Doc. 9

#### **MEMORANDUM OF POINTS AND AUTHORITIES**

I. INTRODUCTION

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The instant jurisdictional dispute has been definitively resolved by the precedent of this Court: a copyright defendant who infringes on a literary work which knowingly emanates from a Nevada-based party is consequently subject to Nevada jurisdiction. *Righthaven LLC v. Dr. Shezad Malik Law Firm P.C.*, No. 2:10-cv-0636-RLH-RJJ, slip op. at 2-3 (D. Nev. Sept. 2, 2010) ("*Malik*"). (Ex. 1.) In light of the direct applicability of this Court's unambiguous, recently established precedent, there is simply no basis upon which the Defendants can escape jurisdiction in this forum.

Moreover, this Court's recent Order in *Malik*, a true and correct copy of which is attached hereto as Exhibit 1, clearly follows the position of the Ninth Circuit: willful copyright infringers who reproduce content from a source known to exist in the forum purposefully avail themselves of said forum's personal jurisdiction. Columbia Pictures Television v. Krypton Broadcasting of Birmingham, Inc., 106 F.3d 284, 289 (9th Cir. 1997) rev'd on other grounds Feltner v. Columbia Pictures Television, Inc., 523 U.S. 340, 355 (1998) ("Columbia"). As expressly pled in Righthaven's Complaint, the Defendants committed intentional copyright infringement of a literary work which: (1) knowingly emanated from a Nevada-based daily publication, and (2) is of specific concern to Nevada residents. Thus, the Defendants' infringing conduct was expressly aimed at Nevada residents, and the Defendants knew that any harm caused by such conduct would likely be suffered in Nevada. Moreover, the strength of the Court's jurisdiction in this matter cannot be diminished by the Defendants' unsubstantiated, self-serving claims or by the Defendants' misguided reliance on inapplicable case law. Ultimately, the Defendants' trivial efforts to escape jurisdiction amount to nothing more than a red-herring discussion: the Defendants' willful, unauthorized reproduction of a Righthaven-owned copyrighted work emanating from Nevada is the fact most pertinent to the jurisdictional analysis. As pled in the Complaint and further demonstrated herein, the Defendants' Nevada-related infringing activities definitively justify the Court's exercise of personal jurisdiction.

#### II. PROCEDURAL FACTS

On September 15, 2010, a joint stipulation was filed with the Court (Docket No. 8-0) wherein the Defendants' subject matter jurisdiction challenge (contesting Righthaven's standing to sue) was withdrawn. As such, Righthaven does not oppose, or otherwise address, the Defendants' standing argument in the instant Opposition, as said argument is no longer before the Court.

#### III. <u>FACTS</u>

Righthaven is the owner of the copyright in the literary work entitled: "Misdemeanor violations leading to deportations" (the "Work"). (Compl. ¶¶ 8, 21.) (Compl. Ex. 1.)¹ On July 26, 2010, the United States Copyright Office granted Righthaven the registration to the Work, copyright registration number TX0007181503. (Compl. ¶ 23.) (Compl. Ex. 3.) The Work was originally published on June 28, 2010 in the Las Vegas *Review-Journal* (the "LVRJ"). (Compl. ¶ 22.) Accordingly, the Work plainly identifies the LVRJ as the original source publication. (Compl. ¶ 9.) (Compl. Ex. 1.) The content of the Work details the alleged targeting of criminal illegal immigrants by the Las Vegas Metropolitan Police Department (Compl. ¶ 13.) (Compl. Ex. 1.)

The Defendants are the owners of the Internet domain found at <interculturalorganizing.org> (the "Website"). (Compl. ¶¶ 5-6.) On or about July 8, 2010, the Defendants created an unauthorized reproduction of the Work (the "Infringement") and publicly displayed said unauthorized reproduction on the Website. (Compl. ¶¶ 10-11, 24.) (Compl. Ex. 2.) The Infringement constitutes a verbatim copy of the Work's content in its entirety. (*See* Compl. Ex. 1-2.) The Defendants are responsible for posting the Infringement on the Website, as identified by the text found immediately beneath the Infringement: "Posted by Center for Intercultural Organizing at 11:35 PM." (Compl. Ex. 2.) The Defendants did not seek permission, nor were the Defendants granted permission, in any manner, to reproduce, display, or otherwise exploit the Work. (Compl. ¶¶ 25-26.)

<sup>&</sup>lt;sup>1</sup> Complaint and Demand for Jury Trial (Docket No. 1-0).

