

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ICC Evaluation Service, LLC,

Plaintiff,

and

INTERNATIONAL CODE COUNCIL,
INC.,

Plaintiff-Intervenor,

v.

INTERNATIONAL ASSOCIATION OF
PLUMBING AND MECHANICAL
OFFICIALS, INC., *et al.*,

Defendants.

Civ. Action No. 16-54 (EGS/ZMF)
UNDER SEAL

MEMORANDUM OPINION

I. Introduction

This copyright infringement action involves entities in the national market for building product evaluation services. Pursuant to the Copyright Act of 1976, 17 U.S.C. §§ 101 *et seq.*, Plaintiff ICC Evaluation Service, LLC ("ICC-ES") and Plaintiff-Intervenor International Code Council, Inc. ("ICC," together with ICC-ES, the "ICC Entities") bring this lawsuit against the Defendants, the International Association of Plumbing and Mechanical Officials, Inc. ("IAPMO") and IAPMO Evaluation Service, LLC ("IAPMO-ES," together with IAPMO, the "IAPMO Entities"). The ICC Entities assert ownership of copyrights to

certain publications and technical guidelines that assess whether building products comply with building codes and regulations. Plaintiffs claim that Defendants have infringed upon ICC-ES's copyrights in certain "evaluation reports" and "acceptance criteria." See Pl.'s Third Am. Compl. ("TAC"), ECF No. 70 at 33 ¶¶ 162-64; see also Pl.-Intervenor's First Am. Compl. ("FAC"), ECF No. 138 at 27-28 ¶¶ 124-25.¹

Pending before the Court are the IAPMO Entities' Objections to Magistrate Judge Faruqui's Report and Recommendation. Upon consideration of the Report and Recommendation, the objections and opposition thereto, the applicable law, and the entire record herein, the Court **ADOPTS** the Report and Recommendation's findings of facts and conclusions of law.

II. Background²

A. The Works at Issue

Since 1977, ICC-ES and ICC's predecessors—at least eight regional code organizations and their affiliates (collectively, the "Legacy Organizations")—have developed and published "evaluation reports" and "acceptance criteria" for their clients. See Pls.' Statement of Material Facts Not in Dispute

¹ When citing electronic filings throughout this Opinion, the Court cites to the ECF page number, not the page number of the filed document.

² This section is largely taken from Magistrate Judge Faruqui's Report and Recommendation.

("PSMF"), ECF No. 199-2 ¶¶ 15-20, 38.³ Evaluation reports are documents developed for clients that aim to verify whether certain building products, components, methods, and materials comply with building codes and regulations. See *id.* ¶¶ 1, 6. Acceptance criteria are documents containing the standards by which to evaluate and demonstrate the compliance of a certain building product, method, material, or system not specifically referenced in the code. See *id.* ¶¶ 2-4. This case concerns various evaluation reports and acceptance criteria (collectively, "Works at Issue"), which Plaintiffs claim, "Defendants have copied, made derivative works of, and distributed." Pls.' Mot. Summ. J., ECF No 199-1 at 14 n.1.

The Works at Issue are categorized into two groups: (1) Legacy Works; and (2) Contemporary Works. The Legacy Works include evaluation reports and acceptance criteria originally authored, published, and copyrighted by the Legacy Organizations

³ In accordance with Local Rule 7(h)(1) and the Court's Standing Order, see Standing Order Governing Civil Cases Before Judge Emmet G. Sullivan ("Standing Order"), ECF No. 182, the parties submitted statements of material facts not in dispute along with their motions for summary judgement. In response to multiple of Plaintiffs' undisputed facts, Defendants objected "on the ground that it sets forth legal conclusions and is argumentative and conclusory." See, e.g., Defs.' Counter-Statement of Disputed Facts ("Defs.' CSMF"), ECF No. 221-4 ¶¶ 499-507. Unless otherwise stated throughout the Court's opinion, the Court overrules this objection, finding the Plaintiffs' assertions proper. Thus, where the Defendant provided no additional objection or response, the Court takes the fact as undisputed.

between 1977 and 2003. See PSMF, ECF No. 199-2 ¶¶ 15-20, 61. When the Legacy Organizations consolidated to form ICC and ICC-ES in January 2003, the Legacy Organizations assigned all rights, title, and interest in the evaluation reports and acceptance criteria—including copyrights and copyright registrations—to ICC. See Decl. of Dominic Sims (“Sims Decl.”), ECF No. 202-5 ¶ 3, 5; Decl. of Mark Johnson (“Johnson Decl.”)—Ex. 5, ECF No. 202-2 at 31-36. ICC, in turn, assigned its ownership in the copyrighted works to the organization that became ICC-ES. See Defs.’ CSMF, ECF No. 221-4 ¶¶ 28-30. Thus, the Works at Issue originally owned by the Legacy Organizations and assigned to ICC-ES are collectively referred to as the Legacy Works.⁴ Since 2003, ICC-ES has continued to “author, write, create, or otherwise develop” new evaluation reports and acceptance criteria. Pls.’ Mot. Summ. J., ECF No. 199-1 at 4. The Works at Issue developed after the consolidation of the Legacy Organizations are referred to as the Contemporary Works. ICC-ES also continues to “author, write, create, or otherwise

