

**LAWYERS FOR THE CREATIVE  
ARTS' ASSOCIATE BOARD  
PRESENTS**

**FROM STUDENT TO  
MASTER: WHAT YOU  
NEED TO KNOW  
ABOUT COPYRIGHT  
LITIGATION**

**MCLE CREDIT AVAILABLE!**

June 26, 2020

Zoom

12:00 PM



**LAWYERS  
FOR THE  
CREATIVE  
ARTS®**

## **From Student to Master: What You Need to Know about Copyright Litigation**

### **Presenter:**

Lawyers for the Creative Arts

### **Gwen Hochman Stewart – Sidley Austin LLP**

An associate in Sidley's Chicago office, Gwen practices in the firm's IP Litigation group, with an emphasis on complex patent and copyright litigation. She has represented clients in a wide variety of industries, including biologics, pharmaceuticals, medical devices, mobile computing, communications networking, consumer electronics, software, construction materials, automotive technologies, professional services and fine art. She has experience litigating in various forums, including federal district and appellate courts as well as the United States International Trade Commission. She also has experience obtaining results for clients through various forms of alternative dispute resolution.

Committed to serving pro bono clients, Gwen has received both the Award for Excellence in Pro Bono Service from the United States District Court for the Northern District of Illinois (May 2014) and the Thomas H. Morsch Award for Pro Bono Achievement from Sidley Austin LLP (Feb. 2014). These awards recognize Gwen's work in bringing the copyright-infringement action *Suarez v. Glassner, et al.* (N.D. Ill.) on behalf of a local artist.

Before joining the firm, Gwen clerked for the Honorable William Alsup at the United States District Court for the Northern District of California in San Francisco. During law school, Gwen served as Executive Editor of the Harvard Journal of Law and Technology.

### **Jeffrey Becker – Swanson, Martin & Bell, LLP**

Jeff Becker is Chair of Swanson, Martin & Bell, LLP's Entertainment and Media Law Practice Group. Among his clients are Grammy Award-winning musicians, producers and songwriters, publishers and record labels, professional athletes, authors, independent filmmakers and other creative individuals and entertainment-related businesses. For these clients, Jeff provides comprehensive representation in the transactional and litigation aspects of their businesses. In doing so, he counsels clients in the preparation, analysis and negotiation of various issues, including licensing and distribution rights, royalty negotiations and disputes, rights acquisition and clearances, talent agreements, production and performance agreements, music publishing and licensing agreements, recording contracts and master license agreements, sponsorship and endorsement agreements, and artist management agreements. Jeff strives to find the most cost-efficient way to help clients secure and protect their rights. He is an Adjunct Professor at DePaul University College of Law, where he teaches Music Law, and has guest lectured on entertainment-related topics at various colleges, law schools and conferences across the country.

Jeff is also a member of the firm's Intellectual Property and Commercial Litigation Practice Groups. His roots are grounded in complex business and intellectual property litigation, representing clients in contractual and business tort disputes, infringement of intellectual property rights, professional liability claims, trade secret misappropriation and post-judgment collection proceedings. He has extensive experience representing clients in the preparation, negotiation and litigation of restrictive covenants, including non-competition, non-solicitation and non-disclosure agreements. He also has developed a strong practice litigating claims involving copyright and trademark infringement, advertising injury, defamation, misleading and deceptive advertising, rights of publicity and privacy, violations of the Telephone Consumer Protection Act and unfair competition. In the event litigation becomes necessary, Jeff works with his clients to resolve their cases effectively and cost-efficiently.

Jeff also previously served as Chair of the Swanson Martin & Bell, LLP's Community Service/Pro Bono Committee. He proudly volunteers his time to Lawyers for the Creative Arts, a non-profit organization that provides free legal services to eligible clients in all areas of the arts.

#### **Julianne Hartzell – Marshall, Gerstein & Borun LLP**

Ms. Hartzell has significant experience in intellectual property litigation, including cases involving patents, trademarks, copyrights, and trade secrets. She also has experience enforcing covenants not-to-compete and confidentiality agreements. Clients hire her to protect their intellectual property rights and to defend them against infringement allegations. She works closely with her clients to understand their business needs and aggressively defends her clients' interests, seeking the most efficient route to resolve litigation in a way that satisfies those needs.