#### IV. <u>ARGUMENT</u>

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# A. <u>Precedent Established by this Court Definitively Resolves the Jurisdictional</u> <u>Question in Righthaven's Favor</u>

The exercise of the Court's jurisdiction in the instant matter is clearly appropriate in light of the precedent recently established by this Court in a copyright claim involving operative facts nearly identical to those at present. In *Malik*, Righthaven brought an action for infringement against a Texas-based defendant (the "Malik Firm"), alleging that the Malik Firm had infringed upon three Righthaven-owned literary works originally published in the LVRJ, and further alleging that the Malik Firm had publicly displayed said infringements on the Malik Firm website.<sup>2</sup> In response, the Malik Firm filed a motion to dismiss, contending, in part, that this Court lacked personal jurisdiction over the Malik Firm because the Malik Firm's act of copying and publicly displaying literary works emanating from Nevada did not constitute an act of express aiming.<sup>3</sup> Thereafter, Judge Hunt issued an Order denying the Malik Firm's jurisdictional challenge, explaining that "[i]t is common knowledge that the Las Vegas Review Journal newspaper is published and distributed in Las Vegas, Nevada by the party which assigned the copyright together with the right to seek redress for past, present and future infringements." Malik, No. 2:10-cv-0636-RLH-RJJ, slip op. at 2-3. (Ex. 1.) Judge Hunt supported his decision by citing the Ninth Circuit's opinion in *Columbia*, and ultimately ruled that "this Court has jurisdiction over Defendant, based upon the allegations in the Complaint." *Id.* (Ex. 1.)

Judge Hunt's unambiguous holding in Righthaven's copyright suit in *Malik* is directly applicable to the present action. Like the defendant in *Malik*, the Defendants in the instant matter committed willful infringement of a literary work published in the LVRJ. (Compl. ¶¶ 9-11.) (Compl. Ex. 1-2.) As it is common knowledge that the LVRJ is a Las Vegas-based publication, the Defendants' willful infringement of an article emanating from the LVRJ irrefutably subjects the Defendants to jurisdiction in Nevada. This conclusion comports directly with the Ninth Circuit's holding in *Columbia*, and further comports with Judge Hunt's holding in

 $<sup>^2</sup>$  See Malik, No. 2:10-cv-0636-RLH-RJJ; Pl.'s Compl.  $\P\P$  9-16 (Docket No. 1-0).

<sup>&</sup>lt;sup>3</sup> See Malik, No. 2:10-cv-0636-RLH-RJJ; Def.'s Mot. to Dismiss 9 (Docket Nos. 6-0, 7-0).

*Malik. See Columbia*, 106 F.3d at 289. As the operative facts of the instant case are arguably identical to those in *Malik*, there is no reason for the Court to deviate from its own well-founded, directly applicable precedent.

### B. The Defendants are Subject to Specific Personal Jurisdiction in Nevada

The Defendants are subject to personal jurisdiction in Nevada because the allegations in the Complaint, and evidence attached in support thereof, clearly establish that: (1) the Defendants' willful, knowing Infringement of a Nevada-based, Nevada-specific literary work constitutes the Defendants' purposeful availment of this forum, (2) the instant lawsuit unequivocally would not exist but for the Defendants' Nevada-related infringing activities, and (3) the Court's exercise of jurisdiction would not be unreasonable. *See Boschetto v. Hansing*, 539 F.3d 1011, 1016 (9th Cir. 2008). Despite the Defendants' erroneous, legally unfounded assertions to the contrary, the facts and circumstances of this case, as specifically alleged in the pleadings, unquestionably give rise to the exercise of the Court's jurisdiction.

# 1. <u>Purposeful Availment is Satisfied Because the Defendants Willfully Infringed</u> <u>Upon a Literary Work that Knowingly Emanated from Nevada</u>

The Ninth Circuit has expressly established that willful copyright infringers who reproduce content from a source known to exist in the forum purposefully avail themselves of forum jurisdiction. *Columbia*, 106 F.3d at 289. Specifically, the *Columbia* court held that the *purposeful availment inquiry ends* in a copyright infringement case when "[the plaintiff] alleged, and the district court found, that [the defendant] willfully infringed copyrights owned by [the plaintiff], which, as [the defendant] knew had its principal place of business in the [forum jurisdiction]." *Id.* The *Columbia* holding is dispositive to this analysis and was expressly followed by Judge Hunt in *Malik*. *Malik*, No. 2:10-cv-0636-RLH-RJJ, slip op. at 2-3. However, despite the precedential weight of *Columbia*, the Defendants shockingly fail to mention this opinion in the Motion to Dismiss. The omission of *Columbia* from the Motion to Dismiss partially explains the unfounded nature of the Defendants' jurisdictional argument. Regardless,

the court's holding in *Columbia* is directly applicable at present. As expressly pled in the Complaint, the Defendants willfully infringed upon a literary work that knowingly emanated from the LVRJ, a Nevada-based daily publication. (Compl. ¶¶ 9-14.) This fact, standing alone, sufficiently satisfies the purposeful availment requirement.