⁴ For clarity in determining infringement later in this opinion, the Works at Issue can be further divided into two sub-categories. The first, the “Stored Files,” consist of ICC-ES’s evaluation reports and acceptance criteria that the ICC Entities claim the Defendants reproduced by copying and storing the files on IAPMO’s content management system (the “Laserfiche”) and their internal server. Defs.’ CSMF, ECF No. 221-4 ¶ 518. The “Accused Works” consist of reports created by IAPMO, which Plaintiffs claim copied material from Plaintiffs’ evaluation reports. *Id.* ¶¶ 526-31.

develop versions of the evaluation reports and acceptance criteria originally issued by [the Legacy Organizations], including the Legacy Works." PSMF, ECF No. 199-2 ¶ 40.⁵

ICC-ES creates evaluation reports by summarizing and organizing applicable data into a concise format that allows the user to determine whether a particular product or service is up to code. See Declaration of Elyse Levy ("Levy Decl."), ECF No. 202-8 ¶¶ 3-6. After a customer submits an application form requesting an evaluation report, ICC-ES assigns a member of its technical staff to evaluate the data and work with the applicant to determine if the product is compliant with the relevant building codes and/or ICC-ES's acceptance criteria. See PSMF, ECF No. 199-2 ¶¶ 46, 53-55. This process requires ICC-ES to "cull through large volumes of material and distill it down to a much smaller report" which takes approximately six to twelve weeks." *Id.* ¶¶ 43-44. ICC-ES employs "highly experienced professionals, including licensed architects and engineers specializing in civil, structural, fire protection, and mechanical engineering . . . [to] author and revise the Evaluation Reports and Acceptance Criteria." *Id.* ¶ 41. Before

⁵ The intricacies of the consolidation and assignments, including the creation of National Evaluation Services, Inc. ("NES"), formed to become ICC-ES, are detailed in Magistrate Judge Faruqui's Report and Recommendation. See Report & Recommendation ("R. & R."), ECF No. 229 at 3-5.

publication, the draft reports go through a peer review process and receive comments from the client. *Id.* ¶¶ 54-55.

Once complete, the evaluation report "is issued and posted on the ICC-ES website—where it may be referenced by thousands of building departments and other interested parties." Johnson Decl., ECF No. 202-1 ¶ 26. The report is "issued for one year, after which they may be renewed at one- or two-year intervals." *Id.* ICC-ES's website provides,

[N]o portion of the Site or Site Information may be reprinted, republished, modified, or distributed in any form without Our [ICC-ES'] express written permission. You [the user] may not, and this Agreement does not give You permission to, reproduce, reverse engineer, decompile, disassemble, modify, transmit, sell, distribute, license or create derivative works with respect to the Site or any of the Site Information.

Id. ¶ 27. Additionally, ICC-ES grants a limited license to the report holder to "use" and "reproduce[] in its entirety" the finalized report in "the report holder's literature, advertising, or promotional materials." PSMF, ECF No. 199-2 ¶ 47. Other than the limited license, ICC-ES retains control of the publication, use, suspension, and revocation of the evaluation reports and their drafts. *Id.*

Acceptance criteria are developed by ICC-ES's technical staff and engineers "to describe the means by which a manufacturer can demonstrate the compliance of their product or

system," *id.* ¶ 3, ". . . in response to requests to evaluate products that are alternatives to those specified in the code; ambiguity in the code about what it demands of a product; or requests from the industry, the client, ICC-ES staff, or the ICC-ES Evaluation Committee." *Id.* ¶ 4.

ICC-ES maintains the Legacy Works and allows the holder of a Legacy Evaluation Report to either maintain its report with ICC-ES or to convert the report to an ICC-ES evaluation report. See *id.* ¶ 48. All Legacy Works are re-issued with the same limited license to the report holder to "use" and "reproduce[] in its entirety" the report in "the report holder's literature, advertising, or promotional materials." *Id.* ¶ 49.

B. Alleged Copying by IAPMO Entities

Like ICC-ES, IAPMO-ES issues its own evaluation reports and acceptance criteria. Defs.' CSMF, ECF No. 221-4 ¶¶ 483, 740. Plaintiffs claim that Defendants made copies or reproduced the Works at Issue by retaining electronic copies of them (the "Stored Files"). See Pls.' Mot. Summ. J., ECF No. 199-1 at 23; PSMF, ECF No. 199-2 ¶¶ 504-618. Additionally, Plaintiffs claim that Defendants copied the Works at Issue by creating and publishing competing evaluation reports and acceptance criteria (collectively, the "Accused Works"). Pls.' Mot. Summ. J., ECF No. 199-1 at 22.

