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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MICHAEL GRECCO PRODUCTIONS, INC., :
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 : Plaintiff, :
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 : -against- :
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 : VALUEWALK, LLC and JACOB O. WOLINSKY, :
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 : Defendants. :
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1:16-cv-6171-GHW

OPINION AND ORDER

GREGORY H. WOODS, United States District Judge:

Michael Grecco is a professional photographer, whose celebrity portraits and editorial images have appeared in publications such as Time, Vanity Fair, and Forbes. Grecco contracts with clients through Michael Grecco Productions (“MGP”), his photography studio and business. This matter arises from a copyrighted photograph that Grecco took for Barron’s, a financial news outlet. Valuewalk, LLC is a competitor of Barron’s, owned and operated by Jacob Wolinsky. After the Barron’s article was published, Valuewalk issued its own article on the same subject, illustrated by a photograph identical to the one Grecco had taken—without MGP’s permission. MGP brought this action, alleging that Valuewalk and Wolinsky directly infringed on its copyright in the image, that Wolinsky is vicariously and contributorily liable for Valuewalk’s infringement, and that Valuewalk and Wolinsky have violated the Digital Millennium Copyright Act by intentionally removing the information identifying Grecco as the author of the work.

Before the court are cross motions for partial summary judgment. MGP seeks judgment on Valuewalk’s liability for copyright infringement, Wolinsky’s liability for vicarious infringement, and the affirmative defenses asserted by Defendants under the fair use doctrine, the safe harbor provisions of the Digital Millennium Copyright Act, the misuse-of-copyright defense, and the statute of limitations of the Copyright Act. Pl.’s Mot. for Part. Summ. J. (ECF No. 99). Defendants seek

judgment dismissing Plaintiff's direct, contributory, and vicarious infringement claims against Wolinsky, as well as judgment regarding the alleged Digital Millennium Copyright Act violation by both Defendants. Defs.' Mot. for Part. Summ. J. Defs.' Mot. for Part. Summ. J. (ECF No. 78).

Because the photographs at issue here are substantially identical and publishing the image as an illustration to an article—the exact purpose for which the image was created—does not qualify as fair use, Plaintiff's motion is granted in part and denied in part; Defendants' motion is denied in whole.

I. BACKGROUND¹

A. Facts

Michael Grecco is a professional photographer who specializes in celebrity portraiture, working with notable figures such as Martin Scorsese, Robert Duvall, and Lucy Liu. Compl. ¶ 7. Grecco's photos have appeared in *Time*, *Vanity Fair*, *Forbes*, and several other well-regarded publications. *Id.* Grecco contracts with clients through Plaintiff Michael Grecco Productions ("MGP"), his photography studio and business. *Id.* at 6. Grecco earns money by taking editorial photos for publishers and licensing his photos for fees as high as \$13,500. *Id.*; Ex. 22 to Pl.'s Mot. for Part. Summ. J. (ECF No. 99-21) ("ImageRights Subpoena Response") at 13–14.

Grecco is also an advocate for copyright enforcement. He educates photographers on ways to protect their intellectual property rights and serves on the Advocacy Committee of the APA, which "fights for the rights of image creators." Compl. ¶¶ 9–10. Grecco dedicates his time and money to finding instances of copyright infringement and subsequently enforcing his rights under the Copyright Act. *Id.* ¶ 11.

1. The Barron's Assignment

In February of 2011, Barron's, a financial news outlet, hired Grecco to take the photo at

¹ The following facts are undisputed unless otherwise noted.

issue in this case. Defs.' 56.1 Stmt. ¶ 2; Ex. 2 to Pl.'s Mot. for Part. Summ. J. (ECF No. 99-2) ("Barron's Email to Grecco").² The assignment was for a cover story profiling Jeffrey Gundlach, a prominent bond trader. *Id.* Grecco took a studio portrait of Gundlach, looking intently at the camera with his arm clenched in a fist across his chest (the "Gundlach Image"). Ex. 4 to Pl.'s Mot. for Part. Summ. J. (ECF No. 99-4) ("Barron's Article"). In the photo, Gundlach is positioned in front of a staircase with a spotlight illuminating the left side of his face. *Id.* Grecco digitally processed and retouched the photo to prepare it for publication. Ex. 3 to Pl.'s Mot. for Part. Summ. J. (ECF No. 99-3) ("MGP Invoice"). For his work, Grecco was paid \$2,220.60, which included a creative fee and a fee for editing the photo. *Id.*

The Barron's article on Gundlach, entitled "The King of Bonds," was published in February 21, 2011. Barron's Article. The photograph appeared in Barron's cover story in both its print and on-line editions. Defs.' 56.1 Stmt. ¶ 2. In both the print and online versions, the text "Michael Grecco for Barron's" appears in a "gutter credit" beneath the Gundlach image. *Id.* ¶ 3. Barron's employs a paywall on its website, blocking public access from certain articles without a subscription. At some point in time, the paywall applied to the Gundlach article. Ex. 4 to Ray Decl. (ECF No. 73-4) ("Barron's Paywall Page").