Though purposeful availment is effectively resolved in this matter pursuant to venerable Ninth Circuit precedent, the strength of the Court's jurisdiction over the Defendants is nevertheless clear upon application of the Ninth Circuit's "effects test." *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 804 (9th Cir. 2004). Under the effects test, as established by the Supreme Court in *Calder v. Jones*, 465 U.S. 783, 789-90 (1984), a defendant purposefully avails itself of a forum's jurisdiction if the defendant has (1) committed an intentional act, (2) the act is expressly aimed at the forum state, and (3) the act causes harm that the defendant knows is likely to be suffered in the forum state. *Schwarzenegger*, 374 F.3d at 804. Each of these requirements is satisfied at present. Righthaven will address these factors in turn.

#### a. The Infringement was Willful

There can be no legitimate question that there are sufficient allegations in the Complaint evidencing the willfulness of the Defendants' Infringement. In fact, the intentional nature of the Defendants' Infringement is so glaringly evident that it is surprising that the Defendants attempt to refute this allegation in the Motion to Dismiss. Regardless, the futility of the Defendants' position on willfulness is exemplified by the Defendants' trivial, five-sentence argument. (Defs.' Mot. to Dismiss 10:1-6) Neither these five sentences, nor any other sentences proffered by the Defendants, effectively diminish the strength of Righthaven's well-pled Complaint.

The determination of willfulness in this matter is clear and uncomplicated upon a brief review of Righthaven's fact-based allegations and supporting evidence. First, the Infringement represents *a verbatim copy of the Work in its entirety*. (*See* Compl. Ex. 1-2.) In this regard, the Defendants fail to explain how this form of wholesale republishing was somehow the result of an unintentional act. Additionally, as the Infringement plainly states: "Posted by Center for Intercultural Organization," (Compl. Ex. 2.) there can be no disputing that the Defendants are

directly responsible for posting the Infringement on the Website. Importantly, the Defendants do not deny posting the Infringement on the Website, nor do the Defendants deny (or otherwise justify) the verbatim nature of the reproduction. Moreover, in *Brayton Purcell LLP v. Recordon & Recordon*, 606 F.3d 1124, 1128 (9th Cir. 2010), the Ninth Circuit held that a defendant's intent can be construed as "an intent to perform an actual, physical act in the real world, rather than an intent to accomplish a result or consequence of that act." Thus, even assuming, *arguendo*, that the Defendants did not specifically intend to violate the Copyright Act by publicly displaying a verbatim, unauthorized copy of the Work on the Website, the mere occurrence of the Defendants' physical act of posting the Infringement on the Website sufficiently constitutes an intentional act in the context of purposeful availment. *See id.* at 1128. Accordingly, the Defendants have failed to sufficiently refute the clear evidence of willfulness set forth in the pleadings.

Furthermore, the Court should not be persuaded by the Defendants' unfounded claim that Righthaven's allegations of willfulness were pled "without any factual support." (Defs.' Mot. to Dismiss 10:4) This statement is patently untrue. First, Righthaven's allegations of willfulness (Compl. ¶¶ 10, 36-37.) are wholly substantiated by the attachment of the both the Work and the Infringement. Specifically, these documents demonstrate that the Infringement is nothing more than a verbatim, unmodified reproduction of the Work in its entirety; the Infringement is not the product of any independent work or research performed by the Defendants. (Compl. Ex. 1-2.) This wholesale form of blatant copyright infringement undoubtedly surpasses the threshold for willfulness. Courts across the country have repeatedly found that willful infringement occurs when the infringer acts with reckless disregard of a copyright holder's rights. See, e.g., N.A.S. Import Corp. v. Chenson Enterprises, 968 F.2d 250, 252 (2d Cir. 1992); International Korwin Corp. v. Kowalczyk, 855 F.2d 375, 379-382 (7th Cir. 1988); Lyons Partnership, L.P. v. Morris Costumes, Inc., 243 F.3d 789, 799 (4th Cir. 2001). At present, the Defendants' flagrantly infringing act of copying the Work verbatim and publicly displaying said copy on the Website (without seeking prior authorization to do so) exemplifies the Defendants' reckless disregard for the Work's copyright ownership. Ultimately, Righthaven both sufficiently alleged the

Defendants' willfulness and corroborated said allegations by attaching clear evidence in support thereof.