During a client's transition to IAPMO-ES from another competitor, IAPMO-ES engineers would obtain a copy of the evaluation report authored by its competitor (such as ICC-ES). See Defs.' CSMF, ECF No. 221-4 ¶ 517. As a result, IAPMO-ES copied dozens of ICC-ES evaluation reports onto the Defendants' content management system (the "Laserfiche") and their internal server. See *id.* ¶¶ 518-21; Wise Decl.-Ex. 121, Dep. of Richard Beck ("Beck Dep. (Aug. 24, 2018)"), ECF No. 208-13 at 160:25-161:3 ("Q. So wouldn't you expect IAPMO-ES to have a copy of every one of the works at issue in the Laserfiche? A. Yes."). IAPMO-ES engineers also saved local copies of ICC-ES evaluation reports and emailed them to support staff to be saved in the Laserfiche. See Defs. CSMF, ECF No. 221-4 ¶ 218; Wise Decl.-Ex. 100, Dep. of Michael Merrigan ("Merrigan Dep."), ECF No. 208-7 at 126:7-128:3.

Additionally, Defendants kept a repository of approximately 200 ICC-ES acceptance criteria on a shared drive accessible by all IAPMO-ES employees. See Defs.' CSMF, ECF No. 221-4 ¶ 636; Wise Decl.-Ex. 108, Dep. of Rafael Donado ("Donado Dep."), ECF No. 208-9, at 47:23-54:6. This dataset includes acceptance criteria from before and after ICC-ES charged for this service. See Defs.' CSMF, ECF No. 221-4 ¶ 637-38. Indeed, Mr. Richard Beck, Vice President of Evaluation at IAPMO, testified, "[t]here is probably a copy of every single [acceptance] criteria ICC had

on the date - a month or so before [ICC-ES] started charging for them." *Id.* ¶ 637; Beck Dep. (Aug. 24, 2018) at 164:3-5. Once ICC-ES began charging a fee, Mr. Beck directed Mr. Duane Huisken, an IAPMO employee, to purchase ICC-ES acceptance criteria "using his ICC Membership discount and save them to Defendants' shared drive[]." Defs.' CSMF, ECF No. 221-4 ¶ 638; Beck Dep. (Aug. 24, 2018), ECF No. 208-13 at 169:6-170:22. Mr. Huisken continued that practice as recently as November 15, 2019, when he purchased and downloaded ICC-ES AC 11. *See* Defs.' CSMF, ECF No. 221-4 ¶ 639.

Additionally, Defendants do not dispute that they created derivative works of the Works at Issue. IAPMO-ES employees created editable copies of the Works at Issue, either by copying and pasting or, by "hand typing" the Work at Issue into a template publishable by IAPMO-ES when a PDF could not be "unlocked." *Id.* ¶¶ 526, 532-46; *see also* Merrigan Dep., ECF No. 208-7 at 129:21-130:5 (confirming practice of directly typing the contents of an ICC-ES report into a format to be published by IAPMO-ES). For example, Mr. Rafael Donado, an IAPMO Product Evaluation Engineer, admitted that he copied about ninety percent of the language from ICC-ES's ER-2481 when creating IAPMO's UES ER 319. *See* Defs.' CSMF, ECF No. 221-4 ¶¶ 527-30.

C. Magistrate Judge Faruqui's Report and Recommendation

On April 27, 2022, Magistrate Judge Faruqui issued a Report and Recommendation, recommending that the Court grant Plaintiffs' Motion for Summary Judgment on four issues: (1) Plaintiffs are the owners of copyrights in the Works at Issue; (2) All of the Works at issue are supported by valid copyrights; (3) Defendants infringed upon Plaintiffs' copyrights in the Works at Issue through reproduction; and (4) Defendants' infringement through reproduction was not fair use. See R. & R., ECF No. 229 at 47. Magistrate Judge Faruqui further recommends denying in part Plaintiffs' Motion as to Defendants' infringement through the creation of the Accused Works and denying Defendants' Motion for Summary Judgment. *Id.*

Defendants filed objections to the Report and Recommendation on May 11, 2022, objecting to each of the Magistrate Judge's findings. See Objections by Defs. IAPMO and IAPMO-ES to Magistrate Judge's Proposed Findings and Recommendation ("Defs.' Objs. to R. & R."), ECF No. 243-3. Plaintiffs filed an opposition to Defendants' Objections, requesting that the Court adopt the Report and Recommendation in full. Pls.' Resp. in Opp'n to Defs.' Objections to Magistrate Judge's Proposed Findings and Recommendation ("Pls.' Opp'n to Objs."), ECF No. 249-1. Thereafter, Defendants filed a reply brief in support of their Objections. Defs' Reply in Support of

Defs.' Objections to Magistrate Judge's Proposed Findings and Recommendation ("Defs.' Reply"), ECF No. 254-3.

