

copyright year in review 2023





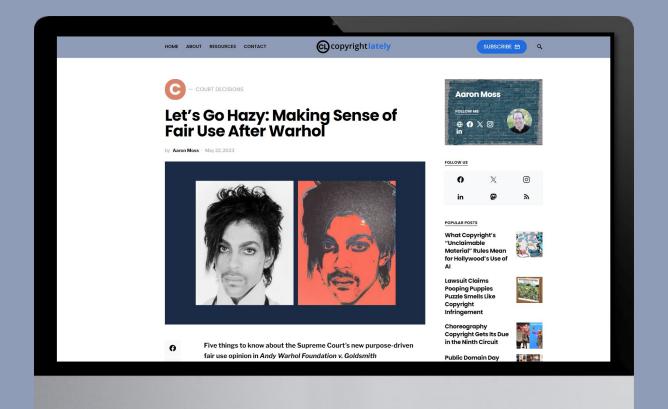
Fair Use





Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508 (2023)

"In sum, the first fair use factor considers whether the **use** of a copyrighted work has a further purpose or different character, which is a matter of degree, and the degree of difference must be balanced against the commercial nature of the **use**."





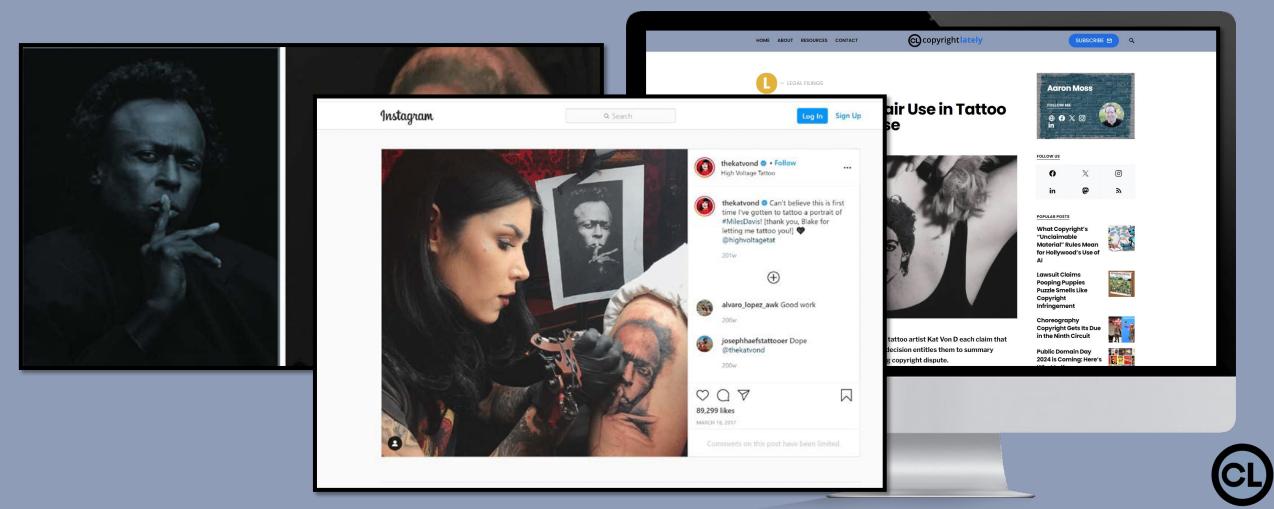
Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508 (2023)

- focus on justification for challenged use, not simply a comparison of works or an inquiry into whether a secondary work has a different "meaning or message."
- "The same copying may be fair when used for one purpose but not another."
- objective inquiry
- "new expression" *may* still be relevant to the first fair use factor, but not dispositive.
- renewed focus on commercial nature of use.



Post-Warhol — triable issue of fact

Sedlik v. Von Drachenberg, 2023 WL 6787447 (C.D. Cal. Oct. 10, 2023)



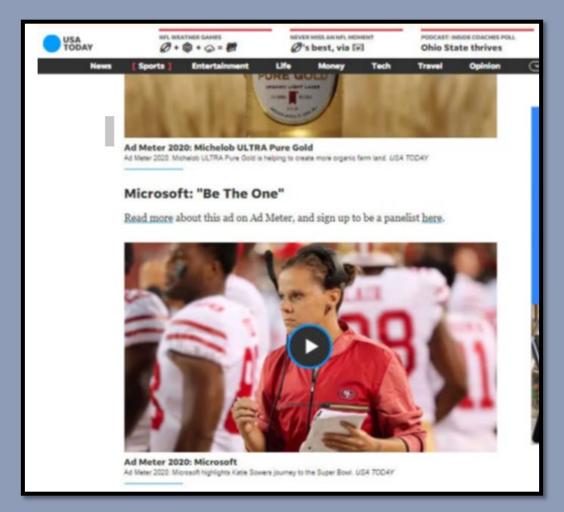
Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith, 598 U.S. 508 (2023)

"If an original work and a secondary use share the same or highly similar purposes, and the secondary use is of a commercial nature, the first factor is likely to weigh against fair use, absent some other justification for copying."



