opportunity to have heard "Joyful Noise." However, because court had found that works were not substantially similar, court granted defendants' renewed motion for judgment as a matter of law, and found its alternative request for new trial to be moot.

## **B. Copying and Substantial Similarity**

*Skidmore v. Led Zeppelin*, 952 F.3d 1051 (9th Cir. 2020)

*En banc* Ninth Circuit affirmed district court's judgment for defendants, finding that beginning of *Stairway to Heaven* did not infringe *Taurus*, written by Randy Wolfe and performed by band Spirit. Court began its analysis by noting that the deposit copy of *Taurus* controlled issue of alleged infringement. Wolfe's unpublished composition was registered in 1967, and therefore was subject to 1909 Act, which did not protect sound recordings. As work was unpublished, Wolfe's rights in the composition were limited by deposit copy, which consisted of one page of sheet music. District court, accordingly, did not err in rejecting Skidmore's request to play *Taurus* sound recordings "that contain further embellishments" from deposit copy, or to admit sound recordings for purpose of analyzing substantial similarity. Second, court abrogated inverse ratio rule, overruling contrary precedent. In so doing, Circuit joined majority of circuit courts who have declined to add rule to their copyright jurisprudence. Court found that district court did not err in refusing to provide jury instruction on inverse ratio rule.

*Hall v. Swift*, No. 18-55426, 2019 U.S. App. LEXIS 32272 (9th Cir. Oct. 28, 2019)

Ninth Circuit reversed district court's dismissal of plaintiffs' infringement claim. Plaintiffs were authors of musical composition "Playas Gon' Play," whose chorus included lyrics "Playas, they gonna play / And haters, they gonna hate." Plaintiffs alleged that chorus of song "Shake it Off" by Taylor Swift *et al.* – specifically lyrics "Cause the players gonna play, play, play, play, play / And haters gonna hate, hate, hate, hate, hate" – infringed their work. District court dismissed complaint due to lack of originality of relevant portions of plaintiff's work. Ninth Circuit reversed, finding that district court by so holding "constituted itself as the final judge of the worth of an expressive work," and that neither complaint nor matters of which district court took

judicial notice established absence of originality. Ninth Circuit declined to consider defendants' alternative arguments for affirmance, which district court could consider on remand.

*Compulife Software, Inc. v. Newman*, No. 18-12004, 2020 U.S. App. LEXIS 16052 (11th Cir. May 20, 2020)

Eleventh Circuit vacated magistrate judge's bench trial findings, holding that magistrate improperly placed burden of proving work's protectability on plaintiff and failed to evaluate substantiality of defendants' copying vis-à-vis plaintiff's work. Plaintiff software company owned registered copyright for web-based life insurance quote software source code, which defendants copied in part. Though existence and validity of plaintiff's copyright, as well as factual copying by defendants of portions of plaintiff's code, were undisputed, magistrate held against plaintiff because plaintiff failed to prove that copied elements were protectable and because magistrate apparently evaluated significance of defendants' copying with regard to defendants' work rather than plaintiff's. Eleventh Circuit found magistrate committed error by placing burden of proving protectability on plaintiff because, once plaintiff demonstrated that it owned valid copyright and that defendants copied same, burden shifted to defendants to show that copied elements were unprotectable (e.g., unoriginal, in public domain, etc.). Only after elements proven by defendants to be unprotected were filtered out of plaintiff's work would burden shift back to plaintiff to prove substantial similarity between remaining protectable elements and defendants' work. Moreover, magistrate apparently evaluated significance of defendants' copying vis-à-vis their own, rather than plaintiff's, work, pointing to disparity in length between plaintiff's work (nine pages) and defendants' (25 pages) to suggest that defendants' inclusion of additional material undermined infringement finding. However, both quantity and quality of defendants' misappropriation properly judged by significance to plaintiff's copyrighted work, such that defendants' inclusion of new material (even substantial amount) irrelevant to infringement finding. Because magistrate's holding based on legal errors, finding of non-infringement was tainted and required *vacatur* and remand.

*Enchant Christmas Light Maze & Mkt. v. Glowco, LLC*, 958 F.3d 532 (6th Cir. 2020)

Sixth Circuit affirmed district court's denial of plaintiff's motion for preliminary injunction. Plaintiff was producer of holiday-themed light show that featured large three-dimensional sculptures of polar bears, deer, and ice crystals. Plaintiff obtained copyright registrations for sculptures. Defendants, competing lighting companies, decided to jointly produce holiday-themed light show in Nashville. In preparation for show, defendants purchased several light sculptures from plaintiff and solicited manufacturers in China to produce additional light sculptures. Defendants sent two-dimensional images of plaintiff's copyrighted sculptures, obtained from folder shared in connection with prior engagement between parties and to which defendant retained access, to solicit bids from manufacturers. Upon learning of defendants' intentions, plaintiff filed infringement suit, as well as motion for temporary restraining order and preliminary injunction. After initially granting restraining order, court, after conducting hearing with parties, lifted order and denied plaintiff's request for injunction. Court determined that any copyright-protected interest in plaintiff's sculptures

was “very thin” and that there were numerous differences between plaintiff’s and defendants’ sculptures. Plaintiff appealed. Sixth Circuit affirmed, focusing its analysis on whether defendants copied constituent, original elements of plaintiff’s works. First, court noted that parties did not dispute that defendants had access to allegedly-infringed works. Court, employing two-step approach to determining substantial similarity, first held that district court did not err in finding that plaintiff “has a thin copyright at best.” Given that plaintiff’s sculptures depict “animal or natural phenomenon the way in which it would be found in nature,” it follows that “qualities of [plaintiff’s] sculptures that are inherent in the chosen subject – animal sculpture – are not subject to copyright protection.” However, court acknowledged that realistic reproductions of live animals may enjoy some copyright protection, and therefore, plaintiff’s sculptures might contain some original protectable elements. Under second prong, court held that “although there are some similarities between the [plaintiff’s and defendants’] designs, that is not enough for us to reverse the district court’s decision to deny a preliminary injunction.” District court “reasonably determined that any similarities between [defendants’] sculptures and [plaintiff’s] were inherent in their subjects (animals and ice sculptures) and that [defendants’] designs were not substantially similar to what could be deemed [plaintiff’s] original work.” Lastly, court determined that plaintiff was not facing any imminent irreparable injury, given that light show where defendants intended to use sculptures had already taken place at time of court’s decision.

*Parker v. Winwood*, 938 F.3d 833 (6th Cir. 2019)

Sixth Circuit affirmed district court’s dismissal of plaintiffs’ copyright infringement claim because plaintiffs failed to present admissible evidence that defendants copied plaintiffs’ work. In 1965, in Memphis, Tennessee, plaintiff Parker and Homer Banks wrote *Ain’t That a Lot of Love* and registered it with Copyright Office. In 1966, in London, England, defendants Steve and Mervyn Winwood, as members of Spencer Davis Group (“SDG”), wrote *Gimme Some Lovin’* and their record label registered it with Copyright Office. Steve and defendant Kobalt Music Publishing, which exploits Steve’s copyright in song composition, moved for summary judgment on ground that there was no evidence of copying, as no one in SDG heard plaintiffs’ song before composing SDG’s song. Because direct evidence of copying is rare, plaintiffs could create inference of copying by showing defendants’ access to original song, along with probative similarity between original and allegedly infringing song; if plaintiffs could not show access, they could establish copying by showing striking similarity between original and allegedly infringing song. Defendants submitted four documents that allegedly contained evidence of direct copying, but district court held them inadmissible hearsay; Sixth Circuit affirmed, thus defendants had no admissible evidence of copying. Although plaintiffs also argued that parties’ works were strikingly similar, plaintiffs did so on basis of report created after summary judgment briefing closed, which undermined fairness. Because plaintiffs failed to provide admissible evidence of access or copying, and because striking similarity was raised too late, Sixth Circuit affirmed entry of summary judgment in favor of Steve and Kobalt.

*Nicassio v. Viacom Int'l, Inc.*, 776 F. App'x 761 (3d Cir. 2019)

Third Circuit affirmed district court's dismissal of copyright infringement claim. Plaintiff was author of illustrated children's book entitled *Rocky: The Rockefeller Christmas Tree*; defendants subsequently published book and produced animated series *Albert: The Little Tree with Big Dreams*. On appeal, Third Circuit upheld district court's conclusion that although both works shared same basic story concept and theme, allegedly infringing works explored other themes by using different plot twists, sequences, and expressions. Third Circuit concluded that differences showed that *Albert* did not infringe *Rocky*'s total concept and feel.

*Pickett v. Migos Touring, Inc.*, 420 F. Supp. 3d 197 (S.D.N.Y. 2019)

Plaintiff, author of musical composition "Walk It Like I Talk It," alleged that defendants' composition "Walk It Talk It" infringed his work. Defendants moved to dismiss. Court found that plaintiff's claim was barred because he hadn't registered copyright in musical composition. Court also found dismissal appropriate even if plaintiff were not barred from suing, because defendants' work was not substantially similar to protectable elements of plaintiff's work: "[t]he only meaningful similarity between Plaintiff's Work and Defendant's Work is that the lyrics 'walk it like I talk it' form each song's chorus or hook." Court noted that Second Circuit and courts in this district have found that "short and commonplace phrases" are not protectable, and took judicial notice of 32 instances of "walk it like I talk it" and slight variations used in literature, music, and movies, with numerous examples dating from before plaintiff recorded his work. Concluding that sole similarity between plaintiff's and defendants' works was not original to plaintiff, and therefore not protectable, court granted defendants' motion to dismiss.

*Gunther v. Town of Odgen*, No. 19-6199, 2019 U.S. Dist. LEXIS 200897 (W.D.N.Y. Nov. 19, 2019)

District court denied defendants' motion to dismiss plaintiffs' infringement claim. Plaintiffs, residential and commercial electrical inspector licensed in New York State, created summaries of National Electric Code's electrical wiring requirements for storable swimming pools and hot tubs and spas. Plaintiffs registered copyrights in summary sheets. Defendants, Town of Odgen and members of Town Board, began publishing plaintiffs' summary sheets on its website without authorization. After repeatedly demanding that defendants remove plaintiffs' copyrighted materials from its website, plaintiffs filed suit, alleging that "materials published on defendant's websites are verbatim to plaintiffs' sheets, minus the diagrams and references to [p]laintiff, and are [p]laintiffs' copyrighted summaries of the 2014 [National Electric Code]." Defendants filed motion to dismiss, arguing that entries on their websites were not substantially similar to protectable elements in plaintiffs' summaries because defendants' documents (a) did not contain schematics and diagrams, as did plaintiffs' sheets; (b) were in different typeface; and (c) listed defendants' contact information. Court disagreed with defendants, noting that "no plagiarist can excuse the wrong by showing how much of his work he did not pirate." Court determined that, although defendants did not

copy every aspect of plaintiffs' summaries, substantive text and layout of each work was mostly identical. Based on this, court held that plaintiffs adequately alleged substantial similarity between summary sheets and material posted on defendants' website, although it declined to decide whether plaintiffs established copyright infringement at this stage. Additionally, court dismissed defendants' arguments concerning protectability of plaintiff's summary sheets. Court determined that plaintiffs adequately alleged their summary sheets were protectable under Copyright Act because "they claim protection in the summary sheets, which is compilation of information from National Electric Code, as well as plaintiffs' own knowledge and experience," and did not simply "claim copyright protection in the National Electric Code." Court accordingly denied defendants' motion to dismiss.

*Shull v. TBTF Productions*, No. 18-12400, 2019 U.S. Dist. LEXIS 174833 (S.D.N.Y. Oct. 4, 2019)

District court granted defendants' motion to dismiss plaintiff's claim of copyright infringement. Plaintiff was professional performance coach and author of book *Market Mind Games*, which described plaintiff's "experience advising financial professionals, hedge fund managers, and Wall Street employers" and "use[d] the setting of a fictional hedge fund and [her] own persona" to portray "fictionalized accounts from [her] own experience." Plaintiff filed suit against TBTF Productions, Showtime Networks, Inc., and CBS Corporation alleging that defendants infringed copyright in *Market Mind Games* based on defendants' television show *Billions*, which "portrays the experiences of Dr. Wendy Rhoades, an in-house performance coach at a fictionalized hedge fund." Court granted defendant's motion to dismiss, finding no substantial similarity between plaintiff's book and defendants' television show under either "more discerning observer" test, as urged by defendants, or "quantitative/qualitative approach" argued by plaintiff. Under "more discerning observer test," court determined that respective works differed greatly in "total concept and feel, theme, characters, plots, sequence, pace and setting," particularly because plaintiff's work was "academic work that interweaves fiction to better help the reader understand [plaintiff's] ideas, while defendant's work is a television show" based in New York that demonstrates drama underlying money, power and sex. Under "quantitative/qualitative approach," court assessed (a) similarities between plaintiff and Dr. Wendy Rhoades, finding that plaintiff could not copyright idea of female in-house performance coach; (b) defendants' use of term "alpha" in television show, which plaintiff had also used in *Market Mind Games*, holding that term is commonly used in reference to men in finance, such that plaintiff "cannot take a word already in existence and make it" hers; and (c) similarities between scenario in plaintiff's book where plaintiff's persona counsels character through "bad trade" and similar scene in *Billions*, holding that "idea of a counseling session" is not novel such that plaintiff can claim infringement. Court held that plaintiff's other alleged examples did not constitute copyright infringement, as they were "common in psychology or generally."

*Montgomery v. Holland*, No. 17-3489, 2019 U.S. Dist. LEXIS 168449 (S.D.N.Y. Sept. 30, 2019)

District court granted defendants' identical motions for judgment on pleadings and to dismiss, holding plaintiff's short stories and defendants' miniseries not substantially similar as matter of law. Plaintiff author wrote two short stories that, in 2012, she emailed to defendant director Holland, who provided her critique. Holland went on to direct miniseries *Rosemary's Baby*. In 2017, plaintiff sued Holland as well as studios, actors and others involved with miniseries, alleging that miniseries infringed plaintiff's copyrighted stories due to shared characters (American Black woman with blonde best friend), setting (Paris), storyline (character investigating disappearance from apartment based on photograph) and dialogue ("*Parlez-vous anglais?*"). Disregarding defendants' allegation that miniseries based on 1967 novel and 1968 film of same title because such lineage relevant to whether defendants actually copied plaintiff's works, court compared works and held them not substantially similar, despite plaintiff's submission of 110 pages of purported "resemblances." Particularly, miniseries was dramatic horror story, with predominant themes of violence, sex and Satanism, whereas stories were more realistic and contained no death, sex or Satanism. Further, works' shared element of interracial female friendship between Black woman and funny blonde is standard in genre, especially where particularities of characters and relationship were different; likewise, character's investigation of disappearance based on photograph was insufficient where details were completely different. Moreover, asking "*Parlez-vous anglais?*" and similar elements constitute *scenes a faire* for stories about Americans in Paris, and therefore are unprotectable. Court held there was not even *de minimis* similarity between protectable elements of parties' works, and dismissed plaintiff's claims with prejudice.

*Vacchi v. E\*Trade Fin. Corp.*, No. 19-3505, 2019 U.S. Dist. LEXIS 156972 (S.D.N.Y. Sept. 13, 2019)

District court granted defendant's motion to dismiss infringement claim. Vacchi, president of Italian manufacturing company, claimed E\*Trade infringed on registered videos featuring character created by plaintiff. Vacchi registered five videos featuring character based on and played by Vacchi: older man with grayed hair and beard, covered in tattoos, who was frequently shown dancing with younger women on boat. In 2007, E\*Trade created two commercials titled *Hard Work* and *Yacht Life*. *Yacht Life* featuring older man with grayed beard with exposed tattooed torso. E\*Trade's character also made appearance in *Yacht Life*. Court noted that unprotectible elements must be extracted and determination must be made whether protectible elements, standing alone, are substantially similar, by examining similarities as to total concept and feel, theme, characters, plot, sequence, pace and setting. Court held *Yacht Life* commercial was not similar to Vacchi's registered videos, as *Yacht Life* was based on "dumbest guy in high school" who recently purchased yacht, which bore no resemblance to Vacchi's videos featuring older man. Court further held similarities between registered videos at issue were unprotectible elements because concept of older man dancing with younger women is *scène à faire* or standard in treatment of given topic. Court also denied Vacchi's claim that older men featured in respective works were similar, noting

that E\*Trade character was not physically fit, tattoos were not similar to Vacchi's character's, and apparel and accessories were also different.

*Yeda Research & Dev. Co. v. iCad, Inc.*, No. 18-8083, 2019 U.S. Dist. LEXIS 153420 (S.D.N.Y. Sept. 5, 2019)

District court denied defendant's motion to dismiss. Plaintiff alleged that defendant infringed plaintiff's software code for cancer detection technology. In 2012, plaintiff executed agreement with defendant granting to defendant royalty bearing and non-transferable license to underlying software ("Yeda Source Code") for cancer detection technology. Plaintiff alleged that defendant terminated agreement but copied Yeda Source Code to develop product that was eventually sold to codefendant Invivo Corporation. Defendant argued that plaintiff had not sufficiently alleged "copying of constituent elements of the work that are original." Court held plaintiff sufficiently alleged actual copying by showing defendant had "access to the copyrighted work," namely, Yeda Source Code through parties' license agreement, which was used to developed cancer detection product that was sold to Invivo thereby infringing plaintiff's copyrights. Additionally, defendant's 2012 FDA filing stated defendant's product had same "intended use, fundamental scientific technology, and characteristics as the previously cleared predicate devices." Court further held that plaintiff sufficiently alleged substantial similarity by demonstrating such "previously cleared predicate devices" relied on Yeda Source Code.

*Gray v. Perry*, No. 15-5642, 2020 U.S. Dist. LEXIS 46313 (C.D. Cal. Mar. 16, 2020)

Court granted defendants' renewed motion for judgment as matter of law or in alternative for new trial. Jury previously returned verdicts for plaintiffs, finding that eight-note ostinato in Katy Perry song "Dark Horse" infringed eight-note ostinato in plaintiffs' song "Joyful Noise," and awarding plaintiffs \$2.8 million in damages for infringement. On substantial similarity, court first considered whether individual elements of plaintiffs' "Joyful Noise" ostinato were protectable. Reviewing allegedly protectable elements—whether five to six identified by plaintiffs' musicologist or nine identified by plaintiffs in briefing—court found that these individual elements of plaintiffs' ostinato were not protectable, and therefore could not give rise to infringement by defendants. Court next considered whether combination of elements in plaintiffs' ostinato was nonetheless protectable. After surveying cases on topic, court held that "Joyful Noise" ostinato lacked significant number of musical elements arranged in "a sufficiently original manner to warrant copyright protection." Because plaintiffs' ostinato was not protectable, court granted defendants' motion for judgment as matter of law. But court noted that even if it had found plaintiffs' ostinato protectable as combination of unprotectable elements, it would nonetheless hold that defendants were entitled to judgment as matter of law because trial evidence did not support finding that ostinatos were objectively substantially similar. Because there were few possible ways of expressing eight-note ostinato in pop genre, court found that combination of unprotectable elements in "Dark Horse" ostinato would need to be "virtually identical" to be substantially similar to plaintiffs' ostinato—finding it could not make because of objective distinctions

between two *ostinatos*. Accordingly, even if court had found plaintiffs' *ostinato* protectable, it nonetheless would have granted defendants' motion.

*Bell v. Chi. Cubs Baseball Club, LLC*, No. 19-2386, 2020 U.S. Dist. LEXIS 17527 (N.D. Ill. Feb. 4, 2020)

Plaintiff sports psychology and performance consultant sued Chicago Cubs and director of its "Mental Skills Program," Joshua Lifrak, after Lifrak retweeted excerpt of plaintiff's copyrighted work "Winning Isn't Normal." On motion to dismiss direct infringement claim, court considered whether retweet of copyrighted material constitutes new "copy." Defendants argued that retweet does not generate "actual copy" of material, but merely creates link or direction back within Twitter's servers, and is governed exclusively by Twitter. Court denied motion to dismiss direct infringement as to Lifrak, because defendant's factual description of function of retweeting was contrary to complaint, which alleged that retweet created "actual copies" of work. However, court invited defendants to move for summary judgment if factual record developed to support its allegation that no "copy" was made. Court granted motion to dismiss direct infringement claim as to Cubs, because complaint only alleged copying by Lifrak, and not "Cubs themselves."

*Haas Outdoors, Inc. v. Dryshod Int'l, LLC*, No. 18-978, 2019 U.S. Dist. LEXIS 117026 (W.D. Tex. July 15, 2019)

District court denied defendants' motion to dismiss copyright claim regarding camouflage pattern on outdoor boots, concluding that reasonable factfinder could find substantial similarity between plaintiff's and defendants' patterns as alleged. Both patterns featured primary background consisting of dark oak tree bark; diagonal, cross-layered branches and twigs covered with lichen; shadows and black spaces; green oak leaves contrasted with dark, dead oak leaves; watermark overlay; and repeating elements that formed multi-directional pattern.

*Stouffer v. Nat'l Geographic Partners, LLC*, 400 F. Supp. 3d 1161 (D. Colo. 2019)

Plaintiffs produced *Wild America*, nature documentary program that was regularly televised on PBS. Defendant engaged in negotiations with plaintiffs regarding licensing or purchasing *Wild America*, but no deal came to fruition. Defendant eventually produced other nature documentary programs, including *Untamed Americas*. Plaintiffs claimed that defendant's "Mountains" episode in *Untamed Americas* infringed "Bighorn!" episode in *Wild America*. Plaintiffs pointed to four specific similarities: in both episodes "two rams head-butt one another as the introductory music crescendos"; both episodes had voice-over narration "by an iconic individual"; both segments centered on animals rearing their young; and both episodes used slow-motion, which plaintiffs claim was "popularized by *Wild America*." Court found plaintiffs failed to allege "'significant number of protectable elements' in a 'particular sequence'" to qualify for protection. As to "particular sequence," plaintiffs only described when two of its alleged elements occurred, and court further found plaintiffs presented limited number of comparable elements, finding all except "head-butting-with-musical-crescendo sequence element" weak. Specifically, court found many pleaded elements "so

standard as to essentially define the nature documentary genre.” Court granted motion to dismiss without prejudice.

