

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

ED KASHI,

Plaintiff,

v.

**MCGRAW-HILL GLOBAL EDUCATION
HOLDINGS AND MCGRAW-HILL
SCHOOL EDUCATION HOLDINGS,
LLC,**

Defendants.

CIVIL ACTION

NO. 17-1818

ORDER

AND NOW, this 12th day of October, 2017, upon consideration of McGraw-Hill Global Education Holdings and McGraw-Hill School Education Holdings, LLC's Motion to Dismiss (ECF No. 6), Plaintiff Ed Kashi's response thereto (ECF No. 9), and Defendants' reply (ECF No. 13), it is hereby **ORDERED** that the Motion is **DENIED**. It is further **ORDERED** that Kashi is granted leave to amend his Complaint.

BY THE COURT:

/s/Wendy Beetlestone, J.

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OPINION

I. Introduction

Plaintiff Ed Kashi, a professional photographer, brings this suit under the Copyright Act, 17 U.S.C. § 101 *et seq.*, against Defendants McGraw-Hill Global Education Holdings and McGraw-Hill School Education Holdings LLC (collectively, “McGraw-Hill”) for using his photos in their publications without paying him. McGraw-Hill has filed a motion to dismiss or, in the alternative, to strike certain allegations. For the reasons set forth in this opinion, McGraw-Hill’s motion is denied in its entirety.

II. Facts Alleged

Ed Kashi makes his living by creating and licensing photographs. At some point, he entered into licensing agreements with stock photo companies, granting them a limited right to sublicense his photos to third parties in exchange for a percentage of the fees they negotiated. Sometime after 1995, McGraw-Hill licensed the use of Kashi’s photographs. Some of the photographs were registered with the United States Copyright Office. Others had pending copyright registrations. In any event, any license that McGraw-Hill obtained to use the photographs was expressly limited in how it could be used by publication, number of copies, distribution area, image size, language, duration, and the type of media (print or electronic).

For the purposes of McGraw-Hill’s motion to dismiss, the photographs at issue in this matter can be divided into three categories. The first category involves those for which McGraw-Hill was invoiced. Exhibit 1 to the Complaint identifies the photographs by image ID and includes, among other information, the invoice number, and in some cases, the name of the publications in which the photograph was used.

The second category of documents is contained in a spreadsheet attached as Exhibit 2 to the Complaint. This spreadsheet contains the image ID and the name of the publications in which the photograph appeared, but does not contain any invoice information.¹

The third category of documents is set forth in Paragraph 15 of the Complaint, in which Kashi alleges generally that McGraw-Hill, after obtaining access to Kashi’s copyrighted photographs, “used them in additional publications without permission, or in excess of permission granted, but Plaintiff has no way of discovering these additional, unauthorized uses.” Complaint ¶ 15. The Complaint goes on to further allege that McGraw-Hill “alone knows the full extent to which it has infringed Plaintiff’s copyrights by making unauthorized uses of the Photographs.” Complaint ¶ 16.

III. Procedural Posture

McGraw-Hill has filed a motion to dismiss or, in the alternative, to strike immaterial allegations, pursuant to Federal Rules of Civil Procedure 12(b)(6) and 12(f)(2), respectively. Regardless of procedural rubric, McGraw-Hill seeks the same result: dismissal (or striking) of all claims premised on photographs for which plaintiff has failed to plead a valid, in-force copyright registration; claims premised on photographs that plaintiff claims McGraw-Hill has published, but plaintiff has not identified the books in which they were published (entries numbered 48 and

¹ Both Exhibits 1 and 2 contain a column entitled “Registration information,” which includes a registration number and a registration date for each of the photographs.

54 of Exhibit 1 to the Complaint); and, claims premised on Paragraph 15 of the Complaint, which, without identifying any specific photograph or any publications in which the unidentified photographs were published, alleges that Kashi's photographs were used "in additional publications without permission."

IV. Standard

At the motion to dismiss stage, all well-pled factual allegations in the complaint are assumed true. *See Warren Gen. Hosp. v. Amgen, Inc.*, 643 F.3d 77, 84 (3d Cir. 2011). "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A plaintiff must plead "factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged. The plausibility standard is not akin to a 'probability requirement,' but it asks for more than a sheer possibility that a defendant has acted unlawfully. Where a complaint pleads facts that are 'merely consistent with' a defendant's liability, it 'stops short of the line between possibility and plausibility of entitlement to relief.'" *Id.* (quoting *Twombly*, 550 U.S. at 556-57 (internal quotation marks omitted)). "Context matters in notice pleading," and thus "some complaints will require at least some factual allegations to make out a 'showing that the pleader is entitled to relief, in order to give the defendant fair notice of what the . . . claim is and the grounds upon which it rests.'" *Phillips v. County of Allegheny*, 515 F.3d 224, 232 (3d Cir. 2008) (quoting *Twombly*, 550 U.S. at 555). A plaintiff must plead sufficient factual matter to suggest the elements of the claim. *See Great Western Mining & Mineral Co. v. Fox Rothschild LLP*, 615 F.3d 159, 177 (3d Cir. 2010). This simply requires the facts to "raise a reasonable expectation that discovery will reveal evidence of the necessary element." *Id.*

