

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON

EVOX PRODUCTIONS LLC, a  
Delaware limited liability company,

Plaintiff,

v.

CHROME DATA SOLUTIONS LP,  
a Delaware company,

Defendant.

No. 3:16-cv-00057-JR

ORDER

HERNÁNDEZ, District Judge:

Magistrate Judge Russo issued an Amended Findings and Recommendation on March 3, 2021 in which she recommends that this Court grant Defendant's Motion for Summary Judgment [149]. F&R, ECF 170. The matter is now before the Court pursuant to [28 U.S.C. § 636\(b\)\(1\)\(B\)](#) and [Federal Rule of Civil Procedure 72\(b\)](#).

Plaintiff filed timely objections to the Magistrate Judge’s Amended Findings and Recommendation. Pl. Obj., ECF 173. When any party objects to any portion of the Magistrate Judge’s Findings & Recommendation, the district court must make a *de novo* determination of that portion of the Magistrate Judge’s report. 28 U.S.C. § 636(b)(1); *Dawson v. Marshall*, 561 F.3d 930, 932 (9th Cir. 2009); *United States v. Reyna-Tapia*, 328 F.3d 1114, 1121 (9th Cir. 2003) (en banc).

Plaintiff raises two objections to the F&R. First, Plaintiff asserts that the Magistrate Judge erred by rejecting Plaintiff’s evidence as to when the relevant sublicenses ended. Pl. Obj. 4. Plaintiff contends that any express sublicense agreements ended no later than 2011. *Id.* at 5. Plaintiff’s First Amended Complaint (“FAC”) stated that Defendant’s right to issue a sublicense expired “on or before September 30, 2013” and “no later than November 30, 2014.” FAC ¶ 21. The Court concludes that the FAC does not definitively assert the sublicense expiration dates and that Judge Russo erred in not considering Plaintiff’s subsequent evidence of when the sublicense agreements ended. The Court finds that in viewing the facts in the light most favorable to Plaintiff, a reasonable jury could find there were no express sublicensing agreements between Plaintiff and Defendant after 2011 as to iPublishers, Potratz Partners Advertising, Inc. (“Potratz”), and Webnet/DealerDNA (“Webnet”)—the three sublicensees implicated in this case.

However, the Court adopts Judge Russo’s finding that Plaintiff granted Defendant an implied license by not objecting to Defendant’s reports of its active sublicensees and accepting royalty payments for those sublicenses. F&R 14-15. The Ninth Circuit has recognized that a copyright owner may grant a nonexclusive license to a third party without complying with the strict writing requirements of the Copyright Act. *Foad Consulting Grp., Inc. v. Azzalino*, 270 F.3d 821, 825 (9th Cir. 2001). The license may be granted orally or may be implied from the

conduct of the parties. *Id.* at 826. “[C]onsent given in the form of mere permission *or lack of objection* is also equivalent to a nonexclusive license and is not required to be in writing.” *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 775 (7th Cir. 1996) (emphasis added).

Plaintiff’s failure to object to either Defendant’s July 2013 email that listed Defendant’s active sublicensees or Defendant’s 2013-2014 monthly reports and royalty payments unequivocally demonstrates the existence of implied sublicense contracts. Based on the parties’ course of dealings, the Court finds implied sublicenses through July 2013 as to Potratz, March 2014 as to iPublishers, and November 2014 as to Webnet. *See* F&R 14-15. The Court also adopts the Judge Russo’s finding that, based on the parties’ contractually agreement, the dispositive limitations period for these copyright claims is January 13, 2014 to January 13, 2016.

Second, Plaintiff objects to the Magistrate Judge’s conclusion that no reasonable jury could find Defendant liable for secondary copyright infringement during the dispositive time periods. Pl. Obj. 17. As to iPublishers, Judge Russo found that even if a reasonable jury could find direct infringement, Plaintiff failed to meet its burden regarding the remaining elements of its secondary liability claims. F&R 18. The Court concludes that, as to iPublishers, Plaintiff has not put forth any evidence of direct infringement. Plaintiff advances a public display theory of copyright infringement but provides no evidence that iPublishers publicly displayed its works. The email chain between Defendant and iPublishers on which Plaintiff relies only demonstrates that iPublishers had access to Defendant’s server that contained the Plaintiff’s photographs. It does not constitute evidence that iPublishers publicly displayed the photographs. Thus, because no reasonable jury could find direct infringement on the part of iPublishers, Defendant cannot be liable for secondary copyright infringement.

As to Potratz, the Court adopts the Magistrate Judge’s finding that Plaintiff has presented no evidence of direct infringement within the relevant time period. Judge Russo noted that the declarations of Plaintiff’s witnesses, Michael del Monte and Barry Thompson, do not establish that Potratz displayed Plaintiff’s copyrighted material. F&R 21. While the Court agrees, it also asked the parties for supplemental briefing on whether the testimony of del Monte and Thompson is admissible under Rule 1002 of the Federal Rules of Evidence.

Under [Fed. R. Evid. 1002-1004](#), a party must produce an original or duplicate of a photograph if the party is trying to “prove its content,” unless the original/duplicate has been lost or destroyed through no fault of the proponent. [Seiler v. Lucasfilm, Ltd.](#), 808 F.2d 1316, 1319 (9th Cir. 1986). After reviewing the parties’ briefs, the Court concludes that the best-evidence rules applies. In order to show direct infringement, Del Monte and Thompson will necessarily have to try to prove the content of images they saw on Potratz’s server because they will have to testify about how they were able to identify them as Plaintiff’s protected works. “When the contents of a [picture] are at issue, oral testimony as to the [content of the picture] is subject to a greater risk of error than oral testimony as to events or other situations. The human memory is not often capable of reciting the precise [content of a picture], and when the [contents] are in dispute only the [picture] itself, or a true copy, provides reliable evidence.” [Seiler v. Lucasfilm, Ltd.](#), 808 F.2d 1316, 1319 (9th Cir. 1986); *see also* [Fed. R. Evid. 1002](#) advisory committee’s note (“[S]ituations arise in which contents are sought to be proved. Copyright, defamation, and invasion of privacy by photograph or motion picture falls in this category.”). Because direct copyright infringement requires evidence of both the copyrighted work and of the allegedly infringing work, Plaintiff cannot use the testimony of Del Monte and Thompson to prove the content of the images they purportedly saw on Potratz’s server.

As to Webnet, the Court adopts the Magistrate's finding that there is no evidence that Defendant knew of, induced, or encouraged Webnet's purported direct copyright infringement during the relevant time period.

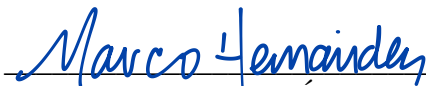
The Court has also reviewed the pertinent portions of the record *de novo* and finds no other errors in the Magistrate Judge's Findings & Recommendation.

### CONCLUSION

The Court ADOPTS in part Magistrate Judge Russo's Findings and Recommendation [170]. Defendant's Motion for Summary Judgment [149] is GRANTED.

IT IS SO ORDERED.

DATED: November 27, 2021.

  
MARCO A. HERNÁNDEZ  
United States District Judge