*If Merch., LLC v. Kangaroo Mfg.*, No. 17-1230, 2019 U.S. Dist. LEXIS 154841 (D. Conn. Sept. 11, 2019)

District court granted summary judgment for plaintiff dismissing defendant’s copyright infringement counterclaim. Parties’ prior settlement agreement prohibited similar products offered by respective parties from appearing on same Amazon product webpage. Subsequently, defendant discovered third party Assortmart using copyrighted photographs of emoji beach balls owned by defendant on Assortmart’s webpages on Amazon. Eventually webpages, which also included products owned by plaintiff, were taken down after Kangaroo filed complaint with Amazon. In response, plaintiff filed instant lawsuit to which defendant filed counterclaim alleging copyright infringement. Court noted images used on Assortmart’s Amazon product page were identical to defendant’s copyrighted emoji beach balls. However, court found that If Merchandise offering products under Assortmart’s Amazon webpage did not establish If Merchandise’s liability for infringement. Court further noted that no case law was presented supporting contention that seller listed under third-party product page assumes infringement liability of party that created such webpage. To contrary, alleged infringer must be involved in copying to be held liable. Accordingly, defendant had not presented any evidence showing plaintiff was responsible for or even knowledgeable about copying of emoji beach balls by Assortmart, and granted summary judgment in favor of plaintiff on defendant’s infringement counterclaim.

*Great Am. Duck Races Inc. v. Kangaroo Mfg.*, 398 F. Supp. 3d 494 (D. Ariz. 2019)

Plaintiff produced inflatable pool float featuring copyrighted design of yellow duck wearing sunglasses. Defendant produced inflatable pool featuring yellow duck wearing sunglasses, modeled “to some extent” after plaintiff’s duck. Plaintiff sued for copyright infringement. Court reasoned that only unique and protectable element in plaintiff’s duck was sunglasses feature, and that plaintiff can only protect its particular expression of duck wearing sunglasses. Court examined differences between sunglasses, most notably that plaintiff’s sunglasses were separately inflatable, and defendant’s sunglasses were merely painted on duck’s head. Court, applying “ordinary observer test,” held defendant’s duck not substantially similar to any protectable elements of plaintiff’s duck, and dismissed plaintiff’s copyright claim.

*John Anthony Drafting & Design, LLC v. Burrell*, No. 18-970, 2019 U.S. Dist. LEXIS 187966 (D. Ariz. Oct. 30, 2019)

District court denied plaintiff’s motion for partial summary judgment. Plaintiff architectural design firm entered into agreement with defendants, husband and wife, to design defendants’ home (“Residence”); plaintiff obtained registration of design for Residence. Subsequently, defendants entered into agreement with other defendants to construct Residence, which plaintiff alleged infringed copyright in design for Residence. Court noted that ownership of valid copyright and unauthorized copying of original elements of work must be shown to

establish infringement. Court also noted that alleged infringer may show that work is not original and was copied from another work. Here, plaintiff produced copyright registration, which was *prima facie* evidence of validity and ownership and was uncontroverted by defendants. However, defendants contended that in designing Residence plaintiff copied design of non-party Gary Wyant, which defendants provided to plaintiff as example of desired design for home. Court found it undisputed that plaintiff had access to Gary Wyant design; however, there was genuine issue of fact as to substantial similarity between Gary Wyant design and design of Residence. Court accordingly denied summary judgment motion.

*Design Basics, LLC v. Heller & Sons, Inc.*, No. 16-175, 2019 U.S. Dist. LEXIS 105553 (N.D. Ind. June 24, 2019)

Plaintiff, “prolific design firm,” owned more than 2,500 copyrights in designs and plans for single-family homes, which it licensed for construction. Plaintiff alleged that defendant home builder infringed copyrights in five of its plans. Defendant moved for summary judgment. Sole issue to be decided by court was substantial similarity. Parties highlighted three items from which court could make substantial similarity determination—plans at issue, plaintiff’s expert report, and defendant’s expert report. In assessing each plan at issue, court found that there were number of distinguishable differences, and that this supported finding of no substantial similarity. In reviewing plaintiff’s report, court found that expert did not focus on material differences rather than similarities between works, in compliance with Seventh Circuit precedent. Court credited defendant’s expert’s report, which noted significant differences between five sets of plans at issue. Court granted defendant’s motion for summary judgment.

### **C. Contributory/Vicarious Infringement**

*Palmer/Kane LLC v. Benchmark Educ. Co. LLC*, No. 18-9369, 2020 U.S. Dist. LEXIS 4077 (S.D.N.Y. Jan. 6, 2020)

District court granted defendant’s motion to dismiss plaintiff’s contributory and vicarious copyright infringement claims as insufficiently pled. Plaintiff stock photography company licensed certain copyrighted commercial images, subject to three group registrations, to non-party agency Corbis, which, in turn, licensed images under limited rights license to, among others, defendant educational publisher. Plaintiff sued defendant, and unnamed printers/distributors, for copyright infringement, alleging that defendant used images without license, with expired license and/or in excess of license’s scope. Plaintiff broadly alleged that plaintiff enabled, induced, facilitated and materially contributed to infringement by unspecified third parties, but failed to provide factual allegations regarding infringing acts or defendant’s enablement of same. Plaintiff also failed to allege that defendant had right and ability to supervise third parties’ infringing acts. Accordingly, court dismissed plaintiff’s secondary infringement claims.

*MerchDirect LLC v. Cloud Warmer, Inc.*, No. 17-4860, 2019 U.S. Dist. LEXIS 173971 (E.D.N.Y. 2019)

District court denied individual defendants' motion to dismiss claim for contributory infringement because plaintiff adequately alleged both infringement by corporate defendant and material, knowing contribution to infringement by individual defendants. Corporate defendant Cloud Warmer, through individual defendants Mango brothers, entered into agreement with plaintiff music industry merchandiser to provide plaintiff with e-commerce platform code and, upon termination of agreement, to transfer code and its copyright interest to plaintiff. Plaintiff registered code and sued Cloud Warmer and Mangos, alleging that defendants' continued use of code after contract's expiration constituted direct infringement by Cloud Warmer and contributory infringement by Mangos. Mangos moved to dismiss, arguing that complaint failed to allege any acts by them in their personal capacity, and that they could not be held personally liable for Cloud Warmer's infringement. Court denied motion, citing well-established rule that corporate officers can be held liable for corporation's infringement if they personally participated in infringing acts. Further, plaintiff adequately pleaded contributory infringement because it alleged both that Cloud Warmer infringed and that Mangos personally and materially contributed to Cloud Warmer's infringing use of code despite knowing that agreement's terms prohibited it.

*Free Speech Sys., LLC v. Menzel*, 390 F. Supp. 3d 1162 (C.D. Cal. 2019)

District court granted in part and denied in part motion to dismiss contributory infringement counterclaim. Plaintiff, operator of website InfoWars, sued for declaratory judgment of non-infringement; defendant photographer raised counterclaims of direct and contributory infringement of his photographs showing weekly food purchases of families in various countries. On motion to dismiss contributory infringement claim, court found claim insufficiently pleaded because third-party direct infringer was not identified in pleadings, and pleadings lacked allegations that plaintiff knew of infringing conduct by third-party direct infringer. Mere allegation that plaintiff provided means to accomplish infringing activity was insufficient to show contributory infringement, so claim was dismissed with leave to amend.

*Bell v. Chi. Cubs Baseball Club, LLC*, No. 19-2386, 2020 U.S. Dist. LEXIS 17527 (N.D Ill. Feb. 4, 2020)

Plaintiff sports psychology and performance consultant sued Chicago Cubs and director of its "Mental Skills Program," Joshua Lifrak, after Lifrak retweeted excerpt of Plaintiff's copyrighted work "Winning Isn't Normal." On motion to dismiss contributory infringement claim, Cubs argued that complaint failed to allege facts suggesting that Cubs had "knowledge" of Lifrak's allegedly infringing activity in retweeting work. Court agreed, holding that even if Lifrak's tweet infringed plaintiff's copyright, complaint did not show that Cubs knew of infringement yet failed to act to stop it. Court denied motion to dismiss vicarious infringement count, but expressed skepticism that plaintiff would be able to prove both elements of claim. On first element of vicarious infringement claim, "supervision,"

court found allegation in complaint that “Defendant Cubs possessed the right and ability to supervise, control, or stop the infringing conduct” sufficient to avoid dismissal on pleadings. On “financial interest” element of vicarious infringement claim, court considered whether there was “evidence of a direct financial gain *or* that ‘availability of infringing materials acts as a draw for customers.’” Plaintiff alleged that Cubs had direct financial interest in infringing activity, essentially arguing that Lifrak’s tweets “increase the exposure of the Cubs and encourage Lifrak’s followers to buy services and products from the Cubs.” Because Lifrak’s Twitter page identified him as affiliated with Cubs, court ruled it “not wholly implausible” to presume that there might be financial benefit to Cubs, and held that allegations were “sufficient – though just barely” to allow vicarious claim to proceed.

*Myeress v. Heidenry*, No. 19-21568, 2019 U.S. Dist. LEXIS 205631 (S.D. Fla. Nov. 25, 2019)

Magistrate judge recommended that district court dismiss without prejudice plaintiff’s vicarious infringement claim for failure to plead sufficient supporting facts. Plaintiff professional photographer sued defendant real estate agent Heidenry personally for direct infringement and removal of copyright management information based on defendant’s unauthorized use and display of plaintiff’s photograph of Miami’s Freedom Tower on Heidenry’s website. Plaintiff also sued defendant real estate broker MDLV, with whom Heidenry was affiliated, for vicarious infringement on basis that Heidenry acted within scope of his employment by MDLV. Magistrate found that plaintiff’s threadbare allegations that MDLV and Heidenry were involved in real estate agent-broker relationship, without supporting facts, was insufficient to plead that MDLV had right or ability to control Heidenry or that MDLV directly profited from Heidenry’s alleged infringement, as required for vicarious liability to attach.

*Cancian v. Hannabass & Rowe, Ltd.*, No. 18-283, 2019 U.S. Dist. LEXIS 121112 (W.D. Va. July 19, 2019)

District court denied defendant’s motion for summary judgment. Plaintiff took photograph of road during summer, and altered it to appear as if it was taken in fall. Defendant Stinson Communications mistakenly used photo in designing defendant Hannabass & Rowe’s auto repair website. Plaintiff sued defendants and defendants moved for summary judgment, arguing that acts of Stinson could not be imputed to Hannabass. Court noted that vicarious liability lies when defendant possesses right and ability to supervise infringing activity and possesses direct financial interest in exploited materials. Hannabass’s hiring Stinson to design subject website created question of fact as to whether Hannabass had right and ability to supervise project. Additionally, posting of photo on Hannabass’s website was sufficient evidence of direct financial interest. Accordingly, court denied summary judgment.

*Warner Bros. Records v. Charter Communs.*, No. 19-874, 2019 U.S. Dist. LEXIS 184624 (D. Colo. Oct. 21, 2019)

Magistrate judge recommended that district court deny defendant’s motion to dismiss vicarious copyright infringement claim because defendant had right and ability to control

direct infringement as well as direct financial interest in same. Plaintiffs, record labels and music publishers, sued defendant, one of largest U.S. internet service providers, for, *inter alia*, vicarious infringement of plaintiffs' registered copyrights in musical recordings and compositions. Defendant promoted its internet service as having "blazing high speeds," which, plaintiffs alleged, induced users to subscribe to defendant's service for purpose of illegally copying and distributing plaintiffs' works through peer-to-peer file-sharing programs such as BitTorrent. Moreover, although defendant's terms of service expressly prohibited users from engaging in copyright infringement and reserved defendant's right to terminate subscribers' accounts for engaging in such piracy, defendant did not terminate accounts of thousands of serial infringers despite receiving hundreds of thousands of statutory infringement notices from plaintiffs that identified specific subscribers' infringements by unique internet protocol address. Plaintiffs alleged that defendant's failure to terminate infringing subscribers' accounts induced such subscribers to continue to pay for defendant's services and purchase additional bandwidth from defendant, resulting in more money for defendant. Court held that defendant had contractual right and practical ability to stop or limit direct infringement by subscribers by suspending or terminating their accounts, but failed to do so. Further, defendant's promotion of "high speed" service, combined with defendant's failure to stop or limit infringement, was draw for subscribers from which defendant reaped direct financial benefit when subscribers maintained or expanded their accounts with defendant. Magistrate judge therefore recommended denial of defendant's motion to dismiss vicarious infringement claim.

*John Anthony Drafting & Design, LLC v. Burrell*, No. 18-970, 2019 U.S. Dist. LEXIS 187966 (D. Ariz. Oct. 30, 2019)

District court denied defendant's motion for summary judgment on vicarious and contributory liability. Plaintiff architectural design firm entered into agreement with defendants, husband and wife, to design defendants' home ("Residence"); plaintiff obtained registration of design for Residence. Subsequently, defendants entered into agreement with other defendants to construct Residence, which plaintiff alleged infringed copyright in design for Residence. Complaint alleged that Burrell defendants were liable for vicarious infringement. Burrell defendants asserted that they did not have right or ability to supervise completion of design process, permitting, and construction of Residence, as Burrell's sole right in process was limited to identifying construction errors; and that they did not have any direct financial interest, as property was owned by separate entity, 5650 Wilkinson, LLC. However, it was undisputed that Burrell was authorized to make business decisions on behalf of defendant Black Dog Management, L.P., which provided financing for construction of Residence, and was sole manager of 5650 Wilkinson, LLC. Court concluded that genuine issues of material fact existed regarding whether Burrell defendants were liable for vicarious infringement.

## D. Miscellaneous

*Alliance of Artists & Recording Cos. v. DENSO Int'l Am., Inc.*, 947 F.3d 849 (D.C. Cir. 2020)

D.C. Circuit affirmed district court's holding that defendants' in-vehicle recording systems were not "digital audio recording devices" subject to Audio Home Recording Act of 1992 ("AHRA"), and defendants therefore not subject to AHRA's requirements. Plaintiff recording company and artist royalty collective sued defendants, automobile and automotive technology manufacturers, claiming that defendants' in-vehicle recording devices (which copy music from CDs onto hard drives within devices to allow playback even without CDs) constituted "digital audio recording devices" under AHRA, thereby rendering defendants subject to AHRA's registration, royalty and copy-control requirements. AHRA defines "digital audio recording device," in relevant part, as device capable of making "digital audio copied recording," which in turn is defined, in relevant part, as reproduction of "digital musical recording," whether made directly from "another digital musical recording" or indirectly from transmission. "Digital musical recording" is defined, in relevant part, as material object in which are fixed only sounds and material incidental to those sounds, and in which no computer programs are fixed. Defendants' in-vehicle devices fixed digital reproductions of CDs onto hard drives that also contained programs and data not incidental to sounds, but specific hard drive partitions (i.e., subdivisions of in-vehicle devices' hard drives that could technically function as independent drives) contained only sounds and incidental materials. Court held that, as threshold matter, defendants' devices were subject to AHRA only if capable of making "digital audio copied recording" that must itself constitute "digital music recording," as mandated by inclusion of term "*another* digital musical recording" in definition of "digital audio copied recording" as well as phrasing of AHRA's immunity and remedial provisions. Further, defendants' devices not "digital audio recording devices" because hard drives to which devices reproduced CDs were not "digital music recordings" because they were material objects that contained computer programs not incidental to fixed sounds (such as navigation software, DVD players, album art and information displays, and AM/FM and satellite radio functions). Court rejected plaintiff's arguments that hard drive partitions, rather than entire hard drives, were relevant "material objects" for purposes of "digital music recording" analysis. Analogizing to technology specifically contemplated during AHRA passage, such as digital audio tapes and CDs, court held that entire disk (rather than partition or subdivision) must satisfy "digital music recording" definition in order for recording device to be subject to AHRA.

*Catala v. Jombas Co.*, No. 18 Civ. 8401, 2019 U.S. Dist. LEXIS 163653 (S.D.N.Y. Sept. 23, 2019)

Court granted defendant's motion to dismiss. Plaintiff music publisher asserted claims alleging that defendants, singer-songwriter Hyuk Shin and entities under his control, violated music publishing contract. On copyright claim, plaintiff alleged that defendant violated contract because he "failed to include [plaintiff] on all copyright registrations," and did not "provide[] the copyrights associated with all compositions ... to [plaintiff]," allegedly

depriving plaintiff of right to register copyrights. Court dismissed claim because complaint did not identify what provision or provisions of Copyright Act were allegedly violated, and because plaintiff failed to explain how Act addresses conduct about which plaintiff complained.

*Free Speech Sys., LLC v. Menzel*, 390 F. Supp. 3d 1162 (C.D. Cal. 2019)

Plaintiff, operator of website InfoWars, sued for declaratory judgment of non-infringement; defendant photographer raised counterclaims of direct and contributory infringement of photographs showing weekly food purchases of families in various countries. On direct infringement claim, dispute focused on display right. Free Speech Systems argued that allegedly infringing images were stored on third-party server, and that under Ninth Circuit “server test” this did not constitute “display” under Copyright Act. Court denied motion to dismiss direct infringement claim, holding that “server test” had not been applied outside of search engine context. Court further found that record did not support contention that photos were stored on third-party server, and declined to consider by judicial notice evidence concerning server on which images were hosted.

*Virtual Chart Solutions I, Inc. v. Meredith*, No. 17-546, 2019 U.S. Dist. LEXIS 140520 (E.D. Tex. June 17, 2019)

Plaintiff brought infringement claim against defendant for allegedly copying and distributing source code. Defendant moved for summary judgment on basis that plaintiff judicially admitted in briefing on prior motion that its failure to designate expert or disclose expert testimony prohibited plaintiff from providing evidence on copyright infringement from which factfinder could reasonably decide in its favor. Court found there to be no direct evidence to establish defendant’s source code was same as code copied by plaintiff. Court found circumstantial evidence, such as defendant’s testimony, insufficient for infringement claim. Because plaintiff failed to present direct evidence of source code copying court granted defendant’s motion for summary judgment dismissing infringement claim.

*Comerica Bank & Tr., N.A. v. Habib*, No. 17-12418, 2020 U.S. Dist. LEXIS 1343 (D. Mass. Jan. 6, 2020)

On summary judgment, district court held that defendant’s upload and display of videos capturing live performances of copyrighted musical compositions plainly constituted infringement. Defendant recorded and uploaded to YouTube five unaltered videos of Prince’s live performances, capturing six songs with registered compositions. Plaintiff, personal representative of Prince’s Estate, submitted takedown notices for all five videos. After defendant sent five counter-notices claiming fair use protection for videos, YouTube requested evidence of legal action, at which point plaintiff commenced lawsuit. There being no dispute as to plaintiff’s ownership of musical composition copyrights at issue, defendant argued that he did not infringe because he did not record Prince performing studio versions of compositions. Because musical composition copyrights cover both music and accompanying lyrics, such that each performance falls within scope of copyright protection, court held that plaintiff firmly established infringement by defendant.

*Viper Nürburgring Record LLC v. Robbins Motor Co. LLC*, No. 18-4025, 2019 U.S. Dist. LEXIS 152931 (D. Kan. Sep. 9, 2019)

On cross-motions for summary judgment, district court held issue of material fact existed as to whether defendants knew their conduct constituted copyright infringement, and therefore denied summary judgment as to willfulness. Plaintiff Viper Nürburgring Record (“VNR”) hired photographer to document attempt to set world record on race car track. Defendant Robbins Motor Co. (“RMC”), through vice president and defendant Robbins, entered into license agreement authorizing RMC to use one world record event photo for RMC advertisement in exchange for payment. Robbins downloaded 13 photos, using one in banner advertisement for RMC and posting five others across RMC’s websites and his personal Facebook. VNR registered copyrights in 13 photos at issue. VNR contacted Robbins three months after event to complain about RMC’s use of VNR photos without specifying all photos or uses alleged to be infringing. Robbins countered with his understanding that parties’ agreement allowed him to use “a couple photos.” Five months after initial exchange, VNR again contacted Robbins about infringing use, whereupon Robbins took position that RMC used only one photo for advertising whereas remaining photos either used to promote event or otherwise not subject to parties’ agreement. Robbins also stated that all photos were taken down. Court held that reasonable jury could conclude that Robbins mistaken in understanding of acts permitted by parties’ agreement, thus issue of material fact existed as to whether defendants acted with knowledge that their conduct constituted copyright infringement, i.e., willfully.

## **VI. DEFENSES/EXEMPTIONS**

### **A. Fair Use**

*Estate of Smith v. Graham*, No. 19-28, 2020 U.S. App. LEXIS 3484 (2d Cir. Feb. 2, 2020)

Court of appeals affirmed district court’s grant of summary judgement on ground that alleged infringement by Drake and Jay-Z was fair use. Court found use of plaintiff’s “Jimmy Smith Rap” in defendant-appellees’ “Pound Cake” song was transformative, as counter message and criticism of jazz music in lyrics was different from message in “Jimmy Smith Rap.” Court also found amount used was reasonable to fulfill its transformative purpose. Lastly, there was no evidence that “Pound Cake” usurped demand for “Jimmy Smith Rap” or otherwise caused negative market effect, as respective songs appealed to different audiences.

*Oyewole v. Ora*, 776 F. App’x 42 (2d Cir. 2019)

Second Circuit affirmed district court judgment dismissing plaintiff’s copyright infringement claim on fair use grounds. Plaintiff, founding member of spoken-word group The Last Poets, in 1968 created song “When the Revolution Comes,” which included outro with repeated phrase “party and bullshit” (“Phrase”). In 1993, rapper known as Notorious B.I.G. created

song called “Party and Bullshit” by sampling and remixing Phrase. B.I.G.’s estate subsequently licensed use of Phrase to Rita Ora for her 2012 song “How We Do (Party).” Plaintiff sued both B.I.G. and Ora, as well as others involved in creation of their respective songs, for copyright infringement. District court, despite assuming *arguendo* that Phrase was protectable expression in which plaintiff owned copyright and that works at issue were substantially similar, dismissed complaint on ground of fair use. Second Circuit adopted district court’s reasoning, holding B.I.G. and Ora songs transformed Phrase’s purpose from condemnation to glorification. Although plaintiff’s song was creative work, fact that it was published weighed in defendants’ favor. Phrase was not essential to meaning of plaintiff’s song because, though repeated, it was used only at its end. Finally, defendants’ songs differed in character and purpose from plaintiff’s song, and therefore were unlikely to usurp its market.

