

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORKSHEPARD FAIREY AND OBEY GIANT
ART, INC.,

Plaintiffs,

v.

THE ASSOCIATED PRESS,

Defendant and Counterclaim
Plaintiff,

v.

SHEPARD FAIREY, OBEY GIANT ART,
INC., OBEY GIANT LLC, STUDIO
NUMBER ONE, INC., and ONE 3 TWO,
INC. (d/b/a OBEY CLOTHING),

Counterclaim Defendants.

ECF

Case No. 09-01123 (AKH)

**COUNTERCLAIM DEFENDANT ONE 3 TWO, INC.’S OPPOSITION TO
COUNTERCLAIMANT THE ASSOCIATED PRESS’S MOTION IN LIMINE NO. 3 TO
EXCLUDE EVIDENCE OF FAIREY’S USE OF RUBYLITH AND FOR AN ADVERSE
INFERENCE**

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I. INTRODUCTION

Plaintiff The Associated Press (the “AP”)’s Motion in Limine No. 3 is a misguided attempt to take issues properly reserved for the jury and have them decided by the Court. First, the AP seeks to exclude evidence relating to Shepard Fairey’s use of the red film known as Rubylith in creating the work at issue in this case—the “Hope Poster.” If granted, the AP’s Motion would inappropriately deprive the jury of the factual context necessary to evaluate the copyright infringement claim against One 3 Two, Inc. d/b/a Obey Clothing (“One 3 Two”). The AP wants to preclude Mr. Fairey from discussing what he contends was an important part of his creative process and from understanding one of the methods Mr. Fairey used to create his image and to create expression that did not exist in the photograph of Barack Obama that he used as a reference (the “Garcia Photo”).

This evidence is necessary to permit the jury to consider the AP’s copyright infringement claim in light of all relevant facts. Although the applicable test for substantial similarity is that of a lay observer, testimony relating to Mr. Fairey’s creative process and the changes he made to the Garcia Photo is nevertheless instructive and will assist the jury in making a more informed observation with respect to which, if any, protected elements of the Garcia Photo are in the Hope Poster and then can determine whether those elements make the two works substantially similar.

Second, the AP’s request that the Court advise the jury that Mr. Fairey only used computer programs to create the Hope Poster, as opposed to involving the physical process of hand-cutting Rubylith far exceeds the type of adverse inference instruction that might be appropriate in this situation, which is generally that the jury might assume that certain evidence, if presented, would favor the AP.

In addition, the AP is improperly attempting to bootstrap certain admissions by Mr. Fairey about litigation misconduct into sanctions against One 3 Two, who has an arms-length,

business relationship with Mr. Fairey to license the “Obey” trademark that Mr. Fairey owns. Mr. Fairey admitted to spoliating and fabricating evidence to obscure the misidentification of the photograph he used as a visual reference for the Hope Poster in pleadings and public statements by Mr. Fairey. That conduct took place in February or March 2009, and it is conduct Mr. Fairey concealed from everyone, including One 3 Two, until September 2009. One 3 Two was not a party to the litigation until October 2009, after Mr. Fairey’s admission. The AP does not contend, nor could it, that One 3 Two controlled the Rubyliths that are the subject of its motion *in limine*, that One 3 Two has made any claim relating to the Rubyliths, or that One 3 Two destroyed evidence relating to the Rubyliths. Instead, the AP contends that Mr. Fairey’s admitted misconduct casts doubt on his truthfulness about the Rubyliths and the Court should therefore instruct the jury that Mr. Fairey did not create the Hope Poster in the manner that he contends he did.

If Mr. Fairey were a party to this action, the AP might argue that it is appropriate to sanction his admitted misconduct with an adverse inference instruction. But instead, the AP asks the Court to sanction One 3 Two for conduct that it did not control, of which it is not aware, and which Mr. Fairey in fact denies. In any event, the AP’s understanding of the evidence and therefore its request for a sanction is misplaced. The central assumption of the AP’s argument is that Mr. Fairey’s testimony about the Rubylith process is uncorroborated, and in light of Mr. Fairey’s conduct, an adverse inference should be issued. This assumption is baseless. Amanda Fairey testified under penalty of perjury that she witnessed Mr. Fairey working on Rubyliths in creating the Hope Poster. *See* Exhibit A. At most, the AP is informing the Court it disputes a fact—and the proper method to dispute that fact is cross-examination, and the jury can decide whether to believe Mr. Fairey or not. This is not a case in which the Court should pre-empt the

jury's credibility determination about a third party witness and sanction One 3 Two for someone else's bad acts. Accordingly, the Court should deny this Motion.

