UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

SPECIFIC SOFTWARE SOLUTIONS, LLC,	)	
	)	
Plaintiff,	)	Case No. 3:09-0112
	)	Judge Trauger
v.	)	
	)	
INSTITUTE OF WORKCOMP ADVISORS, LLC,	)	
	)	
Defendant.	)	

MEMORANDUM

Pending before the court is a Motion to Dismiss (Docket No. 5) filed by defendant Institute of WorkComp Advisors ("the Institute") to which the plaintiff, Specific Software Solutions ("Specific Software") has responded (Docket No. 12). For the reasons discussed herein, this motion will be granted.

FACTUAL AND PROCEDURAL BACKGROUND

The plaintiff, Specific Software, is a Tennessee LLC that assists professionals in managing and understanding issues that regularly arise in the field of worker's compensation.[1] Specific Software maintains a content-rich website that features topics and information of interest to professionals in the field of worker's compensation. The defendant, the Institute, is a North Carolina LLC and is comprised of four members, namely, Preston Lee Diamond, Karla Epperson Diamond, Frank M. Pennachio, and Sherry Pennachio. The Institute performs a similar service to that performed by Specific Software and maintains training manuals and

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[1]Unless otherwise noted, the facts are drawn from the Complaint (Docket No. 1).

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materials with information of interest to professionals in the field of worker's compensation. The Institute also maintains a website with similar information.

The Institute and Specific Software have a history of working well together. Indeed, Specific Software created its website with some input from Mr. Pennachio (of the Institute) pursuant to a 2007 consulting agreement between Mr. Pennachio and Specific Software. Sometime after this agreement was signed, however, Mr. Diamond and Mr. Pennachio (both of the Institute) had a falling out, which negatively affected the good working relationship between the Institute and Specific Software.

On November 12, 2008, on behalf of the Institute, Mr. Diamond wrote a cease-and-desist letter to Timothy Coomer (CEO of Specific Software), which alleged that Specific Software, primarily through its website, had generally infringed on the Institute's copyrights. (Docket No. 1 Ex. C.) On November 20, 2008, Specific Software's counsel responded, seeking specific examples of copyright infringement. (Docket No. 1 Ex. D.) In that letter, among other things, Specific Software's counsel noted that its search of the records of the United States Copyright Office revealed that the Institute did not have any registered copyrights. (*Id.*)

On December 29, 2008, counsel for the Institute responded, stating that "registration of the copyright is not a precondition for the basic underlying protection. However, in order for a copyright owner to sue for infringement, it must register the copyright or file an application for registration, depending on the circuit in which the suit is filed." (Docket No. 1 Ex. E.) This letter further advised Specific Software that the Institute had filed four copyright registration applications for "works created by employees of the Institute" and, while "the copyrights associated with those applications have not yet been registered, ... we anticipate registration

shortly." (*Id.*) The letter also advised that, if Specific Software sought specific examples of infringement, its representatives should sit down with Mr. Pennachio and compare the materials on Specific Software's website with the Institute's materials, which were in Mr. Pennachio's possession. (*Id.*)

On January 12, 2009, after a discussion between Mr. Pennachio and representatives from Specific Software, Mr. Pennachio wrote Coomer a letter stating that Specific Software's materials did *not* infringe on the Institute's copyrights. (Docket No. 1 Ex. F.) On January 14, 2009, Specific Software's counsel forwarded Mr. Pennachio's letter to the Institute's counsel (1) pointing out that a principal from the Institute had just written Specific Software a letter stating that there was no infringement and (2) arguing that, in light of this letter, this matter should be considered closed. (Docket No. 1 Ex. G.) In a January 21, 2009 response, the Institute's counsel claimed that Mr. Pennachio was not correct, and counsel also claimed that the Institute had identified, through a review of Specific Software's website, thirty-three specific examples of willful copyright infringement. (Docket No. 1 Ex. H.) The Institute threatened to take "appropriate legal action" if Specific Software did not remove the allegedly offending material from its website within ten days. (*Id.*)

On February 4, 2009, Specific Software filed this lawsuit asserting that the Institute had "threatened litigation against Specific Software based on unwarranted assertions that Specific Software has allegedly infringed the Institute's copyrights." (Docket No. 1 at 2.) Specific Software's Complaint seeks multiple declaratory judgments, but all of these proposed judgments would find, for various potential reasons, that Specific Software's materials did not infringe on

copyrights held by the defendant.[2] (*Id.*) Indeed, Specific Software seeks a judgment that it "does not infringe any of the Institute's asserted copyrights" and that the copyrights at issue are invalid. (*Id.* at 6.) On March 24, 2009, the Institute moved to dismiss this case, arguing that, because its copyrights were not "registered," this court does not have the power to hear this copyright infringement suit.

