

sider] status, as a means of fully effecting an overarching, value-adding corporate event (e.g., a merger),” there is “a diminished risk that the securities [acquisitions] are not motivated by a legitimate corporate purpose.” *See Gryl*, 298 F.3d at 142. TRS, for example, had “no discretion unilaterally to alter in [its] favor the amount, price, [and] timing” of its acquisition of InfoSpace shares. *See id.* at 142–43. Accordingly, the Court declines plaintiff’s invitation to declare Rule 16b–3(d), as interpreted by the SEC, invalid. The Court concludes that Rule 16b–3(d)(1) exempts TRS’s acquisition of InfoSpace stock from Section 16(b) liability because TRS, an insider, acquired InfoSpace stock directly from the issuer with the approval of the issuer’s board of directors.

CONCLUSION

The Court GRANTS Defendant American Express Travel Related Services Company’s motion to dismiss the amended complaint, docket no. 13.

IT IS SO ORDERED.



**CORBIS CORPORATION, a
Washington corporation,
Plaintiff,**

v.

**AMAZON.COM, INC., a Delaware
corporation, et al.,
Defendants.**

No. CV03–1415L.

United States District Court,
W.D. Washington,
at Seattle.

Dec. 21, 2004.

Background: Copyright holder brought action against Internet service provider, claiming that service provider directly and

vicariously infringed its copyright interests, and engaged in unfair competition by publishing copyrighted photos on its third party vendor platform. Service provider Amazon filed a counterclaim for declaratory relief. The parties then filed cross motions for summary judgment and partial summary judgment.

Holdings: The District Court, Lasnik, Chief Judge, held that:

- (1) Digital Millennium Copyright Act (DMCA) protected service provider from copyright liability for 230 images displayed by vendors;
- (2) pending registrations did not confer federal jurisdiction over copyright claims;
- (3) partial summary judgment in favor of provider was precluded on claims brought against it for direct copyright infringement and actual damages for infringement;
- (4) copyright holder could not maintain implied reverse passing off claim under Lanham Act since that claim overlapped with its copyright claims and the copyright laws provided an adequate remedy; and
- (5) Communications Decency Act (CDA) barred state law claims against Internet service provider for publishing content provided primarily by third party vendors.

Motions granted in part and denied in part.

1. Copyrights and Intellectual Property ⊕67.3

Company which operated Internet web sites, provided retail and third party selling services to Internet users, and maintained computers to govern access to its web sites was a “service provider” within meaning of Digital Millennium Copy-

right Act (DMCA). 17 U.S.C.A. § 512(k)(1)(B).

See publication Words and Phrases for other judicial constructions and definitions.

2. Copyrights and Intellectual Property
⌚75

For purposes of determining whether Internet service provider was entitled to protection from copyright liability under Digital Millennium Copyright Act (DMCA), service provider satisfied requirement that it adopt a policy that provides for the termination of service access for repeat copyright infringers in appropriate circumstances; service provider required each vendor to accept a participation agreement that set forth guidelines for the use of its third party vendor platform, and participation agreement prohibited the listing, linking, or posting of any material that violated copyright laws, and made it clear that those who violated service provider's policies could face a variety of penalties. 17 U.S.C.A. § 512(i).

3. Copyrights and Intellectual Property
⌚75

By informing users that, in appropriate circumstances, it could terminate the user's accounts for repeated copyright infringement, Internet service provider sufficiently communicated its termination policy to its users as required in order to be eligible for protection from copyright liability under Digital Millennium Copyright Act (DMCA). 17 U.S.C.A. § 512(i).

4. Copyrights and Intellectual Property
⌚75

Internet service provider reasonably implemented its infringement policy as required in order to be eligible for protection from copyright liability under Digital Millennium Copyright Act (DMCA); service provider adopted a procedure for receiving complaints and conveying those complaints to users and there was no evidence that

service provider tolerated blatant, repeat infringement. 17 U.S.C.A. § 512(i).

5. Copyrights and Intellectual Property
⌚75

Internet service provider, which merely provided the forum for independent third party vendors to list and sell their merchandise, satisfied all of the requirements for copyright protection under safe harbor provision of Digital Millennium Copyright Act (DMCA); copyright holder, which never attempted to notify service provider that vendors were selling images that violated its copyrights, failed to show either service provider's actual knowledge or its apparent knowledge of infringing material on its third party vendor platform, and service provider did not have the right and ability to control the infringing material. 17 U.S.C.A. § 512(c).

6. Copyrights and Intellectual Property
⌚75

Notices of infringement must substantially comply with the Digital Millennium Copyright Act's (DMCA) notice requirements to be considered evidence of a service provider's knowledge. 17 U.S.C.A. § 512(c)(3)(B)(i).

7. Copyrights and Intellectual Property
⌚75.5

District court does not have subject matter jurisdiction over an infringement claim until the Copyright Office grants the registration application and issues a certificate of registration; pending registration does not confer federal jurisdiction over a copyright claim. 17 U.S.C.A. § 411(a).

8. Copyrights and Intellectual Property
⌚51

To prove direct copyright infringement, a plaintiff must demonstrate that (1) it owns a valid copyright, and (2) defendant violated one or more of plaintiff's

exclusive rights under the Copyright Act. 17 U.S.C.A. § 101 et seq.

9. Copyrights and Intellectual Property
 ⇌83(3.5)

Existence of a certificate of registration from the United States Copyright Office is prima facie evidence of a valid copyright. 17 U.S.C.A. § 410(c).

10. Copyrights and Intellectual Property
 ⇌76

Recipient of rights transferred by the contract may sue under Copyright Act for infringement of those rights. 17 U.S.C.A. § 106.

11. Copyrights and Intellectual Property
 ⇌89(2)

Genuine issues of material fact existed as to whether registration certificates covered a particular photo, whether one registration certificate was invalid because the enhanced image lacked sufficient originality and would negatively impact the original copyrighted image, and whether copyright holder's measure of actual damages was too speculative, precluding partial summary judgment in favor of Internet website operator on claims brought against it for direct copyright infringement and actual damages for infringement.

12. Trade Regulation ⇌404

For purposes of Lanham Act, "reverse passing off" occurs when someone markets a product as her own, even though someone else created the product; it can occur either expressly, when the wrongdoer removes the trademark of another and sells that product under a name chosen by the wrongdoer, or impliedly, when the wrongdoer simply removes or otherwise obliterates the name of the manufacturer or source and sells the product in an unbranded state. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

See publication Words and Phrases for other judicial constructions and definitions.

13. Trade Regulation ⇌404

Copyright holder could not maintain implied reverse passing off claim under Lanham Act since that claim, which was based on allegations that website host committed reverse passing off by displaying its copyrighted images on website without crediting copyright holder or its photographers for those images, and instead misrepresented that the images came from other sources, overlapped with its copyright claims and the copyright laws provided an adequate remedy. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

14. Trade Regulation ⇌404

To be a cognizable violation of the Lanham Act, reverse passing off must always include bodily appropriation. Lanham Trade-Mark Act, § 43(a), 15 U.S.C.A. § 1125(a).

15. Telecommunications ⇌461.15

Communications Decency Act (CDA) barred state law claims against Internet service provider for publishing content provided primarily by third party vendors. Communications Act of 1934, § 230, as amended, 47 U.S.C.A. § 230.

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Charles Christian Sipos, Elizabeth L. McDougall-Tural, Breena Michelle Roos, Perkins Coie, Dale L. Kingman, David Joseph Corey, John Clark Gibson, Kingman Peabody Pierson & Fitzharris, Seattle, WA, Kenneth B. Wilson, Perkins Coie, San Francisco, CA, for Defendants.

ORDER REGARDING SUMMARY
JUDGMENT MOTIONS

LASNIK, Chief Judge.

I. INTRODUCTION

This matter comes before the Court on cross motions for summary judgment and partial summary judgment filed by plaintiff, Corbis Corporation (“Corbis”) and defendant, Amazon.com, Inc. (“Amazon”). For the reasons set forth in this Order, the Court finds that Amazon is protected from liability for copyright infringement occurring on its third party vendor platform, zShops.com. In addition, the Court finds that it lacks subject matter jurisdiction over infringement claims regarding photographs for which Corbis has not obtained copyright registration. Finally, the Court finds that Corbis’s federal antitrust and state law claims fail as a matter of law.

In accord with these findings, the Court:

1. Grants Amazon’s Motion for Summary Judgment Under the Digital Millennium Copyright Act (Dkt. # 132) (“Def.’s DMCA Mot.”);
2. Denies Corbis’s Motion for Partial Summary Judgment Regarding § 512(e) “Safe Harbor” Qualification under the DMCA (Dkt. # 145) (“Pl.’s 512(c) Mot.”);
3. Denies Corbis’s Motion for Partial Summary Judgment Against Amazon Precluding Application of DMCA for Lack of Compliance with 17 U.S.C. § 512(i) (Dkt. # 146) (“Pl.’s § 512(i) Mot.”);
4. Grants Corbis’s Motion for Partial Summary Judgment Against Amazon as to DMCA Eligibility for Its IMDb Platform (Dkt. # 144) (“Pl.’s IMDb Mot.”);
5. Grants Amazon’s Motion for Partial Summary Judgment on Lack of Copyright Registration (Dkt. # 153) (“Def.’s Copyright Reg. Mot.”);
6. Grants Amazon’s Motion for Partial Summary Judgment Denying Corbis’s Direct Copyright Infringement Claims (Dkt.

151) (“Def.’s Direct Copyright Inf. Mot.”);

7. Denies Corbis’s Motion for Partial Summary Judgment Against Amazon for Direct and Vicarious Copyright Liability (Dkt. # 147) (“Pl.’s Copyright Infr. Mot.”);

8. Grants Amazon’s Motion for Partial Summary Judgment on Plaintiff’s Trademark and State Law Claims (Dkt. # 132) (“Def.’s Trademark and State Law Mot.”);

9. Denies Amazon’s Motion for Partial Summary Judgment on Copyright and Copyright Misuse (Dkt. # 151) (“Def.’s Mot. for Partial Summ. J. on Copyrights and Copyright Misuse”);

10. Denies Amazon’s Motion for Partial Summary Judgment on Plaintiff’s Actual Damages (Dkt. # 163); and

11. Grants Amazon’s Motion for Partial Summary Judgment on Plaintiff’s Claim and Damages for Tortious Interference with Business Relationships (Dkt. # 105).

At the end of the day, Corbis is left with two remaining claims of direct copyright infringement against Amazon based on allegations that Amazon displayed on its IMDb.com website a photograph of Erika Christensen in which Corbis claims copyright interests under Copyright Registration Nos. VA 1–181–966 and VA 1–207–124.

II. BACKGROUND

A. Procedural Background.

On June 30, 2003, Corbis filed suit against Amazon and 15 other defendants (the “vendor defendants”). Corbis alleges it holds copyright interests in two photographs that Amazon placed on the website IMDb.com and in hundreds of photographs that were being sold by the vendor defendants on Amazon’s website. Because Corbis did not grant permission to use the photos, it claims that Amazon directly and

vicariously infringed Corbis's copyright interests in violation of 17 U.S.C. §§ 106 & 501 (the "Copyright Act"), engaged in unfair competition in violation of 15 U.S.C. § 1125(a) (the "Lanham Act") and R.C.W. 19.86.020 *et seq.* (the "Consumer Protection Act"), diluted Corbis's trademarks in violation of 15 U.S.C. § 1125(c) (the "Trademark Act"), and tortiously interfered with Corbis's business relations.