III. Legal Standard

A. Objections to a Magistrate Judge's Report and Recommendation

Pursuant to Federal Rule of Civil Procedure 72(b), a party may file specific written objections once a magistrate judge has entered a recommended disposition. Fed. R. Civ. P. 72(b)(1)-(2). A district court "may accept, reject, or modify the recommended disposition." *Id.* at 72(b)(3); *see also* 28 U.S.C. § 636(b)(1). A district court "must determine de novo any part of the magistrate judge's disposition that has been properly objected to." Fed. R. Civ. P. 72(b)(3). Objections must "specifically identify the portions of the proposed findings and recommendations to which objection is made and the basis for the objection." LCvR 72.3(b). "If, however, the party makes only conclusory or general objections, or simply reiterates his original arguments, the Court reviews the Report and Recommendation only for clear error." *Houlahan v. Brown*, 979 F. Supp. 2d 86, 88 (D.D.C. 2013) (citation omitted).

Proper objections "shall specifically identify the portions of the proposed findings and recommendations to which objection is made and the basis for the objection." LCvR 72.3(b). "[O]bjections which merely rehash an argument presented and

considered by the magistrate judge are not 'properly objected to' and are therefore not entitled to de novo review." *Shurtleff v. EPA*, 991 F. Supp. 2d 1, 8 (D.D.C. 2013) (citation omitted). A court need not consider cursory objections made only in a footnote. *Hutchins v. District of Columbia*, 188 F.3d 531, 539 n.3 (D.C. Cir. 1999); see also *Potter v. District of Columbia*, 558 F.3d 542, 553 (D.C. Cir. 2009) (Williams, J., concurring) ("[J]udges are not like pigs, hunting for truffles buried in briefs or the record.") (citation and internal quotation marks omitted)).

B. Summary Judgment

Summary judgment is proper when "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). In a copyright infringement action, summary judgment may be granted "where there is no serious dispute that the defendant reproduced copyrighted material owned by the plaintiff." *Television Digest, Inc. v. U.S. Tel. Ass'n*, 841 F. Supp. 5, 7 (D.D.C. 1993). The nonmoving party must utilize affirmative evidence and "come forward with specific facts showing that there is a genuine issue for trial." *Frito-Lay, Inc. v. Willoughby*, 863 F.2d 1029, 1034 (D.C. Cir. 1988) (quoting *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586-87 (1986)).

IV. Analysis

Defendants object to each of the four main findings in Magistrate Judge Faruqui's Report and Recommendation: (1) the Works at Issue were "original," and thus protectable by valid copyrights; (2) Plaintiffs established that they are the true owners of copyrights in the Works at Issue; (3) Defendants infringed on the copyrights through reproduction by storing files of the Works at Issue; and (4) Defendants' use of the Works at Issue was not a fair use. See Defs.' Objs. to R. & R., ECF No. 243-3. Defendants also object to the recommended injunction and finding that statutory damages are warranted. See *id.*

As an initial matter, Plaintiffs argue that each of Defendants' objections are merely rehashed arguments that Magistrate Judge Faruqui already addressed, requiring the Court to review the Report and Recommendation under the clear error standard. See Pls.' Opp'n to Objs., ECF No. 249-1 at 16, 20, 22. Given the number of objections and arguments raised by the Defendants, the Court addresses the appropriate standard for review for each objection separately within its analysis. Unless otherwise stated, the Court reviews the portions of the Report and Recommendation objected to *de novo*.

A. Originality of the Works at Issue

Defendants object to the recommendation's originality finding on three grounds: (1) the Works at Issue contain third-party text; (2) the Works at Issue contain "functional" information such as product descriptions and building code references; and (3) the doctrines of merger and *scènes à faire* apply. Defs.' Objs. to R. & R., ECF No. 243-3 at 14-23.

1. Third-Party Text

First, Defendants argue that Magistrate Judge Faruqui erroneously concluded "that Defendants' examples [of third-party text] did not demonstrate sufficient 'pervasiveness' of Plaintiffs' copying" to defeat a finding of originality. *Id.* at 18. Specifically, Defendants point to the fact that the registration certificates for the Works at Issue state that they contain "third-party text," and "[i]n admitting that those Works at Issue contained third party **text**, Plaintiffs admitted that the Works at Issue contained third-party expression." *Id.* at 17 (emphasis in original). Thus, Magistrate Judge Faruqui improperly shifted the burden to the Defendants, and a genuine issue of material fact exists as to whether the third-party text was so pervasive to defeat originality. *Id.* Second, Defendants argue that the Works at Issue also contain unprotectable "functional" information including product descriptions and code references. *Id.* at 21-22.

Defendants' challenges to Magistrate Judge Faruqui's finding that the third-party text and "functional" information do not prevent originality are merely rehashed arguments already addressed in the Report and Recommendation. Defendants do not reference any pertinent legal authority or misconstrued facts that form the basis for a proper objection, and thus, the Court reviews this portion of the Report and Recommendation for clear error or manifest injustice.