*Tresóna Multimedia, LLC v. Burbank High School Vocal Music Ass’n*, 953 F.3d 638 (9th Cir. 2020)

Defendants, Burbank High School Vocal Music Association Boosters Club and vocal music director at Burbank High School, held fundraisers at school to help cover expenses of competitive show choirs. Director commissioned non-party musical arranger to create custom sheet music for shows; arrangements included stanzas from multiple musical works, including “Magic,” “(I’ve Had) The Time of My Life,” “Hotel California,” and “Don’t Phunk With My Heart.” Show choir performed arrangements at fundraisers and during student competitions. Plaintiff, licensing company that acquired rights in songs through series of assignments, sued alleging that defendants’ use of songs without obtaining “custom arrangement license, grand right license, synchronization license, or mechanical license” infringed its copyrights in songs. District court granted in part defendants’ motion for summary judgment, holding that plaintiff lacked standing to sue for infringement of “(I’ve Had) The Time of My Life,” “Hotel California,” and “Don’t Phunk With My Heart” because plaintiff held only non-exclusive rights. District court dismissed claims based on “Magic” on basis that music director was entitled to qualified immunity from suit. Court affirmed summary judgment with respect to “Magic” on different basis, fair use. Director’s use of “Magic” in his capacity as teacher in high school music education program for nonprofit education of students in program weighed in favor of fair use. Defendants’ use of “Magic,” song from 1980 “musical movie fantasy ‘Xanadu,’” in entirely different theatrical work, rearranged along with other musical works, created new work with new meaning, and accordingly was transformative. Because “Magic” was “undoubtedly creative,” second factor weighed against fair use. On third factor, copied portion was “undoubtedly qualitatively significant”; however, in light of non-profit educational and transformative nature of use, amount and substantiality did not weigh against fair use. On fourth factor, court found that twenty seconds used in choir piece was not substitute for song “Magic”; and because use fell within transformative market, plaintiff was not harmed by loss of licensing fees.

*Hughes v. Benjamin*, No. 17-6493, 2020 U.S. Dist. LEXIS 18994 (S.D.N.Y. Feb. 3, 2020)

Court granted defendant's motion to dismiss. Plaintiff, YouTube personality "Akilah Obviously," produced and released video titled *We Thought She Would Win*, featuring footage of Hillary Clinton's 2016 election-night campaign party and commentary concerning Clinton's defeat by Donald Trump. Defendant, YouTube personality "Sargon of Akkad," published "anti-ideological and anti-identitarian content focusing on 'the left,' racism, feminism, Black Lives Matter[], and Islam." Defendant released video on YouTube entitled *SJW [Social Justice Warrior] Levels of Awareness*, consisting entirely of portions of *We Thought She Would Win*, and containing no commentary or other new material. Plaintiff sued for infringement, and court granted motion to dismiss based on fair use defense. On first fair use factor, court found that defendant copied portions of plaintiff's work for "transformational purpose of criticism and commentary," reasoning that viewer would be able to determine from video title and its selective copying of *We Thought She Would Win* that video was intended to criticize plaintiff and "comment on her perceived lack of awareness." Second factor was found "essentially neutral and of little import." On third factor, court found that defendant copied 20% of plaintiff's work, which court found was "as much ... as was reasonably necessary for him to convey his critical message," weighing factor in favor of defendant. On fourth factor, court found that given diverging ideological audiences of plaintiff and defendant, there was little risk that infringement would usurp market of original work. Infringement claim was dismissed with prejudice because leave to amend would be futile.

*Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 382 F. Supp. 3d 312 (S.D.N.Y. 2019)

District court granted summary judgment in favor of declaratory plaintiff Andy Warhol Foundation, finding that Andy Warhol's use of defendant photographer's photograph of singer Prince Rogers Nelson as basis for series of paintings, screen prints, and drawings entitled "the Prince Series" constituted fair use. After being contacted by defendant following Conde Nast's commemorative magazine issue that used one of Warhol's Prince Series works as magazine's cover, plaintiff sought declaratory judgment that none of works in Prince Series infringed Defendant's photograph. Defendant alleged that Warhol had copied her photograph in creating his Prince Series, and that these works were substantially similar to her photograph under "ordinary observer" test. Court declined to address these arguments, determining instead that "it is plain that the Prince Series works are protected by fair use." Court found that first fair use factor weighed in favor of plaintiff, holding that "although the Price Series works are commercial in nature, they also add value to the broader public interest" because profits obtained from licensing Warhol's works helped fund plaintiff's programs that were "created for the purpose of advancing visual art." Court determined that Prince Series works were transformative, particularly because they gave defendant's photograph "new expression" and "employ[ed] new aesthetics," with results distinct from original. Court found "nature of the copyrighted work" factor favored neither party and was of limited importance because Prince Series works were transformative. As to

third factor, court held that Warhol used almost none of protectable elements of photographer's work, finding that Warhol's alterations "wash away the vulnerability and humanity Prince expresses in [defendant's] photograph and Warhol instead presents Prince as a larger-than-life icon." Given this, third fair use factor also weighed in favor of Plaintiff. As to final factor, court rejected defendant's argument that Prince Series had harmed her licensing markets, finding that defendant provided no arguments that "potential licensees will view Warhol's Prince Series" as "substitute for her intimate and realistic photograph of Prince." In sum, court held that "licensing market for Warhol prints is for 'Warhols.'" District court granted summary judgment in favor of plaintiff.

*Yang v. Mic Network, Inc.*, No. 18-7628, 2019 U.S. Dist. LEXIS 163453 (S.D.N.Y. Sept. 23, 2019)

District court granted defendant's motion to dismiss plaintiff's copyright infringement action because defendant's use was fair use. Plaintiff photographer took photograph of Dan Rochkind ("Photograph") that was licensed to New York Post, which used it alongside article about Rochkind titled "Why I Don't Date Hot Women Anymore." Next day, defendant Mic Network posted article titled "Twitter is skewering the 'New York Post' for a piece on why a man 'won't date hot women,'" which included screenshot of Post article, including headline, byline and top half of Photograph ("Screenshot"). Court found defendant's use protected by fair use doctrine because it was transformative and reasonable; Photograph was already published; and use did not create risk to market for original work. Use was transformative because Mic article's title clearly identified Post article as subject of commented-upon controversy; Screenshot was used as both target and basis of Mic article's own criticism; and Mic article used Photograph to depict Rochkind in negative light, in contrast with Post article's positive or neutral depiction. Because purpose and character of use was transformative, it was less important that defendant's use was for commercial purposes and, if plaintiff's allegations accepted, in bad faith. Although Photograph was creative in nature, it was previously published, which favored fair use. Defendant used significantly cropped version of Photograph in Screenshot, which was reasonable in light of Mic article's purpose of identifying and satirizing object of controversy, and which could be achieved by licensing Photograph alone. Finally, because defendant did not use Photograph alone, but cropped and as part of composite Screenshot, no potential licensee would opt to use Screenshot rather than Photograph, meaning defendant's use did not impact market for Photograph. Court therefore granted defendant's motion and dismissed complaint with prejudice.

*In re DMCA Subpoena to Reddit, Inc.*, No. 19-80005, 2020 U.S. Dist. LEXIS 37033 (N.D. Cal. Mar. 2, 2020)

District court quashed subpoena obtained by Watch Tower Bible and Tract Society of Pennsylvania (headquarters of Jehovah's Witnesses) to learn identity of pseudonymous Reddit user Darkspilver, who included images of Watch Tower documents in post to Reddit that criticized Watch Tower's fundraising and data collection practices. After discovering Darkspilver's post, including allegedly infringing (a) image of solicitation for donations on

“The Watchtower” magazine; and (b) screenshot of chart describing types of information Watch Tower collects, Watch Tower requested subpoena to Reddit under DMCA. Motion to quash was subsequently filed on behalf of Darkspilver. Magistrate judge, after balancing copyright and First Amendment considerations, denied motion to quash. District court reversed ruling and criticized analysis, finding that magistrate improperly combined elements of free speech with elements of copyright infringement in reaching his decision. Based on this, district court made clear that it would strictly apply copyright law in its own analysis of whether Darkspilver’s use constituted fair use. As to first factor, court found that Darkspilver’s use was transformative because he used copyrighted materials to express “something new, with a further purpose or different character” through his criticism of Watch Tower’s fundraising and data collection practices. Moreover, Darkspilver did not use materials for commercial purpose. Second factor also weighed in favor of fair use because Watch Tower materials used by Darkspilver were functional and instructive rather than creative. As to third factor, court determined that Darkspilver copied what was reasonably necessary to make his criticisms understandable. Regarding fourth factor, court held that damage to market for copyrighted work did not exist, because there was no likelihood that Darkspilver’s critical use of materials could substitute for originals and thereby harm their potential value. Court also noted that Watch Tower’s concern that Darkspilver’s use would reduce traffic to Watch Tower’s website was not well-founded because there is “difference between biting criticism that merely suppresses demand and copyright infringement, which usurps it.” Based on this, court found that Darkspilver’s Reddit postings were fair use, and therefore there was no basis for subpoena to compel disclosure of Darkspilver’s identity. Thus, court granted motion to quash.

*De Fontbrune v. Wofsy*, 409 F. Supp. 3d 823 (N.D. Cal. 2019)

District court granted defendants’ motion for summary judgment, refusing to enforce \$2 million infringement award issued by French courts. In 1932, Pablo Picasso’s friend compiled and published series of photographs of Picasso’s art in *Zervos Catalogue*, to which plaintiffs acquired rights in 1979. In 1995, defendants began publishing *The Picasso Project*, series of works reproducing Picasso’s art. After discovering *The Picasso Project*, plaintiffs brought copyright infringement suit against defendants in French courts. In 2001, plaintiffs prevailed on appeal, and French court issued *astreinte*, legal device that would subject defendants to damages for further acts of infringement. Ten years later, plaintiffs discovered copies of *The Picasso Project* in French bookstore, and commenced legal proceedings in France to enforce *astreinte*. Enforcement division of French trial court granted judgment for plaintiffs, and awarded \$2 million. Plaintiffs then sought recognition of judgment in California under California’s Uniform Foreign Country Money Judgments Act (“Recognition Act”). District court held that *astreinte* was “fine or other penalty” under Recognition Act, and therefore not appropriate for recognition, and granted defendants’ motion to dismiss. Plaintiffs appealed. Ninth Circuit disagreed with district court, and reversed and remanded. On remand, parties both moved for summary judgment. Defendants argued that recognition of French judgment is barred under Act. Court agreed with defendants that judgment was repugnant to U.S. public policy because it conflicted with fair use doctrine. As to first fair use factor, court determined that *The Picasso Project* constitutes “reference works intended

for libraries, academic institutions, art collectors, and auction houses,” and therefore falls within exemplary uses named in preamble to section 107. Because defendants copied less than ten percent of photographs in plaintiff’s work, third fair use factor weighed in favor of defendants. As to fourth factor, court found that respective works did not compete, given their disparate markets – libraries and academic institutions in comparison to niche market – and different price points – \$20,000 to \$100,000 in comparison to \$2,000. Court found that defendants’ use of photographs qualified as fair use, and granted defendants’ motion for summary judgment, refusing to recognize French judgment.

*Dlugolecki v. Poppel*, No. 18-3905, 2019 U.S. Dist. LEXIS 149404 (C.D. Cal. Aug. 22, 2019)

District court denied defendant’s motion for summary judgment. Plaintiff photographer brought copyright infringement suit against defendant American Broadcasting Company alleging unauthorized use of photographs of Meghan Markle taken by plaintiff while Markle was high school student, and published in Markle’s high school yearbooks. After engagement of Markle to Prince Harry was announced, defendant used plaintiff’s photographs in connection with several segments of news shows, which were displayed on six broadcasts for total of 49 seconds across eight hours of broadcast time, as well as on social media platforms. Defendant moved for summary judgment, arguing its use of photographs was fair use. As to first fair use factor, court found that defendant’s use of photographs was, “at least to some degree, transformative,” concluding that defendant’s employment of photographs in course of making “newsworthy biographical photographic reference” took them out of their original purpose as yearbook photographs. However, given that “there is no question defendant stood to profit from its use” of photographs and their “definite commercial purpose,” court held that first factor was “in equipoise” and that this factor did not strongly favor defendant. As to second factor, court determined that minimal creative elements involved in photographs demonstrated that plaintiff “would only benefit slightly, at most, via application of this factor.” Third factor did not “appear to demonstrably favor [d]efendant” because defendant could have accomplished its news-reporting purposes without using any of plaintiff’s photographs, as they were not subject of broadcasts, nor where they necessary to make any specific points. Regarding fourth factor, court rejected defendant’s arguments that it did not “profit directly” from use of photographs and that plaintiff had no intention of licensing photographs. Court determined that market existed for licensing photographs, even if plaintiff had not previously licensed them, particularly after Markle’s engagement, because of “tabloid-fueled and celebrity-obsessed” culture. Court accordingly denied motion.

*Pierson v. DoStuff Media, LLC*, No. 19-435, 2019 U.S. Dist. LEXIS 188020 (W.D. Tex. Oct. 29, 2019)

Magistrate recommended denial of defendant’s motion to dismiss on fair use grounds. Plaintiff photographer brought infringement claim against defendant for posting photographs of musical band performance on website article promoting upcoming performance by band. Defendant moved to dismiss based on fair use. On first factor, court found that website’s use

was for commercial purpose, and rejected defendant's argument that use was transformative because photographs were used "for the exact same purpose as they were created, namely, to show the ... band members performing their music," and found that defendant "did nothing more than display the Photographs to show the musicians they depicted." On second factor, court noted that photographs are "generally viewed as creative," and held that at motion to dismiss phase, plaintiff alleged sufficient facts to show that photographs were creative works entitled to protection. On third factor, court found that by merely cropping out negative space in photograph, defendant used "heart" of copyrighted material. On fourth factor, court found that complaint alleged sufficient facts to show use of photograph impaired market for plaintiff's photographs and diminished licensing value of works.

*Comerica Bank & Tr., N.A. v. Habib*, No. 17-12418, 2020 U.S. Dist. LEXIS 1343 (D. Mass. Jan. 6, 2020)

On summary judgment, district court held that defendant's upload and display of videos capturing live performances of copyrighted musical compositions was not protected by fair use doctrine. Defendant recorded and uploaded to YouTube five unaltered, low-quality videos of Prince's live performances, capturing six songs with registered compositions, and provided titles for, but no other commentary on, videos. Plaintiff, personal representative of Prince's Estate, which operates official Prince YouTube channel with live concert videos, sent takedown notices for all five videos. After defendant sent five counter-notices claiming fair use protection for videos, YouTube requested evidence of legal action, at which point plaintiff commenced lawsuit. Defendant argued that fair use doctrine excused infringement but court disagreed, finding that all four fair use factors weighed in plaintiff's favor. First, defendant's use not transformative because defendant's videos served same entertainment purpose as original compositions; defendant did not provide commentary or otherwise imbue compositions with new meaning; and defendant profited from his use because videos drove traffic to his YouTube channel, even if he did not monetize it. Second, musical compositions are highly creative works within core of copyright law's protection. Third, defendant captured significant and valuable portions of compositions and did so for same purpose as original works. Finally, defendant's videos deprived plaintiff of revenue by diverting traffic from authorized reproductions of compositions (including on official YouTube channel), while poor quality of defendant's videos harmed plaintiff's interest in policing caliber of compositions' secondary uses. As all statutory fair use factors weighed in plaintiff's favor, district court granted summary judgment for plaintiff.

*Cancian v. Hannabass & Rowe, Ltd.*, No. 18-283, 2019 U.S. Dist. LEXIS 121112 (W.D. Va. July 19, 2019)

District court denied defendant's motion for summary judgment. Plaintiff took photograph of road during summer, and altered it to appear as if it was taken in fall. Defendant Stinson Communications mistakenly used photo in designing defendant Hannabass & Rowe's auto repair website. Plaintiff sued defendants and defendants moved for summary judgment, arguing use of photo constituted fair use. Court analogized facts of case to *Brammer v. Violent Hues Prods.*, 922 F.3d 255 (4th Cir. 2019), and held that use of photo on Hannabass's website possessed little, if any, transformative value as photo was utilized precisely for fall road that it portrayed. Court found use to be "only somewhat commercial,"

as Stinson could have selected any number of photos for website and stood to gain nothing from use; photo's use on particular page did not appear to be promotion of Hannabass, but delivery of safety tips. Further, court found that use of photo for its "factual" depiction of fall road, rather than its mode of expression, weighed in favor of fair use. However, fact that entire photo was reproduced weighed against finding of fair use. Lastly, court held that such use of photo, if permitted broadly, would deny plaintiff an other online licensors opportunity to charge even modest fees for use of photos, which weighed against fair use under fourth factor. Having weighed four factors, court found fair use doctrine inapplicable to facts.

*Morris v. Wise*, No. 19-2467, 2020 U.S. Dist. LEXIS 35744 (N.D. Ohio Mar. 2, 2020)

District court granted defendants' motion to dismiss. Plaintiff Clayton Morris, former journalist and television news anchor, brought infringement claim, against defendants James Wise and his company, alleging that defendants used plaintiff's copyrighted photograph, name, likeness, and voice in YouTube videos, emails, and T-shirt designs without his permission. Defendants filed motion to dismiss. Court determined that defendants' use of plaintiff's photograph, which was incorporated into larger image with other writing and stylistic imaging, including (a) Fox News logo, (b) phrase "Is Clayton Morris a Fraud," and (c) word "FRAUD," altered both context and face of the photograph such that defendant's use constituted fair use. Court also found that superimposed writing on plaintiff's photograph demonstrated that defendants were "offering and/or inviting criticism and commentary on Mr. Morris," and that it was used "by defendants simply to identify a person and not to usurp or highlight the artistic or unique qualities of the image." Additionally, court noted that plaintiff's complaint included no allegations that photograph was being sold or generating any income, or that defendant's use of photograph had any effect on potential market for copyrighted work. Based on this, court determined that plaintiff's complaint failed to state claim for copyright infringement.

*Cambridge Univ. Press v. Becker*, No. 08-1425, 2020 U.S. Dist. LEXIS 35134 (N.D. Ga. Mar. 2, 2020)

Plaintiffs, academic publishing houses, brought copyright infringement claims against defendant Georgia State University, alleging that defendant had adopted program permitting its professors to post unlicensed electronic excerpts of certain of plaintiffs' copyrighted works that students could access for courses. Defendant contended that its use of unlicensed excerpts was protected by fair use doctrine. District court held that defendant's use of 43 of 48 works was fair use. On appeal, Eleventh Circuit reversed and remanded to district court; district court's subsequent decision was appealed again to circuit court. On second appeal, court held that district court had erred in using quantitative rubric in its fair use analysis, and directed lower court to "evaluate the four [fair use] factors qualitatively," give "each excerpt the holistic, qualitative, individual analysis the Act demands," and reinstate its original finding that fourth factor "disfavors fair use for 31 of 48 excerpts." On remand, district court conducted separate fair use analysis of each of 48 works based on instructions provided by Eleventh Circuit. Overall, district court concluded that 37 of plaintiffs' infringement claims were fair use. Court found that first factor favored fair use for all 48 works because,

although defendant's excerpts were non-transformative and fulfilled same purpose as copyrighted work, they were used "for a nonprofit educational purpose by nonprofit educational institution." Court further determined that second factor, nature of copyrighted work, was neutral for majority of defendants' works, particularly for those works where author analysis and opinion did not dominate discussion and was objectively descriptive. However, court noted that fair use was disfavored for some works, where author opinion, subjective description, and evaluative expression were substantial part of work. As to third factor, amount and substantiality of use, court considered variety of factors, including percentage of copyrighted work used, whether amount used fit professor's pedagogical purpose, and whether use constituted "heart of the work." Court also evaluated whether full chapters were included in work, indicating that full chapters "represent a greater taking of value than part of a chapter." On balance, court largely found that factor three favored fair use, except where "the use was the heart of the work" and therefore was substantial portion of copyrighted work taken, particularly if defendant used full chapters. As to fourth factor, court measured effect of defendant's use on value of copyrighted work and potential market for copyrighted work. Court looked to whether defendant's use affected market for purchasing entire book, and largely determined that use did not have negative effect on this market. However, court also considered "the ready market for licensed digital excerpts" and determined that, although defendant's use of unpaid excerpts caused very little damage to value of plaintiffs' copyright in most cases, widespread use of similar unlicensed excerpts could cause substantial harm. Based on this, court determined that factor four strongly disfavored fair use for number of works. However, as instructed by Eleventh Circuit, court further considered four fair use factors pursuant to holistic analysis. In doing so, court looked to permissions revenue generated by plaintiffs' works, noting that such figures were instructive as to relative demand for excerpts of various works. Where permissions revenue showed low demand, court made mitigating adjustment of factor four, favoring defendants, and conversely, where such figures showed repetitive use of excerpts of copyrighted works, court made enhancement in plaintiffs' favor. Weighing four factors together and giving factor four (as adjusted) extra weight and factor two insubstantial weight, court found defendant's use of only eleven works not to constitute fair use.

*Viper Nürburgring Record LLC v. Robbins Motor Co. LLC*, No. 18-4025, 2019 U.S. Dist. LEXIS 152931 (D. Kan. Sep. 9, 2019)

On cross-motions for summary judgment, district court held defendants' infringement not excused as fair use. Plaintiff Viper Nürburgring Record ("VNR") hired photographer to document attempt to set world record on race car track. Defendant Robbins Motor Co. ("RMC"), through vice president and defendant Robbins, entered into license agreement authorizing RMC to use one world record event photo for RMC advertisement in exchange for payment. Robbins downloaded 13 photos, using one in banner advertisement for RMC and posting five others across RMC's websites and his personal Facebook. VNR registered copyrights in 13 photos at issue. Defendants contended that their use was fair. Court held none of four factors was satisfied because (1) defendants' use was to promote RMC, thus commercial; (2) photos at issue were creative, rather than informational or functional, works; (3) defendants copied photos in their entirety; and (4) defendants failed to present any

relevant market evidence. Court therefore granted summary judgment for plaintiff on defendants' fair use defense.

## **B. Statute of Limitations**

*Sohm v. Scholastic Inc.*, No. 18-2110, 2020 U.S. App. LEXIS 15103 (2d Cir. May 12, 2020)

Plaintiff photographer licensed certain images to stock agency, which sub-licensed images to publisher Scholastic. Plaintiff sued for infringement, alleging use of images outside terms of licenses, and district court granted partial summary judgment on certain claims. On appeal, Scholastic argued district court erred in applying "discovery rule" to determine when claims accrued for statute of limitations purposes, arguing that Supreme Court in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014) abrogated "discovery rule," and that court should instead apply "injury rule." Second Circuit affirmed district court decision, holding that Second Circuit precedent bound it to apply discovery rule for statute of limitations purposes, and that *Petrella* did not overrule precedent and indeed specifically declined to consider propriety of discovery rule. After affirming application of discovery rule for statute of limitations purposes, Second Circuit reversed district court's application of discovery rule for damages purposes. Court held that *Petrella*'s "plain language explicitly dissociated the Copyright Act's statute of limitations from its time limit on damages," and explicitly limited damages to three years prior to commencement of infringement litigation.

