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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

STEVEN M. GARDNER, an individual,

Plaintiff,

v.

CAFEPRESS INC., a Delaware Corporation, et al.,

Defendants.

CASE NO. 3:13-cv-1108-GPC-JLB
ORDER:
(1) GRANTING IN PART AND DENYING IN PART PLAINTIFF’S MOTION FOR LEAVE TO FILE SECOND AMENDED COMPLAINT;
(2) VACATING HEARING DATE
[ECF No. 54]

I. INTRODUCTION

Before the Court is Plaintiff Steven M. Gardner’s (“Plaintiff”) Motion for Leave to File Second Amended Complaint. (ECF No. 54.) Defendant CafePress, Inc. (“Defendant”) filed an opposition. (ECF No. 90.) Plaintiff responded. (ECF No. 97.)

The parties have fully briefed the motion. (ECF Nos. 54, 90, 97.) The Court finds the motion suitable for disposition without oral argument pursuant to Civil Local Rule 7.1(d)(1). Upon review of the moving papers, admissible evidence, and applicable law, the Court **GRANTS IN PART AND DENIES IN PART** Plaintiff’s Motion for Leave to File Second Amended Complaint. Due to deficiencies in Plaintiff’s Proposed Second Amended Complaint (the “Proposed SAC”), (ECF No. 54-1), the Court **DENIES** Plaintiff leave to file the Proposed SAC. However, the Court **GRANTS** Plaintiff leave

1 to amend his complaint to add the causes of action specified in his motion and cure the
2 deficiencies noted herein.

3 **II. PROCEDURAL HISTORY**

4 On May 8, 2013, Plaintiff filed a complaint against Defendant alleging copyright
5 infringement. (ECF No. 1.) On May 13, 2013, Plaintiff filed a first amended complaint
6 (“FAC”). (ECF No. 3.) On April 4, 2014, Plaintiff filed a second lawsuit in the United
7 States District Court for the Southern District of California against Defendant and
8 PrideAndMore, Gardner v. CafePress Inc., No. 3:14-cv-0792-GPC-JLB (“Gardner II”).
9 (ECF No. 90-2.)

10 On April 1, 2014, Plaintiff filed a motion for leave to file a second amended
11 complaint with the Proposed SAC. (ECF No. 54.) On August 15, 2014, Defendant
12 opposed Plaintiff’s motion. (ECF No. 90.) On August 26, 2014, Defendant filed a
13 notice of errata to their opposition. (ECF No. 93.) On August 28, 2014, Plaintiff
14 responded to Defendant’s opposition. (ECF No. 97.)¹

15 **III. FACTUAL BACKGROUND**

16 **A. First Amended Complaint**

17 On September 14, 2002, Plaintiff allegedly first published a 2-D artwork titled
18 “Alaska Wildlife.” (ECF No. 3-1.) Effective November 24, 2012, Plaintiff obtained a
19 registration in Alaska Wildlife from the United States Copyright Office. (Id.); VA 1-
20 840-780. Plaintiff alleges that Defendant owns and operates <https://www.cafepress.com>
21 where items that infringed the Alaska Wildlife copyright were advertised and sold.
22 (FAC ¶ 6.) Based on the foregoing, Plaintiff alleges one cause of action for copyright
23 infringement against Defendant. (FAC.)

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26 ¹ Plaintiff’s response also requests that this case be consolidated with Gardner
27 II. (ECF No. 97, at 2, 9.) Defendant moved to file a sur-reply to oppose consolidation.
28 (ECF No. 99.) Plaintiff then filed a separate motion to consolidate, (ECF No. 100), and
the Court denied Defendant’s motion to file a sur-reply as moot, (ECF No. 103.)
Accordingly, the Court will not consider Plaintiff’s request to consolidate in ruling on
this motion to amend.