Post-Warhol — no fair use / triable issue of fact

Campbell v. Gannett Co., 2023 WL 5250959 (W.D. Mo. Aug. 15, 2023)





Post-Warhol — no fair use / triable issue of fact

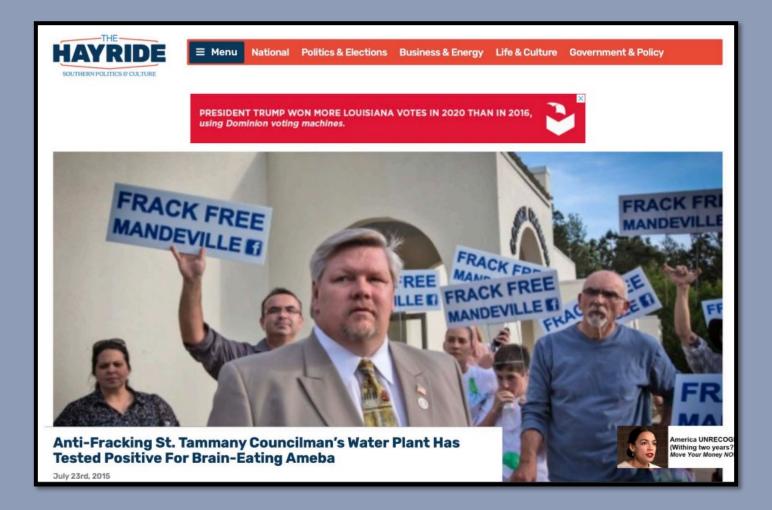
Vogts v. Penske Media Corp., 2023 WL 7107276 (C.D. Cal. Aug. 30, 2023)





Post-Warhol — no fair use / triable issue of fact

Dermansky v. Hayride Media, LLC, 2023 WL 6160864 (E.D. La. Sept. 21, 2023)





Post-Warhol — fair use as a matter of law

Cramer v. Netflix, Inc., 2023 WL 6130030 (W.D. Pa. Sept. 18, 2023)





Post-Warhol — fair use as a matter of law

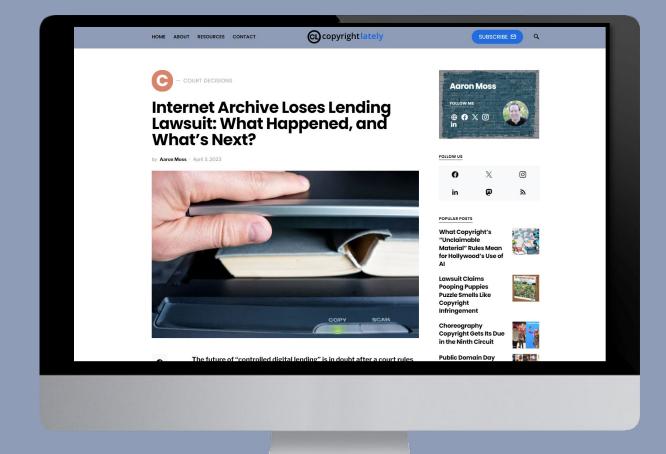
Kelley v. Morning Bee, Inc., 2023 WL 6276690 (S.D.N.Y. Sept. 26, 2023)





Hachette Book Grp., Inc. v. Internet Archive, 2023 WL 2623787 (S.D.N.Y. Mar. 24, 2023)

"At bottom, IA's fair use defense rests on the notion that lawfully acquiring a copyrighted print book entitles the recipient to make an unauthorized copy and distribute it in place of the print book, so long as it does not simultaneously lend the print book. But no case or legal principle supports that notion."

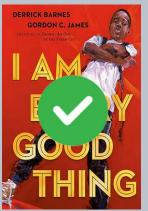


Substantial Similarity / Infringement



Literary Works





Dreamtitle Publ'g, LLC v. Penguin Random House, 2023 WL 4350734 (S.D.N.Y. July 5, 2023) [12(b)(6)]





Lee v. Warner Media, LLC, 2023 WL 8237520 (W.D.N.Y. Nov. 28, 2023) [12(b)(6)]



Walkie Check Prods., LLC v. ViacomCBS Inc., 2023 WL 5154416 (S.D.N.Y. Aug. 10, 2023) [MSJ]



A&E Television Networks, LLC v. Big Fish Ent., 2023 WL 4053871 (S.D.N.Y. June 16, 2023) [12(b)(6)]



Warner v. Amazon.com, Inc., 2023 WL 6317954 (S.D.N.Y. Sept. 28, 2023) [12(b)(6)]





Fisher v. Nissel, 2023 WL 3034826 (C.D. Cal. Jan. 20, 2023) [12(b)(6)]

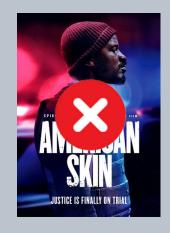


Irish Rover Ent., LLC v. Sims, 2023 WL 431705 (C.D. Cal. June 30, 2023) [MSJ denied]

Literary Works Cases 2023 (9th Cir.)



Washington v. ViacomCBS Inc., 2023 WL 2658749 (9th Cir. Mar. 28, 2023) [affirming dismissal on 12(b)(6)]

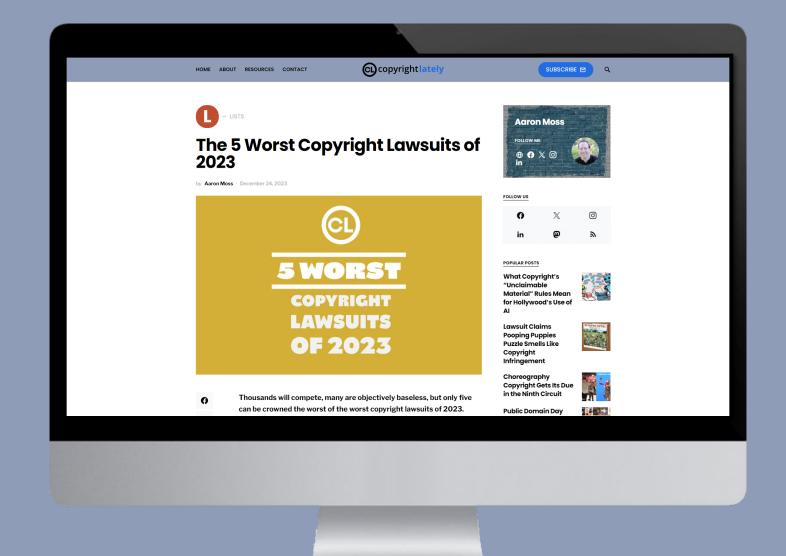


Changing World Films LLC v. Parker, 2023 WL 8044348 (C.D. Cal. Sept. 12, 2023) [12(b)(6)]