II. EVIDENCE OF THE CREATION OF THE HOPE POSTER IS RELEVANT FOR INFRINGEMENT AND SHOULD NOT BE EXCLUDED

Copyright infringement is not an issue that is decided in a vacuum, and the AP's argument that the jury need not know how the Hope Poster was created presumes exactly that. The issue of whether the Hope Poster is "substantially similar" to the Garcia Photo necessarily entails an understanding of how the two works at issue were created. The jury will need to know, for example, where, what, why, and when the Garcia Photo was shot and will similarly need to know the details regarding Mr. Fairey's creative process in creating the Hope Poster.

In particular, how Mr. Fairey created the Hope Poster becomes relevant in the jury's analysis of whether Mr. Fairey (and subsequently One 3 Two) copied protectible elements of the Garcia Photo. In analyzing what elements are protectible, and whether those elements have been copied, the jury will need to know whether the elements were original to the photographer or artist who created the works, and how those protectible elements did or did not change between the two works. Trial and appellate courts perform this analysis in determining infringement; the jury should not be prevented from doing the same. For example, Judge Leval, sitting as a trial court judge in a bench trial, performed the following analysis in finding infringement in *E. Mishan & Sons, Inc. v. Marycana, Inc.*, 662 F. Supp. 1339, 1344-45 (S.D.N.Y. 1989):

The Court finds as a matter of fact that Mishan [the Defendant] purchased and copied an example of [Plaintiff's] copyrighted magnet, making certain changes in the process. The only significant issue is whether [the Defendant's] changes were of sufficient significance to defeat the contention that [the Defendant's] work was substantially similar to [the Plaintiff's]. . . .

Judge Leval then reviewed, step by step, how the defendant conceived of an infringing product, the process by which the infringing product was developed, and how those changes and

differences compared to the copyrighted work. *See id.* The analysis was instructive for Judge Leval to determine, in the case before him, the issue of substantial similarity. *See id.*

Similarly, this Court recognized at the hearing on the Parties' Motions for Summary Judgment, held on February 15, 2011, that “[t]he scope of protection can be different for different photographs. There are elements that deserve protection and there are elements that don't.” Transcript of February 15, 2011 Hearing (“Tr.”) at 12:25-13:2. The Court further noted that “[t]here are differences in the Fairey version. So we need to understand how important are those differences.” *Id.* at 20:21-22. Given that the process of creating an allegedly infringing work is the core component of copyright infringement, it is no surprise the AP was unable to identify applicable case law to support its claim that only the “end result” matters.¹

In light of the centrality of the evidence of how the Hope Poster was created, Rule 403 does not warrant exclusion. Mr. Fairey will testify that many of the changes he made to the Garcia Photo took place as he was creating the Rubyliths, and the jury should hear that evidence, and decide whether they believe it or not. There is no prejudice to the AP—the AP is free to point out the absence of the evidence it claims should exist during cross-examination and make whatever argument it believes is appropriate to make based on that claim. One 3 Two is entitled to provide background and context for the jury so that they are not forced to evaluate the AP's copyright infringement claim in a vacuum, particularly as the AP is anticipated to include evidence in its case in chief to suggest that Fairey used only digital means.

¹ In support of its argument that an analysis of “substantial similarity” is concerned only with the “end result,” the AP relies on *Feist Publ'n, Inc. v. Rural Tel. Serv. Co.*, 400 U.S. 340 (1991) and *SHL Imaging, Inc. v. Artisan House, Inc.*, 117 F. Supp. 2d 301, 311 (S.D.N.Y. 2000). This reliance is fundamentally misplaced; these cases establish that the “end result” matters in determining whether something is copyrightable—that is, regardless of the effort put into a tangible item, only original elements warrant protection under the Copyright Act. The issue of originality with respect to the validity of a copyright is undisputedly not an issue in this case.

III. AN ADVERSE INFERENCE THAT FAIREY AFFIRMATIVELY DID NOT USE RUBYLITH IN CREATING THE HOPE POSTER IS UNJUSTIFIED AGAINST ONE 3 TWO AND OVERLY BROAD

A. *The AP Has Failed to Show That an Adverse Inference Is Warranted against One 3 Two for Conduct Committed by Fairey*

The AP acknowledges that in order for the Court to issue a sanction for spoliation of evidence, the “innocent party must prove the following three elements: that the spoliating party (1) had control over the evidence and an obligation to preserve it at the time of destruction or loss; (2) acted with a culpable state of mind upon destroying or losing the evidence; and that (3) the missing evidence is relevant to the innocent party’s claim or defense.” *See Pension Committee v. Banc of America Securities, LLC*, 685 F. Supp. 2d 456, 467 (S.D.N.Y. 2010).

