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**IN THE UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF NEW YORK**

SHEPARD FAIREY and OBEY GIANT ART, INC.,
 Plaintiffs,

v.

THE ASSOCIATED PRESS,
 Defendant/Counterclaim Plaintiff,

v.

SHEPARD FAIREY, et al.,
 Counterclaim Defendants,

And

MANNIE GARCIA,
 Defendant, Counterclaim Plaintiff &
 Cross Claim Plaintiff/Defendant,

v.

SHEPARD FAIREY and OBEY GIANT ART, INC.,
 Counterclaim Defendants,

And

THE ASSOCIATED PRESS,
 Cross Claim Plaintiff/Defendant.

Case No.: 09-CV-01123 (AKH)

ECF Case

**THE ASSOCIATED PRESS'S
 OPPOSITION TO ONE 3 TWO,
 INC.'S MOTION IN LIMINE NO. 6
 TO EXCLUDE EVIDENCE OF
 CEASE AND DESIST
 COMMUNICATIONS**

The Associated Press (the “AP”) respectfully submits that this Court should deny One 3 Two, Inc., d/b/a Obey Clothing’s (“Obey Clothing’s”) Motion in Limine No. 6 to exclude evidence of cease-and-desist communications that Mr. Fairey, his companies, and Obey Clothing sent to third parties using the Obama Image.

I. INTRODUCTION

In what can only be described as a brazen attempt to hide the extent of its own wrongdoing, Obey Clothing asks this Court to exclude as irrelevant evidence of the steps it and Mr. Fairey took to enforce what Obey Clothing calls “its intellectual property rights” in the Obama Image. (OC MIL No. 6 at 1.) That request cannot be squared with the law or the facts of this case, and this Court should deny it. Obey Clothing’s sending of cease-and-desist letters to third parties concerning the very work at issue in this case—or its encouraging Mr. Fairey and his company to do so—is directly relevant to the issue of willful infringement, a finding that would entitle the AP to higher statutory damages and attorneys’ fees. Such evidence shows willfulness because it demonstrates that at the same time Obey Clothing was ignoring the AP’s copyrights, it was vigilantly enforcing its own purported rights in the Obama Image. It is well-established in this district that an infringing party’s “familiar[ity] with copyright law and particularly with the general practice of securing permission before reproducing copyrighted works” is highly probative of whether the infringer acted willfully. Viacom Int’l Inc. v. Fanzine Int’l, Inc., No. 98 Civ. 7448 (RCC), 2001 WL 930248, at *4 (S.D.N.Y. Aug. 16, 2001). Moreover, admitting such evidence in this or any other case presents no risk of unfair prejudice—much less one that can be said to “substantially outweigh” the high degree of probative value such evidence has on the willfulness question.

II. ARGUMENT

A. Evidence of Obey Clothing's Cease-and-Desist Communications is Plainly Relevant to the Question of Willful Infringement

Obey Clothing's and Shepard Fairey's sending of cease-and-desist letters to third parties using the Obama Image is clearly relevant to the issues in this case, most importantly to the question of whether Obey Clothing acted willfully in infringing the AP's copyrights.

The question of willfulness could arise in two different contexts in this case, thus making evidence bearing on Obey Clothing's willfulness doubly relevant. First, a finding that Obey Clothing willfully infringed the AP's copyrights would support the AP's application for attorney's fees and costs in the event that it prevails on the issue of liability. See Richard Fiener & Co. v. Turner Entm't Co., No. 96 CV 1472 (RO), 2004 WL 2710054, at *1 (S.D.N.Y. Nov. 23, 2004) ("The Second Circuit has found that where copyright infringements are willful, the need for deterrence and compensation often warrants the payment of attorney's fees and costs."); Nature's Enters. v. Pearson, No. 08 Civ. 8549 (JGK), 2010 WL 447377, at *9 (S.D.N.Y. Feb. 9, 2010) (noting that a "finding that a defendant's infringement was willful weighs in favor of the award of attorneys' fees to the plaintiff[s]"). Second, as the copyright owner, the AP has the option of electing to recover statutory damages instead of actual damages and profits. See 17 U.S.C. § 504(c)(1). If the AP elects to pursue statutory damages, a finding that the "infringement was committed willfully" would entitle the AP to an enhanced award of up to \$150,000 per copyrighted work. Id. at § 504(c)(2). As it pertains to these matters, the willfulness determination is a question of fact for the jury. See UMG Recordings, Inc. v. Disco Azteca Distrib., 446 F. Supp. 2d 1164, 1173 (E.D. Cal. 2006).

