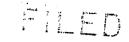
27

Kurt W. Hallock, CSB #131893 LAW OFFICE OF KURT W. HALLOCK 110 West "C" Street, Suite 1905 San Diego, California 92101 Telephone: (619) 615-0726 Facsimile: (619) 615-0728

Attorney for Plaintiff Larry Williams



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# UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA, SAN DIEGO DIVISION

LARRY WILLIAMS

Plaintiff.

-V-

SCRIBD, INC,a corporation; GalaxiaMia sued )
As DOE 1; api\_user\_11797\_malvik as Doe 2;)
alukmanto as Doe 3; api\_user\_11797\_ )
NEBOJSAJE as Doe 4; mikaj as Doe 5;
Srikanthbnm sued as Doe 6; api\_user\_11797\_)
Sathis sued as Doe 7; api\_user\_11797\_ )
tevado... sued as Doe 8; api\_user\_11797\_ )
ingrid...sued as Doe 9; and Does 10 to 40 )
are upload infringers to be named;
Defendants.

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COMPLAINT FOR

- 1) Copyright Infringement;
- 2)Conspiracy to Commit Copyright Infringement;
- Misappropriation of Right of Publicity;
- 4) Unjust Enrichment; AMOUNT IN CONTROVERSY EXCEEDS \$50,000.00

JURY TRIAL DEMANDED

## Nature of the Action

1. Plaintiff Larry Williams, currently residing in San Diego, California, brings this action to recover damages arising from infringement of his copyrights in his creative and educational works by Defendants, Scribd, Inc. ("Scribd"), and GalaxiaMia sued as Doe 1 pending further identification and Does 2 to 40, whose full names have not yet been determined, and to enjoin Defendants from future infringement. Defendants reproduced,

distributed and publicly displayed through the website Scribd.com various works whose copyrights are owned by Plaintiff.

#### Jurisdiction And Venue

- 2. This Court has subject matter jurisdiction over Plaintiff's first two claims relating to copyright infringement and pursuant to 17 U.S.C. § 502, 504 and 505, and 28 U.S.C. §§ 1331 and 1338(a).
- 3. This Court has supplemental jurisdiction over Plaintiff's third and fourth claims arising under the laws of California pursuant to 28 U.S.C. § 1367(a) because these claims are so related to Plaintiff's claims under Federal Law that they form part of the same case or controversy and derive from a common nucleus of operative fact.
- 4. Jurisdiction over the state law claims is appropriate under principles of pendent jurisdiction because the claims asserted herein arose in part, and the damages were suffered by Plaintiff, at least in part, in this judicial district.
- 5. The Court has personal jurisdiction over Defendants. Defendant Scribd's principle place of business is in California. All Defendants solicit, transact, and are doing business within the State of California and have committed unlawful and tortuous acts both within and outside the State of California causing injury in California. Plaintiff's claims arise out of the conduct that gives rise to personal jurisdiction over Defendants.
- 6. Venue is proper under 28 U.S.C. §1391(b) and 1400(a) because the Plaintiff resides in this district and because two of the named Defendants conduct business in this district.

#### **The Parties**

- 7. Plaintiff is an individual residing in San Diego, California.
- 8. Plaintiff is the author of many educational texts and conducts seminars known as "Inner Circle Workshops" relating to his market theories and strategies. He is the holder of copyright in the works: Trade Stocks and Commodities With the Insiders: Secrets of the COT Report (registration number TX0006254327); How I Made One Million Dollars Last

Year Trading Commodities (registration number TX0000350660); Long-Term Secrets to Short-Term Trading (registration number TX4945747); The Right Stock at the Right Time (registration number TX5814735); The Secret of Selecting Stocks For Immediate and Substantial Gains (registration number TX1788404); Larry Williams Forecast 2009 (registration number TX6902069); Day Trade Futures Online By Larry Williams (registration number TX5236386); Day Trade Futures Online (registration number TX0005236386); Definitive Guide to Futures Trading (registration number TX0003120961); Definitive Guide to Futures Trading: Volume II (registration number TX0003138435); Oops! And Scoops! Trading Method (registration number TX0002271277); Presenting Larry R. Williams, "Jason" Commodity Trading Method (registration number TX0003121166).