*Webster v. Dean Guitars*, 955 F.3d 1270 (11th Cir. 2020)

Plaintiff guitar maker and technician brought infringement claim against defendant guitar producer, alleging defendants had engaged in unauthorized use of lightning storm graphic on guitar. In 1985, plaintiff had modified guitar and hired artist to paint graphic on guitar, which was eventually given to his friend Darrell Abbott, late guitarist of heavy-metal band Pantera. Soon after Abbot's death in 2004, defendant started selling reissues and other versions of Abbott's guitar. In 2016, plaintiff obtained copyright registration for lightning storm graphic and brought suit. District court held that gravamen of plaintiff's claim was ownership, and that claim was time-barred because claim had accrued more than three years before suit was filed. District court noted that Eleventh Circuit had not yet defined point of accrual for ownership claim, despite circuit split. On appeal, plaintiff argued that gravamen of complaint was not copyright ownership, that ownership claims do not have different accrual date from infringement claims, and that claim therefore accrued each time graphic was reproduced without permission. Appellate court held that ownership claim accrues once, when plaintiff first learns, or should as reasonable person have first learned, that defendant was violating ownership rights. Plaintiff's claim accrued in 2007 at latest, and three-year limitation period expired years before plaintiff brought claim in 2017; to extent that plaintiff asserted separate infringement claim, claim was also barred. Eleventh Circuit affirmed district court's judgment in favor of defendant.

*Everly v. Everly*, No. 19-5150, 2020 U.S. App. LEXIS 14212 (6th Cir. May 4, 2020)

Don Everly sued children of late Phil Everly, seeking declaration that Don owned all copyright interest in Everly Brothers' song *Cathy's Clown*. Phil's children counterclaimed that Don and Phil were co-authors of song. Don and Phil originally assigned copyrights to music publisher in 1960. In 1980, they executed release and assignment in which Phil agreed to assign all rights and interest in song to Don. Subsequent licenses and credits listed Don as author, but both brothers continued to state publicly that Phil was co-author. In 1990, Reba McEntire issued cover of *Cathy's Clown* that listed Don as sole author. In 2011, Don filed § 304(c) notice of termination as to publishing company, and unsuccessfully attempted to remove Phil's name as author on original registrations. In 2014, Phil's children served notice of termination as to publishing company, and again in 2016 as to Phil's 1980 assignment to Don. District court granted summary judgment to Don, finding that Phil's claim of co-authorship was time-barred by repudiation occurring no later than 2011. On appeal, Sixth Circuit held that authorship claim does not accrue until putative author's status is expressly repudiated by someone asserting authorship in work; repudiation of ownership is irrelevant to statute of limitations in authorship claim. Sixth Circuit found genuine issues of material fact for reasons, including Don's and Phil's continuing to acknowledge Phil's co-authorship before and after 1980 assignment, which itself contained ambiguous language; while Don received sole authorship credit on McEntire cover, Phil's right to receive public credit might have been transferred to Don without repudiation of actual authorship; and no evidence existed that Phil was aware of 2011 termination. Sixth Circuit therefore reversed grant of summary judgment.

*Hirsch v. Rehs Galleries, Inc.*, No. 18-11864, 2020 U.S. Dist. LEXIS 32926 (S.D.N.Y. Feb. 26, 2020)

Plaintiff professional photographer brought claim of copyright infringement against defendant art gallery, alleging that defendant featured plaintiff's photograph in article on defendant's website without authorization. Defendant moved to (a) dismiss plaintiff's amended complaint for failure to state claim, asserting that plaintiff's claims were time-barred; and (b) disqualify plaintiff's counsel under advocate-witness rule on grounds that plaintiff's counsel would be necessary fact witness for defendant's statute of limitations defense. Defendant argued that plaintiff should have discovered claim earlier because plaintiff (i) was on constructive notice to investigate and discover instant infringement, given his discovery of earlier infringement of one of his other photographs at least as early as March 27, 2016; and (ii) hired specialized firm to search internet for infringing conduct on February 6, 2016. Court found that defendant's arguments "completely fail" because, "even if Defendant is right and Plaintiff should have discovered infringing conduct as early as March 27, 2016 or February 6, 2016," his claims "would still not be time-barred as they were filed" less than "three years after the earliest dates on which defendant argues plaintiff should have discovered his claims." Court also dismissed defendant's "additional argument that plaintiff is under a general duty to police the internet to discover [d]efendant's use of his photograph." Based on this, court determined that plaintiff's complaint could not be dismissed on statute of limitations grounds. Court also denied defendant's motion to disqualify plaintiff's counsel because defendant did not demonstrate that plaintiff's counsel

had any information relevant to whether plaintiff's claim accrued prior to December 17, 2015, and therefore would not be necessary fact witness.

*Palmer/Kane LLC v. Benchmark Educ. Co. LLC*, No. 18-9369, 2020 U.S. Dist. LEXIS 4077 (S.D.N.Y. Jan. 6, 2020)

District court denied defendant's motion to dismiss plaintiff's copyright infringement claims as time-barred because publication typically insufficient to create constructive notice. Plaintiff stock photography company licensed certain copyrighted commercial images, subject to three group registrations, to non-party agency Corbis, which, in turn, licensed images under limited rights license to, among others, defendant educational publisher. Plaintiff sued defendant for copyright infringement, alleging that defendant used images without license, with expired license and/or in excess of license's scope. Defendant argued plaintiff's claims barred by statute of limitations because they accrued upon initial publication, alleging that was when plaintiff was on constructive notice of infringement. Court disagreed, holding publication typically insufficient to establish constructive notice for infringement, rather than authorship, claims. Court distinguished one case holding publication sufficient for constructive notice of infringement because it involved film *Titanic*, which was released "amidst oceans of publicity," unlike instant case involving stock photographs published in educational textbooks.

*Jeehoon Park v. Skidmore, Owings & Merrill LLP*, No. 17-4473, 2019 U.S. Dist. LEXIS 171566 (S.D.N.Y. Sep. 30, 2019)

District court granted defendants' motion to dismiss plaintiff's copyright infringement claims as time-barred to extent based on design and construction of building. Plaintiff architect created plans and model of skyscraper called Cityfront '99 for thesis project, and later registered it as architectural work. Defendants architectural firm, construction management company, and various operational and leasing entities collectively designed, constructed and operated One World Trade Center ("1 WTC"). Defendant architectural firm registered its 1 WTC plans with Copyright Office in 2005 and, in same year, enormous international publicity accompanied announcement of 1 WTC design. Plaintiff brought suit in June 2017, alleging that defendants infringed his copyright by copying Cityfront '99 in designing 1 WTC, by constructing 1 WTC, and by loading infringing images of Cityfront '99 to their computers' temporary random-access memory ("RAM"). Because plaintiff was on constructive notice of 1 WTC design in 2005, plaintiff's design-based claim accrued before statutory three-year lookback period and was untimely. Plaintiff argued that claim based on 1 WTC construction accrued when building was completed and opened to public in November 2014. However, infringement of architectural work by construction of another building occurs when other building is "substantially constructed," that is, when it is capable of being seen and recognized as copy by others. Accordingly, plaintiff's construction-based claim accrued no later than May 2014, when all distinctive features of 1 WTC were complete. Because this occurred more than three years before suit, plaintiff's construction-based claim was untimely. However, because actionable copying occurs each time file is

loaded to computer's RAM, defendants may have committed infringing acts during statutory three-year lookback, so plaintiff's RAM-copying-based claim was not time-barred.

*Narrative Ark Entm't LLC v. Archie Comic Publ'ns, Inc.*, No. 16-6109, 2019 U.S. Dist. LEXIS 148509 (S.D.N.Y. Aug. 29, 2019)

Court held that plaintiff's infringement claims time-barred. Court first determined that gravamen of copyright claim was ownership, not infringement. While limitation period for infringement claim starts running anew upon each infringing act, limitation period for ownership claim runs from when reasonably diligent plaintiff would be on notice of dispute over ownership, "a discrete event that happens 'only once.'" Because principal dispute in case was who owns or owned copyright to "Sonic the Hedgehog" works, gravamen was ownership. Plaintiff was indisputably on notice of defendant's ownership claim to works, because plaintiff's principal knew of ownership dispute litigation involving defendant and co-creator of works, dating to 2010. Because plaintiff consciously waited until 2015 to assert its claim, in part to see how co-creator litigation would be resolved, it brought claims over three years after accrual, and claims consequently were time-barred.

*Masi v. Moguldom Media Group, LLC.*, No. 18-2402, 2019 U.S. Dist. LEXIS 121733 (S.D.N.Y. July 22, 2019)

District court granted plaintiff's summary judgment motion on copyright infringement because plaintiff sufficiently established that registration covered works at issue. In September 2010, plaintiff photojournalist took series of freelance photographs of luxury maximum-security Halden Prison in Norway and, on October 1, 2010, published them on internet for viewing and licensing. In July 2011, following spike of interest in Halden after imprisonment of Norwegian mass murderer, numerous publications paid to license plaintiff's images. On July 28, 2011, defendant for-profit media company published, on website bossip.com, article that prominently displayed eight of plaintiff's photographs, without crediting plaintiff or seeking plaintiff's permission. In late 2015, plaintiff became aware his photos were being infringed after conducting internet searches prompted by unrelated infringement. On September 26, 2016, plaintiff discovered defendant's infringement and, on March 20, 2018, sued defendant for copyright infringement. Relying on discovery rule, court held plaintiff's claim accrued when he actually discovered defendant's infringement (September 26, 2016), so his suit initiated within three-year statute of limitations. Court rejected defendant's argument that claim accrued in July 2011 because spike of interest in photographs put plaintiff on inquiry notice of defendant's infringement then, holding that plaintiff's general knowledge of interest in lawful use of his photographs insufficient to constitute constructive discovery nor did plaintiff have duty to scour internet for possible infringement. At earliest, plaintiff would have been on inquiry notice of defendant's infringement in late 2015, when he began searching internet for infringements and registering works.

*Menzel v. Scholastic, Inc.*, No. 17-5499, 2019 U.S. Dist. LEXIS 217593 (N.D. Cal. Dec. 18, 2019)

Court granted in part and denied in part parties' motions for summary judgment. Plaintiff photographer sued defendant Scholastic for infringement, alleging that Scholastic exceeded scope of its license to use plaintiff's photographs. Both plaintiff and defendant moved for summary judgment. Court denied defendant's motion based on its affirmative defense that plaintiff's copyright claim was barred by three-year statute of limitations *and/or* three-year limitation on damages, as set forth in *Petrella v. Metro-Goldwyn-Mayer, Inc.* Court dismissed defendant's arguments that *Petrella* had supplanted discovery rule with injury rule, i.e., that claim accrues at time of injury regardless of discovery. Instead, court held that it was bound by discovery rule, as per Ninth Circuit's decision in *Polar Bear Products v. Timex Corp.* Moreover, court found "little sense" in defendant's alternative argument that, even if discovery rule were applicable, plaintiff's claims were still time-barred because plaintiff "discovered ownership and use shortly after the invoices were issued." Court explained that "question is not when [plaintiff] knew or should have known that Scholastic was copying his photographs but rather when it was (allegedly) *illegally* copying them." Based on this, court denied defendant's motion, determining that defendant failed to establish whether plaintiff knew or should have known that defendant's copying exceeded scope of license, and granted plaintiff's motion for summary judgment. Court dismissed defendant's arguments that *Petrella* created "damages bar" independent of "time bar," such that plaintiff is limited to damages incurred within three years prior to plaintiff's filing suit. Instead, court held that "*Polar Bear* continues to be binding precedent on this court," and plaintiff can be awarded damages outside of three-year period before filing of complaint.

*Free Speech Sys., LLC v. Menzel*, 390 F. Supp. 3d 1162 (C.D. Cal. 2019)

Plaintiff, operator of website InfoWars, sued for declaratory judgement of non-infringement; defendant photographer raised counterclaims of direct and contributory infringement and violation of DMCA for removal of copyright management information (CMI) from photos. Plaintiff moved to dismiss counterclaims as outside of three-year statute of limitation. Parties disagreed on when copyright claim accrued: photos were posted on Infowars in 2012, but defendant did not discover InfoWars post until 2018. On limited record at motion to dismiss phase, court held that pleadings did not establish as matter of law that delay in filing suit was unreasonable, and motion to dismiss based on statute of limitations was denied.

*Johnson v. UMG Recordings, Inc.*, No. 19-2364, 2019 U.S. Dist. LEXIS 184455 (C.D. Cal. Oct. 23, 2019)

District court granted defendant's motion to dismiss plaintiff's state law claims that accrued outside three-year statute of limitations. In 1968, plaintiff recording artist recorded vocals on track titled "I Feel An Urge" ("Recording"), including three-second segment featuring distinctive "Ooh" followed by fast-paced instrumentals. In 1991, defendant record label reproduced, distributed and licensed portion of Recording on rap tracks including "Juice

(Know the Ledge).” In December 2013, plaintiff discovered Recording was sampled after disc jockey friend recognized plaintiff’s voice. Because plaintiff had not authorized defendant’s use of Recording, plaintiff brought suit on May 2015 in Northern District of Illinois and, after that action was dismissed on ground that venue was proper in Central District of California, in December 2017 brought action in Middle District of Tennessee, before finally, in March 2019, filing suit in Central District of California. Relying on California’s copyright statute because claim based on pre-1972 sound recording, plaintiff argued he was entitled to recover damages for infringement starting in 1991, rather than three years prior to suit, on three grounds: delayed discovery rule, doctrine of fraudulent concealment and doctrine of equitable tolling. First, plaintiff claimed that he was unaware of infringement in 1991 because he did not listen to rap for religious reasons, and did not learn of infringement until 2013. Court held that even justified discovery delay would not permit claims outside prior three-year period, because more than five years had elapsed since plaintiff’s discovery. Second, plaintiff argued that defendant fraudulently concealed its infringement by failing to credit plaintiff or Recording on label, but court again found that even fraudulent concealment would toll statute of limitations only until plaintiff’s discovery in 2013. Finally, plaintiff claimed that statute of limitations was equitably tolled by plaintiff’s previous suits. However, court held plaintiff failed to meet doctrine’s requisite elements because plaintiff lacked good faith in delaying filing of second action, as plaintiff did not file first action for 1.5 years following discovery and waited 11 months after resolution of first action before filing second action. Moreover, plaintiff’s failure to sue in Central District of California despite being advised it was proper venue by judge in first action evidenced plaintiff’s bad-faith forum shopping. Accordingly, court allowed plaintiff to proceed only on infringement claims that accrued within statutory three-year period.

*Krist v. Scholastic, Inc.*, 415 F. Supp. 3d 514 (E.D. Pa. 2019)

Plaintiff, professional photographer, participated in copyright group registration program facilitated by stock photography agency Corbis. Under program, plaintiff would assign to Corbis rights to his photographs solely for purpose of copyrighting photographs; Corbis registered photographs through group registration program whereby multiple photographers’ work was registered at once under Corbis name. After registering photographs, Corbis assigned complete copyright ownership of photographs back to plaintiff. Corbis also entered into preferred vendor agreements, which listed prices, terms, and rights, with third parties including defendant Scholastic. Years later, on November 30, 2016, plaintiff filed infringement suit alleging that defendant’s use of plaintiff’s photographs exceeded scope of license with agency. Plaintiff, professional photographer, participated in copyright group registration program facilitated by stock photography agency Corbis. Under program, plaintiff would assign to Corbis rights to his photographs solely for purpose of copyrighting photographs; Corbis registered photographs through group registration program whereby multiple photographers’ work was registered at once under Corbis name. After registering photographs, Corbis assigned complete copyright ownership of photographs back to plaintiff. Corbis also entered into preferred vendor agreements, which listed prices, terms, and rights, with third parties including defendant Scholastic. Years later, on November 30, 2016, plaintiff filed infringement suit alleging that defendant’s use of plaintiff’s photographs exceeded scope of license with agency. Defendant sought summary judgment on all of plaintiff’s claims, arguing, among other things, that

plaintiff's claims were barred by statute of limitations. In particular, defendant alleged that plaintiff had knowledge of prima facie elements of infringement claim "as soon as [he] received his royalty statements," and "therefore [he] 'discovered' the claim at these early dates," which were more than three years before plaintiff filed suit. Court disagreed, noting that this argument "makes a mistake" by mistaking "the accrual cause of action with the tolling of the statute of limitations." Court determined that defendant did not establish that plaintiff's royalty statements contained enough information to place plaintiff on inquiry notice, and that plaintiff would have no reason to suspect that defendant was infringing its copyrights just by receiving royalty statements. Alternatively, defendant argued that plaintiff's testimony about meeting with his attorney on November 14, 2013, "triggered storm warnings of culpable conduct such that, with due diligence" plaintiff "should have discovered the injury that forms the basis for the claim." Court agreed with defendant, holding that, as of plaintiff's November 14, 2013 meeting, plaintiff had sufficient information of possible wrongdoing to excite storm warnings. Given that plaintiff was unable to show that he "exercised reasonable due diligence and yet was unable to discover its injuries," court granted summary judgment to defendant on all of plaintiff's claims that accrued before November 30, 2013, three years before plaintiff filed his complaint. Court ultimately denied motion for 35 of 45 claims because defendant failed to meet its burden of establishing when each infringing act occurred for those 35 claims. Regarding other 10 claims, court determined that record was adequately developed and granted summary judgment as to defendant's orders placed before November 30, 2013.

*Rice v. Music Royalty Consulting, Inc.*, 397 F. Supp. 3d 996 (E.D. Mich. 2019)

District court granted defendant's motion to dismiss copyright claim as time barred. In two agreements executed in November 2012 and June 2013, songwriter Bonny Rice ("Bonny"), best known for hit song "Mustang Sally," assigned all his royalty rights in his compositions to defendant music royalty stream purchaser MRCI in exchange for lump sum payments. Parties' agreements provided that any claim by Bonny against defendant must be brought within one year of accrual. Plaintiff representative of Bonny's estate brought suit in November 2018 alleging, *inter alia*, copyright infringement, arguing that agreements void because Bonny lacked capacity due to Alzheimer's disease and dementia, therefore defendant's receipt of Bonny's royalties infringed his copyrights. Because plaintiff sufficiently pled Bonny's lack of capacity, court declined to dismiss plaintiff's claims based on contractual time limitation. However, court found that plaintiff's copyright claim was one of ownership rather than infringement because its crux was validity of defendant's transaction with Bonny, namely, whether defendant acquired Bonny's interests in compositions in November 2012. As copyright ownership claim accrues when ownership is repudiated or contested, plaintiff's claim accrued upon execution of first agreement and any suit had to be brought within three years of that date. Moreover, equitable tolling unwarranted because plaintiff failed to allege that he diligently pursued his rights or that other extraordinary circumstances existed.

### C. Res Judicata/Collateral Estoppel

*Palmer/Kane LLC v. Benchmark Educ. Co. LLC*, No. 18-9369, 2020 U.S. Dist. LEXIS 4077 (S.D.N.Y. Jan. 6, 2020)

District court denied defendant's motion to dismiss plaintiff's copyright infringement claim on collateral estoppel grounds, holding that prior litigations did not decide validity of allegedly infringed registrations with regard to specific works at issue. Plaintiff stock photography company licensed certain copyrighted commercial images, subject to three group registrations, to non-party agency Corbis, which, in turn, licensed Images under limited rights license to, among others, defendant educational publisher. Plaintiff sued defendant for copyright infringement, alleging that defendant used images without license, with expired license and/or in excess of license's scope. Defendant moved to dismiss plaintiff's claim on collateral estoppel grounds, arguing that plaintiff's at-issue group registrations had all been held invalid in prior litigations. First registration was previously alleged to be invalid because it contained inaccurate information regarding publication status of certain covered works. In one case, judge granted defendant's motion for referral to Register of Copyrights for determination of inaccuracy's materiality, but case voluntarily dismissed before referral was made, while, in another case, referral was refused. Court held that no determination was ever made to first registration's validity, and conflicting holdings on referral prevented preclusion on that ground. Second registration was successfully challenged on ground that five works therein were published in prior calendar year, therefore not meeting requirement for all group registration works to be published in same year. However, second group registration remained valid for all but five challenged works, none of which formed basis for plaintiff's instant complaint. Third group registration likewise found invalid as to one work that failed to meet same-calendar-year publication requirement, but that specific work was not implicated in instant action. Because no final determinations was made regarding particular allegedly-infringed works included in group registrations, court held collateral estoppel did not apply.

*Johnson v. Altamirano*, 418 F. Supp. 3d 530 (S.D. Cal. 2019)

In prior litigation, jury returned verdict in favor of defendant Storix Inc. on plaintiff's claims of infringement, contributory infringement, and vicarious infringement and Storix's declaratory judgment claims of non-infringement and that it was owner of relevant copyrights. Jury specifically found that defendant sufficiently showed that infringement claim was barred because plaintiff transferred copyrights in writing to Storix. Plaintiff appealed, and Ninth Circuit affirmed in part, but reversed in part and remanded on fee issue. In instant litigation, plaintiff brought claims against Storix and individual defendants for breach of contract, rescission, and intentional interference with contract. On breach of contract claim, plaintiff alleged that he entered into oral contract with Storix whereby he granted Storix copyrights in exchange for compensation. Court first found claim was barred by res judicata because plaintiff was party in earlier litigation that ended in final judgment on merits, and court found identity of claims. Specifically, court found that contract and rescission claims "arise out of the same common nucleus of operative [facts] as the claims

for copyright infringement and declaratory judgment that were at issue in the prior federal action.” Both actions were related to same facts – transfer of copyrights from plaintiff to Storix – could also have been tried together, and would have used same evidence, and plaintiff’s current allegations of oral agreement “seek to impair the rights that were established in the prior action,” namely, written transfer. Court also found contract claim barred by issue preclusion because plaintiff was party in first action, which ended in final judgment in Storix’s favor, and ownership issue was necessarily decided in first litigation. Court additionally found that plaintiff’s claim failed as matter of law because transfer of ownership was required to be in writing pursuant to § 204, and contract and rescission claim was further barred against individual defendants who were not parties to agreement. Plaintiff could not make out intentional interference with contract claim because he could not show valid contract with third party due to fact that claim was based on plaintiff’s allegations that he entered into oral contract to transfer ownership, but re-litigation of issue of transfer of ownership was barred by issue preclusion. Court found claim barred by issue preclusion and additionally found claim precluded by § 204. Court granted motion to dismiss breach of contract, rescission, and intentional interference claims.

