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8	UNITED STATES DISTRICT COURT
9	CENTRAL DISTRICT OF CALIFORNIA
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11	CELLULAR ACCESSORIES FOR ) Case No. CV 12-06736 DDP (SHx) LESS, INC., a California )
12	corporation, ) ) ORDER DENYING IN PART AND
13	Plaintiff, ) GRANTING IN PART AND MOTION FOR SUMMARY JUDGMENT
14	V.
15 16	TRINITAS LLC, a Texas ) limited liability company; ) DAVID OAKS, an individual, ) [Dkt. No. 90, 96]
17	Defendants.
18	)
19	Presently before the court is Defendants Trinitas LLC and
20	David Oakes's Motion for Summary Judgment. Having considered the
21	submissions of the parties, the court denies the motion in part and
22	grants it in part and adopts the following order.
23	I. Background
24	Plaintiff Cellular Accessories for Less, Inc. ("CAFL") and
25	Defendant Trinitas LLC ("Trinitas") both sell mobile phone
26	accessories on the internet. Defendant David Oakes is Plaintiff's
27	former employee and the founder of Trinitas. (Complaint $\P\P$ 12&16,
28	Dkt. No. 1.)

Plaintiff owns and operates a website that contains extensive 1 2 descriptions for approximately 10,000 products. (Id. ¶ 9;Dec. of R. Morrison  $\P$  2.) Plaintiff provides product descriptions that go 3 beyond the product specifications provided by manufacturers. (Dec. 4 of R. Morrison  $\P$  3.) Plaintiff alleges these extended product 5 descriptions give it a competitive advantage because they provide 6 7 accurate, detailed content and therefore allow its customers to make informed purchasing decisions. (<u>Id</u>.) 8

9 To produce these product descriptions, Plaintiff employs 10 individuals to add extra text to the basic product specifications 11 and facts provided by the manufacturers. (Dec. of R. Morrison ¶ Specifically, Plaintiff alleges that website manager Ryan 12 7.) 13 Morrison authored the text under the "Bluetooth Headset Benefits" 14 heading found on the product description page for the M155 Marque Voice Controlled Bluetooth Wireless Headset ("M155"). (Dec. of R. 15 Morrison ¶ 10.) The same text under the Bluetooth Headset Benefits 16 17 heading was duplicated on Defendants' website. (Id.  $\P$  20.) The same text was also found on another cellular accessory company's 18 website. (Dec. of M. Cogburn Ex. A at p.114:5-25, 115:1-12.) 19

Plaintiff identifies 971 product descriptions it alleges
Defendants copied. (Complaint Ex. B, Dkt. No. 1.) In addition to
these product descriptions, Plaintiff asserts that Defendants also
duplicated the Frequently Asked Questions ("FAQ") section. (Dec.
of R. Morrison ¶ 21.)

On May 18, 2012 and July 17, 2012, Plaintiff's counsel sent Digital Millennium Copyright Act ("DMCA") notification correspondences to the web host for Defendants' website listing 49 product descriptions that Plaintiff identified as its copyrighted

works. (Dec. of M. Cogburn Ex. A, Exs. 4-5 of Langstein Deposition.) These notices demanded that the web host for Defendants' website immediately take down the web content that infringed upon Plaintiff's copyright. (Id.) Plaintiff's President, Mitchell Langstein, reviewed and authorized these DMCA notices. (Dec. of M. Cogburn Ex. A at p. 104:20-22, 106:11-23.)

7 After Defendants received these DMCA notices, they began to change the product descriptions mentioned in the notices to keep 8 its website alive. (Dec. of M. Cogburn  $\P$  4.) At that time, 9 10 Defendants also removed and changed the FAQ and Corporate Account 11 section. (Id.) On August 6, 2012, Plaintiff was issued Copyright Registration No. TX 7549240, which covers the CAFL website and its 12 13 content, including the product descriptions. (Dec. of M. Cogburn ¶ 14 3, Ex. B; Dec. of R. McWilliams ¶ 2, Ex. A.) That same day, Plaintiff filed this action seeking injunctive relief against 15 16 Defendants for copyright infringement. (Complaint ¶ 1, Dkt. No. 1.) Plaintiff also raised other causes of action that are not at 17 18 issue here. (Id.)