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#### b. The Infringement was Expressly Aimed at Nevada and Nevada Residents

As evidenced by the pleadings, the Defendants committed blatant copyright infringement of a Righthaven-owned literary work which: (1) clearly derives from a Nevada-based daily publication and (2) is of specific concern to Nevada residents. As such, the Defendants expressly aimed the Infringement at Nevada. In the construct of personal jurisdiction, express aiming occurs if "the defendant is alleged to have engaged in wrongful conduct targeted at a plaintiff whom the defendant knows to be a resident of the forum state." *Bancroft & Masters*, *Inc. v. Augusta National, Inc.*, 223 F.3d 1082, 1087 (9th Cir. 2000). This threshold is conclusively satisfied at present.

Righthaven's allegations as pled and evidence attached in support thereof, viewed collectively, clearly reflect the Defendants' express aiming at Nevada. As alleged in the Complaint, the Work prominently depicts the LVRJ as the Work's original source publication. (Compl. ¶ 9.) (Compl. Ex. 1.) The Defendants do not refute this allegation in the Motion to Dismiss, nor do the Defendants contend that they were unaware that the Work originally emanated from a Nevada-based publication. Additionally – and perhaps most importantly – the content of the Work (and the Infringement) specifically concerns Nevada and Nevada residents. (Compl. ¶ 15.) Specifically, the Work details the perceived targeting of illegal immigrants by the Las Vegas Metropolitan Police Department ("LVMPD") and the volume of deportations resulting therefrom. (See Compl. ¶ 13.) (Compl. Ex. 1.) The Work cites statements made by Clark County Sheriff Doug Gillespie, LVMPD spokesman Jacinto Rivera, Las Vegas-based attorney for ACLU Nevada Maggie McLetchie, and local immigration attorney Peter Ashman. (Compl. Ex. 1.) The Work further references local deportation statistics, LVMPD policies concerning illegal immigrant criminals, and the local partnership between LVMPD and U.S. Immigration and Customs Enforcement. (Compl. Ex. 1.) The Work makes no specific references to citizens of other states, nor does the Work appear to derive information from any source

outside of Nevada. (Compl. Ex. 1.) Summarily, the Work was originally published in a well-known, Nevada-based daily publication and details Nevada-related issues of specific interest to Nevada residents. In the Motion to Dismiss, the Defendants fail to dispute these facts yet, somehow, simultaneously claim that the Defendants "only direct[] its activities toward Oregon residents." (Defs.' Mot. to Dismiss 10:13-14) This statement is both illogical and contradicted by the evidence. In reality, the Nevada-specific nature of the Work is so obvious, it is difficult to imagine how anyone dealing with this content could reasonably conclude that the Work is *not* specifically intended for Nevada residents. Ultimately, despite the Defendants' self-serving, unsubstantiated claims to the contrary, there is nothing in the record to suggest that the Infringement was directed towards any forum other than Nevada.

Moreover, by targeting Nevada residents and enticing Nevada residents to visit the Website, the Defendants' conduct also satisfied the "something more" threshold acknowledged by the Ninth Circuit. See Schwarzenegger, 374 F.3d at 805. Despite the Defendants' inconclusive assertion that the Infringement was displayed on the Website "for educational purposes," (Defs.' Mot. to Dismiss 7:19) the Nevada-specific nature of the Work's content indicates that the Infringement was posted, at least in part, as a means of encouraging Nevada residents to access (and read) the Infringement on the Website. Simply stated, there are few others explanations for the Defendants' decision to reproduce and display this type of article. The Defendants' inducement of Nevada residents to the Website is squarely relevant to the jurisdictional analysis. See Rio Properties, Inc. v. Rio Int'l Interlink, 284 F.3d 1007, 1020 (9th Cir. 2000) (in the context of purposeful availment, the court should consider whether the defendant "encourage[d] residents of the forum state to access its site"). In sum, the evidence in this matter strongly suggests that the Defendants' display of the Infringement on the Website was intended, at least in part, to encourage access by Nevada residents.

<sup>&</sup>lt;sup>4</sup> Similarly erroneous is the Defendants' claim that the "Complaint fails to state how the alleged posting of articles by an Oregon non-profit entity onto its website constitutes conduct directed toward Nevada residents." (Defs.' Mot. to Dismiss 10:16-18) To reiterate, Righthaven's Complaint *specifically alleges* that the Work identifies the LVRJ as the original source publication, that the Work's content concerns Nevada and is of specific interest to Nevada residents, and that the Defendants were aware of these facts at the time of the Infringement. (Compl. ¶¶ 12-15.) Thus, it follows that the Defendants' display of the Infringement on the Website was purposefully directed at Nevada and Nevada residents. (Compl. ¶ 16.)

