

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

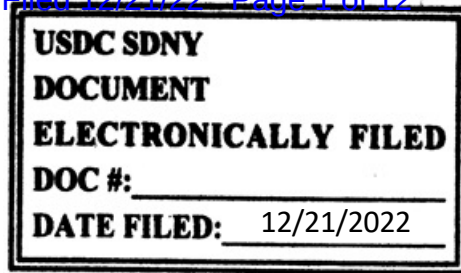
Shae Petersen,

Plaintiff,

-against-

Diesel Power Gear LLC et al.,

Defendants.



1:21-cv-08827 (SDA)

OPINION AND ORDER

**STEWART D. AARON, UNITED STATES MAGISTRATE JUDGE:**

Plaintiff Shae Petersen (“Plaintiff” or “Petersen”), known professionally as “SRIL,” is an artist who creates murals on building walls, including commissioned murals for clients such as the Utah Jazz, Patagonia, BYU and Reddit. (*See* Compl., ECF No. 1, ¶ 12.) This action arises from a copyrighted mural created by Petersen, a copy of which was used online by Diesel Power Gear, LLC (“Diesel”), without Petersen’s permission. (*See id.* ¶¶ 13-18.) Petersen brought this action, alleging that Diesel and three of its principals, David Sparks (“Sparks”), David Kiley (“Kiley”) and Josh Stuart (“Stuart”)<sup>1</sup> directly infringed on Petersen’s copyright in the mural; that Sparks, Kiley and Stuart are vicariously and contributorily liable for Diesel’s infringement; and that Defendants violated the Digital Millennium Copyright Act (“DMCA”) by intentionally removing information identifying Petersen as the author of the work. (*See id.* ¶¶ 22-39.)

Before the Court is Petersen’s motion for summary judgment, pursuant to Rule 56 of the Federal Rules of Civil Procedure, seeking partial summary judgment as to Defendants’ liability for copyright infringement and for violation of the DMCA, as well as a finding that Defendants’ conduct was willful. (Pl.’s Mot. for Part. Summ. J., ECF No. 47; Pl.’s Proposed Order, ECF No. 47-1.) Petersen

<sup>1</sup> Sparks, Kiley and Stuart collectively are referred to herein as the “Individual Defendants.” The Individual Defendants, along with Diesel, collectively are referred to herein as the “Defendants.”

thus seeks to have the action proceed to trial only on the issue of damages. (See Pl.’s Proposed Order ¶ D.) For the reasons set forth below, Petersen’s motion is GRANTED IN PART and DENIED IN PART.

## BACKGROUND

### **I. Undisputed Facts**

Petersen created an original mural, entitled “Godlike” (the “Subject Mural”), using the author identification information “SRILART.” (See Defs.’ 56.1 Response, ECF No. 63 at pp. 1-11, ¶¶ 1-2.) Petersen registered the Subject Mural with the United States Copyright Office, receiving an approved registration dated August 31, 2016 and numbered VA 2-060-694. (See *id.* ¶ 2.) At all relevant times, Petersen owned all copyrights in and to the Subject Mural. (*Id.*)

At all relevant times, Diesel’s core business model was monthly truck giveaways. (See Defs.’ Stmt. Of Add. Undisputed Facts<sup>2</sup> ¶ 2.) Each month, Diesel built a custom truck and promoted a giveaway for the truck. (See *id.*) Each \$5 spent on Diesel’s website for diesel-truck-related apparel or other diesel-truck items gave the purchaser an entry to win the truck in a raffle-type drawing. (See *id.*) Diesel promoted these truck giveaways on social media and other platforms. (See *id.*)

On at least two occasions (*i.e.*, in 2017 and 2020, as discussed further below), Diesel photographed a portion of the Subject Mural as a backdrop for a truck, and the resulting photograph was used for social media posts on Instagram and Facebook. (See Defs.’ 56.1 Response

---

<sup>2</sup> Pursuant to Local Civil Rule 56.1, a party opposing a motion for summary judgment may include with its opposition papers “additional paragraphs containing a separate, short and concise statement of additional material facts as to which it is contended that there exists a genuine issue to be tried.” S. & E.D.N.Y. L. Civ. R. 56.1(b). Defendants included with their opposition papers a Statement of Additional Undisputed Facts (“SAUF”) (Defs.’ SAUF, ECF No. 63 at pp. 11-15), but Plaintiff failed to respond to such statement. As such, each numbered paragraph contained in Defendants’ SAUF is “deemed to be admitted for purposes of the motion.” See S. & E.D.N.Y. L. Civ. R. 56.1(c).

¶ 3; Burroughs Decl., Ex. 4, ECF No. 48-1; *id.*, Ex. 6, ECF No. 48-3.) At all relevant times, Sparks, Kiley and Stuart were part owners of Diesel. (*See* Defs.’ 56.1 Response ¶ 3.)