- 9. Plaintiff is the exclusive copyright owner and/or holder of the works listed above. Plaintiff has not authorized Defendants to reproduce his works or to display, sell, and/or distribute them on Scribd.com or anywhere else.
- 10. Defendant Scribd is a corporation organized and existing under the laws of the State of California with a principal place of business in San Francisco, California. Scribd is not an Internet Service Provider as intended by 17 U.S.C. 512; rather, it is a self proclaimed electronically based publishing company. Scribd hosts an internet site that provides its members with access to literary works free of charge. It is the largest "social publishing" company in the world with more than sixty (60) million readers every month. Scribd developed and allows subscribers to utilize a technology called the "iPaper document reader". This technology facilitates the uploading of works by transforming "print" files into a web document. Scribd indexes the web documents for "search engine optimization" and allows users to search for the text of various forms of literary works online. Scribd is supported in large part by commercial entities' purchase of advertising space on the site.

Scribd does not provide internet access and could and would not replace an individual's internet service provider to provide any consumer access to the internet. The true legal name of Defendant sued herein as Doe 1 is unknown to Plaintiff. Doe 1 (hereinafter referred to as "GalaxiaMia") uses the pseudonym "GalaxiaMia Guy" when participating in the infringing activity that is the subject of this litigation. Galaxiamia is an individual whose Scribd.com network identity or member name is "Galaxiamia Guy". If necessary, Plaintiff will seek leave to amend this Complaint to state Galaxiamia's true name when ascertained. Galaxiamia has uploaded Plaintiff's copyrighted material to the website Scribd.com on numerous occasions with the intent to share and distribute the material to other users. api\_user\_11797\_malvik as Doe 2; alukmanto as Doe 3; api\_user\_11797\_NEBOJSAJE as Doe 4; mikaj as Doe 5; Srikanthbnm sued as Doe 6; api\_user\_11797\_Sathis sued as Doe 7; api\_user\_11797\_tevado... is sued herein as Doe 8; api\_user\_11797\_ingrid... is sued as Doe 9. Does 10 to 40 are upload infringers to be named when their names are ascertained.

11. Defendant Galaxiamia has Defendant Scribd's CEO, Trip Adler, listed as his only friend on the Scribd website. Defendant Scribd had access to and knowledge of the infringing activity of Galaxiamia. Doe Defendants 2 to 40 are uploading infringers who have posted Plaintiff's copyrighted works on the internet without Plaintiff's permission.

## Facts Common to All Claims

- 12. Each of the works at issue in this action is of high production value and is easily discernable as a professional work.
- 13. Each of the works at issue in this action was either registered to Plaintiff with the United States Copyright Office or had an application for registration pending when the works were uploaded and distributed from Scribd.com. All of the works at issue are currently registered with the United States Copyright Office or have copyrights pending. Each of Plaintiff's

works is marked with a copyright notice and a warning that unauthorized copying is illegal and will be prosecuted.

- 14. Defendant's Scribd and Adler knew or should have known that Plaintiff resides in California and that infringement of his works was likely to cause harm in California.
- 15. At various times, during regular inspections of the Scribd.com website, Plaintiff's friends and employees discovered and documented a number of Plaintiff's copyrighted works being publicly displayed and or distributed by and through the Scribd.com website, owned and operated by Defendant Adler.
- 16. Plaintiff previously sent notice to Scribd, whose website hosted the infringing activity, notifying them of the infringing activity, providing the copyright registration numbers and the specific locations of the copyrighted works on the Scribd website and requesting that the infringing files be removed. The notices sent to Scribd were in compliance with 17 U.S.C. 512(c)(3); even though, Scribd is not an ISP entitled to the defense under this Section. Even after numerous notifications of infringing works, Scribd continued to display Plaintiff's work or works through August 25, 2009.
- 17. Plaintiff is informed and believes and based thereon alleges that Scribd removed some of the infringing material only after numerous notices were sent by Plaintiff.

  However, by the time some of the infringing material was removed from one location on the site, Plaintiff's copyrighted works were posted at another location on the site and available for distribution. During the time between Plaintiff's notifications and some of the takedowns, Plaintiff's works were each downloaded and/or viewed hundreds of times. For example, on Defendant Galaxiamia's Scribd account alone, Plaintiff's books were downloaded and/or viewed between 93 to 301 times each.
- 18. Plaintiff is informed and believes that Defendant Galaxiamia uploaded many of Plaintiff's copyrighted works to Scribd and made them available for distribution.

