

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ADOBE SYSTEMS INCORPORATED, a
Delaware Limited Liability Company,

Plaintiffs,

v.

FRAZ TANVIR, an Individual; and DOES 1-10,
Inclusive,

Defendants.

No. 16-cv-6844 CRB

**ORDER GRANTING IN PART AND
DENYING IN PART MOTION FOR
DEFAULT JUDGMENT**

Plaintiff Adobe Systems Inc. (“Adobe”) brings this Motion for Default Judgment against Defendant Fraz Tanvir (“Tanvir”). See generally Mot. for Default J. (“MDJ”) (dkt. 29). In addition to Tanvir, Adobe named an additional ten “Doe” defendants. Compl. (dkt. 1). On February 24, 2017, the court clerk entered default against Tanvir. See generally Entry of Default (dkt. 18). Tanvir has neither filed a response nor appeared in this action. Adobe alleges that Tanvir sold on www.ebay.com (“eBay”) computers with counterfeit and unauthorized Adobe-branded software. Compl. ¶ 24 (dkt. 1).

Tanvir was properly served with summons and complaint in his Pennsylvania home on January 19, 2017. Decl. of Nicole Drey Huerter (“Huerter Decl.”) ¶ 14 (dkt. 29-1). Adobe’s attorney spoke over the phone with Tanvir’s attorney once before the February 9, 2017 answer deadline, and she received an email on February 3, 2017. Id. ¶¶ 15–16. Despite this, neither Tanvir nor his attorney has appeared before this Court, filed a response, or since

1 contacted Adobe’s counsel. Id. For the reasons outlined below, the Court GRANTS in part
2 and DENIES in part Adobe’s default judgment motion. The Court further GRANTS reduced
3 damages and injunctive relief.

4 **I. BACKGROUND**

5 Tanvir allegedly operates web stores on www.ebay.com (“eBay”) under the seller IDs
6 “theephonedealet” and “fzitelectronics.” Compl. ¶ 24. According to Adobe, Tanvir
7 advertises, offers for sale, sells, and/or distributes computers that are pre-loaded with
8 software infringing on Adobe-branded products. Id. Tanvir has allegedly sold “\$8,039.99
9 . . . of computers specifically identified as containing Adobe-Branded Software; \$641,180.40
10 . . . of computers identified as coming ‘bundled’ or with ‘extras’ or ‘more’; and \$115,415.65 .
11 . . of computers that lacked any indication of whether they contained added software.”
12 MDJ at 4 (citing Exs. M, N, O, & P (dks. 29-14–29-17)). Moreover, despite Adobe’s cease-
13 and-desist letter and two follow-up emails, Tanvir continues to offer for sale and sell
14 personal computers pre-loaded with Adobe-branded software. See Compl. ¶ 30.

15 **A. Plaintiff’s Trademarks, Copyrights, and Licensing Restrictions**

16 Adobe attributes its software’s success “in part to [its own] marketing and
17 promotional efforts,” which include time and effort in developing consumer recognition,
18 awareness, and goodwill. Compl. ¶ 13. Through these efforts, the quality of the software,
19 and word-of-mouth promotion, “Adobe-Branded Software and the associated marks thereto
20 have been prominently placed in the minds of the public.” Id. ¶ 15. Adobe owns numerous
21 registered trademarks and copyright registrations for its Adobe-branded software. See id.
22 ¶¶ 17–18. In addition to Adobe’s trademarks and copyrights, “[e]very piece of Adobe-
23 Branded Software is licensed,” and Adobe “maintains title to the Adobe-Branded Software at
24 all times” Id. ¶ 19.

25 As well as the standard individual software licenses that anyone can buy, Adobe
26 offers volume and beta licenses. Id. ¶¶ 20–21. Volume-licensed software allows
27 organizations to “purchase a piece of Adobe-Branded Software and activate it on multiple
28 computers, simply paying an additional fee (often discounted from the full retail price) for

1 each additional license.” Id. ¶ 20. “These licenses are not to be sold to individuals,” and any
2 use of such a license by anyone other than the licensee is unauthorized. Id.

3 Beta software is a pre-release version of software that Adobe distributes before
4 releasing final versions of a software product. Id. ¶ 21. Under Adobe’s licensing
5 agreements, “[b]eta software may not be resold” Id. Beta software that has been resold
6 is unauthorized. Id.

