

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

EVOX PRODUCTIONS, LLC,
Plaintiff,
v.
VERIZON MEDIA INC. *et al.*,
Defendants.

Case No.: CV 20-2852-CBM-(JEMx)

**ORDER RE: DEFENDANTS'
MOTION TO DISMISS THE FIRST
AMENDED COMPLAINT [57]**

JS-6

18 The matter before the Court is Defendants Verizon Media, Inc. ("Verizon"),
19 Yahoo! Inc. ("Yahoo"), and Oath Inc.'s ("Oath") (collectively, "Defendants")
20 Motion to Dismiss the First Amended Complaint (the "Motion") pursuant to
21 Federal Rules of Civil Procedure 12(b)(6). (Dkt. No. 57.)

22
23
24
25
26
27
28

I. BACKGROUND

This action arises from Defendants' alleged unauthorized use of Plaintiff Evox Productions, LLC's ("Plaintiff's" or "Evox's") copyrighted digital images and photographs and Plaintiff's trademarks included on the digital images after Defendant Yahoo! Inc. cancelled the licensing agreement with Plaintiff in 2016. Plaintiff filed a complaint on March 27, 2020 asserting two causes of action against Defendants: (1) copyright infringement; and (2) federal trademark

1 infringement. On August 19, 2020, the Court granted Defendants' Motion to
2 Dismiss Plaintiff's trademark infringement claim without leave to amend. (Dkt.
3 No. 35.) On May 5, 2021, the Court granted Defendants' Motion for Judgment on
4 the Pleadings on Plaintiff's copyright infringement claim and dismissed the
5 copyright claim with leave to amend. (Dkt. No. 51 (the "Order").) The Court
6 found Plaintiff's copyright infringement claim was premised on a "making
7 available" theory which failed as a matter of law based on the Ninth Circuit's
8 decision in *VHT, Inc. v. Zillow Group, Inc.*, 918 F.3d 723 (9th Cir. 2019). (*Id.*)
9 The Court granted Plaintiff leave to amend to allege additional facts regarding
10 Defendants' actual display and distribution of the copyrighted photographs and
11 stated "[a]ny amended complaint filed by Plaintiff cannot assert a claim for
12 copyright infringement based on the 'making available' theory foreclosed by
13 *VHT, Inc. v. Zillow Group, Inc.*, 918 F.3d 723 (9th Cir. 2019)." (*Id.*) On May 21,
14 2021, Plaintiff filed the First Amended Complaint ("FAC") which asserts a single
15 cause of action for copyright infringement under 17 U.S.C. §§ 501 *et seq.*
16 Defendants move to dismiss the FAC on the ground Plaintiff's copyright
17 infringement claim fails as a matter of law because it is still based on a "making
18 available" theory.

19 II. LEGAL STANDARD

20 A court may dismiss a complaint for "failure to state a claim upon which
21 relief can be granted" pursuant to Federal Rule of Civil Procedure 12(b)(6). To
22 survive a motion to dismiss pursuant to Rule 12(b)(6), the Complaint "must
23 contain sufficient factual matter, accepted as true, to 'state a claim to relief that is
24 plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 663 (2009) (quoting *Bell*
25 *Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A claim is facially
26 plausible when the plaintiff pleads factual content that allows the court to draw the
27 reasonable inference that the defendant is liable for the misconduct alleged.
28 *Salameh v. Tarsadia Hotel*, 726 F.3d 1124, 1129 (9th Cir. 2013). The plausibility

1 standard requires more than the sheer possibility or conceivability that a defendant
 2 has acted unlawfully. *Id.* A formulaic recitation of the elements of a cause of
 3 action will not suffice. *Twombly*, 550 U.S. at 555.

4 III. DISCUSSION

5 The Copyright Act grants the owner of a copyright the exclusive right “to
 6 display the copyrighted work publicly.” 17 U.S.C. § 106(5) (emphasis added).¹
 7 The Copyright Act also provides that the owner of a copyright has the exclusive
 8 right “to distribute copies or phonorecords of the copyrighted work to the public
 9 by sale or other transfer of ownership, or by rental, lease, or lending.” 17 U.S.C. §
 10 106(3) (emphasis added). “[I]n the electronic context, copies may be distributed
 11 electronically.” *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1162 (9th
 12 Cir. 2007) (citing *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 498 (2001)).

13 Here, the FAC alleges:

- 14 1. After Defendants’ right to reproduce, distribute and display the
 15 copyrighted photographs pursuant to the parties’ licensing
 16 agreement terminated on May 4, 2016, “Yahoo! recklessly or
 17 intentionally failed to remove the Copyrighted Photographs
 18 from public display or take any steps to prevent the possibility
 19 of further reproduction, distribution or display of the
 20 Copyrighted Photographs. Instead, Yahoo! continued to
 21 reproduce, distribute and display the Copyrighted Photographs
 22 after August 2, 2016 without permission or authorization,
 23 including, but not limited to, on Yahoo!’s Auto website and
 24 Yahoo!’s Tumblr website.” (FAC ¶ 24);
- 25 2. “Any internet user could visit Yahoo!’s blog and access,
 26 reproduce, and display all of the Copyrighted Photographs
 27 (sometimes through a free registered account). Internet users
 28 could also interact with the Copyrighted Photographs on
 Tumblr or other social media. . . . users could download and
 copy the Copyrighted Photographs to their own computers;
 users could create their own Tumblr blog and “re-blog” the
 Copyrighted Photographs (that would be reproduced, displayed
 and distributed by Yahoo!); users could link the Copyrighted
 Photographs to other social media websites via shortcuts that
 Yahoo! supplied; users could “like” or “unlike” the
 Copyrighted Photographs on either Yahoo!’s Tumblr blog or