Barron's stores the image on its server at http://si.wsj.net/public/resources/images/BA-AV026_Gundla_G_20110218174010.jpg, where it is still available today. *Id.* ¶ 4; Ex. 5 to Pl.'s Mot. for Part. Summ. J. (ECF No. 99-5) ("Barron's Server"). The photograph also appears as a search result on Google image, and displays the copyright information identifying Grecco as the photographer with a link to the Barron's article. Ex. 6 to Ray Decl. (ECF No. 73-6) ("Google Image

² References to "Defs.' 56.1" are to the Rule 56.1 counterstatement submitted in connection with MGP's motion. References to "Pl.'s 56.1" are to the Rule 56.1 counterstatement submitted in connection with Valuewalk and Wolinsky's motion. In both cases, the Rule 56.1 counterstatements contain both the assertions of the moving party and the responses of the non-moving party.

Search Result”).

2. The Copyright Registration

MGP registered its copyright in the Gundlach image with the United States Copyright Office on February 20, 2011 as Registration No. VAu 1-058-559. Defs.’ 56.1 Stmt. ¶ 5; Ex. 6 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-6) (“Certificate of Registration”). Under the terms of its agreement with Barron’s, MGP retained copyright ownership and licensed the work to Barron’s for its use in the “King of Bonds” article. Defs.’ 56.1 Stmt. ¶ 2. MGP offers a stock license for the Gundlach image for \$3,372.00. Defs.’ 56.1 Stmt. ¶ 6; Ex. 8 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-9) (“License Website”).

3. Valuwalk and Wolinsky

Defendant Valuwalk is a New York based limited liability company, organized under New Jersey law. Defs.’ 56.1 Stmt. ¶ 41; Ex. 10 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-11) (“Valuwalk Company Page”). Valuwalk owns www.valuwalk.com, a financial news outlet which is a competitor of Barron’s. *Id.* ¶ 24. Like Barron’s, Valuwalk publishes articles on financial topics and often supplements articles with photographs and graphics. Pl.’s 56.1 Stmt. at ¶¶ 3, 20.

Defendant Wolinsky is Valuwalk’s owner, sole member, its chief executive officer, and is responsible for its administrative and financial affairs. *Id.* at ¶¶ 2, 10; Valuwalk Company Page. Defendants contend that Wolinsky does not review or edit all articles prior to publication. *Id.* at ¶¶ 27–28; Ex. 7-A to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-7) (“Wolinsky Dep.”) at 30:19–20. However, in his deposition, Wolinsky admitted that he has broad decision-making power to determine what content was published on [Valuwalk.com](http://www.valuwalk.com). Wolinsky Dep. at 330:5–331:8. In his deposition, Wolinsky also admitted that, as Editor-in-Chief, “I could technically have final say over any material—any article we publish.” *Id.* at 30:12-14.; *see also* 331:3–8 (Wolinsky answering “[I]f I want to, I could” in response to a question asking whether he can make a decision about what gets

published on Valuewalk.com). Wolinsky states that he is not always involved in editorial decision-making, but when he is, no person at Valuewalk.com has authority to overrule his editorial decisions. Wolinsky Dep. at 38:13–21.

Valuewalk earns revenue from the sale of advertisements displayed on Valuewalk.com, which is the site’s main source of revenue. Defs.’ 56.1 Stmt. ¶ 34; Wolinsky Dep. at 44:14. Valuewalk displayed advertisements to readers who visited the Gundlach Resource Page and admits that it published the Resource Page to generate advertising revenue from reader page views. Defs.’ 56.1 Stmt. ¶¶ 35–36. Wolinsky earns a salary, profits, and distributions from the advertising revenue generated by the number of page views on published articles. *Id.* ¶¶ 38–39.

4. Valuewalk’s Company Policies

Valuewalk relies on contractors to create its content. *Id.* ¶ 29. The contractors are given assignments by Wolinsky and Valuewalk, and are paid piece-rate by word or article. *Id.*; Wolinsky Dep. 110:1–111:3; Ex. 23 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-22) (“Valuewalk Page Instructions”).

Valuewalk has previously used photographs on its website without properly identifying the author. Ex. 25 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-24) (“Barclays Image”); Ex. 26 to Pl.’s Mot. for Part. Summ. J. (ECF No. 99-25) (“AP Image”). Wolinsky has previously ignored allegations of infringement on the Valuewalk site. *See* Wolinsky Dep. at 134:9–18; Ex. 13 to Pl.’s 56.1 Stmt. (ECF No. 92-13) (“Trent Email Chain”); Ex. 21 to Pl.’s 56.1 Stmt. (ECF No. 92-21) (“Effie Gang Email Chain”). In March of 2015, the same year the alleged infringement here was discovered, a different photographer emailed Wolinsky to inform him that a photo he had taken for Barron’s was posted on Valuewalk without a license, and as such, Valuewalk was required to pay a fee for its use. Trent Email Chain. Wolinsky instructed a Valuewalk employee to remove the copyrighted image without responding to the photographer and refused to pay the fee, even after

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