Polychron v. Bezos, et al., 2023 WL 6192743 (C.D. Cal. Aug. 14, 2023) [12(b)(6)]







Polychron v. Bezos, et al., 2023 WL 6192743 (C.D. Cal. Aug. 14, 2023)



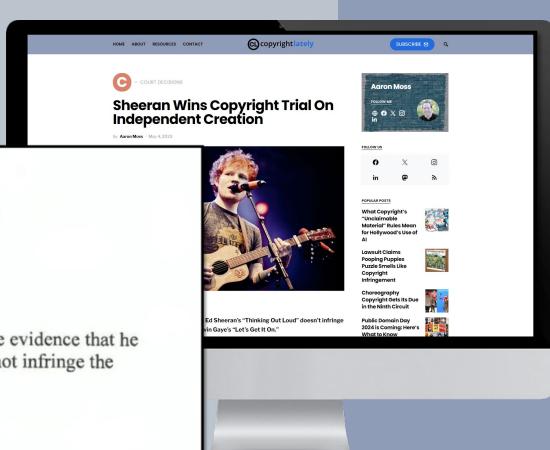




Musical Works



Townsend Griffin et al. v. Ed Sheeran et al., No. 17-CV-5221 (S.D.N.Y. 2023)



KATHRYN TOWNSEND GRIFFIN, et al. v. EDWARD CHRISTOPHER SHEERAN, et al.

17 Civ. 5221 (LLS) SPECIAL VERDICT FORM

Instruction 1: Your answers to each question must be unanimous.

 Did Defendant Sheeran establish by a preponderance of the evidence that he independently created "Thinking Out Loud" and thus did not infringe the copyright of "Let's Get It On"?

Answer:

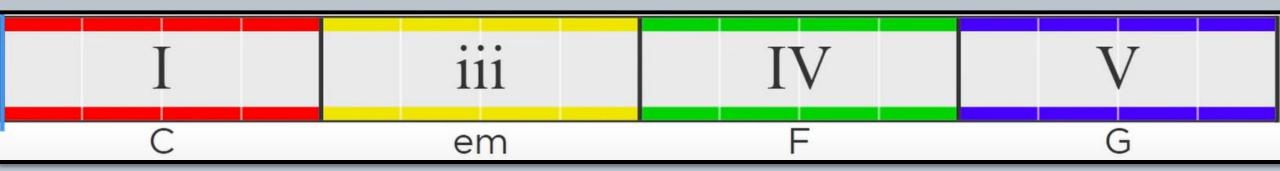
Yes No

Instruction 2: If you answered Yes to Question 1, stop. Sign this Verdict Form and notify the marshal that you have reached a verdict and should return to the courtroom. If you answered No, go to Question 2.



Structured Asset Sales, LLC v. Sheeran, 2023 WL 3475524 (S.D.N.Y. May 16, 2023)

Motion for Summary Judgment granted on reconsideration: Plaintiff could not satisfy *Skidmore* numerosity requirement for selection & arrangement based on just a "commonplace chord progression and harmonic rhythm"





Johnston v. Kroeger, 2023 WL 2028418 (W.D. Tex. Feb. 15, 2023)

Summary judgment granted for Nickelback as alleged similarities between Plaintiff's "Rock Star" and Nickelback's "Rockstar" "bordered on the absurd."

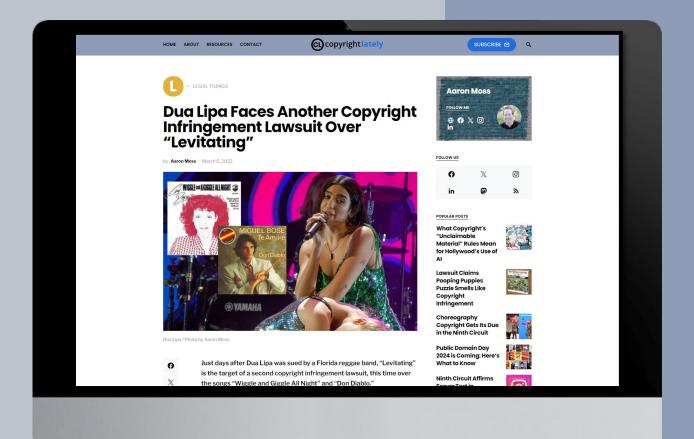
Notable only for the Court's praise of "the vivid detail of the original expression in Nickelback's lyrics."

I want a brand new house on an episode of *Cribs*And a bathroom I can play baseball in



Larball Publ'g Co., Inc. v. Lipa, 2023 WL 5050951 (S.D.N.Y. Aug. 8, 2023)

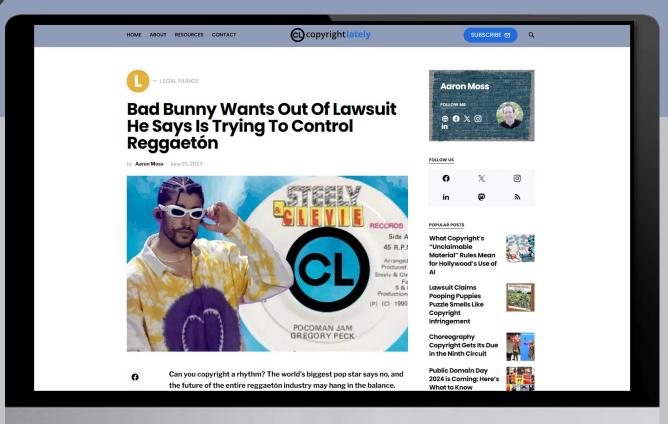
Plaintiff survived 12(b)(6) motion despite no plausible allegations of access by alleging "striking similarity."





