

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW HAMPSHIRE

D'Pergo Custom Guitars, Inc.

v.

Sweetwater Sound, Inc.

Civil No. 17-cv-747-LM
Opinion No. 2020 DNH 003

O R D E R

D'Pergo Custom Guitars, Inc. ("D'Pergo") brings this suit against Sweetwater Sound, Inc. ("Sweetwater"), alleging claims of copyright and trademark infringement and violations of the New Hampshire Consumer Protection Act ("CPA"). D'Pergo alleges that Sweetwater used a copyrighted photograph of D'Pergo's trademarked custom guitar necks and headstock to promote and sell Sweetwater products on Sweetwater's website. Sweetwater moves for summary judgment on all of D'Pergo's claims. Doc. no. [111](#). D'Pergo moves for summary judgment on its copyright infringement claim. Doc. no. [112](#). The opposing party objects to each motion.

STANDARD OF REVIEW

A movant is entitled to summary judgment if it "shows that there is no genuine dispute as to any material fact and [that it] is entitled to judgment as a matter of law." [Fed. R. Civ.](#)

P. 56(a). In reviewing the record, the court construes all facts and reasonable inferences in the light most favorable to the nonmovant. [Kelley v. Corr. Med. Servs., Inc.](#), 707 F.3d 108, 115 (1st Cir. 2013). "Where the parties file cross-motions for summary judgment, [the court] employ[s] the same standard of review, but view[s] each motion separately, drawing all inferences in favor of the nonmoving party." [Fadili v. Deutsche Bank Nat. Tr. Co.](#), 772 F.3d 951, 953 (1st Cir. 2014).

BACKGROUND¹

D'Pergo manufactures and sells custom guitars. In 2003, D'Pergo's owner, Stefan Dapergolas, created a photograph showcasing a number of D'Pergo's unique guitar necks and headstock, which D'Pergo published to its website (the "Photograph"). D'Pergo used the Photograph on its website from 2003 - 2006, after which it took down the Photograph and replaced it with professional photography.

Sweetwater is a retailer that sells musical instruments, including guitars, through its website. In 2004, Sweetwater copied the Photograph and published it on Sweetwater's website. More specifically, Sweetwater used the Photograph in its

¹ The facts in this section are taken from Sweetwater's statement of undisputed material facts, see doc. no. [111-1](#) at 2-8, and are not challenged by D'Pergo, see doc. no. [125](#) at 1.

"Electric Guitar Buying Guide" (the "Buying Guide"), in the section titled "Guitar necks explained."² The end of the Buying Guide features a number of guitars from various manufacturers for purchase (not D'Pergo's), as well as a hyperlink to "Shop for Electric Guitars."

In January 2015, Dapergolas learned that Sweetwater was using the Photograph in the Buying Guide. D'Pergo later applied for and was granted a copyright registration for the Photograph from the Copyright Office.

In January 2016, D'Pergo contacted Sweetwater about the Photograph and Sweetwater removed the Photograph from its website. D'Pergo subsequently trademarked its headstock design depicted in the Photograph.

D'Pergo then brought this lawsuit in December 2017. It asserts five claims: (1) copyright infringement in violation of the Copyright Act (Count I); (2) unfair competition in violation of the CPA (Count II); (3) deceptive business practices in violation of the CPA (Count III); (4) false designation of origin and unfair competition in violation of the Lanham Act (Count IV); and (5) trademark infringement in violation of the Lanham Act (Count V).

² The exact circumstances under which Sweetwater copied and published the Photograph are unclear from the record. Sweetwater represents that it has been unable to determine who posted the Photograph in the Buying Guide in 2004.

DISCUSSION

Sweetwater moves for summary judgment on all of D'Pergo's claims. D'Pergo moves for summary judgment on its copyright infringement claim in Count I. The opposing party objects to each motion.

I. Sweetwater's Motion

Sweetwater states in its motion for summary judgment that it concedes it used the Photograph without permission in the Buying Guide. It contends, however, that it is entitled to summary judgment on D'Pergo's claims for various reasons. The court addresses each claim in turn.

A. Copyright Infringement (Count I)

"To establish copyright infringement under the Copyright Act, 'two elements must be proven: 1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.'" [Johnson v. Gordon](#), 409 F.3d 12, 17 (1st Cir. 2005) (quoting [Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.](#), 499 U.S. 340, 361 (1991)). Once a plaintiff establishes both elements, it may seek to recover statutory damages, actual damages, and infringing profits under the Copyright Act. [See](#) [17 U.S.C. § 504](#).

Sweetwater does not address the elements of a copyright infringement claim in its motion. Instead, it argues that it is entitled to summary judgment because D'Pergo cannot recover damages for that claim.

As Sweetwater notes, the court held in a previous order that D'Pergo is not entitled to statutory damages because D'Pergo did not register its copyright before Sweetwater's alleged infringement began. See doc. no. 43 at 8 (citing 17 U.S.C. § 412). Sweetwater contends that the record evidence shows that D'Pergo cannot recover actual damages or infringing profits. D'Pergo argues that there is a genuine issue of material fact as to whether it can recover either category of damages.

1. Actual damages

In a copyright infringement case, actual damages "consist of all income and profits lost as a consequence of the infringement." Bruce v. Weekly World News, Inc., 310 F.3d 25, 28 (1st Cir. 2002). In addition, in "some cases, a hypothetical license fee is a permissible basis for determining a plaintiff's 'actual damages' arising from an infringement."³ Real View, LLC.

³ Actual damages may also include injury to the market value of the copyrighted work. See World Wide Video, LLC v. Pagola, No. CV 08-10391-RWZ, 2009 WL 10693580, at *1 (D. Mass. Oct. 8,

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