

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 18-81753-CIV-REINHART

ALPER AUTOMOTIVE, INC.
d/b/a AA IGNITION,
A Florida Corporation,

Plaintiff,

v.

DAY TO DAY IMPORTS, INC.,
A California Corporation,

Defendant.

_____ /

FINDINGS OF FACT AND CONCLUSIONS OF LAW

THIS CAUSE arises under the Digital Millennium Copyright Act (“DMCA”). The Court held a three-day bench trial on June 14-16, 2021. Having thoroughly considered the testimony and credibility of the witnesses, the evidence admitted at trial, arguments of counsel, the Joint Pretrial Stipulation [ECF No. 159], each party’s proposed findings and conclusions [ECF No. 149, 150], and each party’s post-trial submissions [ECF No. 177, 178], the Court makes the following findings of fact and conclusions of law as required by Federal Rule of Civil Procedure 52.¹

BACKGROUND

To put the Court’s findings in context, I first provide a brief factual and legal background.

¹ To the extent that any findings of fact may constitute conclusions of law, they are adopted as such and vice versa.

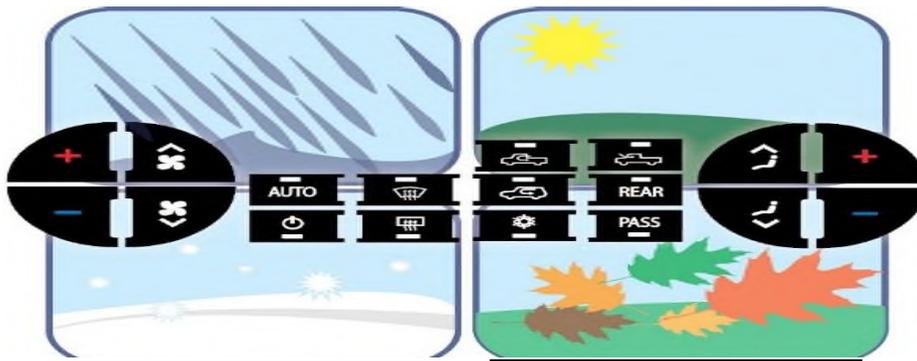
A. The DMCA

In relevant part, the DMCA addresses whether an online marketplace, such as Amazon or eBay, can be liable for copyright infringement if infringing items are offered on its platform. There is no liability unless the marketplace has actual knowledge of the infringing item and fails to expeditiously remove or disable access to the item. 17 U.S.C. § 512(c). A party believing its copyright is being infringed can notify the marketplace in writing; it must identify the allegedly infringing online listing with reasonable particularity (a “DMCA Takedown Notice”). 17 U.S.C. § 512(c)(3). But, a person who “knowingly materially misrepresents . . . that material or activity is infringing” is liable to the person whose listing is wrongfully taken down. 17 U.S.C. § 512(f).

Plaintiff brings this lawsuit alleging that Defendant knowingly misrepresented to Amazon that Plaintiff was infringing on Defendant’s copyright.

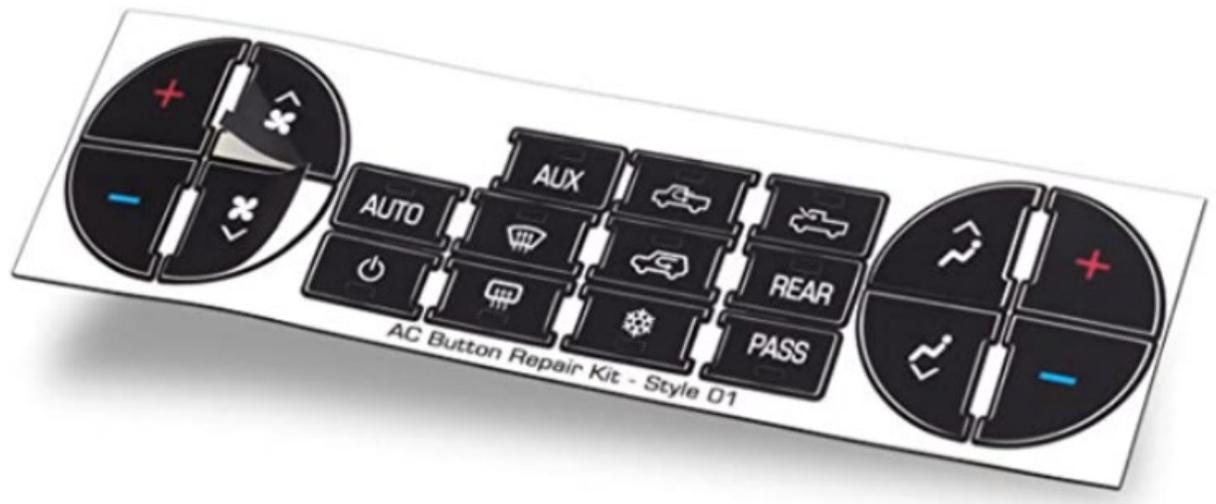
B. Facts

In 2011, Harold Walters designed a set of replacement stickers for the dashboard climate controls for certain GM vehicles. His design incorporates original artwork printed behind stickers (“the Deposit Design”):

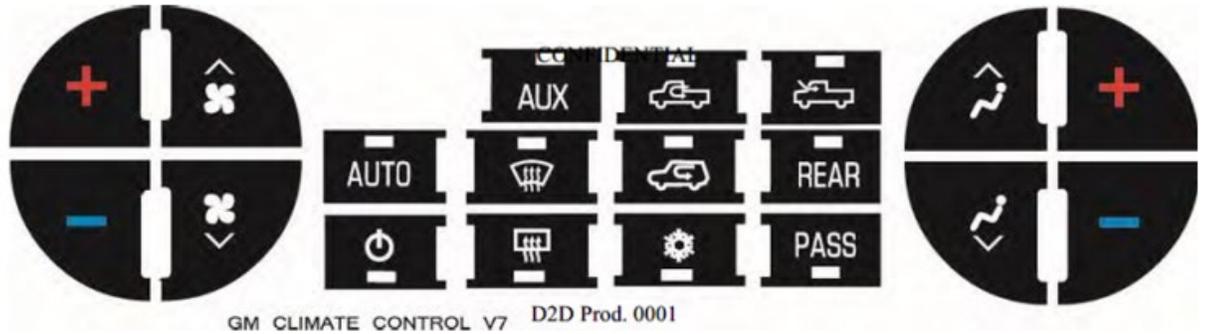


Mr. Walters began selling the Deposit Design stickers through on-line markets. In 2017, he submitted the Deposit Design to the U.S. Copyright Office. In 2017, a copyright was granted; it was later supplemented to correct the date of the original design.

In 2016, Defendant began selling a similar set of climate control stickers, but without the background artwork (“Defendant’s Sticker Sheet”):



Mr. Walters accused Defendant of copyright infringement. They eventually reached an agreement whereby Defendant paid to license the copyrighted work. Defendant never looked at the Deposit Design. Instead, it mistakenly believed the copyrighted (and licensed) work consisted of just stickers, with no background artwork (“the Subject Design”):



In 2017, Defendant learned that Plaintiff was selling, on Amazon.com, climate control stickers similar to the Subject Design (“Plaintiff’s Sticker Sheet”).



In 2018, Defendant filed a series of DMCA Takedown Notices with Amazon, which resulted in the Amazon listing for Plaintiff’s Sticker Sheet being taken down for brief periods of time.

FINDINGS OF FACT²

A. *The Parties*

1. Plaintiff is a Florida corporation with its principal place of business at 3727 NW 9th Street, Delray Beach, FL 33445. [ECF No. 159 Amended Joint Pretrial Stipulation, Statement of Uncontested Facts (“SUF”) ¶ 2].

² I have weighed each witness’ testimony, the witness’ memory, the witness’ manner while testifying, the interest the witness may have in the outcome of the case, any bias or prejudice

2. Plaintiff is owned by Gregg Alper. [ECF No. 173 at 40:3-12; ECF No. 173 at 41:23-25].

3. Mr. Alper is also Plaintiff's president, responsible for overseeing the business which includes selecting products to sell, working to source products, and overseeing day-to-day operations of the business. [ECF No. 173 at 40:3-10].

4. Defendant is a California corporation, duly organized under the law of the State of California, with its principal place of business at 16325 S Avalon Blvd, Gardena, CA 90248. [SUF ¶ 1].

5. Defendant specializes in selling automotive after-market parts, some of which are sold on Amazon. [ECF No. 173 at 161:16-20].