What the AP fails to acknowledge, however, is that the party against whom it is seeking an adverse instruction is One 3 Two—and the AP has failed to prove *any* of these elements against One 3 Two. An adverse instruction, or spoliation sanction generally, is issued against a party in the lawsuit when it is that very party who has some indicia of “bad faith.” *See, e.g., R.C. Olmstead, Inc. v. CU Interface, LLC*, 606 F.3d 262, 273 (6th Cir. 2010) (affirming the refusal to grant an adverse inference against a party for spoliation committed by a non-party); *Penalty Kick Management Ltd. v. Coca Cola Co.*, 318 F.3d 1284, 1294 (refusing to grant an adverse inference against a party for non-production of evidence in possession of a non-party). The AP has failed to show how One 3 Two had the requisite “bad faith” in this case to warrant an adverse inference against it during trial.

As the AP acknowledges, Mr. Fairey is (at most) a witness in this case at this time, so the appropriate route for the AP’s allegations that evidence of the Rubylith process never existed is cross-examination. The AP is fully able to expose whatever it believes Mr. Fairey did through cross-examination. Essentially, whether Mr. Fairey used or did not use Rubylith in the process

of making the Hope Poster is a question of credibility, one which the jury is competently suited to adjudicate. To have the Court do the AP's work at pre-trial—i.e., establish that Mr. Fairey did not use Rubylith—and remove it from the province of the jury would only be unfair and prejudicial to One 3 Two's case. *See R.C. Olmstead*, 606 F.3d at 273.

B. Any Adverse Inference With Respect to Fairey's Conduct Involving Rubylith Would Also Be Overly Broad

Even if the Court were inclined to issue an adverse inference against One 3 Two with respect to Mr. Fairey's conduct, the AP's request is insufficient on the merits. The AP requests the instructions of an affirmative fact that Mr. Fairey created the Hope Poster electronically and did not use Rubylith, based on the non-production of scanned files of his Rubylith work. The AP has not established that there were scanned, producible images of Rubylith that would have necessarily existed in the first instance, however. Rather, Mr. Fairey's sworn testimony suggests the contrary, indicating that though there was undoubtedly a digital scan of the Rubylith at one point in time, it might not have been saved—or otherwise preserved—and therefore could not have been produced:

Q. Right. But, in other words, if you scanned the Rubyliths in to the computer then altered those scans and edited them in some way, shouldn't there be documents similar to the ones that we have been looking at in Exhibit 30 showing creation date and other metadata reflecting those edits?

A. Well, those definitely existed and I am sure that -- I actually thought that you already had those from the second round of delivery of materials from October but, yes, they definitely existed at one point but that doesn't mean -- they might have -- might not have been saved but they were not intentionally deleted as part of the spoliation like the other materials.

Deposition of Shepard Fairey dated March 16, 2010 p. 256:7-23 (Ex. A to the AP's Motion).

Notably, although he freely acknowledges other incidences of spoliation, he contended under penalty of perjury that any scanned images of Rubylith were *not* part of his misconduct.

Indeed, this evidence is corroborated by the deposition testimony of his wife, Amanda Fairey. *See Exhibit A.* Ms. Fairey testified that she witnessed Fairey work on Rubyliths during the creation process of the Hope Poster. The AP has not presented any argument why this evidence should be discounted. Ms. Fairey’s testimony thus reveals that what the AP is faced with is a disputed fact, and must deal with it appropriately during trial—not inappropriately before trial.

Given the circumstances of the AP’s weak showing and the corroborative testimony of Ms. Fairey, a request for an instruction of an admitted fact is unduly broad and unjustified. “It is well accepted that a court should always impose the least harsh sanction that can provide an adequate remedy.” *Pension Committee*, 685 F. Supp. 2d at 469. Here, the AP has not shown that it deserves the “most harsh form” of sanctions, an admitted fact. *See id.* at 470. At most, the AP should be entitled to the “least harsh instruction,” which “permits (but does not require) a jury to *presume* that the lost evidence is both relevant and favorable to the innocent party.” *See id.* (emphasis in original). Any such instruction should distinguish that any adverse inference not be imputed to One 3 Two, which had no involvement with the creation of the Hope Poster.

In any case, it is premature to try to draft an adverse inference instruction when there has been no evidence presented. If the Court were inclined to pursue this route, One 3 Two requests that the Court defer ruling on the issue of how the adverse inference is conveyed to the jury until after all relevant testimony is elicited during trial.

IV. CONCLUSION

For the reasons set forth herein, the Court should deny the AP's Motion in Limine No. 3 to exclude evidence of Mr. Fairey's use of Rubylith and for an adverse inference.

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