COPYRIGHT CLAIMS BOARD

Docket number: 22-CCB-0056
August 24, 2023

Dana Hursey	*v.*	Lavaca LLC
CLAIMANT		**RESPONDENT**

FINAL DETERMINATION

On July 3, 2023, the Copyright Claims Board (Board) issued the below Proposed Default Determination, proposing a finding that Respondent Lavaca LLC has committed copyright infringement and that Claimant Dana Hursey should be awarded $3,000 in statutory damages. The Proposed Default Determination and a Notice of Proposed Default Determination were sent via mail and email to the addresses on file for Lavaca LLC. More than thirty days have passed and Lavaca LLC has not responded to the Notice of Proposed Default Determination. Therefore, pursuant to 17 U.S.C. § 1506(u)(4), the Board issues the below Proposed Default Determination as a Final Determination. The Board finds Lavaca LLC liable for copyright infringement and awards Dana Hursey $3,000 in statutory damages.

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Respondent, Lavaca LLC ("Lavaca"), has not appeared or participated in this proceeding before the Copyright Claims Board (Board), and the claim is now in default. If a respondent fails to appear in a proceeding and the Board proceeds to a default determination, the Board shall require the claimant to submit written direct testimony. 17 U.S.C. § 1506(u)(1); 37 C.F.R. § 227.2(a). The claimant, Dana Hursey ("Hursey"), has submitted written testimony and has also given oral testimony at a hearing upon the order of the Board. The Board has reviewed Hursey's submissions and testimony and now issues this proposed default determination. 17 U.S.C. § 1506(u)(2). For the reasons that follow, the Board finds that the presented evidence is sufficient to support a finding in favor of Hursey and awards $3,000 in statutory damages.

Lavaca now has thirty days from the issuance of this proposed default determination to submit any evidence or information in opposition to the proposed default determination. *Id.* A copy of this proposed default

determination will be sent to Lavaca at all postal and email addresses reflected in the record. *Id.* If Lavaca submits an opposition, the Board will evaluate any materials submitted by Lavaca before issuing a final determination. *Id.* § 1506(u)(3). If Lavaca does not submit a response, the Board will issue this default determination as a final determination. *Id.* § 1506(u)(4). **Any determination against Lavaca, including a monetary award for damages, will be enforceable in a court of law.**

I. Procedural History

This claim was filed on July 15, 2022, and Hursey selected a smaller-claims track proceeding, which has a damages cap of $5,000. (Dkt. 1). The Board found the claim compliant, and in its September 16, 2022 Notice of Compliance and Direction to Serve, directed Hursey to serve Lavaca within ninety days of the Notice. (Dkt. 2). Hursey filed a Proof of Service on September 26, 2022, which affirmed that Lavaca was served on September 26, 2022 by personal service. (Dkt.5). The Board sent a Second Notice to Respondent by mail and email on October 28, 2022. (Dkt. 6). The Board did not receive an opt-out from Lavaca.

On November 28, 2022, the Board notified the parties that the claim had entered the "active phase" of the proceeding because Lavaca was served and did not submit a timely opt-out, and ordered Hursey to pay the second filing fee and Lavaca to register for eCCB. (Dkt. 7). On December 13, 2022, the Board issued a Scheduling Order (Dkt.10) and a Second Notice for respondent to register for eCCB. (Dkt. 9). The Board issued all of the foregoing orders through its online docketing system (eCCB) and also mailed and emailed them to Lavaca.

In the Scheduling Order, Lavaca was ordered to submit a response by January 12, 2023, but Lavaca did not. (Dkt. 10). Both parties were also ordered to attend an initial conference to be held on January 26, 2023. While Hursey did attend the initial conference, Lavaca did not, despite the Board sending the Zoom link to the email on file for respondent on January 19, 2023.

