DORSEY always ahead

Copyright Update: Monkeys, Music, and Much, Much More!

Presented by:
J. Michael Keyes, Partner, Intellectual Property Litigation
Cristofer I. Leffler, Partner, Intellectual Property Litigation
Gina Cornelio, Partner, Patent

September 25, 2018

Copyright Update: Monkeys, Music, and Much, Much More!

Mike Keyes
Partner, IP Litigation

Cris Leffler
Partner, IP Litigation

Gina Cornelio
Partner, Patent

Standing Under The Copyright Act

Naruto v. Slater, 888 F.3d 418 **(9th Cir. 2018)**

Standing Under The Copyright Act

- **No Standing For PETA to bring suit under "Next Friend" Doctrine**
- **Naruto has Constitutional standing**
- **But he does not have standing under the Copyright Act**

Naruto v. Slater, 888 F.3d 418 (9th Cir. 2018)

Standing Under The Copyright Act

Concurring Opinion: This is Bananas!

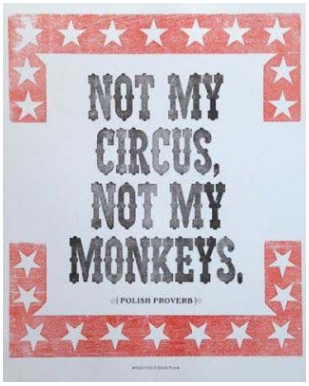
"I concur that this case must be dismissed. Federal courts do not have jurisdiction to hear this case at all. Because the courts lack jurisdiction, the appeal should be dismissed and the district court's judgment on the merits should be vacated."

Judge N.R. Smith, *Naruto Concurrence*

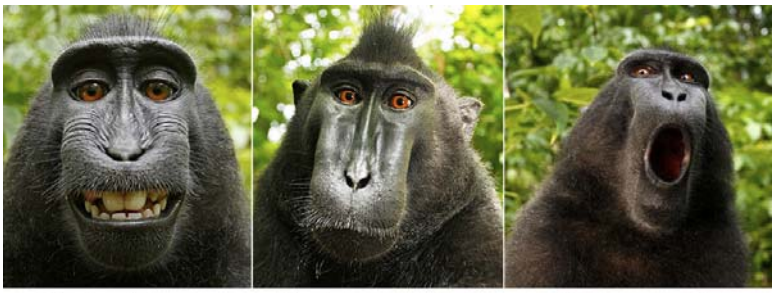
Standing Under The Copyright Act

The monkey business took a bit of a turn…

- **In April, one of the 9th Circuit Judges (Sua Sponte) Requested En Banc Hearing**
- **On August 31, the request for rehearing was denied**



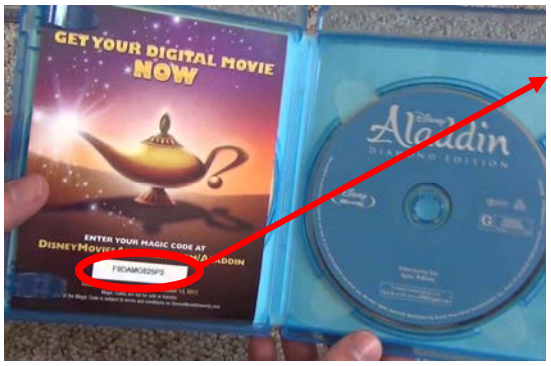
Naruto Memes!



Copyright Injunctions

***Disney Enters. v. Redbox Automated Retail, LLC*, No. CV 17-08655 DDP (AGRx), 2018 U.S. Dist. LEXIS 148489 (C.D. Cal. August 29, 2018)**

Disney Offers "Combo Packs" with "Digital Download Codes"



DisneyMoviesAnywhere.com

Terms that user must agree to:

1. **Disney owns the digital code; and**
2. **User represents he or she owns the physical product that accompanied the code at the time of purchase.**

But The Packaging Didn't Disclose These Restrictions

In small print @ the bottom of the packaging:

"Codes Are Not For Sale or Transfer" and "Terms and Conditions Apply."