In this motion for summary judgment, Defendants seek summary judgment on the copyright infringement claim, arguing that Plaintiff does not own a valid copyright and that Plaintiff does not possess any protectable interest in what has allegedly been infringed.

### 24 II. Legal Standard

Summary judgment is appropriate where the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show "that there is no genuine dispute as to any material fact and the movant is entitled

to judgment as a matter of law." Fed. R. Civ. P. 56(a). A party 1 2 seeking summary judgment bears the initial burden of informing the court of the basis for its motion and of identifying those portions 3 4 of the pleadings and discovery responses that demonstrate the absence of a genuine issue of material fact. See Celotex Corp. v. 5 Catrett, 477 U.S. 317, 323 (1986). If the moving party meets its 6 7 burden, the burden shifts to the nonmoving party opposing the motion, who must "set forth specific facts showing that there is a 8 genuine issue for trial." Anderson, 477 U.S. at 256. 9

10 "Although summary judgment is not highly favored on questions 11 of substantial similarity in copyright cases, summary judgment is appropriate if the court can conclude, after viewing the evidence 12 13 and drawing inferences in a manner most favorable to the non-moving 14 party, that no reasonable juror could find substantial similarity of ideas and expression." Narell v. Freeman, 872 F.2d 907, 909-10 15 16 (9th Cir. 1989). "Where reasonable minds could differ on the issue 17 of substantial similarity, however, summary judgment is improper." 18 <u>Shaw v. Lindheim</u>, 919 F.2d 1353, 1355 (9th Cir. 1990).

# 19 **III. Discussion**

\*To establish [copyright] infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." <u>Feist</u> <u>Publications, Inc. v. Rural Tel. Serv. Co.</u>, 499 U.S. 340, 361 (1991).

### 25 A. Ownership of a valid copyright

26 "[A] certificate of copyright registration constitutes prima 27 facie evidence of copyrightability and shifts the burden to the 28 defendant to demonstrate why the copyright is not valid." <u>Bibbero</u>

Sys., Inc. v. Colwell Sys., Inc., 893 F.2d 1104, 1106 (9th Cir. 1 2 1990). Defendant may rebut the presumption of copyrightability by showing that the plaintiff's work is not original. N. Coast Indus. 3 v. Jason Maxwell, Inc., 972 F.2d 1031, 1033 (9th Cir. 1992). 4 To be 5 original, "[a]ll that is needed to satisfy both the Constitution and the statute is that the 'author' contributed something more 6 7 than a 'merely trivial variation, recognizably 'his own.'" Sid & Marty Krofft Television v. McDonald's Corp., 562 F.2d 1157, 1163 8 n.5 (9th Cir. 1977), superseded on other grounds by 17 U.S.C. § 9 10 504(b)(quoting Alfred Bell & Co. v. Catalda Fine Arts, 191 F.2d 99, 11 102-03 (2d Cir. 1951). "[T]he requisite level of creativity is extremely low; even a slight amount will suffice." Feist, 499 U.S. 12 13 at 345.

Plaintiff holds a certificate of copyright registration for 14 the contents of the CAFL website, including the product 15 descriptions and the FAQ section. (Dec. of M. Cogburn ¶ 3, Ex. B; 16 17 Dec. of R. McWilliams ¶ 2, Ex. A.) Thus, Plaintiff has provided 18 prima facie evidence of owning a valid copyright. However, Defendants dispute the validity of Plaintiff's copyright. 19 Specifically, Defendants argue that Plaintiff did not author the 20 21 product descriptions on the CAFL website, but that these descriptions came from the manufacturer. To the degree that 22 Plaintiff edited, rearranged or modified the product descriptions, 23 24 Defendants argue that the edits are not sufficiently original to 25 warrant copyright protection. (Mot. Summ. J. at 7:14-18.)