¹ Under the Copyright Act, “[t]o ‘display’ a work means to show a copy of [a work], either directly or by means of a film, slide, television image, or any other device or process.” 17 U.S.C. § 101.

on any blog where the Copyrighted Photographs had been “reblogged.” (*Id.* ¶ 29);

3. “After August 2, 2016, Yahoo! continued to reproduce, display and distribute the Copyrighted Photographs from Yahoo!’s servers via Yahoo!’s Tumblr blog. The Copyrighted Photographs were reproduced, distributed and displayed on Yahoo!’s Tumblr blog to any member of the public who visited Yahoo!’s ‘evox on Yahoo’ Tumblr blog or any other Tumblr blog that had reblogged the Copyrighted Photograph(s). The Copyrighted Photographs were actually reproduced, distributed and displayed by Yahoo! after August 2, 2016, including, by way of example, in October 2016.” (*Id.* ¶ 30);
4. After Plaintiff first discovered Yahoo’s continued reproduction, distribution and display of Plaintiff’s copyrighted photographs on Yahoo’s Tumblr page in October 2016, Plaintiff conducted an investigation through a third-party investigator who “created a browsable copy of all of Yahoo!’s Tumblr posts and a complete log of its transactions with Yahoo!’s servers, which show that the Copyrighted Photographs were reproduced, distributed and displayed by Yahoo! to the third party investigator in or around October 2016.” (*Id.* ¶ 32); and
5. “Yahoo! also maintained a separate Yahoo! Autos website. The main landing page of the website reproduced, distributed and displayed [Plaintiff’s] Copyrighted Photographs. Additional Copyrighted Photographs were reproduced, distributed and displayed on subpages of the website. The Yahoo! Autos webpages that reproduced, distributed and displayed [Plaintiff’s] Copyrighted Photographs were available and accessible to any internet user through at least October 2016. After August 2, 2016, certain of the Copyrighted Photographs were reproduced, distributed and displayed from Yahoo!’s servers via the Yahoo! Autos webpages. At a minimum, the Copyrighted Photographs were reproduced, distributed and displayed in October 2016 as part of EVOX’s investigation.” (*Id.* ¶¶ 37-38).

Defendants argue the FAC’s allegations demonstrate Plaintiff’s copyright infringement claim is still based on Defendants allegedly making Plaintiff’s photographs available on Tumblr and Yahoo’s Autos website, which is foreclosed by this Court’s Order and Ninth Circuit authority.

Plaintiff argues the FAC has sufficiently alleged facts satisfying the “publicly” and “to the public” requirement by alleging that Yahoo’s Tumblr page and Yahoo’s Autos website were “open to the public” (citing FAC ¶¶ 25, 27, 29) and Yahoo did not restrict access to Tumblr and anyone could browse Tumblr

(FAC ¶¶ 27, 29) and therefore it has satisfied the “publicly” and “to the public” requirements to state a claim for violation of its display and distribution rights under the Copyright Act. Plaintiff thus contends the fact that Yahoo displayed the copyrighted photographs on its Tumblr page and Auto website “by their very nature” shows that they were “open to the public.” Plaintiff relies on the Copyright Act’s definition “[t]o perform or display a work ‘publicly’” as “to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered.” 17 U.S.C. § 101.

While Plaintiff attempts to reframe its theory of liability as “open to the public,” Plaintiff’s theory for copyright infringement is still premised on Defendants allegedly making the copyrighted photographs available to the public on Tumblr and the Auto website which has been expressly rejected by the Ninth Circuit. *See VHT*, 918 F.3d at 736 (rejecting the plaintiff’s contention that the defendant violated the Copyright Act based on a making available theory, reasoning “[t]his theory presumes that the Copyright Act’s display right encompasses an exclusive right to ‘make available for display,’ a position neither supported by the statute nor embraced by this court”); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1162 (9th Cir. 2007) (reviewing the plain language of the Copyright Act and rejecting the contention that “merely making images ‘available’ violates the copyright owner’s distribution right); *see also SA Music, LLC v. Amazon.com, Inc.*, 2020 WL 3128534, at *2-*3 (W.D. Wash. June 12, 2020); *Zuffa, LLC v. Latham*, 2020 WL 4458920, at *2 (N.D. Cal. Feb. 26, 2020)).²

². The majority of the cases relied on by Plaintiff are out of circuit decisions, were decided prior to the Ninth Circuit’s *VHT* decision, and/or do not concern a work that was stored electronically, and are therefore inapposite or not binding on this Court. *See Columbia Pictures Indus., Inc. v. Redd Horne, Inc.*, 749 F.2d 154 (3d Cir. 1984); *Columbia Pictures Indus., Inc. v. Aveco, Inc.*, 800 F.2d 59 (3d Cir. 1996); *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199 (4th Cir. 1997); *Elohim EPF USA, Inc. v. Total Music Connection, Inc.*, 2015 WL

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.