Copyright Injunctions

- **Redbox purchases Combo Packs at Retail**
- **Redbox removes the piece of paper with the download code**
- **Redbox "repackages" the codes and sells the code to consumers**
- **Disney sues for contributory copyright infringement and moves for injunction.**

***Disney Enters. v. Redbox Automated Retail, LLC*, No. CV 17-08655 DDP (AGRx), 2018 U.S. Dist. LEXIS 148489 (C.D. Cal. August 29, 2018)**

Copyright Injunction No. 1 – Denied

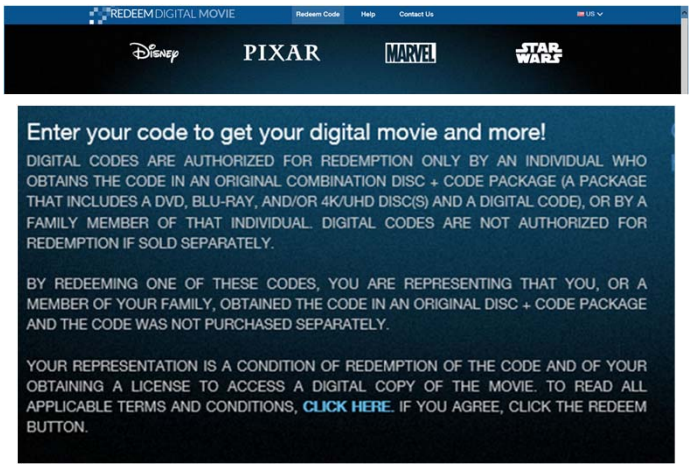
"…Disney's copyrights do not give it the power to prevent consumers from selling or otherwise transferring the Blu-ray discs and DVDs contained within Combo Packs…. Accordingly, Disney has not demonstrated a likelihood of success on the merits of its contributory copyright infringement claim."

Copyright Injunction No. 2 – Granted

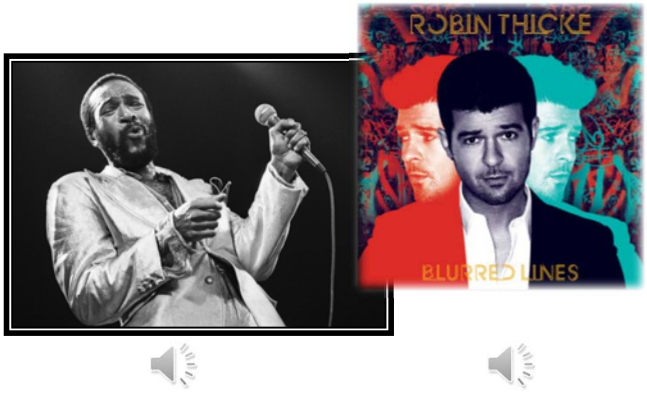
Language on Back of Packaging Now Reads:

"Digital code redemption requires prior acceptance of license terms and conditions. Codes only for personal use by recipient of this combination package or family member….The digital code contained in this package may not be sold separately and may be redeemed only by the recipient of this combination package or a family member."

Copyright Injunction No. 2 – Granted



Substantial Similarity



***Williams v. Gaye,* No. 15-56880 (9th Cir. 2018)**

Substantial Similarity

Verdict Upheld

- **Afforded broad protection: "We reject the Thicke Parties' argument that the Gayes' copyright enjoys only thin protection. Musical compositions are not confined to a narrow range of expression."**
- **Must Respect Trier of Fact: "We cannot say that there was an absolute absence of evidence supporting the jury's verdict."**
- **Dissent: "The majority allows the Gayes to accomplish what no one has before: copyright a musical style."**