1 **B. Proposed Second Amended Complaint**

2 First, the Proposed SAC adds a second cause of action for violation of 17 U.S.C.
3 § 1202 (“§ 1202”) against Defendant. (Proposed SAC ¶¶ 31–62.) Second, the Proposed
4 SAC adds three additional copyrights to the first cause of action for copyright
5 infringement: (1) “Find 12 Tigers,” VA 1-840-834; (2) “Polar Bears 10 Hidden Bears,”
6 VA 1-864-127; and (3) “Harmony of Wolves,” VA 1-851-029. (*Id.* ¶ 8.) Third, the
7 Proposed SAC adds a new defendant, Lakin Southall (“Southall”), and alleges both
8 causes of action against Southall. (*Id.* ¶¶ 8, 23, 48.) Defendant does not oppose the
9 addition of Southall. (ECF No.90, 10 n.4).

10 **IV. LEGAL STANDARD**

11 Under Federal Rule of Civil Procedure 15(a), leave to amend a complaint after
12 a responsive pleading has been filed may be allowed by leave of the court and “shall
13 freely be given when justice so requires.” *Foman v. Davis*, 371 U.S. 178, 182 (1962);
14 FED. R. CIV. P. 15(a). Granting leave to amend rests in the sound discretion of the trial
15 court. *Int’l Ass’n of Machinists & Aerospace Workers v. Republic Airlines*, 761 F.2d
16 1386, 1390 (9th Cir. 1985). This discretion must be guided by the strong federal policy
17 favoring the disposition of cases on the merits and permitting amendments with
18 “extreme liberality.” *DCD Programs Ltd. v. Leighton*, 833 F.2d 183, 186 (9th Cir.
19 1987). “This liberality in granting leave to amend is not dependent on whether the
20 amendment will add causes of action or parties.” *Id.*; *contra Union Pac. R.R. Co. v.*
21 *Nev. Power Co.*, 950 F.2d 1429, 1432 (9th Cir. 1991).

22 Because Rule 15(a) favors a liberal policy, the nonmoving party bears the burden
23 of demonstrating why leave to amend should not be granted. *Genentech, Inc. v. Abbott*
24 *Labs.*, 127 F.R.D. 529, 530–31 (N.D. Cal. 1989). In assessing the propriety of
25 amendment, courts consider several factors: (1) undue delay; (2) bad faith or dilatory
26 motive; (3) repeated failure to cure deficiencies by amendments previously permitted;
27 (4) prejudice to the opposing party; and (5) futility of amendment. *Foman*, 371 U.S. at
28 182; *United States v. Corinthian Colls.*, 655 F.3d 984, 995 (9th Cir. 2011). These

1 factors are not equally weighted; the possibility of delay alone, for instance, cannot
2 justify denial of leave to amend, DCD Programs, 833 F.2d at 186, but when combined
3 with a showing of prejudice, bad faith, or futility of amendment, leave to amend will
4 likely be denied. Bowles v. Reade, 198 F.2d 752, 758 (9th Cir. 1999). The single most
5 important factor is whether prejudice would result to the nonmovant as a consequence
6 of the amendment. William Inglis & Sons Baking Co. v. ITT Cont'l Baking Co., 668
7 F.2d 1014, 1053 (9th Cir. 1981). The party opposing amendment bears the heavy
8 burden of overcoming the presumption in favor of amendment which arises absent a
9 demonstration of prejudice or a strong showing of any of the remaining factors. DCD
10 Programs, 833 F.2d at 186–87.

11 V. DISCUSSION

12 For the reasons discussed below, the Court finds that the Foman factors weigh
13 in favor of granting Plaintiff's motion to amend. See Foman, 371 U.S. at 182.

14 A. Undue Delay

15 The relevant inquiry is whether the delay between when the moving party “knew
16 or should have known the facts and theories raised by the amendment” and the time of
17 the amendment is reasonable. Jackson v. Bank of Haw., 902 F.2d 1385, 1388 (9th Cir.
18 1990) (holding an eight month delay as unreasonable); compare AmerisourceBergen
19 Corp. v. Dialysist West, Inc., 465 F.3d 946, 953 (9th Cir. 2006) (holding a fifteen
20 month delay as unreasonable) with Anthony v. Cambra, 236 F.3d 568, 577–78 (9th Cir.
21 2000) (holding a two month delay as reasonable). “Undue delay by itself, however, is
22 insufficient to justify denying a motion to amend.” Bowles, 198 F.3d at 758.

