COPYRIGHT CLAIMS BOARD

Docket number: 22-CCB-0137
November 1, 2023

Urbanlip.com Ltd	*v.*	Faviana International Inc
CLAIMANT		**RESPONDENT**

FINAL DETERMINATION

On September 21, 2023, the Copyright Claims Board (Board) issued the below Proposed Default Determination, proposing a finding that Respondent Faviana International Inc. (Faviana) has committed copyright infringement and that Claimant Urbanlip.com Ltd should be awarded $2,600 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 Faviana. More than thirty days have passed, and Faviana 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 Faviana liable for copyright infringement and awards Urbanlip.com $2,600 in statutory damages.

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Respondent, Faviana International Inc. ("Faviana"), has not appeared or participated in this proceeding before the Copyright Claims Board (Board), and the claim is now in default. When 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, Urbanlip.com Ltd ("Urbanlip"), has submitted testimony, which the Board has reviewed, and now the Board 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 Urbanlip and awards $2,600 in statutory damages.

Faviana now has thirty days, ending on October 23, 2023**,** 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 Faviana at all postal and email addresses reflected in the

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

I. Procedural History

This claim was filed on August 31, 2022. Claim (Dkt. 1). *See* 17 U.S.C. § 1506(z); 37 C.F.R. § 226.1. The Board found the claim compliant and, on October 17, 2022, directed Urbanlip to serve Faviana within ninety days. (Dkt. 2). Urbanlip filed a (corrected) Proof of Service on January 17, 2023, which affirmed that Faviana was served on January 11, 2023 by personal service to the New York Secretary of State with certified mailing to Faviana's corporate address. (Dkt. 7). The Board sent a Second Notice to Faviana by mail on December 8, 2022 (Dkt. 6) and by email on February 3, 2023, and extended the opt-out period to March 13, 2023 due to the corrected proof of service filed by Urbanlip. (Dkt 8). The Board did not receive an opt-out form from Faviana.

On March 17, 2023, the Board notified the parties that the proceeding had entered the "active phase" because Faviana did not submit a timely opt-out and ordered Urbanlip to pay the second filing fee and Faviana to register for the Board's online docketing system (eCCB). (Dkt. 10). On April 7, 2023, the Board issued a Scheduling Order (Dkt. 12) and a second notice directing Faviana to register for eCCB. (Dkt. 13). The Board issued all of the foregoing orders through eCCB and also mailed and emailed them to Faviana.

In the Scheduling Order, Faviana was ordered to submit a response by May 8, 2023, but Faviana did not. Both parties were also ordered to attend an initial conference to be held on May 17, 2023. While Urbanlip did attend the initial conference, Faviana did not, despite the Board sending the Zoom link to the email address on file for respondent on May 11, 2023.

On May 17, 2023, the Board issued its First Default Notice because Faviana did not meet any of the mandatory deadlines set by the Board. (Dkt. 14). The First Default Notice gave Faviana another thirty days to file a response and register for eCCB. *Id.* On June 5, 2023, the Board issued its Second Default Notice, which reminded Faviana of the June 16, 2023 deadline to cure the missed obligations. (Dkt. 16). These notices were issued using the same

contact procedures described above and were also sent to Faviana at an additional email address provided by Claimant at the May 17 initial conference. (Dkt. 15).

Faviana failed to file a response or register for eCCB by June 16, 2023. The Board received no communication from Faviana at all. Accordingly, on June 22, 2023, the Board ordered Urbanlip to submit written direct testimony in support of a default determination. (Dkt. 17). Urbanlip submitted the required written materials on August 7, 2023, consisting of a party statement, two witness statements, an evidence list, and evidence. (Dkt. 18-25).

Urbanlip has submitted a witness statement from its counsel indicating that Faviana is aware of this proceeding and that, despite Faviana not participating in this proceeding, Faviana's CEO, Omid Moradi, reached out to Urbanlip's counsel to discuss the claim via both email and telephone. Declaration of Taryn R. Murray ¶¶ 7-9 ("Murray Declaration") (Dkt. 23).