The Court finds no clear error and adopts the recommendation that there is no genuine dispute of material fact as to the originality of the Works at Issue. The Report and Recommendation conducted an in-depth analysis of how the Works at Issue were created to assess originality. See R. & R., ECF No. 229 at 22. Magistrate Judge Faruqui concluded that "the creation process for evaluation reports involved substantial expert analysis, culling down voluminous product information, and summarization into one or more pages of text . . . that is certainly technical but that still bears markings of creativity." *Id.* While Magistrate Judge Faruqui acknowledges that the Works at Issue contain information from third-party sources, product descriptions, or building code data, which may alone be unprotectible, the Report and Recommendation focuses on Plaintiffs' expression—the overall arrangement, structure,

distillation, and descriptions—in the Works at Issue in determining originality.

It is incumbent on the Defendants to overcome the presumption of originality by providing evidence that Plaintiffs copied the *expression* from prior works. The Court agrees, and finds no clear error, with the Report and Recommendation's conclusion that the certificate of registration listing "third-party text" as a resource, the side-by-side comparisons showing the third-party sources, and the fact that the Works at Issue contain information from building codes or product descriptions, do not defeat the originality requirement for copyrightability. See 3 Nimmer on Copyright Sec. 12.11 (1)(b)(ii).⁶

2. Doctrines of Merger and *Scènes à Faire*

Defendants also object to the Report and Recommendation's dismissal of their arguments of merger and *scènes à faire* on the ground that it "was based on incomplete and misconstrued facts." Defs.' Objs. to R. & R., ECF No. 243-3 at 22; see R. & R., ECF No. 229 at 28-29.⁷ Arguing that they "demonstrated that every

⁶ Defendants also argue that Magistrate Judge Faruqui erred in finding originality because he did not identify and dissect the protectable elements from unprotectable elements of the Works at Issue. Defs.' Objs. to R. & R., ECF No. 243-3 at 18-22. However, as Defendants also acknowledge, see *id.* at 14; whether a defendant has infringed upon original, protectable elements of a copyrighted work is a separate question from whether the works are sufficiently original to be protectable by copyright.

⁷ The Report and Recommendation acknowledged the diverging authority as to whether the doctrines of merger and *scènes à*

single portion of the Works at Issue can only be expressed in a limited number of ways," Defendants contend that public safety and industry standards require, and lead to, uniformity in the Works at Issue and prevent them from being protectable under the Copyright Act. Defs.' Reply, ECF No. 254-3 at 12-16. More specifically, Defendants assert that Magistrate Judge Faruqui relied on a misconstrued statement that "there are numerous ways [to convey information in the Works at Issue or the Accused Works." Defs. Objs. to R. & R., ECF No. 243-3 at 22-23.

After reviewing this portion of the Report and Recommendation *de novo*, the Court adopts the finding that the doctrines of merger and *scènes à faire* do not preclude the copyrightability of the Works at Issue. Defendants' claim that they do not admit to their being numerous ways to express the information required in the evaluation reports and acceptance criteria is contradicted by their ability to revise nine reports initially objected to by ICC-ES.⁸ Moreover, to the extent the

faire should be questions of copyrightability or defenses to infringement. R. & R., ECF No. 229 at 28 n. 14. Concluding that the Defendants invoked the doctrines as reasons that the Works at Issue were not copyrightable, the Magistrate Judge addressed the issue as a question of copyrightability. *Id.* The parties do not object to Report and Recommendation's approach.

⁸ Defendants argue that Plaintiffs still object to five of the nine reports that IAPMO was able to re-write, implying that there must not be various ways to express the information in the reports, see Defs.' Objs. to R. & R., ECF No. 243 at 23. The Court finds this argument unpersuasive—the fact that Plaintiffs continue to object to revised reports is not indicative of the

reports do contain information on product descriptions and building codes, Defendants have offered no evidence that the Plaintiffs' expression of those items, rather than the fact that they are in the report, is industry standard. It is how Plaintiffs have chosen to express, format, and convey any allegedly required information that makes it copyrightable. See *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 138 (5th Cir. 1992) (finding that the merger doctrine did not apply where competitors' works "embod[ied] the same idea, [but] differ[ed] in the placement, size, and dimensions of numerous surveys, tracts, and other features"). Thus, neither the merger doctrine nor the *scènes à faire* doctrine bar copyrightability of the Works at Issue.

3. Ownership of the Legacy Works

Next, Defendants object to the Report and Recommendation's conclusion that ICC-ES is the owner of the copyrights in the Legacy Works, arguing the Report and Recommendation "excused Plaintiffs from their burden" of proving ownership. Defs.' Objs. to R. & R., ECF No. 243-3 at 44. Defendants make a litany of arguments as to why the Report and Recommendation incorrectly found that ICC-ES is the owner of the copyrights in the Legacy

lack of ways to express the information, but rather potentially indicates how similar the reports were to begin with.