***Williams v. Gaye,* No. 15-56880 (9th Cir. 2018)**

Substantial Similarity

Gayle v. HBO, Inc., No. 17-CV-5867 (JMF), 2018 U.S. Dist. LEXIS 73254 (S.D.N.Y. May 1, 2018)

Substantial Similarity

Gayle v. HBO, Inc., No. 17-CV-5867 (JMF), 2018 U.S. Dist. LEXIS 73254 (S.D.N.Y. May 1, 2018)

Substantial Similarity

Complaint Dismissed – No substantial similarity as matter of law due to *de minimus* copying

- **"Demonstrating substantial similarity requires showing both that work copied was protected expression and that the amount that was copied is more than *de minimis*."**
- **In analyzing similarity, a work's "observability" is paramount in determining the extent to which the copyrighted work is copied in the allegedly infringing work.**
- **"The overall scene is brief, and the graffiti at issue appears on screen for no more than two to three seconds"**

Gayle v. HBO, Inc., No. 17-CV-5867 (JMF), 2018 U.S. Dist. LEXIS 73254 (S.D.N.Y. May 1, 2018)

Substantial Similarity

***Jean-Etienne de Becdelievre, et al. v. Terrance McNally, et al.,* No. 16-9471 (S.D. N.Y. April 2, 2018)**

Substantial Similarity

<u>The Show May Not Go On</u>: Motion for Summary Judgement for Defendants Denied

- **"But even in the realm of historical work, and especially in cases involving historical fiction, the right to build on a prior author's work is not absolute."**
- **"Put differently, to the extent that plaintiffs seek to assert copyright protection over the historical underpinnings of the Play, their claim must fail. But the fictionalized elements that are built on top of the historical skeleton are subject to copyright protection, and these fictionalized elements form the basis of plaintiffs' claim."**
- **"[A] close reading of the Play and the Musical reveals crucial elements of both that cannot be traced back to the historical record."**

Jean-Etienne de Becdelievre, et al. v. Terrance McNally, et al.,
No. 16-9471 (S.D. N.Y. April 2, 2018)

Copyright Fair Use

Copyright Fair Use

No Fair Use:

- **1st Factor: Weighs against fair use because commercial and non-transformative**
- **2nd Factor: The only one in Google's favor as reasonable jury could find functional considerations substantial and important.**
- **3rd Factor: That Google copied more than necessary weighs against fair use**
- **4th Factor: "No reasonable jury could have concluded that there was no market harm to Oracle from Google's copying."**

***Oracle America, Inc. v. Google,* Inc., No. 17-1118 (Fed. Cir. 2018)**

Copyright Fair Use

Authors Guild, Inc. v. Google, Inc., 804 F.3d 202 (2d Cir. 2015)

Copyright Fair Use

"We're the Google Books of TV!"

Fox News Network, LLC v. TVEyes, Inc. Nos. 15-3885, 15-3886 (2d Cir. Feb. 27, 2018)

Copyright Fair Use

<u>Holding</u>: Fair Use Not Found

- **The third factor, amount and substantiality of the portion used, weighed against fair use because "TVEyes makes available virtually the entirety of the Fox programming that TVEyes users want to see and hear," which makes TVEyes "radically dissimilar to the service at issue" in Authors Guild v. Google.**
- **Fourth factor: "[b]y providing Fox's content to TVEyes clients without payment to Fox, TVEyes is in effect depriving Fox of licensing revenues from TVEyes or from similar entities."**

Fox News Network, LLC v. TVEyes, Inc. Nos. 15-3885, 15-3886 (2d Cir. Feb. 27, 2018)

Copyright Fair Use

No. 18-___

IN THE

Supreme Court of the United States

TVEYES, INC.,

Petitioner,

v.