On January 18, 2023, the Board issued its First Default Notice to Lavaca because it did not meet any of the mandatory deadlines set by the Board. (Dkt. 11). The First Default Notice gave Lavaca thirty days to file a response and register for eCCB. *Id.* On February 1, 2023, the Board issued its Second Default Notice, which

reminded Lavaca of the February 17, 2023 deadline. (Dkt. 12). These notices were issued using the same contact procedure described above.

Lavaca failed to file a response or register for eCCB by February 17, 2023. The Board received no communication from Lavaca at all. Accordingly, on February 23, 2023, the Board ordered Hursey to submit written direct testimony in support of a default determination. (Dkt. 13). Hursey submitted the required written materials on March 11, 2023, consisting of his party statement, an evidence list and evidence. (Dkt. 14-22.)

Pursuant to 37 C.F.R. § 227.2 (b), on March 16, 2023, the Board issued an order in which it requested additional evidence and information from Hursey. (Dkt 23). Hursey submitted additional evidence on eCCB on March 17, 2023. (Dkt. 24). On April 7, 2023, the Board issued an order scheduling a hearing and for Hursey to submit additional evidence. (Dkt. 25). The hearing, scheduled for May 4, 2023, was to see if Hursey could testify regarding his licensing of "stock" photographs, including the photograph at issue in this proceeding. Before the hearing, Hursey produced a statement from his former licensing agency, Masterfile, that showed licensing fees for certain works created by Hursey. Masterfile Sales Report for the Month of 2013.05 (Dkt. 27); Hursey Testimony at May 4, 2023 Hearing (Hearing Tr. at 50:07 – 1:00:26). All three Copyright Claims Officers participated in the May 4, 2023, hearing.

II. Factual History

Hursey is a Los Angeles-based commercial photographer who does commissioned shoots for corporate clients and offers stock photographs for license. Hearing Tr. at 00:32 – :42; 8:53 – 9:24. Hursey has a public website located at **www.hursey.com** where he advertises his services as a photographer, and a subsite at **stock.hursey.com** where he has many of his stock photographs available for license. *Id.* at 8:53 – 10:24.

Hursey owns the copyright in a photograph of a family having a picnic in a grassy area with mountains visible in the background. (Reg. No. VA2-036-556) (the "Work"). Default Direct Party Statement (Dkt. 19); Evidence Doc A (Dkt. 16). The work, entitled "DH_371-5510," was one of 212 photographs registered by Hursey as a part of a Group Registration of Published Photographs. *Id.* The effective date of registration is June 24, 2012, and the registration states that the group of works was published on approximately October 17, 2005. *Id.*

The Work was created on April 25, 2005 as part of a multi-day shoot commissioned by one of Hursey's clients, PacifiCare. Evidence Doc A (Dkt. 24.); Hearing Tr.t at 38:07 – 38:55. During the shoot, Hursey shot approximately forty-two scenes, with a scene consisting of multiple versions of the same setting and activity with minor differences. Hearing Tr. at 39:00 – 39: 57. In the present case, the scene consisted of a family at a picnic with a pastoral background. Evidence Doc B (Dkt. 17). Hursey was paid $185,524.45 in total for the shoot, but most of that amount was reimbursement for costs and payment for his time, while $17,500 was for an unlimited license to use all of the photographs taken over the course of the shoot. April 29, 2005, Invoice (Dkt. 24); Hearing Tr. at 44:44 - 47:30.

Sometime after the shoot for PacifiCare, Hursey uploaded the Work to his stock site for license by the public. *Id.* at 30:23 -31:10. During the May 4 hearing, Hursey provided the Board with specific evidence regarding how much he charges to license the Work. On his stock website, Hursey offers a large portfolio of photos that he has taken, including the Work, for standard license fees, which are the same regardless of the photograph being licensed. *Id.* at 15:18 – :38. The actual fee Hursey charges is based on the type of usage by the licensee, which includes four factors: the media and territory in which the image will be used, the image size selected, and the length of use. *Id.* at 15:32 -16:47. During the hearing, Hursey also explained how a licensee could easily choose and license an image on his stock website, including the one at issue in this proceeding. In addition to browsing through Hursey's photographs, a prospective licensee can search for an image by performing a search, such as "picnic." *Id.* at 18:44 - 19:30. Once a desired photo is located and clicked on, the licensee chooses from a drop-down menu what kind of usage they would like – on the web, social media and/or print, the territory of permitted usage, how large they would like the image, and the length of use. *Id.* at 19:34 – 20:47. Each of these factors determines the license fees to be charged to the licensee. *Id.*