*Myeress v. Heidenry*, No. 19-21568, 2019 U.S. Dist. LEXIS 205631 (S.D. Fla. Nov. 25, 2019)

Magistrate judge recommended that district court deny without prejudice defendant’s motion to dismiss claims based on res judicata. Plaintiff professional photographer sued defendant real estate sales associate Reid Heidenry personally for direct infringement and removal of copyright management information based on defendant’s unauthorized use and display of plaintiff’s photograph of Miami’s Freedom Tower on Heidenry’s website. Plaintiff also sued defendant real estate broker MDLV, with whom Heidenry was affiliated, for vicarious copyright infringement on basis that defendant Heidenry acted within scope of his employment by MDLV. Plaintiff had previously sued and received default judgment against Reid Heidenry P.A. in earlier action alleging same copyright claims based on same use and display of photograph. Defendants moved to dismiss, arguing that plaintiff’s instant action was barred by res judicata because plaintiff could and should have sued them in first action. Magistrate found that plaintiff, in first action, obtained final judgment on merits based on same causes of action, but res judicata was nevertheless inapplicable because parties in first and second actions not same. Although plaintiff’s opposition to motion to dismiss acknowledged that Heidenry was sole member of Reid Heidenry, P.A., neither defendant showed or even argued that Heidenry agreed to be bound by judgment in first action, or that Heidenry controlled or had substantial legal relationship with Reid Heidenry, P.A. Magistrate, noting that defendants’ halfhearted arguments were apparent strategic attempt to avoid admissions that could be used to pierce Reid Heidenry P.A.’s corporate veil and enforce judgment in first action against Heidenry personally, found evidence insufficient to support finding that parties in first and second actions were identical, as required for res judicata.

*Bell v. Med Preps LLC*, No. 19-2039, 2019 U.S. Dist. LEXIS 190784 (E.D. Mich. Nov. 4, 2019)

Plaintiff filed complaint against defendant based on alleged unauthorized use of plaintiff's photograph of Indianapolis skyline on defendant's website. Defendant moved to dismiss plaintiff's complaint on basis of collateral estoppel as to first element of infringement claim, ownership, because verdict in different case against different defendant involving same photograph established that plaintiff could not demonstrate ownership of copyright in photograph. Plaintiff argued decision in that case was non-final and would be appealed, and asserted offensive collateral estoppel on basis that ownership of photograph had been found in different case brought by plaintiff. Due to conflicting arguments, court denied motion to dismiss and stated issues brought forth by parties should be raised on summary judgment.

#### **D. Misuse**

*Redbox Automated Retail, LLC v. Buena Vista Home Entm't, Inc.*, 399 F. Supp. 3d 1018 (C.D. Cal. 2019)

District court dismissed plaintiff's claim of copyright misuse. Plaintiff Redbox bought Disney movies from retail outlets as part of combo packs that included DVD, Blu-ray disc, and digital movie download codes. Plaintiff then resold movie download codes via in-store kiosks and accused defendants of misuse after defendants (1) pressured distributors into refusing to sell retail copies of Disney titles to plaintiff; (2) included statements on combo pack packaging and digital movie codes stating that components of combo pack cannot be rented or transferred separately; (3) limited redemption of codes to person who obtained codes as part of combo pack. Plaintiff accused defendants of copyright misuse by burdening consumers' ability to sell physical disc components of combo pack by imposing restrictive license terms on codes; impinging upon distributor's first-sale rights by prohibiting downstream sales to plaintiff; and restricting resale of digital codes without purchaser assent. District court held that defendants' actions did not prevent consumers from reselling physical disc while retaining and using download codes. Prohibiting downstream sales to Redbox did not infringe upon distributors' first sale rights, because copyright owner has right to exclude, and first sale doctrine is inapplicable to digital codes. District court noted courts were split on question of whether copyright misuse can be brought as affirmative claim rather than defense, but did not resolve this question due to plaintiff's failure to allege misuse sufficiently.

*Soos & Assocs. v. Five Guys Enters., LLC*, 425 F. Supp. 3d 1004 (N.D. Ill. 2019)

On plaintiff's motion to dismiss, district court held defendant sufficiently pleaded affirmative defense of copyright misuse, but dismissed counterclaim for declaratory judgment of non-infringement based on misuse. Defendant burger restaurant hired plaintiff architectural firm to develop centralized design standards ("Corporate Design Standards") and help distribute same, via file-sharing platform, to defendant's various other architects to incorporate into their plans to ensure design consistency across restaurants. Plaintiff simultaneously worked

for defendant, under separate form agreement, as architect to create specific plans for particular restaurants (“Construction Documents”). Eventually, defendant moved its Corporate Design Standards work to plaintiff’s competitor. Plaintiff brought action alleging defendant literally copied plaintiff’s copyrighted Construction Documents. Defendant responded with both affirmative defense of, and claim for declaratory judgment based on, copyright misuse. In particular, defendant alleged that it paid plaintiff for non-exclusive right to use Corporate Design Standards, that defendant’s right to use these was distinct from any limitations on Construction Documents, and that defendant was misusing its copyright registrations for Construction Documents to assert control over matter not covered by registrations. Court declined to dismiss affirmative defense, but dismissed defendant’s counterclaim for declaratory judgment of non-infringement based on misuse to avoid needless duplication of proceedings.

#### **E. Miscellaneous**

*Jeehoon Park v. Skidmore, Owings & Merrill LLP*, No. 17-4473, 2019 U.S. Dist. LEXIS 171566 (S.D.N.Y. Sep. 30, 2019)

District court denied defendants’ motion to dismiss plaintiff’s claims relating to generation and use of images and souvenirs because unclear whether statutory safe harbor for images of constructed architectural works was applicable. Plaintiff architect created plans and model of skyscraper called Cityfront ’99 for thesis project and later registered it as architectural work. Defendants architectural firm, construction management company, and various operational and leasing entities collectively designed, constructed and operated One World Trade Center (“1 WTC”). Plaintiff brought suit in 2017, alleging that defendants infringed his copyright by using infringing images in promotional materials and in connection with ticket sales. Defendants argued that plaintiff’s claims were barred by safe harbor provision in § 120(a) of Act, which states that copyright in constructed architectural work does not confer right to prevent others from making or using pictorial representations of work. Because unclear whether defendants’ promotional images were created before 1 WTC was substantially constructed (and therefore derivative of Cityfront ’99) or after, determination of safe harbor applicability was premature. Moreover, safe harbor unavailable as matter of law to souvenirs, i.e., three-dimensional copies, because it is applicable only to images, i.e., two-dimensional copies. Court therefore declined to dismiss claims based on defendants’ promotional materials and souvenirs.

*Mango v. Democracy Now!*, No. 18-10588, 2019 U.S. Dist. LEXIS 123550 (S.D.N.Y. July 24, 2019)

Plaintiff photographer alleged that defendant infringed plaintiff’s copyright in photograph that defendant used in news article published on its website. Defendant made Rule 68 offer of judgment that defendant described as “five times [p]laintiff’s typical photo licensing fee for editorial use,” which plaintiff rejected. At pretrial conference court ordered plaintiff to post bond of \$10,000. Defendant subsequently filed second motion for bond in amount of \$100,000. Court determined that defendant was entitled to additional bond of \$50,000.

Court reasoned that it is proper for defendant to seek award of costs, including attorney's fees, incurred following Rule 68 offer where plaintiff's recovery fails to exceed defendant's offer. Although Second Circuit had declined to adopt these principles in civil rights action, this precedent did not impede their application to copyright case; court noted that "Rule 68 may operate differently in the two contexts." In holding that imposition of second bond was appropriate, court found that merits of defendant's claim were unlikely to result in plaintiff's judgment in excess of Rule 68 offer, particularly because case involved single photograph used in one article, wherein copyright infringement awards rarely exceed three to five times license fee for work. Additionally, defendant did not profit from use of photograph, and promptly removed photograph upon receiving notice of lawsuit. Court also found that, given plaintiff's modest financial resources, plaintiff would be unlikely to pay costs that defendant would seek in this litigation, which could reasonably exceed \$110,000. Finally, court found that plaintiff's counsel's history of failing to comply with court orders further "counsels in favor of the imposition of an additional bond."

*Mockingbird Found v. Luong*, No. 19-5671, 2020 U.S. Dist. LEXIS 32217 (Feb. 20, 2020)

District court denied defendant's motion to dismiss plaintiff's action for declaratory judgment stemming from third-party use of defendant's photos on plaintiff's website. Defendant discovered use of his photograph on plaintiff's online forum website. Counsel for defendant sent several letters to plaintiff warning plaintiff that it was liable for infringement and demanding \$2,500 to settle potential claims. Once plaintiff commenced instant action, defendant acknowledged that plaintiff might be judgment-proof and issued license for specific photo to resolve matter. Counsel for plaintiff informed defendant that pursuant to *Already, LLC v. Nike, Inc.*, 568 U.S. 85 (2013), covenant or license agreement encompassing all of defendant's photographs would be needed. Defendant argued matter was moot. Covenant in *Already* was absolutely clear that defendant, Nike, would unconditionally and irrevocably refrain from making any claims or demands. Defendant's license agreement did not protect all of plaintiff's forum users, and only covered one of defendant's photographs. As plaintiff's website contained thousands of users, court noted it was feasible that one of defendant's photographs could be used once again, leading to another threat of legal action by defendant. Court noted that defendant's counsel had reputation for sending similar demand letters, and license agreement did not make it absolutely clear that defendant would not once again allege infringement. Court held defendant had not demonstrated case was moot, and denied motion to dismiss.

*Johnson v. UMG Recordings, Inc.*, No. 19-2364, 2019 U.S. Dist. LEXIS 184455 (C.D. Cal. Oct. 23, 2019)

District court denied defendant's motion to dismiss plaintiff's state copyright claim because even use of even three-second fragment may constitute infringement. In 1968, plaintiff recording artist recorded vocals on track titled "I Feel An Urge" ("Recording"), including three-second segment featuring distinctive "Ooh" followed by fast-paced instrumentals. In 1991, defendant record label reproduced, distributed and licensed portion of Recording on

2.5-minute long rap tracks including “Juice (Know the Ledge).” Relying on California’s copyright statute because claim was based on pre-1972 sound recording, plaintiff alleged infringement based on three-second sampled segment. Defendant argued that clip was so short compared to length of song that defendant’s use was too *de minimis* to support infringement finding as matter of law. Court disagreed, holding that, if three-second segment was sufficiently distinctive, defendant’s copying of same may be substantial enough to constitute infringement regardless of overall song length. Because plaintiff sufficiently alleged “signature voice and unique composition,” court declined to dismiss plaintiff’s claim.

## VII. REMEDIES

### A. Damages and Profits

*Castillo v. G&M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020)

Second Circuit affirmed district court’s award of statutory damages under VARA, for destruction of plaintiffs’ aerosol artwork at 5Pointz site in Long Island City, New York. 5Pointz site was series of dilapidated warehouse buildings which became exhibition space for curated collection of aerosol art. Defendant landlord demolished 5Pointz with aim of building luxury condominiums; plaintiff sued under VARA and obtained preliminary injunction, but defendant whitewashed and destroyed artwork. District court in bench trial found liability for willful infringement under VARA, and awarded statutory damages totaling \$6.75 million. Defendant appealed award of damages, and Second Circuit affirmed, finding no abuse of discretion. Second Circuit agreed with district court’s finding on all six statutory damages factors: (1) infringer’s state of mind; (2) expenses saved, and profits earned, by infringer; (3) revenue lost by copyright holder; (4) deterrent effect on infringer and third parties; (5) infringer’s cooperation in providing evidence concerning value of infringing material; and (6) conduct and attitude of parties. Second Circuit agreed with district court’s finding of willfulness, emphasizing defendant’s whitewashing of works “without any genuine business need to do so . . . an act of pure pique and revenge,” and confession that he “would make the same decision today.” Judgment of statutory damages affirmed.

*Sohm v. Scholastic Inc.*, No. 18-2110, 2020 U.S. App. LEXIS 15103 (2d Cir. May 12, 2020)

Plaintiff photographer licensed certain images to stock agency, which sub-licensed images to publisher Scholastic. Plaintiff sued for infringement, alleging use of images outside terms of licenses, and district court granted partial summary judgment on certain claims. On appeal, Scholastic argued district court erred in applying “discovery rule” to determine when claims accrued for statute of limitations purposes, arguing that Supreme Court in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014) abrogated “discovery rule,” and that court should instead apply “injury rule.” Second Circuit affirmed district court decision, holding that Second Circuit precedent bound it to apply discovery rule for statute of limitations purposes, and that *Petrella* did not overrule precedent and indeed specifically declined to consider

propriety of discovery rule. After affirming application of discovery rule for statute of limitations purposes, Second Circuit reversed district court's application of discovery rule for damages purposes. Court held that *Petrella's* "plain language explicitly dissociated the Copyright Act's statute of limitations from its time limit on damages," and explicitly limited damages to three years prior to commencement of infringement litigation.

*Southern Credentialing Support Servs., L.L.C. v. Hammond Surgical Hosp., L.L.C.*, 946 F.3d 780 (5th Cir. 2020)

Fifth Circuit held that court may not award statutory damages in copyright infringement matter for post-registration infringement even if post-registration infringement was different from pre-registration infringement. Plaintiff, healthcare credentialing service, filed infringement suit against defendant, surgical hospital, alleging that defendant continued to use plaintiff's credentialing forms without authorization after parties' business relationship ended. District court granted plaintiff's motion for summary judgment as to validity of plaintiff's copyright in, and defendant's infringement of, credentialing forms, awarded statutory damages to plaintiff, issued injunction and found that plaintiff was entitled to attorneys' fees. On appeal, defendant argued that (a) statutory damages and attorneys' fees were barred by § 412 because defendant's infringement predated plaintiff's copyright registration; and (b) plaintiff's credentialing forms lacked originality. Fifth Circuit affirmed lower court's conclusion that defendant infringed plaintiff's valid copyrights and affirmed permanent injunction against defendant. However, court held that § 412's bar on statutory damages for "any infringement" commenced before registration must be broadly interpreted to prohibit statutory damages for defendant's post-registration infringements, despite fact that defendant's infringement changed from reproducing copyrighted forms pre-registration to distributing forms post-registration. In reaching this conclusion, Fifth Circuit found that lower court inappropriately declined to apply general rule barring "statutory damages when the same defendant infringe[s] the same work in the same fashion before and after registration," and had incorrectly determined that plaintiff was entitled to statutory damages and legal fees because defendant's post-registration infringements were "different in kind" from infringements pre-dating registration. Court elaborated, indicating that lower court's interpretation was inconsistent with spirit of Copyright Act, which does not treat "different" infringements differently, and was "at odds with the basic copyright principle that each violation of a section 106 right is a coequal infringement." Instead, court held, § 412 prohibits award of statutory damages when defendant infringes § 106 right pre-registration and violates separate § 106 right post-registration.

*Energy Intelligence Grp., Inc. v. Kayne Anderson Capital Advisors, L.P.*, 948 F.3d 261 (5th Cir. 2020)

Plaintiffs published *Oil Daily*, newsletter regarding petroleum industry in North America. Defendants, investment firm, in 2004 began purchasing *Oil Daily* subscription for one partner. Between 2004 and 2014, partner shared access to *Oil Daily* with other employees and third parties; defendants renamed shared files to avoid detection by plaintiffs of illicit sharing, which plaintiffs alleged to be CMI violation. Plaintiffs alleged infringement and

DMCA violations. Defense rested on two theories: (1) plaintiff learned of defendant's infringement in 2007 but did nothing to investigate or dissuade KA; and (2) plaintiff knew that many of its subscribers improperly distributed newsletters but consciously declined to crack down on sharing because litigating copyright claims against large clients was more profitable. At trial, jury agreed that plaintiffs could have avoided nearly all copyright and DMCA violations at issue; plaintiffs took nothing for DMCA violations and received \$15,000 in statutory damages for 39 infringed works, amounting to approximately half million dollars. On appeal, court assessed issue of first impression and held that plaintiffs' failure to mitigate did not serve as complete defense to liability for statutory damages under Act or DMCA, as statutory damages serve deterrent as well as compensatory purpose. For DMCA violations, parties agreed that if mitigation was not complete defense, judgment for plaintiffs in amount of \$2,500 per work was appropriate, and court accordingly entered judgment for \$1,062,500 for those claims. Because court could not assess whether jury would have awarded \$15,000 per work on infringement if proper instructions were issued, court vacated judgment and remanded to determine statutory damages for each work.

*Wolk v. Ormerod*, No. 19-3020, 2019 U.S. Dist. LEXIS 203454 (S.D.N.Y. Nov. 21, 2019)

After default judgment, magistrate recommended that district court award plaintiff statutory damages based on defendant's willful copyright infringement. Between 1997 and 1999, plaintiff professional artist created, published and registered fantasy painting titled *Metamorphosis*. In 2005, under commission from third-party pencil company, defendant created fantasy image titled *Ocean Dreams*, which defendant admitted was inspired by plaintiff's work. In 2018, plaintiff sent infringement notice to defendant and demanded that he remove *Ocean Dreams* images from internet. After defendant continued to reproduce and publish *Ocean Dreams*, plaintiff sued for infringement and, following entry of default judgment, sought maximum statutory damages award of \$150,000. Magistrate found that defendant's disregard of plaintiff's infringement notice and his default, separately and together, established that his infringement was willful. Moreover, defendant's use of internet to infringe provided him with vast audience and potentially large profits, though defendant's default frustrated determination of reasonable amount for damages. However, defendant's infringement was not "truly egregious" because it was not done in contravention of court order, and so did not justify award of statutory maximum. Noting dual compensatory and punitive or deterrent purposes of statutory damages, Magistrate recommended award of \$100,000 in statutory damages.

*Kennedy Stock, LLC v. NLS New York Inc.*, No. 18-4991, 2019 U.S. Dist. LEXIS 200811 (S.D.N.Y. Nov. 18, 2019)

Magistrate judge recommended that plaintiff be awarded \$60,000 in statutory damages. Plaintiff was exclusive licensee of rights to works created by photographer Stephen Kennedy. Defendant was chauffeur service provider. Plaintiff alleged that defendant copied, published, and displayed six of plaintiff's works on its website without license or authorization. In its display, defendant also removed or obscured plaintiff's watermark. Plaintiff's counsel sent cease and desist letter to

defendant and defendant removed works but did not further cooperate beyond stating that defendant's site was "under construction." Plaintiff brought suit for infringement and DMCA violation. Court granted motion for default judgment against defendant and referred case to magistrate for inquest on damages. Plaintiff sought \$900,000 in statutory damages. Court found defendant liable for infringement, and that plaintiff sufficiently established willfulness because plaintiff did not contest allegation in default and because plaintiff alleged defendant removed CMI from works before display. Court found that despite showing of willfulness, \$150,000 per work award was inappropriate because defendant removed works from site after receiving letter from plaintiff's counsel, and defendant was not repeat offender. While noting that in cases where there was willful infringement that was not "truly egregious," courts in Circuit normally award three to five times cost of licensing fee, court determined it was unable to calculate this amount because plaintiff did not provide any evidence regarding economic damage. Court concluded \$10,000 per work infringed was appropriate, and recommended that plaintiff be awarded \$60,000 in statutory damages, \$2,268 in attorneys' fees, and \$650 in costs.

*Joe Hand Promotions, Inc. v. Disla*, No. 19-788, 2020 U.S. Dist. LEXIS 21786 (E.D.N.Y. Feb. 3, 2020)

Plaintiff sued defendants alleging unlawful interception and misappropriation of closed-circuit television exhibition of Mayweather-McGregor August 26, 2017 boxing match in violation of Federal Communications Act (FCA) and Copyright Act. Defendants failed to appear. Magistrate judge recommended grant of default judgment and award of \$3,700 in statutory damages and \$3,700 in enhanced damages under FCA. Magistrate noted that courts exercise broad discretion in setting amount of statutory damages under Copyright Act by taking into account award already granted under FCA, generally leading to "relatively modest" copyright award. Magistrate accordingly recommended award under Copyright Act of "\$2,000 – \$1,000 in statutory damages plus an additional \$1,000 for the willfulness of the violation."

*Jose Luis Pelaez, Inc. v. McGraw-Hill Glob. Educ. Holdings LLC*, 399 F. Supp. 3d 120 (S.D.N.Y. 2019)

Court granted in part and denied in part parties' cross-motions for summary judgment. Plaintiffs were photographer Pelaez and Jose Pelaez Inc., and defendant was textbook and educational product publisher. Starting in 1990, Pelaez entered into agreements with non-party Corbis, allowing Corbis to sublicense Pelaez's photos. During relevant time period, Corbis and defendant entered into agreements regarding fees for predicted use of works. If defendant wanted to use work from Corbis's collection, defendant would request invoice from Corbis, and request would include information such as expected print run. In turn, invoice from Corbis would state rights given to defendant. Pelaez alleged that between 1992 to 2017, defendant infringed his works by surpassing invoice limitations by printing or distributing more than authorized number of copies, distributing works outside agreed distribution area, publishing works in certain publications without authorization, publishing works in international editions and publications without authorization, and publishing works after noted time limitation. Defendant moved for summary judgment, arguing that for 477 of 573 claims, Pelaez had not identified when defendant's infringement began, and therefore

could not show he was entitled to statutory damages. Court rejected Pelaez's argument that defendant must show that infringement did not occur before registration. Court granted summary judgment for defendant that Pelaez could not claim statutory damages for certain photographs. Second, defendant claimed that Pelaez could only claim damages for three years before complaint was filed. Court, noting diverging opinions within district, agreed with defendant, and granted defendant's motion insofar as plaintiff could not recover actual or statutory damages for 94 claims based on conduct occurring prior to July 6, 2013.