7 Adobe alleges (i) the infringement of its trademarks; (ii) the false designation of
8 origin, false or misleading advertising, and unfair competition; (iii) the dilution of its
9 trademarks; (iv) the infringement of its copyrights; and (v) unlawful, unfair, fraudulent
10 business practices. Id. at 14–19; see also MDJ at 6–13 (discussing only Plaintiff’s trademark
11 infringement (along with unfair competition and business practices), trademark dilution, and
12 copyright infringement claims).

13 **B. Tanvir’s Use of Plaintiff’s Trademarks and Copyrights**

14 According to Adobe, Tanvir advertises, markets, offers for sale, sells, and distributes
15 “numerous counterfeit and/or unauthorized Adobe-Branded Software products to consumers
16” Compl. ¶¶ 35, 37. Adobe purchased two computers from Tanvir during an
17 investigation into pirated and counterfeit Adobe-branded software. Id. ¶¶ 24–29. The two
18 computers, purchased from Tanvir through the eBay seller IDs “theephoneddealer” and
19 “fzitelectronics,” were received by Adobe’s investigator, who analyzed the computers’
20 software. Id. ¶¶ 26–29. On one computer, Adobe determined that there was “a counterfeit
21 copy” of Adobe Creative Suite Master Collection CS6 (“Adobe Creative Suite”). Id. ¶ 27;
22 Huerter Decl. ¶ 7. On the other computer, Adobe determined that there was an unauthorized
23 volume-licensed version of Adobe Photoshop Lightroom and unauthorized beta versions of
24 other Adobe-branded software. Id. ¶ 29.

25 **C. Plaintiffs Send Cease and Desist Notices and Serve Complaint**

26 On August 14, 2015, Adobe’s counsel mailed a cease-and-desist letter to Tanvir “at
27 the address listed on the package.” Compl. ¶ 30. Adobe sent follow-up emails on
28 September 8, 2015 and September 21, 2015. Id. Adobe received neither a confirmation of

1 receipt nor a response. Id.; Ex. K (dkt. 29-12). Adobe filed its complaint against Tanvir on
2 November 29, 2016. See Compl. Tanvir was served with copies of the summons and
3 complaint on January 23, 2017. See Executed Summons (dkt. 14).

4 **D. Plaintiff Obtains Limited Discovery**

5 Pursuant to Federal Rule of Civil Procedure 45 and Magistrate Judge Elizabeth D.
6 Laporte’s Order allowing limited and expedited discovery, see Order (dkt. 24), Adobe
7 “served a subpoena on PayPal, Inc. (“PayPal”), seeking [Tanvir’s] sales record to determine
8 the extent of his infringing conduct.” See Huerter Decl. ¶ 19. On April 18, 2017, PayPal
9 produced documents responsive to Adobe’s Rule 45 subpoena. Id.; Ex. M (dkt. 29-14) at 1.
10 Adobe alleges that Tanvir has sold a total of 1071 infringing products. Huerter Decl. ¶ 21.

11 **E. Plaintiff Moves for Entry of Default Judgment**

12 On May 8, 2017, Adobe filed the Motion for Default Judgment now before the Court.
13 See MDJ. Tanvir was properly served, see Proof of Service (dkt. 14), and after he failed to
14 respond, the Clerk of Court entered default against him on February 24, 2017, see Entry of
15 Default (dkt. 18).

16 **II. LEGAL STANDARD**

17 Pursuant to Federal Rule 55(b), the Court may enter a default judgement upon motion
18 by the Plaintiff after entry of default by the clerk. See Fed. R. Civ. P. 55(b). “The district
19 court’s decision whether to enter a default judgment is a discretionary one.” Aldabe v.
20 Aldabe, 616 F.2d 1089, 1092 (9th Cir. 1980); accord Lau Ah Yew v. Dulles, 236 F.2d 415,
21 416 (9th Cir. 1956). Judicial economy, however, should not outweigh “a court’s duty to do
22 justice.” Enron Oil Corp. v. Diakuhara, 10 F.3d 90, 96 (2d Cir. 1993) (“[B]ecause defaults
23 are generally disfavored and are reserved for rare occasions, when doubt exists as to whether
24 a default should be granted or vacated, the doubt should be resolved in favor of the defaulting
25 party.”). Upon an entry of default by the clerk, the factual allegations of the plaintiff’s
26 complaint will be taken as true, except those relating to the amount of damages. See Derek
27 Andrew, Inc. v. Poof Apparel Corp., 528 F.3d 696, 702 (9th Cir. 2008); accord TeleVideo
28 Systems, Inc. v. Heidenthal, 826 F.2d 915, 917–918 (9th Cir. 1987). If the facts necessary to