Brown v. Donalds, et al., No. 21-cv-02840 (C.D. Cal.)

- Dem Bow riddim: one scholar estimated that up to 80% of all reggaetón music can be traced to this one drum beat.
- Bad Bunny argues that plaintiffs are attempting to "monopolize practically the entire reggaeton musical genre for themselves" by claiming ownership in unprotectable material.





Video Games



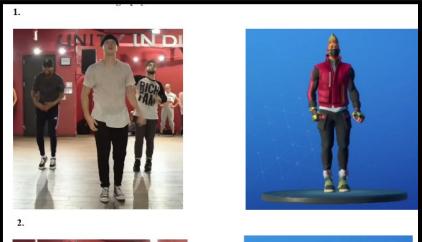
Hanagami v. Epic Games Inc., 85 F.4th 931 (9th Cir. 2023)

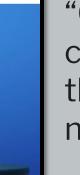




Hanagami v. Epic Games Inc., 2022 WL 4007874 (C.D. Cal. Aug. 24, 2022)

- Choreography of dance routine is copyrightable
- Individual dance moves are not



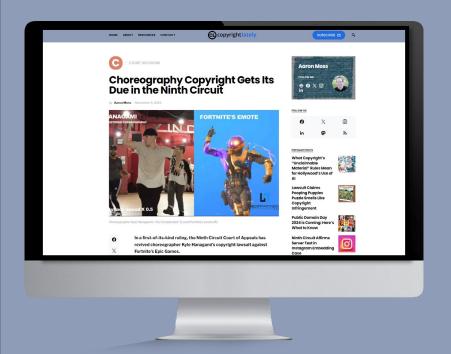




"On the cont of choreogram e Steps are ine like th closer to a short s" dance or to the 'U, S, A' move nei which would not be protectable.

"Here, the two work bstantially similar, because other the cal counts of poses—which protected Plaintiff and Defendant's do not share a eative elements."

Hanagami v. Epic Games Inc., 85 F.4th 931 (9th Cir. 2023)



Adopts Copyright Office's definition of choreography as the "composition and arrangement of a related series of dance movements and patterns organized into a coherent whole."

Look at "body position, body shape, body actions, transitions, use of space, timing, pauses, energy, canon, motif, contrast, [and] repetition" when comparing two works.

Selection and arrangement of otherwise unprotectable elements may be protectable.



Ambitious Prods., Inc. v. DVapps, AB, 2023 WL 3947848 (N.D. III. Jun. 12, 2023)

- No access or substantial similarity between horror film about murderous granny and video game about murderous granny
- murderous grandmother antagonist, red lettering, blood stains in basement and character being shot with a gun were *scènes à faire* common to the horror genre.
- element of a grandmother appearing suddenly to attack victims could not be considered a "unique and copyrightable expression."







Video Game Cheat Cases



Aimjunkies.com (confirming arbitration award against cheat developers)

Claudiu-Florentin (granting motion for default judgment > \$12M against cheat developer and seller)

Bansal (granting motion for default judgment > \$6.7M against cheat reseller)

Elite Boss Tech (granting motion for default judgment > \$16M against cheat developer and seller)

L.L. (denying motion to dismiss re whether user of cheat software created derivative work)

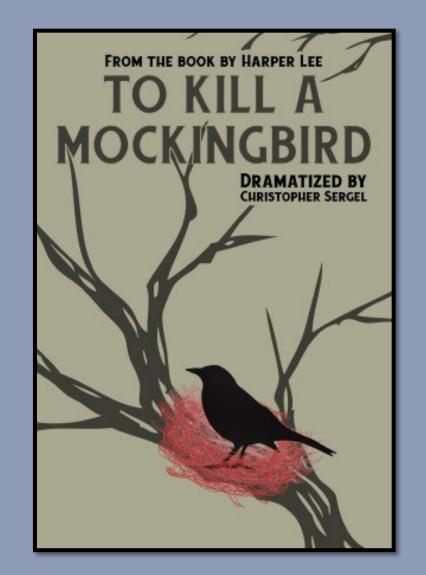


Copyright Termination



Atticus Ltd. Liab. Co. v. Dramatic Publ'g Co., 2023 WL 3135745 (S.D.N.Y. Apr. 27, 2023)

- Derivative works exception to statutory termination provides that a derivative work may "continue to be utilized under the terms of the grant after its termination." 17 U.S.C. § 304(c)(6)(A).
- This does <u>not</u> mean that an exclusive license remains exclusive following termination, as this would "thwart the plain language of the Copyright Act rendering any exclusive license interminable."

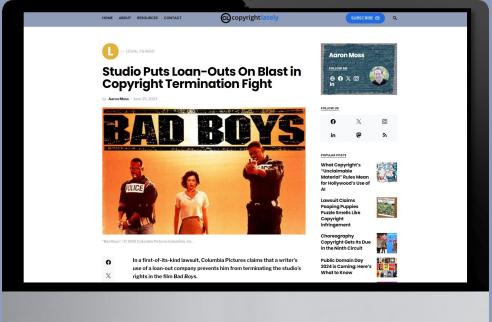




Columbia Pictures Industries, Inc. v. Gallo, No. 23-cv-5010 (C.D. Cal.)