6. Defendant sells its auto accessories under the "Oxgord" trademarks. [SUF ¶ 13, 26].

7. The Oxgord trademarks are owned by Oxgord Incorporated. [SUF ¶ 13; ECF No. 172 at 162:16-17].

8. Yehuda Nourollah is an officer of Defendant and an officer of Oxgord Incorporated. [SUF ¶¶ 21, 22; ECF No. 172 at 177:14-25, 178:1-22; ECF No. 173 at 9:14-25, 10:3-16, 25, 11:1, 4-11, 13-25, 12:1-14; Joint Trial Exhibit ("JTX") 104, 105, & 106].

the witness may have, and other evidence that contradicts the witness' testimony in light of all the evidence. I also considered if there is evidence that a witness testified falsely about an important fact. *See* 11th Circuit Pattern Civil Jury Instruction 3.4.

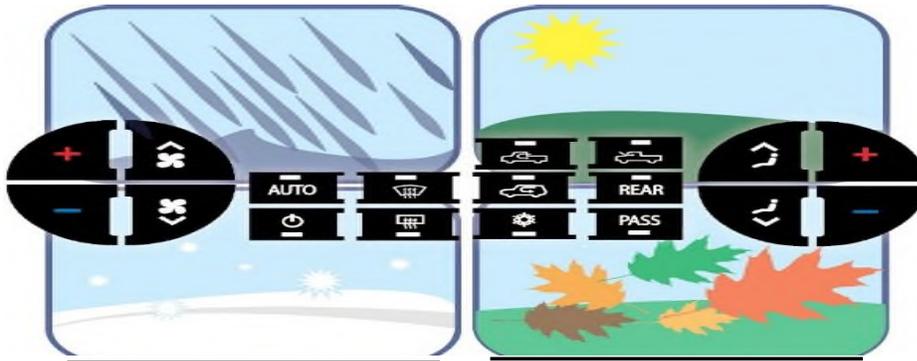
Citations to the trial transcript are: ECF No. 172 is the transcript from June 14, 2021; ECF No. 173 is the transcript from June 15, 2021.

9. Yehuda Nourollah has been in the after-market car accessories business since 2005. [SUF ¶ 20].

10. Akiva Nourollah, Yehuda Nourollah, Yaakov Nourollah, and Yosef Nourollah are brothers who each own stock in Defendant. [ECF No. 172 at 147:17-148:7].

B. Mr. Walters and the licensing agreement with Defendant

11. Harold Walters is the owner of Copyright Registration No. VAu001299058 (the “058 Registration”), and Mr. Walters is the owner of Copyright Registration No. VAu001317214 (the “214 Registration”) (together, the “Deposit Design”), which cover the following design:



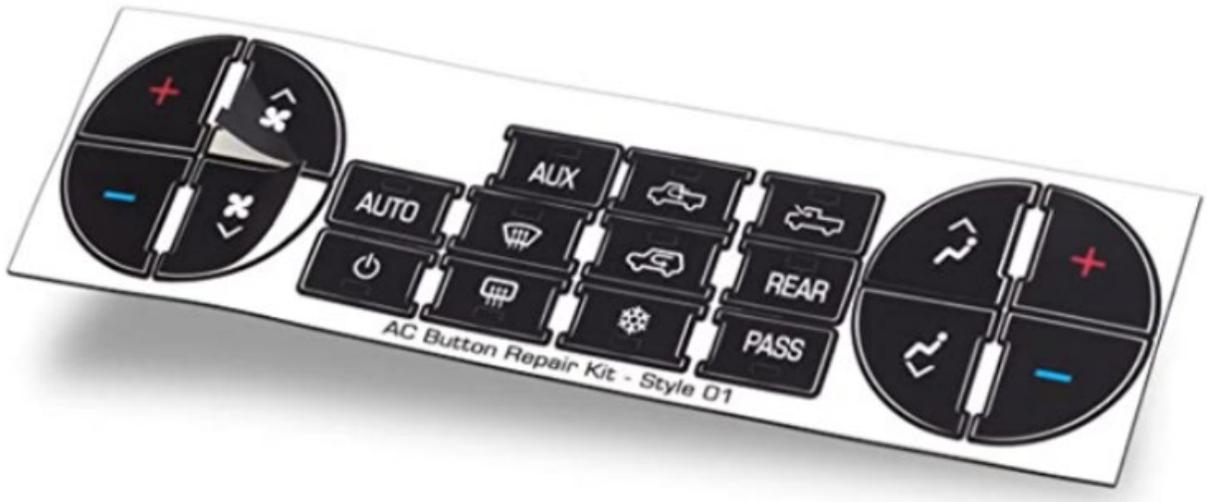
[SUF ¶¶ 6-7; JTX 1, 2].

12. The application for the '058 Registration stated that Mr. Walters had completed the design in 2017. The effective date of the '058 Registration is September 20, 2017. [JTX 1].

13. After submitting the '058 Registration, Mr. Walters realized he had listed the wrong completion date for his design. The correct completion date was 2011. [SUF ¶ 9].

14. Mr. Walters filed the '214 Registration as a supplemental registration to correct the mistake in the '058 Registration. The effective date of the '214 Registration is March 29, 2018. [SUF ¶¶ 8-9; JTX 2]

15. Starting in September 2016, Defendant began selling the following Defendant's Sticker Sheet on the Amazon platform under ASIN B071RRFBJ.



[SUF ¶ 14; JTX 7]

16. Mr. Walters submitted a DMCA Takedown Notice with Amazon on June 11, 2017, alleging that Defendant's Sticker Sheet infringed on Mr. Walters' Deposit Design. [SUF ¶¶ 10, 87; ECF No. 173 at 15:15- 25, 16:1; JTX 7, 77].

17. When Amazon took down the listing in response to Mr. Walters' DMCA Takedown Notice, Defendant thought that Mr. Walters had incorrectly alleged infringement. [ECF No. 173 at 22:2-4].

18. Defendant brought in attorney Aryeh Kaufman, Esq., in response to Mr. Walters' DMCA Takedown Notice against Defendant's Amazon listing. [ECF No. 173 at 22 at 14:3-14].

19. On June 12, 2017, the day after the DMCA Takedown Notice, Mr. Kaufman emailed Mr. Walters and inquired how his client infringed on Mr. Walters' copyright. [JTX 8, 9; SUF ¶ 27].

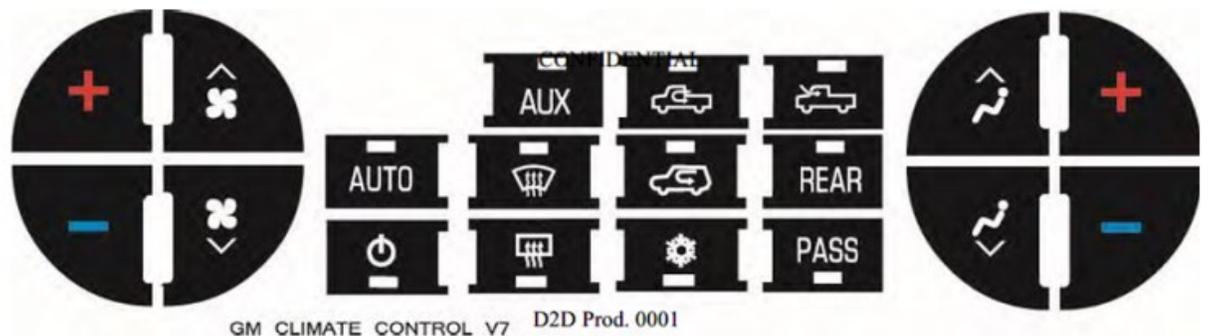
20. Mr. Kaufman's June 12 email stated that "we take legal action against fraudulent take downs." [JTX 8; SUF ¶ 29].

21. In a later communication on June 12, 2017, Mr. Kaufman stated that he thought Mr. Walters should talk to a copyright attorney about the copyright on his products. [JTX 8; SUF ¶ 30].

22. In an email on June 12 at 11:36 a.m., Mr. Walters represented to Defendant that he (Mr. Walters) was an artist and had created multiple designs that were covered by copyrights. [JTX 8].

23. Defendant began negotiating with Mr. Walters for a copyright license a few weeks after the June 11, 2017, DMCA Takedown Notice. SUF ¶ 89].

24. Mr. Walters informed Defendant that he (Mr. Walters) created the following Subject Design in 2011. [JTX 9, 10]:



[SUF ¶ 72].

25. Mr. Walters stated he had a valid and enforceable copyright in the Subject Design during license negotiations. [SUF ¶ 94].

26. Mr. Yehuda Nourollah believed Mr. Walters came across as a very, very honest guy who was policing his copyright rights. [SUF ¶ 32].