1 determine damages are not contained in the complaint, or are legally insufficient, they will
2 not be established by default. See Cripps v. Life Ins. Co. of N. Am., 980 F.2d 1261, 1267
3 (9th Cir. 1992). “It is well settled that a default judgment for money may not be entered
4 without a hearing unless the amount claimed is a liquidated sum or capable of mathematical
5 calculation.” Davis v. Fendler, 650 F.2d 1154, 1161–62 (9th Cir. 1981) (citing United
6 Artists Corp. v. Freeman, 605 F.2d 854, 857 (5th Cir. 1979)).

7 A court should consider seven discretionary factors, often referred to as the “Eitel
8 factors,” before issuing a decision on a motion for default judgment. Eitel v. McCool,
9 782 F.2d 1470, 1471–72 (9th Cir. 1986). The Eitel Factors are as follows: (1) the possibility
10 of prejudice to the plaintiff; (2) the merits of the plaintiff’s substantive claims; (3) the
11 sufficiency of the complaint; (4) the sum of money at stake in the action; (5) the possibility
12 of a dispute concerning material facts; (6) whether the default was due to excusable neglect;
13 and (7) the likelihood of obtaining a decision on the merits. Id.

14 **III. DISCUSSION**

15 **A. Default Judgment Under Eitel**

16 This Court examines the following factors in determining whether to enter a default
17 judgment: (1) the possibility of prejudice to the plaintiff; (2) the merits of the plaintiff’s
18 substantive claims; (3) the sufficiency of the complaint; (4) the sum of money at stake in the
19 action; (5) the possibility of a dispute concerning material facts; (6) whether the default was
20 due to excusable neglect; and (7) the likelihood of obtaining a decision on the merits. See
21 Eitel, 782 F.2d at 1471–72. Here, these factors weigh in favor of granting Adobe’s motion
22 for default judgment.

23 **1. Prejudice to Plaintiff**

24 Under the first Eitel factor, Adobe will suffer prejudice absent a default judgment
25 because it “would be without another course of action to seek a recovery.” Wilamette Green
26 Innovation Ctr., LLC v. Quartis Capital Partners, No. 14-cv-00848, 2014 WL 5281039, at *6
27 (N.D. Cal. 2014) (citations omitted) (“Denying a plaintiff a means of recourse is by itself
28 sufficient to meet the burden posed by this factor.”).

1 **2. Merits of Substantive Claims and Sufficiency of the Complaint**

2 The second and third Eitel factors also weigh in favor of granting default judgment
3 here. See Compl. ¶¶ 40–81; Eitel, 782 F.2d at 1471–72. Adobe has alleged five causes of
4 action in its complaint. Id. The first, second, and fifth claims—trademark infringement, id.
5 ¶¶ 40–50; false designation of origin, false or misleading advertising, and unfair competition,
6 id. ¶¶ 51–60; and unlawful, unfair, fraudulent business practices, id. ¶¶ 73–81—share the
7 same analysis, discussed below in subsection (a). See Brookfield Commc’ns, Inc. v. West
8 Coast Entm’t Corp., 174 F.3d 1036, 1047 n.8 (9th Cir. 1999) (noting that trademark-
9 infringement and unfair-competition analyses are “oftentimes identical”); Phillip Morris
10 USA Inc. v. Shalabi, 352 F. Supp. 2d 1067, 1072 (C.D. Cal. 2004) (citing Meta-Film Assocs.
11 v. MCA, Inc., 586 F. Supp. 1346, 1363 (C.D. Cal. 1984)) (applying the same analysis to the
12 business-practices claim). The third claim is trademark dilution, id. ¶¶ 61–66, discussed
13 below in subsection (b). The fourth claim is copyright infringement, id. ¶¶ 67–72, discussed
14 below in subsection (c).