 Lawsuit challenged termination of copyright assignment made by screenwriter who allegedly wrote story as a work for hire on behalf of his loanout company.

No responsive pleading has been filed.



• December 17, 2023 update: "The Parties have reached an agreement in principle as to the key terms of a settlement of this matter, but require additional time to negotiate a couple related terms and to formalize their anticipated settlement agreement in a written instrument(s)."



Statute of Limitations / Discovery Rule



Nealy v. Warner Chappell Music, Inc., 60 F.4th 1325 (11th Cir. 2023), cert. granted in part sub nom. Warner Chappell Music v. Nealy, No. 22-1078 (U.S. Sept. 29, 2023)

- discovery rule governed timeliness of plaintiffs' claims.
- Petrella does not mean that plaintiff cannot recover for infringement that occurred more than three years before filing of an otherwise timely suit—absolute three-year bar on damages would "eviscerate" discovery rule.
- Agrees with Ninth (*Starz*); disagreed with Second (*Sohm*). Supreme Court to resolve circuit split this year.





Martinelli v. Hearst Newspapers, L.L.C., 65 F.4th 231 (5th Cir. 2023) (cert petition filed)

- Plaintiff's infringement claims timely when brought within three years of discovering infringements.
- Petrella's statements
 suggesting copyright
 infringement claim accrues
 when infringement occurs are
 dicta and do not preclude
 application of discovery rule.





Martinelli v. Hearst Newspapers, L.L.C., 65 F.4th 231 (5th Cir. 2023) (cert petition filed)

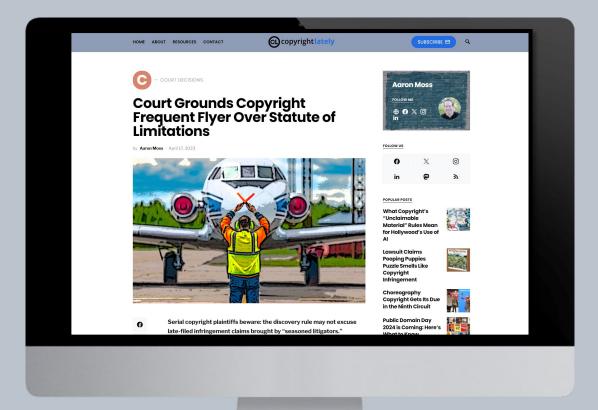
- Cert. petition question presented: "Whether the 'discovery rule' applies to the Copyright Act's statute of limitations for civil claims. 17 U.S.C. 507(b)."
- Note: 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 9th and 10th Circuits expressly apply discovery rule to determine the limitations period in copyright cases (plus district courts in 8th and 11th).



Lixenberg v. Complex Media, Inc., 2023 WL 144663 (S.D.N.Y. Jan. 10, 2023)

Minden Pictures, Inc. v. Complex Media, Inc., 2023 WL 2648027 (S.D.N.Y. Mar. 27, 2023)

- Although Second Circuit follows discovery rule, this is an objective standard.
- As "seasoned litigator," not plausible that plaintiff, exercising reasonable diligence, would not have discovered unauthorized use earlier.





Embedding / Server Test



Hunley v. Instagram, LLC, 73 F.4th 1060 (9th Cir. 2023)

- Perfect 10 v. Amazon not limited to search engines.
- Embedding website that merely provides HTML instructions is neither "showing a copy" nor "transmit[ting] or otherwise communicat[ing] a display."
- "a website must store the image on its own server to directly infringe the public display right."
- Petition for rehearing en banc filed.





Preemption



Preemption

Money had and received

- Reilly v. Wozniak, 2023 WL 142545 (9th Cir. Jan. 10, 2023)

Unfair competition and unjust enrichment

- Greer v. Fox News Media, 2023 WL 2671796 (2d Cir. Mar. 29, 2023)

Conversion

Levy Prod. Grp., LLC v. R&R Partners, 658 F. Supp. 3d 901 (D. Nev. 2023)

but see ...

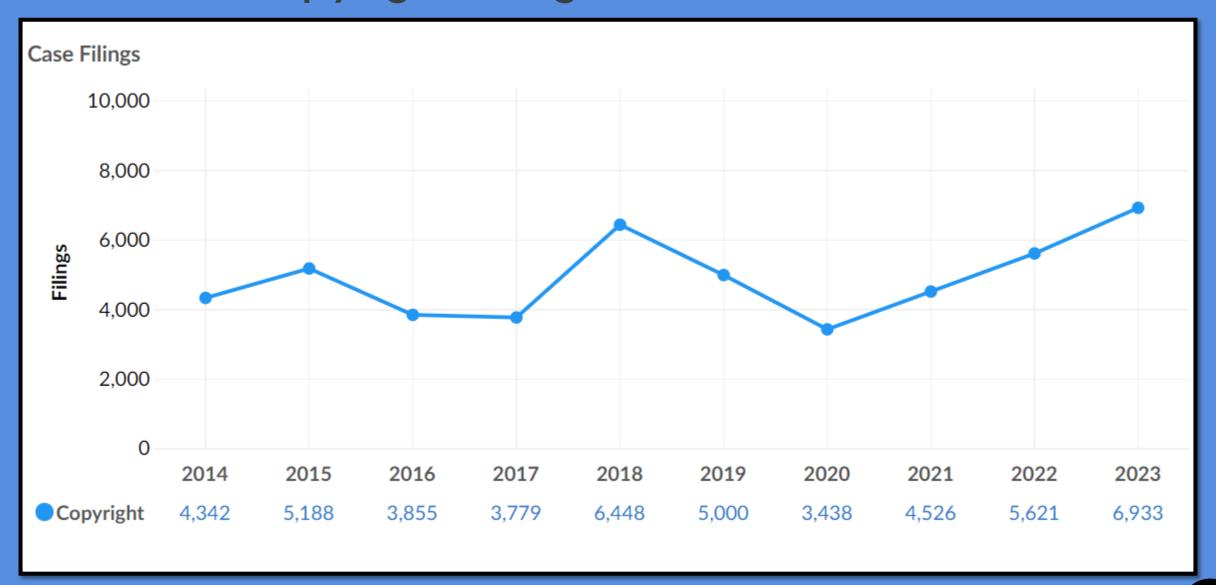
Poet Theatricals Marine, LLC v. Celebrity Cruises, Inc., 2023 WL 3454614 (11th Cir. May 15, 2023)



