UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

AUGUST IMAGE, LLC,

Plaintiff,

– against –

GIRARD ENTERTAINMENT & MEDIA LLC *and* KEITH GIRARD,

Defendants.

OPINION & ORDER

21-cv-9397 (ER)

RAMOS, D.J.:

August Image, LLC ("August Image") brought this copyright infringement action, alleging that Girard Entertainment & Media ("GEM") and its owner Keith Girard (collectively, "Defendants") unlawfully violated their ownership rights in certain original celebrity photographs ("the Photos")[1] of which August Image serves as the licensing agent. Before the Court is August Image's motion for leave to file a third amended complaint pursuant to Fed. R. Civ. P. 15(a)(2). Doc. 52. For the reasons set forth below, the motion is granted.

I. BACKGROUND

August Image is a New York company that contracts with photographers to serve as the "sole and exclusive agent and representative for the licensing and use of" their works.[2] Doc. 28 (Sec. Amend. Compl. ("SAC")) ¶ 10. Gem and Girard own and operate the websites www.thenyindependent.com and www.celebrityhealthfitness.com and corresponding social media platforms. *Id.* ¶ 7. August Image alleges that, beginning in 2020, it discovered for the first time that Defendants, without August Image's consent, used the Photos on their websites in 2015. *Id.* ¶ 17. August Image therefore brought

[1] The Photos consist of eight photographs of Jennifer Lopez taken by the photographer Joseph Pugliese. *See* Doc. 53-1.

[2] In the original complaint, August Image also noted that it is an agency representing "an elite group of portrait, lifestyle, beauty, and fashion photographers for editorial and commercial licensing." Doc. 1 ¶ 2. That language was omitted from the amended complaints.

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claims for copyright infringement against Defendants on November 13, 2021. Doc 1. Defendants answered March 7, 2022. Doc. 21. On March 28, 2022, August Image amended its complaint. Doc. 22.

Two months later, on May 20, 2022, August Image amended the complaint again. Doc. 28. The SAC added claims based on vicarious and/or contributory copyright infringement and violations of the Digital Millennium Copyright Act (17 U.S.C. § 1202). *Id*. It also removed any claims based on photographs by the photographer Warwick Saint. The SAC also removed a reference to August Image being the "exclusive licensee" of the Photos. *Compare* Doc. 1 ¶ 15, *with* Doc. 28. Rather, August Image alleged:

> By virtue of contractual assignments with the respective photographers, [August Image] is the sole and exclusive agent and representative for the licensing and use of [the Photos]. Pursuant to that assignment, [August Image] has full and complete authority to institute suit for the unauthorized use of said images and is the owner of the exclusive distribution right in the photography. Thus, [August Image] is the exclusive owner of a copyright right in the Subject Photography under 17 U.S.C. § 106 and the beneficial owner under 17 U.S.C.§ 501(b) and has standing to bring this action.

Doc. 28 ¶ 10.

Defendants moved to dismiss the SAC on June 17, 2022. Doc. 32. They argued that August Image had no standing to assert the copyright claims; failed to plead facts supporting both its 17 U.S.C. § 1202 and contributory and vicarious liability claims; and only two of the allegedly infringed images were registered with the U.S. Copyright Office before the alleged infringement, meaning that all claims based on the non-registered images were facially barred by 17 U.S.C. § 412. Doc. 33. Despite the pending motion to dismiss, Defendants answered the SAC on February 21, 2023 and alleged that the answer was filed "without prejudice to its pending motion to dismiss." Doc. 44 at 1. The next day, August Image sought leave to amend its complaint again, alleging that several of the issues raised in the motion to dismiss would be mooted. Doc. 46. On March 2, 2023, the Court denied without prejudice the pending motion to dismiss the SAC as moot. Doc. 50.

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It also granted August Image leave to file a motion to amend and permitted Defendants to make their arguments as to futility and standing in opposition. Mar. 2, 2023 Minute Entry.

Plaintiff brought the instant motion for leave to file a third amended complaint on March 10, 2023. Doc. 52. The proposed third amended complaint ("PTAC") removes 143 images that were not timely registered, leaving only eight photos as the subjects of alleged copyright infringement,[3] and dismisses the secondary infringement and § 1202 claims. Doc. 53-1. With respect to its standing to bring the infringement claim, in the PTAC, August Image repeats verbatim its allegations in the SAC that it is "the sole and exclusive agent and representative for the licensing and use of [the Photos]" and that "is the owner of the exclusive distribution right in the [Photos]." *Id.* ¶ 10.