Ms. Hartzell brings strong experience as a litigator protecting her clients' intellectual property rights and defending those accused of infringement. She has been lead counsel in numerous intellectual property disputes, including copyright and trademark jury trials. She is also a registered patent attorney.

Ms. Hartzell earned her J.D. from The University of Michigan Law School. As a student, she also interned for the Wayne County Prosecutor's Office, where she received valuable courtroom experience.

She obtained her B.S. in mechanical and biomedical engineering from Duke University. As an undergraduate, she interned with Procter & Gamble and Visteon (then a division of Ford Motor Company), and also worked as a research assistant focusing on MRI imaging technology and failure analysis.

# Lawyers for the Creative Arts Associate Board

## From Student to Master: What You Need to Know about Copyright Litigation

Presented by:

Jeffrey Becker | Swanson, Martin & Bell, LLP

Julianne M. Hartzell | Marshall, Gerstein & Borun LLP

Gwen Hochman Stewart | Sidley Austin LLP



# Copyright Ownership & Registration

- Is the work subject to copyright protection?
- Does the plaintiff own the copyright?
- Is the copyright registered?

# Does Copyright Law Apply?

- **17 U.S.C. 102(a):** Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.
- **Originality:** more than merely trivial
- **Fixation:** embodiment in a copy or phonorecord sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration  
(17 U.S.C. 101)

# Does Copyright Law Apply?

- **17 U.S.C. 102(a):** Works of authorship include the following categories:
  - (1) literary works;
  - (2) musical works, including any accompanying words;
  - (3) dramatic works, including any accompanying music;
  - (4) pantomimes and choreographic works;
  - (5) pictorial, graphic, and sculptural works;
  - (6) motion pictures and other audiovisual works;
  - (7) sound recordings; and
  - (8) architectural works.



- **Not Copyright:** Patents, trademarks, trade dress, trade secrets

# Does the Plaintiff Own the Copyrights?

- **Works for Hire** (17 U.S.C. 101) (different from **Joint Authorship**)
  - A work prepared by an employee within the scope of his or her employment; or
  - A work pecially ordered or commissioned [for a particular use specified in statute] if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.
- **Compilations & Derivative Works** (17 U.S.C. 103)
  - The copyright in a compilation or derivative work extends only to the material contributed by the author of such work.
- **Licensing** – part or all of the “bundle of rights” (17 U.S.C. 106)
- **Expiration** – unlikely to be an issue because terms are long



# Copyright Registration

- Protection “subsists” automatically (17 U.S.C. 102(a)).
- Registration & marking can unlock certain remedies (incl. statutory damages, costs, & attorney’s fees).
- Registration is a prerequisite to filing an infringement suit.
  - *Fourth Estate Public Benefit Corp. v. Wall-Street.com*, 586 U.S. \_\_\_\_ (2019), resolved a circuit split .
    - Registration must be complete before filing complaint.
    - Pending application no longer sufficient.

# Benefits of Registration

**Statutory damages or attorneys' fees** only if you have filed registration. [§412]

- Unpublished work: If infringement occurs prior to registration, you are out of luck.
- Published work: If infringement occurs after first publication, but before registration, you are out of luck *unless* registration is made within 3 months after first publication.

# Copyright Registration Procedure

- Online application form
- Deposit copy for Library of Congress
- \$45 or \$65 fee (online)
- ~3 months processing time for basic claims
- Registration certificate mailed
- Effective date is completion of application

\*-APPLICATION-\*

**Title** \_\_\_\_\_  
Title of Work: City Slicker


**Completion/Publication** \_\_\_\_\_  
Year of Completion: 2009  
Date of 1st Publication: June 1, 2010      Nation of 1st Publication: United States

**Author** \_\_\_\_\_  
▪ Author: Enrique Suarez  
Author Created: 2-D artwork  
Work made for hire: No  
Citizen of: United States      Domiciled in: United States  
Year Born: 1951