1 affected by the Defendants' misplaced recitation of case law. For example, the Defendants rely 2 on the Ninth Circuit's holding in *Pebble Beach Company v. Caddy*, 453 F.3d 1151 (9th Cir. 3 2006) ("Pebble Beach") to support the theory that the Defendants did not expressly aim the 4 Infringement at Nevada. (Defs.' Mot. to Dismiss 10:19-23) However, unlike the present case, 5 Pebble Beach is an action for trademark infringement. Pebble Beach, 453 F.3d at 1154. 6 Trademark actions are contextually distinctive from copyright claims: whereas copyright actions 7 generally hinge on the mere occurrence of an infringement, trademark claims must consider 8 additional factors, such as the likelihood of confusion. 15 U.S.C. § 1114(1). Naturally, this contextual distinction extends to the jurisdictional analysis, thereby limiting the applicability of 10 the *Pebble Beach* holding to the instant jurisdictional analysis. For instance, if *Pebble Beach* had 11 been adjudicated in a copyright construct, the *Pebble Beach* defendant's infringement of the 12 plaintiff's copyright, coupled with the defendant's knowledge of the plaintiff's California 13 location, would – under *Columbia* – sufficiently satisfy the purposeful availment requirement in 14 15

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the plaintiff's favor. See Pebble Beach, 453 F.3d at 1153-54. However, as Pebble Beach is a trademark case, the *Columbia* analysis is far less applicable. Notwithstanding the trademark-copyright dichotomy, the operative facts in *Pebble Beach* are drastically distinguishable from those at present. In Pebble Beach, the defendant maintained a hotel "on a cliff overlooking the pebbly beaches of England's south shore" -- thus the hotel, and the hotel's website, both used the name "Pebble Beach." Id. at 1153. The plaintiff, the prestigious Pebble Beach golf course, brought suit for trademark infringement in California. Id. at 1154. After the matter was dismissed for lack of personal jurisdiction, the plaintiff appealed, arguing that the defendant's use of the Pebble Beach name, along with the defendant's admitted knowledge of the plaintiff's California location, sufficiently gave rise to California jurisdiction. Id. at 1156. The Ninth Circuit disagreed, specifically finding that the defendant's knowledge of

Additionally, the strength of the Court's personal jurisdiction in this matter should not be

California, the defendant's use of the plaintiff's trademark needed to be coupled with "something

the plaintiff's location was "not an independent act that can be interpreted as being expressly

aimed at California." Id. at 1158. In other words, the court held that to confer jurisdiction in

more" to establish the defendant's express aiming at the forum. *Id.* at 1158-60. Ultimately, the Ninth Circuit found an absence of express aiming: the *Pebble Beach* defendant had performed no acts to cater his hotel services to, or otherwise target, California residents. See id. at 1156, 1158-60. By contrast, the Defendants' infringing activities in the present action exemplify the express aiming component lacking in *Pebble Beach*. In this case, the Defendants' copying and public display of a literary work emanating from the LVRJ, the content of which is of specific interest to Nevada residents, clearly reflects the Defendants' efforts to attract Nevada residents to the Website. Analogously, in *Malik*, Judge Hunt found that, pursuant to *Columbia*, the Malik Firm's infringement of articles published in the LVRJ constituted the Malik Firm's purposeful availment of Nevada, thereby resolving the jurisdictional question in Righthaven's favor. Malik, No. 2:10-cv-0636-RLH-RJJ, slip op. at 2-3. (Ex. 1.) Summarily, the Defendants' intentional infringement (and public display) of a Nevada-based, Nevada-specific literary work is largely incomparable to the conduct of the defendant in Pebble Beach. Whereas the Pebble Beach defendant's use of the plaintiff's trademark was unrelated to California and was not used to target California residents, the Nevada-specific nature of the Infringement in the present matter clearly evidences the Defendants' express aiming at Nevada.

Similarly misplaced is the Defendants' reliance on the Ninth Circuit's holding in *Cybersell, Inc. v. Cybersell, Inc.* 130 F.3d 414 (9th Cir. 1997), another action for trademark infringement. In *Cybersell*, the court ruled that the Florida-based defendant's use of the plaintiff's service mark on the defendant's website did not subject said defendant to jurisdiction in Arizona, the plaintiff's home forum. *Id.* at 415, 420. However, the circumstances of the infringement in *Cybersell* are wholly distinguishable from the Defendants' Infringement at present. For instance, at the time the *Cybersell* defendant started its business and created its website, the plaintiff "had no home page on the web nor had the PTO granted [the plaintiff's] application for the service mark." *Id.* at 415. In other words, the court's language plainly indicates that, at the time of the infringement, the *Cybersell* defendant was reasonably unaware that the subject service mark had already been put to use by the plaintiff. The same cannot be said for the Defendants in the instant action. Here, the Defendants knew, or reasonably should