In the past three years, Hursey testified that he had licensed the use of stock photographs less than a dozen times using the above pricing model on his website with none of them deviating from the "standard amount charged that would be on [his] website." *Id.* at 13:00-15:03; 33:00-33:34. In addition, he stated that before he created his current stock photo website, he licensed pre-existing photos for approximately twenty years through a

Canadian-based agency called Masterfile. *Id.* at 13:28 -13:59. He submitted evidence to show that Masterfile negotiated the fee for use of another photo he took during the PacificCare photo shoot. Masterfile Sales Report (Dkt. 27); Hearing Tr. at 59:32 – 1:01:17. Of particular note in this proceeding, on Hursey's stock photograph website, the license fee for use of a Hursey image measuring up to 450 x 450 pixels on the internet for two years is $1000.70. *Id.* at 17:56 - 18:10; 20:36 – 20:46: 31:00 -31:11.

On August 5, 2021, Hursey discovered, using reverse-image tracking technology, that a cropped copy of the Work was on display on the business website of Lavaca (**https://www.casusgrillusa.com/grill**) to market small grills manufactured by a company called Casus Grills. Evidence Docs E.& F (Dkt. 18 & 22). The Work was one of four images displayed on the bottom half of Lavaca's webpage showing places a consumer could use the grills with the header "Take CaususGrill on All Your Journeys!" *Id.* Hursey testified that the first date of use of the Work by Lavaca that he is aware of is October 1, 2020. Hearing Tr. at 4:54 – 5:10. He further testified that he was able to determine that date by searching for the infringing image on Waybackmachine.com, which is a website that archives past views of numerous websites. *Id.* at 4:50 – 6:04.

Lavaca, a Texas limited liability company, was identified by Hursey as the owner of the website in question at the time of the infringement. Default Direct Party Statement (Dkt. 19); Evidence Doc G (Dkt. 20). Hursey, through counsel, sent a cease and desist and demand letter to Lavaca on February 9, 2022. Default Direct Party Statement (Dkt. 19); Evidence Doc C (Dkt 15). Lavaca confirmed receipt of the letter and demanded "certified and notarized proof to show authority that attorney Sergio Caldero does represent the alleged owner/client Dana Hursey" as well as additional proof that the Work was owned by Hursey. Evidence Doc D (Dkt. 14). According to Hursey, the infringing image was taken down soon after the February 9, 2022 cease and desist letter was sent. Hearing Tr. at 6:35 – 7:08.

Hursey is seeking the maximum $5,000 statutory damages permitted in a smaller claim proceeding. Default Direct Party Statement (Dkt. 19).

III. Copyright Infringement

The Board must follow the law of the federal judicial circuit in which the action could have been brought when

there is a conflicting precedent among the circuits. 17 U.S.C. § 1506(a)(2). The Board is aware of no circuit split of note relevant to this case, but because Lavaca is located in Texas, which is in the Fifth Circuit, the Board cites primarily to Fifth Circuit cases.

To succeed on a claim for copyright infringement, a plaintiff must establish: "(1) ownership of a valid copyright; and (2) copying of constituent elements of [plaintiff's] work that are original." *Feist Publications, Inc. v. Rural Telephone Serv. Co., Inc.*, 499 U.S. 340, 361 (1991). *See also Batiste v. Lewis*, 976 F.3d 493, 501 (5th Cir. 2020). Hursey submitted Certificate of Registration VA2-036-556 for the Work, which was effective as of January 24, 2017. The Work was published in 2005. Evidence Doc A (Dkt. 16). A certificate of registration, if timely obtained, is prima facie evidence both that a copyright is valid and that the registrant owns the copyright. *See Gen. Universal Sys., Inc. v. Lee*, 379 F.3d 131, 141 (5th Cir. 2004). However, this evidentiary presumption applies only when the certificate of a registration is obtained before or within five years after first publication of the work. In this case, the effective date of registration is outside of the five-year period; as such, the evidentiary weight given to the registration is in the Board's discretion. 17 U.S.C. § 410(c).