II. Factual History

Urbanlip is a United Kingdom-based "photo licensing agency that specializes in health and beauty images." Declaration of Lara Philpott ¶ 3 ("Philpott Declaration") (Dkt. 18); (Dkt. 1); Exhibit B (Dkt. 19). Urbanlip has its employees create photographs for it, and Urbanlip retains the copyright on those photographs. *Id.* ¶¶ 4-5. Urbanlip owns the copyright (Reg. No. VA 2-031-180) in a close-up photograph of a woman's face as she appears to be about to apply a product to her skin (the "Work"). (Dkt. 1); (Dkt. 19); Exhibit A (Dkt. 22). The Work, which Urbanlip refers to as the Beauty Photograph, was registered to Urbanlip as a part of a group registration for an automated database, and the registration states that Urbanlip is the Copyright Claimant by both written agreement and by being an employer for hire. (Dkt. 19). The effective date of registration is March 19, 2017, and the registration states that the group of photographs was published between January 1, 2011 and March 1, 2011. *Id.* The photograph at issue was taken by Iain Philpott, the co-founder and co-director of Urbanlip, on behalf of Urbanlip. Philpott Declaration ¶¶ 7-9. Party Statement, at 2 (Dkt. 20).

In August 2020, Urbanlip discovered, through its copyright enforcer, that a copy of the Work was on display on Faviana's commercial fashion website https://www.faviana.com. *Id.* ¶ 13; Exhibit C (Dkt. 24). Urbanlip, through counsel, attempted to contact Faviana to resolve this matter, but Faviana did not return any emails or calls before

this proceeding was filed with the CCB. Murray Declaration ¶¶ 3-4. The Claim states that the alleged infringement occurred from October 2017 to August 2020 (Dkt. 1), but Urbanlip does not elaborate on how it knows that the infringement started in October 2017; nor does Urbanlip refer in its papers to the Work actually being taken down in August 2020, the same month that Urbanlip discovered it.

Urbanlip has submitted an invoice showing that it licensed photographs in 2018 to be used on a skin care company's website and social media pages for two years. Philpott Declaration ¶¶ 16-18; Exhibit D (Dkt. 25). The invoice shows that Urbanlip was paid $2,643.50 total. Philpott Declaration ¶ 18; (Dkt. 25).[1] Urbanlip is seeking $6,000 in statutory damages. Party Statement, at 5-7.

III. Copyright Infringement

To succeed on a claim for copyright infringement, a claimant must establish: "(1) ownership of a valid copyright; and (2) copying of constituent elements of the work that are original." *Feist Publications, Inc. v. Rural Telephone Serv. Co., Inc.*, 499 U.S. 340, 361 (1991). Urbanlip submitted Certificate of Registration No. VA 2-031-180 for the Work, which was effective as of February 19, 2017, and which states that the work was published between January 1, 2011 and March 1, 2011. (Dkt. 19). 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* 17 U.S.C. § 410(c); *Scholz Design, Inc. v. Sard Custom Homes, LLC,* 691 F.3d 182, 186 (2d Cir. 2012); *Service & Training, Inc. v. Data General Corp.*, 963 F.2d 680, 688 (4th Cir. 1992). 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. 17 U.S.C. § 410(c). In this case, the effective date of registration is outside of the five-year period, so the evidentiary weight given to the registration is in the Board's discretion. *Id.*

Neither the copyrightability of the Work nor Urbanlip's ownership of it is in question. The photograph is creative and Urbanlip has provided evidence that its co-director, a professional photographer of 35 years with various famous beauty clients, took the photograph. Philpott Declaration ¶¶ 7, 9-10. *See Feist Publications*, 499 U.S. at

[1] The Philpott Declaration states, at ¶ 17, that the invoice was for a total of $3,110, but the invoice itself makes clear that a 15% discount was applied to that price. (Dkt. 25). On September 25, 2023, Urbanlip confirmed that the dollar sign in the invoice and Urbanlip's supporting materials referring to the invoice was for United States dollars. (Dkt. 27).

346 ("[O]riginality requires independent creation plus a modicum of creativity."); *Rogers v. Koons*, 960 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. *See, e.g., Boisson v. Banian, Ltd.*, 273 F.3d 262, 267-68 (2d Cir. 2001); *Armour v. Knowles*, 512 F.3d 147, 152 (5th Cir. 2007); *Soc'y of the Holy Transfiguration Monastery, Inc. v. Archbishop Gregory of Denver, Colo.*, 689 F.3d 29, 49 (1st Cir. 2012); *Reader's Digest Ass'n, Inc. v. Conservative Digest, Inc.*, 821 F.2d. 800, 806 (D.C. Cir. 1987). Copying can also be inferred without additional evidence of access if the allegedly infringed work and the allegedly infringing work are "so strikingly similar as to preclude the possibility of independent creation." *Lipton v. Nature Co.,* 71 F.3d 464, 471 (2d Cir. 1995) (quotation and citation omitted). *See also Unicolors, Inc. v. Urban Outfitters, Inc.*, 853 F.3d 980, 985 (9th Cir. 2017); *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 915 (7th Cir. 2007).