have known, that they were wholesale reproducing content originally published in the LVRJ and, therefore, originally emanating from Nevada. *See Malik*, No. 2:10-cv-0636-RLH-RJJ, slip op. at 2-3 ("It is common knowledge that the Las Vegas Review Journal newspaper is published and distributed in Las Vegas, Nevada by the party which assigned the copyrights . . .") Further contrary to the *Cybersell* defendant, the present Defendants knew, or reasonably should have known, that: (1) they did not author the Work, (2) they were not the original publishers of the Work, (3) they did not own the copyright to the Work, and (4) they did not have a license to reproduce the Work. Additionally, unlike *Cybersell*, the Defendants in this case posted the Infringement, at least in part, as a means of attracting Nevada-based Internet users to the Website. *See Cybersell*, 130 F.3d at 419. Ultimately, the tenuous nature of the *Cybersell* defendant's express aiming is hardly comparable to the Defendants' blatantly infringing conduct in the present action.

Alternatively, should there remain any uncertainty as to the nature and extent of the Defendants' express aiming at Nevada, this constitutes a factual determination and thus warrants reasonable jurisdictional discovery. "[D]iscovery should be granted where pertinent facts bearing on the question of jurisdiction are controverted or where a more satisfactory showing of the facts is necessary." *Wells Fargo & Co. v. Wells Fargo Express Co.*, 556 F.2d 406, 430 n. 24 (9th Cir. 1977). Ultimately, it would be fundamentally unfair for the Court to dismiss this action as a matter of law on the basis of the Defendants' self-serving, thinly supported representations of the jurisdictional facts. Generally, the "[c]ourts frown on a litigant's use of the motion [to dismiss] as a shotgun tactic to substitute for discovery . . . In the presence of proper, although general, allegations, the motion will usually be denied on the grounds that discovery is the more appropriate vehicle for obtaining the detailed information." *Crooker v. National Enterprise Systems*, No. 08-01322, 2008 WL 5243641, at \*1 (C.D. Cal. Dec. 9, 2008). The pertinent jurisdictional facts which should be subject to discovery include, without

<sup>&</sup>lt;sup>5</sup> Jurisdictional discovery in this matter, if permitted, would also comport directly with the spirit of the Federal Rules of Civil Procedure, which provide that "[p]arties may obtain discovery regarding *any* matter, not privileged, which is relevant to the subject matter involved in the pending action." Fed. R. Civ. P. 26(b)(1) (emphasis added). Accordingly, discovery is not limited to the merits of a case; it may also be used to ascertain the facts bearing on issues such as jurisdiction or venue. *See Oppenheimer Fund, Inc. v. Sanders*, 437 U.S. 340, 351 n. 13 (1978).

limitation: the nature and extent of the Defendants' contacts with Nevada via the Website, the number of Nevada-based literary works displayed on the Website, the number of literary works displayed on the Website specifically concerning Nevada and Nevada residents, and the number of Nevada-based Internet users accessing the Website. Thus, if this Court chooses to entertain the Defendants' unfounded jurisdictional challenge, limited jurisdictional discovery is the appropriate and necessary mechanism to resolve the disputed jurisdictional facts.

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# c. <u>The Defendants Knew that the Infringement was Likely to Have Harmful</u> <u>Effects in Nevada</u>

As expressly pled in the Complaint and corroborated by the evidence attached in support thereof, the Defendants knew that any harm resulting from the public display of the Infringement was likely to be suffered in Nevada, the Work's original source forum. This proposition further strengthens the propriety of the Court's exercise of specific personal jurisdiction. See Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme, 433 F.3d 1199, 1206 (9th Cir. 2006). As set forth in the pleadings and further detailed herein, the Work plainly displayed the LVRJ as the original source publication and contained content of specific interest to Nevada residents. (Compl. ¶¶ 12-15.) (Compl. Ex. 1.) The Defendants committed an undeniable violation of the Copyright Act by publicly displaying an unauthorized copy of this Nevada-based literary work on the Website. See 17 U.S.C. § 501(a). As the Motion to Dismiss fails to contest the allegation that the Defendants knew that the Work originally emanated from the LVRJ, logic dictates that the Defendants also knew that any harm caused by the Infringement would likely be suffered in Nevada (the forum of the Work's ownership). Summarily, the strength of Righthaven's pleadings is such that the Defendants cannot reasonably claim to have been unaware that Nevada would bear the brunt of any harm caused by the Infringement, nor can the Defendants reasonably claim that the Infringement's harmful effects had a more substantial impact in any forum other than Nevada.6