As of September, 2004, Corbis had reached a resolution with each of the vendor defendants, leaving Amazon as the sole remaining defendant. Amazon, for its part, denies the allegations and asserts, as an affirmative defense, that it is immune from liability for copyright infringement under Title II of the Digital Millennium Copyright Act ("DMCA"), 15 U.S.C. § 512, *et seq.* In addition, Amazon has filed a counterclaim for declaratory relief.

B. Factual Background.

1. Amazon's zShops Platform.

Amazon is a company specializing in electronic commerce. It is most widely known for selling books over the Internet at its website, Amazon.com. The Amazon.com website also hosts several third party vendor platforms, including a platform entitled "zShops."¹ Amazon launched the zShops platform in the fall of 1995. The zShops platform allows individuals and retailers (referred to as "vendors") to showcase their products and sell them directly to online consumers. Amazon, however, does not sell any of its own inventory on the zShops platform.

To sell on zShops, a vendor creates a web page on the zShops platform that includes information regarding the product

being sold. These web pages are referred to as "listings," and are created by using tools and forms provided by Amazon. The forms allow the vendor to describe the product, list the price, and provide an image of the product. A vendor can include a product image in the listing in one of two ways. The vendor either creates a link to an image stored on the vendor's computer or server, or uploads an image to one of Amazon.com's servers for display in the listing. Amazon does not actively participate or supervise the uploading or linking of images, nor does Amazon preview the images before the link is created or the upload completed.

Although vendors may accept any variety of payment for their products, if buyers pay by credit, Amazon requires vendors to use its services for processing credit card transactions. Amazon describes its credit card processing service as merely facilitating the monetary exchange between the online buyer and vendor and asserts that it does not conduct the sale of the products offered by the vendors. If the product is paid for by other means, Amazon has no involvement in the transaction.

Vendors must register with Amazon before they list items on zShops. Amazon charges a fee of \$39.99 to all vendors, which allows a vendor to use the zShops platform and Amazon's credit card processing services. Vendors also pay Amazon a percentage of the price of any products sold. The percentage ranges from 2.5% to 5%, depending on the price of the item.

1. Amazon hosts two other third party vendor platforms at the Amazon.com website. The "Marketplace" platform allows vendors to sell new, used, or collectible versions of items already sold by Amazon. The "Auctions" platform allows vendors to sell items through

an online bidding process. Corbis's allegations focus on the zShops platform. Corbis does not allege that its copyrights have been violated by the selling of items on Auctions or Marketplace.

As part of the registration, vendors must also enter into a Participation Agreement, which states that all vendors are bound by its terms as well as the terms set forth in all policies and guidelines for the zShops site. The Participation Agreement prohibits vendors from listing or linking to any item that

- (a) infringes any third-party intellectual property rights (including copyrights, trademark, patent, and trade secrets) or other proprietary rights (including rights of publicity or privacy); . . . ; or
- (c) is counterfeited, illegal, stolen, or fraudulent.

Dkt. # 134, Decl. of Eric Orpet in Supp. of Def.'s Mots. for Summ. J. ("Orpet Decl.") at ¶ 29.

In addition, vendors are required to abide by the "Community Rules" set forth in the "Help Section" of the Amazon.com site. The Community Rules state that:

Copies, dubs, duplicates, or transfers of books, music, videos, television programs, radio programs, concerts, DVDs, software, etc., are prohibited. Recopied media infringe upon copyrights and trademarks and are illegal to sell. Just as you cannot sell a photocopied book without the author's permission, you cannot sell copies or duplicates of videos, music, video games, software, photos, or any copyrighted material without permission of the copyright holder.

Id. at 39a. The Community Rules also make reference to, and state that they are incorporated in, the Participation Agreement. *See id.* at 38.

In more than one section of the Participation Agreement, Amazon asserts the right to remove listings and terminate services for violations of either the Participation Agreement or Amazon's policies. For example, the Participation Agreement states that:

Amazon.com has the right, but not the obligation, to monitor any activity and

content associated with this site. Amazon.com may investigate any reported violation of its policies or complaints and take any action that it deems appropriate. Such action may include, but is not limited to, issuing warnings, suspension or termination of service, denying access, and/or removal of any materials on the [Amazon.com site], including listings and bids. Amazon.com reserves the right and has absolute discretion to remove, screen, or edit any content that violates these provisions or is otherwise objectionable.

Id. at ¶¶ 20–21, p. 34. The Participation Agreement contains a blanket reservation of Amazon's right, "in its sole discretion . . . to terminate this Participation Agreement, access to the [Amazon.com site] or the [auction or selling services], or any current auctions or fixed price sales immediately without notice for any reason." *Id.* at ¶ 22, p. 36.

Amazon has established a designated agent responsible for receiving claims of infringement of intellectual property rights. *See id.* at ¶ 24. Contact information for the agent has been provided to the Copyright Office and is available on Amazon's website, including on the zShops platform.

When Amazon receives information that a vendor may be infringing another's copyrights, Amazon's practice is to cancel the allegedly infringing listing and send an e-mail to the vendor. The e-mail notifies the vendor of the cancellation, identifies a contact e-mail address for the complaining party, and reminds the vendor that "repeated violations of our Community Rules could result in permanent suspension from our Auction, zShops, and Amazon Marketplace sites." *Id.* at ¶ 25; Dkt. # 148, Decl. of Claire L. Keeley in Supp. of Pl.'s Mots. for Summ. J. ("Keeley Decl."), at 173.

The zShops platform contains approximately 40 million listings of items for sale.

From October 2003 to March 2004, Amazon cancelled over one million listings on its zShops and Auctions platforms for violations of the Participation Agreement. *See* Orpet Decl. at ¶ 26. During that same period, Amazon terminated almost 1,000 vendors for repeat or egregious violations of the Participation Agreement or Community Rules. *See id.* at ¶ 26.

When Amazon first launched zShops in 1999, it contacted some vendors to invite them to list products on the platform. Two of these vendors, Ricks Movie Graphics and Pix Posters, Inc., were invited to sell their collections of movie posters on zShops. Amazon did not ask whether these companies also sold celebrity portraits. A representative from Ricks Movie Graphics stated that during one of these conversations he told Amazon that Ricks Movie Graphics did not own the copyrights to any of the movie posters it sold but that he believed Ricks Movie Graphics had the right to sell everything in its inventory. *See* Keeley Decl. at 46–47. Ricks Movie Graphics and Pix Posters, Inc. were named as vendor defendants in this suit. Other vendor defendants assert that they were never contacted by Amazon regarding opening a zShops site.

2. The IMDb.com Website.

Amazon also owns and operates the Internet Movie Database (IMDb), a website located at www.IMDb.com. IMDb is an information database regarding movies, actors, and entertainment in general. Amazon acquired IMDb in the late 1990s. Although the IMDb site is independent from the Amazon.com site and its third party selling platforms, IMDb contains links to items available on the Amazon.com site.

2. At times, Corbis will register an image or a group of images on behalf of a photographer. This process will occur in much the same fashion as the bulk registration described above. In addition, some of the photogra-

For instance, IMDb contained a banner advertisement with celebrity photos including two photos in which Corbis claims a copyright interest. IMDb users who clicked on the banner were linked to zShops and provided with information regarding vendors selling celebrity images.

3. Corbis Images on zShops and IMDb.com.

Corbis is in the business of licensing art images and photographs, including photographs of celebrities. As part of its business, Corbis enters into contracts with photographers who take celebrity photos. Under these contracts, Corbis represents and distributes a photographer's work and, in exchange, is paid a royalty based on the fees charged for licensing the photos. Corbis also owns exclusive rights to a number of individual photographs and photographic collections.

Corbis maintains a copyright registration program for itself and the photographers it represents. Corbis receives approximately 100,000 images a year from photographers for review and syndication. If the photographs are not already in digital format, Corbis converts each of them into a digital image. For some of the images, Corbis employees will add "meta-data" to the digital image, such as key words describing the image, photographer, and subject. Corbis employees will also add visual enhancements to the image. Every week, Corbis places the images it has received on a computer generated CD-ROM. At regular intervals, Corbis will prepare a copyright application for the group of images on the CD-ROM. It submits the CD-ROMs as a deposit with these bulk applications.²

phers represented by Corbis file their own copyright registrations. In those instances, it is Corbis's practice to obtain a copy of the registration from the photographer.

Corbis has identified a total of 232 images (the “Corbis Images”) in which it claims a copyright interest. Two of the images appeared on the IMDb website. The remaining 230 images have been copied, displayed, and sold by vendor defendants through their zShops sites.³

When, in February 2003, Corbis first learned that its images were appearing on zShops, it did not tell Amazon or any of the zShops vendors that displaying and selling the Corbis Images infringed Corbis’s copyright interests. Corbis first provided Amazon and the zShops vendors with notice of infringement when Corbis filed and served the Complaint in June, 2003.

Upon receiving the Complaint, Amazon terminated the identified accounts of all of the vendor defendants listed in the Complaint and removed the allegedly infringing images on IMDb. Since its account was terminated, one of the vendor defendants, Posternow, GmbH (also d/b/a Faust Multimedia) (“Posternow”), has opened at least two different vendor accounts with zShops under slightly different names. These accounts were terminated by Amazon once Amazon was made aware of the their existence.

III. DISCUSSION

This Section is broken into four subsections. Subsection A addresses whether the DMCA protects Amazon from copyright liability for the 230 Corbis images displayed by the vendor defendants. Sub-

3. There are three types of copyright interests at issue. First, Corbis asserts the copyright interests of the photographers who took the photos. See Def.’s Mot. for Partial Summ. J. on Copyrights and Copyright Misuse, at 4–5. Second, Corbis asserts a derivative copyright interest in all images to which it has added digital enhancements, metadata, or keywords. See *id.* Third, Corbis contends that the bulk CD-ROM filings submitted to the Copyright Office contain a unique compilation of the

section B addresses whether this Court has subject matter jurisdiction over copyright infringement claims if the photograph in question has not been registered by the Register of Copyrights, Subsection C addresses Corbis’s motion for summary judgment with regard to direct copyright infringement of photographs on IMDb. Subsection D addresses Corbis’s Lanham Act and state law claims.

In reaching its conclusions, the Court has been mindful that summary judgment is proper only if “the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.” Fed.R.Civ.P. 56(c). When, as here, parties submit cross-motions for summary judgment, this Court must review the evidence submitted in support of each cross-motion and consider each party’s motions on their own merits. See *Fair Housing Council of Riverside County, Inc. v. Riverside Two*, 249 F.3d 1132, 1136 (9th Cir.2001). This Court must examine each set of evidence in the light most favorable to the non-moving party. See *U.S. v. Diebold, Inc.*, 369 U.S. 654, 655, 82 S.Ct. 993, 8 L.Ed.2d 176 (1962).

A. Amazon’s Protection from Copyright Liability Under the DMCA.

Corbis alleges that Amazon infringed its copyrights in 230 Corbis Images that were

photographs, and asserts a copyright interest in those compilations. See *id.* Of the 232 images, 49 are subject only to Corbis’s derivative and compilation copyright interests. See *id.* at 2. 102 images are subject only to the photographers’ copyright interests that are being pursued by Corbis. See *id.* The remaining 81 images are subject to both Corbis’s and the photographers’ copyright interests. See *id.*

displayed by the zShops vendors. Amazon has asserted that the DMCA protects it from liability for these alleged copyright violations. Although it may seem premature to address Amazon's DMCA defense before first determining whether Amazon has violated Corbis's copyrights in the 230 zShops images, such an approach makes sense under the circumstances. The DMCA gives an Internet service provider ("ISP") extensive protection against liability, and leaves copyright owners with only limited injunctive relief. As discussed more fully below, the Court finds that Amazon is protected from damages sought by Corbis for the alleged infringement of its copyrights in the images displayed by zShops vendors. The relief sought by Corbis for the alleged infringements is prohibited under the DMCA. As a result, even if Corbis's copyright infringement claims can bare fruit, Amazon's liability protection ensures that the claims will wither on the vine.