27. During the licensing negotiations, Mr. Walters sent a copy of his '058 Registration certificate to Oygord Incorporated. He did not include a copy of the Deposit Design that had been sent to the Copyright Office. [SUF ¶¶ 6, 24, 88; ECF No. 173 at 16:18-25, 17:1-25, 18:1-5; JTX 1].

28. After receiving the copyright registration, Oygord Incorporated and Mr. Kaufman noticed that the year of completion on the registration was 2017 and not 2011 as Mr. Walters had originally represented. [SUF ¶ 25; ECF No. 173 at 18:20-25, 19:1-2].

29. Mr. Walters represented to Oygord Incorporated that the completion year was 2011 and that he had mistakenly put 2017, and that he would fix that issue as soon as possible. [SUF ¶ 9; ECF No. 173 at 18:20-25, 19:1-2].

30. Shortly thereafter, Mr. Walters submitted a supplemental registration to the U.S. Copyright Office for the '058 Registration and was issued a new copyright registration, the '214 Registration. [SUF ¶¶ 7, 8, 9; ECF No. 173 at 19:3-19; JTX 2].

31. In October of 2017, based on Mr. Walters' representations, Oygord Incorporated paid \$18,000 to license the '058 and '214 copyrights from Mr. Walters. [SUF ¶¶ 36, 40; JTX 12, 92; ECF No. 173 at 37:17-25, 38:1-18, 40:21-25, 41:1-2].

32. Defendant also paid Mr. Walters \$4,000 to resolve any claims of infringement Mr. Walters had against Defendant or Oygord Incorporated for previous unlicensed sales of the sticker sheet design. [ECF No. 173 at 39:4-25, 40:1-20].

33. The licensing agreement between Mr. Walters and Oygord Incorporated was an exclusive license. [ECF No. 173 at 37:17-25, 38:1-18; 40:21-25, 41:1-2:14-21; JTX 12, 92].

34. Oygord Incorporated also agreed to allow Mr. Walters to continue to sell the sticker sheet on eBay.com. [ECF No. 173 at 42, line 25, 43:1-16; JTX 12; 92].

35. After Oygord Incorporated entered into the licensing agreement, on April 2, 2018, it assigned all of its right in the licensing agreement to Defendant, who continued to sell the sticker sheet under the Oygord trademarks. [SUF ¶ 33; ECF No. 173 at 41:22-25, 42:1-4, 43:17-24; JTX 13].

36. When it entered into the licensing agreement with Mr. Walters, Defendant subjectively believed that it was acquiring an exclusive license for the Subject Design. [JTX 9, 10].

37. Defendant has never requested from the U.S. Copyright Office a copy of the copyrighted work (the Deposit Design) associated with the '058 and '214 Registrations. [SUF ¶ 71].

C. Allegations of infringement and DMCA Takedown Notices of Plaintiff's

Amazon listing

38. The agreement between Mr. Walters and Oygord Incorporated obligated Mr. Walters to submit DMCA Takedown Notices against alleged infringers on Amazon. [SUF ¶ 47; ECF No. 173 at 61:5-25, 62:1-19; JTX 12, 92, 96, 97].

39. Mr. Walters submitted a couple of DMCA Takedown Notices against unauthorized sellers of the sticker sheet on Amazon. [JTX 97].

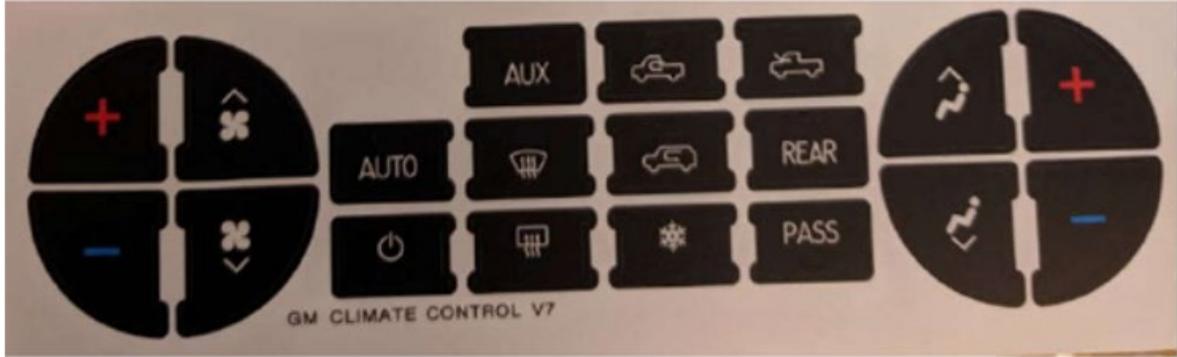
40. At some point, Mr. Walters expressed that he could no longer pursue infringers on Amazon through the DMCA Takedown Notices because he had “his hands full” taking down infringers on eBay where he was still allowed to sell the sticker sheet under the licensing agreement. [SUF ¶ 47; ECF No. 173 at 61:5-25, 62:1-19].

41. Mr. Walters then expressly gave permission to Defendant and its counsel to submit takedown notifications on Mr. Walters behalf against alleged infringers on Amazon. [SUF ¶ 47; ECF No. 173 at 61:5-25, 62:1-19].

42. Defendant intended to submit DMCA takedown notifications against unlicensed sellers on Amazon that were selling infringing sticker sheets for profit, and not for educational purposes or news reporting. [ECF No. 173 at 58:24-25, 59:1-13, 60:5-14].

43. Defendant was aware in 2018 that reporting false, misleading, or consistently inaccurate notices of infringement violated Amazon’s policies. [ECF No. 173 at 79:17-23].

44. Starting in April 2018, Plaintiff sold the following Plaintiff’s Sticker Sheet on the Amazon platform with Amazon Standard Identification Number (“ASIN”) B079H3M214:



[JTX 5, 99, 120, SUF ¶ 4, ECF No. 173 at 42:1-3, 42:15-43:2, 46:4-23].

45. Plaintiff's Sticker Sheet includes an additional "AUX" decal not included in the Deposit Design. [SUF ¶ 12].

46. When Mr. Alper began selling the Plaintiff's Sticker Sheet, there were many sellers on Amazon and other platforms selling similar, if not identical, sheets. Therefore, Mr. Alper did not believe it was proprietary because it was basically the factory control panel from a General Motors vehicle printed onto a sticker sheet. [ECF No. 172 at 46:24-47:9].

47. Mr. Kaufman submitted, by email, DMCA Takedown Notices against Plaintiff's Amazon listing on May 8, 2018 [SUF ¶ 61; JTX 14, 15], August 2, 2018 [SUF ¶ 62; JTX 24, 25], November 1, 2018 [SUF ¶ 63; JTX 31, 32], and November 19, 2018 [SUF ¶ 64; JTX 34, 35]

48. Prior to submitting these DMCA Takedown Notices, Defendant compared the images on an Amazon listing to the Subject Design. It considered whether the Plaintiff's Sticker Sheet was identical to the Subject Design, was being sold for commercial use and was not for educational purposes. [ECF No. 173 at 56:18-60:14].

49. The May 8, 2018, email said that the item being infringed could be found at Amazon ASIN B01LXSLF60. [JTX 15]. This ASIN corresponded to Defendant's- Sticker Sheet.

50. The August 2, November 1, and November 19 emails said, "The material being infringed upon can be found here: <http://www.oxgord.com/auto-accessories/replcement-oem-factory-parts/a-c-repair-kit-dash-button-for-gm-chevrolet-tahoesuburban-avalanche-silverado-yukon-denali-acadia-sierra-buick.html>. [JTX 25, 32, 35]. This references an item for sale on Defendant's website – Defendant's Sticker Sheet.

51. Each email was sent from Aryeh@akuafmanlegal.com. Each stated that it was "being provided by the Law Office of Aryeh Kaufman on behalf of Day to Day Imports, Inc." [JTX 15, 25, 32, 35]

52. Each of the emails sent as part of the DMCA Takedown Notices included the statement that Mr. Walter's copyrighted work (licensed to Defendant) was titled "Climate Control" and "consists of a layout of stickers to replace worn out dash buttons on certain vehicles." [SUF ¶ 65].

53. Plaintiff's Sticker Sheet does not incorporate the words "TOTAL CLIMATE CONTROL" nor include artwork behind icons. The Deposit Design contains these elements. [SUF ¶ 11].

54. At the time Defendant filed its DMCA Takedown Notices with Amazon, Defendant was acting to protect rights in the copyright it believed it had licensed from Mr. Walters. [SUF ¶ 66].