23 Plaintiff knew of his causes of action against Defendant and Southall for the
24 alleged infringement of his three additional copyrights at least as early as June 2013.
25 (ECF No. 93-1 ¶ 7; ECF No. 93-1, Ex. E.) It also appears that Plaintiff knew or should
26 have known the facts supporting his § 1202 cause of action at least as of June 2013.
27 Plaintiff brought this motion to amend in April 2014, at least nine months after he
28 apparently knew about his cause of action based on the three additional copyrights and

1 approximately eleven months after Plaintiff filed suit. The Court finds that Plaintiff
2 unduly delayed bringing his motion to amend.

3 **B. Bad Faith**

4 Analyzing bad faith requires courts to focus on a moving party's motives for
5 bringing an amendment. Foman, 371 U.S. at 182. Bad faith may be found where the
6 moving party has filed repetitious motions to amend. Wood v. Santa Barbara Chamber
7 of Commerce, Inc., 705 F.2d 1515, 1520 (9th Cir. 1983). Bad faith will not be found
8 where the plaintiff's allegations are "not frivolous" and where the plaintiff
9 "endeavor[s] in good faith to meet the [] pleading requirements." Eminence Capital,
10 LLC v. Aspeon, Inc., 316 F.3d 1048, 1053 (9th Cir. 2003).

11 Defendant argues that Plaintiff brings this motion in bad faith to attempt to
12 "circumvent the Scheduling Order and th[e] Court's partial summary judgment ruling
13 precluding the award of statutory damages and attorneys' fees by filing a separate
14 lawsuit that mirrors this very action." (ECF No. 90, at 10.) Defendant argues that
15 Plaintiff should have included the causes of action asserted in Gardner II in this motion
16 to amend. (Id.) Plaintiff has since filed a motion to consolidate, (ECF No. 100), that,
17 if granted, would accomplish the very thing that Defendant argues Plaintiff should have
18 done. Even if Defendant were correct that Plaintiff's filing of Gardner II was in bad
19 faith, that alleged bad faith does not somehow impute bad faith to Plaintiff's present
20 motion to amend. Accordingly, the Court finds that Plaintiff has not brought this
21 motion in bad faith.

22 **C. Repeated Failure to Cure Deficiencies**

23 Though the Court's discretion "to deny leave to amend is particularly broad
24 where plaintiff has previously amended," Ascon Properties, Inc. v. Mobil Oil Co., 866
25 F.2d 1149, 1160 (9th Cir. 1989), the focus is on whether the plaintiff has repeatedly
26 failed to cure deficiencies in the complaint. See Abagninin v. AMVAC Chem. Corp.,
27 545 F.3d 733, 742 (9th Cir. 2008) (citing Foman, 371 U.S. at 182). Plaintiff amended
28 his complaint once—in May 2013—prior to when Defendant argues Plaintiff knew

1 about his claims based on the three additional copyrights. (See ECF No. 3; ECF No.
2 90, at 10 n.4 (arguing that Plaintiff knew about the claims based on the three additional
3 copyrights “as early as June 2013”).) A single previous amendment, made prior to the
4 time at which Plaintiff knew about several of the claims that Plaintiff wishes to add,
5 does not rise to the level of repeated failure to cure deficiencies.

6 **D. Undue Prejudice to Defendant**

7 Undue prejudice to the opposing party is the most important factor in
8 determining whether leave to amend should be granted. Howey v. United States, 481
9 F.2d 1187, 1190 (9th Cir. 1973). “Prejudice is the ‘touchstone of the inquiry under rule
10 15(a)’” and “carries the greatest weight.” Eminence Capital, 316 F.3d at 1051–52
11 (citations omitted). In determining whether the opposing party would suffer undue
12 prejudice, the court considers whether the proposed amendment would “greatly change
13 the parties’ positions in the action, and require the assertion of new defenses.”
14 Morongo Band of Mission Indians v. Rose, 893 F.2d 1074, 1079 (9th Cir. 1990).