Works.⁹ However, at the heart is an alleged lack of clarity in the authorship of the Legacy Works, thus creating a genuine dispute as to whether ICBO owned the individual Legacy Works—as opposed to just the collections of Serial Publications containing the Legacy Works—to be able to transfer them to ICC-ES. See *id.*; Defs.’ Reply, ECF No. 254-3 at 24-26.

The Plaintiffs argue—and the Court agrees—that the Defendants again are merely rehashing arguments already addressed by the Magistrate Judge. See Pls.’ Opp’n to Objs., ECF No. 249-1 at 22. The Report and Recommendation thoroughly analyzed Defendants’ attempts to rebut the presumption of ownership in the Legacy Works, finding that “Defendants have failed to demonstrate that the Legacy Works were not authored by ‘employees’ of ICBO.” R. & R., ECF No. 229 at 18-19. Defendants maintain that their inability to offer evidence contradicting ICBO’s authorship and ownership in the copyrights for the Legacy Works is due to Defendants being “precluded from conducting full discovery as to the Legacy Works.” Defs.’ Reply, ECF No. 254-3 at 24. However, as this Court concluded previously, “Defendants had ample opportunity to seek discovery,” Minute Order (Jan. 22, 2021); and this failure by the Defendants cannot be an excuse for coming up short of evidence at this stage in the litigation.

⁹ Defendants do not contest ownership of the Contemporary Works. *Id.* at 43.

The Court finds no clear error in the Magistrate Judge's reasoning and conclusion, and thus adopts the recommendation to grant summary judgment as to ICC-ES's ownership in copyrights for the Legacy Works.

B. Copyright Infringement

1. Infringement through Reproduction—The Stored Files

Defendants also object to the Report and Recommendation's conclusion that they infringed on Plaintiffs' copyrights in the Works at Issue through reproduction of the works to the Stored Files. Defs.' Objs. to R. & R., ECF No. 243-3 at 11-14. Aside from objections to the originality of the Works at Issue, the Defendants make two main arguments against a finding of infringement. First, Defendants argue that the Report and Recommendation improperly concluded that the Plaintiffs met their burden of proof to support a claim of reproduction. *Id.* at 24-25. Defendants contend that the only evidence supporting a claim of reproduction is Defendants' failure to respond to Plaintiffs' request for admission that the Defendants had copies of the Works at Issue on their servers. *Id.* Second, Defendants argue that a finding of substantial similarity is improper without "identifying and filtering unprotectible elements of the Works at Issue." *Id.* at 20.

To prove copyright infringement through reproduction, the plaintiff must show that "the defendant actually copied the plaintiff's work" and "that the defendant's work is 'substantially similar' to protectible elements of the plaintiff's work." *Sturdza v. United Arab Emirates*, 281 F.3d 1287, 1295 (D.C. Cir.) (citation omitted). Reviewing this portion of the Report and Recommendation *de novo*, the Court concludes that there is no genuine dispute as to any material fact as to reproduction of the Works at Issue. This is the rare case where there is actual evidence of the copying. Multiple IAPMO employees testified to the existence of copies on Defendants' Laserfiche and internal servers—Mr. Beck testified that he would "expect IAPMO-ES to have a copy of every one of the [W]orks at [I]ssue in Laserfiche[.]" Beck Dep. (Aug. 24, 2018), ECF No. 208-13 at 160:25-161:3; *see also* Defs.' CSMF, ECF No. 221-4 at 517-519. Further, Brian Gerber, IAPMO's Vice President of Technical Operations, testified to scanning and storing corresponding ICC evaluation reports in Defendants' Laserfiche. *See* Gerber Dep. at 99, 137:3-145:5. There is no evidence disputing these facts in the record. *See Frito Lay, Inc.*, 863 F.2d at 1034 (holding that the obligations of summary judgment "cannot be met by mere allegation or denial[], but instead require a showing by affirmative evidence") (citations omitted). Without affirmative evidence to the contrary, there is

no genuine dispute that Defendants actually copied the Works at Issue through downloading, maintaining, and sharing the Works at Issue on their internal servers.¹⁰

However, to find infringement, the Court must also find that the works are substantially similar. Proving substantial similarity requires a court to: (1) identify the protectible aspects of the work (i.e., dissection); and (2) determine whether the allegedly infringing work is "substantially similar" such that "an ordinary reasonable person would conclude that the defendant unlawfully appropriated the plaintiff's protectible expression." *Sturdza*, 281 F.3d at 1296 (quoting *Country Kids 'N City Slicks, Inc. v. Sheen*, 77 F.3d 1280, 1288 (10th Cir. 1996) (internal quotations omitted)). "[D]issection analysis is an appropriate method of evaluating substantial similarity even when actual copying has occurred." *Yankee Candle Co. v. Bridgewater Candle Co.*, 259 F.3d 25, 33 (1st Cir. 2001).