55. Each time Plaintiff's Amazon listing was taken down, Plaintiff, through counsel, submitted a counternotice to Amazon, which resulted in Plaintiff's listing being reinstated each time. Amazon did not send Defendant a copy of the counternotices submitted by Plaintiff's counsel. [SUF ¶¶ 69, 70, 91, 92; ECF No. 173 100:14-17; JTX-71].

The May DMCA Takedown Request

56. On May 8, 2018, at 9:03 p.m., an email was sent from Aryeh@akaufmanlegal.com to ten email addresses at Amazon, including notice@amazon.com. It listed 15 ASINs that were allegedly violating the copyright for Defendant's Sticker Sheet. Plaintiff's ASIN was ninth on the list. [JTX 15].

57. A response email was sent at 9:06 p.m. from nobody@bounces.amazon.com to aryeh@akaufmanlegal.com. It stated, "We received your email. Amazon respects the intellectual property rights of others. After we process your notice, we will notify you by email. This usually takes 1 to 2 days." [JTX 16].

58. A week later, on May 15, 2018, at 7:47 p.m., Mr. Kaufman re-sent the May 8 email to the same email addresses. He added the statement, "This email was sent almost a week ago, but the listings are still active. Please update me on this notice." [JTX 17].

59. The next day, May 16 at 11:57 p.m., an email was sent from notice@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com complaint ID 5049445621. It said, "Thank you for reporting your notice of

infringement. We cannot take action on your report because of the reasons listed below – The description of our copyrighted work does not match the content you reported as infringing.” It cross-referenced to 12 of the ASINs listed in the May 8 and May 15 emails; Plaintiff’s ASIN was one of them. [JTX 18].

60. Twenty-two minutes later, on May 17 at 12:19 a.m., an email was sent from notice@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com complaint ID 5048958901. It said, “We reviewed your report and removed the following content based on the information you provided.” It cross-referenced to all 15 ASINs listed in the May 8 and May 15 emails; they were listed in the same order as in the takedown emails. [JTX 19]

61. Plaintiff’s Amazon listing was taken down on May 17 and remained down until June 22. [JTX 19; 45, 46, 47].

62. On May 17, 2018, at 3:07 a.m., Plaintiff received an email from notice@amazon.com stating that aryeh@akaufmanlegal.com had reported copyright infringement relating to Plaintiff’s ASIN and that Plaintiff’s Amazon listing had been taken down. It referenced Amazon.com Complaint IDs 5048448591 and 5048958901. [JTX 40, 44]

63. That same day, a lawyer representing Plaintiff, Mr. Parness, emailed Mr. Kaufman to discuss the May 8, 2018, DMCA Takedown Notice. [SUF ¶ 51; ECF No. 172 at 67:24-25, 68:1-14, 25, 69:1-3; JTX 40].

64. In the May 17 email, Mr. Parness informed Mr. Kaufman of the ASIN associated with Plaintiff’s Amazon listing and stated: “We would like to work with

you to resolve whatever concern prompted your notice, so please respond to this email by explaining who you represent, and what the exact claim of copyright infringement is, so we can address it promptly and get this listing reinstated.” [SUF ¶ 52; JTX 40]

65. Along with the email, Mr. Parness provided Mr. Kaufman with the cached version of Plaintiff’s Amazon listing to provide Mr. Kaufman with a snapshot of the page that had been taken down. [ECF No. 172 at 52:21-53:2].

66. In response, Mr. Kaufman stated that he represented the “exclusive licensee” of a copyright covering the product sold by Plaintiff and that Plaintiff’s item is “an exact replica of the copyrighted work.” [SUF ¶ 53; JTX 40].

67. Mr. Parness responded: “Please send me a copy of what you deposited with the Copyright Office.” [SUF ¶ 55; JTX 40].

68. Mr. Kaufman responded: “My client is the exclusive licensee, so my guys did not deposit anything with the copyright office. I called the copyright office recently to ask if they can send a copy to me and they said I have to make a regular request through the normal channels. The licensor showed me the work he filed, and it is identical to what your client was selling. I have no reason not to believe him. Feel free to request the deposit from the copyright office though.” [SUF ¶¶ 56-57; JTX 40].

69. Mr. Kaufman also wrote, “We are a few weeks away from filing suit against all the infringers. Some are probably more egregious than your client since you seemed genuinely surprised that there is a copyright on this item.” [JTX 40].

70. Mr. Parness responded:

If you’re planning to sue, you’re going to need to show what the copyright is for, so you either already have what the licensor filed

or you can get it – I’m asking you to please get a copy and provide it. Right now I’ve got nothing to go on to advise my client as to infringement, and you’ve got nothing making me think an infringement has taken place. If you’re not looking at it, how can you say it’s “identical”?

Next question: What is the “work” that you are referring to? One or more of the icons, the arrangement of the icons on a sheet, something else? What – exactly – is “identical”?

Next question: The Copyright Record you sent me indicates that the work was created in 2017. My client is selling replacement stickers for model years 2006-2014. How does that make sense? What does your licensor think he created?

[JTX 40].

71. Mr. Kaufman responded, “Mr. Walters created the work in 2011. Either he made a mistake when applying for registration or the copyright office did. Either way, he is in the process of fixing that. I meant identical literally. I know what my client is selling is identical to the copyright as well so I can request that if you want to see it. I’ve been dealing with this copyright for almost a year so I know what it looks like.” He then sent a copy of the licensed item to Mr. Parness. [JTX 40].

72. Mr. Parnes responded: “Are you claiming rights in the iconography itself, or the selection and arrangement of the icons? It seems to me it would have to be the latter, as the icons themselves were in GM vehicles well before 2017 or even 2011. And in those vehicles, many if not most of the icons were also arranged in the same manner as you have them on the sheet, raising the question of what creative value your licensor contributed[.] I would also take issue with your statement that your licensor’s sticker sheet and my client’s sticker sheet are perfectly identical – they are not.” [JTX 40].

73. Mr. Kaufman responded, “OK. I’ll bite. What’s the difference between the two? Also, I strongly disagree with you on the ‘creative value’ necessary to form a copyright. The bar’s low.” [JTX 40].

74. Mr. Parness responded, “I’m asking if you are claiming a copyright in the image of the fan with an ‘up’ arrow, or acknowledging that you can’t claim ownership to that but you do claim ownership to the selection and arrangement of the otherwise unprotectable elements, which is a recognized concept, if difficult to establish.” [JTX 40]

75. Mr. Kaufman then asked if Mr. Parness was available for a quick conversation, and Mr. Parness responded with a phone number. [JTX 40]

76. On May 23 at 11:01 a.m., Mr. Parness emailed Mr. Kaufman, saying, “I am following up on our conversation of last week. Please let me know how things stand as we would like to get the complaint removed and we offered very reasonable terms to you.” [JTX 40]

77. Mr. Kaufman responded, “I have not had a chance to speak with my client about this yet. I’ll let you know when I have the chance. I doubt they will decide to retract the complaint. As a general rule they do not retract valid complaints. I’ll bring up everything we discussed though.” [JTX 40, SUF ¶ 58, ECF No. 173 at 74:14-16].

78. Mr. Kaufman and Mr. Parness did not reach a resolution. [SUF ¶ 59; JTX 40].

79. The supplemental information requested by Amazon had already been provided in the May 8 and May 15 emails. [JTX 15, 17].

80. The Plaintiff's Amazon listing had already been down since May 17. [JTX 19]

81. On June 7, 2018, at 10:27 p.m., Mr. Parness sent an email to notice-dispute@amazon.com as a counternotice appealing the decision to take down Plaintiff's Amazon listing. The email stated, "The Registration indicates the work was created in 2017. [Defendant] is selling replacement stickers for model years 2006 to 2014. The work cannot be original if it was on vehicles as early as 2006. Complaining party seeks to protect standard dashboard icons, which are not entitled to copyright protection. [Defendant's] product is not identical to complaining party's." The email was not sent to Mr. Kaufman or to Defendant. [JTX 47].

82. Amazon reinstated Plaintiff's listing on June 22. [JTX 45, 46]

The August DMCA Takedown Request

83. The August 2 DMCA Takedown Notice was an email sent at 9:38 a.m. from Aryeh@akaufmanlegal.com to ten email addresses at Amazon, including notice@amazon.com. It was not sent to notice-dispute@amazon.com or notice-request-dispute@amazon.com. It listed 12 ASINs who were allegedly violating the copyright for Defendant's Sticker Sheet. There were 13 ASINs on the list. One was repeated twice. Plaintiff's ASIN was sixth on the list. [JTX 25].