- 19. Plaintiff previously requested through a subpoena the true identity of Defendant Galaxiamia from Defendant Scribd. Plaintiff included the detailed information required by 17 U.S.C. §512 (h) in the Subpoena dated May 12, 2009 issued in Miscellaneous Case No. 09 MC 0289.
- 20. Defendants, without authorization, copied, distributed and/or publicly displayed at least seven (7) works owned by and registered to Plaintiff. One work, <u>Forecast 2009</u>. Casting Stones, The Fate of Our Future, was downloaded 271 times and viewed 381 times. The recent work was selling for \$195.00 at the time which equates to \$52,845.00 in lost sales for the downloads only.

#### FIRST CLAIM FOR RELIEF

## (Copyright Infringement – 17 U.S.C. § 502)

- 21. Plaintiff repeats and incorporates by reference each and every allegation set forth in paragraphs 1 through 21 inclusive.
- 22. Without authorization, Defendant GalaxiaMia (Doe 1) reproduced and distributed the following works owned and copyrighted by Plaintiff: <u>Larry Williams Forecast 2009</u>; <u>10</u>

  <u>Year Pattern in the U.S. Stock Market</u>; <u>A Classic Larry Williams Trading Pattern</u>; <u>Inner Circle Workshop Notes</u>; <u>The False Break Buy & Sell Pattern</u>; <u>My Million Dollar Stock Market Concept</u>; <u>How to Trade Better</u>.
- 23. Without authorization, Defendant Scribd, by and through the website Scribd.com, distributed the following works owned and copyrighted by Plaintiff: Larry Williams Forecast 2009; 10 Year Pattern in the U.S. Stock Market; A Classic Larry Williams Trading Pattern; Inner Circle Workshop Notes; The False Break Buy & Sell Pattern; My Million Dollar Stock Market Concept; How to Trade Better.
- 24. Defendants knew or should have known the infringed works belonged to Plaintiff and that they did not have permission to exploit Plaintiff's works.

- 25. Defendants knew the infringed works belonged to Plaintiff and that they did not have permission to exploit Plaintiff's works.
- 26. Once Plaintiff discovered the infringing activity, Plaintiff's efforts to prevent further infringement of his works by notifying Defendant Scribd were denied and Scribd employed tactics that made is unnecessarily difficult and complicated for Plaintiff to protect his copyrighted works.
- 27. Defendants Scribd, GalaxiaMia's, and the other uploading Defendants' conduct was willful within the meaning of the Copyright Act.
- 28. Defendants induced, caused and materially contributed to the infringing acts of others by encouraging, inducing, allowing and assisting others to reproduce and distribute Plaintiff's works on the Scribd.com website.
- 29. Defendant Scribd had the ability to control the infringing activities of the individuals or entities who directly infringed Plaintiff's works.
- 30. Defendants Scribd and the uploading Defendants obtained a direct financial benefit from the infringing activities of the individuals or entities who directly infringed Plaintiff's works.
- 31. As a result of the wrongful conduct, Defendants are liable to Plaintiff for copyright infringement. Plaintiff has suffered, and will continue to suffer, substantial losses, including but not limited to damage to his business reputation and goodwill.
- 32. Plaintiff is entitled to recover damages, which include Plaintiffs losses and any and all profits Defendants have made as a result of their wrongful conduct. Alternatively, Plaintiff is entitled to statutory damages.
- 33. In addition, because Defendant's' conduct was willful, the award of statutory damages should be enhanced in accordance with 17 U.S.C. §504(c)(2).
- 34. Plaintiff is entitled to recover his attorney's fees and costs of suit pursuant to 17 U.S.C. §505.

#### SECOND CLAIM FOR RELIEF

## (Conspiracy to Commit Copyright Infringement)

- 35. Plaintiff repeats and incorporates by reference each and every allegation set forth in paragraphs 1 through 34, inclusive.
- 36. Defendant Scribd's CEO, Adler, and Defendant Galaxiamia were listed as friends on Scribd.com when the infringing activity giving rise to this litigation took place.
- 37. Defendant Adler was listed as Defendant GalaxiaMia's only contact on the Scribd.com website. In order to list another Scribd.com member as a "friend" or contact on the Scribd.com network, a member must receive the express authorization of the requested member to have them listed as a friend.
- 38. Plaintiff is informed and believes that Defendant Scribd was informed by GalaxiaMia on and through the Scribd.com network of GalaxiaMia's intent to distribute copyrighted material without authorization.
- 39. Plaintiff is informed and believes that Defendant Adler, either by acquiescing or by express agreement, engaged in, contributed to and caused the infringing activity of Galaxiamia.
- 40. As a direct and proximate result of Defendant's conduct, Plaintiff has been damaged by lost income in an amount to be determined at trial.