15 Defendant does not argue that the three new copyright claims or the addition of
16 Southall would prejudice Defendant. (See ECF No. 90, at 10 n.4.) However, Defendant
17 does argue that the addition of the § 1202 cause of action would prejudice it for two
18 reasons: (1) the timing of Plaintiff’s motion, and (2) that the § 1202 cause of action
19 significantly differs from the cause of action for copyright infringement. (See ECF No.
20 90, at 8–9.)

21 Fact discovery in this case closed on September 4, 2014. (ECF No. 73, at 2.)
22 Expert discovery in this case closes on November 7, 2014. (Id.) The deadline for
23 dispositive motions is December 5, 2014. (Id.) While the original hearing date for this
24 motion to amend was June 27, 2014, (see ECF No. 53), the parties jointly moved to
25 continue the briefing deadline and hearing date on this motion four times and the Court
26 granted all four motions. (ECF Nos. 61, 64, 70, 71, 76, 77, 82, 84.) Defendant cannot
27 repeatedly jointly move to continue the briefing deadline and hearing date on this
28 motion and then argue that those very same dates now prejudice it.

1 Moreover, on January 29, 2014, Defendant requested, in the alternative, that
2 Magistrate Judge Adler stay discovery in this case while Defendant’s summary
3 judgment motion was pending. (See ECF No. 38, at 9–10.) On February 3, 2014,
4 Magistrate Judge Adler stayed discovery, (ECF No. 42, at 3), and on May 13, 2014,
5 Magistrate Judge Adler continued the stay of discovery, (see ECF No. 76, at 2 (citing
6 ECF No. 74)). Plaintiff filed his motion to amend less than one year after this litigation
7 commenced, at a time when discovery was stayed, and more than five months before
8 the close of fact discovery. The Court finds that the timing of Plaintiff’s motion to
9 amend does not unduly prejudice Defendant and now turns to Defendant’s second
10 argument that it would be unduly prejudiced.

11 Plaintiff’s § 1202 cause of action is based on what Defendant does with the
12 images uploaded by its users that allegedly infringe Plaintiff’s copyright and contain
13 copyright management information. Similarly, Plaintiff’s copyright infringement cause
14 of action is based on what Defendant does with the images uploaded by its users that
15 allegedly infringe Plaintiff’s copyrights. While these two causes of action are based on
16 different legal theories, the factual underpinnings of both significantly overlap as they
17 are both based primarily on what happens to the allegedly infringing works after they
18 are uploaded to Defendant’s website. Accordingly, the Court also concludes that
19 neither the difference between Plaintiff’s § 1202 cause of action and Plaintiff’s
20 copyright infringement cause of action, nor the timing of Plaintiff’s motion, unduly
21 prejudice Defendant.

22 **E. Futility**

23 The test for determining the futility of an amendment is whether the amendment
24 can survive a Federal Rule of Civil Procedure 12(b)(6) motion to dismiss. Miller v.
25 Rykoff-Sexton, Inc., 845 F.2d 209, 214 (9th Cir. 1988) (citations omitted); FED. R. CIV.
26 P. 12(b)(6). While a plaintiff need not give “detailed factual allegations,” a plaintiff
27 must plead sufficient facts that, if true, “raise a right to relief above the speculative
28 level.” Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 545 (2007). “To survive a

1 motion to dismiss, a complaint must contain sufficient factual matter, accepted as true,
2 to ‘state a claim to relief that is plausible on its face.’” Ashcroft v. Iqbal, 556 U.S. 662,
3 678 (2009) (quoting Twombly, 550 U.S. at 547). A claim is facially plausible when the
4 factual allegations permit “the court to draw the reasonable inference that the defendant
5 is liable for the misconduct alleged.” Id. In other words, “the non-conclusory ‘factual
6 content,’ and reasonable inferences from that content, must be plausibly suggestive of
7 a claim entitling the plaintiff to relief.” Moss v. U.S. Secret Serv., 572 F.3d 962, 969
8 (9th Cir. 2009). “Determining whether a complaint states a plausible claim for relief
9 will . . . be a context-specific task that requires the reviewing court to draw on its
10 judicial experience and common sense.” Iqbal, 556 U.S. at 679.