The employees who created and posted promotional content had significant autonomy. (Defs.’ SAUF ¶ 6.) Although, as owners, Sparks, Kiley and Stuart had the right to supervise these employees, very few posts were reviewed or approved by Sparks, Kiley and/or Stuart because they were engaged in other aspects of Diesel’s business. (*Id.* ¶¶ 5-6.)

On or around March 25, 2017, Diesel’s photographer took a picture of a Diesel giveaway truck using a part of the Subject Mural as a backdrop. (Defs.’ SAUF ¶ 7.) The photograph taken by Diesel’s photographer did not include the word “SRILART,” which appeared in the upper right corner of the Subject Mural. (*Id.* ¶ 8.) Instead, the backdrop of the photograph was only a small section near the center of the Subject Mural. (*Id.* ¶ 9.) Shortly thereafter, Diesel’s social media employee posted the image as part of an Instagram or Facebook post for the then-current Diesel truck giveaway (the “2017 Post”). (*Id.* ¶ 10.)

Petersen became aware of the 2017 Post and reached out to Diesel to notify Diesel that it was not authorized to use the Subject Mural. (Defs.’ SAUF ¶ 11.) Diesel immediately—within hours of posting—took down the 2017 Post. (*Id.* ¶ 12.) At this time, Sparks informed all Diesel employees that they should not use the Subject Mural in Diesel’s promotional images. (*Id.* ¶ 13.) Between 2017 and 2020, Diesel had significant employee turnover, including but not limited to its photographer and social media employees. (*Id.* ¶ 14.)

As of June 2020, a new employee, Alec Black (“Black”), was Diesel’s photographer. (Defs.’ SAUF ¶ 15.) On or around June 28, 2020, Black was driving around the Salt Lake City area looking for a good photo backdrop for the then-current Diesel giveaway truck. (*Id.* ¶ 16.) Black saw the

Subject Mural and decided to use part of it as the backdrop for a photograph of the then-current Diesel giveaway truck. (*Id.* ¶ 17.) Black took a photograph of the then-current giveaway truck in front of part of the Subject Mural around late morning and posted it in an Instagram post around an hour later (the “2020 Post”). (*Id.* ¶ 18.)

The photograph contained in the 2020 Post did not include the word “SRILART,” which appears in the upper right corner of the Subject Mural. (Defs.’ SAUF ¶ 19.) Instead, the photo backdrop was only a small section near the center of the Subject Mural. (*Id.* ¶ 20.) Petersen reached out to Sparks regarding use of the Subject Mural in the 2020 Post. (*Id.* ¶ 22.). Sparks immediately communicated the situation to Black, who responded by removing the 2020 Post within a few hours of when it was posted. (*Id.* ¶ 23.) Each year, Diesel uses over 700 social media posts as part of its efforts to promote truck giveaways. (*Id.* ¶ 24.)

## **II. Procedural History**

On October 28, 2021, Petersen commenced this action asserting claims for copyright infringement; vicarious and contributory copyright infringement; and violations of the DMCA. (*See* Compl.) On February 14, 2022, Defendants filed their Answer. (*See* Answer, ECF No. 13.)

On October 21, 2022, Petersen filed the motion for summary judgment that is now before the Court. (*See* Pl.’s Mot. for Part. Summ. J.) On November 23, 2022, Defendants filed their opposition to Petersen’s motion. (*See* Defs.’ Opp. Mem., ECF No. 62.). On December 7, 2022, Plaintiff filed his reply. (*See* Pl.’s Reply, ECF No. 64.)

### **LEGAL STANDARDS**

Summary judgment is appropriate when “the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R.

Civ. P. 56(a); *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986) (“[S]ummary judgment is proper ‘if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.’” (quoting former Fed. R. Civ. P. 56(c))). A genuine dispute exists where “the evidence is such that a reasonable jury could return a verdict for the nonmoving party,” while a fact is material if it “might affect the outcome of the suit under the governing law.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). “Factual disputes that are irrelevant or unnecessary will not be counted.” *Id.*

The movant bears the initial burden of demonstrating “the absence of a genuine issue of material fact,” and, if satisfied, the burden then shifts to the non-movant to present “evidence sufficient to satisfy every element of the claim.” *Holcomb v. Iona Coll.*, 521 F.3d 130, 137 (2d Cir. 2008) (citing *Celotex*, 477 U.S. at 323). To defeat a motion for summary judgment, the non-movant “must come forward with ‘specific facts showing that there is a genuine issue for trial.’” *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 587 (1986) (quoting former Fed. R. Civ. P. 56(e)). “The mere existence of a scintilla of evidence in support of the [non-movant’s] position will be insufficient; there must be evidence on which the jury could reasonably find for the [non-movant].” *Anderson*, 477 U.S. at 252. Moreover, the non-movant “must do more than simply show that there is some metaphysical doubt as to the material facts,” *Matsushita*, 475 U.S. at 586 (citations omitted), and she “may not rely on conclusory allegations or unsubstantiated speculation.” *Fujitsu Ltd. v. Fed. Express Corp.*, 247 F.3d 423, 428 (2d Cir. 2001) (internal quotation marks and citation omitted).

# 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.