26 Such general allegations are not sufficient to shift the 27 burden to Plaintiff to prove that its work is original. Defendant 28 argues that "Plaintiff must present and outline the exact elements

of similarity after deleting all 'unprotectable elements . . . . " 1 2 (Reply at 2:16-17.) This is an incorrect statement of the burden. As the Ninth Circuit has explained, 3

4 [A] defendant may challenge the originality of a plaintiff's 5 [work] by showing that it is in fact a copy of a preexisting one . . . [I]n order to establish that the plaintiff copied 6 a preexisting work, a defendant must show . . . that 7 plaintiff's work is substantially similar to the prior work in 8 both ideas and expression.

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10 N. Coast Indus. v. Jason Maxwell, Inc., 972 F.2d 1031, 1033-34 (9th 11 Cir. 1992) (emphasis added). Thus the burden is clearly on Defendants, both as the summary judgment movants and as the parties 12 13 relying on the non-originality defense, to show that Plaintiff's 14 work is non-original by comparing it to preexisting works-e.g., the manufacturer's descriptions. If Defendants could show conclusively 15 that Plaintiff had copied large portions of the allegedly 16 17 copyrighted material, and that what remained afterward was trivial, 18 it could succeed on its summary judgment. See, e.q., Excelligence Learning Corp. v. Oriental Trading Co., C 03-4947 JF, 2004 WL 19 20 2944048 (N.D. Cal. Dec. 20, 2004) ("The Court concludes that when 21 the unprotectable elements are filtered out, and only the 22 protectable elements are considered, no reasonable trier of fact could find that the catalogs are substantially similar."). 23

24 Plaintiff identifies, in a side-by-side comparison, 971 25 product descriptions it alleges Defendants copied. (Complaint Ex. 26 B, Dkt. No. 1.) However neither party has done the work, described by Defendants as "onerous and burdensome," (Reply at 2:15), of 27 28 separating out the protectable elements from the allegedly non-

protectable ones in all 971 product descriptions. As discussed
 above, the burden to do so falls to the Defendants.

3 Defendants have presented some evidence to show that the product description of the M155 Bluetooth Headset contains some 4 5 non-original elements. In a deposition, Mitchell Langstein admitted that the product description starting with the words 6 7 "sleek and lightweight" and ending with "the smart way to connect with your smartphone" as well as the product description under 8 "Product Features" starting with "[t]he easiest way to answer 9 10 handsfree," and down to "excellent sound quality and amazing 11 lightweight design" appeared to be an exact copy of those found on the manufacturer's website. (Dec. of M. Cogburn Ex. A at p.112:13-12 13 25, 113:1-5.) Plaintiff does not appear to dispute that these 14 sections are not original.

15 Apart from that portion of the M155 product description, however, Defendants have not demonstrated that the product 16 17 descriptions-all of which are the subject of registered copyright, 18 and so presumptively protectable-are non-original and therefore non-protectable. Thus, Defendants have not "identified those 19 portions of the pleadings . . . which it believes demonstrate the 20 21 absence of a genuine issue of material fact." Celotex, 477 U.S. at 22 323.

Plaintiff also argues that the formatting and arrangement of facts under the headings "Specifications," "Included Parts," "Accessories/Replacement Parts" and "Product Documentation" are entitled to copyright protection. Ryan Morrison states that "[t]his arrangement of facts within these sections was not done alphabetically or based on any other party" and that "the

arrangement and selection of facts to include in these sections was 1 2 based on the standard format that I personally developed for Cellular." (Dec. of R. Morrison ¶ 17.) Defendants do not appear 3 to dispute Plaintiff's claim that one of its employees 4 independently chose to select and format the facts under those 5 6 headings. Thus, to the extent that Plaintiff's employee selected and arranged the facts under the heading, Defendants have not shown 7 Plaintiff did not exercise the minimal degree of creativity that is 8 required for copyright protection. See Feist Publications, Inc. v. 9 10 <u>Rural Tel. Serv. Co.</u>, 499 U.S. 340, 348 (1991) ("Factual 11 compilations . . . may possess the requisite originality. The compilation author typically chooses which facts to include, in 12 13 what order to place them, and how to arrange the collected data. . 14 These choices . . . are sufficiently original.") . .