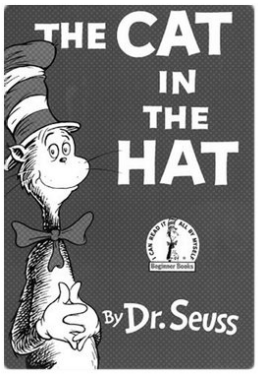
FOX NEWS NETWORK, LLC,

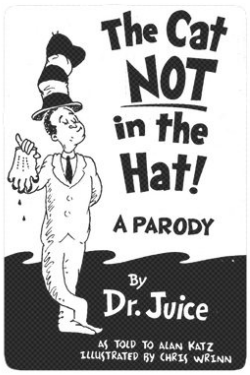
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

PETITION FOR A WRIT OF CERTIORARI

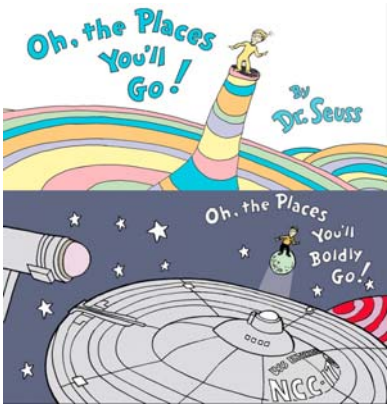
Copyright Fair Use – Remember this one?





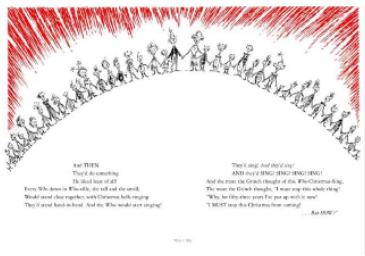
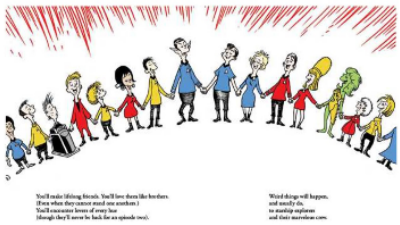
***Dr. Seuss Enters., LP v. Penguin Books USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997)**

Copyright Fair Use



***Dr. Seuss Enterprises, L.P. v. ComicMix LLC*, No. 16-2779 (S.D. Cal. June 9, 2017)**

Copyright Fair Use – Harm to Market

Dr. Seuss Work	Infringing Work
	

***Dr. Seuss Enterprises, L.P. v. ComicMix LLC*, No. 16-2779 (S.D. Cal. June 9, 2017)**

Copyright Fair Use – Harm to Market

Preliminary Ruling on Motion to Dismiss: No Fair Use, *BUT*…

- **"Mash-up" was sufficiently transformative**

Dr. Seuss Work	Infringing Work
	

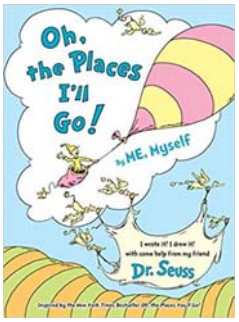
Copyright Fair Use – Harm to Market

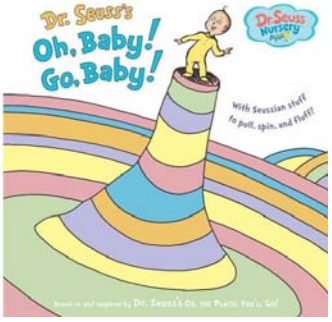
Preliminary Ruling on Motion to Dismiss: No Fair Use, *BUT*…

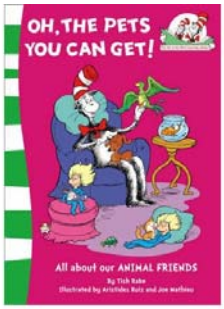
- **Nature of the copyrighted work, weighed "only slightly in the Plaintiff's favor" because the Dr. Seuss books have sold millions of copies, and "the first appearance of the artist's expression has already occurred."**
- **Boldly did not copy more than what was necessary to accomplish its transformative purpose.**
- **"there is not currently any record evidence on this point," and "Plaintiff's allegations are taken as true," so this harm was presumed.**