The Court's analysis of the motion to dismiss proceeds in three steps: first, outline the elements of the claim alleged; second, remove any legal conclusions; and third, look for well-pled factual allegations and assume they are true. *See Bistrrian v. Levi*, 696 F.3d 352, 365 (3d Cir. 2012) (citing *Iqbal*, 556 U.S. at 679) (citations omitted).

V. Analysis

To be viable, a claim of copyright infringement requires pleading two elements: first, ownership of a valid copyright, and second, unauthorized use of the original, constituent elements of the work. *See Star Athletica L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002, 1008 (2017); *Marino v. Usher*, 22 F. Supp. 3d 437, 442 (E.D. Pa. 2014), *aff'd*, 673 Fed. App'x 125 (3d Cir. 2016), *petition for cert. filed*, No. 16-1332 (May 5, 2017).

A. Copyright Registrations

The Copyright Act is clear that “no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.” 17 U.S.C. § 411(a). *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 166 (2010) (holding Section 411(a) is not a jurisdictional bar to filing a suit); *Gregory S. Markantone DPM, P.C. v. Podiatric Billing Specialists, LLC*, 599 Fed. App'x 459, 460 (3d Cir. 2015) (declining to excuse plaintiff's failure to fulfill § 411(a)'s registration requirement). McGraw-Hill contends in its opening brief that thirty four of the photographs at issue had pending copyright registrations, and thus, no cognizable claims could arise from any use of those photographs. In response, Kashi attached to his opposition an affidavit from his lawyer annexing revised versions of Exhibits 1 and 2 of the Complaint, showing that, in the intervening period between the filing of the Complaint and the motion to dismiss, all registrations had been granted. Both McGraw-Hill and Kashi requested he be allowed to amend

his Complaint to include registrations approved after Kashi filed his Complaint. Given that a complaint may not be amended by the briefs in opposition to a motion to dismiss, *Pennsylvania ex rel. Zimmerman v. PepsiCo, Inc.*, 836 F.2d 173, 181 (3d Cir. 1988), Kashi is granted leave to amend his Complaint and that part of McGraw-Hill’s motion is denied as moot.

B. Pleading Requirements

What remains of McGraw-Hill’s motion to dismiss is its contention that plaintiff has inadequately pled the second element of the *prima facie* case for copyright infringement—unauthorized use of the original, constituent elements of Plaintiff’s works—with respect to two photographs listed as entries 48 and 54 of Exhibit 1 to the Complaint as well as all claims premised on “additional publications” referred to generally in Paragraph 15 of the Complaint.

Defendant argues that in the context of a copyright claim, Federal Rule of Civil Procedure 8(a), mandate that a complaint include a “short and plain statement of the claim showing that the pleader is entitled to relief,” is augmented by requirements set forth in *Gee v. CBS Inc.*, 471 F. Supp. 600 (E.D. Pa.), *aff’d without op.*, 612 F.2d 572 (3d Cir. 1979). According to *Gee*, in order to properly plead a claim for copyright infringement, the Plaintiff must also include allegations describing “which specific original work is the subject of the copyright claim, that plaintiff owns the copyright, that the work in question has been registered in compliance with the statute and by what acts and during what time defendant has infringed the copyright.” *Id.* at 643. Although the Third Circuit affirmed *Gee* without opinion, it did so summarily without providing any explanation for the panel’s reasoning. Thus, the affirmance has no precedential value. *See* Third Circuit, INTERNAL OPERATING PROCEDURES 6.1–6.4 (2017), <http://www2.ca3.uscourts.gov/legacyfiles/IOPs.pdf> (noting judgment orders may be filed when the panel “determines that a

written opinion will have no precedential or institutional value.”). Furthermore, to the extent that McGraw-Hill encourages this Court to look to the district court’s reasoning that led it to conclude that the plaintiff was required to plead specifically, “by what act or acts and on what dates defendants infringed the copyrights,” *Gee*, 471 F. Supp. at 644, *Gee* is distinguishable.