Regardless, neither the copyrightability of the Work nor Hursey's ownership of it is in question. The photograph is clearly creative and Hursey, a professional photographer, has testified and provided evidence that he took the photograph and that it was part of a seven-day commissioned photo shoot for PacifiCare. There is no reason to doubt Hursey's claim that he was the photographer who took the photograph. Furthermore, there is no question that the Work is copyrightable. *See Feist Publications*, 499 U.S. 340 at 346 ("originality requires independent creation plus a modicum of creativity"); *Rogers v. Koons*, 60 F.2d 301, 307 (2d Cir. 1992) ("Elements of originality in a photograph may include posing the subjects, lighting, angle, selection of film and camera, evoking the desired expression, and almost any other variant involved.").

In the absence of direct evidence, copying is proved by circumstantial evidence of access to the copyrighted work and substantial similarities as to protectible material in the two works. *Armour v. Knowles*, 512 F.3d 147, 152 (5th Cir. 2007). If the works are strikingly similar, access can be inferred. *Peel & Co. v. The Rug Mkt.*, 238 F.3d 391, 395 (5th Cir. 2001). In order to prove substantial similarity, the claimant must show that the allegedly infringing work is

substantially similar to protectable elements of the infringed work. "[A] side-by-side comparison must be made between the original and the copy to determine whether a layman would view the two works as 'substantially similar.'" *Creations Unlimited, Inc. v. McCain*, 112 F.3d 814, 816 (5th Cir. 1997).

Hursey has demonstrated that, without his consent, Lavaca reproduced and publicly displayed an exact copy of the Work on its commercial website. Evidence Doc E & F (Dkt. 18 & 22). There is no question that the two photos are identical, despite the infringing work being smaller and containing the label "Family Picnics" in the lower left-hand corner of the infringing work. *Id.*

IV. Defenses

When reviewing the evidence provided by a claimant in support of the claim, the Board must consider whether respondent has a meritorious defense. 37 C.F.R. § 227.3(a). The Board has considered the facts and finds that no such defense exists in this claim.

V. Damages

Hursey requests the maximum statutory damages of $5,000 allowable in this smaller-claims track proceeding. Default Direct Party Statement (Dkt. 19).

Courts have wide discretion to award statutory damages so long as they fall in the statutory range. *See F.W. Woolworth Co. v. Contemporary Arts*, 344 U.S. 228, 224-25 (1952). "[T]he court's conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like, is made the measure of the damages to be paid… Within these [statutory] limitations the court's discretion and sense of justice is controlling." *L. A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 106-07 (1919). *See also Playboy Enters., Inc. v. Webbworld, Inc.*, 968 F. Supp. 1171, 1176 (N.D. Tex. 1997).

Despite the discretion to award anything within the statutory range, courts often look for a relationship between statutory damages and actual damages. *See Aberle v. GP Clubs, LLC*, No. A-19-cv-1066-RP, 2020 WL 4035074, at *4 (W.D. Tex. July 17, 2020) (while there "need not be a direct correlation between statutory damages and actual

damages," it has generally been held that "the statutory award should bear some relation to actual damages suffered") (citing *Philpot v. Music Times LLC*, No. 16-CV-1277, 2017 WL 9538900, at *4 (S.D.N.Y. Mar. 29, 2017)).

