

App. 1

FOR PUBLICATION

**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

DESIRE, LLC, a California  
limited liability company,  
*Plaintiff-Appellee,*

v.

MANNA TEXTILES, INC., a New  
York corporation; A.B.N., Inc.,  
DBA Wearever, Inc., a New  
York corporation; TOP FASHION  
OF N.Y., INC., a New York  
corporation; Pride & Joys, Inc.,  
a New York corporation; 618  
MAIN CLOTHING CORP.,  
DBA 10 Spot, DBA Madgra,  
a New Jersey corporation,

*Defendants-Appellants.*

No. 17-56641

D.C. No.  
2:16-cv-04295-  
DMG-JEM

OPINION

Appeal from the United States District Court  
for the Central District of California  
Dolly M. Gee, District Judge, Presiding

Argued and Submitted March 5, 2019  
Pasadena, California

Filed February 2, 2021

App. 2

Before: Kim McLane Wardlaw and Mark J. Bennett,  
Circuit Judges, and William K. Sessions III,\*  
District Judge.

Opinion by Judge Bennett;  
Partial Concurrence and  
Partial Dissent by Judge Wardlaw

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### **COUNSEL**

Aaron L. Renfro (argued), Samuel G. Brooks, Melinda Evans, and Scott P. Shaw, Call & Jensen APC, Newport Beach, California, for Defendants-Appellants.

Stephen M. Doniger (argued) and Frank Gregory Cassella, Doniger Burroughs, Venice, California, for Plaintiff-Appellee.

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### **OPINION**

BENNETT, Circuit Judge:

Desire, LLC (“Desire”) sued Manna Textiles, Inc. (“Manna”), A.B.N., Inc. (“ABN”), Top Fashion of N.Y., Inc. (“Top Fashion”), Pride & Joys, Inc. (“Pride & Joys”), and 618 Main Clothing Corp. (“618 Main”), as well as others who are no longer parties, for copyright infringement. The district court held, on summary judgment, that Desire owned a valid copyright in the fabric design that was the subject of the action (the “Subject Design”), and that the Subject Design was entitled to

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\* The Honorable William K. Sessions III, United States District Judge for the District of Vermont, sitting by designation.

broad copyright protection. The jury returned a verdict for Desire, finding that Manna, ABN, and Top Fashion willfully infringed the Subject Design, and that Pride & Joys and 618 Main innocently infringed the Subject Design. Desire elected to claim statutory damages in lieu of actual damages, and the district court, based on a pretrial ruling on the question, assessed five statutory damages awards totaling \$480,000 (with that entire amount assessed jointly and severally against Manna).

On appeal, Manna, ABN, and Top Fashion challenge the district court's orders on summary judgment as well as its holding that Desire is entitled to receive multiple awards of statutory damages. Although we hold that the district court did not err in granting summary judgment for Desire on the validity of its copyright and the scope of the Subject Design's copyright protection, we disagree with the district court's holding that Desire is entitled to multiple statutory damages awards. We therefore affirm in part, reverse in part, vacate the judgment awarding Desire multiple awards of statutory damages, and remand to the district court for further proceedings.

## **I. FACTUAL BACKGROUND AND PROCEEDINGS BELOW**

Desire is a Los Angeles-based fabric supplier. Desire purchased the Subject Design, which is a two-dimensional floral print textile design identified as "CC3460," and all rights to the Subject Design from

App. 4

Cake Studios, Inc. (“Cake”) for \$475. Desire registered the Subject Design with the United States Copyright Office on June 26, 2015.

A Cake designer “created [the Subject Design] using their own imagery” in Adobe Photoshop. “CC3460 is an original pattern created in Adobe Photoshop using an original flower image created by [a Cake] designer which was then imported into Photoshop so that the Photoshop editing tools could be used to adjust, stylize and arrange the floral elements into the original artwork that became CC3460. There is no pre-existing artwork from Photoshop in design CC3460.”

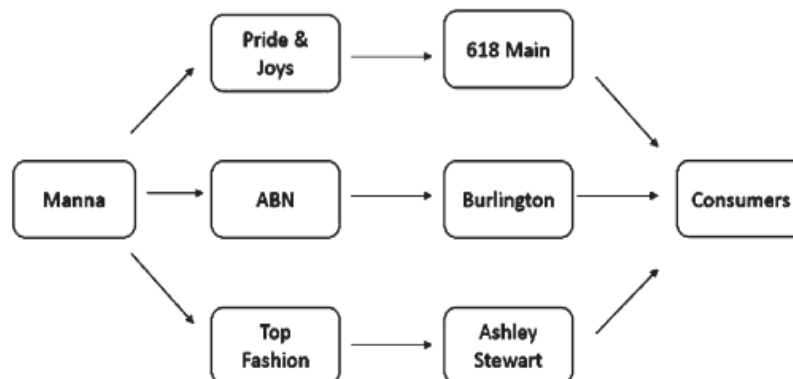
On October 15, 2015, Top Fashion, a women’s clothing manufacturer, purchased four yards of fabric bearing the Subject Design from Desire. Top Fashion used this fabric to secure a garment order from Ashley Stewart, Inc. (“Ashley Stewart”), a women’s clothing retailer. However, Top Fashion and Desire had a dispute over the fabric price. Top Fashion then showed the Subject Design to Manna, a fabric supplier. Manna gave the Subject Design to its independent designer, Matty Mancuso, who in turn sent the design to Longwell Textile (“Longwell”) in China with instructions to modify it. Upon receiving the modified design from Longwell, Mancuso replied, “After looking at this—don’t know if you change [sic] it enough?” A Longwell representative responded: “I changed 30-40% on original, pls kindly approve. . . .” Manna registered the design (the “Accused Design”) with the United States Copyright Office on December 1, 2015.

App. 5

Between October 2015 and May 2016, Manna sold fabric bearing the Accused Design to ABN, Top Fashion, and Pride & Joys (the “Manufacturer Defendants”), all women’s clothing manufacturers. These manufacturers created garments from that fabric and sold them to women’s clothing retailers 618 Main, Burlington Coat Factory Direct Corp. (“Burlington”), and Ashley Stewart (the “Retail Defendants”).

Thus, as alleged, Manna infringed Desire’s copyright by selling fabric bearing the Accused Design to the Manufacturer Defendants. The Manufacturer Defendants then each allegedly committed a separate act of infringement in their sales to the individual Retail Defendants, who in turn allegedly committed acts of infringement in their sales to consumers. However, Desire does not allege that the Manufacturer Defendants infringed in concert, nor that the Retail Defendants acted in concert to infringe Desire’s copyright.

Below is a chart showing the three “chains” of infringement that Desire alleged here.



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