**Copyright claimant** \_\_\_\_\_  
Copyright Claimant: Enrique Suarez  
411 N. Elmhurst Road, Prospect Heights, IL, 60070, United States

**Certification** \_\_\_\_\_  
Name: Gwen Hochman Stewart  
Date: July 16, 2012

Certificate of Registration

 This Certificate issued under the seal of the Copyright Office in accordance with title 17, United States Code, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Registration Number  
VA 1-834-572  
Effective date of  
registration:  
July 18, 2012

*Maria A. Pallante*  
Register of Copyrights, United States of America

**Title** \_\_\_\_\_  
Title of Work: City Slicker

**Completion/Publication** \_\_\_\_\_  
Year of Completion: 2009  
Date of 1st Publication: June 1, 2010      Nation of 1st Publication: United States

**Author** \_\_\_\_\_  
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Name: Gwen Hochman Stewart  
Date: July 16, 2012

# Rights of Copyright Owner

- Traditional “bundle” of rights (17 U.S.C. 106)
  - (1) to reproduce the copyrighted work in copies or phonorecords;
  - (2) to prepare derivative works based upon the copyrighted work;
  - (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
  - (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
  - (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
  - (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.
- Moral Rights (17 U.S.C. 106A) – attribution & integrity

# 5Pointz Graffiti Case

- *Castillo v. G&M Realty L.P.*, Nos. 18-498-cv (L), 18-538-cv (CON), 2020 U.S. App. LEXIS 5228 (2d Cir. Feb. 20, 2020)



# Elements of Copyright Infringement

- To succeed in a claim of copyright infringement, a plaintiff must prove the following **elements**:
  - Ownership of copyright in a work,
  - Originality of the work,
  - Copying of constituent elements of the work by defendant, and
  - A substantial degree of similarity between the two works

# Ownership and Originality

## ➤ Who constitutes an **owner**

- Either the legal or beneficial owner. §501(b)
- A beneficial owner is “an author who had parted with legal title to the copyright in exchange for percentage royalties based on sales or license fees

## ➤ What constitutes **originality**

- This is an extremely low threshold, and is easily rebutted if the allegedly infringed music consists only of common, trite themes that reappear often in music

# Proof of Copying

- Proof of **copying** is crucial to any claim of copyright infringement
- No matter how similar the two works may be (even to the point of identity), if the defendant did not copy the accused work, there is no infringement.
- BUT direct proof of copying is rarely available, so a plaintiff may rely on *circumstantial* evidence to prove copying.
  - The most important component of this circumstantial evidence is *proof of ACCESS*



# Copying and Similarity

Arnstein v. Porter (2d Cir. 1947)

- The Copying/Unlawful Appropriation Test
  - Step 1: Determine if there is **copying**, which is when we assess whether there is a “striking similarity” in the songs
  - Step 2: Determine whether the copying rises to the level of **improper appropriation**, which is when we assess whether there is a “substantial similarity” in the songs

# Striking Similarity

Arnstein v. Porter (2d Cir. 1947): Step 1

Access + Strikingly Similar = Copying

- Direct Proof of Access is best, but difficult to obtain
- Circumstantial Evidence permitted, if songs are strikingly similar

- If there are no similarities, amount of access is irrelevant
- If evidence of access is absent, plaintiff can prevail if “striking similarity is so significant that it can only be explained by copying

However, copying alone is not illegal. There must be improper appropriation.