*Broad. Music Inc. v. Buffalo Wing Joint & Pub, LLC*, No. 18-1257, 2019 U.S. Dist. LEXIS 217626 (W.D.N.Y. Dec. 18, 2019)

Plaintiffs, performing rights organization and owners of licensing rights in 14 million copyrighted musical compositions, asserted four claims of willful infringement against owner and operator of restaurant and bar, Buffalo Wing Joint & Pub, alleging that Buffalo Wing Joint & Pub publicly performed BMI-licensed music without authorization. Defendants failed to file responsive pleading to plaintiffs' complaint and court entered default. Plaintiffs subsequently filed motion for default judgment and defendants again failed to respond. Court concluded that plaintiffs were entitled to default judgment because (a) defendants' default was willful, given their failure to appear and to respond to complaint and motion for default judgment; (b) plaintiffs' allegations supported claims of copyright infringement, given that plaintiffs established that they were copyright owners of compositions at issue and defendants performed compositions without permission; and (c) plaintiffs would be prejudiced in absence of default judgment because they expended time and money in prosecuting case and defendants' infringing conduct was likely ongoing. Based on this, plaintiffs alleged willful infringement and demanded award of \$20,000 in statutory damages – \$5,000 for each act of infringement. Court found willful infringement, determining that defendants were repeatedly put on notice that they could not allow public performances of BMI-licensed music without authorization. Court found that plaintiffs' requested award fell in middle of appropriate damages range, based on estimated license fees for relevant time period, and therefore \$20,000 was appropriate amount of statutory damages to award in this case.

*Texkhan, Inc. v. Joah*, No. 18-9313, 2019 U.S. Dist. LEXIS 143260 (C.D. Cal. Aug. 22, 2019)

Plaintiff, corporation that purchased and maintained library of "exclusive two-dimensional artwork," brought copyright infringement claims against defendants, apparel companies that manufactured and sold garments bearing designs substantially similar to copyrighted designs owned by plaintiff. Defendants failed to file answer, and court granted default judgment against defendants. Court did not grant plaintiff full amount of statutory damages sought, \$30,000, because plaintiff did not substantiate claim based on lost profits and did not present evidence showing defendants individually liable, rather than jointly and severally liable. Court held defendants jointly and severally liable for copyright infringement and granted single statutory award of \$10,000.

*GC2 Inc. v. Int'l Game Tech.*, 391 F. Supp. 3d 828 (N.D. Ill. 2019)

District court denied defendants' post-trial motion for new trial, remittitur, and/or alteration of verdict after jury verdict in favor of plaintiff on DMCA claim. Plaintiff licensed artwork to defendant for use in slot machine games, with express reservation of rights for use of artwork by plaintiff in internet gaming programs. Defendant's parent corporation (another defendant) then produced online games containing plaintiff's artwork and licensed such games to third parties, including for digital download, but defendants removed copyright management information from plaintiff's artwork. Jury awarded plaintiff 75% of defendants' profits from disputed games. Defendants argued post-trial that such award was unsupported by evidence; that plaintiff did not call its own damages expert; and that plaintiff was unfairly allowed to introduce new theory of liability and new evidence at trial. District court rejected defendants' arguments, holding that defendants bore burden of demonstrating apportionment of damages; defendants did not timely object at trial to alleged new theory and new evidence; and jury's verdict was not contrary to manifest weight of evidence or "monstrously excessive." District court further concluded that DMCA damages awarded were not duplicative of copyright damages awarded by jury, despite defendants' protestations, because "Copyright Act and the DMCA protect different interests." Plaintiff's request for supplemental damages was denied due to plaintiff's decision not to introduce evidence at trial of defendants' future profits. Finally, district court granted prejudgment interest for damages awarded under Act, but denied with respect to DMCA claims, because DMCA damages are discretionary in nature and already compensated plaintiff for time elapsed.

*Beyond Cushions Corp. v. TJX Co.*, No. 18-10268, 2019 U.S. Dist. LEXIS 204003 (D.N.J. Nov. 25, 2019)

Plaintiff, owner of nine copyrighted designs of embroidered pillows containing famous skylines and landmarks worldwide, moved for default judgment against defendant. Plaintiff sold pillows to defendants for nearly two years but ended relationship due to nonpayment. Defendant nonetheless sold and distributed pillows without authorization from plaintiff. Plaintiff requested statutory damages of \$30,000 for each of nine designs, for total of \$270,000. Court found defendant's profits and saved expenses and plaintiff's lost revenue weighed in favor of statutory damages in higher range. Defendant continued to profit from designs even after business relationship ended; plaintiff alleged that it knew of at least 2,200 pillows that were sold without authorization; and plaintiff alleged \$130 lost profits per pillow for total of \$286,000. Court also found public interest militated in favor of high statutory damages range. Court therefore found \$270,000 was reasonable and would be deterrent for future infringers.

*Comerica Bank & Tr., N.A. v. Habib*, No. 17-12418, 2020 U.S. Dist. LEXIS 1343 (D. Mass. Jan. 6, 2020)

On summary judgment, district court held that defendant's upload and display of videos capturing live performances of copyrighted musical compositions constituted willful infringement and set jury trial on damages. Defendant recorded and uploaded to YouTube five

unaltered videos of Prince’s live performances, capturing six songs with registered compositions. Plaintiff personal representative of Prince’s Estate sent takedown notices for all five videos. After defendant sent five counter-notices claiming fair use protection for videos, YouTube requested evidence of legal action, at which point plaintiff commenced lawsuit. Defendant admitted he had received prior takedown notices relating to other YouTube videos, but claimed that, because those copyright owners elected to permit his videos to remain live so they could generate revenue for owners, he did not believe he was liable. Court found that this showed reckless disregard of copyright law by defendant. Defendant also maintained that every artist encourages people to post live performance videos, which court held demonstrated unreasonable disregard for musicians’ exclusive rights. Accordingly, court held that defendant infringed willfully and directed jury trial on damages.

*Amazon.com v. Kurth*, No. 18-353, 2019 U.S. Dist. LEXIS 12677 (W.D. Wash. July 30, 2019)

Plaintiffs Amazon.com and Vera Bradley Designs, Inc. brought suit against defendant for copyright infringement based on defendant’s sale of counterfeit Vera Bradley bags on Amazon. Plaintiffs moved for default judgment. Court assessed *Eitel* factors, including determination that copyright claim was properly pleaded, and found entry of default appropriate. On damages, “after considering ‘the nature of the copyright, the circumstances of the infringement and the ... express qualification that in every case the assessment must be within the prescribed maximum or minimum,” court found \$4,000 per work on five works to be reasonable damages assessment, for total \$20,000 award. Court also granted motion for attorneys’ fees, finding number of hours (37.3) and attorney rates to be reasonable. Court also awarded \$485 in costs, representing filing fee and service fee.

*Purple Rabbit Music v. JCJ Prods., LLC*, No. 18-520, 2019 U.S. Dist. LEXIS 211032 (M.D. Tenn. Dec. 5, 2019)

District court granted plaintiffs’ application for monetary judgment following entry of default judgment, holding that defendants’ willful infringement justified statutory damages award. Plaintiffs music publishers and members ASCAP sued defendants, operators of Frisky Frogs bar, for publicly performing plaintiffs’ copyrighted compositions without ASCAP license. Between December 2016 and December 2018, ASCAP representatives made over 80 attempts (some successful) to contact defendants, and repeatedly warned defendants that publicly performing ASCAP works without authorization constituted infringement and offered ASCAP blanket license to defendants. In February 2018, ASCAP hired private investigator who reported that defendants publicly performed songs, including plaintiffs’ works. In June 2018, plaintiffs commenced action. Defendants responded to plaintiffs’ requests for admission in deliberately evasive manner and failed to respond to plaintiffs’ interrogatories and requests for production, despite numerous court orders warning that failure to provide discovery could result in default judgment. After plaintiffs moved for, and court granted, default judgment against defendants, plaintiffs moved for statutory damages and injunctive relief. Court held infringement was willful because defendants ignored or actively dodged over 80 contact attempts, brazenly continued public performances despite infringement warnings and filing of lawsuit, failed to cooperate in discovery and failed to comply with court orders. Because statutory damages intended to

compensate copyright owners and deter future infringement, court awarded \$40,000 to plaintiffs for four compositions, about four times amount of defendants' unpaid license fees.

*Fair Isaac Corp. v. Fed. Ins. Co.*, 408 F. Supp. 3d 1019 (D. Minn. 2019)

Plaintiff brought claims against defendants seeking damages for breach of software license agreement and copyright infringement, and made claim for recovery of defendants' profits under Copyright Act, and demanded jury trial on all claims so triable. Defendant moved to strike jury demand as to claim for disgorgement of profits. District court agreed with defendant, holding that plaintiff "does not enjoy a Seventh Amendment right to a jury determination on its claim for recovery of [defendant's] profits." Court noted that Copyright Act does not expressly reference right to jury trial. Court rejected plaintiff's argument that Act "implicitly grants a right to a jury trial" because certain remedial sections within statute require "the court" to decide remedy, and others remain silent on issue. Court reasoned that Congress' careful use of such language may merely reflect difference between relief that is unequivocally and exclusively equitable and relief that is partly legal and partly equitable. Court found that legislative history also supported its conclusion. Additionally, court found that right to jury trial was not preserved by Seventh Amendment because plaintiff's request for disgorgement was equitable in nature. In making this determination, court engaged in two-step inquiry. Court held that first inquiry, nature of action, favored plaintiff because it was well-established that "action for copyright infringement is analogous to cases tried in English law courts in 1791." As to second inquiry – whether remedy sought is legal or equitable in nature – court acknowledged "protean" nature of profits recovery, and determined that plaintiff's claim was purely equitable remedy in this case, given that plaintiff's request was "disconnected from and in addition to any actual harm [plaintiff] has suffered," and was "purely intended to divest [defendant] of its allegedly ill-gotten gains." Plaintiff's claim was not proxy for its actual damages, particularly because plaintiff did not allege (a) that it was incapable of computing its actual damages; (b) that defendant's infringement impaired its value; or (c) that its business had been harmed in unaccounted manner. Court accordingly granted defendant's motion to strike plaintiff's demand for jury trial on disgorgement remedy.

*Adventure Creative Grp., Inc. v. CVSL, Inc.*, No. 16-2532, 2019 U.S. Dist. LEXIS 155545 (D. Minn. Sept. 12, 2019)

District court granted plaintiff's motion for default judgment and granted statutory damages in amount of \$300,000 based on unauthorized use of plaintiff's marketing catalog and video. Parties' agreement required plaintiff to provide standard advertising and design services. Additionally, rights to works created as part of agreement would be assigned to defendant, provided fee payments were made. Subsequently, plaintiff created recruitment catalogue and video for defendant. Defendant ceased making fee payments but continued using recruitment catalog and video, as well as individual portions thereof. Complaint identified two registered works – catalog and video. Plaintiff contended, however, that each of 109 "separate images and text" from catalog and video should be counted as separate work, and sought maximum statutory damages of \$150,000 for each of 109 "works" allegedly infringed

by defendant. Court rejected contention, finding law permits award of statutory damages on two registered works; each work infringed can only form the basis for one award, notwithstanding use of separate unregistered images comprising such work. Accordingly, court held defendant willfully infringed registered catalog and video, and awarded plaintiff \$300,000 in statutory damages.

## **B. Attorneys' Fees**

*Universal Instruments Corp. v. Micro Sys. Eng'g*, 799 Fed. Appx. 43 (2d Cir. 2020)

Court of appeals vacated district court's judgment and remanded matter for further proceedings. At close of trial, district court granted judgment for defendants and awarded approximately three million dollars in attorneys' fees. Plaintiff appealed and court discussed factors that must be considered including frivolousness, motivation, objective unreasonableness and need to advance consideration of compensation and deterrence. Court, reviewing its merits appeal decision affirming dismissal of copyright claim, which was not available to district court, noted that it was not unreasonable for plaintiff to file claim because contract prohibited defendant MSEI and suppliers from modifying plaintiff's source code. Court noted further that § 117(a) provided affirmative defense, which cut against finding plaintiff's position objectively unreasonable. Court also found there was no perceived shift in plaintiff's theory of liability, as it consistently maintained that defendants modified its source code. District court's consideration of lack of understanding of basic legal concepts and lack of attempts to resolve matter without trial were suitable in attorney's fee determination. Accordingly, court remanded matter for district court to consider (1) merits appeal decision, (2) argument that plaintiff shifted theory of case, and (3) impact of remaining factors if plaintiff's claim was reasonable.

*Tresóna Multimedia, LLC v. Burbank High School Vocal Music Ass'n*, 953 F.3d 638 (9th Cir. 2020)

Ninth Circuit reversed denial of attorneys' fees award to prevailing defendants. Defendants, Burbank High School Vocal Music Association Boosters Club and vocal music director at Burbank High School, held fundraisers at school to help cover expenses of competitive show choirs. Director commissioned non-party musical arranger to create custom sheet music for shows; arrangements included stanzas from multiple musical works, including "Magic," "(I've Had) The Time of My Life," "Hotel California," and "Don't Phunk With My Heart." Show choir performed arrangements at fundraisers and during student competitions. Plaintiff, licensing company that acquired rights in songs through series of assignments, sued alleging that defendants' use of songs without obtaining "custom arrangement license, grand right license, synchronization license, or mechanical license" infringed its copyrights in songs. District court granted in part defendants' motion for summary judgment, holding that plaintiff lacked standing to sue for infringement of "(I've Had) The Time of My Life," "Hotel California," and "Don't Phunk With My Heart" because plaintiff held only non-exclusive rights. District court dismissed claims based on "Magic" on basis that music director was entitled to qualified immunity from suit. District court denied defendant's

motion for fees on basis that defendants had achieved only minimal success on merits, and award of fees would not serve purposes of Act. Ninth Circuit affirmed dismissal of claims with respect to “(I’ve Had) The Time of My Life,” “Hotel California,” and “Don’t Phunk With My Heart” for lack of standing, and affirmed summary judgment with respect to “Magic” on fair use grounds. District court declined to award fees to defendants because it granted summary judgment based on procedural issues of standing and qualified immunity, and so found that defendant’s status as prevailing parties did not weigh heavily in favor of fees award. Ninth Circuit, reversing, relied instead on defendants’ fair use defense, which “goes to the heart of the copyright dispute in this case.” Defendants prevailed “across the board” in district court, and won ruling on fair use defense on appeal. Plaintiff’s arguments, including its arguments against fair use, were objectively unreasonable; defendants’ use fell plainly within enumerated fair use purposes of “teaching” and “nonprofit education,” and portions of song taken were used in highly transformative work. Moreover, “[c]ourts have a legitimate interest in deterring the type of litigation conduct in which Tresóna engaged, and in compensating those who have been harmed by such conduct.” Award of fees thus served purposes of compensation and deterrence. District court’s denial of fees, accordingly, was abuse of discretion. Ninth Circuit awarded defendants fees, and remanded to district court for calculation of award.

*Doc’s Dream, LLC v. Dolores Press, Inc.*, No. 18-56073, 2020 U.S. App. LEXIS 15329 (9th Cir. May 13, 2020)

Ninth Circuit vacated district court’s denial of defendant’s claim for attorneys’ fees. In underlying action, concerning video-recorded sermons of late religious leader Dr. Eugene Scott, plaintiff sought declaratory judgment of abandonment of works. District court granted summary judgment in favor of defendant, and defendant sought recovery of attorneys’ fees. District court held that attorneys’ fees were not available under § 505, reasoning that action for declaratory judgment of abandonment is “judicially-created doctrine based in principles of equity,” and thus does not “arise under the Copyright Act.” In issue of first impression, Ninth Circuit considered whether underlying action seeking declaratory relief sufficiently invoked Copyright Act to allow for attorneys’ fees under § 505. Ninth Circuit broadly held that any action that turns on existence of valid copyright and whether that copyright has been infringed sufficiently invokes Copyright Act as to allow for discretionary award of attorneys’ fees, and explicitly extended holding to claims of copyright abandonment, even when asserted in claim for declaratory relief. Court remanded for consideration of whether award of fees was appropriate.

*Greg Young Publ’g, Inc. v. Zazzle, Inc.*, 785 F. App’x 417 (9th Cir. 2019)

Ninth Circuit affirmed district court’s refusal to award attorneys’ fees to prevailing plaintiff that established defendant’s willful infringement. Plaintiff, licensing agent for visual artists including Kerne Erickson, sued defendant online marketplace for infringing copyrights in 35 Erickson works, seeking \$2.1 million in damages. Defendant allowed user to upload images and select them to appear on various consumer products that are offered for sale to public and, when ordered, produced and delivered to customer by defendant after royalty payment

to uploading user. Jury found that, during relevant period, defendant never deviated from or improved its copyright infringement oversight system, despite repeated notice of system's inefficiency, and otherwise failed to adequately guard against infringement. Consequently, jury found defendant's infringement was willful as to at least five works, and awarded plaintiff \$460,800 in damages. On defendant's post-trial motion, district court reversed jury holding on willfulness and reduced damages award to \$351,000. District court denied plaintiff's post-judgment motion for attorneys' fees, though plaintiff was prevailing party and apparently lacked improper motivation in bringing suit, holding that attorneys' fees award not justified due to: plaintiff's low recovery compared to its sought damages; objective reasonableness of defendant's legal arguments; and failure of such award to act as deterrent because defendant raised novel legal arguments. On appeal, Ninth Circuit found that district court had not abused its discretion in declining to award fees, pointing to plaintiff's low recovery at trial as well as defendant's partial victory as to plaintiff's DMCA claim on summary judgment. However, Ninth Circuit expressly allowed plaintiff seek reconsideration of attorneys' fees motion in light of reinstated willfulness finding.

*Philpot v. LM Communs. II of S.C., Inc.*, No. 18-6207, 2019 U.S. App. LEXIS 27091 (6th Cir. Sept. 9, 2019)

Sixth Circuit reversed district court's denial of plaintiff's motion for attorneys' fees. Plaintiff was professional concert photographer who took photo of Willie Nelson during concert in 2009. In 2011, plaintiff, on Wikipedia's invitation, posted photo on Willie Nelson Wikipedia page, and offered royalty-free license of work as long as user complied with Creative Commons Attribution 2.0 Generic License, which included attribution to plaintiff. Defendant was media company comprised of 12 radio stations in three states. In 2014, concert promoter paid one of stations to promote Willie Nelson and Alison Krauss concert, and, around this time, someone at station posted announcement of concert on its website and included plaintiff's work without proper attribution or reference to license. District court granted summary judgment to plaintiff on liability and later held bench trial on damages. District court determined infringement was not willful and found \$3,500 award sufficient. However, district court found that plaintiff was not "clear prevailing party" under § 505. and denied plaintiff's motion for fees and costs. Sixth Circuit reversed, finding plaintiff to be prevailing party because he prevailed on infringement claim. Court remanded to district court for application of *Fogerty* factors to plaintiff's claim for attorneys' fees.

*Rock v. Enfants Riches Deprimes, LLC*, No. 17-2618, 2020 U.S. Dist. LEXIS 15081 (S.D.N.Y. Jan. 29, 2020)

Plaintiff musician, represented by attorney Richard Liebowitz, alleged that defendants used plaintiff's photograph on articles of clothing without license. Defendants disputed plaintiff's ownership. Plaintiff produced no evidence that photograph was registered or that proper application was made and refused by Register. Photograph did appear in book "Mick Rock Exposed," but book's registration excluded previously published works, and photograph at issue had been published numerous times before book's publication. District court therefore granted defendants' motion for summary judgment. Defendants sought over \$160,000 in

attorneys' fees as prevailing party, but plaintiff argued prevailing party argument was not viable because district court had dismissed plaintiff's claim without prejudice. District court observed that "touchstone of the prevailing party relationship must be the material alteration of the legal relationship of the parties" and that here, dismissal without prejudice materially altered parties' relationship because plaintiff could not bring copyright claim unless and until photograph is registered. District court found that plaintiff advanced objectively unreasonable and frivolous arguments and made disposition of lawsuit more difficult for court, which ultimately granted defendants \$100,000 in attorneys' fees, part of which was imposed as sanction upon attorney Liebowitz.

*Ennio Moricone Music, Inc. v. Bixio Music Grp. Ltd.*, No. 16-8475, 2019 U.S. Dist. LEXIS 216781 (S.D.N.Y. Dec. 16, 2019)

Magistrate recommended that plaintiff's motion for attorneys' fees be denied due to absence of any factors justifying award. In 1970s and 1980s, Italian composer Ennio Morricone assigned his rights in film scores to defendant Italian publishing company in exchange for upfront payment and royalties. Plaintiff, assignee of Morricone, sought to terminate assignments to defendant. District court concluded that, under Italian law, scores were works for hire and thus excepted from termination right. On appeal, Second Circuit reversed and entered judgment for plaintiff. Plaintiff moved for attorneys' fees under § 505 as prevailing party. Magistrate noted that objective unreasonableness is most important factor in determining whether to award attorneys' fees and, based on finding that defendant's defense was objectively reasonable and lacked neither basis nor merit, recommended that attorneys' fees not be awarded.

*Broad. Music Inc. v. Buffalo Wing Joint & Pub, LLC*, No. 18-1257, 2019 U.S. Dist. LEXIS 217626 (W.D.N.Y. Dec. 18, 2019)

Plaintiffs, performing rights organization and owners of licensing rights in 14 million copyrighted musical compositions, asserted four claims of willful infringement against owner and operator of restaurant and bar, Buffalo Wing Joint & Pub, alleging that Buffalo Wing Joint & Pub publicly performed BMI-licensed music without authorization. Defendants failed to file responsive pleading to plaintiffs' complaint and court entered default. Plaintiffs subsequently filed motion for default judgment and defendants again failed to respond. Court concluded that plaintiffs were entitled to default judgment because (a) defendants' default was willful, given their failure to appear and to respond to complaint and motion for default judgment; (b) plaintiffs' allegations supported claims of copyright infringement, given that plaintiffs established that they were copyright owners of compositions at issue and defendants performed compositions without permission; and (c) plaintiffs would be prejudiced in absence of default judgment because they expended time and money in prosecuting case and defendants' infringing conduct is likely ongoing. Court awarded plaintiffs \$20,000 in statutory damages. Plaintiffs also sought attorneys' fees and costs in amount of \$7,000 pursuant to flat-fee arrangement. However, plaintiffs' attorneys failed to submit "any information regarding time spent on matter," despite fact that such information must be produced even where attorneys have flat-fee arrangement, and instead

only informed court of their standard hourly rates. Court therefore held that requested award was unreasonable, and denied plaintiffs' request for fees.