15 **a. Trademark Infringement; False Designation of Origin,**
16 **False or Misleading Advertising, and Unfair Competition;**
17 **and Unlawful, Unfair, Fraudulent Business Practices**

18 A trademark-infringement claim requires the plaintiff to show that the defendant has
19 “use[d] in commerce any reproduction, counterfeit, copy, or colorable imitation of [the
20 plaintiff’s] registered mark in connection with the sale, offering for sale, distribution, or
21 advertising of any goods or services on or in connection with which such use is likely to
22 cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1). A mark’s
23 registration on the Principal Register in the Patent and Trademark Office (“PTO”) is
24 evidence of the validity of the registered mark. See Brookfield, 174 F.3d at 1047. When a
25 defendant knowingly adopts a mark similar to another’s, courts presume that the public will
26 be deceived. See M2 Software, Inc. v. Madacy Entm’t, 421 F.3d 1073, 1085 (9th Cir. 2005),
27 cert. denied, 547 U.S. 1069 (2006) (citing AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 354
28 (9th Cir. 1979) (abrogated on other grounds by Mattel Inc. v. Walking Mountain Prods., 353
F.3d 792 (9th Cir. 2003))).

1 Adobe alleges that Tanvir “intentionally and knowingly used in commerce the
2 reproductions, counterfeits, copies, and/or colorable imitations of” Adobe’s trademarks.
3 Compl. ¶¶ 45–46. Adobe has registered these trademarks with the PTO. See Ex. A. Adobe
4 further alleges that Tanvir “has offered for sale, sold and distributed counterfeit and/or
5 unauthorized [volume-licensed and beta] products that infringe” Adobe’s trademarks.
6 MDJ at 7. A party’s failure to participate in litigation indicates willful use of a counterfeit
7 mark. Adobe Systems Inc. v. Johnson, No. CV 14-6313 FMO, 2015 WL 12681313, at *4
8 (C.D. Cal. Apr. 27, 2015) (citing Phillip Morris USA Inc. v. Castworld Prods., Inc., 219
9 F.R.D. 494, 500 (C.D. Cal. 2003)). That Tanvir disregarded Adobe’s cease-and-desist notice
10 and continued to sell is further evidence of his intentionality. See MDJ at 10.

11 Adobe has sufficiently alleged that Tanvir’s counterfeit and unauthorized use of its
12 registered trademarks is likely to cause confusion. Because the trademark-infringement,
13 unfair-competition, and business-practices causes of action share the same analysis, Adobe
14 has properly stated all three claims. See Johnson, 2015 WL 12681313, at *4 (holding that
15 the plaintiff—also Adobe—had properly stated the same three claims).

16 **b. Trademark Dilution**

17 A trademark-dilution claim requires the plaintiff to “show that (1) the mark is famous,
18 (2) the defendant is making a commercial use of the mark in commerce; (3) the defendant’s
19 use began after the mark became famous; and (4) the defendant’s use of the mark dilutes the
20 quality of the mark by diminishing the capacity of the mark to identify and distinguish goods
21 and services.” Panavision Int’l, L.P. v. Toepfen, 141 F.3d 1316, 1324 (9th Cir. 1998)
22 (citing 15 U.S.C. § 1125(c)).

23 As to the first element, “[i]n determining whether a mark [is famous], the court may
24 consider all relevant factors” 15 U.S.C. § 1125(c)(2)(A). These include (i) the duration,
25 extent, and geographic reach of the mark’s advertising and publicity of the mark; (ii) the
26 amount, volume, and geographic extent of sales offered under the mark; (iii) the extent of the
27 mark’s actual recognition; and (iv) whether the mark was on the principal register. Id.
28 While Adobe has not pled specific facts about the extent it has marketed its trademarks and

1 sold products under the trademarks, Adobe has alleged that its products “have been
2 prominently placed in the minds of the public,” as a direct result of Adobe’s promotional
3 efforts. MDJ at 11–12. Furthermore, Adobe has registered the trademarks in question with
4 the PTO. See Compl. Ex. A; Yelp Inc. v. Catron, 70 F. Supp. 3d 1082, 1095–96 (N.D. Cal.
5 2014) (holding that a registered trademark with far-reaching publicity is famous). Adobe has
6 thus sufficiently alleged that its trademarks are famous.

7 As to the second and third elements, Adobe sufficiently alleges that Tanvir made
8 commercial use of its trademarks “long after [they] became famous, and [Tanvir] acted
9 knowingly, deliberately and willfully with the intent to trade on [Adobe’s] reputation”
10 Compl. ¶ 63. This satisfies these two elements of the trademark-dilution claim. See Otter
11 Prods., LLC v. Berrios, No. CV 13-4384 RSWL, 2013 WL 5575070, at *7
12 (C.D. Cal. Oct. 10, 2013) (finding that infringing products sold on eBay four to six years
13 after the plaintiff began using the trademark satisfied the second and third elements of
14 trademark dilution).