Gee involved a lawsuit by purported son of famous blues singer, Bessie Smith, against a recording company for copyright infringement. *Id.* at 609–10. The allegedly copyrighted works were created over 40 years before the suit was brought, and dates were crucial to the *Gee* court’s analysis of the complaint. Accordingly, its focus was on determining “which of the claims . . . appeared to be time-barred, and to scrutinize as to those the tolling justification that plaintiffs . . . offered.” *Id.* at 643. The *Gee* court could not proceed with its inquiry, as “none of the foregoing allegations . . . permit this Court to determine which copyright infringements occurred between 1923 and 1933 . . . and which alleged infringements occurred subsequently.” *Id.* In short, statute of limitations defenses and other time-based problems riddled *Gee*’s underlying facts and informed the court’s analysis. Finding a lack of factual details concerning the dates of alleged infringement, the *Gee* court dismissed the case without leave to amend. *See id.* at 644.

McGraw-Hill’s reliance on *Levey v. Brownstone Investment Group, LLC*, which cites to *Gee*, as further support for the proposition that Kashi must identify the specific infringing work, is similarly misplaced. *See* No. 11–395, 2013 WL 3285057 at *6 (D.N.J. June 26, 2013), *aff’d*, 590 Fed. App’x 132 (3d Cir. 2014). *Levey* does frame *Gee* as imposing a more specific pleading requirement. *Id.* at *5 n.6. But the complaint scrutinized in *Levey* was found to fail under both the “broader standard” and the *Gee* standard. *See id.* at *6 n.8. Importantly, the district court was not faced with the question posed to this Court: whether the plaintiff must allege the specific infringing work. The district court dismissed the plaintiff’s complaint for failing to “specify a

single act of infringement by Defendants.” *Id.* at *6 (emphasis added). Specifying an act of infringement does not require identifying the infringing work.

The Third Circuit opinion affirming *Levey* applied the “broader” standard to copyright claims, stating all a plaintiff must establish is “ownership of a valid copyright; and . . . unauthorized copying.” *Levey v. Brownstone Inv. Group, LLC*, 590 Fed. App’x 132, 135 (3d Cir. 2014) (“Copying is a shorthand reference to the act of infringing any of the copyright owner’s five exclusive rights set forth at 17 U.S.C. § 106.”). Again, the opinion did not address whether plaintiff needed to allege the specific infringing work, instead addressing how plaintiff’s complaint was deficient under either of two theories of copying. As to whether the defendant exceeded an original license, the Third Circuit stated that from the facts alleged, “[A]ll we know is that [defendant] uses software that helps it accomplish what [third party’s] software would, and that [third party’s] software . . . has the same capabilities as [plaintiff’s software].” *Id.* at 136. The facts thus were “not enough to infer that [defendant] is using [plaintiff’s software], as opposed to some other software that helps it do business.” *Id.*

Similarly, the plaintiff failed to state a claim that the defendant infringed his copyright by using a substantially similar work that used protected elements of the original work. The Third Circuit reasoned the facts alleged “at most, tell us that the two programs share a common purpose or function.” *Id.* The court noted the lack of factual detail in the Complaint about either party’s software. *Id.* at 136–37. The deficiency, though, was not the failure to allege the specific infringing work—albeit unspecified by name—but the failure to allege enough facts to suggest that defendant actually copied the plaintiff’s work. *See Iqbal*, 556 U.S. at 678. (“Where a complaint pleads facts that are merely consistent with a defendant’s liability, it stops short of the line between possibility and plausibility of entitlement to relief.”) (internal quotations omitted).

McGraw-Hill’s other citations are similarly unavailing, whether or not from districts within this Circuit.²

In conclusion, neither *Gee* nor its progeny require a heightened pleading requirement. The question, thus, before the Court is whether Kashi has pled sufficient factual matter to plausibly state his claims. *See Great Western Mining & Mineral Co. v. Fox Rothschild LLP*, 615 F.3d 159, 177 (3d Cir. 2010). Plausibility is not probability, but the facts alleged must be “suggestive of [the proscribed] conduct.” *Id.* at 177 (alterations in original). Thus, the well-pled facts must “raise a reasonable expectation that discovery will reveal evidence of the necessary element.” *Id.* (internal quotations omitted).