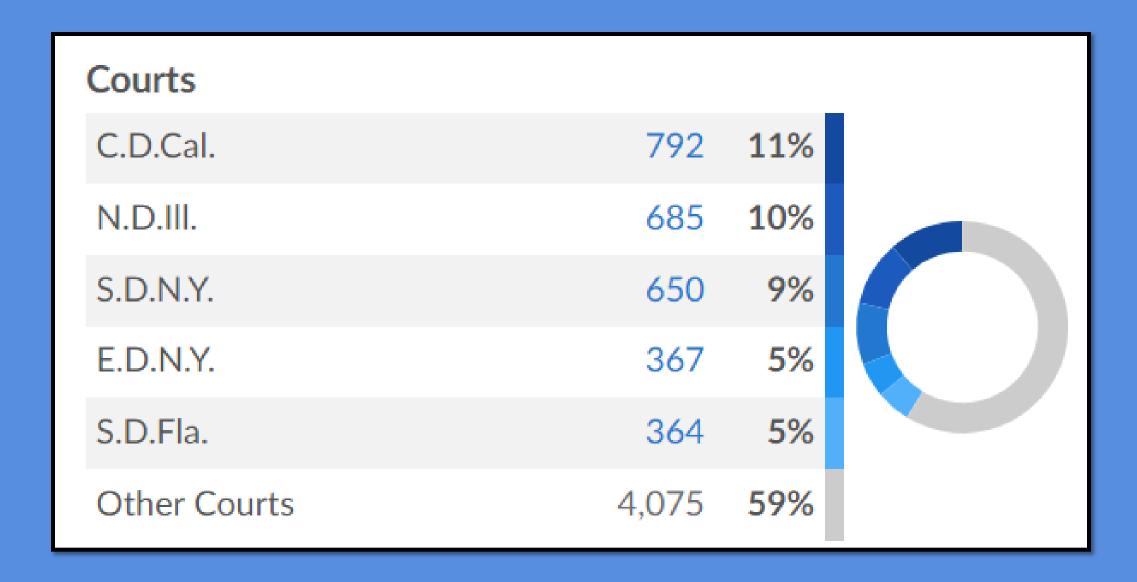
2023 Filing Statistics



2014-2023 Copyright Filing Statistics



2023 Copyright Filing Statistics



2023 Copyright Filing Statistics

Showing 6,933 Copyright cases; filed between 2023-01-01 and 2023-12-31

Analytics: Summary Timing Law Firms Attorneys Parties Case Resc

Top Plaintiffs

Strike 3 Holdings, LLC

Prepared Food Photos, Inc.

Broadcast Music, Inc.

Christopher Sadowski

August Image, LLC

Copyright Claims Board



Copyright Claims Board (CCB)

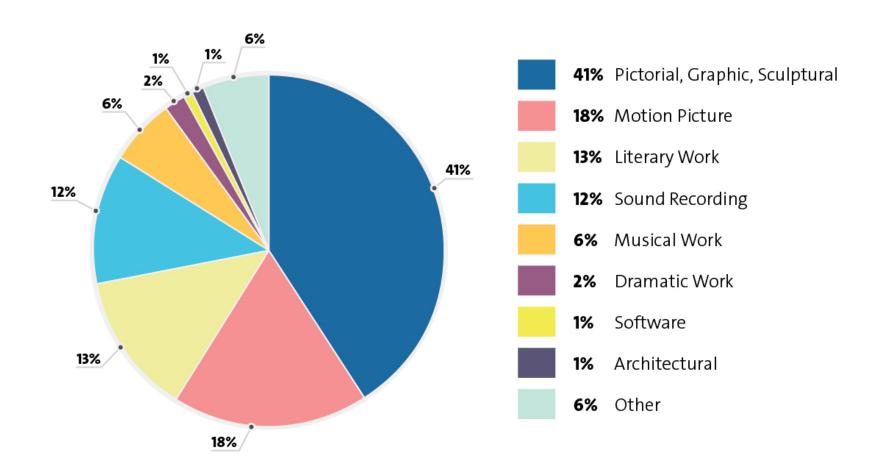
- In 2023 ~ 419 claims filed, 148 still active
- 16 final determinations through 12/31/23:
 - 6 settlement approvals
 - 8 default judgments (statutory damages ranging from \$1,200-\$3,000
 - 2 contested cases with statutory damages awards
 - Oppenheimer v. Prutton = \$1,000
 - Corjulo v. Mandrell \$750 x 3 works = \$2,250



Copyright Claims Board (CCB)

Type of Work as Identified by the Claimant

DATA COVERS PERIOD FROM 6/16/2022-10/31/2023





Legislation & Policy



Legislation & Policy

- In February, "American Music Fairness Act of 2023" introduced in House (H.R. 781) and Senate (S. 253). Would amend section 106(6) to read "in the case of sound recordings, to perform the copyrighted work publicly by means of an audio transmission."
- In August, the Copyright Office issued of notice of inquiry on Artificial Intelligence and Copyright and received over 10,000 comments.
- In October, a bipartisan group of senators introduced a discussion draft of the "NO FAKES Act," which would make it unlawful to produce a digital replica of an individual's voice or visual likeness without their consent, subject to exclusions for representations in expressive works such as documentaries, biographies and parody/satire.