*Mantel v. Smash.com Inc.*, No. 19-6113, 2019 U.S. Dist. LEXIS 179894 (W.D.N.Y. 2019)

District court granted plaintiff's motion for default judgment in suit for infringement of plaintiff's photograph, and awarded statutory damages, attorneys' fees, and costs to plaintiff, though significantly lower than requested by plaintiff. Plaintiff photographer adequately alleged that defendant online publisher, without authorization, copied plaintiff's registered photograph, removed gutter credit added by plaintiff's licensee, and published photograph on defendant's website. Although plaintiff established willful infringement, court granted only \$2,500 in damages (rather than requested \$30,000) based on plaintiff's failure to present evidence of lost revenue or other damages. Court also awarded reasonable attorneys' fees to plaintiff but not full amount requested, citing exaggeration of plaintiff's attorney, Richard Liebowitz, of both hourly rate and hours worked, especially given simplicity of issues, Liebowitz's limited experience and identity with other cases filed by Liebowitz in same week (with court noting complaint's erroneous references to defendants in other cases).

*Narrative Ark Entm't LLC v. Archie Comic Publ'ns, Inc.*, No. 16-6109, 2019 U.S. Dist. LEXIS 178249 (S.D.N.Y. Oct. 15, 2019)

District court denied plaintiff's and defendant's motions for attorneys' fees stemming from dispute based on registered works appearing in Archie comic books series. Archie paid third-party defendant Scott Fulop to create disputed works. Parties disagreed as to whether such works were created as works for hire. Accordingly, Archie, acting as purported owner, subsequently transferred its rights to disputed works to nonparty Sega of America. Fulop, also acting as purported owner, transferred rights to Narrative. District court ultimately dismissed Narrative's infringement claim as time-barred, and Archie's infringement counterclaim based on lack of standing. Court noted that attorneys' fees are available to prevailing party; non-exhaustive factors to be considered include frivolousness, motivation, objective unreasonableness and need to advance considerations of compensation and deterrence. Although court found Archie to be prevailing party, court exercised its discretion pursuant to § 505 and denied fees to both parties. Court found that Narrative's claims were not frivolous or objectively unreasonable, as they involved complex copyright infringement versus ownership issue. Court also did not discern improper motivation by Narrative. Court viewed Archie's claim less favorably because Archie transferred its rights to Sega, and any belief that Archie possessed standing to bring claim was objectively unreasonable.

*GC2 Inc. v. Int'l Game Tech.*, 391 F. Supp. 3d 828 (N.D. Ill. 2019)

District court denied defendants' post-trial motion for partial judgment as matter of law, new trial, remittitur, and/or alteration of verdict, subsequent to jury verdict in favor of plaintiff on DMCA and copyright infringement claims. Plaintiff licensed artwork to defendant for use in slot machine games, with express reservation of rights for use of artwork by plaintiff in internet games. Defendant's parent corporation (another defendant) then produced online

games containing plaintiff's artwork and licensed such games to third parties, including for digital download, but defendants removed copyright management information from plaintiff's artwork. Plaintiff sought attorneys' fees on copyright claims. District court denied fees, noting that plaintiff failed to adequately address *Fogerty* factors. Defendants also sought fees claiming to be prevailing party due to succeeding on prior motion to dismiss for lack of personal jurisdiction with respect to international affiliate and partial success on motion for summary judgment. District court held that although defendants were prevailing parties with respect to limited arguments involving personal jurisdiction, but *Fogerty* factors did not support finding of attorneys' fees for defendants, because little evidence existed that plaintiff's claims were frivolous or made in bad faith.

*FameFlynet, Inc. v. Jasmine Enters.*, No. 17-4749, 2019 U.S. Dist. LEXIS 133357 (N.D. Ill. Aug. 8, 2019)

District court granted but significantly reduced plaintiff's request for attorneys' fees. Plaintiff owned copyrights in photos of Nicky Hilton and James Rothschild's wedding. Defendant, employee of wedding dress retailer, posted three of plaintiff's photos on retailer's blog without plaintiff's permission. Plaintiff sued for infringement and demanded \$16,000 to settle case; defendant offered \$15,000. Plaintiff rejected settlement offer and litigated case for over two years before finally stipulating to \$5,000 in statutory damages. Defendant moved to strike plaintiff's subsequent motion for \$225,000 in attorneys' fees, alleging that plaintiff's motion was predicated on inadmissible settlement communications, *inter alia*. District court held that settlement discussions were admissible for determining attorneys' fees, as proof of litigation conduct, and focused on *Fogerty* factors in determining fee award: frivolousness, motivation, objective unreasonableness, and need to advance considerations of compensation and deterrence. Applying factors to case, district court found that defendant's defense was not frivolous and not in bad faith or objectively unreasonable. In addition, substantial fees would not advance considerations of compensation and deterrence; to the contrary, awarding plaintiff's requested fees would incentivize parties to reject reasonable settlement offers in hopes of cashing in on substantial attorneys' fees later on. District court further noted that most important considerations under Seventh Circuit law were strength of prevailing party's case and amount of relief obtained. Defendant was not aware that posting of image would infringe copyright, and plaintiff ultimately accepted significantly less money than defendant's initial settlement offer. District court thus awarded \$10,500 in fees and costs, noting amount was slightly higher than expenses incurred by plaintiff as of date of rejection of initial settlement offer.

*Geophysical Serv. v. TGS-NOPEC Geophysical Co.*, No. 14-1368, 2020 U.S. Dist. LEXIS 27865 (S.D. Tex. Feb. 19, 2020)

District court granted defendant's motion for attorneys' fees stemming from lawsuit alleging infringing use of plaintiff's seismic data. Plaintiff brought claims of direct and contributory infringement and unlawful removal of copyright management information based on defendant's purchasing seismic data that plaintiff licensed to Canadian government. Defendant successfully defeated claims and moved for attorney's fees. Court found

plaintiff's claims were objectively unreasonable, as plaintiff had clearly granted Canadian government license to copy and distribute its seismic data. Court further found need to compensate defendant to encourage future defendants to assert meritorious defenses and deter future plaintiffs from asserting objectively unreasonable claims. Thus, goals of compensation and deterrence favored defendant. Although there was no evidence of bad faith by plaintiff, court found remaining factors weighed in favor of awarding fees to defendant.

*Philpot v. Emmis Operating Co.*, No. 18-817, 2019 U.S. Dist. LEXIS 112440 (W.D. Tex. July 8, 2019)

After defendant failed to timely file answer, plaintiff moved for default judgment. Defendant then filed answer before motion for default judgment was ripe and filed motion to deem filed answer as timely. Court granted defendant's motion and denied plaintiff's motion for default judgment. Plaintiff moved for attorneys' fees. Court concluded that plaintiff's counsel was overly zealous in seeking entry of default, and overly combative in opposing motion to set aside default; and given further plaintiff's "questionable litigation history" in federal courts, proper exercise of discretion was to reject request for fees.

*Moi v. Chihuly Studio, Inc.*, No. 17-853, 2019 U.S. Dist. LEXIS 197837 (W.D. Wash. Nov. 14, 2019)

Former studio assistant plaintiff sued Dale Chihuly and his eponymous studio, accusing defendants of selling bogus Chihuly art and defrauding defendants' customers, and alleging that plaintiff had authored works at issue. Plaintiff demanded \$21 million, threatened to disclose personal and private information regarding Chihuly, and hinted that settlement was only path to prevent publicity that would cause harm to Chihuly's personal and business interests. Defendants attempted to prevent plaintiff from using defendants' privileged and confidential materials in course of litigation, and, when that failed, requested that documents be sealed or stricken. After court dismissed plaintiff's copyright claims on summary judgment, defendants sought attorneys' fees. Court found that plaintiff's copyright claim was frivolous and objectively unreasonable, and that there was need to deter other Chihuly assistants from filing fatally flawed copyright claims against Chihuly. Plaintiff did not challenge reasonableness of defense counsel's hourly rates. Instead, plaintiff argued that defendants caused unreasonable delay by not filing motion to dismiss shortly after commencement of lawsuit. Due to plaintiff's initial assertions that he possessed witnesses, videotape, and documents that would prove authorship, district court found that defendants did not unreasonably delay matter, and granted defendants full amount of attorneys' fees requested, \$1,621,817.48.

*Adventure Creative Grp., Inc. v. CVSL, Inc.*, No. 16-2532, 2019 U.S. Dist. LEXIS 155545 (D. Minn. Sept. 12, 2019)

District court granted plaintiff's motion for attorneys' fees. Infringement action resulted from defendant's unauthorized use of marketing catalog and video, which were created pursuant to parties' design services agreement. After default judgment was entered, plaintiff

moved for attorneys' fees. Factors considered in determining attorneys' fees include time and labor required, skills required to perform legal services, amount involved and result obtained. Court held plaintiff's request for \$8,369.50 was reasonable, as plaintiff only sought fees incurred in connection with motion of default judgment, and not overall action. Additionally, legal and factual nature of plaintiff's claims and default judgment motion required greater time relative to other similar motions; submissions were thorough and required evidentiary hearing. Lastly, court held hourly fee claimed by plaintiff's counsel was reasonable in light of counsel's experience.

*Int'l Inst. Of Mgmt. v. Org. for Econ. Cooperation & Dev.*, No. 18-1748, 2019 U.S. Dist. LEXIS 186907 (D. Nev. Oct. 29, 2019)

Court granted defendants' joint motion for attorneys' fees. Plaintiff, Nevada think tank that published economics papers, brought suit against defendants, intergovernmental organization for economic research and policy and professor of economics, for infringing plaintiff's "work on using non-GDP factors to measure the well-being of countries." Court granted defendants' motion to dismiss action without prejudice for lack of personal jurisdiction over defendants. As to defendants' motion for fees, court first rejected plaintiff's argument that defendants could not recover fees because they did not receive judgment on merits, finding instead that defendants satisfied "prevailing party" requirement. Court further held that award of fees was appropriate because (a) suit was "legally objectively unreasonable," given that plaintiff's attempt to establish personal jurisdiction had "slim to no chance of success"; (b) defendants obtained "at least a modicum" of success in having action dismissed for lack of personal jurisdiction; and (c) award of fees in case furthered goals of Copyright Act. In determining reasonableness of fees, court applied lodestar method. Court (a) reduced both defendants' lodestar amount by 10%, finding that defendants' "total hours billed constitute[d] an unreasonable amount of time defending this litigation" because "both defendants' summaries of work performance state the hours of each individual in a single, large increment of time"; and (b) held that defendants' counsels' hourly rates ranging from \$650-\$840 were unreasonable, given that hourly rate of \$400 was reasonable in Las Vegas market. Court rejected plaintiff's arguments that lodestar amount should be adjusted, finding "no reason to depart from either of these presumptively reasonable awards."

*Craft Smith, LLC v. EC Design, LLC*, No. 16-1235, 2019 U.S. Dist. LEXIS 171380 (D. Utah Oct. 1, 2019)

Court denied defendant's motion for attorneys' fees. Defendant sold planner book intended to compete with plaintiff's planner, with similar layout and design. Although plaintiff had registered copyright for its planner design, court ultimately held that asserted compilation was not protectable expression. But because plaintiff owned copyright in asserted design, court held litigation was "not frivolous or unreasonable," and found that award of attorneys' fees under Copyright Act would not serve purpose of compensation or deterrence.

### C. Injunction/Impoundment

*Broad. Music Inc. v. Buffalo Wing Joint & Pub, LLC*, No. 18-1257, 2019 U.S. Dist. LEXIS 217626 (W.D.N.Y. Dec. 18, 2019)

Plaintiffs, performing rights organization and owners of licensing rights in 14 million copyrighted musical compositions, asserted four claims of willful infringement against owner and operator of restaurant and bar, Buffalo Wing Joint & Pub, alleging that Buffalo Wing Joint & Pub publicly performed BMI-licensed music without authorization. Defendants failed to file responsive pleading to plaintiffs' complaint and court entered default. Plaintiffs subsequently filed motion for default judgment and defendants again failed to respond. Court concluded that plaintiffs were entitled to default judgment because (a) defendants' default was willful, given their failure to appear and to respond to complaint and motion for default judgment; (b) plaintiff's allegations supported claims of copyright infringement, given that plaintiffs established that they were copyright owners of compositions at issue and defendants performed compositions without permission; and (c) plaintiffs would be prejudiced in absence of default judgment because they expended time and money in prosecuting case and defendants' infringing conduct was likely ongoing. Plaintiffs sought permanent injunction enjoining defendants from future infringement. Court determined that plaintiffs were entitled to permanent injunction because (i) monetary damages were not sufficient given that loss caused by infringement could not be measured precisely; (ii) failure to issue final injunction would be tantamount to creation of compulsory license; (iii) requiring plaintiffs to commence litigation for each future violation would be extreme hardship, "while preventing defendants from continually infringing on plaintiffs' copyrighted material is not"; and (iv) public interest would be served by "prohibiting infringing conduct in furtherance of copyright law." Based on this, court issued permanent injunction.

*Synopsys, Inc. v. InnoGrit, Corp.*, No. 19-2082, 2019 U.S. Dist. LEXIS 107215 (N.D. Cal. June 26, 2019)

Court granted preliminary injunction in favor of plaintiff, barring defendant from accessing, using, transferring, or copying plaintiff's software in violation of DCMA. Plaintiff, electronic design automation provider, accused defendant of pirating plaintiff's software and circumventing its license key system. Plaintiff subsequently filed complaint against defendant alleging DCMA violations, and filed *ex parte* application for preliminary injunction. Court addressed in turn *Winter* factors to determine whether preliminary injunction was warranted. As to first *Winter* factor, court found that plaintiff was likely to succeed on merits of its DCMA claims alleging defendant's circumvention of access control measures and importing software to carry out circumvention; forensic evidence demonstrated that defendant imported "crack file" and obtained license key generator software to unlock and use plaintiff's software without authorization. Second *Winter* factor weighed in favor of preliminary injunction; plaintiff's loss of market share and lost profits constituted irreparable harm. Third factor, balance of equities, favored injunction, based on evidence that defendant continued to use unauthorized copies of plaintiff's software even after complaint was filed,

and defendant's failure to identify any damage it might sustain from issuance of injunction. Court determined that final *Winter* factor, public interest, favored injunction because public has interest in preventing copyright infringement. With all four *Winter* factors weighing in favor, court granted preliminary injunction in favor of plaintiff.

*Purple Rabbit Music v. JCJ Prods., LLC*, No. 18-520, 2019 U.S. Dist. LEXIS 211032 (M.D. Tenn. Dec. 5, 2019)

District court granted plaintiffs' application for injunctive relief following entry of default judgment, holding that plaintiffs established actual success on merits and irreparable harm. Plaintiffs, music publishers and members of ASCAP, sued defendants, operators of Frisky Frogs bar, for publicly performing plaintiffs' copyrighted compositions without ASCAP license. Between December 2016 and December 2018, ASCAP representatives made over 80 attempts (some successful) to contact defendants, and repeatedly warned defendants that publicly performing ASCAP works without authorization constituted infringement and offered ASCAP blanket license to defendants. In February 2018, ASCAP hired private investigator who reported that defendants publicly performed songs, including plaintiffs' works. In June 2018, plaintiffs commenced action. After plaintiffs moved for, and court granted, default judgment against defendants, plaintiffs moved for statutory damages and injunctive relief. Permanent injunction was warranted because plaintiffs established actual success on merits by showing ownership of valid music composition copyrights and infringement of same by defendants. Moreover, though irreparable harm presumed where *prima facie* copyright infringement claim is established, it was clear from record that defendants had no intention of following copyright law.

*Enchant Christmas Light Maze & Mkt., Ltd. v. GlowCo, LLC*, No. 19-966, 2019 U.S. Dist. LEXIS 196660 (M.D. Tenn. Nov. 13, 2019)

District court lifted temporary restraining order and denied plaintiff's application for preliminary injunction stemming from alleged infringing use of plaintiff's Christmas light sculpture designs. Court must balance four factors when considering motion for preliminary injunction under Rule 65: (1) whether movant has strong likelihood of success on merits; (2) whether movant would suffer irreparable injury without injunction; (3) whether issuance of injunction would cause substantial harm to others; and (4) whether public interest would be served by issuance of injunction. Here plaintiff and defendants unsuccessfully attempted to work together to present at light exhibition show, Glow Nashville, which provided defendant with access to plaintiff's digital files. Defendants used those files to solicit Chinese manufacturers to fabricate sculptures. However, defendants testified that only original designs were used to manufacture disputed light sculptures for Glow Nashville. Court noted that no one can claim copyright interest in generic and traditional trappings of Christmas such as lights; plaintiff's "copyright-protected interest in the designs is, therefore, very thin." Court held similarities between respective light sculptures were inherent to Christmas subject matter. Additionally, there were substantial differences between disputed light sculptures that supported inference that defendants did not make direct copy of plaintiff's design files. There was thus no direct evidence of copying, and copying could not be inferred based on

overlapping features of designs. Accordingly, plaintiff failed to establish likelihood of success on merits for preliminary injunction.

#### **D. Miscellaneous**

*Greg Young Publ'g, Inc. v. Zazzle, Inc.*, 785 F. App'x 417 (9th Cir. 2019)

Ninth Circuit reversed district court's finding, notwithstanding jury verdict, that defendant's copyright infringement was not willful. Plaintiff, licensing agent for visual artists including Kerne Erickson, sued defendant online marketplace for infringing copyrights in 35 Erickson works. Defendant allowed user to upload images and select them to appear on various consumer products that are offered for sale to public and, when ordered, produced and delivered to customer by defendant after royalty payment to uploading user. Jury found that, during relevant period, defendant never deviated from or improved its copyright infringement oversight system, despite repeated notice of system's inefficiency. Moreover, defendant, despite receiving catalog of plaintiff's images for which it knew to take special care, never provided catalog to defendant's content management team and continued to sell infringing products. Finally, defendant relied upon user certification process it knew evinced false certifications. Consequently, jury found defendant's infringement was willful as to at least five works, and awarded plaintiff \$460,800 in damages. On defendant's post-trial motion, district court reversed jury holding on willfulness and reduced damages award to \$351,000. On plaintiff's appeal, Ninth Circuit held that reasonable jury could have found that defendant acted recklessly by knowingly relying on obviously insufficient oversight mechanisms, reversed district court's judgment that defendant's infringement was not willful as matter of law, and remanded to district court for entry of judgment consistent with jury's verdict.

*Rock v. Enfants Riches Deprimes, LLC*, No. 17-2618, 2020 U.S. Dist. LEXIS 15081 (S.D.N.Y. Jan. 29, 2020)

Plaintiff musician, represented by attorney Richard Liebowitz, alleged that defendants used plaintiff's photograph on articles of clothing without license. Defendants disputed plaintiff's ownership. Plaintiff produced no evidence that photograph was registered or that proper application was made and refused by Register. Photograph did appear in book "Mick Rock Exposed," but book's registration excluded previously published works, and photograph at issue had been published numerous times before book's publication. District court therefore granted defendants' motion for summary judgment. Defendants moved for attorneys' fees and sanctions. District court granted approximately \$100,000 in attorneys' fees. Regarding sanctions, district court looked for clear evidence of bad faith, by determining whether offending party's actions were entirely meritless and whether party acted for improper purpose. Plaintiff's attorney Liebowitz failed to ensure that photograph at issue was registered prior to filing complaint, then later argued that book's registration had mistakenly excluded photograph and that photograph would have been rejected for registration with book, but provided no evidence supporting such claims. In addition, attorney stonewalled discovery requests. Taking all such actions into account, district court ordered plaintiff's

attorney to pay \$10,000 in sanctions, which sum was to be subtracted from amount owed by plaintiff in attorneys' fees and costs.

*Sands v. Bauer Media Grp. USA, LLC*, No. 17-9215, 2019 U.S. Dist. LEXIS 187966 (S.D.N.Y. Oct. 22, 2019)

District court ordered plaintiff to post bond or sufficient security in amount of \$50,000, noting plaintiff's and plaintiff's counsel's conduct indicated possibility that plaintiff might default on obligation to reimburse defendant's costs. Court noted that Local Civil Rule 54.2 authorizes court to order any party to file original bond for costs or additional security under conditions designated by court, and that such cost may include reasonable attorneys' fees. Factors considered in determining requirement for filing bond or security for cost include (1) financial condition and ability to pay of party at issue; (2) whether that party is non-resident or foreign corporation; (3) merits of underlying claims; (4) extent and scope of discovery; (5) legal costs expected to be incurred; and (6) compliance with past court orders. Court held that plaintiff's discovery violations impeded court's ability to assess merits of case and created need for additional discovery, which resulted in attorneys' fees of \$40,000 to \$50,000. Court further held that fifth factor weighed in favor of plaintiff as court anticipated accrual of additional attorneys' fees. Lastly, court found reason to doubt whether plaintiff would comply with future attorneys' fees order in light of plaintiff's conduct while litigating matter, which included falsely stating that no previous order was violated. Accordingly, court required plaintiff to post bond or other sufficient security.

*Mourabit v. Klein*, No. 18-8313, 2019 U.S. Dist. LEXIS 156822 (S.D.N.Y. Sept. 13, 2019)

On reconsideration motion, district court vacated prior order granting sanctions against plaintiff's counsel because his asserted claims not wholly meritless. In 2013, plaintiff makeup artist did "makeup artistry" for photoshoot by defendant photographer. Defendant, famous makeup artist, used image taken during photoshoot ("Photograph") to promote new makeup line without crediting plaintiff. In 2014, plaintiff received copyright registration for drawing depicting makeup used in photoshoot ("Drawing"). In 2018, plaintiff brought suit alleging, *inter alia*, copyright infringement and various state law claims. Defendants' counsel submitted letters claiming that Photograph could not be infringing because it was created before Drawing. Plaintiff then filed letter agreeing that copyright claim should be dismissed but on ground that "makeup artistry" not copyrightable. Defendants filed motions to dismiss and for sanctions, which court granted, holding that plaintiff's counsel's actions "completely without merit" based on court's understanding that Photograph created before Drawing. Plaintiff's counsel filed motion for reconsideration, noting that his declaration in opposition to sanctions motion stated that Drawing was created before Photograph and that 2014 creation date in registration was copyright counsel's error. Without earlier finding that plaintiff's counsel had no basis to believe that Drawing created before Photograph, his conduct was poor legal judgment but not sanctionable.