The Court agrees that, generally, a finding of substantial similarity requires the Court to dissect the Works at Issue into the protectable and unprotectable elements to "hon[e] in solely on the unique (and thus protected) components." *Society of Holy Transfiguration Monastery, Inc. v. Gregory*, 689 F.3d 29, 50 (1st

¹⁰ Given the ample, uncontradicted evidence in the record of reproduction, the Defendants' deemed admission is irrelevant to the inquiry, and the Court does not review the Magistrate's Judge's conclusion about the admission.

Cir. 2012). However, where, as here, the copies are identical, "mere observation would illustrate the resemblance without any effort of dissection." *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F.2d 354, 360 (9th Cir. 1947). Here, dissection of the Works at Issue is not required to determine that the Stored Files are substantially similar to the Works at Issue, nor that the Defendants copied protectable elements. Therefore, Defendants' acts in downloading and saving the Works at Issue onto their own shared servers violated the Plaintiffs' exclusive right to reproduce the Works at Issue. See *Maverick Recording Co. v. Harper*, 598 F.3d 183, 197 (5th Cir. 2010) (concluding that the defendant violated plaintiff's reproduction rights by "downloading the [] files to her computer without authorization"). Accordingly, the Court **ADOPTS** Magistrate Judge Faruqui's recommendation and **GRANTS** Plaintiffs' Motion for Summary Judgment as to infringement through reproduction.

2. Infringement Through Creation of Derivative Works—The Accused Works

Magistrate Judge Faruqui recommends denying both parties' motions for summary judgment as to infringement of the Works at Issue through creation of the Accused Works. R. & R., ECF No. 229 at 34-37. Neither party objects to this recommendation. Finding no clear error in the Magistrate Judge's analysis, the Court **ADOPTS** this recommendation and **DENIES** both parties' motion

for summary judgment as to infringement through the Accused Works.

C. Fair Use

Next, Defendants object to the Report and Recommendation's conclusion that their infringement of the Works at Issue through reproduction—maintenance of the Stored Files—was not fair use. Defendants contend that the Magistrate Judge “confused the fair use analysis as applied to the Stored Files with the fair use analysis as applied to the Accused Works,” making the analysis of fair use “riddled with facts exclusively relating to the creation of the Accused Works, which have no bearing on the maintenance of the Stored Files.” Defs.’ Reply, ECF No. 254-3 at 16-17. In response, Plaintiffs argue that the “facts regarding Defendants’ use of these identical copies to create the Accused Works are highly relevant to the fair use analysis,” and Magistrate Judge Faruqui correctly found that Defendants could not invoke the fair use defense for the Stored Files. Pls.’ Opp’n to Objs., ECF No. 249-1 at 27-28.

The fair use doctrine is “a privilege in others than the owner of a copyright to use the copyrighted material in a reasonable manner without [his or her] consent.” *Television Digest, Inc.*, 841 F. Supp. at 9 (quoting *Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 306 (2d Cir. 1966))

(internal quotation marks omitted)). Courts consider four, nonexclusive factors to when determining fair use:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (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.

17 U.S.C. § 107.

Defendants bear the burden of establishing that the Stored Files constitute fair use. *Id.*; see *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994). The Court agrees with Plaintiffs that the use of the Stored Files is inextricably tied to the Plaintiffs' infringement claims of reproduction. The fact that the use of the Stored Files in this case relate to the creation of the Accused Works, for which there is a separate infringement claim, does not mean the surrounding facts of the Stored Files are irrelevant. Moreover, Defendants' fair use argument is replete with conclusory statements unsupported by evidence in the record. For example, Defendants state that the purpose for the copying was "merely archival" and for "research" without pointing to affirmative evidence in the record. See, e.g., Defs.' Obj. to R. & R., ECF No. 243-3 at 23; Defs.' Reply, ECF No. 254-3 at 21. Accordingly, the Court adopts the Report

and Recommendation's conclusion as to fair use of the Stored Files.

Additionally, the Court finds that a genuine issue of material fact exists as to whether the Accused Works were fair use of the Works at Issue. Not only is there still a genuine issue of material fact as to infringement through the creation of the Accused Works, but also the amount and substantiality of the copying and whether the Accused Works are transformative will be highly dependent on the substantial similarity analysis.

D. Injunction

Magistrate Judge Faruqui recommends granting Plaintiffs' request for a permanent injunction enjoining and restraining Defendants "from infringing by any means upon Plaintiffs' current and future copyrighted works without proper authorization." R. & R., ECF No. 229 at 45-47. Defendants object to the injunction's "by any means" language as vague and overbroad "because the Magistrate Judge did not find infringement by Defendants through the creation of the Accused Works." Defs.' Reply, ECF No. 254-3 at 24-25; *see also* Defs.' Objs. to R. & R., ECF No. 243-3 at 44. Defendants ask the Court to reject the recommended injunction entirely. *See* Defs.' Reply, ECF No. 254-3 at 24-25. Plaintiffs argue that the injunction is appropriate given the evidence before the Court and the

"significant threat of future infringement." Pls.' Opp'n to Objs., ECF No. 249-1 at 47-48.