1. Overview of the DMCA

In 1998, Congress enacted the DMCA in an effort to resolve the unique copyright enforcement problems caused by the widespread use of the Internet. See *Ellison v. Robertson*, 357 F.3d 1072, 1076 (9th Cir. 2004); *In re Aimster Copyright Litigation*, 334 F.3d 643, 655 (7th Cir.2003); DMCA, Pub.L. No. 105-304, 112 Stat. 2860 (1998). Tackling copyright infringement on the Internet required balancing the competing interests of several groups. The first set of competing interests includes those of copyright holders and end users. The DMCA "intended to 'balance the need for rapid response to potential infringement with the end-users [sic] legitimate interests in not having material removed without recourse.'" *Rossi v. Motion Picture Assoc. of America*, 391 F.3d 1000, 1003 (9th Cir.2004) (quoting S.Rep. No. 105-190, at 21 (1998) (alterations in original)). The second set of competing

interests were those of copyright holders and ISPs whose services may be used to infringe copyrights. The DMCA intended to balance the interests of these parties by creating a mechanism for rights holders to inform ISPs of potentially infringing conduct while, at the same time, providing "greater certainty to service providers concerning their legal exposure for infringements that may occur in the course of their activities." *Ellison*, 357 F.3d at 1076 (quoting S.Rep. No. 105-190, at 20 (1998); H.R.Rep. No. 105-551, pt. 2, at 49 (1998)).

This balancing effort resulted in a statute that creates "'strong incentives for service providers and copyright owners to cooperate to detect and deal with copyright infringements that take place in the digital network environment.'" *Rossi*, 391 F.3d at 1003 (quoting H.R.Rep. No. 105-551, pt. 2, at 49 (1998)). For instance, a copyright owner who suspects that her copyright is being infringed "must follow the notice and take down provisions set forth in § 512(c)(3) of the DMCA." *Id.* at 1003. Once properly notified, a service provider must "respond[] expeditiously to remove, or disable access to, the material that is claimed to be infringing." *Recording Industry Ass'n of America v. Verizon Internet Servs.*, 351 F.3d 1229, 1234 (D.C.Cir.2003). If a service provider fails to take down the potentially infringing material, it exposes itself to copyright liability.

In addition to these notice and take down provisions, the DMCA also establishes several "safe harbors" that protect certain common activities of ISPs. See S.Rep. No. 105-190, at 19; H.R.Rep. No. 105-551, pt. 2, at 41-42. The DMCA safe harbors do not render a service provider immune from copyright infringement. See *Ellison*, 357 F.3d at 1077. They do, however, protect eligible service providers from all monetary and most equitable re-

lief that may arise from copyright liability. *See id.*; 17 U.S.C. § 512(a)-(d), (j). Thus, even if a plaintiff can show that a safe harbor-eligible service provider has violated her copyright, the plaintiff will only be entitled to the limited injunctive relief set forth in 17 U.S.C. § 512(j). *See* 17 U.S.C. §§ 512(a)-(d), (j); *Verizon Internet Servs.*, 351 F.3d at 1234.

The DMCA “safe harbors provide protection from liability for: (1) transitory digital network communications; (2) system caching; (3) information residing on systems or networks at the direction of users; and (4) information location tools.” *Ellison*, 357 F.3d at 1076–1077 (citing 17 U.S.C. §§ 512(a)-(d)).

To be eligible for any of the safe harbors, a service provider must meet a series of threshold conditions. At the outset, a party seeking safe harbor must, in fact, be a “service provider” as that term is defined under the DMCA. *See* 17 U.S.C. § 512(k)(1)(B). If it fits within that definition, the service provider must then show that it

(A) has adopted and reasonably implemented, and informs subscribers and account holders of the service provider’s system or network of a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider’s system or network who are repeat infringers; and

(B) accommodates and does not interfere with standard technical measures.⁴

17 U.S.C. § 512(i); accord *Ellison*, 357 F.3d at 1080. A service provider that does not meet these threshold conditions may not invoke the DMCA’s safe harbor limitations on liability. *See Ellison*, 357 F.3d at 1080.

4. The term “standard technical measures” refers to technical means by which copyright

Once the threshold conditions have been met, a service provider must then satisfy the specific requirements for the particular safe harbor. Amazon asserts that it is entitled to protection for information residing on systems or networks at the direction of users. *See* 17 U.S.C. § 512(c). The § 512(c) safe harbor protects a service provider from liability for “infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider.” To qualify for the § 512(c) safe harbor, a service provider must show that:

(1) it has neither actual knowledge that its system contains infringing materials nor an awareness of facts or circumstances from which infringement is apparent, or it has expeditiously removed or disabled access to infringing material upon obtaining actual knowledge of infringement;

(2) it receives no financial benefit directly attributable to infringing activity; and

(3) it responded expeditiously to remove or disable access to material claimed to be infringing after receiving from the copyright holder a notification conforming with requirements of § 512(c)(3).

ALS Scan, Inc. v. Remark Communities, Inc., 239 F.3d 619, 623 (4th Cir.2001) (citing 17 U.S.C. § 512(c)(1)). Corbis, for its part, asserts that Amazon does not qualify for liability protection both because it does not satisfy the threshold conditions and because it does not meet the § 512(c) requirements.

2. Threshold Conditions for DMCA Liability Protection.

a. Is Amazon a “Service Provider” Under the DMCA?

[1] Protection from copyright liability under the DMCA is only available to enti-

owners may identify or protect copyrighted works. *See Ellison*, 357 F.3d at 1080.

ties that meet the statute's definition of a "service provider." See 17 U.S.C. § 512(k)(1). For purposes of the § 512(c) safe harbor,⁵ a service provider is defined as "a provider of online services or network access, or the operator of facilities therefor." See 17 U.S.C. § 512(k)(1)(B). This definition encompasses a broad variety of Internet activities, see, e.g., *Aimster*, 334 F.3d at 655; *ALS Scan*, 239 F.3d at 623, and there is no doubt that Amazon fits within the definition. See *Hendrickson v. Amazon.Com*, 298 F.Supp.2d 914, 915 (C.D.Cal.2003) (holding that Amazon meets the DMCA's definition of a service provider). Amazon operates web sites, provides retail and third party selling services to Internet users, and maintains computers to govern access to its web sites.⁶ These activities fall squarely within the broad scope of the § 512(k)(1)(B) definition of "service provider," See, e.g., *Hendrickson v. eBay, Inc.*, 165 F.Supp.2d 1082, 1088 (C.D.Cal.2001) (eBay, an operator of an Internet website for purchase and sale of consumer goods, qualifies as a service provider).

b. Has Amazon Adopted and Reasonably Implemented a User Policy?

The Ninth Circuit has held that the DMCA's infringement policy requirement has three prongs. See *Ellison*, 357 F.3d at 1080. A service provider must: 1) adopt a policy that provides for the termination of service access for repeat copyright infringers in appropriate circumstances; 2) in-

form users of the service policy; and 3) implement the policy in a reasonable manner. See *id.* As discussed below, Amazon has satisfied each of the three *Ellison* prongs.

i. Amazon Has Adopted a User Policy.

[2] It is undisputed that Amazon requires each zShops vendor to accept a Participation Agreement that sets forth guidelines for the use of the zShops platform. See Pl.'s § 512(i) Mot. at 3. Nevertheless, Corbis argues that Amazon has not adopted an infringement policy under § 512(i). Corbis's primary complaint is that the Participation Agreement and related policies are too vague with regard to issues of copyright infringement. For example, Corbis points out that Amazon's user policies do not include the term "repeat infringer" and do not describe the methodology employed in determining which users will be terminated for repeated copyright violations. Corbis asserts that without such information, Amazon has not sufficiently informed its users of the type of conduct that will cause them to be denied access to Amazon's services.

The language of § 512(i) and the overall structure of the DMCA indicate that the user policy need not be as specific as Corbis suggests. The language of § 512(i) is telling in this regard. The key term, "repeat infringer," is not defined and the subsection never elaborates on what circumstances merit terminating a repeat in-

5. The DMCA also provides a different, more restrictive, definition of "service provider." See 17 U.S.C. § 512(k)(1)(A). This definition only applies to entities seeking protection from liability under the "transitory digital network communications" safe harbor. See 17 U.S.C. § 512(a). The more restrictive definition does not apply to an entity, such as Amazon, that seeks protection under the "information residing on systems or networks at

the direction of users" safe harbor. See 17 U.S.C. § 512(k)(1)(B).

6. Corbis argues that Amazon is not a service provider because Amazon does not "serve to route or connect online digital communications." Dkt. # 175, Pl.'s Opp. to Def.'s DMCA Mot. at 7. This argument is unavailing. The relevant definition of service provider does not require Amazon to engage in such activity. See 17 U.S.C. § 512(k)(1)(B).

fringer's access. This open-ended language contrasts markedly with the specific requirements for infringement notices and take-down procedures set forth in § 512(c). See *Batzel v. Smith*, 333 F.3d 1018, 1031 (9th Cir.2003), *cert. denied*, — U.S. —, 124 S.Ct. 2812, 159 L.Ed.2d 246 (2004). The notice and take-down provisions demonstrate that Congress infused the statute with specific detail when it so chose. The fact that Congress chose not to adopt such specific provisions when defining a user policy indicates its intent to leave the policy requirements, and the subsequent obligations of the service providers, loosely defined.

The open-ended language makes sense given the overall structure of the DMCA. In its recent discussion of the DMCA, the Ninth Circuit reminded that “the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.” *Rossi*, 391 F.3d at 1004 (quoting *The Wilderness Soc. v. U.S. Fish & Wildlife Serv.*, 353 F.3d 1051, 1060 (9th Cir.2003) (en banc), *amended by* 360 F.3d 1374 (9th Cir.2004)). The DMCA's balancing efforts reflect an understanding that “there are different degrees of online copyright infringement, from the inadvertent to the noncommercial, to the willful and commercial.” S.Rep. No. 105–190, at 32; H.R.Rep. No. 105–551, pt. 2, at 44. Given the complexities inherent in identifying and defining online copyright infringement, § 512(i) does not require a service provider to decide, *ex ante*, the specific types of conduct that will merit restricting access to its services. As Congress made clear, the DMCA was drafted with the understanding that service providers need not “make difficult judgments as to whether conduct is or is not infringing.” *See id.*

This does not mean that the first prong of the *Ellison* test is a paper tiger. To the contrary, it is clear that a properly adopted infringement policy must convey

to users that “those who repeatedly or flagrantly abuse their access to the internet through disrespect for the intellectual property rights of others . . . know that there is a realistic threat of losing that access.” *Id.* Amazon's policies convey this message. Each vendor must agree to the terms of the Participation Agreement before selling on the zShops platform. *See* Pl.'s 512(i) Mot. at 3. The Participation Agreement prohibits the listing, linking, or posting of any material that violates copyright laws, *see* Orpet Decl. at ¶ 9, p. 30, and makes it clear that those who violate Amazon's policies may face a variety of penalties, including restricting access to Amazon's sites and suspension or termination of service, *see id.* at ¶¶ 20–21, pp. 32–34. Finally, and perhaps most importantly, those accused of copyright infringement are informed that repeated violations could result in “permanent suspension” from Amazon sites. *See* Keeley Decl. at 173. Although Amazon does not use the term “repeat infringer” or precisely track the language of the DMCA, the evidence shows that Amazon has adopted a termination policy as required under § 512(i).

ii. Amazon Has Communicated Its Termination Policy to Its Users.