15 As to the fourth element, Adobe sufficiently alleged that Tanvir tarnished their
16 trademarks. MDJ at 12; see Panavision, 141 F.3d at 1326 (explaining that tarnishment is one
17 way a defendant can dilute the quality of a trademark). “Tarnishment occurs when a famous
18 mark is improperly associated with an inferior or offensive product or service.” Id. at 1326
19 n.7. Both the counterfeit and unauthorized beta software, which were included on the
20 computers that Tanvir sold, do “not allow for any updates or security patches” Compl.
21 ¶¶ 31–32. The counterfeit and unauthorized beta software sold by Tanvir are inferior
22 products, which, thus, tarnishes Adobe’s trademarks.

23 Adobe has not sufficiently alleged, however, that the unauthorized volume-licensed
24 software sold by Tanvir tarnishes its trademarks.¹ Adobe asserts that unauthorized software
25

26 ¹ “To find dilution, a court need not rely on the traditional definitions such as ‘blurring’ and
27 ‘tarnishment.’” Panavision, 141 F.3d at 1326 (affirming the district court’s position that dilution
28 includes conduct which diminishes the mark-owner’s capacity to identify and distinguish its goods and
services on the internet). While Adobe did plead facts sufficient to meet this standard in its Complaint,
Compl. ¶ 64, Adobe failed to assert in its Motion for Default Judgment that unauthorized volume-
licensed software diluted their trademark, see MDJ at 11–12. This failure precludes this Court from

1 often “does not work or comes with bugs, viruses, and/or a lack of customer service,” but the
2 Complaint paragraphs cited by the Motion state only that unauthorized beta software has
3 these defects. MDJ at 12 (citing Compl. ¶¶ 31–32). Nowhere does Adobe state that the
4 specific unauthorized volume-licensed software sold by Tanvir does—or even may—contain
5 any of these defects. Furthermore, Adobe did not allege in its Complaint that unauthorized
6 volume-licensed software tarnishes its trademarks. Compl. ¶¶ 61–66.

7 Adobe has, thus, properly stated a trademark-dilution claim as to counterfeit and
8 unauthorized beta software, but not as to unauthorized volume-licensed software.

9 c. Copyright Infringement

10 A copyright-infringement claim requires the plaintiff to show two elements:
11 (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that
12 are original. Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340 (1991). Adobe
13 has shown that it owns all nineteen copyrighted works at issue here. Compl. ¶ 18; Ex. B.

14 Adobe has sufficiently alleged that Tanvir distributed both counterfeit and
15 unauthorized beta and volume-licensed copies of its original software. MDJ at 13. Adobe
16 has, therefore, properly stated a copyright-infringement claim.

17 3. Sum of Money at Stake

18 If the sum of money at stake in the litigation is substantial or unreasonable, default
19 judgment is discouraged. See Eitel, 782 F.2d at 1472 (three-million-dollar judgment
20 weighed against default judgment). Here, although Adobe requests \$5,570,000 in statutory
21 damages, the Court has a wide range of discretion to award a more reasonable sum of money.
22 As discussed below, the Court grants reduced damages in the amount of \$72,500, a more
23 reasonable sum than that requested by Adobe. The fourth Eitel factor thus does not weigh
24 against a grant of default judgment here. See id.

25 4. Dispute Concerning Material Facts

26 If the parties to a case dispute the material facts alleged in the complaint, this Eitel

27 _____
28 granting a judgment for trademark dilution as to this trademark infringement on volume-licensed
software. See Pena v. Seguros La Comercial, S.A., 770 F.2d 811, 814 (noting that “default judgments
are generally disfavored” as a policy matter).

1 factor weighs against entry of default judgment. Eitel, 782 F.2d at 1472 (finding that a
2 district court properly denied default judgment where “the parties disputed the material facts
3 in the pleadings”). Where a defendant fails to appear in an action, a court can infer “the
4 absence of the possibility of a dispute concerning material facts” Solaria Corp. v. T.S.
5 Energie e Risorse, S.R.I., No. 13-cv-05201-SC, 2014 WL 7205114, at *3 (N.D. Cal. Dec. 17,
6 2014). Upon an entry of default by the Clerk, the Plaintiff’s factual allegations related to
7 liability are taken as true. See Derek Andrew, Inc. v. Poof Apparel Corp., 528 F.3d 696, 702
8 (9th Cir. 2008). There is no dispute over material facts here because Tanvir has failed to
9 appear in this case, and the Clerk has entered Tanvir’s default. See Entry of Default. This
10 factor weighs in favor of granting default judgment.