Artificial Intelligence



Thaler v. Perlmutter, 2023 WL 5333236 (D.D.C. Aug. 18, 2023)

Upholds denial of copyright registration for artwork generated entirely by Al



A Recent Entrance to Paradise



U.S. Copyright Off., Zarya of the Dawn (Registration No. VAu001480196)

- Copyright in text and selection and arrangement of images
- No copyright in images themselves, which were generated by Midjourney

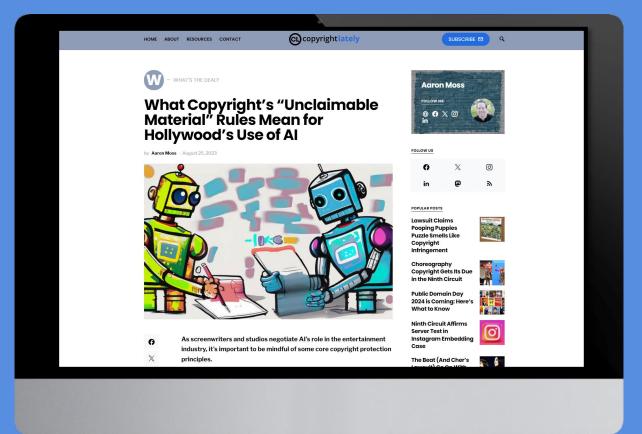




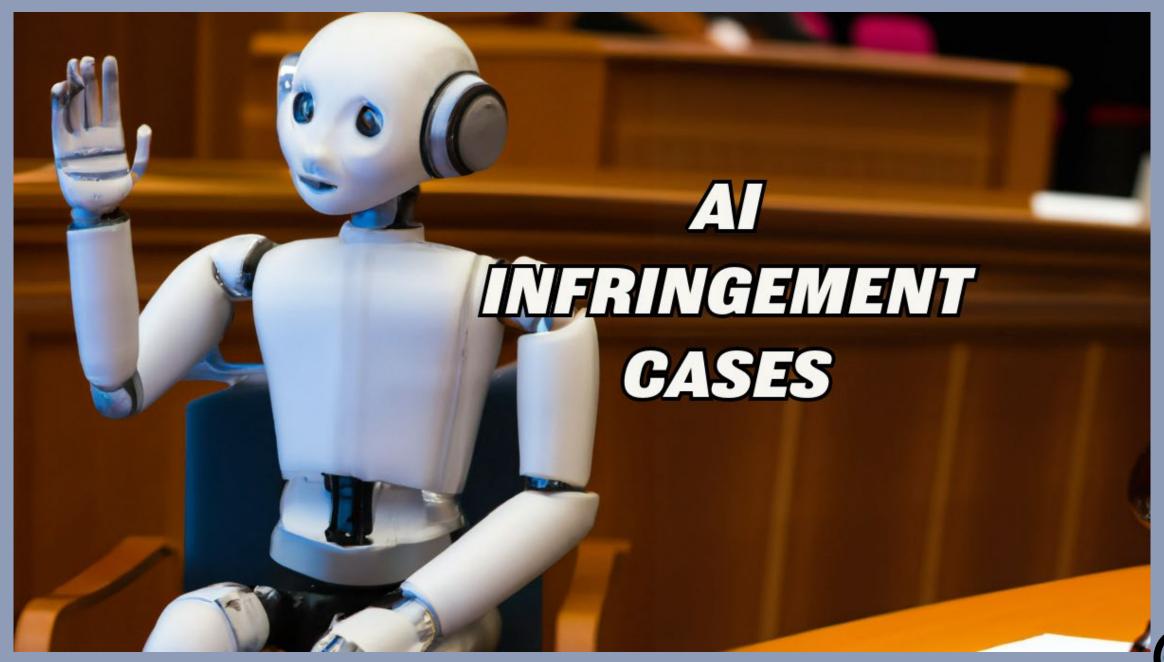


37 C.F.R. Part 202, Copyright Office Guidance: Works Containing Material Generated by Artificial Intelligence March 16, 2023

- Copyright Office policy statement: Al is a new category of "unclaimable material"
- Appreciable amount of unclaimable material must be disclosed and disclaimed in copyright registration







Authors Guild v. Open AI

Chabon v. OpenAI Sarah Silverman v. OpenAI, Inc. Richard Kadrey v. Meta Platforms, Inc. Thomson Reuters Enterprise Centre GmbH et al v. ROSS Intelligence Inc.

Sarah Andersen v. Stability AI Ltd

Getty Images (US), Inc. v. Stability AI Ltd

Paul Tremblay v. OpenAI, Inc.

J.L. v. Alphabet Inc Doe 1 v. Github, Inc.

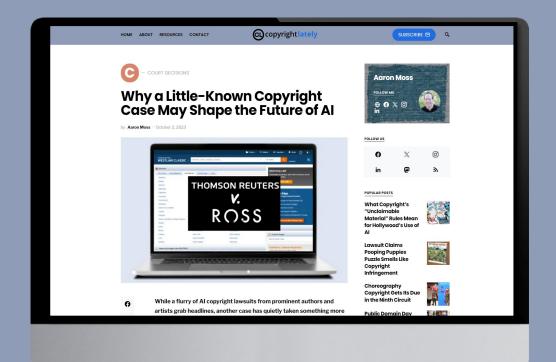
Chabon v. Meta Platforms

New York Times v. Microsoft

Thomson Reuters Enter. Ctr. GmbH v. Ross Intel. Inc., 2023 WL 6210901 (D. Del. Sept. 25, 2023)

"Deciding whether the public's interest is better served by protecting a creator or a copier is perilous, and an uncomfortable position for a court. Copyright tries to encourage creative expression by protecting both. Here, we run into a hotly debated question: Is it in the public benefit to allow AI to be trained with copyrighted material?"