ANALYSIS

The defendant has moved to dismiss this declaratory judgment action, because, the defendant argues, the court cannot hear this matter because the copyrights at issue have not been "registered" by the U.S. Copyright Office. While the defendant captions its motion as a Federal Rule of Civil Procedure 12(b)(6) motion to dismiss for failure to state a claim upon which relief can be granted, other district courts in this circuit have indicated that, when the defendant seeks to dismiss a copyright infringement action because the copyrights at issue have not been registered, the proper vehicle is a Rule 12(b)(1) motion to dismiss for lack of subject matter jurisdiction. *See Teevee Toons, Inc. v. Overture Records*, 501 F. Supp. 2d 964, 967 (E.D. Mich.

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[2] Along with a declaratory judgment of non-infringement, as additional "cause(s) of action and ground(s) for relief," Specific Software seeks a declaratory judgment that the asserted copyrights are (1) "invalid" generally; (2) are "invalid for lack of original expression"; and (3) are "unenforceable for lack of original expression." (*Id*. at 4-5.) Further, Specific Software also seeks a declaratory judgment that the materials at issue were not "strikingly similar," that any similarity "is derived from documents in the public domain that did not originate with either [party]," that any similarly consists of "titles, names, short phrases, slogans, familiar symbols or designs" or "ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration." (*Id*.) Also, Specific Software seeks a declaratory judgment that any similarity "consists of information that is common property and containing no original authorship taken from public documents or other common sources." (*Id*.) Finally, Specific Software seeks a declaratory judgment that any similarity between the relevant materials is "*de minimus*." (*Id*.) As the defendant puts it, "these declarations and the grounds for relief all would be used to establish a defense to a copyright infringement suit." (Docket No. 6 at 1.)

2007); *Hawaiian Village Computer, Inc. v. Print Management Partners, Inc.*, 501 F. Supp. 2d 951, 954 (E.D. Mich. 2007). The court agrees with this characterization and, therefore, the court will analyze this issue under the Rule 12(b)(1) standard.

I.   Motion to Dismiss - Rule 12(b)(1)

Federal Rule of Civil Procedure 12(b)(1) governs dismissal of lawsuits for lack of jurisdiction over the subject matter. The "first and fundamental question presented by every case brought to the federal courts is whether it has jurisdiction to hear a case." *Douglas v. E.G. Baldwin & Assoc., Inc*, 150 F.3d 604, 606-07 (6th Cir. 1998). When challenging a court's subject matter jurisdiction under Rule 12(b)(1), a defendant may either facially attack the plaintiff's complaint by testing the sufficiency of the pleading itself, or the defendant may "factually attack" the complaint, that is, argue that the existence or non-existence of certain facts deprives the court of subject matter jurisdiction. *See Smith v. Northwest Airlines, Inc.*, 141 F. Supp. 2d 936, 939-40 (W.D. Tenn. 2001). Because the essential facts are not in dispute, resolving whether the defendant's motion is a "facial" or "factual" attack is not necessary to decide this case; that said, an argument that the court does not have subject matter jurisdiction because the U.S. Copyright Office has not "registered" the copyrights at issue appears to be a factual attack.   In "considering a factual attack upon the court's jurisdiction, no presumption of truth applies to the plaintiff's factual allegations, and the court is free to weigh the evidence and resolve factual disputes so as to satisfy itself as to the existence of its power to hear the case." *Giorgadze v. Tennessee Technology Center*, 2007 WL 2327034, *2 (E.D. Tenn. Aug. 10, 2007) (citing *U.S. v. Ritchie*, 15 F.3d 592, 598 (6th Cir. 1994)).

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