

18-2110 (L)
Sohm v. Scholastic Inc.

**United States Court of Appeals
For the Second Circuit**

August Term 2018

Argued: June 14, 2019

Decided: May 12, 2020

Nos. 18-2110, 18-2245

JOSEPH SOHM, VISIONS OF AMERICA, LLC,

Plaintiffs-Appellants-Cross-Appellees,

v.

SCHOLASTIC INC.,

Defendant-Appellee-Cross-Appellant.

Appeal from the United States District Court
for the Southern District of New York
No. 16-cv-7098, J. Paul Oetken, *Judge.*

Before: POOLER, CHIN, AND SULLIVAN, *Circuit Judges.*

Joseph Sohm and Visions of America, LLC sued Scholastic Inc. for copyright infringement on photographs Sohm had authored. The district court (J. Paul Oetken, *J.*) granted in part and denied in part the parties' motions for partial summary judgment, determining that Scholastic had infringed Sohm's copyright for six of the photographs, while dismissing all other claims. We affirm in part and reverse in part, holding that (1) the district court properly recited the elements

of a copyright infringement claim and placed the burden of proof on Sohm to demonstrate that Scholastic's use of his images was outside the scope of the license; (2) *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014) did not abrogate this Circuit's adoption of the "discovery rule" for copyright infringement claim accrual in *Psihoyos v. John Wiley & Sons, Inc.*, 748 F.3d 120 (2d Cir. 2014); (3) the Copyright Act limits damages to the three years prior to when a copyright infringement action is filed; and (4) the registration of a compilation of photographs under 17 U.S.C. § 409 by an applicant who holds the rights to the component works is valid and effectively registers the underlying individual photos, even if the compilation does not list the individual authors of the individual photos.

AFFIRMED IN PART, REVERSED IN PART.

MAURICE HARMON (Christopher Seidman, Amanda L. Bruss, & Mariel D. Murphy, *on the brief*), Harmon Seidman & Bruss, LLC, Grand Junction, Colorado, *for Plaintiffs-Appellants-Cross-Appellees* Joseph Sohm & Visions of America, LLC.

EDWARD H. ROSENTHAL (Nicole Bergstrom, *on the brief*), Frankfurt Kurnit Klein & Selz, P.C., New York, New York, *for Defendant-Appellee-Cross-Appellant* Scholastic Inc.

RICHARD J. SULLIVAN, *Circuit Judge*:

Plaintiffs-Appellants-Cross-Appellees Joseph Sohm and Visions of America, LLC (together, "Sohm") bring this action against Defendant-Appellee-Cross-Appellant Scholastic Inc. for copyright infringement with respect to 89 photographs authored by Sohm. The district court (Oetken, J.) granted in part and denied in part the parties' cross motions for partial summary judgment,

determining that Scholastic had infringed Sohm's copyright for six of the photographs. On appeal, Sohm contends that the district court (1) erred in finding that Scholastic's use of Sohm's copyrighted work sounded in breach of contract and not copyright infringement; (2) improperly shifted the burden of proof to Sohm to demonstrate that Scholastic exceeded the scope of its license; and (3) incorrectly dismissed Sohm's claim corresponding to a certain photo. Scholastic cross appeals, arguing that the district court erred in (1) holding that the discovery rule applies for statute of limitations purposes in determining when Sohm's claims accrued; (2) allowing damages for more than the three years prior to when the copyright infringement action was brought; and (3) finding that certain group registrations were valid under the Copyright Act for Sohm's individual photographs. We **AFFIRM IN PART** and **REVERSE IN PART**.

I. Background

Sohm is a professional photographer and the author of the 89 photographs at issue in this case. *Sohm v. Scholastic Inc.*, No. 16-cv-7098, 2018 WL 1605214, at *1 (S.D.N.Y. Mar. 29, 2018). Scholastic is a publisher and distributor of children's books. *Id.* Sohm entered into agreements with agencies, including The Image Works, Inc., Continuum Productions Corp. (now Corbis Corp.), and Photo

Researchers, Inc., to issue limited licenses to third parties on his behalf. *Id.* Those agencies issued limited licenses to Scholastic to use Sohm's photographs and sent monthly royalty statements and payments to Sohm. *Id.* In 2004, Corbis entered into a preferred vendor agreement ("PVA") with Scholastic that established fees for certain print-run ranges of Sohm's photos. *Id.*

In the 1990s, Sohm participated in Corbis's copyright registration program. *Id.* Under the program, Sohm temporarily assigned his copyrights to Corbis for registration purposes, with the understanding that Corbis would reassign the copyrights to him after registration. *Id.* Corbis registered a number of Sohm's photographs with the Copyright Office as part of several published group registrations in its own name. *Id.* at *3. None of these group registrations identified by name either Sohm or Visions of America as an author. *Id.*

In May 2016, Sohm sued Scholastic for copyright infringement, alleging that Scholastic infringed his copyrights by using his photos in various publications in numbers exceeding the print runs contemplated in the invoices governing Scholastic's licenses. *Id.* at *2. In an amended complaint filed in October 2016, he alleged 117 infringing uses of 89 photographs. *Id.* The parties each moved for partial summary judgment as to certain uses. *Id.*

The district court granted in part and denied in part the motions. The court began by stating the elements of a copyright infringement claim, which it formulated as “(i) ownership of a valid copyright; and (ii) unauthorized copying of the copyrighted work.” *Id.* (quoting *Jorgensen v. Epic/Sony Records*, 351 F.3d 46, 51 (2d Cir. 2003)). It noted that the existence of a license is treated as an affirmative defense, meaning that Scholastic had the burden to prove its existence, but stated that “[w]hen the contested issue is the scope of a license, rather than the existence of one, the copyright owner bears the burden of proving that the defendant’s copying was unauthorized under the license.” *Id.* (quoting *Palmer/Kane LLC v. Rosen Book Works LLC*, 204 F. Supp. 3d 565, 569 (S.D.N.Y. 2016)). Because Sohm’s ownership of the copyrights was undisputed, the court found that the case turned on the second element: whether Sohm could establish “unauthorized copying.” *Id.*

The court first considered Scholastic’s motion for partial summary judgment on the grounds that (1) Sohm’s copyright registrations were invalid for certain photographs; (2) Scholastic did not exceed the relevant licenses for certain uses; and (3) Sohm had failed to meet his burden to show that Scholastic exceeded the license with respect to certain uses. *Id.* at *3. Scholastic challenged the validity

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