Finally, Plaintiff argues that the FAQ section of its website is entitled to copyright protection. The FAQ consists of questions about Plaintiff's products and brief answers. Defendants do not dispute Plaintiff's claim that the FAQ section is original and protectable.

In short, there are genuine issues of fact as to the originality of the product description texts, the arrangement of the facts under certain headings on the product description pages, and the FAQ section. Thus, Defendants are not entitled to summary judgment based on a non-originality argument.

B. Copying of the constituent elements of the work that are
 original.

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In addition showing that it holds a valid copyright in at
 least some portions of the work, Plaintiff must also show that
 Defendants copied from the protectable elements.<sup>1</sup>

The Ninth Circuit applies a two part test, an extrinsic test 4 and an intrinsic test, to determine whether there is copying 5 sufficient to constitute infringement. Apple Computer, Inc. v. 6 7 Microsoft Corp., 35 F.3d 1435, 1442 (9th Cir. 1994). "At summary judgment, courts apply only the extrinsic test, [which examines 8 similarities between the two works based on external criteria]; the 9 intrinsic test, which examines an ordinary person's subjective 10 impressions of the similarities between two works, is exclusively 11 the province of the jury." Funky Films, Inc. v. Time Warner Entm't 12 13 <u>Co., L.P.</u>, 462 F.3d 1072, 1077 (9th Cir. 2006). "A plaintiff avoids summary judgment by satisfying the extrinsic test which 14 makes similarity of the works a triable issue of fact." Kouf v. 15 Walt Disney Pictures & Television, 16 F.3d 1042, 1045 (9th Cir. 16 17 1994). A triable issue of fact "exists when the plaintiff provides indicia of a sufficient disagreement concerning the substantial 18 similarity of two works to require submission to a jury." Brown 19 Bag Software v. Symantec Corp., 960 F.2d 1465, 1472 (9th Cir. 20 21 1992)(internal quotation marks and citation omitted).

However, a substantial similarity analysis is not required when defendants "admit that they in fact copied," <u>Norse v. Henry</u> <u>Holt & Co.</u>, 991 F.2d 563, 566 (9th Cir. 1993), or when a "defendant

<sup>&</sup>lt;sup>26</sup> <sup>1</sup>Plaintiff does not need to show that defendant copied <sup>27</sup> Plaintiff's work in its entirety. <u>L.A. Printex Indus., Inc. v.</u> <u>Aeropostale, Inc.</u>, 676 F.3d 841, 852 (9th Cir. 2012). It is enough that the defendant appropriated a substantial portion of the plaintiff's work. <u>Id</u>.

1 has engaged in virtual duplication of a plaintiff's entire work,"
2 <u>Narell v. Freeman</u>, 872 F.2d 907, 910 (9th Cir. 1989). <u>See also</u>
3 <u>Range Rd. Music, Inc. v. E. Coast Foods, Inc.</u>, 668 F.3d 1148, 1154
4 (9th Cir. 2012) (holding that substantial similarity is not an
5 element of a copyright infringement claim).

Defendants do not dispute Plaintiff's claim that their website 6 7 is substantially similar to Plaintiff's website. Instead, Defendants again argue that Plaintiff's website consists of 8 unprotectable elements. However, originality goes to the first 9 10 prong of the Feist test,<sup>2</sup> already discussed. The second prong goes 11 to evidence of copying of whatever original material there is. The issue is whether "the protectible elements, standing alone, are 12 13 substantially similar." Cavalier v. Random House, Inc., 297 F.3d 14 815, 822 (9th Cir. 2002)(internal quotation marks and citation 15 omitted)(emphasis in original).