#### THIRD CLAIM FOR RELIEF

## (Misappropriation of the Right of Publicity - Cal. Civ. Code § 3344)

- 41. Plaintiff repeats and incorporates by reference each and every allegation set forth in paragraphs 1 through 40, inclusive.
- 42. Plaintiff's copyrighted works, particularly his "Inner Circle Workshops" and market forecasts, offer financial advice in a creative manner. Plaintiff, through his written works and workshop performances, has created a public image of himself and his products.

- 43. Defendants infringed the rights of publicity owned and controlled by Plaintiff by displaying images of Plaintiff and his works for commercial gain without authorization.

  Additionally, Defendants upload and publish materials referencing and using Plaintiff's name without Plaintiff's permission. Plaintiff makes his living from selling commodity timing, trading and educational and seminar programs. Defendants have misappropriated Plaintiff's rights to his publications and his name.
- 44. As a direct and proximate result of Defendant's conduct, Plaintiff has been damaged by lost income in an amount to be determined at trial and is entitled to punitive damages.

#### FOURTH CLAIM FOR RELIEF

#### **Unjust Enrichment**

- 45. Plaintiff repeats and incorporates by reference each and every allegation set forth in paragraphs 1 through 44, inclusive.
- 46. Plaintiff's copyrighted works which are the subject of this litigation are sold for prices ranging from \$45.00 to \$195.00 per copy.
- 47. Plaintiff does not have a contract with any Defendant regarding any of the copyrighted works at issue in this litigation.
- 48. Defendants Scribd, Galaxiamia and the uploading Defendants knew Plaintiff's works held value and allowed them to be published and distributed on the Scribd.com website.
- 49. As a result of Defendants' infringing activity, Defendants' received numerous benefits, including but not limited to the attraction of new members and advertisers and the financial gains affiliated with those draws.
- 50. It would be inequitable for Defendants to receive the benefits of having Plaintiff's copyrighted works published and distributed on Scribd.com without compensation to Plaintiff.
- 51. As a direct and proximate result of Defendants' conduct, Plaintiff has been damaged by lost income in an amount to be determined at trial.

WHEREFORE, Plaintiff demands judgment:

- A. Enjoining Defendants, their agents, servants, employees, and attorneys and all those acting in concert with them from infringing Plaintiff's Copyrights in violation of 17 U.S.C. § 501;
- B. Awarding Plaintiff its damages, Defendants profits, or alternatively, at Plaintiff's election, statutory damages, as a result of Defendants' infringement of Plaintiff's copyrights;
- C. Awarding Plaintiff damages and disgorging Defendants' profits as a result of Defendants' unjust enrichment;
- D. Awarding Plaintiff it's damages, Defendants profits, or alternatively, at Plaintiff's election, statutory damages, as a result of Defendants' misappropriation of Plaintiff's Right of Publicity;
- E. Awarding Plaintiff its costs in this action, including its reasonable attorneys' fees pursuant to 17 U.S.C. § 505;
- F. Awarding Plaintiff punitive damages in an amount to be determined by the trier of fact in this action; and
- G. Granting such other and further relief as this Court sees just and proper.

## **DEMAND FOR JURY TRIAL**

Plaintiff requests trial by jury of all issues triable by jury.