[3] Although the evidence indicates that Amazon required users to enter into the Purchase Agreement and accept the Community Rules, Corbis asserts that Amazon has not communicated its infringement policy to its users. *See* Dkt. # 205, Reply in Supp. of Pl.'s 512(i) Mot. (“512(i) Reply”) at 8. Corbis argues that Amazon had two policies, one it presented to users in the form of the Participation Agreement and Community Rules and a second, internal policy that was not described in the agreements and rules presented to vendors. *See id.* at 8. The internal policy Corbis refers to is a set of criteria used by Amazon when determining whether to ter-

minate a user's access to the site. Corbis argues that these internal criteria make up Amazon's actual policy on infringement. Since the internal criteria were never communicated to users, Corbis argues, Amazon has failed to satisfy this prong of the *Ellison* test.

Section 512(i), however, is not so exacting. Amazon need only inform users that, in appropriate circumstances, it may terminate the user's accounts for repeated copyright infringement. *See, e.g., In re Aimster Copyright Litigation*, 252 F.Supp.2d 634, 659 (N.D.Ill.2002), *aff'd*, 334 F.3d 643 (7th Cir.2004) (policy communicated when users informed they "may have their access to all services terminated" for repeated copyright violations) (emphasis added); *Perfect 10, Inc. v. CCBill, LLC*, 340 F.Supp.2d 1077, 1088–89 (C.D.Cal.2004) (policy stating user's access may be terminated deemed sufficient communication). The statute does not suggest what criteria should be considered by a service provider, much less require the service provider to reveal its decision-making criteria to the user. Amazon need only put users on notice that they face exclusion from the service if they repeatedly violate copyright laws. Amazon has done so, and has satisfied this prong of the *Ellison* test.

iii. Amazon Has Reasonably Implemented Its Infringement Policy.

[4] The final *Ellison* prong requires Amazon to reasonably implement its infringement policy. *See Ellison*, 357 F.3d at 1080; 17 U.S.C. § 512(i)(A). Section 512(i) provides little guidance on what constitutes reasonable implementation of an infringement policy. Cases that have addressed this issue generally raise two questions. The first is whether the service provider adopted a procedure for receiving complaints and conveying those complaints to users. *See id.* If such a procedure has

been adopted, then the second question is whether the service provider nonetheless still tolerates flagrant or blatant copyright infringement by its users. *See Perfect 10, Inc. v. Cybernet Ventures*, 213 F.Supp.2d 1146, 1177–78 (C.D.Cal.2002).

(a) Procedure for Receiving and Conveying Complaints.

In *Ellison*, the Ninth Circuit addressed the first question, regarding procedural implementation of an infringement policy. *See Ellison*, 357 F.3d at 1080. The Court analyzed America Online Inc.'s ("AOL's") infringement policy and identified flaws in how the policy had been implemented. At the time of the allegedly infringing activity, AOL had changed the e-mail address to which infringement notifications were to be sent but did not forward messages sent to the old address or notify senders that the old e-mail address was inactive. Instead, "AOL allowed notices of potential copyright infringement to fall into a vacuum and to go unheeded." *Id.* Because of this flawed notification procedure, the Court found that it was "difficult to conclude as a matter of law . . . that AOL had 'reasonably implemented' a policy against repeat infringers." *Id.*

The Northern District of Illinois reached a similar conclusion in *Aimster*, 252 F.Supp.2d at 659. When determining whether a repeat infringer policy had been reasonably implemented, the court focused on whether the policy allowed the service provider to communicate infringement notices to the service users. In *Aimster*, defendant had adopted a repeat infringer policy but, because of defendant's own encryption system, could not identify infringing users. The court held that defendant's repeat infringer policy had not been properly implemented. As the court noted, "adopting a repeat infringer policy and then . . . eviscerating any hope that such a

policy could ever be carried out is not an 'implementation' as required by § 512(i)." *Id.*

Here, the evidence indicates that Amazon developed a sufficient procedure for implementing its infringement policy. It is undisputed that Amazon's zShops platform includes over 40 million listings. *See* Orpet Decl. at ¶ 27. Amazon has cancelled millions of listing for violations of its user policies. *See id.* at ¶ 26. Amazon notifies the vendor of the cancellation through e-mail and warns that repeated violations of the rules may result in "permanent suspension" from Amazon cites. *See* Keeley Decl. at 173. In addition, Amazon has terminated access to zShops for hundreds of vendors for egregious or repeated violations of its user policies. *See* Orpet Decl. at ¶ 26.

Corbis points out that these figures do not differentiate between action taken for copyright infringement and action taken for other policy violations. The evidence, however, indicates that Amazon does respond to allegations of copyright infringement. *See* Keeley Decl. at ¶ 15, pp. 123–131. Amazon's practice is to promptly cancel a listing once it receives adequate notice that the listing violates another's copyrights. *See* Keeley Decl. at 105–106. Amazon informs the listing vendor via e-mail that "your listing may have violated the intellectual property rights of others and the Community Rules that govern our Auction, zShops, and Amazon Marketplace sites." Orpet Decl. at ¶ 25. The e-mail also provides the vendor with the complaining party's contact information. *See id.* Finally, as with other cancellations, Amazon warns vendors that repeated violations may result in permanent suspension from the Amazon site. *See* Orpet Decl. at ¶ 25. This evidence indicates that Amazon has properly implemented a procedure for addressing copyright com-

plaints and enforcing violations of its policies.

As Corbis points out, however, Amazon's infringement policy has not been able to prevent certain vendors from reappearing on the zShops platform under pseudonyms. Even though Amazon's policies prohibit vendors from opening new accounts once the original account has been terminated, *see* Keeley Decl. at 95, Posternow has been able to open at least two new accounts under slightly different names since it was initially terminated in June 2003. *See* Dkt. # 191, Decl. of Claire Keeley in Supp. of Opps. to Summ. J. Mots. ("Keeley Opp. Decl."), at 651–655.

Although this type of behavior is understandably vexing for a copyright holder like Corbis, it is not clear how Posternow's efforts to sidestep Amazon's policies amount to a failure of implementation. Corbis has not alleged that Amazon intentionally allowed Posternow to open a zShops account or suggested that a more effective means of denying Posternow's access could have been implemented by Amazon. *Compare A & M Records, Inc. v. Napster, Inc.*, 2000 U.S. Dist. LEXIS 6243, *28–29, 2000 WL 573136, *9 (N.D.Cal. 2000) (expert evidence that additional measure to thwart repeat violations could have been taken).

Instead, Corbis merely asserts that Posternow's reappearance shows that the infringement policy is a failure. This argument, however, fails to pass summary judgment muster. Corbis is required to present "specific facts showing that there is a genuine issue for trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). An infringement policy need not be perfect; it need only be reasonably implemented. *See CCBill* 340 F.Supp.2d at 1089. Here, Corbis has not brought forth any facts to suggest that Amazon could have used an-

other, more effective and reasonable, method for preventing disingenuous users from re-accessing zShops.⁷ In *Napster*, by comparison, the copyright holder plaintiffs avoided summary judgment on § 512(i) by providing expert testimony that Napster could have kept terminated users from re-accessing the service by blocking the user's Internet protocol address. See *Napster*, 2000 U.S. Dist. LEXIS 6243, *28–29, 2000 WL 573136, *9. Corbis's silence in this regard is telling. The mere fact that Posternow appeared on zShops under a different user name and identity does not, by itself, create a legitimate question of fact regarding the procedural implementation of Amazon's termination policy.

(b). Tolerating Flagrant or Blatant Copyright Infringement.

Even with proper enforcement procedures, a copyright holder may still demonstrate that the service provider has not satisfied § 512(i) if there are specific instances demonstrating that the service provider tolerates repeat copyright infringement by its users. As § 512(i) makes clear, however, termination of a user because of repeated copyright infringement is required only in "appropriate circumstances." See 17 U.S.C. § 512(i). Amazon need not conduct active investigation of possible infringement or make a decision regarding difficult infringement issues. See *Cybernet*, 213 F.Supp.2d at 1176–77. Because it does not have an affirmative duty to police its users, failure to properly implement an infringement policy requires a showing of instances where a service provider fails to termi-

nate a user even though it has sufficient evidence to create actual knowledge of that user's blatant, repeat infringement of a willful and commercial nature. See *Cybernet*, 213 F.Supp.2d at 1177; see also, *Cos-tar Group Inc. v. Loopnet, Inc.*, 164 F.Supp.2d 688, 703 (D.Md.2001) (citing H.R.Rep. No. 105–551, Part 2, at p. 61), *aff'd*, 373 F.3d 544 (4th Cir.2004).

Corbis identifies two specific vendors that it believes typify Amazon's failed implementation—Famed & Framed and Posternow. Corbis provides evidence that, between October, 2002 and February, 2003, Amazon received three e-mails in which the sender claimed that zShops listings posted by Famed & Framed violated the sender's copyrights. See Pl.'s 512(i) Mot. at 6–7. Similarly, between June, 2002 and February, 2003, Amazon received seven e-mails in which the sender claimed that zShops listings posted by Posternow violated the sender's copyrights. See *id.* at 7. Both Famed & Framed and Posternow were vendor defendants in this lawsuit.⁸ Amazon did not terminate either party's access to zShops until after this suit was filed. See Orpet Decl. at ¶ 30.

The Famed & Framed and Posternow examples do not provide evidence that Amazon had knowledge of blatant, repeat infringement that would have required Amazon to terminate access to the vendors' zShops sites. Although efforts to pin down exactly what amounts to knowledge of blatant copyright infringement may be difficult, it requires, at a minimum, that a service provider who receives notice of a copyright violation be able to tell merely from looking at the user's activities, state-

7. In some respects, the evidence regarding Posternow's efforts to continue to sell on zShops suggests that Amazon's procedures for dealing with repeat infringers are properly implemented. Each time that Amazon has been made aware of Posternow's pseudonymous zShop sites, Amazon has immediately

cancelled the listings and terminated the account.

8. None of the e-mails to Amazon in which the senders complained that Famed & Framed or Posternow were infringing copyrights were sent by Corbis or its representatives.

ments, or conduct that copyright infringement is occurring. See *Cybernet*, 213 F.Supp.2d at 1177. Examples of such blatant infringement may include statements from the vendor that a product is bootlegged or pirated, see *eBay*, 165 F.Supp.2d at 1093 n. 14, chat rooms hosted by the service provider in which users discuss how the service can be used to circumvent copyright laws, see *Aimster*, 252 F.Supp.2d at 652, or the offering of hundreds of audio files in a single day for peer to peer copying, see *Verizon Internet Srvs.*, 351 F.3d at 1233. Corbis has presented no such examples of blatant infringing activity on the vendor defendants' zShops sites.