16 Defendants also do not appear to dispute the deposition testimony of Defendants' website designer, Aelorae Qahlwyn. 17 18 Qahlwyn admitted that Defendant Oakes instructed her to copy and paste product descriptions and images from Plaintiff's website. 19 20 (Dec. of R. McWilliams, Ex. B at 36:5-25, 37:1-2.) Because, as 21 noted above, Defendants have not shown that the product 22 descriptions do not contain nontrivial amounts of original material, this amounts to an admission of direct copying of 23 24 presumptively protectable copyrighted material. Because Plaintiff 25 has provided direct evidence of copying, the Court does not need to 26 engage in a substantial similarity analysis. <u>Rd. Music, Inc. v.</u> Е.

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<sup>2</sup>See initial text of Part III., <u>supra</u>.

1 <u>Coast Foods, Inc.</u>, 668 F.3d 1148, 1154 (9th Cir. 2012).<sup>3</sup> There is 2 a genuine issue of fact as to infringement of the product 3 descriptions and their arrangements and Defendants are not entitled 4 to summary judgment.

5 Finally, Defendants' FAQ section appears to be substantially similar to Plaintiff's FAQ section. Plaintiff argues that 6 7 Defendants copied Cellular's 2012 FAQ section either verbatim or nearly verbatim. To support this claim, Plaintiff relies on 8 Qahlwyn's testimony and Langstein's declaration. First, Qahlwyn 9 testified that she created the FAQ page and inputted information 10 that was provided by Defendant Oakes or Katie Oakes. (Dec. of R. 11 McWilliams, Ex. B at p. 44:18-25, 45: 1-25.) Although this 12 13 information suggests that Defendant Oakes may have taken the information from Plaintiff's website because he was previously 14 employed by Plaintiff, it is unclear where the information was 15 taken from exactly. Second, in Langstein's declaration, he stated 16 17 that "the copy and paste job was so extensive that many of the images and hyperlinks in the FAQ contained links, whether active or 18 broken, to the Cellular website." (Dec. of Langstein  $\P$  5.) This 19 is at least circumstantial evidence of copying. 20

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23 <sup>3</sup>The Court notes, however, that text under the "Bluetooth Headset Benefits" heading found on Plaintiff's M155 product 24 description page is found verbatim on Defendants' website. (Dec. of R. Morrison, ¶ 18 & Exs. B & D.) Defendants' website also has 25 the same arrangement of facts under certain headings on the M155 product page as those found on Plaintiff's website. (Dec. of R. 26 Morrison, Exs. B & D.) Specifically, the facts under the "Product Features" heading and "Included Parts" heading are identical on 27 both websites. Thus, there is at least some evidence of substantial similarity of original content, at least with regard to 28 the M155 product page and description.

However, even if there were no evidence of copying, the FAQ 1 2 section on the two websites appear to be substantially similar to one another. Defendants' FAQ section contains seven of the nine 3 headings found on Plaintiff's FAQ section and contains a similar 4 5 number of questions under each heading. (Dec. of R. Morrison Exs. 6 E & F.) A side by side comparison illustrates that these headings 7 and questions are similarly ordered. (Id.) Moreover, the questions are similarly framed. (Id.) For example, under the 8 "Cases" heading, Plaintiff frames a question as "I received a pouch 9 10 case that is made by a different manufacturer than my phone. For 11 example, a Blackberry case for my iPhone. Is this a mistake?" whereas Defendants frame the question as "I received a pouch case 12 13 by a different manufacturer than my phone. Is this a shipping 14 error?" (Id.) Also, under the "Batteries" heading, Plaintiff frames a question as "How long do batteries last before they need 15 16 to be replaced? Can I do anything to prolong their lifespan?" 17 whereas Defendants frame the question as "How long before I will 18 need a replacement battery? Anything I can do to prolong the lifespan?" (Id.) Because a side by side comparison reveals that 19 20 the wording and number of questions are not different from each 21 other, there is a issue of fact as to the substantial similarity 22 between the two parties' FAQ section. Cf. Mist-On Sys., Inc. v. Gilley's European Tan Spa, 303 F. Supp. 2d 974, 978 (W.D. Wis. 23 24 2002) ("A side-by-side comparison of the parties' undoctored 25 Frequently Asked Questions pages clearly reveals that the sequence, 26 the wording and the number of the questions are different from each 27 other.") Thus, Defendants are not entitled to summary judgment 28

because a reasonable jury could find Defendants' FAQ section to be 1 substantially similar to that of Plaintiff's. 2