11 **5. Excusable Neglect**

12 If a defendant defaults due to excusable neglect, the court may deny default judgment.
13 Eitel, 782 F.2d 1472 (finding that the district court properly denied default judgment where
14 the defendant’s default was excusable neglect). There is no evidence of excusable neglect by
15 Tanvir, given that he was properly served and received multiple cease-and-desist notices.
16 See Huerter Decl. ¶¶ 13–14.

17 **6. Preference for Decisions on the Merits**

18 Although default judgments are generally disfavored compared to decisions on the
19 merits, see Pena v. Seguros La Comercial, S.A., 770 F.2d 811, 814 (9th Cir. 1985), courts are
20 not precluded from granting default judgment when a defendant fails to defend an action,
21 Klopping v. Fireman’s Fund, No. C 94-2684 TEH, 1996 WL 75314, at *3 (N.D. Cal.
22 Feb.13, 1996). Tanvir’s failure to appear in this action has made a decision on the merits
23 impossible. See Eitel, 782 F.2d at 1471–72.

24 The Court, thus, concludes that the Eitel factors weigh in favor of default judgment,
25 except in some respects regarding volume-licensed software, and therefore GRANTS in part
26 and DENIES in part Adobe’s Motion for Default Judgment.

27 **B. Damages and Injunctive Relief**

28 Adobe seeks injunctive relief and statutory damages. See MDJ at 17–18.

1 **1. Injunctive Relief**

2 The Lanham Act gives the Court “[p]ower to grant injunctions according to the rules
3 of equity and upon such terms as the court may deem reasonable, to prevent the violation” of
4 a mark holder’s rights. 15 U.S.C. § 1116(a). “Injunctive relief is the remedy of choice for
5 trademark . . . cases, since there is no adequate remedy at law for the injury caused by a
6 defendant’s continuing infringement.” Century 21 Real Estate Corp. v. Sandlin, 846 F.2d
7 1175, 1180 (9th Cir. 1988). Courts may also grant injunctive relief “to prevent or restrain
8 infringement of a copyright.” 17 U.S.C. § 502(a). “Generally, a showing of copyright
9 infringement liability and the threat of future violations is sufficient to warrant a permanent
10 injunction.” Jackson v. Sturkie, 255 F. Supp. 2d 1096, 1103 (N.D. Cal. 2003) (quoting Sega
11 Enters. Ltd. v. MAPHIA, 948 F. Supp. 923, 948 (N.D. Cal. 1996)) (“[D]efendant’s past
12 behavior and on-going ability to infringe plaintiff’s copyright constitute a continued threat of
13 future infringing activity.”).

14 Here, despite Adobe’s multiple cease-and-desist notices to Tanvir, he continues to
15 infringe on Adobe’s trademarks and copyrights. Huerter Decl. ¶ 13. The Court concludes
16 that injunctive relief is appropriate here to prevent Tanvir from making unauthorized use of
17 Adobe’s intellectual property.

18 **2. Statutory Damages**

19 After entry of default, well-pleaded factual allegations in the complaint are taken as
20 true, except as to the amount of damages. Fair Hous. of Marin v. Combs, 285 F.3d 899, 906
21 (9th Cir. 2002). To recover damages after securing a default judgment, a plaintiff must prove
22 the relief it seeks through testimony or written affidavit. Bd. of Trs. of the Boilermaker
23 Vacation Trust v. Skelly, Inc., 389 F. Supp. 2d 1222, 1226 (N.D. Cal. 2005).

24 For trademark infringement, Adobe may recover statutory damages of “not less than
25 \$1,000 or more than \$200,000 per counterfeit mark per type of goods or services sold,
26 offered for sale, or distributed, as the court considers just.” See 15 U.S.C. § 1117(c)(1). If
27 the court determines that the infringement was willful, however, a plaintiff may recover a
28 maximum of \$2,000,000 per mark infringed. See id. § 1117(c)(2).

1 For copyright infringement, a plaintiff may elect to recover statutory damages “of not
2 less than \$750 or more than \$30,000 as the court considers just.” 17 U.S.C. § 504(c)(1). If
3 the Court determines that the infringement was willful, however, a plaintiff may recover a
4 maximum of \$150,000 per work infringed. See id. § 504(c)(2).