***Dr. Seuss Enterprises, L.P. v. ComicMix LLC,* No. 16-2779 (S.D. Cal. June 9, 2017)**

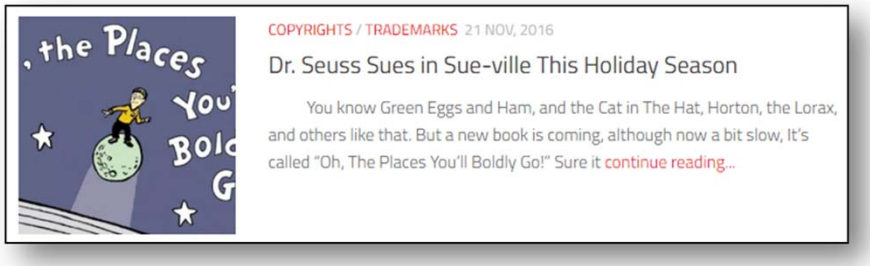
Fair Use Take Two: Defendant No Can Do



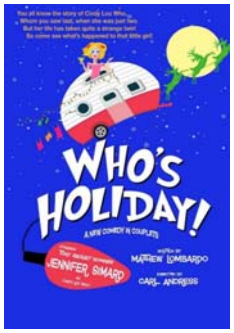




***Dr. Seuss Enterprises, L.P. v. ComicMix LLC,* 300 F. Supp. 3d 1073 (S.D. Cal. December 7, 2017)**



Copyright Fair Use – Harm to Market



***Matthew Lombardo and Who's Holiday LLC v. Dr. Seuss Enterprises, L.P.*, No. 1:16-cv-09974-AKH (S.D.N.Y. Sept. 15, 2017)**

Copyright Fair Use – Harm to Market

Fair use found:

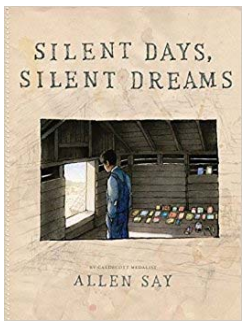
- **1st Factor: A parody of *Grinch* and thus transformative**
- **2nd Factor: Not heavily weighted in the case of parodies**
- **3rd Factor: A parody under the fair use doctrine is entitled to more extensive use of the original work and in this case was "reasonable in proportion."**
- **4th Factor: Strongly in favor of fair use as they serve different market functions: "defendant makes no allegations that it intends to authorize a parody containing references to bestiality, drug use, and other distinctly "un-Seussian" topics."**

***Matthew Lombardo and Who's Holiday LLC v. Dr. Seuss Enterprises, L.P.*, No. 1:16-cv-09974-AKH (S.D.N.Y. Sept. 15, 2017)**

Copyright Fair Use

Famous GROWN IN IDAHO® Potatoes

Copyright Fair Use



James Castle Collection and Archive, **LP v. Scholastic, Inc. and Allen Say No. 1:17-CV-00437-BLW (D. Idaho Oct. 30, 2017)**

Copyright Fair Use

Fair use found:

- **1st Factor: Transformative since own version of Castle's life**
- **2nd Factor: "Within the core of intended copyright protection" but "in cases of transformative use, the nature of the work carries less significance."**
- **3rd Factor: Favors Defendant as "the copying was necessary to enhance the biographical narrative."**
- **4th Factor: Likely in favor of Defendant because the Plaintiff "dislikes the way Castle is portrayed in the Book and would not have licensed his art for that use."**

***James Castle Collection and Archive,* LP v. Scholastic, Inc. and Allen Say No. 1:17-CV-00437-BLW (D. Idaho Oct. 30, 2017)0**

Copyright Fair Use

***Peteski Productions, Inc. v. Leah Rothman,* No. 5:17-1022 (E.D. Tex. Aug. 30, 2017)**

Copyright Fair Use

Novel or Awful?

techdirt

Awful Court Decision Says Dr. Phil Producer's Video Not 'Fair Use'

from the *wtf?* dept

Peteski Productions, Inc. v. Leah Rothman, **No. 5:17-1022 (E.D. Tex. Aug. 30, 2017)**

Copyright Fair Use

Holding: No fair use as a matter of law.