# Substantial Similarity

## Arnstein v. Porter (2d Cir. 1947): Step 2

Copying + Substantially Similar = Infringement

- If copying is found, determine if works are substantially similar

- Was work protected by copyright?
  - Only considers and compares copyrightable features of the work
- Ordinary Observer Test
  - Would the ordinary observer, when he set out to detect the disparities between the works, be disposed to overlook them and regard their aesthetic appeal as the same

# 7<sup>th</sup> Circuit Test

## *Selle v. Gibb* (7th Cir. 1984)

- Seventh Circuit test for overall similarities to determine if the works are “**strikingly similar**” in a **side-by-side** test, which goes beyond simply looking for identical notes and looks at:
  - Unique or complex sections
  - Unexpected changes or departures from norm
  - Errors
  - Intricacy of Work
- Seventh Circuit has held that there is a range of protection for copyrighted works in its “**substantially similar**” test

Work not protected



Idea & Expression  
indistinguishable

Copyrightability  
Range



Work protected

Work embodies  
particularized  
expression



# Defenses

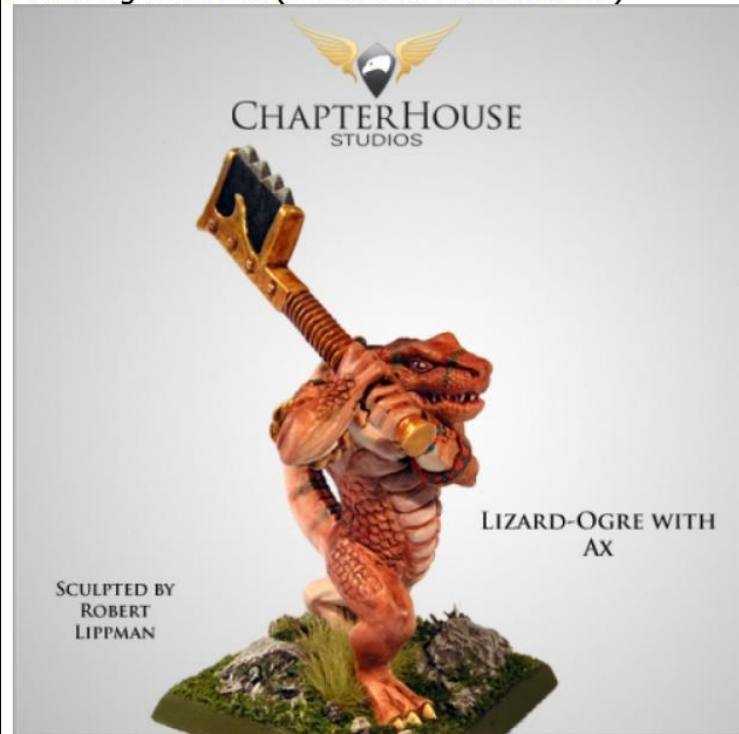
- Standard Litigation Defenses still apply
  - Jurisdiction
  - Statute of Limitations
- However, Laches has lost its power. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014).

# Non-Infringement and De Minimis Use

- No Copying – Independent Creation
- No Substantial Similarity
- Only a de minimis amount was used

# Examples from LCA Case - Not Copied

Lizard-Ogre with Ax (PEX 690 at CHS00028638)



CITADEL FINECAST

Lizardmen Kroxigor

<http://www.games-workshop.com/gws/catalog/productDetail.jsp?prodId=prod1610066a>

Sculpted by Martin Footitt

Released February 2009

(PEX 757 at GW0011851)

# Independently Created



DX 445, DX 642

33



# Not Similar

## 134. Pilum Imperial Attack Jet Bike

GAMES  
WORKSHOP



CHAPTERHOUSE  
STUDIO



# Fair Use – Section 107

[T]he fair use of a copyrighted work, including such use...for purposes such as criticism, comment [including parody], news reporting, teaching ...scholarship, or research, is not an infringement of copyright.

Factors:

- the purpose and character of your use (commercial/non-profit)
- the nature of the copyrighted work
- the amount and substantiality of the portion taken, and
- the effect of the use upon the potential market.

# Fair Use – Transformative Use



*Andy Warhol Foundation v. Goldsmith*, 382 F.Supp.3d 312 (S.D.N.Y. 2019).