84. Plaintiff's ASIN was the only one listed on both the May DMCA Takedown Notices and the August 2 DMCA Takedown Notice. From this

circumstantial evidence and the undisputed fact that Defendant actively monitored Amazon for infringing listings, I find that Plaintiff's listing was the only one from the May DMCA Takedown Notices that had been reinstated prior to August 2. [JTX 25].

85. At 3:57 p.m. on August 2, an email was sent from notice-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com complaint ID 5259098051. It said, "Thank you for reporting your notice of infringement. We reviewed your report and determined that it is incomplete. We cannot take action on or complete any of your requests. Please resubmit your report with all the required information as listed below." It then listed the 13 ASINs from the takedown email in reverse order, including the duplicate item. [JTX 26]

86. The supplemental information requested by Amazon had already been provided in the takedown email. [JTX 26]

87. The next day, August 3, at 4:17 a.m., an email was sent from notice-request-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com complaint ID 5259098051. It said, "Thank you for reporting your notice of infringement. We cannot take action on your report because of the reasons listed below. We have determined that the notices you have reported to Amazon are invalid and/or inaccurate. Reporting false, misleading, or consistently inaccurate notices of infringement violates our policies." It then listed the 13 ASINs from the takedown email in reverse order, including the duplicate item. [JTX 28].

88. Later on August 3, at 6:30 p.m., an email was sent from notice@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com

complaint ID 5259098051. Its content was identical to the 4:17 a.m. email from notice-request-dispute@amazon.com. [JTX 29].

89. Later on August 3, at 10:06 p.m., an email was sent from notice@amazon.com to aryeh@akaufmanlegal.com. Its content was identical to the 4:17 a.m. and 6:30 p.m. emails. [JTX 27].

90. Six days later, on August 9, at 12:18 p.m., an email was sent from notice-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon.com complaint ID 5259249421. It said, “Thank you for your report of infringement. We reviewed your report and removed the following content based on the information you provided.” It then listed the 12 ASINs from the August 3 takedown email, without duplication. It further stated, “We have provided your email address to the reported seller(s). You may be contacted by them to provide a retraction for this report.” [JTX 30].

91. There is no direct evidence of communications between Mr. Kaufman and Amazon between August 4 and August 8. I find that none occurred.

92. Plaintiff’s Amazon listing was taken down on August 9.

93. That same day, August 9, at 3:02 p.m., Plaintiff received an email from notice-dispute@amazon.com stating that aryeh@akaufmanlegal.com had reported Plaintiff’s ASIN as a copyright infringement. [JTX 47] It referenced Amazon Complaint ID 5259249421.

94. At 8:22 p.m. on August 9, Plaintiff emailed to notice-dispute@amazon.com a copy of the June 7 counternotice as well as proof that

Plaintiff's listing had been reinstated on or about June 22. This email was not copied to Mr. Kaufman or Defendant. [JTX 47]

95. On August 13, notice-dispute@amazon.com emailed Plaintiff to say that his reinstatement request was incomplete. [JTX 47]

96. Plaintiff's Amazon listing was reinstated on August 15. [JTX 48, 49].

The November DMCA Takedown Requests

97. On November 1, 2018, at 3:22 p.m., an email was sent from Aryeh@akaufmanlegal.com to 13 email addresses at Amazon, including notice@amazon.com and notice-dispute@amazon.com. It listed 11 ASINs that were allegedly violating the copyright for Defendant's Sticker Sheet. Plaintiff's ASIN was included twice: second and tenth on the list. [JTX 32]. None of the other ASINs were repeated from the May or August takedown emails. [JTX 32, 18, 25].

98. Four days later, on November 5, 2018, at 2:58 a.m., an email was sent from notice-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon Complaint ID 5494346011. It said, "We reviewed your report and removed the following content based on the information your provided." It then listed the 12 ASINs from the November 1 email, including the Plaintiff's ASIN twice. [JTX 33]

99. That same day, at 5:56 a.m., notice-dispute@amazon.com sent an email to Plaintiff informing him that aryeh@akaufmanlegal.com had filed a report of copyright infringement involving Plaintiff's ASIN. It referenced Amazon Complaint ID 5494346011. [JTX 50]

100. The next day, November 6, 2018, at 5:47 a.m., notice-dispute@amazon.com notified Plaintiff that his listing had been reinstated after a review of his appeal.” [JTX 51, 52]

101. Plaintiff’s Amazon listing was taken down from November 5 to November 6. [JTX 33, 51, 52]

102. On November 19, 2018, at 4:27 p.m., an email was sent from Aryeh@akaufmanlegal.com to 13 email addresses at Amazon, including notice@amazon.com and notice-dispute@amazon.com. It was not sent to notice-request@amazon.com. It listed 17 ASINs that were allegedly violating the copyright for Defendant’s Sticker Sheet. Plaintiff’s ASIN was first on the list. [JTX 32]. One other ASIN (ending in “4W8”) was listed twice and was repeated from the November 5 takedown email. No other ASIN was repeated from the prior takedown emails. [JTX 35].

103. One of the ASINs included in the November 19 email ended in “5ZE.” [JTX 35].

104. The email to Amazon includes the statement: “Many of these sellers are ones that have already been taken down pursuant to previous DMCA notices, but they are back up somehow.” [JTX 35, SUF ¶ 67].

105. Nine days later, on November 28, 2018, at 3:15 p.m., an email was sent from no-reply-notice@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon Complaint ID 5557888761. It said, “We received your email. Amazon respects the intellectual property rights of others. After we process your notice, we

will notify you by mail. This usually takes one to two days.” The email was captioned, “We Have Received Your Infringement Complaint about [16 ASINs].” The caption included an ASIN ending in “Y2V” that was not in the November 19 email. It did not include the ASIN ending in “5ZE” that was included in the November 19 email. All the other ASINs corresponded to the November 19 email. [JTX 36]

106. Later on November 28, at 9:51 p.m., an email was sent from notice-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon Complaint ID 5557888761. It said, “Thank you for your report of infringement. We reviewed your report and removed the following content based on the information you provided.” It then listed the 16 ASINs. Of those, 15 (including the Plaintiff’s ASIN) matched the ASINs in the November 19 email. [JTX 37]. The ASIN ending in “5ZE” was not on the list. It was replaced (in the same spot in the sequence) by an ASIN ending in “Y2V.” [JTX 37]

107. Plaintiff’s Amazon listing was taken down on November 29, 2018.

108. Plaintiff immediately appealed the takedown of his listing. He noted that Amazon had already accepted his counternotice “for this same ASIN on THREE separate occasions and for FOUR different complaints, please see the Counter Notice that was approved for infringement notices ID 5048448591, 5048958901, 5259249421, 5502177251.” Over the next few days, he sent multiple communications to Amazon. None was copied to Defendant or Mr. Kaufman. [JTX 53, 54, 55, 56, 57, 58, 59, 60]

109. Mr. Alper personally reached out to Mr. Kaufman on November 29, 2018, to let him know that the icons had been changed on Plaintiff's sticker sheet to show SUV icons instead of pickup truck icons. He also proposed a small payment to resolve the matter. [JTX 93, 126-131, ECF No. 173 at 71:10-13, 74:8-23].

110. Mr. Alper stated: "At the present time our stickers are a replica of the original GM buttons which are not covered by any copyright. However, given this revision you continue to report our item to Amazon as infringing on a copyright which based on our revisions to the icons it is not." [JTX 126].

111. Mr. Kaufman responded, "Thanks for reaching out to me, and thank you for the offer. I totally understand where you are coming from regarding dealing with Amazon. Can you send me the images you had up? I'll speak to my client about the settlement proposal and explain the situation. I think I can get them to agree to it." [JTX 125].

112. Mr. Alper provided the images of Plaintiff's Amazon listing. [JTX 126].

113. Later that day, Mr. Kaufman emailed Mr. Alper to ask, "How much inventory do you have left?" He explained that his client wanted to know this information. [JTX 132]

114. Mr. Alper said it would take a few days to get the count and was not sure why he was being asked for the information. [JTX 126]. Plaintiff ultimately did not provide this information to Mr. Kaufman. [ECF No. 172 at 76:16-77:1].