DATED: <u>08/25/09</u>

LAW OFFICE OF KURT W. HALLOCK

Kurt W. Hallock, Attorney for Plaintiff

## **CIVIL COVER SHEET**



the civil docket sheet. (SEE I	NSTRUCTIONS ON THE REVERSE OF THE FORM.)			1 1 1 10 10 10
I. (a) PLAINTIFFS		DEFENDANTS	# #	1 ham ham had
Larry Williams,		Scribd, Inc., et a	og Aug	35 PM 1:31
(b) County of Residence of First Listed Plaintiff San Diego (EXCEPT IN U.S. PLAINTIFF CASES)		NOTE: IN LAND	of First Listed Defendant (IN U.S. PLAINTIFF CASES) D CONDEMNATION CASES, USINVOLVED.	医细胞性结膜 医肾髓 网络二氯甲烷 人名 崇礼的 医二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲二甲
Kurt W. Hallock, Law O	e, Address, and Telephone Number) ffice of Kurt Hallock, 110 West C Stre	Attorneys (If Known)  Oet,	1836 LAB	WMC
	California 92101, 619-615-0726  DICTION (Place an "X" in One Box Only)	IIII. CITIZENSHIP OF P	DINCIDAL DADTIES	(Place an "X" in One Box for Plaintiff
☐ 1 U.S. Government Plaintiff	3 Federal Question (U.S. Government Not a Party)	(For Diversity Cases Only)	FF DEF  1	and One Box for Defendant)  PTF DEF incipal Place
2 U.S. Government Defendant	<ul> <li>4 Diversity</li> <li>(Indicate Citizenship of Parties in Item III)</li> </ul>	Citizen of Another State	2	Principal Place
		Citizen or Subject of a  Foreign Country	3 🗖 3 Foreign Nation	06 06
IV. NATURE OF SUI	T (Place an "X" in One Box Only)			
C 110 Incompany	PERSONAL INCIDENT PERSONAL INCIDENT	FORESTURE PENALTON	BANKRUPTCY	G 400 State Recognitionment
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment & Enforcement of Judgment □ 151 Medicare Act □ 152 Recovery of Defaulted Student Loans (Excl. Veterans) □ 153 Recovery of Overpayment of Veteran's Benefits □ 160 Stockholders' Suits □ 190 Other Contract □ 195 Contract Product Liability □ 196 Franchise □ 210 Land Condemnation □ 220 Foreclosure □ 230 Rent Lease & Ejectment □ 240 Torts to Land □ 245 Tort Product Liability □ 290 All Other Real Property	Slander   368 Asbestos Person Injury Product Liability   340 Marine   345 Marine Product Liability   371 Truth in Lending   350 Motor Vehicle   355 Motor Vehicle   Property Damag   Product Liability   385 Property Damag   385 Property Damag	620 Other Food & Drug   625 Drug Related Seizure   625 Drug Related Seizure   67 Property 21 USC 881   630 Liquor Laws   640 R.R. & Truck   650 Airline Regs.   660 Occupational   Safety/Health   690 Other   710 Fair Labor Standards   Act   720 Labor/Mgmt. Relations   730 Labor/Mgmt. Reporting   & Disclosure Act   740 Railway Labor Act   790 Other Labor Litigation   791 Empl. Ret. Inc.   Security Act   462 Naturalization Application   463 Habeas Corpus -	422 Appeal 28 USC 158     423 Withdrawal	400 State Reapportionment   410 Antitrust   430 Banks and Banking   450 Commerce   460 Deportation   470 Racketeer Influenced and Corrupt Organizations   480 Consumer Credit   490 Cable/Sat TV   810 Selective Service   850 Securities/Commodities/Exchange   875 Customer Challenge   12 USC 3410   890 Other Statutory Actions   891 Agricultural Acts   892 Economic Stabilization Act   893 Environmental Matters   894 Energy Allocation Act   895 Freedom of Information Act   900Appeal of Fee Determination Under Equal Access to Justice   950 Constitutionality of State Statutes
■ 1 Original □ 2 R	tate Court Appellate Court	Reopened anothe (speci		
VI. CAUSE OF ACTI	Cite the U.S. Civil Statute under which you a 17 U.S.C. 502  Brief description of cause: Internet posting copyright infring		al statutes unless diversity):	
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS IS A CLASS ACTION		0.00 CHECK YES only JURY DEMAND:	if demanded in complaint:
VIII. RELATED CAS IF ANY			DOCKET NUMBER	
DATE 08/25/2009	SIGNATURE OF A	TTORNEY OF RECORD		
FOR OFFICE USE ONLY RECEIPT # 4546	AMOUNT (50, APPLYING IFP	JUDGE	MAG. JUI	DGE
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Court Name: USDC California Southern

Division: 3

Receipt Number: CAS004546

Cashier ID: sramirez

Transaction Date: 08/25/2009

Payer Name: LAW OFFICES OF HALLOCK

CIVIL FILING FEE

For: WILLIAMS V. SCRIBD

Case/Party: D-CAS-3-09-CV-001836-001

Amount:

\$350.00

CHECK

Check/Money Order Num: 3575

Amt Tendered: \$350.00

Total Due:

\$350.00

Total Tendered: \$350.00

Change Amt:

\$0.00

There will be a fee of \$45.00 charged for any returned check.