# Fair Use – Size and Shape of Shoulder Pad

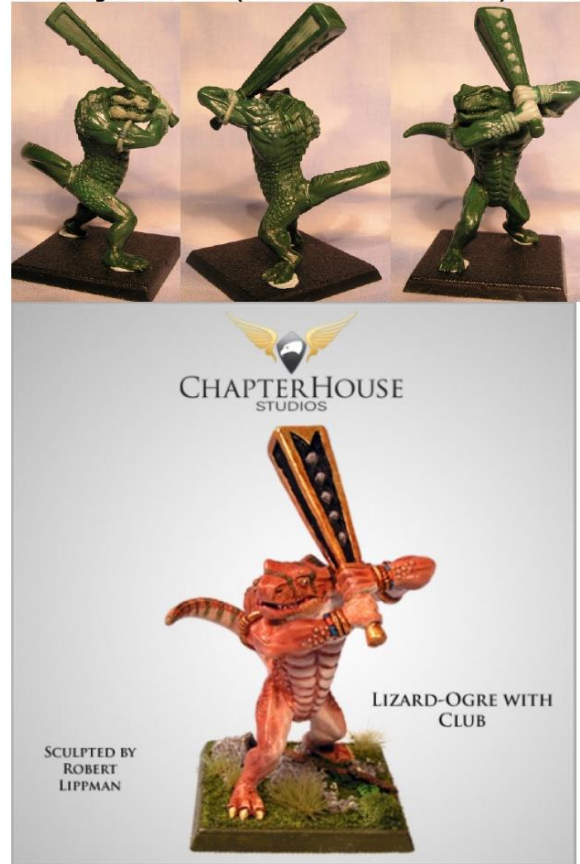


# Not Protected Matter

- Scenes A Faire – Settings, Poses, Characters that are indispensable or standard
- Words and Phrases
- Merger Doctrine
- Facts – Only protects the way something is expressed not the underlying fact, idea, concept, or method.
- Useful Item – Only features capable of existing separately from the item's useful aspects.
- Not Original

# Idea Not Protected

Lizard-Ogre with Club (PEX 690 at CHS00028642)



CITADEL FINECAST

Lizardmen Kroxigor

<http://www.games-workshop.com/gws/catalog/productDetail.jsp?prodId=prod1610066a>

Sculpted by Martin Footitt

Released February 2009

(PEX 757 at GW0011851)

# Supporting Testimony



## GW Doesn't Own Ideas

Berrett - cross 478

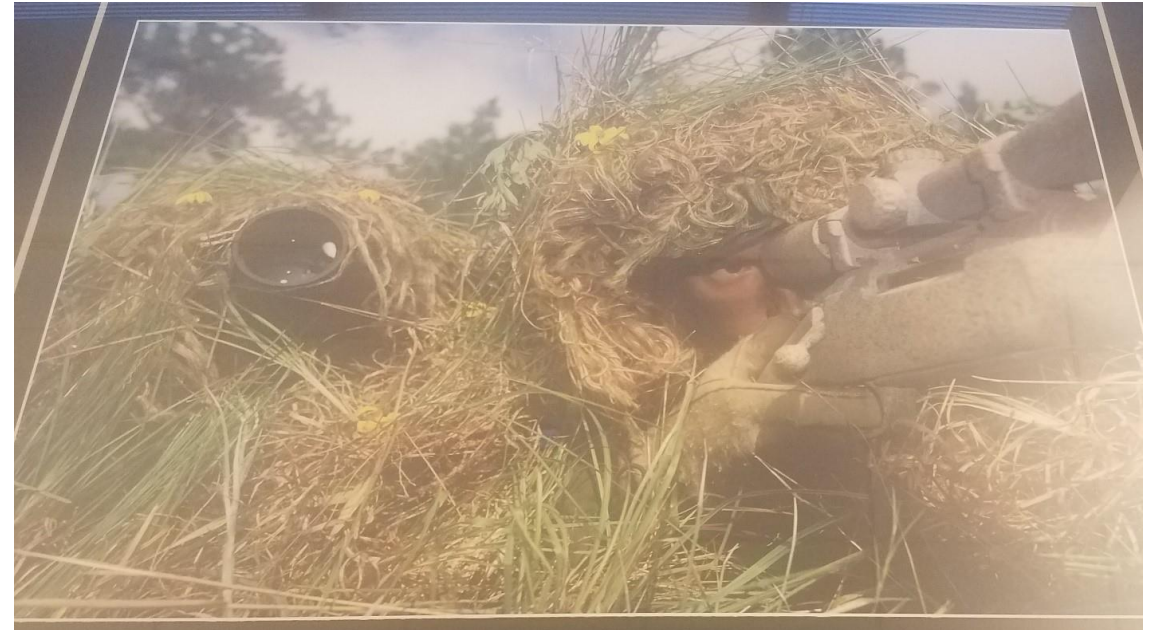
1 A. The illustrations of the weapons to represent them, yes.  
2 Q. So you have also complained that some of Chapterhouse's  
3 products use color schemes that are similar to Games  
4 Workshop's, right?  
5 A. For some of the 40K models, yes.  
6 Q. But that's not true of this product, correct?  
7 A. No, that's not true in this product... So it's evidently