Under well-established law from this district, evidence of Obey Clothing's efforts to enforce its own purported intellectual property rights—including evidence of its sending of

cease-and-desist letter to third parties using the Obama Image and of its encouraging Mr. Fairey's companies to do the same—is directly relevant to whether Obey Clothing willfully infringed the AP's copyrights. Willfulness exists where an infringer displays a “[r]eckless disregard of the copyright holder’s rights.” Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1010 (2d Cir. 1995) (internal quotation & citation omitted). And one factor that shows such recklessness is a defendant’s “familiar[ity] with copyright law and particularly with the general practice of securing permission before reproducing copyrighted works.” Viacom Int’l Inc., Inc., 2001 WL 930248, at *4 (finding copyright infringement willful); see also Castle Rock Entertainment v. Carol Publ’g Grp., Inc., 955 F. Supp. 260, 267 (S.D.N.Y. 1997) (finding “clear evidence . . . of defendants’ reckless disregard for the possibility that their conduct amounted to copyright infringement” where, inter alia, defendants “had experience with the copyright laws” and were “familiar with the requirements of those laws”).

In short, evidence that Obey Clothing sent cease-and-desist letters to third parties whom it believed to be infringing its purported intellectual property rights in the very work at issue in this case unquestionably demonstrates that Obey Clothing had experience with the copyright laws and an understanding of the need to secure permission before reproducing copyrighted works. Moreover, such evidence shows that Obey Clothing was willing to freely ignore the AP's intellectual property rights in the Obama Photo while simultaneously seeking to enforce its own purported intellectual property rights in the Obama Image. This evidence is thus clearly relevant to the issue of willful infringement, which will arise at different stages of the trial.

B. Evidence Concerning Obey Clothing’s Cease and Desist Communications is Highly Probative Evidence That Does Not Pose a Danger of Unfair Prejudice

Obey Clothing offers no plausible reasons for excluding evidence of its cease-and-desist efforts and communications under Federal Rule of Evidence 403. This Court has explained that

because “Rule 403 excludes relevant evidence, ‘it is an extraordinary remedy that must be used sparingly.’” Scotto v. L.I.R.R., No. 05 Civ. 4757 (PKL), 2007 WL 894332, at *2 (S.D.N.Y. Mar. 20, 2007) (quoting George v. Celotex Corp., 914 F.2d 26, 31 (2d Cir. 1990)). Such a drastic measure is surely not warranted here.

There is nothing “unfair” or “confus[ng],” Fed. R. Evid. 403, about asking the jury to decide whether Obey Clothing acted willfully, and, in doing so, to take account of Obey Clothing’s experience and familiarity with copyright law. Juries routinely decide such questions, and evidence is not “unfairly” prejudicial when it is used “to prove the fact or issue that justified its admission.” Scotto, 2007 WL 894332, at *4 (internal quotation omitted).

Although Obey Clothing floats the specter that the jury might impermissibly interpret such evidence as bearing on the fact, as opposed to the extent, of Obey Clothing’s liability, it ultimately offers nothing more than speculation to support that theory. There is no reason why the jury could not be instructed to consider such evidence for the purpose for which it is plainly relevant, and no reason why the jury could not be trusted to safely distinguish between issues going to liability, on the one hand, and issues going to damages and attorneys’ fees, on the other hand. In any event, Obey Clothing has not established that any danger of unfair prejudice or juror confusion is so substantial as to outweigh the unquestionably high probative value such evidence has to establishing Obey Clothing’s willfulness.

III. Conclusion

For the reasons stated above, this Court should deny Obey Clothing’s motion *in limine* No. 6 to exclude evidence of the cease-and-desist communications it or Mr. Fairey’s companies transmitted to third parties who were allegedly infringing its intellectual property rights.

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Respectfully submitted,

/s/ Dale M. Cendali

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