Jury trial set for August 2024





Al Infringement Cases

training stage

output stage

battle of analogies



The New York Times Company v. Microsoft, No. 23-cv-11195 (S.D.N.Y.)

Output from GPT-4:

many of America's other global companies — aren't nearly as avid in creating American jobs as other famous companies were in their heydays.

Apple employs 43,000 people in the United States and 20,000 overseas, a small fraction of the over 400,000 American workers at General Motors in the 1950s, or the hundreds of thousands at General Electric in the 1980s. Many more people work for Apple's contractors: an additional 700,000 people engineer, build and assemble iPads, iPhones and Apple's other products. But almost none of them work in the United States. Instead, they work for foreign companies in Asia, Europe and elsewhere, at factories that almost all electronics designers rely upon to build their wares.

"Apple's an example of why it's so hard to create middle-class jobs in the U.S. now," said Jared Bernstein, who until last year was an economic adviser to the White House. "If it's the pinnacle of capitalism, we should be worried."

Apple executives say that going overseas, at this point, is their only option. One former executive described how the company relied upon a Chinese factory to revamp iPhone manufacturing just weeks before the device was due on shelves. Apple had redesigned the iPhone's screen at the last minute,

Actual text from NYTimes:

many of its high-technology peers — are not nearly as avid in creating American jobs as other famous companies were in their heydays.

Apple employs 43,000 people in the United States and 20,000 overseas, a small fraction of the over 400,000 American workers at General Motors in the 1950s, or the hundreds of thousands at General Electric in the 1980s. Many more people work for Apple's contractors: an additional 700,000 people engineer, build and assemble iPads, iPhones and Apple's other products. But almost none of them work in the United States. Instead, they work for foreign companies in Asia, Europe and elsewhere, at factories that almost all electronics designers rely upon to build their wares.

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The New York Times Company v. Microsoft, No. 23-cv-11195 (S.D.N.Y.)

Example 2: As Thousands of Taxi Drivers Were Trapped in Loans, Top Officials Counted the Money

https://www.nytimes.com/2019/05/19/nyregion/taxi-medallions.html

Copyright number: TX 8-800-006 Effective Date: 2019-07-08

Prompt (taken from article):

[Read Part 1 of The Times's investigation: How Reckless Loans Devastated a Generation of Taxi Drivers]

At a cramped desk on the 22nd floor of a downtown Manhattan office building, Gary Roth spotted a looming disaster.

An urban planner with two master's degrees, Mr. Roth had a new job in 2010 analyzing taxi policy for the New York City government. But almost immediately, he noticed something disturbing: The price of a taxi medallion — the permit that lets a driver own a cab — had soared to nearly \$700,000 from \$200,000. In order to buy medallions, drivers were taking out loans they could not afford.

Mr. Roth compiled his concerns in a report, and he and several colleagues warned that if the city did not take action, the loans would become unsustainable and the market could collapse.

They were not the only ones worried about taxi medallions. In Albany, state inspectors gave a presentation to top officials showing that medallion owners were not making enough money to support their loans. And in Washington, D.C., federal examiners repeatedly noted that banks were increasing profits by steering cabbies into risky loans.

They were all ignored.

Medallion prices rose above \$1 million before crashing in late 2014, wiping out the futures of thousands of immigrant drivers and creating a crisis that has continued to ravage the industry today. Despite years of warning signs, at least seven government agencies did little to stop the collapse, The New York Times found.

Instead, eager to profit off medallions or blinded by the taxi industry's political connections, the agencies that were supposed to police the industry helped a small group of bankers and brokers to reshape it into their own moneymaking machine, according to internal records and interviews with more than 50 former government employees.

For more than a decade, the agencies reduced oversight of the taxi trade,

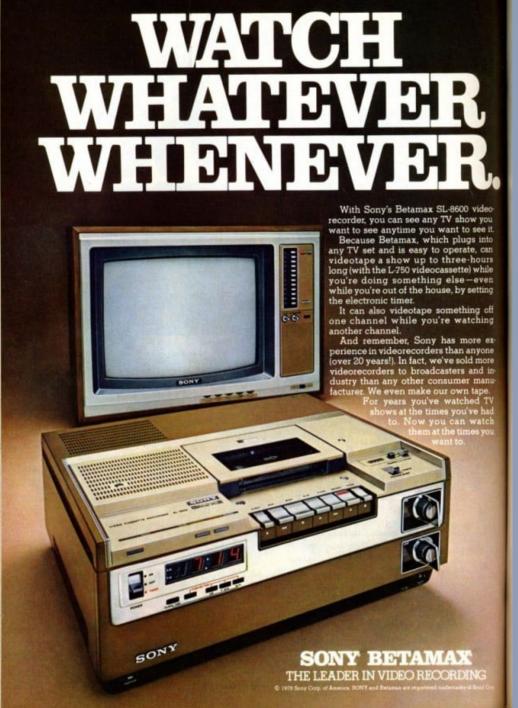


Al Infringement Cases

battle of analogies



Stable Diffusion, collage tool that with rights of artists.







Thank You!



amoss@ggfirm.com aaron@copyrightlately.com