#### Unclean Hands Defense 3 C.

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"The defense of unclean hands by virtue of copyright misuse 4 5 prevents the copyright owner from asserting infringement and asking 6 for damages when the infringement occurred by his dereliction of Supermarket of Homes, Inc. v. San Fernando Valley Bd. of 7 duty." <u>Realtors</u>, 786 F.2d 1400, 1408 (9th Cir. 1986). "Plaintiff's action 8 will be dismissed under the theory of unclean hands if defendant 9 10 establishes that plaintiff's evidence was false and that plaintiff 11 was involved in a scheme to defraud the public." Id. The unclean hands defense also "forbids the use of the [copyright] to secure an 12 13 exclusive right or limited monopoly not granted by the [Copyright] 14 Office and which is contrary to public policy to grant." Altera Corp. v. Clear Logic, Inc., 424 F.3d 1079, 1090 (9th Cir. 15 2005)(internal quotation marks and citation omitted); see also A & 16 17 <u>M Records v. Napster, Inc.</u>, 239 F.3d 1004, 1026-27 (9th Cir.2001) 18 (stating that copyright misuse "prevents copyright holders from 19 leveraging their limited monopoly to allow them control of areas outside the monopoly.").

21 Defendants argue that they are entitled to summary judgement 22 on their affirmative defense of unclean hands because Plaintiff has tried to gain a monopoly over marketing materials that it does not 23 24 own, but are actually created by the manufacturers. However, Plaintiff disputes this and argues that it has never sought to 25 26 prevent use of the marketing materials provided by the 27 Instead, Plaintiff argues that it is only trying to manufacturer. 28 protect its copyrighted works. (Dec. of Langstein ¶ 10.)

Plaintiff relies on Langstein's declaration. In his declaration, 1 2 Langstein states that "Cellular does not seek to control areas outside of its copyright. . . . " (Dec. of Langstein ¶ 9.) Because 3 4 Plaintiff has provided evidence that Plaintiff is not trying to control areas outside of the monopoly, and because in any event the 5 exact scope of the copyright, if any, is the key issue in the case, 6 7 there is an issue of fact as to copyright misuse. Thus, Defendants are not entitled to summary judgment. 8

9 D. Remedies

10 Defendants argue that they are entitled to summary judgment 11 because Plaintiff has not established any actual damages suffered as a result of the alleged copying. (Mot. Summ. J. at 12:2-5.) 12 13 Defendants also argue that Plaintiff's claim for damages should be 14 stricken because the copyrighted work was neither registered prior to the commencement of the infringement nor within three months 15 16 after first publication of the work, as required under 17 U.S.C. § 412. 17

Plaintiff's complaint specifically requests both actual and statutory damages in its Prayer for Relief. (Compl., Prayer for Relief ¶¶ 4-7.) However, Plaintiff does not dispute that it is barred by § 412 from claiming statutory damages, and at oral argument Plaintiff's counsel stated that Plaintiff would no longer seek damages for this claim.

The Complaint also requests an injunction against any future use by Defendants of Plaintiff's allegedly copyrighted works, and an order to take down the allegedly infringing website. (Compl. ¶¶ 37-39.) Plaintiff may proceed with its copyright claim for injunctive relief only.

## 1 IV. Conclusion

For the reasons stated above, Defendant's Motion for Summary Judgment is DENIED IN PART AND GRANTED IN PART. The Court grants summary judgment to Defendants as to any claim for damages arising out of the alleged copyright infringement. However, summary judgment is denied as to a claim for injunctive relief.

Additionally, Plaintiff has filed an exparte application to be allowed to file a surreply in order to address a question about when Defendants had notice of Mr. Morrison's role in creating website content. (Dkt. No. 96.) However, because that issue does not touch on the remedies question, and because Plaintiff survives the Motion as to the substantive issues, the application is DENIED as moot.

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15 IT IS SO ORDERED.

18 Dated: November 5, 2014

DEAN D. PREGERSON United States District Judge