Q Correct. But you don't own the entire idea of Lizardmen?

A Nobody owns the entire idea of Lizardmen because that's --  
the ideas are not ownable.

17 the ideas are not ownable.  
18 Q. And that's because Lizardmen as an idea is widely used in  
19 science fiction and fantasy?  
20 A. No, it's not because of that. It's because it's the basic  
21 rule of copyright, isn't it, that you can't own an idea but  
22 you own the expression of the idea.  
23 Q. That's exactly right. You cannot own an idea in  
24 copyright.  
25 A. You can own an expression of the idea, and we contend that

# Scenes a Faire - Snipers





# Scenes a Faire – a Gun is a Gun

## 128. Hotshot Lasgun Pack

CHAPTERHOUSE  
STUDIO



PX-1021

GAMES  
WORKSHOP



Codex Imperial Guard (2008)



Codex Imperial Guard (1995)

PX-1021

Other Works



Mechanoid Invasion, Palladium Books  
(1981)



Metal Magic (1988)

DX-343; DX-344

# No Copyright/No Ownership

- Proper Work for Hire Agreement/Subject matter?

17 USC 101

Employee in Scope of Employment

Work commissioned for limited categories

- Assignment? Joint Work?

# First Sale Doctrine

- 17 U.S.C. 109

Owner of a lawful copy is entitled to resell or dispose and, in certain circumstances, publicly display the work.

Applies to works sold abroad. *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 US 519 (2013).

# Remedies for Infringement

- Civil Damages (17 U.S.C. 504(a))
  - Actual Damages and Infringer's Profits (Section 504(b)) OR
  - Statutory Damages (Section 504(c))
    - \$750 to \$30,000 per work "as the court considers just"
    - If willful, discretion up to \$150,000
    - If innocent, discretion down to \$200
- Attorneys' Fees and Costs
  - Discretionary (17 U.S.C. 505)
  - But guided by factors - *Fogerty v. Fantasy*, 510 U.S. 517 (1994)
  - Registration required (17 U.S.C. 412)
- Injunctive Relief (incl. seizure & impoundment) (Section 503)
- Potential Criminal Liability



# Monetary Damages

- Actual Damages and Profits (§ 504(b)):
  - Actual damage suffered by plaintiff as a result of infringement
  - Profits of the infringer that are attributable to the infringement AND not taken into account in computing actual damages
  - To establish infringer's profits, copyright owner need only prove infringer's *gross* revenue, and infringer must prove deductible expenses or elements of profit attributable to factors other than the copyrighted work

# Statutory Damages

- Statutory Damages (§ 504(c)):
  - Copyright owner may elect (*at any time before final judgment*) to receive statutory damages instead of actual damage and profits, for all infringements with respect to any one work
  - Amount:
    - Generally, not less than \$750 or more than \$30,000
    - If willful, not more than \$150,000 (in discretion of court)
    - If unaware of infringement, not less than \$200

# Injunctive Relief for an LCA Client

Original painting "City Slickers" by Enrique Suarez, © 2009



Unauthorized copy and/or derivative work publicly displayed and offered for sale by Art & Co. in Arlington Heights, IL, Feb. 2012





# Questions?

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