- **Granted summary judgment for Dr. Phil *sua sponte* finding no fair use as a matter of law.**
- **Purpose and character of the infringing work, weighed "strongly, though not dispositively" against a finding of fair use because "self-serving" purpose.**

Peteski Productions, Inc. v. Leah Rothman, **No. 5:17-1022 (E.D. Tex. Aug. 30, 2017)**

Copyright Fair Use

Holding: No fair use as a matter of law.

- **Defendant "copied the entire work by recording the nine-second video"**
- **Plaintiff failed to "identify evidence from which a jury could conclude that [Defendant's] copying impacted that market at all."**

***Peteski Productions, Inc. v. Leah Rothman,* No. 5:17-1022 (E.D. Tex. Aug. 30, 2017)**

Copyright Fair Use

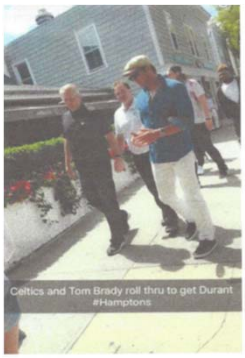
Settlement: Dr. Phil and Leah Rothman reach settlement with consent order and permanent injunction.

- **The case is closed but the court retains jurisdiction should Rothman infringe "Peteski's copyrights by the possession, reproduction, use, offer to sell, sale, display, performance, or distribution of the video or additional videos or any colorable variations thereof that also infringe Peteski's copyrights."**

***Peteski Productions, Inc. v. Leah Rothman,* No. 5:17-1022 (E.D. Tex. Aug. 30, 2017)**

Infringement

"When the Copyright Act was amended in 1976, the words 'tweet,' 'viral,' and 'embed' invoked thoughts of a bird, a disease, and a reporter."



***Goldman v. Breitbart News Network,* No. 17-CV-3144 (KBF) (S.D.N.Y. Feb. 15, 2018)**

Infringement

<u>Plaintiff's exclusive display right violated:</u>

- **"A review of the legislative history reveals that the drafters of the 1976 Amendments intended copyright protection to broadly encompass new, and not yet understood, technologies."**
- **"[I]n considering the display right, Congress cast a very wide net, intending to include '[e]ach and every method by which the images . . . comprising a . . . display are picked up and conveyed," assuming that they reach the public.'"**
- **Server Test Inapplicable: "The plain language of the Copyright Act, the legislative history undergirding its enactment, and subsequent Supreme Court jurisprudence provide no basis for a rule that allows the physical location or possession of an image to determine who may or may not have "displayed" a work within the meaning of the Copyright Act."**

***Goldman v. Breitbart News Network,* No. 17-CV-3144 (KBF) (S.D.N.Y. Feb. 15, 2018)**

Preemption

***Daniels v. FanDuel, Inc.*, No. 16-cv-01230 (S.D. Ind. Sept. 29, 2017)**

Preemption

<u>Holding</u>: Motion to Dismiss granted

- **Defendant's use falls under Indiana's Newsworthiness and Public Interest Exception**
- **"Plaintiffs read the statute more broadly than its plain language allows. The statute does not prohibit the use of materials "associated with" the name, likeness, or any other of the enumerated aspects of an individual's personality—it prohibits the use of the names and likenesses themselves. Adopting Plaintiffs' reading of the statute would bring an almost limitless universe of materials within its reach, with obvious First Amendment implications."**