11 In reviewing a complaint under Rule 12(b)(6), the court must assume the truth
12 of all factual allegations and must construe all inferences from them in the light most
13 favorable to the nonmoving party. Thompson v. Davis, 295 F.3d 890, 895 (9th Cir.
14 2002); Cahill v. Liberty Mut. Ins. Co., 80 F.3d 336, 337–38 (9th Cir. 1996). Legal
15 conclusions, however, need not be taken as true merely because they are cast in the
16 form of factual allegations. Ileto v. Glock, Inc., 349 F.3d 1191, 1200 (9th Cir. 2003);
17 W. Mining Council v. Watt, 643 F.2d 618, 624 (9th Cir. 1981).

18 Plaintiff’s Proposed SAC alleges copyright infringement by Defendant and
19 Southall. (Proposed SAC ¶¶ 8, 24.) Defendant does not argue that these amendments
20 to Plaintiff’s first cause of action would be futile and the Court finds that Plaintiff has
21 pled sufficient facts to support a copyright infringement cause of action based on the
22 three additional copyrights against Defendant and Southall.

23 Plaintiff’s Proposed SAC also alleges that Defendant violated § 1202 by
24 removing copyright management information (“CMI”), including “the name of the
25 author and/or copyright owner.” (Proposed SAC ¶ 3.) § 1202 creates liability for
26 persons who “intentionally remove or alter any [CMI],” without the authority of the
27 copyright owner or the law, or distribute CMI “knowing that the [CMI] has been
28 removed or altered without authority of the copyright owner or the law.” 17 U.S.C. §

1 1202(b). The definition of CMI includes the work’s title, the author’s name, and the
2 copyright owner’s name, among other information. 17 U.S.C. § 1202(c).

3 Defendant argues that its letter to Plaintiff shows that it “retain[s] metadata from
4 the original files uploaded by users” to its website and thus Plaintiff cannot allege any
5 facts to support a § 1202 cause of action. (See ECF No. 93-1, Ex. D.) While this letter
6 supports the contention that Defendant does keep the metadata in some form, it does
7 not disprove the allegation that Defendant has removed metadata from at least some of
8 the files that Defendant distributes.

9 Plaintiff argues that two declarations—one attached to the motion to amend and
10 another submitted in opposition to Defendant’s prior summary judgment
11 motion—support its § 1202 cause of action by showing that Plaintiff can allege facts
12 showing that Defendant removes or alters CMI or distribute works knowing that CMI
13 has been removed or altered. (ECF No. 97, at 5 (citing ECF No. 54-3 ¶ 4; ECF No. 32
14 ¶¶ 3–4).) Plaintiff’s proposed § 1202 allegations merely repeat the language of § 1202
15 and do not contain any factual allegations to support a § 1202 cause of action. (See
16 Proposed SAC ¶¶ 3, 48–57.) However, the declarations pointed to by Plaintiff do show
17 that Plaintiff can plead facts sufficient to support a § 1202 cause of action.
18 Accordingly, the Court finds that amendment is not futile.

19 While Plaintiff has unduly delayed in seeking amendment, the other four Foman
20 factors favor Plaintiff and undue delay by itself cannot serve as a basis for denying
21 leave to amend. See Bowles, 198 F.3d at 758. Accordingly, the Court GRANTS
22 Plaintiff leave to amend his complaint but DENIES Plaintiff leave to file the Proposed
23 SAC filed.

24 VI. CONCLUSION AND ORDER

25 For the reasons stated above, **IT IS HEREBY ORDERED** that:

- 26 1. Plaintiff’s Motion for Leave to File Second Amended Complaint, (ECF
27 No. 54), is **GRANTED** as to leave to amend his complaint, and **DENIED**
28 as to leave to file the Proposed SAC;

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2. Plaintiff **SHALL FILE** an amended complaint with the causes of action specified in his Motion for Leave to File Second Amended Complaint and cure any deficiencies noted herein by **October 10, 2014**; and

3. The hearing set for September 26, 2014 is **VACATED**.

DATED: September 25, 2014


HON. GONZALO P. CURIEL
United States District Judge