Corbis argues, however, that the notices regarding infringing items on Famed & Framed and Posternow were sufficient to show blatant copyright infringement. Even assuming that the notices complied with the DMCA's notice requirements, see 17 U.S.C. § 512(c)(3), such notices are not the *sine qua non* of copyright liability.⁹ See *Ellison*, 357 F.3d at 1077 (claims for on-line copyright infringement are evaluated just as they would be in the non-online world). A copyright owner may have a good faith belief that her work is being infringed, but may still be wrong. The notification requirement does not take into account that a vendor may have "a legitimate fair use defense, or can otherwise invoke any of the myriad other factors that go into evaluating a copyright infringement claim." 3 Melville B. Nimmer & David Nimmer, NIMMER ON COPYRIGHT, § 12B.02[B][2], at 12B-36. Although the notices have brought the listings to Amazon's attention, they did not, in themselves,

9. In this regard, this Court respectfully disagrees with *CCBill*, in which the district court for the Central District of California held that receipt by the service provider of two or more DMCA compliant notices about one of its users required termination under § 512(i). See 340 F.Supp.2d at 1088. Although there

provide evidence of blatant copyright infringement.

Corbis cites testimony from Eric Orpet, Amazon's quality compliance manager, as evidence that Amazon knew a portion of Posternow's inventory was infringing based on the notices of infringement. When confronted with the notices of infringement, Mr. Orpet stated that, "based on what has been communicated to us, a small portion of [Posternow's] inventory would be construed as infringing." See *Keeley Decl.* at 118. This statement was made after a discussion in which Mr. Orpet repeatedly asserted that the term "repeat infringer" had not been defined. See *id.* at 115, 119. In addition, Mr. Orpet asserted that Posternow was not a repeat infringer, but that Amazon had "received repeat violation notification emails" about Posternow. See *id.* at 122.

In evaluating Mr. Orpet's statements, the recent *Rossi* decision is instructive. In *Rossi*, the Ninth Circuit held that the term "knowing misrepresentation," as it is used in the DMCA, requires "actual knowledge of misrepresentation." See *Rossi*, 391 F.3d at 1005. A party does not make a knowing misrepresentation "simply because an unknowing mistake is made, even if [the party] acted unreasonably in making the mistake." *Id.* Here, even if Amazon acted unreasonably when it failed to terminate Posternow, that unreasonable act is not the equivalent of having actual knowledge that Posternow was engaged in blatant, repeat infringement. Actual knowledge of blatant, repeat infringement cannot be imputed merely from the receipt of notices of infringement. Instead, there

may be instances in which two or more DMCA compliant notices make a service provider aware of a user's blatant, repeat infringement, the notices alone do not make the user's activity blatant, or even conclusively determine that the user is an infringer.

must be additional evidence available to the service provider to buttress the claim of infringement supplied by the notices. Here, Corbis provides no additional evidence that was available to Amazon that would have led Amazon to conclude that Posternow was a blatant, repeat infringer.

In fact, outside of the third party notices, Corbis lacks other evidence that Amazon ignored blatant copyright infringement by Posternow and Famed & Framed. For instance, there is no evidence suggesting that Amazon would have been able to tell, merely by looking at the Famed & Framed and Posternow listings, that the posters and photos being sold infringed another's copyrights. Without some evidence from the site raising a red flag, Amazon would not know enough about the photograph, the copyright owner, or the user to make a determination that the vendor was engaging in blatant copyright infringement. *See* S.Rep. No. 105-190, p. 30 (merely being aware of "one or more well known photographs of a celebrity at a site" does not provide a service provider with knowledge of possible infringement).

With respect to Famed & Framed, Corbis makes much of evidence that Amazon knew that Famed & Framed did not own the copyrights to the posters and images it sold. *See* Pl.'s 512(c) Mot. at 8. Corbis, however, presents this evidence in a somewhat selective fashion. Corbis neglects to mention that the Famed & Framed representative unequivocally stated that he informed Amazon that Famed & Framed had the right to sell all of the posters in its inventory. *See* Keeley Decl. at ¶ 10, p. 48. As Corbis is aware, owning a copyright and having the legal right to sell the copyrighted image are two very different things.

In fact, there is at least some evidence to suggest that Posternow and Famed & Framed were not the kind of "repeat infringers" envisioned under § 512(i). As

late as July, 2003, Posternow indicated to Amazon that all of its products were officially licensed. *See id.* at ¶ 25, pp. 170, 171. In addition, there is evidence that Famed & Framed attempted to work with Amazon to ensure that allegedly infringing items did not get re-listed on zShops. *See id.* at ¶ 26, p. 174. Such assertions by the two users militate against a finding that Amazon turned a blind eye to blatant, repeat infringement. Indeed, for Amazon to determine that these two users were infringers, it would have had to conduct the type of investigation that the courts and the legislature has found unnecessary. *See Cybernet*, 213 F.Supp.2d at 1176-77.

c. Does Amazon Accommodate and Not Interfere with Standard Technical Measures?

Corbis has not challenged Amazon's assertion that it accommodates and does not interfere with standard technical measures used to identify and protect copyrighted works. Accordingly, this Court finds that this threshold condition has been met.

3. The Safe Harbor Conditions Under § 512(c).

[5] Having satisfied the threshold conditions, Amazon must still meet the three conditions for liability protection set forth in § 512(c)(1)(A)-(C). First, Amazon must show that it does not have actual or apparent knowledge that material on its network is infringing. *See* 17 U.S.C. § 512(c)(1)(A)(i) & (ii). If Amazon does have actual or apparent knowledge, it must show that it acted "expeditiously to remove, or disable access to, the [infringing] material." 17 U.S.C. § 512(c)(1)(A)(iii). Second, Amazon must show that it does not receive a financial benefit directly attributable to any infringing activity that it maintains the right and ability to control. Third, Amazon must show that it has expe-

ditiously removed or disabled access to allegedly infringing material for which it has received appropriate notice under § 512(c)(3).

Amazon asserts that it has met all the elements necessary to invoke liability protection under § 512(c). Corbis does not challenge Amazon's claim that it acts expeditiously to remove or disable access to allegedly infringing material in accord with the third safe harbor element. Corbis argues, however, that Amazon does not fulfill the requirements of § 512(c)(1) because (a) it knew or should have known of infringements of Corbis Images by zShops vendors, and (b) it receives a financial benefit directly attributable to the infringing activity and has the right and ability to control such activity.

a. Knowledge of Infringement.

To enjoy the § 512(c) safe harbor Amazon must show that it (1) does not have actual knowledge that the material or an activity using the material on the system or network is infringing, and (2) is not aware of facts or circumstances from which infringing activity is apparent. If a service provider does obtain either actual or apparent knowledge, it may still invoke the § 512(e) safe harbor if it acts expeditiously to remove or disable access to the infringing material

In all of the published cases addressing the knowledge component of § 512(c), the copyright holder has provided evidence that it notified the service provider of the infringing material. *See, e.g., Ellison*, 357 F.3d at 1075 (DMCA compliant notice sent to service provider); *ALS Scan*, 239 F.3d at 620–21 (pre-suit letter substantially complying with DMCA sent to service provider); *Amazon*, 298 F.Supp.2d at 915 (plaintiff attempted to notify service provider); *eBay*, 165 F.Supp.2d at 1084–85 (non-DMCA-compliant cease and desist letters sent); *Costar*, 164 F.Supp.2d at 703

(plaintiff sent DMCA notification of claimed infringement). The notice of infringement constitutes evidence of the service provider's knowledge. Under the DMCA, the service provider may attempt to refute this knowledge by showing that the notice failed to substantially comply with the DMCA's notice requirements. *See* 17 U.S.C. § 512(c)(3)(B).

This case differs from other cases addressing the § 512(c) knowledge component. Here, Corbis acknowledges that it never attempted to notify Amazon that zShops vendors were selling images that violated Corbis copyrights. Corbis chose not to address the copyright infringement issues through the DMCA's notice provisions, but instead decided to file this infringement suit. Corbis, of course, was under no obligation to give notice of claimed infringement before filing this suit. *See* H.R.Rep. No. 105–551, pt. 2, at 54. Its decision to forego the DMCA notice provisions, however, stripped it of the most powerful evidence of a service provider's knowledge—actual notice of infringement from the copyright holder. *See* 3 NIMMER ON COPYRIGHT, § 12B.04[A][3], at 12B–53.

Corbis asserts that its decision to forego notice is of no import. It proffers evidence of notices provided by other copyright holders addressing non-Corbis photos. In addition, Corbis provides evidence suggesting that Amazon was aware that Corbis licensed celebrity photos. Based on this evidence, Corbis argues that Amazon should have known that zShops vendors sold infringing Corbis Images.

This evidence does not create a material issue of fact regarding either Amazon's actual knowledge or its apparent knowledge of infringing material on the zShops platform. With regard to actual knowledge, this evidence is wholly insufficient. Taken in the light most favorable to Corbis, the evidence shows that Amazon knew

Corbis licensed celebrity photos and that celebrity photos were vulnerable to copyright infringement. The issue is not whether Amazon had a general awareness that a particular type of item may be easily infringed. The issue is whether Amazon actually knew that specific zShops vendors were selling items that infringed Corbis copyrights. Corbis provides no evidence from which such actual knowledge could be gleaned.

Corbis fares little better with regard to demonstrating Amazon's apparent knowledge. Corbis contends that it has provided sufficient evidence to show that Amazon "knew or should have known" that zShops vendors were selling infringing Corbis Images. Corbis, however, misstates the standard of knowledge necessary under § 512(c). In determining whether a service provider is "aware of facts or circumstances from which infringing activity was apparent," 17 U.S.C. § 512(C)(1)(A)(ii), the question is not "what a reasonable person would have deduced given all the circumstances." 3 NIMMER ON COPYRIGHT, § 12B.04[A][1], at 12B-49. Instead, the question is "whether the service provider deliberately proceeded in the face of blatant factors of which it was aware." *Id.* As articulated by Congress, apparent knowledge requires evidence that a service provider "turned a blind eye to 'red flags' of obvious infringement." H.R.Rep. No. 105-551, pt. 2, at 42.

Congress's discussion of apparent knowledge, and what evidence demonstrates such knowledge, is instructive. Absent evidence of its own efforts to notify a service provider, a copyright owner could establish apparent knowledge if she could show that an online location at which her copyrighted material was available was clearly a "pirate site." *Id.* Pirate sites are ones that are "obviously infringing because they typically use words such as 'pirate,' 'bootleg' or slang terms in their URL and

header information to make their illegal purpose obvious." *Id.* Congress described the advertisement of illegal copyright activity through such slang words as a "'red flag' of obvious infringement," and indicated that the infringing nature of sites containing such red flags would be apparent from even a "brief and casual viewing." *Id.* Thus, once a service provider is aware of a site containing such "red flags," the service provider would have apparent knowledge of the infringing activity.

[6] Corbis argues that its strongest evidence regarding apparent knowledge is that Amazon received notices that zShops vendors were infringing the copyrights of unrelated parties by selling celebrity photographs. There are a number of problems with this evidence. First, it is not clear which, if any, of the vendors that were the subject of the third party notices are also vendor defendants in this litigation. Second, notices of infringement must substantially comply with the DMCA's notice requirements to be considered evidence of a service provider's knowledge. *See ALS Scan*, 239 F.3d at 625; 17 U.S.C. § 512(c)(3)(B)(i). Corbis, however, makes no attempt to suggest that these third party notices were DMCA compliant. Assuming that they did comply, Corbis runs into yet another problem; the notices would still not be considered as evidence of knowledge if Amazon acted expeditiously to cancel the complained of listings. *See* 17 U.S.C. § 512(e)(1)(C). Amazon has asserted that it promptly cancels a listing after receiving a notice of infringement, and Corbis never directly challenges that assertion.