115. Plaintiff's Amazon listing was reinstated on December 2. [SUF ¶ 92]

116. On December 5, 2018, Mr. Alper emailed Mr. Kaufman:

I need to rescind my original offer. Over the past week I have spoken to 2 different intellectual property attorneys and also corresponded with Amazon Legal. All parties reviewed the product we offer and your copyright complaint as well as prior art (GM original button design). It is the opinion of both attorneys and Amazon Legal that this product in no way infringes on the copyright you are complaining. Amazon reinstated our listing within 30 minutes of the last correspondence I had with you last week. Amazon will continue to reinstate the listing if you continue to report it and will ultimately terminate your ability to file complaints if you continue to file the complaint since Amazon has already ruled the complaint as invalid. Please forward this information to your client and make him aware that if he chooses to continue to have you file invalid claims on Amazon we will be taking legal action against him as well as you to recover attorney fees and loss of revenue.

[JTX 126].

117. Mr. Kaufman asked for the contact person at Amazon legal. [JTX 132].

118. Mr. Alper responded: "I still don't understand how you are trying to claim any copyright protection when your client made a reproduction in ~2012 of a factory General Motors design that has been on the market since at least 2006 if not earlier. Can you please explain this to me so I can understand what I'm missing here? You can't claim copyright on a design if its [sic] a reproduction of someones [sic] prior art." [JTX 93].

119. Mr. Kaufman stated that there were other parts of the sticker sheet besides the iconography and the new iconography that did not infringe. [JTX 93].

120. Mr. Alper responded: "So what other parts are copyright protected? Are you claiming the layout or the shape of the stickers? There's isn't much more to this product. Can you please provide me with more details and a copy of the copyright filing so we don't go back an [sic] forth playing 21 questions." [JTX 93].

121. Mr. Kaufman responded: “You can buy a copy of the deposit from the copyright office so you can see for yourself. This is the copyright registration number: VAu 1-299-058.” [JTX 93].

122. The correspondence between Mr. Alper and Mr. Kaufman on December 5, 2018 was their final communication prior to this litigation. [ECF No. 172 at 77].

The December Takedown

123. On December 16, 2018, at 9:59 a.m., an email was sent from notice-dispute@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon Complaint ID 5601508981. It said, “Thank you for your report of infringement. We reviewed your report and determined that it is incomplete. We cannot take action on or complete any of your requests. Please resubmit your report with all the required information listed below. It listed 16 separate ASINs, plus one duplicate (the ASIN ending in “4W8”), for a total of 17. The ASINs in the December 16 email matched the list from the November 19 email, and were in the same order, except that the third-to-last ASIN changed from “5ZE” to “Y2V”. [JTX 38]

124. On December 23, 2018, at 12:25 a.m., an email was sent from notice-request@amazon.com to aryeh@akaufmanlegal.com. It referenced Amazon Complaint ID 5620202461. It said, “Thank you for your report of infringement. We reviewed your report and removed the following content based on the information you provided.” It then listed 17 ASINs. They included “4W8” twice and “Y2V.” They did not include “5ZE.” They were listed in the same order as in the December 16 email. [JTX 39].

125. That same day at 2:29 a.m., an email was sent from notice-request@amazon.com to Plaintiff stating that his Amazon listing had been removed because aryeh@akaufmanlegal.com had reported the listing for copyright infringement. It referenced Amazon Complaint ID 5620202461. [JTX 71].

126. Plaintiff's Amazon listing was taken down on December 23, 2018. [JTX 71].

127. Plaintiff responded to Amazon with a counter notice the same day. The counter notice was not sent to Mr. Kaufman or Defendant. [JTX 71].

128. Plaintiff's Amazon listing was reinstated on December 24, 2018. [JTX 73; ECF No. 172 at 88:21-89:4]. It has not been taken down since. [*Id.* at 79-80].

129. No one from Defendant contacted Amazon after December 23 to say that a mistaken takedown had occurred. [ECF No. 173 at 90].

130. I find that Defendant did not submit a DMCA Takedown Notice in December. I find credible Defendant's testimony that it did not submit a DMCA Takedown Notice in December. Plaintiff's listing was taken down in December apparently by way of some unknown failure in Amazon's processing of the earlier DMCA Takedown Notices submitted by Defendant. I find particularly compelling that the ASINs associated with the December takedown are virtually identical to the ones in the November 19 Notice. As detailed above, Defendant rarely repeated an ASIN in consecutive Notices, let alone 15 out of 16 ASINs. Also as detailed above, Amazon was not seamless in processing DMCA Takedown Notices – sometimes it requested information it already had; sometimes it rejected a notice as incomplete

then took down the listings without receiving supplemental information; sometimes it sent inconsistent messages from different email accounts. Given these prior patterns and the lack of any direct evidence that Defendant submitted a DMCA Takedown Notice in December, a preponderance of the evidence does not circumstantially prove that such a DMCA Takedown Notice existed.

D. Mr. Walters' Attempt to Copyright the Subject Design

131. Mr. Walters submitted the Subject Design for registration at the U.S. Copyright Office on September 13, 2019. [JTX 90, JTX 91; SUF ¶ 74].

132. The U.S. Copyright Office rejected copyright registration of the Subject Design on September 23, 2019. [JTX-91; SUF ¶ 75].

133. The U.S. Copyright Office rejected the Subject Design because it “lack[ed] the authorship necessary to support a copyright claim.” [JTX-91; SUF ¶ 76].

134. The U.S. Copyright Office rejected the Subject Design because it “appears to be a ‘user interface’ or ‘template’ for automobile AC controls” and cited 37 C.F.R. § 202.1 for the purpose of explaining that “copyright does not protect familiar symbols or designs; basic geometric shapes; . . . or mere variations of typographic ornamentation, lettering or coloring.” [JTX-91; SUF ¶ 77].

135. All of Defendant’s DMCA Takedown Notices to Amazon included a representation, signed under penalty of perjury, that the “notice is being provided in good faith and with the reasonable belief that the rights owned” by Defendant were being infringed. [JTX 14, 15, 24, 25, 31, 32, 34, 35].

E. Damages

136. Plaintiff's daily average sales for the Plaintiff's Sticker Sheet on Amazon was \$118.60 (corresponding to 8.32 stickers per day). The profits per sticker set were \$8.46. [JTX 143].³

137. For the 44 days that Plaintiff's Amazon listing was taken down, its total lost sales were \$3,097 (\$70.39 per day, on average). *Id.*

138. Mr. Alper spent approximately 40 hours getting his listing reinstated between May and December 2018. [ECF. No. 172 at 80:10-12]

139. Mr. Alper charges \$450 per hour for consulting work. [ECF. No. 172 at 104:23-25].

LEGAL PRINCIPLES⁴

Copyright protects original works of authorship that are expressed in a form that can be perceived, reproduced, or communicated. 17 U.S.C. § 102(a).

Works of authorship can include literary works, musical works, dramatic works, pantomimes, choreographic works, pictorial works, graphic works, sculptural works, motion pictures, audiovisual works, sound recordings, or architectural works. 17 U.S.C. § 102(a).

Useful articles are not subject to copyright protection and only the design aspects of a useful article that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article are subject to copyright

³ I found the testimony of Plaintiff's expert witness Brian Rohl to be credible in its entirety.

⁴ Had this been a jury trial, the Court would have instructed the jury that the following legal principles apply to Plaintiff's DMCA claim in Count V of the Complaint.

protection. 17 U.S.C. § 101; *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002, 1010 (2017).

A “useful article” is one “having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. § 101.

Copyright does not protect familiar symbols or designs, basic geometric shapes, or mere variations of typographic ornamentation, lettering, or coloring. 37 C.F.R. § 202.1

Copyright infringement requires ownership of a valid copyright, and copying of the constituent elements of the work that are original. *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 351 (1990).

“To the extent that a work is functional or factual, it may be copied.” *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524 (9th Cir. 1992).

Every application for copyright registration requires that the applicant deposit a copy of the work to be registered. 17 U.S.C. §408.

A party does not infringe a copyright if its use constitutes “fair use.” 17 U.S.C. § 107; 11th Cir. Pattern Civil Jury Instruction 9.25. Fair use requires consideration of four factors: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes and whether the work is transformative; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

Katz v. Google, Inc., 802 F.3d 1178, 1181-84 (11th Cir. 2015); 17 U.S.C. § 107; 11th Circuit Pattern Civil Jury Instruction 9.25. These factors “are to be explored, and the results weighed together, in light of the purposes of copyright.” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 (1994).

The DMCA relieves internet service providers of liability for storing users’ content if, in addition to other requirements, the provider “expeditiously” removes or disables content after receiving a takedown notification from a copyright holder that it is infringing. 17 U.S.C. § 512(c).

Title 17, United States Code, Section 512(c)(3)(A) outlines the content that a takedown notification must contain. Among other things, a takedown notification must include 1) a statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and 2) a statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed. § 512(c)(3)(A)(v), (vi).