In deciding the appropriate amount of statutory damages to award, courts should take into account the infringer's profits, the copyright owner's damages, and "the difficulties in the way of proof of either." *R A Guthrie Co., Inc. v. Boparai and Patch Magic, LLC,* No. 4:18-cv-080-ALM-KPJ, 2021 WL 1148957, at *4 (E.D. Tex. Mar. 1, 2021) (citing *F. W. Woolworth*, 344 U.S. at 232). While the Board does not consider willfulness to increase damages, courts have also found a general "duty" to put the infringer "on notice" that it costs less to obey the copyright laws than to violate them" and prevent the defendant from "sneer[ing] in the face of copyright owners and copyright laws." *EMI Apr. Music Inc. v. Jet Rumeurs, Inc.*, 632 F. Supp. 2d 619, 625-26 (N. D. Tex. 2008) (internal quotations and citations omitted).

Because of the deterrent purpose of statutory damages, courts, including in the Fifth Circuit, frequently observe that awards of statutory damages are generally based on some multiplier of the license fee that would have been paid by the defendant had it not infringed. Many courts characterize that multiplier as being between two and three times the usual license fee. *See id.* at 625; *R.A Guthrie*, 2021 WL 1148957, at *10; *Aberle*, 2020 WL 4035074, at *4. Other courts characterize the multiplier as being between two and five times that amount. *See Broadcast Music, Inc. v. Bandera Cowboy Bar, LLC,* No 5:09-cv-882-XR 304, 2019 WL 11597771, at *2 (W.D. Tex. April 13, 2010); *Joe Hand Promotions, Inc. v. Bella's Bar & Grill LLC,* No. 1:19-CV-00140, 2020 WL 6585717, at *6 (S.D. Tex. Nov. 9, 2020); *Broadcast Music, Inc. v. Barflies, Inc.*, No 03-304, 2003 WL 21674470, at *2 (E.D. La. July 16, 2003).

At the May 4 hearing, Hursey showed the license fee for the specific image at issue here, which is currently available on his stock website. For any photograph available on that website, the licensee fee is the same regardless of which stock photograph is licensed, and it is calculated using a "pricing model" based on the type of usage, the territory of usage, and the size and the length of use of the image. Hearing Tr. at 16:05 - 20:47. In this particular case, the Work was displayed on Lavaca's website for almost two years and measured 414 x 217 pixels. *Id.* at 19:49 - 20:47; 26:26 – 27:33. Hursey testified that usage on a website is considered worldwide usage and that the appropriate size rate in his drop-down menu would be 450 x 450 pixels because the size for both sides of the image

is rounded up to the nearest larger size in the licensing rate. *Id.* at 19:56 – 20:46; 28:07 – 29:23. Hursey further testified —and showed the Board by clicking the appropriate selections from his website's drop-down menus — that in light of the foregoing factors, the license fee for Lavaca's usage would have been $1000.70. *Id.* at 17:56 - 18:10; 20:36 – 20:46: 31:00 -31:11. Hursey testified that he has not changed his license rates since the time of the infringement. *Id.* at 29:52 – 30:22. In the past three years, he licensed the use of stock photographs using the same pricing model on his website, and none of the licenses deviated from the "standard amount charged that would be on [his] website." *Id.* at 13:00-15:03; 33:00-33:34.

Applying a multiplier in this case is appropriate to deter Lavaca and others from using Hursey's images without paying the appropriate license fees. Lavaca used the Work on a commercial website to promote the sale of its goods. Default Direct Party Statement (Dkt. 19). The ability of Hursey, who is a professional photographer, to continue to license his stock images depends, in part, on his enforcement of unlicensed usage of his stock photos; otherwise, others will believe they can utilize his photos for commercial purposes without paying any license fees. *See* Claim (Dkt. 1); Hearing Tr. at 1:18:56 – 1:19:59. The Board finds that a multiplier of three times Hursey's lost licensing fee is in line with precedent, including in the Fifth Circuit.

Based on the record before it, the Board awards $3,000 which is approximately three times the amount of the proven actual damages of Hursey.

VI. Conclusion

The Board's proposed default determination is to find that Lavaca has committed copyright infringement and award Hursey $3,000 in statutory damages.