Sweeping aside these difficulties, the third party notices do not, in themselves, constitute red flags. As Congress suggested, evidence of blatant copyright infringement will often derive from information on the offending site. *See, e.g.,*

H.R.Rep. No. 105-551, pt. 2, at 42. Outside of the fact that the zShop vendors sold pictures of celebrities, Corbis is silent regarding the content of the complained of listings. There is simply nothing to suggest that the vendor listings contained evidence of blatant copyright infringement. As a result, even if the notices of infringement would have caused Amazon to examine the content of the zShops sites, Corbis has failed to close the link by showing that those sites contained the type of blatant infringing activity that would have sent up a red flag for Amazon.

Corbis's other evidence of "red flags" is similarly unavailing. Corbis points out that IMDb representatives met with Corbis representatives in 2001 and that Amazon's corporate counsel was employed at Corbis between 1993 and 1998. *See* Pl.'s 512(c) Mot. at 8-10. Corbis indicates that these events provide a link between Amazon and Corbis from which apparent knowledge can be inferred. Even ignoring the tenuousness of these links,¹⁰ it would only suggest that Amazon had general knowledge that photos may be the subject of online copyright infringement. It provides no evidence from which to infer that Amazon was aware of, but chose to ignore, red flags of blatant copyright infringement on specific zShops sites.

b. Amazon Does Not Have the Right and Ability to Control the Infringing Activity.

A service provider will be excluded from the § 512(c) safe harbor if it (1) "has the

right and ability to control" the infringing activity, and (2) receives "a financial benefit directly attributable to the infringing activity." 17 U.S.C. § 512(c)(1)(B). Both elements must be met for the safe harbor to be denied. *See* 3 NIMMER ON COPYRIGHT, § 12.12B.04[A][1], at 12B-50.

One court has already ruled on Amazon's right and ability to control infringing activity on its third party vendor platforms. In *Hendrickson v. Amazon.Com*, the Central District of California held that Amazon had satisfied this component of § 512(c), finding that

Amazon merely provided the forum for an independent third party seller to list and sell his merchandise. Amazon was not actively involved in the listing, bidding, sale or delivery of [the infringing item]. The fact that Amazon generated automatic email responses when the [infringing item] was listed and again when it was sold, does not mean that Amazon was actively involved in the sale. Once a third party seller decides to list an item, the responsibility is on the seller to consummate the sale. While Amazon does provide transaction processing for credit card purchases, that additional service does not give Amazon control over the sale. In sum, Amazon's evidence shows that it did not have control of the sale of [the infringing item].

Amazon, 298 F.Supp.2d at 918.

Corbis attempts to distinguish *Amazon* in two ways. First, Corbis notes that, unlike the plaintiff in *Amazon*, Corbis has

¹⁰ Representatives from IMDb and Corbis had one meeting in 2000. Although this meeting would have made IMDb aware that Corbis licensed images of celebrities, Corbis does not assert that it made Amazon aware that Corbis faced an infringement threat from any of the zShops vendors. Furthermore, the employee who left Corbis to join Amazon was not involved in acquiring the group of images that are involved in this litigation. *See* Def.'s

Opp. to Pl.'s § 512(c) Mot. at 11. Given that Corbis, itself, had to first conduct an investigation before determining whether zShops vendors were selling unauthorized images, *see* Dkt. # 188, Decl. of Charles C. Sipos in Supp. of Def.'s Reply to DMCA Mot. ("Sipos Reply Decl."), at ¶ 2, p. 7, it is difficult to imagine that Amazon would have gleaned such knowledge based on these connections.

presented evidence that Amazon was able to identify vendors and the items sold on the zShops platform. As an example, Corbis notes that Amazon terminated the zShops defendants on the same day Corbis filed and served its complaint. This evidence, however, does not suggest a right and ability to control under the DMCA. Courts have routinely held that “the right and ability to control infringing activity, ‘as the concept is used in the DMCA, cannot simply mean the ability of a service provider to remove or block access to materials posted on its website or stored in its system.’” *CCBill*, 340 F.Supp.2d at 1098 (*citing Costar*, 164 F.Supp.2d at 704). This Court agrees. Merely because Amazon could identify the zShops defendants and terminate their accounts does not mean they exercised the type of right and ability to control that would disqualify them from § 512(c) safe harbor.

Second, Corbis notes that Amazon met with several vendors of movie posters when the zShops site was launched in 1999. Amazon encouraged these vendors to list their items on zShops. Implicit in this argument is that Amazon knew, or should have known, that movie poster vendors were solely in the copyright infringement business. As discussed above, there is no evidence to warrant such a conclusion, much less to impute that knowledge to Amazon. Without some indication that Amazon intended to pick infringing material for its site, the fact that it advertised the zShops platform does not amount to a right and ability to control the items sold there.

Outside of providing the zShops platform, Amazon did not have the right or ability to control vendor sales. Amazon is never in possession of the products sold by zShops vendors. *See Orpet Decl.* at ¶ 9;

11. Amazon has not asserted that DMCA protection applies to Corbis Images that appeared on IMDb. Accordingly, Corbis’s Mo-

compare eBay, 165 F.Supp.2d at 1094. Furthermore, Amazon does not preview the products prior to their listing, does not edit the product descriptions, does not suggest prices, or otherwise involve itself in the sale. *See id.*; *compare Cybernet*, 213 F.Supp.2d at 1181–82 (service provider maintains right and ability to control where it prescreens sites, gives extensive advice regarding content, and prohibits the proliferation of identical sites). The evidence provided by Corbis does not sufficiently distinguish the previous finding in *Amazon*. *See* 298 F.Supp.2d at 918.

Because Amazon does not have the right and ability to control the infringing material, it is not necessary for this Court to inquire as to whether Amazon receives a direct financial benefit from the allegedly infringing conduct. *See CCBill*, 340 F.Supp.2d at 1098.

4. Conclusions Regarding DMCA Liability Protection.

Amazon has satisfied all of the threshold conditions for DMCA protection and all of the requirements for protection under the § 512(c) safe harbor. As a result, Amazon is immune from all monetary relief and, save the limited relief in 17 U.S.C. § 512(j), all forms of injunctive relief for any copyright infringement committed by zShops vendors on the Amazon site.¹¹ There is no genuine issue of material fact that Amazon is entitled to safe harbor protection under § 512(c).

Since the DMCA protects Amazon from liability for the 230 images displayed on the zShops listings, this Court grants Amazon’s motion for partial summary judgment regarding Corbis’s claims of direct copyright infringement relating to those 230 images (Dkt.# 153). In practical

tion for Partial Summary Judgment Against Amazon as to DMCA Eligibility for Its IMDb Platform (Dkt. # 144) is granted.

terms, the damages and injunctive relief sought by Corbis are no longer available and the direct infringement claims related to the 230 images on zShops have become moot. *See Seven Words LLC v. Network Solutions*, 260 F.3d 1089, 1095 (9th Cir. 2001) (where relief no longer available, plaintiff's claim is moot). The only relief Corbis could seek is the limited injunctive relief set forth in § 512(j) of the DMCA. Corbis has never requested such relief and, considering that Amazon has asserted that it has terminated the accounts of the defendant vendors, it is not certain how the limited injunctive relief would apply in the context of this litigation. *See Friends of the Payette v. Horseshoe Bend Hydroelec.*, 988 F.2d 989, 996 (9th Cir.1993) (an issue is moot where the court can no longer provide a cognizable remedy). At this point, any opinion rendered on the direct copyright infringement claims related to the 230 zShops images would be merely advisory.

B. Subject Matter Jurisdiction and Registration of Copyrights.

[7] 17 U.S.C. § 411(a) prohibits a party from suing for copyright infringement in any district court “until registration of the copyright claim has been made in accordance with this title.”¹² The parties

12. 17 U.S.C. § 411(a) states in full:

Except for an action brought for a violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), no action for infringement of the copyright in any United States work shall be instituted until registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her

agree that some of the Corbis Images that Corbis claims have been infringed have been submitted to the Copyright Office, but have yet to be registered by the Register of Copyrights.¹³ Amazon argues that under § 411(a), this court has subject matter jurisdiction with regard to only the Corbis Images for which the Copyright Office has granted copyright registration. For those Corbis Images that are still pending registration, Amazon argues that the copyright infringement claims must be denied.

There is a split in authority on this issue. Some courts have concluded that a pending registration does confer federal jurisdiction over a copyright claim. *See, e.g., Apple Barrel Productions, Inc. v. Beard*, 730 F.2d 384, 386–87 (5th Cir.1984); *Dielsi v. Falk*, 916 F.Supp. 985, 994 n. 6 (C.D.Cal.1996). These courts have concluded that the term “registration” in § 411(a) refers to “the moment that the plaintiff delivers the fee, deposit and application to the Copyright Office.” *Loree Rodkin Management Corp. v. Ross-Simmons, Inc.*, 315 F.Supp.2d 1053, 1054–55 (C.D.Cal.2004). The leading treatise on copyright law has concluded that this is the “better point of view.” 2 NIMMER ON COPYRIGHT § 716[B][1][a], at 7–155. Other

option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

13. The number of Corbis Images that have not been registered by the Register of Copyrights is in dispute. Amazon indicates that 86 of the Corbis Images were not registered at the time this case was filed. *See* Dkt. # 215, Reply in Supp. of Def.'s Copyright Reg. Mot. at 8–9 n. 10. Corbis contends that only 19 of the Corbis Images have not been registered by the Register of Copyrights. *See* Dkt. # 195, Opp. to Def.'s Copyright Reg. Mot. at 2.

courts have concluded, however, that registration only occurs when the Copyright Office grants the registration application and conveys a certificate of registration. *See, e.g., Loree*, 315 F.Supp.2d at 1055; *Corbis Corp. v. UGO Networks, Inc.*, 322 F.Supp.2d 520, 522 (S.D.N.Y.2004); *Capitol Records, Inc. v. Wings Digital Corp.*, 218 F.Supp.2d 280, 284 (E.D.N.Y.2002); *U-Neek, Inc. v. Wal-Mart Stores, Inc.*, 147 F.Supp.2d 158, 169 (S.D.N.Y.2001).

This Court agrees with the second group of decisions. A district court does not have subject matter jurisdiction over an infringement claim until the Copyright Office grants the registration application and issues a certificate of registration. A review of the plain language of the Copyright Act supports this conclusion. Section 411(a) makes it clear that jurisdiction is not conveyed “until registration of the copyright claim has been made in accordance with [the Copyright Act].” 17 U.S.C. § 411(a). Section 410(a) indicates that a claim must be examined and approved by the Register of Copyrights *before* it is registered.

When, after examination, the Register of Copyrights determines that . . . the material deposited constitutes copyrightable subject matter and that the other legal and formal requirements of this title have been met, the Register shall register the claim and issue to the applicant a certificate of registration under the seal of the Copyright Office.

17 U.S.C. § 410(a). Although submission of a claim begins the registration process, a claim is not registered until it is approved by the Register of Copyrights. Under the plain meaning of the language, the Register’s approval triggers this Court’s jurisdiction.

Apple Barrel and the group of cases holding otherwise rely on the analysis in *NIMMER* to support their position. *See, e.g., Apple Barrel*, 730 F.2d at 386–87;

Dielsi, 916 F.Supp. at 994 n. 6. *NIMMER* recognizes that the language of § 411(a) mandates registration of a copyright before a suit may be filed. *See* 2 *NIMMER ON COPYRIGHT*, § 716[B][1][a], at 7–155. *NIMMER*, however, states that the second sentence of § 412(a) provides an important exception to the rule—a copyright applicant who has been denied registration is also entitled “to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights.” 17 U.S.C. § 412(a). *NIMMER* argues that because an applicant is entitled to federal court jurisdiction regardless of the outcome of the registration application, the applicant “who seeks to register may proceed to litigate a claim, regardless of whether the Copyright Office ultimately issues the claim, or by contrast denies it. . . .” 2 *NIMMER ON COPYRIGHT*, § 716[B][1][a], at 7–155.