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. When "duplication is literal or verbatim, then clearly substantial similarity exists." *Bell v. Wilmott Storage Services, LLC*, 12 F.4th 1065, 1074 (9th Cir. 2021) (*quoting* 4 *Nimmer on Copyright* § 13.03(A)(1)). *See also Novelty Textile Mills v. Joan Fabrics Corp.*, 558 F.2d 1090, 1093 (2d Cir. 1977) (finding defendant's work was substantially similar to plaintiff's when the latter, "to our 'lay' eyes, is almost identical").

Urbanlip has demonstrated that, without its consent, Faviana reproduced and publicly displayed an exact copy of the Work on its commercial website. Philpott Declaration ¶¶ 7-8, 14; (Dkt. 22 & 24). There is no question that the two photos are identical, and thus both strikingly and substantially similar.

IV. Defenses

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

V. Damages

Urbanlip requests $6,000 in statutory damages. Party Statement, at 5-7. Courts have wide discretion to award statutory damages as long as they fall in the statutory range. *See F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 231–32 (1952); *Fitzgerald Publishing Co. v. Baylor Publishing Co.*, 807 F.2d 1110, 1116 (2d Cir. 1986); *Bryant v. Media Right Productions, Inc.*, 603 F.3d 135, 143 (2d Cir. 2010). "[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 [the statutory] limitations the court's discretion and sense of justice are controlling[.]" *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100, 106 (1919). *See also Alouf v. Expansion Products, Inc.*, 417 F.2d 767, 769 (2d Cir. 1969); *Peer Int'l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir. 1990) (*quoting F.W. Woolworth*, 344 U.S. at 232).

Furthermore, various courts have explained that (regardless of willfulness or lack thereof) statutory damage awards should significantly exceed the amount of unpaid license fees because the award "should put infringers on notice that it costs less to obey the copyright laws than to violate them." *Broadcast Music, Inc. v. DFK Entertainment, LLC,* No. 1:10-CV-1393 GLS/DRH, 2012 WL 893470, at *4 (N.D.N.Y. Mar. 15, 2012) (internal quotation marks and citation omitted). As the court noted in *Werner v. Evolve Media, LLC*, No. 2:18-CV-7188-VAP-SKx, 2020 WL 4012784, at *3 (C.D. Cal. June 22, 2020):

> Such an approach is consistent with the Copyright Act's purpose of deterring copyright infringement. Indeed, as the Supreme Court has held, "a rule of liability which merely takes away the profits from an infringement would offer little discouragement to infringers. It would fall short of an effective sanction for enforcement of copyright policy. The statutory rule, formulated after long experience, not merely compels restitution of profit and reparation for injury but also is designed to discourage wrongful conduct."

(*quoting F.W. Woolworth*, 344 U.S. at 233). *See also Philpot v. L.M. Commc'ns II of S.C., Inc.*, 343 F. Supp. 3d 694, 702–03 (E.D. Ky. 2018), *rev'd and remanded on other grounds sub nom. Philpot v. LM Commc'ns II of S.C.*, 776 F. App'x 906 (6th

Cir. 2019) ("Merely awarding statutory damages in the amount of the profits reaped from a copyright infringement would do little to discourage infringers.").

In deciding the appropriate amount of statutory damages to award, courts generally seek to establish a relationship between statutory damages and actual damages. *See, e.g.*, *Atari Interactive, Inc. v. Redbubble, Inc.*, 546 F. Supp. 3d 883, 888 (N.D. Cal. 2021) ("A statutory damages award 'must bear a plausible relationship to Plaintiff's actual damages'") (citation omitted); *Fitzgerald Publishing Co. v. Baylor Publishing Co.*, 670 F. Supp. 1133, 1140 (E.D.N.Y. 1987) ("Undoubtedly these [statutory] damages should bear some relation to the actual damages suffered[.]"); *Seoul Broad. Sys. Int'l v. Young Min Ro*, No. 1:09cv433, 2011 WL 3207024, at *8 (E.D. Va. July 27, 2011) ("After all, 'when awarded, statutory damages should bear some relation to the actual damages suffered.'") (citation omitted); *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") (citation omitted); *Bly v. Banbury Books, Inc.*, 638 F. Supp. 983, 987 (E.D. Pa. 1986) ("numerous courts have held that asserted statutory damages should bear some relation to the actual damages suffered").