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<sup>&</sup>lt;sup>6</sup> Even assuming, *arguendo*, that the Defendants were able to establish that the "brunt" of the harm resulting from the Infringement occurred outside of Nevada, by no means would this diminish the propriety of the Court's jurisdiction in this matter. In *Yahoo!*, the Ninth Circuit expressly stated that "[i]f a jurisdictionally sufficient amount

### 2. <u>Righthaven's Claim For Relief Arises Directly Out of the Defendants' Nevada-</u> <u>Related Infringing Activities</u>

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This issue is uncomplicated: Righthaven's underlying cause of action for copyright infringement would not exist absent the Defendants' infringing activities. In the jurisdictional analysis, the Ninth Circuit has established that, in addition to the defendant's express aiming at the forum, the plaintiff's claims must arise from the defendant's forum-related activities. Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1322 (9th Cir. 1998). This requirement is satisfied if the plaintiff would not have been injured "but for" the defendant's forum-related conduct. Myers v. Malley Law Offices, 238 F.3d 1068, 1075 (9th Cir. 2000). Simply stated, the instant lawsuit would not exist but for the occurrence of the Defendants' Infringement. However, in the Motion to Dismiss, the Defendants make the confusing and erroneous contention that the "but-for" requirement is not satisfied because the "allegations in the Complaint do not state where Defendants were located when they allegedly obtained the article." (Defs.' Mot. to Dismiss 12:10-11) The Defendants further argue that the "Complaint fails to allege Defendants posted the article from a location within Nevada." (Defs.' Mot. to Dismiss 12:13-14) Apparently, the Defendants' interpretation of the but-for test includes a requirement that the plaintiff must allege the defendant's physical presence in the forum in order to properly plead jurisdiction. Not surprisingly, the Defendants fail to provide any legal authority to support this interpretation. The following scenario demonstrates the disconnect in the Defendants' logic: an out-of-state defendant, using his home computer, infringes on the intellectual property rights of Nevada resident A, commits identity theft of Nevada resident B, and hacks into the online bank account of Nevada resident C. Despite the Nevada-related nature of the out-of-state defendant's conduct, said defendant could not be hailed into Nevada for any of the above acts because none of these acts occurred while the defendant was physically present in Nevada. The absurdity of this scenario speaks for itself.

Notwithstanding the Defendants' flawed legal interpretation, the instant infringement action arises directly out of the Defendants' forum-related activities. Revealingly, the

of harm is suffered in the forum state, it does not matter that even more harm might have been suffered in another state." *Yahoo!*, 433 F.3d at 1207.

Defendants' argument on this issue completely ignores the facts most pertinent to the instant analysis: (1) the Defendants committed blatant copyright infringement of the Work, (2) the Work knowingly emanated from a Nevada-based daily publication, (3) the Work is of specific concern to Nevada residents, and (4) the Work is owned by Righthaven, a Nevada-based company, thus the Infringement's resulting harm was felt by Righthaven in Nevada. (*See* Compl. ¶¶ 8-15, 38-39.) Collectively, these facts – all of which stem from the Defendants' Infringement – constitute the Defendants' "forum-related activities." *See Panavision*, 141 F.3d at 1322. Righthaven's cause of action for copyright infringement is predicated solely and exclusively on said Nevada-related activities; absent said activities, this lawsuit simply would not exist. As such, there can be no reasonable dispute that the instant lawsuit arises out of the Defendants' Nevada-related infringing acts, regardless of the Defendants' legally erroneous arguments to the contrary.

#### 3. The Court's Exercise of Jurisdiction Would Not Be Unreasonable

The Court's exercise of jurisdiction over the Defendants would not be unreasonable, and the facts and circumstances bearing on the jurisdictional analysis preclude the Defendants from escaping jurisdiction on this basis. As such, a denial of the Defendants' Motion to Dismiss would squarely comport with notions of fair play and substantial justice. *Schwarzenegger*, 374 F.3d at 802. As the Ninth Circuit explained in *Core-Vent Corporation v. Nobel Industries*, 11 F.3d 1482, 1487-88 (9th Cir. 1993), once minimum contacts have been established, the defendant must present "a compelling case that the presence of some other considerations would render jurisdiction unreasonable." The "compelling case" requirement is such that the defendant must overcome "a *presumption of reasonableness*" in the plaintiff's favor. *Haisten v. Grass Valley Medical Reimbursement*, 784 F.2d 1392, 1397 (9th Cir. 1986) (emphasis in original). Specifically, this determination of reasonableness is based upon the following factors, as enumerated by the Supreme Court in *Burger King Corporation v. Rudzewicz*, 471 U.S. 462, 476-77 (1985):

- (1) the burden on the defendant of defending in the forum;
- (2) the forum state's interest in adjudicating the dispute;
- (3) the plaintiff's interest in obtaining convenient, effective relief;

Id.