C. Entries 48 and 54

McGraw-Hill argues entries 48 and 54 of Exhibit 1 to the Complaint fail to state a claim because they do not identify the allegedly infringing books. However, the information supplied by Kashi in his complaint—including an image ID number, registration number, the number and date of the invoice as well as the name of the licensor—has, by McGraw-Hill’s own admission, provided it sufficient information to determine that entries 48 and 54 involve a “non-party Australian publisher.” Although this information—that an entity other than McGraw-Hill might

² In *Stampone v. Stahl*, No. 05–1921, 2005 WL 1694073 (D.N.J. July 19, 2005), allegedly applying *Gee*, the district court stated, “Broad sweeping allegations do not comply with *Rule 8*. . . . For a violation of a copyright to occur, the defendant must have copied the plaintiff’s work . . . without the plaintiff’s approval.” *Id.* at *2 (emphasis added). The *Stampone* court went on to discuss that plaintiff had failed to allege any copying, merely that Defendant had not returned a disk that contained his artwork. *Id.* Again, the *Stampone* court did not address whether the plaintiff had to identify the specific infringing work, merely looking for an allegation that the defendant copied his work. *See also Bradshaw v. American Institute for History Education*, No. 12–1367, 2013 WL 1007219, at *3 (D.N.J. Mar. 13, 2013) (explaining “recent decisions from this circuit have embraced *Gee*’s more detailed pleading standard” and finding sufficient that plaintiff provided a correlation chart between defendant’s website and plaintiff’s works that provided “notice as to the nature of [the] allegedly infringing acts.”).

McGraw-Hill otherwise cites out-of-Circuit cases, which are not precedential or binding on this Court. *See Dwight v. McGraw-Hill Global Educ. Holdings, LLC*, No. 17-cv-00442 (JMF) (S.D.N.Y. May 11, 2017); *Home Design Services, Inc. v. J.F. Schoch Bldg. Corp.*, No. 11–cv–574, 2012 WL 442008, at *4 (E.D. Va. Feb. 10, 2012); *RBC Nice Bearings, Inc. v. Peer Bearing Co.*, No. 3:06–cv–1380 (VLB), 2009 WL 3642769, at *5 (D. Conn. Oct. 27, 2009).

have been responsible for the photographs' dissemination—might raise a valid defense for the Defendant here, it would be improper for the Court to consider this defense on a motion to dismiss, especially given the defense is not obvious from the face of the Complaint. *See Schmidt v. Skolas*, 770 F.3d 241, 248–49 (3d Cir. 2014) (“a complaint need not anticipate or overcome affirmative defenses” and “courts generally consider only the allegations contained in the complaint, exhibits attached to the complaint and matters of public record.”) (internal citations omitted).

Accordingly, McGraw-Hill's motion to dismiss Kashi's claims premised on entries 48 and 54 of Exhibit 1 shall be denied.³

D. Paragraph 15

McGraw-Hill also seeks to dismiss Paragraph 15 of the Complaint, which pleads “upon information and belief” that McGraw Hill “used [plaintiff's work] in additional publications,” but does not specifically identify what they are. Plaintiffs are entitled to plead upon information and belief “where it can be shown that the requisite factual information is peculiarly within the defendant's knowledge or control—so long as there are no boilerplate and conclusory allegations and plaintiffs accompany their legal theory with factual allegations that make their theoretically viable claim plausible.” *McDermott v. Clondalkin Group, Inc.*, 649 Fed. App'x 263, 267–68 (3d Cir. 2016) (citing *In re Rockefeller Ctr. Props., Inc. Sec. Litig.*, 311 F.3d 198, 216 (3d Cir. 2002)) (internal citations omitted). Here, as highlighted in Paragraph 15 by Kashi, he has no way of discovering these additional uses. What uses McGraw-Hill made of Plaintiff's photographs are peculiarly within its control, and it alone knows the full extent to which it has

³ In *Grant Heilman Photography, Inc. v. Pearson Education, Inc.*, plaintiff provided a thumbnail image, name, registration number, invoice number, and license date for the alleged work and alleged infringement. *See* No. 11-cv-4649, 2011 WL 13136268 at *4–5 (E.D. Pa. Oct. 12, 2011) (finding probative that seven instances of infringement were identified, suggesting a pattern of infringement).

infringed plaintiff's copyrights. Reading the Complaint as a whole, other facts, which plaintiff has been able to pin down, make the allegations of Paragraph 15 entirely plausible. Accordingly, McGraw-Hill's motion to dismiss Paragraph 15 shall be denied.⁴

⁴ McGraw-Hill, in an "abundance of caution," also seeks pursuant to Federal Rule of Civil Procedure 12(f) to strike as immaterial Paragraph 15 of the Complaint as well as the claims premised on the photographs listed as entries 48 and 54 of Exhibit 1 of the Complaint. Fed. R. Civ. P. 12(f). Given that these claims have survived a motion to dismiss, they are self-evidently not immaterial to Plaintiff's claims and shall not be dismissed.