Title 17, United States Code, Section 512(f) creates civil liability for any person “who knowingly materially misrepresents [in a DMCA Takedown Notice] that material or activity is infringing.” To sustain a claim for misrepresentation of copyright infringement under the DMCA, a plaintiff must prove by a preponderance of the evidence that (1) the defendant knowingly and materially misrepresented that copyright infringement occurred; (2) a service provider relied on that

misrepresentation to remove or disable access to the material claimed to be infringing; and (3) the plaintiff was injured as a result. *See* 17 U.S.C. §512(f).

No misrepresentation occurs under Section 512(f) if the party submitting the DMCA Takedown Notice had a reasonable good faith subjective belief that infringement was occurring, even if that belief was mistaken. *Johnson v. New Destiny Christian Ctr. Church, Inc.*, 826 Fed. Appx. 766, 772 (11th Cir. 2020) (“Whether NDCC misrepresented copyright infringement under § 512(f) thus turns on whether NDCC had a reasonable good faith belief that Johnson was infringing on their copyright when they sent the takedown notices.”). Put differently, because the DMCA Takedown Notice requires the complainant to certify that they have a good faith belief that infringement is occurring, if (in fact) they lack such a good faith belief, a misrepresentation occurs.

Because fair use negates an infringement claim, “the takedown notice requirements contained in § 512(c)(3)(A)(v) require copyright holders, before issuing the takedown notice, to consider whether the potentially infringing material is a fair use. And failure to consider fair use before issuing a takedown notice constitutes a misrepresentation of copyright infringement under § 512(f).” *Johnson*, 826 Fed. Appx. at 771–72 (citing *Lenz v. Universal Music Corp*, 815 F.3d 1145, 1151–1154 (9th Cir. 2016)). So, a party that fails to consider fair use before submitting a DMCA Takedown Notice cannot form a reasonable good faith belief that infringement is occurring.

Courts “are in no position to dispute the copyright holder's belief even if we would have reached the opposite conclusion.” *Johnson*, 826 Fed. Appx. at 72 (quoting *Lenz*, 815 F.3d at 1154). However, a court need not blindly accept a copyright holder’s claim of a good faith belief when there is evidence to the contrary. *Lenz*, 815 F.3d at 1154 (“A copyright holder who pays lip service to the consideration of fair use by claiming it formed a good faith belief when there is evidence to the contrary is still subject to § 512(f) liability.”).

A person acts “knowingly” if they act voluntarily and intentionally and not by inadvertence, carelessness, mistake, or accident. 11th Cir. Pattern Civil Jury Instructions 6.1, 9.8; 11th Cir. Pattern Criminal Instruction B9.1A.

A misrepresentation is “material” if it is an important fact, not some unimportant or trivial detail, that has the natural tendency to influence or is capable of influencing a person’s decision. *See* 11th Cir. Pattern Criminal Instructions O36, O50.1.

A “knowing” state of mind can be inferred from willful blindness. Willful blindness means (1) the defendant subjectively believed there was a high probability that a fact exists and (2) the defendant takes deliberate actions to avoid learning of that fact.” *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011). It is more than recklessness, which is knowing of a substantial and unjustified risk that a fact exists. *Id.* at 770. Therefore, “a willfully blind defendant is one who takes deliberate actions to avoid confirming a high probability of wrongdoing and who can almost be said to have actually known the critical facts.” *Id.* at 769. The willful

blindness doctrine “may be applied, in appropriate circumstances, to demonstrate knowledge or awareness of specific instances of infringement under the DMCA.” *Lenz*, 815 F.3d at 1155 (citing *Viacom Int'l, Inc. v. YouTube, Inc.*, 676 F.3d 19, 35 (2d Cir. 2012)).

A person who violates Section 512(f)(1) is “liable for any damages, including costs and attorneys’ fees, incurred by the alleged infringer . . . who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.” 17 U.S.C. § 512(f). The available damages are not limited to actual monetary loss; a victim may recover nominal damages “due to an unquantifiable harm suffered as a result of [a Section 512(f) violation].” *Lenz*, 815 F.3d at 1156; *see also Disney Enterprises, Inc. v. Hotfile Corp.*, No. 11-20427-CIV, 2013 WL 6336286, at *48 (S.D. Fla. Sept. 20, 2013) (J. Williams).

CONCLUSIONS OF LAW

1. The Court has federal question subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and the Digital Millennium Copyright Act.
2. Plaintiff has proven by a preponderance of the evidence that (1) Defendant knowingly and materially misrepresented that copyright infringement occurred when Defendant submitted DMCA Takedown Notices of Plaintiff’s listing on November 19, 2018; (2) Amazon, the service provider, relied on those misrepresentation; and (3) Plaintiff was injured as a result of Defendant’s actions.

3. For purposes of his interactions with Amazon, Mr. Kaufman was Defendant's authorized agent, so his actions and knowledge are imputable to Defendant. *Shuler v. Ingram & Associates*, 441 Fed. Appx. 712, 719 (11th Cir. 2011) ("A party cannot avoid the consequences of the acts or omissions of his voluntarily selected 'lawyer-agent.'") (citing *Link v. Wabash R.R. Co.*, 370 U.S. 626, 633–34, (1962)).

May Takedown Notices

4. The May DMCA Takedown Notice did not violate § 512(f). A preponderance of the evidence shows that Defendant had a reasonable good faith subjective belief that Plaintiff was infringing on the Subject Design when it submitted the May 8 DMCA Takedown Notice and the May 15 follow up email to Amazon. It is undisputed that Mr. Walters stated he had a valid and enforceable copyright of the Subject Design during license negotiations and that Defendant contracted with Mr. Walters based on his representations. Thereafter, Defendant reviewed Amazon listings, including Plaintiff's, compared the listing to the Subject Design, and submitted takedown notices of listings that matched the Subject Design. The Court finds credible that in May 2018 Defendant subjectively believed that the deposited material with the Copyright Office was the Subject Design. After Defendant sent the May 8 DMCA Takedown Notice, it did not hear immediately from Amazon and the Plaintiff's listing was not immediately taken down, So, Defendant re-sent the DMCA Takedown Notice on May 15. Nothing had changed between May 8 and May 15 that

reasonably would have caused Defendant to change its good faith belief that Plaintiff was infringing the Subject Design.

August Takedown Notice

5. The August DMCA Takedown Notice did not violate § 512(f). Immediately after Plaintiff's Amazon listing was taken down on May 17, Mr. Parness and Mr. Kaufman had a series of communications. Mr. Parness probed whether Defendant was "claiming rights in the iconography itself, or the selection and arrangement of the icons?" He also pointed out that "the icons themselves were in GM vehicles well before 2017 or even 2011. And in those vehicles, many if not most of the icons were also arranged in the same manner as you have them on the sheet, raising the question of what creative value your licensor contributed." Mr. Parness also questioned how Defendant could claim infringement if it had never seen the work deposited with the Copyright Office.

6. The issues raised by Mr. Parness should have caused Defendant to re-evaluate whether the Plaintiff's Sticker Sheet infringed the Subject Design or constituted fair use of the Subject Design. Instead, Mr. Kaufman said there was no reason to doubt Mr. Walters' representation that the Subject Design was the design deposited with the Copyright Office. But that's not right. Defendant knew that it had never requested the work deposited with the Copyright Office and that it was relying solely on the representations of Mr. Walters. Defendant knew that it had previously questioned whether the Subject Design was copyrightable when its own listing was taken down by Mr. Walters. And, Defendant knew that Mr. Walters (not an attorney)

had made at least one mistake on his copyright application regarding the date of completion.

7. Separate from the issues raised by Mr. Parness, Defendant also knew that Amazon had reinstated Plaintiff's listing approximately one month after Defendant's first DMCA Takedown Notice. Defendant actively monitored the listings it had previously asked Amazon to take down. Plaintiff's ASIN was the only one from the May DMCA Takedown Notice that was reinstated prior to the August DMCA Takedown Notice, which put Defendant on notice that Amazon had concluded that Plaintiff's listing was not infringing. There is no evidence that Defendant communicated with Amazon, or with Mr. Parness, or otherwise tried to determine why Plaintiff's listing had been reinstated.

8. The Court finds that it was at least negligent (bordering on reckless) for Defendant to submit the August DMCA Takedown Notice without investigating further and without requesting the deposited work from the Copyright Office. Nevertheless, Defendant's conduct did not yet rise to the level of willful blindness.

9. Plaintiff has not established by a preponderance of the evidence that on August 2, Defendant lacked a reasonable good faith subjective belief that Plaintiff's ASIN was infringing the Subject Design.