A court has discretion to "grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). Courts consider four factors in making this determination: "(1) success on the merits, (2) whether the plaintiffs will suffer irreparable injury absent an injunction, (3) whether, balancing the hardships, there is harm to defendants or other interested parties, and (4) whether the public interest favors granting the injunction." *ACLU v. Mineta*, 319 F. Supp. 2d 69, 87 (D.D.C. 2004). Courts have issued permanent injunctions upon a showing of past copyright infringement and a substantial likelihood of future infringement. *See, e.g., Walt Disney Co. v. Powell*, 897 F.2d 565, 568 (D.C. Cir. 1990) (going so far as to say a threat of continuing infringement "entitle[s]" a plaintiff to an injunction); *Walden Music, Inc. v. C.H.W., Inc.*, No. 95-4023, 1996 WL 254654, at *6 (D. Kan. Apr. 19, 1996) (entering permanent injunction where court found infringement and ineffective measures to combat future violations); *Sailor Music v. IML Corp.*, 867 F. Supp. 565, 570 (E.D. Mich. 1994) (finding substantial likelihood of further infringement where, despite warnings, defendants continued utilizing plaintiff's music without authorization).

The Court disagrees with the Defendants that enjoining them from infringing on any of Plaintiffs' exclusive rights, even though there has not been a determination as to the creation of the Accused Works, is overbroad. In *Powell*, the court extended a permanent injunction to infringement of works not even at issue in the litigation where it concluded the defendant infringed upon the works that were at issue. *Powell*, 897 F.2d at 568. Here, the Court has concluded that Defendants infringed on Plaintiffs' copyrights through reproduction, and there is substantial evidence that there is a likelihood of future infringement. See Defs.' CSMF, ECF No. 221-4 ¶¶ 635, 641-44. Therefore, the Court concludes that Defendants should be permanently enjoined from obtaining, downloading, or maintaining the Works at Issue on the Laserfiche or other IAPMO Entity internal servers.

The Court also exercises its discretion to enter a preliminary injunction prohibiting Defendants from infringing upon any of Plaintiffs' exclusive rights in any current or future copyrighted works. Plaintiffs have established a likelihood on the merits on their derivative claim, and the irreparable harm is clear. See *Mineta*, 319 F. Supp. 2d at 87 (concluding courts examine the same four factors for a preliminary injunction with the exception that the plaintiff must show a likelihood of success on the merits rather than

actual success”) (quoting *Amoco Production Co. v. Village of Gambell*, 480 U.S. 531, 546 n.12 (1987) (internal quotations omitted)).; see also *Defs.’ CSMF*, ECF No. 221-4 ¶¶ 635, 641-44.

E. Damages

Defendants object to the Report and Recommendation’s findings of damages because it “contains error derived from its conclusions regarding infringement of the Legacy Works.” *Defs.’ Objs.* to R. & R., ECF No. 243-3 at 45. As explained in detail above, the Court finds no error in Magistrate Judge Faruqui’s findings of fact. Defendants present no other objections to Magistrate Judge Faruqui’s conclusion on damages, and, finding no clear error, the Court concludes that all of the Legacy Works and Contemporary Work ESR-167 are entitled to statutory damages, but a genuine dispute remains as to the Defendants’ willfulness. R. & R., ECF No. 229 at 45-46,

V. Conclusion

For the foregoing reasons, Magistrate Judge Faruqui’s Report and Recommendation, ECF No. 229, is **ADOPTED**. Plaintiffs’ Motion for Summary Judgment, see ECF No. 199-1, is **GRANTED** in part as to the following findings: (1) Plaintiffs have established ownership in the copyrights for all Works at Issue; (2) All Works at Issue are supported by valid copyrights; (3) Defendants infringed upon Plaintiffs Works at Issue through reproduction; (4) Defendants’ infringement of Plaintiffs’ Work

at Issue through the Stored Files was not fair use. Plaintiffs' motion as to infringement through creation of the Accused Works and fair use as to the Accused Works is **DENIED**. Defendants' motion for summary judgment, see ECF No. 200-4, is **DENIED**.

The Court further permanently enjoins and restrains Defendants from obtaining, downloading, or maintaining the Works at Issue on the Laserfiche or other IAPMO Entity internal servers. Finally, the Court enters a preliminary injunction prohibiting Defendants from infringing upon any of Plaintiffs' exclusive rights in any current or future copyrighted works.

An appropriate Order accompanies this Memorandum Opinion. The parties are directed to meet and confer and post a redacted version of this Memorandum Opinion on the public docket within 14 days of the date of the Order accompanying this Memorandum Opinion. The parties are cautioned that redactions shall be made solely to the extent necessary to preserve the confidential or proprietary nature of the relevant information in accordance with the operative protective order.

Signed: Emmet G. Sullivan
United States District Judge
December 3, 2024