II. LEGAL STANDARD

Rule 15(a)(2) allows a party to amend its complaint pursuant to the other party's written consent or the court's leave and provides that a "court should freely give leave [to amend] when justice so requires." Motions to amend are ultimately within the discretion of the district court judge, *Foman v. Davis*, 371 U.S. 178, 182 (1962), who may deny leave to amend for "good reason, including futility, bad faith, undue delay, or undue prejudice to the opposing party." *Holmes v. Grubman*, 568 F.3d 329, 334 (2d Cir. 2009) (quoting *McCarthy v. Dun & Bradstreet Corp.*, 482 F.3d 184, 200 (2d Cir. 2007) (internal quotation marks omitted)). This is a permissive standard since the Federal Rules "accept the principle that the purpose of pleading is to facilitate a proper decision on the merits" of the case. *Conley v. Gibson*, 355 U.S. 41, 48 (1957).

An amendment to a pleading is futile if the proposed claim would not withstand a motion to dismiss pursuant to Fed. R. Civ. P. 12(b)(6). *Dougherty v. North Hempstead*

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[3] Those eight images are the two timely registered images Defendants identified (Doc. 33) as well as six images for which registration information was listed correctly in the SAC, which August Image also seeks to correct in the PTAC (Doc. 53 at 3).

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Bd. of Zoning Appeals, 282 F.3d 83, 88 (2d Cir. 2002) (citing *Ricciuti v. N.Y.C. Transit Auth.*, 941 F. 2d 119, 123 (2d Cir. 1991)). To withstand a motion to dismiss, the plaintiff must allege sufficient facts that, when accepted as true, state "a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). In the context of a copyright infringement claim, to withstand a motion to dismiss, the complaint must allege: "(1) which original works are the subject of the copyright claim; (2) that the plaintiff owns the copyrights in those works; (3) that the copyrights have been registered in accordance with the statute; and (4) 'by what acts during what time' the defendant infringed the copyright." *Carell v. Shubert Org., Inc.*, 104 F. Supp. 2d 236, 250 (S.D.N.Y. 2000) (quoting *Kelly v. L.L. Cool J.*, 145 F.R.D. 32, 35 (S.D.N.Y. 1992)).

Generally, courts will not deny leave to amend based on futility unless the proposed amendment is "clearly frivolous or legally insufficient." *See In re Ivan F. Boesky Sec. Litig.*, 882 F. Supp. 1371, 1379 (S.D.N.Y. 1995) (citation omitted). Beyond these considerations, the court does not need to consider the substantive merits of the plaintiff's claim on a motion to amend. *Id*.

The party opposing the motion to amend bears the burden of proving the claim's futility. *See, e.g., Allison v. Clos-ette Too, L.L.C.*, 14-cv-1618 (LAK) (JCF), 2015 WL 136102, at *2 (S.D.N.Y. Jan. 9, 2015).

III. DISCUSSION

In opposition to the instant motion, Defendants contend that amendment would be futile because August Image has "not even attempted to cure fatal defects in the [PTAC], which have existed since the inception of this case"—namely, that August Image lacks standing, has failed to plead a claim, and the claim is untimely. Doc. 57 at 9–10. For the reasons stated below, the Court rejects Defendants' arguments and grants August Image leave to amend.

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A. August Image has Standing as the Exclusive Licensee to Bring a Copyright Claim for the Photos

Only owners of copyrights or those granted exclusive licenses by copyright owners may sue for copyright infringement. *Urbont v. Sony Music Entm't*, 831 F.3d 80, 88 n.6 (2d Cir. 2016) (citing 17 U.S.C. § 501(b)). Both the SAC and the PTAC state that August Image is the "sole and exclusive agent and representative for the licensing and use of" the Photos, and it "is the owner of the exclusive distribution right in" the Photos. Doc. 53-1 ¶ 10. Thus, August Image does not argue that is the owner of the copyright, and the only question before the Court therefore is whether it sufficiently pled that it is the exclusive licensee of the Photos and whether it therefore has standing to bring an infringement claim.

Exclusive licenses "grant to the licensee the exclusive right—superior even to copyright owners' rights—to use the copyrighted material in a manner as specified by the license agreement." *Davis v. Blige*, 505 F. 3d 90, 99 (2d Cir. 2007); *see also Harris v. Simon & Schuster, Inc.*, 646 F. Supp. 2d 622, 632 (S.D.N.Y. 2009) ("Once the copyright owner grants an exclusive license of particular rights, only the exclusive licensee, and not his grantor, may sue for later occurring infringements of such rights." (citation omitted)). A plaintiff has an exclusive license if it has one of the "exclusive rights" set forth in § 106 of the Copyright Act, which include, as pertinent to the pending claim:

> the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies of phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending . . . [and] (5) in the case of . . . pictorial . . . works . . . to display the copyrighted work publicly.

17 U.S.C. § 106. A plaintiff need not have *all* the exclusive rights in § 106 to be an exclusive licensee for standing purposes, so long as its claims are based on infringement of the limited exclusive rights to which it does have a license. *See Harris*, 646 F. Supp. 2d at 632; *see also John Wiley & Sons, Inc. v. DRK Photo*, 882 F.3d 394, 406–07 (2d Cir.

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