Adopting this approach requires inserting language into § 411(a) that simply is not there. As conceded in *NIMMER*, under the interpretation it advances, “it makes sense . . . to refer to *application for registration* [and not registration, itself] as a condition to filing an infringement action, whereas *issuance of a registration certificate* is a condition to statutory damages . . . and the other [benefits of registration.]” *Id.* (emphasis in original). This Court, however, would overstep its interpretive bounds if it read § 411(a) so broadly. Section 411(a) indicates who may invoke this Court’s jurisdiction for violation of the Copyright Act (those who have received a final determination on their application to register their copyright) and, by implication, excludes everyone else (those who have either not registered or whose applications for registration are pending). A statute like § 411(a) that “authorizes specific action and designates a particular party empowered to take it is surely among the least appropriate in which to

presume nonexclusivity. ‘Where a statute . . . names the parties granted [the] right to invoke its provisions . . . such parties only may act.’” *Hartford Underwriters Ins. v. Union Planters Bank, N.A.*, 530 U.S. 1, 6–7, 120 S.Ct. 1942, 147 L.Ed.2d 1 (2000) (quoting 2A N. Singer, SUTHERLAND ON STATUTORY CONSTRUCTION § 47.23, p. 217 (5th ed.1992)).

Here, § 411(a) gives those who have applied and obtained registration and those who have applied and failed to obtain registration the right to file suit in federal court. This Court will not expand the meaning of the statute to include those whose applications are pending but undecided. As a result, the copyright claims relating to Corbis Images for which Corbis does not have a certificate of registration are dismissed for lack of subject matter jurisdiction.

C. Direct and Vicarious Copyright Infringement.

Corbis has filed a motion for partial summary judgment on its claims of direct and vicarious copyright infringement (Dkt.# 147), and Amazon has filed a motion for partial summary judgment challenging Corbis’s copyrights and alleging copyright misuse (Dkt.# 151). Once the claims arising from DMCA-protected activity and the claims relating to unregistered images have been culled, only two direct copyright infringement claims, both regarding a photograph that appeared on the IMDb website, remain.

[8] To prove direct copyright infringement against Amazon, Corbis must demonstrate that (1) it owns a valid copyright, and (2) Amazon itself violated one or more of Corbis’s exclusive rights under the

Copyright Act. *See Ellison*, 357 F.3d at 1076; *see also A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir.2001). The exclusive rights conveyed by copyright ownership include the right to reproduce the work, the right to prepare derivative works based on the work, the right to distribute copies of the work to the public and the right to display the work publicly. *See* 17 U.S.C. § 106(1)-(3) & (5).

Corbis claims that it owns the copyright to a photograph of actor Eriks Christensen taken by photographer David Ash (the “Christensen Photo”). The Christensen Photo appeared among a montage of celebrity photographs in an advertisement banner on IMDb that provided a link to Amazon’s zShops platform. Corbis has moved for summary judgment regarding whether Amazon directly violated its copyright interests in the Christensen Photo by displaying it on IMDb.¹⁴ Amazon argues that it should be entitled to summary judgment because Corbis has failed to provide evidence that the Christensen Photo has been registered by the Copyright Office.

[9] Existence of a certificate of registration from the United States Copyright Office (“registration certificate”) is prima facie evidence of a valid copyright. *See* 17 U.S.C. § 410(c); *Apple Computer, Inc. v. Formula Intern., Inc.*, 725 F.2d 521, 523 (9th Cir.1984). Corbis has provided a registration certificate numbered VA 1–181–996 (“Registration No. ’996”), which it claims covers its derivative and compilation copyright interests in the Christensen Photo. *See* Keeley Decl. at 162. Registration No. ’966 is entitled “Corbis Digital Online October 2002 & Automated Data-

14. Corbis also claimed that Amazon directly infringed its copyrights in an image of Vin Diesel displayed on IMDb. Corbis, however, has acknowledged that it has applied for registration of the Vin Diesel image but that the

image has yet to be registered. As a result, this Court does not have subject matter jurisdiction with respect to that image. *See* Section III. B, *infra*.

base.” See Dkt. # 217, Supp. Decl. of Beth A. Colgan in Supp. of Mot. for Partial Summ. J. on Lack of Copyright Registrations (“Colgan Supp. Decl.”), Ex. 67, p. 371. Corbis is listed as an author along with photographers “Fabian Cevallos, John Springer, Micheline Pelletier & Others.” *Id.* The work is listed as a derivative or compilation and is described as “[m]onthly updates of new unpublished photographs and digitally enhanced images, as well as a compilation of digitally enhanced, unpublished, previously published and public domain images.” *Id.* at 372. A deposit of the work was filed with the Copyright Office. See *id.* at 371.

[10] Corbis has also provided a second registration certificate numbered VA 1–207–124 (“Registration No. ’124”), which it claims covers the photographer’s copyright interests in the Christensen Photo. See Dkt. # 209, Decl. of Claire L. Keeley in Supp. of Corbis’s Mots. for Summ. J. (“Keeley S.J. Decl.”), at 622–623. Registration No. ’124 is entitled “Erika Christensen” and indicates that the photograph was published in *Detour* magazine in November, 2000. *Id.* David Ash submitted the photograph and is listed as its author.¹⁵ A copy of the photograph was deposited with the Copyright Office.

Corbis has provided the Court with a spreadsheet listing the 232 images it claims have been infringed. See Keeley Opp. Decl., at ¶ 10, pp. 030–087. The

15. Amazon also argues that Corbis should be denied summary judgment because it does not have standing to assert an infringement of Mr. Ash’s copyright interest in the Christensen Photo. Although not a model of clarity, Corbis’s contract with Mr. Ash states that Mr. Ash transfers to Corbis “the right to use, reproduce, publish, exhibit, perform, publicly display, distribute, broadcast and transmit [the photographs].” Dkt. # 149, Decl. of David N. Weiskopf in Supp. of Pl.’s Mots. for Part. Sum. J., ¶ 3, at 32. Corbis has “full and complete authority to make and settle claims

spreadsheet indicates that the Christensen Photo is copyrighted under Registration Nos. ’966 and ’124. See *id.* at 047. Corbis argues that Registration Nos. ’966 and ’124, combined with its spreadsheet, demonstrate prima facie evidence of valid copyrights in the Christensen Photo. Amazon, in turn, has spent much time and energy pointing out inconsistencies in the Corbis spreadsheet. Amazon argues that it should be granted summary judgment because Corbis has failed to prove that it owns the copyrights to the Christensen Photo.

[11] There exists a legitimate question of fact regarding whether Registration Nos. ’966 and ’124 cover the Christensen Photo. Although Corbis does have copyright certificates, those certificates are only prima facie evidence of “the validity of the copyright and of the facts stated in the certificate.” *Seiler v. Lucasfilm, Ltd.*, 808 F.2d 1316, 1321 (9th Cir.1986) (quoting 17 U.S.C. § 401(c)), *cert. denied*, 484 U.S. 826, 108 S.Ct. 92, 98 L.Ed.2d 53 (1987). The facts stated in the ’966 certificate make no mention of Mr. Ash, Ms. Christensen, or the photograph. The ’124 certificate fares little better, merely indicating that it covers a photograph of Erika Christensen taken by David Ash. Although the Corbis spreadsheet links the registrations with the Christensen Photo, there is no way to corroborate this link. There is nothing on the face of the certificates for

or to institute proceedings in Corbis’s or [Mr. Ash’s] name but at Corbis’s expense to recover damages for [the photographs] . . . and for the unauthorized use of [the photographs].” *Id.* at 34. The rights transferred by the contract are among those exclusive rights enumerated in § 106 of the Copyright Act. See 17 U.S.C. § 106. It is well-settled that the recipient of such transferred rights may sue for infringement of those rights. See *Campbell v. Board of Trustees of Leland Stanford Junior University*, 817 F.2d 499, 504 (9th Cir.1987) (citing 17 U.S.C. § 501(d)).

Registration Nos. '966 and '124 to confirm that the Christensen Photo is included among the deposited photos. The only way to determine with any certainty whether Registration Nos. '966 and '124 cover the Christensen Photo is to review a copy of the deposits included with the registration applications.

Although the deposits are equally available to both parties from the Copyright Office, *see* Copyright Office Circular 6 (2002), neither party bothered to obtain a copy of the deposits and provide them to the Court. Without the deposit, Corbis cannot show that the Christensen Photo is among the photographs covered by Registration Nos. '966 and '124. Because Amazon has equal access to the deposit, it cannot simply rest on Corbis's failure to provide the evidence. To prove that Registration Nos. '966 and '124 do not protect the Christensen Photo, Amazon has an obligation to obtain and provide the evidence available to it. Without the deposit, there remains a legitimate question of fact regarding whether the Christensen Photo is protected by Registration Nos. '966 and '124.

For the same reasons, Amazon's challenge to Registration No. '966 as a derivative copyright (Dkt. # 151) must also be denied. Amazon's motion is premised on the theory that Registration No. '966 is invalid because the enhanced image lacks sufficient originality and would negatively impact the original copyrighted image. Determining whether Amazon is correct requires a comparison of the images deposited with the Copyright Office for Registration No. '966 with the image deposited for Registration No. '124. As noted, nei-

ther party has provided that information, and this Court is simply unable to tell whether the '966 Copyright is valid without viewing the deposits.¹⁶

Finally, Amazon has also filed a motion for partial summary judgment on Corbis's measure of actual damages (Dkt.# 154). Amazon contends that Corbis's measure of actual damages is too speculative and should be rejected by this Court. In accord with this Order, at most Corbis is entitled to damages only for violations of its copyright interests in Registration Nos. '966 and '124 by the unauthorized display of the Christensen Photo on IMDb. The motion on actual damages addressed Corbis's calculation of damages with regard to all 232 photos that Corbis alleged were infringed. Because this Order changes the scope and extent of the damages available to Corbis, the Court denies Amazon's motion regarding damages. Either party may revisit this issue if, after consultation, they determine that the issue of actual damages with respect to the Christensen Photo is ripe for summary judgment.

D. Lanham Act and State Law Claim.

1. Lanham Act Claims.

In its complaint, Corbis alleges claims of trademark dilution under § 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), *et seq.*, and false designation of origin under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). *See* Compl. ¶¶ 120–144. Amazon has moved for summary judgment with regard to these claims. *See* Def.'s Trademark and State Law Mot. at 2. In its opposition, Corbis failed to proffer any

¹⁶ Amazon's defense of copyright misuse (Dkt. # 151) is also denied. Corbis has not overstepped its bounds in pursuing its copyright interests. The areas of copyright litigation touched on by this suit are relatively new, often conflicting and certainly open to the interpretation adopted by Corbis. The evi-

dence does not support a conclusion that Corbis is using its copyright interests "in a manner violative of the public policy embodied in the grant of a copyright." *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970, 978 (4th Cir.1990).

argument in support of its trademark dilution claim. *See, generally*, Opp. to Def.'s Trademark and State Law Mot. As a result, this Court grants Amazon's motion for summary judgment with regard to that claim. *See* Fed.R.Civ.P. 56(e). For the reasons set forth below, this Court also grants Amazon's motion for summary judgment under § 43(a) of the Lanham Act.