Actual damages are primarily measured by "the extent to which the market value of the copyrighted work at the time of the infringement has been injured or destroyed by the infringement." *Fitzgerald*, 807 F.2d at 1118. To secure actual damages, a claimant typically establishes impairment of market value by demonstrating lost sales or other lost profits that would have been obtained from the sale or license of the infringed work but for the respondent's infringement. *See Stevens Linen Associates v. Mastercraft Corp.*, 656 F.2d 11, 15 (2d Cir. 1981); *Baker v. Urban Outfitters, Inc.*, 254 F. Supp. 2d 346, 356 (S.D.N.Y. 2003). Such amounts should be based on a "factual basis" and not "undue speculation." *On Davis v. The Gap, Inc.*, 246 F.3d 152, 165 (2d Cir. 2001).

Across the country, courts typically award statutory damages in a range from approximately two to six times the lost licensing fee for the infringed work, with around three times the lost fee being most prevalent. *See, e.g.*, *Barcroft Media, Ltd. v. Coed Media Group, LLC,* 297 F. Supp. 3d 339, 359 (S.D.N.Y. Nov. 2, 2017); *Broadcast Music, Inc. v. Paden*, No. 5:11–02199–EJD, 2011 WL 6217414, at *5 (N.D. Cal. Dec. 14, 2011); *Sixx Gunner Music v. The Quest, Inc.,* 777

F. Supp. 2d 272, 274 (D. Mass. 2011); *Broadcast Music, Inc. v. Amici III, Inc.,* No. 14-CV-5002, 2014 WL 7271915, at *1 (D.N.J. Dec. 16, 2014); *Broadcast Music, Inc. v. Eatnout, LLC*, No. 2:15cv254, 2015 WL 12803458, at *3 (E.D. Va. Dec. 29, 2015); *Philpot,* 343 F. Supp. 3d at 702; *Broadcast Music, Inc. v. Ken V, Inc.*, 159 F.Supp. 3d 981, 990 (E.D. Mo. 2016); *Minden Pictures, Inc. v. Buzznick, LLC*, No. 2:22-cv-00369-RJS-CMR, 2023 WL 2243177, at *5 (D. Utah Feb. 27, 2023); *Broadcast Music, Inc. v. Entertainment Complex, Inc.*, 198 F. Supp. 2d 1291, 1296 (N.D. Ala. 2002); *MOB Music Publ'g v. Zanzibar on the Waterfront, LLC*, 698 F. Supp. 2d 197, 207-08 (D.D.C. 2010).

Urbanlip has provided the Board with the evidence and information needed to establish a lost license fee in this proceeding. Urbanlip has provided an invoice specifically for the licensing of its photographs on a third-party commercial website. (Dkt. 25). However, while Urbanlip states that the invoice was $3,110 for a two-year license, Philpott Declaration ¶ 17, the invoice reveals a much lower amount for the Board to use in setting Urbanlip's lost license fee. As an initial matter., the actual invoice is for $2,643.50. *Id.* The invoice has a "sub total" for $3,110, but then applies a 15% discount—no reason is given on the invoice. *Id.* More importantly, the total on the invoice is for various licenses (Web, mobile, and Facebook) of four images and a mobile clip. *Id.*

Two line items on the invoice are most instructive: a line item for a license for the "Web" usage of two photographs, totaling $1,740 (which, equally divided, would be $870 each) before any discount; and a line item for the "Web" usage of one photograph for $870 before any discount. *Id.* While it is conceivable that Urbanlip charges different license fees for different photographs, Urbanlip has neither asserted nor provided any evidence that it does. Moreover, the only evidence before the Board relating to Urbanlip's licensing fees (the invoice) indicates that for the two different works for which web usage was licensed, the fee for each was $870. Therefore, the Board must assume that Urbanlip's actual license fee for use of one of its photographs—including the Work—on a web page is $870. Arguably, that $870 should be discounted by 15%, as it was in the invoice Urbanlip provided, but the Board declines to make such a reduction, which could easily have been the result of volume pricing given the various licenses issued.

Awarding damages approximately three times Urbanlip's lost license fee for the infringed work in this case is appropriate to deter Faviana and others from using Urbanlip's images without paying the appropriate license fees.

Faviana used the Work on a commercial website to market its services. (Dkt. 24). Urbanlip is a professional photo licensing agency and its ability to continue to license its images depends, in part, on its enforcement of unlicensed usage of its photos; otherwise, others will believe they can utilize Urbanlip's photos for commercial purposes without paying any license fees. The Board finds that such an award is in line with precedent throughout the country.

Based on the record before it, the Board awards $2,600, which is approximately three times the amount of the proven actual damages of Urbanlip.

VI. Conclusion

The Board's proposed default determination is to find that Faviana has committed copyright infringement and award Urbanlip $2,600 in statutory damages.