November Takedown Notices

10. The November 1, 2018 DMCA Takedown Notice did not violate § 512(f). By November 1, Defendant had knowledge of the facts described above, yet conducted no further investigation. Plus, Defendant knew that Plaintiff's listing had been

reinstated six days after it was taken down a second time. The Court finds that it was reckless of Defendant to submit the November 1, 2018, DMCA Takedown Notice, but that this takedown notice does not meet the high standard of willful blindness.

11. Defendant was notified on November 5 that Plaintiff's Amazon listing had been taken down. The listing was reinstated one day later. Defendant knew by November 19 that Plaintiff's listing had been reinstated within short order after the November 1 DMCA Takedown Notices

12. When it submitted the November 19 DMCA Takedown Notice, Defendant had a subjective belief that Plaintiff's Sticker Sheet infringed the Subject Design.

13. That subjective belief was the result of willful blindness.

14. By this point, in addition to the information known to Defendant after the May DMCA Takedown Notice, Defendant knew that Plaintiff's Amazon listing had been reinstated three times. Defendant had not tried to find out why Amazon kept reinstating Plaintiff's listing. Defendant had not obtained the Deposit Design from the Copyright Office. And, the November 19 DMCA Takedown Notice acknowledged that many of the ASINs listed in the Notice were ones that had already been taken down and are "back up somehow." All of these facts placed Defendant on actual notice that it was highly likely that, in fact, Plaintiff's Sticker Sheet was not infringing the Subject Design. It also put Defendant on acute notice that there was a problem with its copyright infringement claim. Therefore, Defendant's decision to not

pursue information that would have helped confirm whether Plaintiff was infringing on a protected copyright constituted willful blindness.

15. I further find that by November 19, 2018, Defendant had a motive not to investigate further – filing DMCA Takedown Notices was less expensive and more immediate than pursuing a claim for copyright infringement on the merits. In making this finding I draw an adverse inference from Defendant’s failure to initiate litigation against Plaintiff. In a May correspondence, Mr. Kaufman said, “We are a few weeks away from filing suit against all the infringers.” Yet, as of the November 19, 2018, seven months later, Defendant had not filed suit against Plaintiff, even though Plaintiff was persisting in having its Amazon listing reinstated. *See Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1204–05 (N.D. Cal. 2004) (“The fact that Diebold never actually brought suit against any alleged infringer suggests strongly that Diebold sought to use the DMCA's safe harbor provisions—which were designed to protect [Internet Service Providers], not copyright holders—as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property.”). I find that by November 19, 2018, Defendant was using the DMCA Takedown Notices to suppress a market competitor rather than to enforce a legitimate good faith claim of copyright infringement.

16. The November 19, 2018, DMCA Takedown Notice violated § 512(f). I find by a preponderance of the evidence that Defendant knowingly and materially misrepresented that Plaintiff was infringing a valid copyright, that Amazon relied on

that misrepresentation, and that Plaintiff was injured as a result of its listing being down from November 29, 2018 to December 2, 2018.

The December Takedown

17. Defendant did not submit a DMCA Takedown Notice in December. It is clear to the Court that there was some error on the part of Amazon that caused the December takedown, and that, but for the November 19 DMCA Takedown Notice, the December takedown would not have occurred.

Fair Use

18. Defendant properly considered fair use in submitting the May, August, and November 1 DMCA Takedown Notices.

19. I credit Yehuda Nourollah's testimony that, prior to submitting DMCA Takedown Notices, Defendant compared the images on Plaintiff's Amazon listing to the Subject Design, and that it considered whether the Plaintiff's Sticker Sheet was identical to the Subject Design, was being sold for commercial use and was not for educational purposes.

20. Defendant adequately considered the purpose and character of Plaintiff's use of the Subject Design. Defendant considered that the Plaintiff's Sticker Sheet was being offered for a commercial purpose. This factor would militate against fair use. *Katz*, 802 F.3d at 1183.

21. Defendant did not offer direct evidence that it considered the nature of the work in question. Plaintiff argues that the Subject Design is a useful, functional item that cannot be copyrighted. Plaintiff also notes that the Copyright Office

subsequently declined to issue a copyright for the Subject Design. Had Defendant properly considered this factor, it would have militated in favor of fair use. *See Katz*, 802 F.3d at 1183.

22. Defendant adequately considered the amount and substantiality of the portion of the Subject Design that was replicated in the Plaintiff's Sticker Sheet. Defendant considered that Plaintiff had copied the Subject Design in its entirety. This factor would militate against fair use. *See Katz*, 802 F.3d at 1183-84.

23. Defendant adequately considered that the Plaintiff's Sticker Sheet was a market competitor for Defendant's Sticker Sheet. This factor focuses on whether the alleged infringement causes substantial economic harm such that allowing the use would "frustrate the purposes of copyright by materially impairing" the defendant's incentive to offer its product. *See Katz*, 802 F.3d at 1184. The parties were direct market competitors but there is no evidence of the extent of the market impact of Plaintiff's conduct. This factor would be neutral as to fair use.

24. Although Defendant did not adequately consider *all* of the fair use factors fully, given the holistic approach to balancing the fair use factors, I cannot conclude that Defendant failed to engage in a good faith fair use analysis such that the May, August, and November 1 DMCA Takedown Notices were false.

Copyrightability

25. Plaintiff argues that the Subject Design was a useful functional item that was not copyrightable, so Defendant could not have held a good faith subjective belief that any infringement was occurring when it submitted its DMCA Takedown

Notices. I disagree with respect to the May, August, and November 1 DMCA Takedown Notices. Just as a party must consider fair use, if a party lacks a good faith subjective belief that its product carries copyright protection, it cannot truthfully file a DMCA Takedown Notice. Here, over a period of several months, Defendant submitted numerous DMCA Takedown Notices for other ASINs that it alleged infringed the Subject Design. Most of these listings were removed and not reinstated. Defendant also paid Mr. Walters for what it believed were the rights to the Subject Design. Defendant also had seen a copyright registration certificate that it believed was for the Subject Design. Taken together, these facts support a finding by a preponderance of the evidence that Defendant reasonably, but mistakenly, believed in good faith that the Subject Design was copyrightable when it submitted the May, August, and November 1 DMCA Takedown Notices.

DAMAGES

The damages owed to Plaintiff are as a result of the November 19, 2018, violation of Section 512(f) and run from November 29, 2018, when Amazon took down Plaintiff's Amazon listing based on Defendant's November 19 DMCA Takedown Notice. The listing was reinstated on December 2, 2018. Between November 29 and December 2, Mr. Alper had a series of communications with Amazon to try to have the listing restored.

Based on the November 19 DMCA Takedown Notice, Amazon also took down Plaintiff's listing from December 23 until it was reinstated on December 24.

During the relevant period, Plaintiff sold 8.32 stickers per day on average, with a profit per item of \$8.46. Therefore, the lost profits per day were \$70.39. Here, the listing was down in November and December for a total of 5 days. So, total lost profits caused by Defendant's violation of Section 512(f) is \$351.95.

In total, Mr. Alpert spent 40 hours getting the Amazon listing reinstated. Although Mr. Alpert charges \$450 per hour for consulting work, he was not performing comparable services to get the Amazon listing reinstated. Also, the record does not identify how many hours were allocated to correcting the November 29 takedown. But, there is evidence that Mr. Alpert sent several communications to Amazon between November 29 and December 2. [JTX 53-60]. Mr. Alper is entitled to damages for the value of his time spent trying to get his listing reinstated. Having looked at the timing and the content of the communications with Amazon between November 29 and December 2, and on December 23, I find that it would have taken approximately 3 hours total to draft these communications.

A preponderance of the evidence does not establish that Mr. Alper otherwise would have been billing for consulting services when he was communicating with Amazon. I therefore find that he is not entitled to \$450 per hour for his time. I find that nominal damages of \$15 per hour (akin to minimum wage) is a reasonable compensation for Mr. Alper's time. Therefore, I award \$45 for the value of Mr. Alper's time.

FINAL CONCLUSION

Based on the foregoing, the Court finds in favor of Plaintiff. Plaintiff is entitled to recover a total of \$396.95 in damages from Defendant. In accordance with Federal Rule of Civil Procedure 58, the Court will separately enter a final judgment.

Plaintiff may file a separate motion for attorney's fees and costs after following the procedures in Local Rule 7.3.

DONE AND ORDERED in Chambers at West Palm Beach in the Southern District of Florida, this 2nd day of November, 2021.

A handwritten signature in black ink, appearing to read "Bruce Reinhart", written over a horizontal line.

BRUCE REINHART
UNITED STATES MAGISTRATE JUDGE