*Mourabit v. Klein*, No. 18-8313, 2019 U.S. Dist. LEXIS 110988 (S.D.N.Y. July 2, 2019)

Plaintiff makeup artist brought copyright infringement and state law claims against defendants photographer and makeup artist, alleging that defendants used photographs from photo shoot that depicted plaintiff's copyrighted makeup artistry to promote defendants' new makeup collection without crediting plaintiff. Defendants filed motion to dismiss. Court dismissed state law claims of unjust enrichment, unfair competition, and misappropriation based on preemption. Defendants also moved for sanctions on basis that claims asserted against them were frivolous and brought in bad faith, and that certain factual allegations were false and lacking evidentiary support under Rule 11 and Section 1927. Court determined that plaintiff was within Rule 11's safe harbor provision and could not be sanctioned because plaintiff offered to dismiss copyright claim – which plaintiff had earlier admitted lacked merit – three months before defendants decided to file their motion for sanctions. Court rejected defendants' argument that plaintiff's email indicating that he was prepared to file notice of voluntary dismissal was insufficient because it did not offer to dismiss claim with prejudice. Court granted defendants' motion as to Section 1927 sanctions, finding that (a) plaintiff's copyright infringement claim was entirely meritless because plaintiff created copyrighted work after alleged infringing photograph was created; and (b) plaintiff's counsel acted in bad faith for improper purpose because he knew or should have known that plaintiff's suit was devoid of merit, and that “continuation of the action as pleaded was ‘more than the result of poor legal judgment.’” Court thus ordered plaintiff's counsel to reimburse defendants for their reasonable attorneys' fees and expenses.

*Rice v. NBCUniversal Media, LLC*, No. 19-447, 2019 U.S. Dist. LEXIS 114690 (S.D.N.Y. July 10, 2019)

District court imposed monetary sanctions on plaintiff's attorney for repeated failures to comply with court orders, which imposed unwarranted costs on court and defendant. Plaintiff's attorney Liebowitz filed copyright infringement suit based on defendant's allegedly unauthorized display of plaintiff's photo. On January 17, 2019, court ordered parties to conduct mediation session prior to April 18, 2019, or request relief from same by April 3, 2019 answer deadline, and to appear for initial conference on May 2, 2019. On April 1, 2019, Court-annexed Mediation Office closed mediation referral because Liebowitz failed to respond to emails. On May 1, 2019, Liebowitz filed three requests: (1) in afternoon, letter motion requesting change of May 2, 2019 conference time from 3:45pm to 10:45am, and, after 11:00pm, (2) joint stipulation of voluntary dismissal and (3) letter motion to cancel conference. Court granted motion to reschedule conference, but denied later request to cancel conference and specifically ordered Liebowitz to appear. Liebowitz failed to appear and court, while dismissing suit, ordered Liebowitz to show cause why sanctions should not be imposed. Under Federal Rule of Civil Procedure 16(f), court can impose sanctions where clear and convincing evidence exists that counsel disregarded clear and unambiguous scheduling order; if such evidence exists, court must order sanctioned party to pay expenses, including attorneys' fees, incurred due to his noncompliance. Under court's inherent power, court can impose sanctions based on bad faith conduct or willful

disobedience of court's order and order payment of attorneys' fees, up to entire cost of litigation. Court imposed sanctions under both Rule 16(f) and inherent authority, based on Liebowitz's failure to comply with court's mediation mandate in January 17, 2019 scheduling order. Although Liebowitz blamed plaintiff's unavailability for failure to mediate, court held this did not excuse Liebowitz's failure to respond to Mediation Office or seek relief from scheduling order. Further, Liebowitz's failure to appear for May 2, 2019 in face of court's order that he do so also warranted imposition of sanctions under court's inherent power, despite Liebowitz's argument that he believed court lacked jurisdiction to conduct scheduling conference after parties had signed stipulation of dismissal. Liebowitz's disobedience of orders was willful because Liebowitz understood orders and provided no good faith explanation for failure to comply. Court imposed sanctions on Liebowitz, jointly and severally with his law firm, in amount of defendant's attorneys' fees incurred since April 18, 2019 mediation deadline, after which Liebowitz was unambiguously in violation of court's scheduling order.

### VIII. PREEMPTION

*Wright v. Penguin Random House*, No. 18-6323, 2019 U.S. App. LEXIS 24896 (6th Cir. Aug. 21, 2019)

Sixth Circuit affirmed district court's dismissal of Tennessee state law tortious interference, commercial misappropriate and publicity claims as preempted. *Pro se* plaintiff alleged that *Fifty Shades of Grey* trilogy was inspired by and "pirated" from her online memoir, and that success of *Fifty Shades* caused her significant financial and physical pain. Court liberally read *pro se* plaintiff's claims to encompass (1) violation of right of publicity; (2) tortious interference with contractual relations and/or business relations; (3) commercial misappropriation; (4) copyright infringement; and (6) negligent and intentional infliction of emotional distress. Sixth Circuit affirmed that right of publicity, tortious interference and misappropriate claims were preempted because they fall within subject matter of copyright (being relating to her published memoir), and because underlying state law claims seek to protect rights equivalent to those protected by Copyright Act.

*Mourabit v. Klein*, No. 18-8313, 2019 U.S. Dist. LEXIS 110988 (S.D.N.Y. July 2, 2019)

Plaintiff makeup artist brought copyright infringement and state law claims against defendants, photographer and makeup artist, alleging that defendants used photographs from photo shoot that depicted plaintiff's copyrighted makeup artistry to promote defendants' new makeup collection, without crediting plaintiff. Defendants filed motion to dismiss. Court dismissed state law claims of unjust enrichment, unfair competition, and misappropriation based on preemption. Court held that subject matter requirement was satisfied. Plaintiff's makeup artistry was encompassed by subject matter of Copyright Act because makeup designs (a) fit within "pictorial, graphic, and sculptural works" category; and (b) were "capable of being communicated 'for a period of more than transitory duration' because they exist for more than several minutes." Court found plaintiff's unjust enrichment, unfair

competition and misappropriation claims were preempted because claims were not qualitatively different from copyright infringement claim. Court declined to exercise jurisdiction over plaintiff's New York General Business Law claim, although court determined that such claim was not preempted, because harms alleged by plaintiff did not arise from defendants' copying of plaintiff's makeup artistry.

*Crafty Prods. v. Michaels Cos.*, 424 F. Supp. 3d 983 (S.D. Cal. 2019)

Court granted defendants' motion to dismiss third amended complaint. Plaintiffs created craft designs and used Chinese manufacturer to create products. Plaintiffs later learned that their products were being replicated by different, unauthorized manufacturer, who shipped products to defendants. Plaintiffs brought claims for, inter alia, intentional interference with prospective economic advantage and unfair competition. On intentional interference claim, court found essence of claim to be disruption of plaintiffs' ability to manufacture, distribute, and sell products, and that harm to plaintiffs was hindrance in their ability to distribute and sell products to customers. Court found that claim did not protect right that was "qualitatively different" from rights under Act, and accordingly found claim preempted. Plaintiffs based unfair competition claim on acts constituting intentional interference. Because intentional interference claim was preempted, court also found unfair competition claim preempted. Court granted motion to dismiss with prejudice.

*Life After Hate, Inc. v. Free Radicals Projects, Inc.*, No. 18-6967, 2019 U.S. Dist. 107655 (N.D. Ill. June 27, 2019)

Plaintiff, non-profit organization and anti-hate group, moved to dismiss defendant Free Radicals Project and its founder Christian Picciolini's counterclaims for copyright infringement and state law claims for unjust enrichment, conversion, interference, and deceptive trade practices, arguing that all claims failed to state claim for relief and some claims were preempted. Picciolini, former extremist, was now "well-known and internationally recognized subject-matter expert in peace advocacy" who co-founded plaintiff. During his tenure, Picciolini, using his personal resources, created copyrighted works that he allowed plaintiff to use. Following Piccolini's dispute with members of plaintiff and his subsequent disassociation, plaintiff initiated copyright infringement suit against defendant, and defendant filed counterclaims. Regarding defendant's unjust enrichment claim, court found that aspect of claim that relied on "allegation that Plaintiff concealed fact that Defendant was no longer associated with organization" survived preemption, although remainder of claim, relying on plaintiff's use of defendant's copyrights or defendant's likeness, was preempted. As to defendant's deceptive trade practices claim, court found that defendant's claims that plaintiff (a) caused "a likelihood of confusion" that defendant was affiliated with plaintiff; and (b) represented that defendant approved or sponsored plaintiff's services, were preempted. However, defendant's third basis for deceptive practices claim – that plaintiff disparaged defendant's services – was not preempted. Court found that defendant's conversion and tortious interference claims were preempted to extent that conduct relied on was plaintiff's alleged copyright infringement.

*Utex Indus. v. Wiegand*, No. 18-1254, 2020 U.S. Dist. LEXIS 29791 (S.D. Tex. Feb. 21, 2020)

District court granted defendant's motion for summary judgment that plaintiff's claim of unfair competition based on misappropriation was preempted. Plaintiff alleged defendant and ex-employee Wiegand, who departed to work for plaintiff's competitor, defendant Gardner Denver, Inc., stole confidential information and files relating to plaintiff's pump packaging assemblies, thereby permitting Gardner to develop similar pump packaging assemblies. Plaintiff brought unfair competition claim based on misappropriation and misappropriation of trade secrets. Defendants argued such state-law claims were preempted. Unfair competition by misappropriation claim is preempted when alleged misappropriation is of original work fixed in tangible medium of expression. However, misappropriation of trade secrets claim is not preempted because it requires more than mere reproduction. Court found that plaintiff's misappropriation claim was preempted, as allegedly misappropriated information was contained within documents, photographs and electronic files, which are original works of authorship fixed in tangible medium.

*Siler v. Lejarza*, 415 F. Supp. 3d 687 (M.D.N.C. 2019)

Court granted in part and denied in part defendants' motion to dismiss. Plaintiffs were creators of study courses and materials to aid individuals in passing human resources certification exams. Defendants Lejarza and Penn were owners of HR Consulting and Compliance Trainings, and offered educational opportunities to help customers pass their human resources certification exams. Plaintiffs alleged that Lejarza purchased several of plaintiff's products, reproduced plaintiffs' works in defendants' workshops, and provided her credentials to third parties so they could access plaintiffs' works. Defendants moved to dismiss state law claims on basis of preemption. Court found common law infringement claim preempted because plaintiffs did not explain common law protection sought. While some aspects of breach of contract claim appeared equivalent to Act's rights, not all portions of claim appeared identical. Specifically, plaintiffs alleged that purchasers of defendants' products received notice barring them from copying or reproducing material without consent and from transferring credentials. Act allows for fair use of materials, but provisions Lejarza allegedly agreed to when purchasing plaintiffs' products provided private standard for acceptable use. However, because neither party provided contract between Lejarza and defendants, court found it lacked sufficient information to rule on preemption, therefore denied defendants' motion. Finally, court found state UDTPA claim preempted despite plaintiffs' argument that they satisfied extra element test by alleging palming off. Court found complaint instead alleged reverse palming off, which claims are preempted.

*Big Squid, Inc. v. Domo, Inc.*, No. 19-193, 2019 U.S. Dist. LEXIS 131094 (D. Utah Aug. 5, 2019)

Plaintiff provided "professional implementation services," which defendant's software often needed. Plaintiff and defendant entered into agreement in 2015; relationship soured, and each brought claims against the other. Both parties moved to dismiss in part on preemption grounds. Court rejected defendant's argument that plaintiff's contract claim was preempted for three reasons: first, court found that "confidential information" discussed in contract may fall outside

of Act's scope; second, court found that plaintiff's contractual rights were not limited to exclusive rights in § 106, in that plaintiff was claiming breach of its right to compensation; and third, plaintiff's contract claim required extra element of existence of contract that dictated defendant's obligations concerning "confidential information and payment." Plaintiff also moved to dismiss defendant's conversion and tortious interference counterclaims as preempted. Court found that plaintiff did not meet burden in showing claims were preempted. Court found defendant's claims concerned different subject matter than copyright claim. Specifically, defendant alleged that plaintiff converted "Deliverables," which could include matter falling outside Act. Additionally, court found that claims concerned rights different than those under Act; defendant's conversion allegations concerned defendant's right to possession outside of § 106 rights. Defendant's tortious interference claim likewise concerned different rights, in that claim was predicated on "right to be free from unlawful interference" and proof would require different elements than copyright claim.

*FurnitureDealer.net, Inc. v. Amazon.com, Inc.*, No. 18-232, 2019 U.S. Dist. LEXIS 133524 (D. Minn. Aug. 8, 2019)

Plaintiff marketing company brought copyright infringement claim against defendants Amazon and furniture company Coaster for using text created by plaintiff in URL on Amazon's website. Coaster brought counterclaim of tortious interference against plaintiff because plaintiff's "overbroad, unsupported" copyright infringement claim allegedly interfered with business relationship between Coaster and Amazon. Court held tort claims preempted; they relied wholly on allegedly unsupported claims of copyright infringement, placing them within subject matter of Copyright Act. Allegations of fraud and other bad faith conduct by plaintiff did not place tort claims outside scope of Act, and Coaster had cause of action under Act.

## **IX. DIGITAL MILLENNIUM COPYRIGHT ACT**

*Green v. United States DOJ*, 392 F. Supp. 3d 68 (D.D.C. 2019)

Plaintiffs brought pre-enforcement challenges to DMCA's anti-trafficking and anti-circumvention provisions, alleging facial and as-applied First Amendment challenges. Plaintiffs additionally allege that Librarian of Congress's failure to include relevant exemptions to anti-circumvention provision in 2015 final rule violated First Amendment and APA. Defendants moved to dismiss for lack of subject matter jurisdiction on grounds that plaintiffs lacked standing and on basis that triennial rulemaking is not subject to APA. On defendants' standing argument, court found plaintiffs plausibly alleged their proposed behavior was arguably barred by DMCA; that they had "credible threat of prosecution" under DMCA because government had previously brought charges under § 1201 and government had not stated that it would not enforce DMCA against plaintiffs if they undertook proposed behavior; and that plaintiffs sufficiently alleged "intention to engage in a course of conduct arguably affected with a constitutional interest." Court accordingly determined that plaintiffs had standing and denied defendants' motion to dismiss plaintiffs' as-applied claims. Defendants also argued that court lacked subject matter jurisdiction to

hear plaintiffs' claim that Librarian of Congress, Library of Congress, Copyright Office, and Register of Copyrights violated APA. Court first found no claim against Copyright Office and Library of Congress because APA only applies to "final agency action" and Register only makes recommendation to Librarian of Congress who "consummates" exemptions. Court next found that Library and Librarian of Congress were not agencies under APA and that Congress did not expressly apply APA to DMCA, and accordingly dismissed plaintiffs' APA claims.

*Mills v. Netflix, Inc.*, No. 19-7618, 2020 U.S. Dist. LEXIS 17797 (C.D. Cal. Feb. 3, 2020)

Plaintiff sued defendants for direct, vicarious and contributory infringement, and violations of DCMA, alleging that defendants used clips of plaintiff's copyrighted video *Fyre Festival COMPLETE Disaster. VLOG of Chaos!* in defendants' documentary *FYRE: The Greatest Party that Never Happened*. Defendants moved to dismiss DMCA claims. In order to properly plead violations under DMCA § 1202(a), plaintiff must allege that defendant knowingly provided false copyright information and did so intending to induce, enable, facilitate or conceal infringement. Plaintiff failed to include "specific allegations as to how identifiable infringements 'will' be affected" by defendants, did not allege pattern of conduct demonstrating defendants knew or had reason to know their actions would cause future infringement, and failed to allege non-conclusory facts that defendants intended to induce infringement by allegedly removing or altering any CMI. Court found that plaintiff's alternative DMCA claim, based on removal of "other metadata," was overly vague and failed to identify specific infringing material. Plaintiff therefore failed to properly plead violations under DMCA, and cause of action was accordingly dismissed.

*Free Speech Sys., LLC v. Menzel*, 390 F. Supp. 3d 1162 (C.D. Cal. 2019)

Plaintiff, operator of website InfoWars, sued for declaratory judgment of non-infringement; defendant photographer raised counterclaims of direct and contributory infringement and violation of DMCA for removal of copyright management information (CMI) from photos. At pleading stage, claim for removal of CMI must plausibly allege that alleged infringer knew that removal of CMI would induce, enable, facilitate, or conceal copyright infringement. Plaintiff moved to dismiss claim, arguing that defendant did not specify which photographs contained CMI, and in what form (digital or print). Court held that pleading alleging that photographs "were altered to remove certain ... copyright management information" was insufficient, and dismissed claim with leave to amend to include additional supporting facts.

*GC2 Inc. v. Int'l Game Tech.*, 391 F. Supp. 3d 828 (N.D. Ill. 2019)

District court denied defendants' post-trial motion for partial judgment as matter of law, subsequent to jury verdict in favor of plaintiff on DMCA claim. Plaintiff licensed artwork to defendant for use in slot machine games, with express reservation of rights for use of artwork by plaintiff in internet gaming. Defendant's parent corporation (another defendant) then produced online games containing plaintiff's artwork and licensed such games to third

parties, including for digital download, but defendants removed copyright management information from plaintiff's artwork. DMCA contains dual scienter requirement, but defendants argued lack of knowledge of providing or distributing false copyright management information and lack of intent to induce, enable, facilitate or conceal infringement. District court found that evidence was sufficient for jury to find scienter and reach verdict in favor of plaintiff, in part because license agreement expressly reserved rights to development and distribution of online games, and because of testimony that defendants were contractually obligated to provide copyright management information but did not do so. District court rejected defendants' further argument that DMCA could not be applied to collaborative or derivative works. Finally, district court rejected defendants' argument that plaintiffs provided artwork to defendants in form not already bearing copyright management information, which defendants argued precluded finding that defendants removed such information. District court held that removal of copyright management information was still violation of DMCA even if copyright management information was not placed on materials by plaintiff, especially when defendants were contractually obligated to place such information on materials.

*Nucap Indust. v. Robert Bosch, LLC*, No. 15-2207, 2019 U.S. Dist. LEXIS 152554 (N.D. Ill. Sept. 7, 2019)

District court granted defendant's summary judgment motion on DMCA claim because defendant lacked requisite intent. Plaintiff manufacturer of aftermarket brake components ("Components") sold its Components to defendant, which used them to construct final aftermarket brake systems. In order to design Components, plaintiff reversed engineered original equipment by measuring brake parts and creating electronic drawings based on measurements ("Drawings"), which were not registered with Copyright Office. Defendant reviewed and kept plaintiff's Drawings to determine whether particular Components conformed and fit with defendant's existing components. Defendant claimed that terms and conditions ("TC") incorporated by reference in purchase order forms precluded plaintiff's suit for alleged misuse of Drawings, though plaintiff had objected to TC and parties never executed any formal agreement regarding intellectual property. After breakdown of parties' business relationship, defendant desperately reached out to alternate suppliers for plaintiff's Components, determining compatibility of alternate components by overlaying their drawings on plaintiff's Drawings. Parties disagreed as to whether plaintiff used only outline of Components from plaintiff's Drawings, or entirety of plaintiff's Drawings, to compare with alternate suppliers' drawings, though defendant admitting to sharing plaintiff's information with third parties nine times. Plaintiff sued defendant for, *inter alia*, violating DMCA by distributing copyright management information ("CMI") in Drawings. DMCA requires defendant to act with intent to induce, enable, facilitate or conceal infringement or, at minimum, knowledge that its actions would do so. Court held that defendant lacked requisite intent because it turned to overlaying process out of desperate business necessity and, because process was conducted internally (with no more than nine external disclosures of plaintiff's information) and defendant believed it owned rights to drawings under TC, defendant did not know it was committing copyright infringement by overlaying.

*If Merch., LLC v. Kangaroo Mfg.*, No. 17-1230, 2019 U.S. Dist. LEXIS 154841 (D. Conn. Sept. 11, 2019)

District court granted summary judgment for plaintiff dismissing defendant's "malicious misrepresentation" and "false complaint" counterclaims. Parties' prior settlement agreement prohibited similar products offered by respective parties from appearing on same Amazon product webpage. Subsequently, defendant discovered third party Assortmart using copyrighted photographs of emoji beach balls owned by defendant on Assortmart's webpages on Amazon. Eventually Assortmart webpages, which also included products owned by the plaintiff were taken down after Kangaroo submitted complaint with evidence to Amazon. IF Merchandise filed lawsuit vaguely asserting Kangaroo maliciously lodged false complaint. Court construed IF Merchandise's claim as claim under DMCA § 512(f), which provides liability for knowingly materially misrepresenting that material or activity is infringing. IF Merchandise argued Kangaroo knowingly misrepresented to Amazon that Assortmart webpage contained infringing activity, which resulted in IF Merchandise's products being blocked. Court noted that evidence submitted by Kangaroo substantiated that copyrighted material was being used on Assortmart webpage, and that Amazon's representative incorrectly identified copyrights and trademarks at issue. Nonetheless, court noted that IF merchandise failed to show that such mistake impacted takedown of Assortmart page, offered no evidence that Kangaroo made any misrepresentations, and offered no facts showing harm was incurred due to any alleged false infringement claim by IF Merchandise. Accordingly, court held Kangaroo was entitled to summary judgment on malicious misrepresentation claim.

## **X. VISUAL ARTISTS RIGHTS ACT**

*Castillo v. G&M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020)

Second Circuit affirmed district court's finding of liability under VARA for destroying plaintiffs' aerosol artwork at 5Pointz site in Long Island City, New York. 5Pointz site was series of dilapidated warehouse buildings which became exhibition space for curated collection of aerosol art. Defendant landlord demolished 5Pointz with aim of building luxury condominiums; plaintiff sued under VARA and obtained preliminary injunction, but defendant whitewashed walls and destroyed artwork. District court in bench trial found liability under VARA because certain works had achieved recognized stature, and defendant willfully violated VARA by destroying them in violation of preliminary injunction, and awarded statutory damages totaling \$6.75 million. On appeal, Second Circuit considered whether 5Pointz works were of "recognized stature" to be protected from destruction under VARA. Second Circuit held that district court's finding did not amount to clear error, in view of "plethora of exhibits" and "credible testimony" by experts, and affirmed. Second Circuit rejected defendant's argument that "temporary" aerosol works could not meet "recognized stature" requirement for VARA protection because statute makes no distinction between "permanent" and "temporary artwork"; other temporary works (such as "The Gates")

by Christo) had achieved “recognized stature”; and due to increasing popularity and renown of “street art.”

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