***Daniels v. FanDuel, Inc.*, No. 16-cv-01230 (S.D. Ind. Sept. 29, 2017)**

Preemption

But No Preemption by Federal Copyright Law

- **"The court in Toney then went on to evaluate the two conditions imposed by the Copyright Act, which if met, require the preemption of the state law claim. First, whether the work at issue is fixed in a tangible form and whether it comes within the subject matter of copyright as specified in § 102. Second . . . whether the right is equivalent to the general copyright protections which are set out in § 106."**
- **"Having already concluded that this case is factually analogous to Toney, the Court concludes that the same result is required here. Indiana's right-of-publicity statute is not preempted by the Copyright Act."**

***Daniels v. FanDuel, Inc.*, No. 16-cv-01230 (S.D. Ind. Sept. 29, 2017)**

Preemption

And it's not over… case certified to Indiana State Supreme Court

- **"Because plaintiffs' claim arises under state law, we turned to Indiana's judiciary to see what weight the state gives to the words we italicized above, whether Indiana views paid fantasy sports as unlawful gambling, and whether it treats illegality as material to the right-of-publicity statute. We found—nothing."**
- **"We therefore certify this question to the Supreme Court of Indiana, under Indiana Rule of Appellate Procedure 64: Whether online fantasy-sports operators that condition entry on payment, and distribute cash prizes, need the consent of players whose names, pictures, and statistics are used in the contests, in advertising the contests, or both."**

***Daniels v. Fanduel, Inc.*, No. 17-3051 (7th Cir. 2018)**

Pleading Infringement

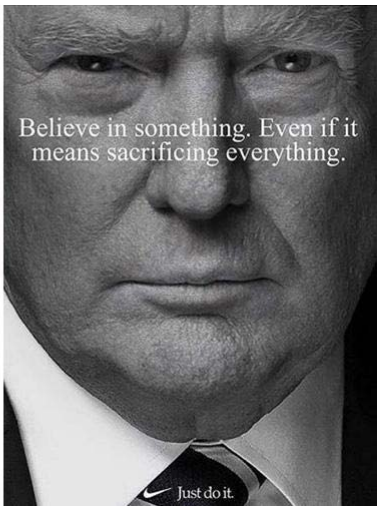
U.S. Copyright Reg. # 1

U.S. Copyright Reg. # 2

Vs.

***Bobbleheads.com, LLC v. Wright Brothers, Inc.*, 2017 WL 1838932, No. 16-CV-2790 (S.D. Cal. May 8, 2017)**

A New Season of Infringement?



Questions?

Mike Keyes
Partner, IP Litigation
keyes.mike@dorsey.com
(206) 903-8757

Cris Leffler
Partner, IP Litigation
leffler.cris@dorsey.com
(206) 903-8887

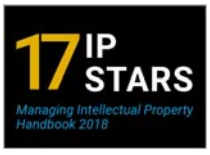
Gina Cornelio
Partner, Patent
cornelio.gina@dorsey.com
(303) 352-1170

Dorsey's IP Litigation Practice

Dorsey's 50 years of experience and success in intellectual property litigation has consistently earned our team national recognition. Whether through litigation in the courts or challenges at the United States Patent and Trademark Office, we partner with our clients to find creative solutions for their intellectual property issues at a reasonable cost.

Our Intellectual Property Litigation team has a broad range of experience in all aspects of intellectual property litigation including the following:

- Trademark infringement and dilution
- Unfair competition
- Trade dress protection
- Copyright infringement
- Patent infringement
- Trade secret misappropriation
- Post-grant reviews



Check out our Blog:

Dorsey's award-winning blog, [TheTMCA.com](), harnesses our IP team's collective insight and experience in order to serve up relevant and useful information for our clients and others that have interest in the evolving world of IP law.

TOP 50 BLOGS TMCA BEST LAW BLOG ABA Journal Web 100 2017

DORSEY always ahead