(5) the states' shared interest of furthering fundamental substantive social policies.

None of the above factors is dispositive standing alone; instead, the courts are to be

None of the above factors is dispositive standing alone; instead, the courts are to balance each factor individually. *Core-Vent Corp.*, 11 F.3d at 1488. For the following reasons, the Defendants in the present matter cannot present a compelling case that jurisdiction in Nevada would be unreasonable:

(4) the court's interest in obtaining the most efficient resolution of the controversy; and

- 1. The Defendants do not address, in any capacity, the potential burden arising from the Defendants having to defend this action in Nevada. However, it must be acknowledged that any burden borne by the Defendants for this purpose would be similarly imposed on Righthaven should Righthaven be forced to pursue this action in a foreign jurisdiction. Furthermore, though a discovery plan has not yet been filed, there is certainly no guarantee that the Defendants would be forced to travel to Nevada for the purposes of oral deposition.
- 2. As set forth on pages 6-13, *supra*, this case involves the willful copyright infringement of a literary work owned by a Nevada-based company and (knowingly) emanating from a prominent Nevada-based publication, the content of which is of specific concern to Nevada residents. Thus, it follows that the District of Nevada would be interested in adjudicating this matter and determining the rights of its citizens, specifically Righthaven in this case.
- 3. The third prong of the *Burger King* test similarly favors Righthaven. Righthaven is situated in Nevada, a substantial portion of the pertinent evidence is located in Nevada, and the locus of the injury occurred in Nevada. *See Design Tex Group, Inc. v. United States Vinyl Manufacturing Corp.*, No. 04-5002, 2005 WL 357125, at \*1 (S.D.N.Y. Feb. 14, 2005) ("[B]ecause the plaintiffs (and their intellectual property) are based in New York, the injury is felt within the state no matter where the infringement takes place"). Furthermore, Righthaven should not be forced to travel to an inappropriate forum of the Defendants' choosing simply

because the unlawful act was performed via the Internet and did not require the Defendants to physically enter Nevada.

- 4. As previously discussed, this Court has a significant interest in determining the rights of its citizens. Additionally, adjudication in this forum will be efficient and effective because Righthaven's principal place of business is in Nevada, the Work emanated from a Nevada source, and a substantial part of the events giving rise to this lawsuit are situated in Nevada. See 28 U.S.C. § 1391(b)(2) (non-diversity actions may only be brought in a forum in which a substantial part of the events giving rise to the claim occurred). Moreover, the occurrence of copyright infringement in this matter is clear and unequivocal, and the Defendants have offered little in the way of a viable defense to Righthaven's well-supported allegations. In other words, the Defendants' failure to effectively contest liability for Righthaven's underlying infringement claim means that this lawsuit will likely come down to a determination of damages, regardless of the forum in which it is adjudicated. Ultimately, all remaining issues can be efficiently resolved by this Court.
- 5. As a matter of substantive social policy, a defendant should not be allowed to commit copyright infringement of a literary work which knowingly emanates from a certain forum, but then escape that forum's sound personal jurisdiction simply because the infringement occurred via the Internet and physical entry into the forum was not required. If copyright defendants were to prevail on this counterintuitive basis, all burdens associated with the pursuit of legal recourse for Internet-based infringements would be borne entirely by the copyright owners. The Court should not facilitate such an unjust outcome.

Ultimately, the Defendants cannot meet the burden of presenting a compelling case that the exercise of jurisdiction in the District of Nevada would be unreasonable. Thus, as the first two factors of the specific personal jurisdiction test have been soundly established by the foregoing arguments, the Defendants' jurisdictional challenge must fail.

#### **CONCLUSION** V.

For the reasons set forth above, Righthaven respectfully requests that this Court deny the Defendants' Motion to Dismiss.

Dated this sixteenth day of September, 2010.

RIGHTHAVEN LLC

By: /s/ Joseph C. Chu

J. CHARLES COONS, ESQ. Nevada Bar No. 10553 JOSEPH C. CHU, ESQ. Nevada Bar No. 11082 9960 West Cheyenne Avenue, Suite 210 Las Vegas, Nevada 89129-7701 Attorneys for Plaintiff

#### **CERTIFICATE OF SERVICE**

Pursuant to Federal Rule of Civil Procedure 5(b), I hereby certify that I am an employee of Righthaven LLC and that on this sixteenth day of September, 2010, I caused the **PLAINTIFF'S OPPOSITION TO DEFENDANTS' MOTION TO DISMISS** to be served by the Court's CM/ECF system.

By: /s/ J. Charles Coons

J. CHARLES COONS, ESQ. Righthaven LLC 9960 West Cheyenne Avenue, Suite 210 Las Vegas, Nevada 89129-7701