5 Adobe has adequately pleaded that Tanvir’s infringement here was willful. See
6 Huerter Decl. ¶¶ 12–13; 15 U.S.C. § 1117(c)(2). The Court declines, however, to award the
7 requested \$5,770,000 in statutory damages in granting default judgment. The Court has
8 discretion to determine statutory damages, subject only to the statutory minima and maxima.
9 See, e.g., Coach Services, Inc. v. YNM, Inc., No. 10-cv-2326-JST, 2011 WL 1752091, at *5
10 (C.D. Cal. May 6, 2011); see also Harris v. Emus Records Corp., 734 F.2d 1329, 1335
11 (9th Cir.1984) (concluding that district courts have “wide discretion in determining the
12 amount of statutory damages to be awarded, constrained only by the specified maxima and
13 minima”). The Court concludes that the \$5,770,000 requested by Adobe would represent “a
14 windfall.” See Yelp, 70 F. Supp. 3d at 1101 (noting that courts should award damages “that
15 are sufficient to deter future [trademark] infringement”).

16 In a similar 2007 case, this Court found that, absent a showing of the defendant’s
17 estimated profits from the infringing sales, willful trademark and copyright infringement
18 warranted twice the minimum statutory damages. See Microsoft Corp. v. Ricketts,
19 No. C 06-6712 WHA, 2007 WL 1520965, at *4 (N.D. Cal. May 24, 2007). In another
20 similar 2009 case, this Court awarded twenty times the minimum statutory damages because
21 there was evidence that the defendant’s “practice extend[ed] beyond the single sale at issue.”
22 Adobe Systems Inc. v. Brooks, No. 08-cv-4044-RMW, 2009 WL 593343, at *4 (N.D. Cal.
23 March 5, 2009).

24 Here, while there are two specific sales at issue, and seventeen more sales specifically
25 linked to Adobe-branded software, two factors distinguish the present case from Ricketts and
26 Brooks. First, the defendants in those cases directly marketed and sold counterfeit units of
27 software. Here, Tanvir marketed and sold computers that included counterfeit and
28 unauthorized software, but the software was not specifically mentioned in the eBay product

1 title. Ex. C at 1; Ex. G at 1. Adobe has not alleged what portion of each of Tanvir’s sales is
2 attributable to the Adobe-branded software he included. Second, the initial two infringing
3 eBay product listings that Adobe discovered described the computers as including Adobe-
4 branded software. Ex. C at 2; Ex. G at 2. The listings that Tanvir posted after Adobe’s
5 cease-and-desist notices, however, do not mention Adobe-branded software.² Ex. L. While
6 the computers in the product images do display an Adobe Photoshop icon (displaying the text
7 “Ps”) in the application dock, *id.*, Adobe has not alleged that this icon is a registered
8 trademark, Ex. A. Because the images of computers that Tanvir posted for sale on eBay
9 display a small Adobe Photoshop icon, *see* Ex. L, the Court concludes that the damages
10 calculation should account for continued copyright infringement, but not for continued
11 trademark infringement. Thus, the Court concludes that Adobe should receive \$2,000 (two
12 times the minimum statutory damages award) for each of the 25 trademarks identified by
13 Adobe. Compl. ¶ 17. This follows the statutory damages award in *Ricketts*, which also
14 found no continued infringement. No. C 06-6712 WHA, 2007 WL 1520965, at *4. The
15 Court further concludes that Adobe should receive \$3,750 (five times the minimum statutory
16 damages award) for the derivative copyrighted work and each of the five additional
17 copyrighted works identified by Adobe.³ At the hearing, Adobe’s counsel confirmed that the

19 ² Plaintiff’s counsel has filed multiple complaints on behalf of Adobe, similar to the one here,
20 which have ended in default judgment. *See Adobe Systems Inc. v. Forte*, No. CV 14-6355 R, 2015 WL
21 12683967 (C.D. Cal. Mar. 3, 2015); *Johnson*, 2015 WL 12681313. In *Forte*, plaintiff’s counsel
22 subpoenaed records from eBay in addition to Paypal’s records. Plaintiff’s counsel has failed to do the
same here. This omission, along with the absence of similar mentions of Adobe-branded software in
Tanvir’s more recent eBay listings, casts doubt on Adobe’s allegations that Tanvir continues to offer
for sale and sell unlicensed and counterfeit Adobe-branded software. *See* Ex. L.