[12] Section 43(a) prohibits the use of false designations of origin and false representations in the advertising and sale of goods and services. *See Smith v. Montoro*, 648 F.2d 602, 603 (9th Cir.1981). Among the activities proscribed under the Lanham Act is "reverse passing off." Reverse passing off occurs when someone markets a product as her own, even though someone else created the product. *See id.* at 1187. It can occur either "expressly," when the wrongdoer removes the trademark of another and sells that product under a name chosen by the wrongdoer, or "impliedly," when the wrongdoer simply removes or otherwise obliterates the name of the manufacturer or source and sells the product in an unbranded state. *See Shaw v. Lindheim*, 919 F.2d 1353, 1364 (9th Cir.1990).

[13] Corbis provides two alternative versions of its implied reverse passing off claim. First, Corbis alleges that Amazon committed reverse passing off by displaying Corbis Images on IMDb without crediting Corbis or its photographers for those images, and instead misrepresenting that the images came from other sources. *See* Pl.'s Opp. to Def.'s Trademark and State Law Mot. at 7. Second, Corbis asserts that the zShops vendors committed reverse passing off and that Amazon is contributorily liable for their conduct.

Courts have been reluctant to allow an overlap between claims involving the Lanham Act and copyright law and have dismissed Lanham Act claims where the

copyright laws provided an adequate remedy. *See Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34, 123 S.Ct. 2041, 2048, 156 L.Ed.2d 18, 30 (2003); *see also Shaw*, 919 F.2d at 1364-65 ("We decline to expand the scope of the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy"). Amazon asserts that Corbis's Lanham Act claim is a mere reiteration of its claims under the Copyright Act and, according to *Dastar* and *Shaw*, should be dismissed.

The subject matter of copyright is set forth in 17 U.S.C. § 102(a). It states that:

Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(5) pictorial, graphic, and sculptural works . . .

See id. Corbis summarizes its Lanham Act claim by stating that Amazon "displayed Corbis's images on its web site, IMDb.com, without permission or license from Corbis. Additionally, Corbis's images were sold on Amazon.com's zShops, without permission from or credit to Corbis or its photographers." Pl.'s Opp. to Def.'s Trademark and State Law Mot. at 1-2. The Copyright Act, however, expressly provides protection for such wrongdoing. *See* 17 U.S.C. §§ 106 & 501. Indeed, § 106 indicates that an owner of a copyright in a photograph has the exclusive rights to reproduce, distribute copies of, and display that photograph. *See* 17 U.S.C. §§ 102(a)(5), 106(1), (3), & (5). The Copyright Act provides for monetary remedies, including recovery of both the owner's actual damages and the infringer's

profits, and, in some circumstances, statutory damages, (17 U.S.C. § 504(a)-(c)), injunctive remedies, (17 U.S.C. § 502), and attorney's fees, (17 U.S.C. § 505).

By Corbis's own admission, it seeks the same remedies under the Lanham Act as are available under the Copyright Act. *See* Pl.'s Opp. to Def.'s Trademark and State Law Mot. at 10 ("damages available under the Lanham Act include profits of the defendant and damages sustained by the plaintiff"). What is more, Corbis concedes that the "Ninth Circuit has refused to *expand* Lanham Act protection in cases where the Copyright Act provides an adequate remedy." Pl.'s Opp. to Def.'s Trademark and State Law Mot. at 6 (emphasis in original). Nevertheless, Corbis asserts that these redundant claims are permissible here because both the Copyright Act claim and Lanham Act claim involve "bodily appropriation." *See id.* (citing *Salim v. Lee*, 202 F.Supp.2d 1122, 1128 (C.D.Cal. 2002)).

[14] Corbis's attempt to create an overlap between the Copyright Act and the Lanham Act fails for the following reasons. First, to be a cognizable violation of the Lanham Act, reverse passing off must *always* include bodily appropriation. *See Shaw*, 919 F.2d at 1364; *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1438 (9th Cir.1993). The *Salim* holding promoted by Corbis would, it seems, allow for an overlap between the Copyright Act and Lanham Act in all reverse passing off cases. The Ninth Circuit, however, has expressly indicated a reluctance to allow such an overlap. *See Shaw*, 919 F.2d at 1364-65 ("We decline to expand the scope of the Lanham Act to cover cases in which the Federal Copyright Act provides an adequate remedy"). And the Supreme Court recently has confirmed an interest in maintaining a distinction between the two claims. *See Dastar*, 539 U.S. at 34, 123 S.Ct. 2041 ("in constru-

ing the Lanham Act, we have been 'careful to caution against misuse or over-extension' of trademark and related protections into areas traditionally occupied by patent or copyright") (quoting *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 29, 121 S.Ct. 1255, 149 L.Ed.2d 164 (2001)).

Cleary v. News Corp., 30 F.3d 1255, 1261 (9th Cir.1994), does not invite an overlap between the two causes of action. In *Cleary*, the Ninth Circuit confirmed that reverse passing off under the Lanham Act requires bodily appropriation of misattributed material. *See* 30 F.3d at 1261. In an effort to define the term "bodily appropriation," the *Cleary* court adopted the definition of the term that is used in the context of copyright law: "copying or unauthorized use of substantially the entire item." *Id.* (quoting *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 205 (9th Cir.1989)). The plaintiff in *Cleary* did not allege a copyright claim, and the Court only assumed, for the sake of argument, that the plaintiff had successfully alleged a Lanham Act claim. The *Cleary* court did not suggest an overlap between causes of action under the Copyright Act and the Lanham Act, it only held that a similar definition of "bodily appropriation" could be used under the two statutes.

2. State Law Claims.

[15] Corbis asserts state law causes of action for violation of the Consumer Protection Act, R.C.W. 19.86.020 *et seq.*, and for tortious interference with business relationships. Amazon argues that the state law claims should be dismissed because they are barred by the Communications Decency Act of 1996 (the "CDA"), 47 U.S.C. § 230, and because they are preempted by the Copyright Act. Because this Court finds that the claims are barred

by the CDA, it need not address whether they are preempted by the Copyright Act.

Section 230 of the CDA states, in part, that “[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.” 47 U.S.C. § 230(c)(1). In addition, the CDA preempts any inconsistent state or local law. *See* 47 U.S.C. § 230(e)(3). As a result, the CDA “creates a federal immunity to any cause of action that would make service providers liable for information originating with a third-party user of the service.” *Zeran v. America Online, Inc.*, 129 F.3d 327, 330 (4th Cir.1997), *cert. denied*, 524 U.S. 937, 118 S.Ct. 2341, 141 L.Ed.2d 712 (1998).

Immunity from state law claims under § 230 requires that: (1) defendant be a service provider or user of an interactive computer service; (2) the cause of action treat a defendant as a publisher or speaker of information; and (3) a different information content provider provided the information. *See* 47 U.S.C. § 230(c)(1). Corbis does not contest that Amazon meets the first two elements of § 230 immunity. Corbis does assert, however, that Amazon fails to satisfy the last element. Corbis argues that Amazon “shaped the content of what was offered for sale on its zShops and directly provided the unauthorized images displayed on its IMDb.com platform.” Pl.’s Opp. to Def.’s Trademark and State Law Mot. at 14.

Section 230(c) “provides broad immunity for publishing content provided primarily by third parties.” *Carafano v. Metrosplash.Com, Inc.*, 339 F.3d 1119, 1123 (9th Cir.2003). “[S]o long as a third party willingly provides the essential published

content, the interactive service provider receives full immunity regardless of the specific editing or selection process.” *Id.* Here, it is undisputed that the zShops vendors provided the images that were displayed on the zShops sites. Although Amazon may have encouraged third parties to use the zShops platform and provided tools to assist them, that does not disqualify it from immunity under § 230 because the zShops vendor ultimately decided what information to put on its site. *See id.* at 1124 (§ 230 immunity granted where “the selection of the content was left exclusively to the user” even if service provider “facilitated expression of information”).

Corbis asserts that Amazon cannot maintain immunity with regard to images on IMDb because “Amazon was the information content provider.” Pl.’s Opp. to Def.’s Trademark and State Law Mot. at 13–14. Assuming this to be true, § 230 “precludes treatment as a publisher or speaker for ‘any information provided by another information content provider.’” *Carafano*, 339 F.3d at 1125 (*quoting* 47 U.S.C. § 230(c)(1)) (emphasis in original). Corbis’s claims are barred unless Amazon “created or developed the particular information at issue.” *Id.* The evidence indicates that Amazon did not create or develop the images posted on IMDb. As Corbis itself has recognized, Amazon may have published the images on its IMDb site, but those images were provided by the zShops vendors.¹⁷

IV. CONCLUSION

For the foregoing reasons, Amazon’s Motion for Summary Judgment Under

17. Because Amazon has immunity under the CDA, the Court need not entertain Amazon’s final motion for summary judgment challenging Corbis’s claims for damages relating to the claim of tortious interference with busi-

ness relationships (Dkt. 105). Because the CDA prevents Corbis from asserting the tortious interference claim, summary judgment is granted in Amazon’s favor and those claims are dismissed.

the Digital Millennium Copyright Act (Dkt.# 132) is GRANTED, Corbis's Motion for Partial Summary Judgment Regarding § 512(c) "Safe Harbor" Qualification under the DMCA (Dkt.# 145) is DENIED, Corbis's Motion for Partial Summary Judgment Against Amazon Precluding Application of DMCA for Lack of Compliance with 17 U.S.C. § 512(i) (Dkt.# 146) is DENIED, Corbis's Motion for Partial Summary Judgment Against Amazon as to DMCA Eligibility for Its IMDb Platform (Dkt.# 144) is GRANTED, Amazon's Motion for Partial Summary Judgment Denying Corbis's Direct Copyright Infringement Claims (Dkt. # 153) is GRANTED, Corbis's Motion for Partial Summary Judgment Against Amazon for Direct and Vicarious Copyright Liability (Dkt. # 147) is DENIED, Amazon's Motion for Partial Summary Judgment on Plaintiff's State Law Claims (Dkt. # 132) is GRANTED, Amazon's Motion for Partial Summary Judgment on Copyright and Copyright Misuse (Dkt. # 151) is DENIED, Amazon's Motion for Partial Summary Judgment on Plaintiff's Actual Damages (Dkt. # 163) is DENIED, and Amazon's Motion for Partial Summary Judgment on Plaintiff's Claim and Damages for Tortious Interference with Business Relationships (Dkt. # 105) is GRANTED.



Michelle D. GREEN, et al., Plaintiffs,

v.

TRANSPORTATION SECURITY
ADMINISTRATION, et al.,
Defendants.

No. C04-763Z.

United States District Court,
W.D. Washington,
At Seattle.

Jan. 7, 2005.

Background: Innocent airline passengers, who had no links to terrorist activity but had names similar or identical to names on Transportation Security Administration's (TSA) no-fly list, brought action against TSA, alleging that TSA's actions in maintenance, management, and dissemination of the no-fly list were unconstitutional. The TSA filed a motion to dismiss for lack of subject matter jurisdiction and a motion to dismiss for failure to state a claim.

Holdings: The District Court, Zilly, J., held that:

- (1) although TSA security directives establishing a no-fly list or selectee list for enhanced screening were "orders" over which court of appeals had exclusive jurisdiction, procedures administered by TSA's Office of the Ombudsman to allow passengers with names identical or similar to names on the no-fly list to be cleared were not "orders," and therefore, court had jurisdiction to consider passengers' constitutional claims relative to those procedures;
- (2) passengers' due process and Fourth Amendment challenges to TSA's adoption, maintenance, and dissemination of no-fly list and heightened security measures, which constituted "orders" over which court of appeals had exclusive jurisdiction, were inescapably in-