23 ³ When a plaintiff elects statutory damages for copyright infringement, “all the parts of a
24 compilation or derivative work constitute one work.” 17 U.S.C. § 504(c)(1). “A ‘derivative work’ is
25 a work based upon one or more preexisting works, such as a . . . condensation, or any other form in
26 which a work may be recast, transformed, or adapted. A work consisting of . . . modifications which,
as a whole, represent an original work of authorship, is a ‘derivative work’.” 17 U.S.C. § 101. “Such
27 a work—if it is non-infringing and sufficiently original—qualifies for a separate copyright, although
this copyright does not protect the preexisting material employed in the derivative work.” *Montgomery*
v. Noga, 168 F.3d 1282, 1290 (11th Cir. 1999) (citing 17 U.S.C. § 103).

Because Adobe bundles the individual pieces of its software as Adobe Creative Suite,
see Compl. ¶ 18, and Adobe has separately obtained a copyright for the bundle, *see* Ex. B at 7, Adobe
Creative Suite is a derivative work.

Where the owner of a copyright for a derivative work also owns the copyrights to the works

1 software bearing the suffix “CS6” is part of the Adobe Creative Suite software bundle. See
2 Minute Entry (dkt. 37). This award employs a greater multiplier than that in Ricketts,
3 No. C 06-6712 WHA, 2007 WL 1520965, at *4 (no continued infringement), but a smaller
4 multiplier than that in Brooks, No. 08-cv-4044-RMW, 2009 WL 593343, at *4 (continued
5 infringement by direct sale of counterfeit software). This amounts to a total damages award
6 of \$72,500.

7 Adobe alleges Tanvir has sold 1071 computers with counterfeit or unauthorized
8 Adobe software, totaling \$764,636.04 in gross revenue. Huerter Decl. ¶ 21. That damages
9 award amounts to 9.48 percent of Tanvir’s total sales. The Court finds that such an amount
10 is fair under these circumstances.

11 **IV. CONCLUSION**

12 For the foregoing reasons, the Court GRANTS IN PART Plaintiffs’ Motion for
13 Default Judgment. The Court ORDERS that judgment shall be entered in favor of Plaintiff
14 Adobe in the amount of \$72,500 in total damages against Defendant Fraz Tanvir.

15 The Court further ORDERS that Defendant and all of his agents, officers, employees,
16 representatives, successors, assigns, attorneys, and all other persons acting for, with, by,
17 through, or under Defendant’s authority, or in concert or participation with Defendant are:

18 (1) enjoined and permanently restrained from manufacturing, advertising,
19 distributing, offering for sale, selling, whether directly or indirectly,
20 counterfeit or unauthorized Adobe-branded software, including any software
of any kind bearing Plaintiff’s marks or names that are confusingly similar to
the trademarks, trade names, designs or logos of Plaintiff;

21 (2) enjoined and permanently restrained from using Plaintiffs’ marks or any
22 copy, reproduction, or colorable imitation, or confusingly similar simulation

23 contained therein, that owner is entitled only to a statutory damages award for the single derivative
24 work. See King Records, Inc. v. Bennett, 438 F. Supp. 2d 812, 864 (M.D. Tenn. 2006) (citing 4
25 Nimmer on Copyright § 14.04[E][1]) (holding that a plaintiff seeking statutory damages for the
copyright infringement of each musical composition in a sound recording is entitled only to statutory
damages for the derivative work).

26 Adobe alleges that the first computer purchased from Tanvir contained a counterfeit copy of
27 Adobe Creative Suite, and the second such computer contained unauthorized beta versions of nine
pieces of software contained in Adobe Creative Suite and four pieces of software not contained in the
Adobe Creative Suite, along with one unauthorized volume-licensed version of software not contained
in the Adobe Creative Suite. Compl. ¶¶ 27, 29.

28 Thus, the Court will award Adobe statutory damages for the copyright infringement of one
derivative work—the Creative Suite—and the copyright infringement of five additional works.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

of Plaintiff's marks on or in connection with the promotion, advertising, distribution, manufacture or sale of Defendant's goods;

(3) ordered to cancel, withdraw and recall all their promotions, advertisements and merchandise bearing Plaintiff's marks or any confusingly similar simulation to Plaintiff's marks, which have been published, placed or shipped by Defendant or under their authority, to any person, entity, or customer, including, without limitation, any publisher, agency, wholesaler, distributor, retailer, consignor or marketer, and also deliver to each publisher or customer a copy of this Court's order as it relates to said injunctive relief against Defendant.

IT IS SO ORDERED.

Dated: July 13, 2017



CHARLES R. BREYER
UNITED STATES DISTRICT JUDGE