COPYRIGHT CLAIMS BOARD

Docket number: 22-CCB-0255
January 10, 2024

Steven Hirsch	*v.*	Southern Chinese Daily News, LLC
CLAIMANT		**RESPONDENT**

PROPOSED DEFAULT DETERMINATION

Respondent, Southern Chinese Daily News, LLC ("SCDN"), 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, Steven Hirsch ("Hirsch" or "Claimant"), 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 Hirsch and awards $3,600 in statutory damages.

SCDN now has thirty days, ending on February 9, 2024**,** 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 SCDN at all postal and email addresses reflected in the record. *Id.* If SCDN submits an opposition, the Board will evaluate any materials submitted by SCDN before issuing a final determination. *Id.* § 1506(u)(3). If SCDN does not submit a response, the Board will issue this default determination as a final determination. *Id.* § 1506(u)(4). **Any determination against SCDN, including a monetary award for damages, will be enforceable in a court of law.**

I. Procedural History

This claim was filed on December 1, 2022. Claim (Dkt. 1). The Board found the claim compliant and, on December 17, 2022, directed Hirsch to serve SCDN within ninety days. (Dkt. 3). Hirsch filed a Proof of Service on January 18, 2023, which affirmed that SCDN was served on January 13, 2023 by personal service on H. Nguyen.

(Dkt. 5). The Board sent a Second Notice to SCDN by mail on February 2, 2023 (Dkt. 6) and by email on February 3, 2023. The Board did not receive an opt-out form from SCDN.

On March 17, 2023, the Board notified the parties that the proceeding had entered the "active phase" because SCDN did not submit a timely opt-out and ordered Hirsch to pay the second filing fee and SCDN to register for the Board's online docketing system (eCCB). (Dkt. 7). On April 7, 2023, the Board issued a Scheduling Order (Dkt. 9) and a second notice directing SCDN to register for eCCB. (Dkt. 10). The Board issued all of the foregoing orders through eCCB and also mailed and emailed them to SCDN.

In the Scheduling Order, SCDN was ordered to submit a response by May 8, 2023, but it did not. Both parties were also ordered to attend an initial conference to be held on May 18, 2023. (Dkt. 9). While Hirsch did attend the initial conference, SCDN did not, despite the Board sending the Zoom link to the email address on file for SCDN on May 11, 2023.

On May 19, 2023, the Board issued its First Default Notice because SCDN did not meet any of the mandatory deadlines set by the Board. (Dkt. 11). The First Default Notice gave SCDN 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 SCDN of the June 20, 2023 deadline to cure the missed obligations. (Dkt. 12). These notices were issued using the same contact procedures described above.

SCDN failed to file a response or register for eCCB by June 20, 2023. The Board received no communication from SCDN at all. Accordingly, on June 23, 2023, the Board ordered Hirsch to submit written direct testimony in support of a default determination. (Dkt. 13). On August 15, 2023, the Board granted Hirsch additional time to submit his direct testimony. (Dkt. 14). Hirsch submitted the required written materials on August 22, 2023, consisting of a party statement, two witness statements, an evidence list, and evidence. (Dkt. 15-19, 21-28). Among the evidence that Hirsch submitted was a Photograph License Agreement ("Agreement"), dated January 11, 2021. (Exh. 6; Dkt 28).

On October 27, 2023, the Board issued an Order to Submit Additional Evidence in which it gave Hirsch more time to submit other licenses similar to the use by SCDN in the present claim (Dkt. 29) but Hirsch did not file any

additional evidence. Subsequently, on December 4, 2023, the Board issued an order directing Hirsch to answer specific questions regarding the Agreement. (Dkt. 30). After requesting more time to respond (Dkt. 31), Hirsch filed a supplemental declaration on December 20, 2023. Supplemental Declaration of Steven Hirsch ("Supplemental Hirsch Decl.") (Dkt. 33).

II. Factual History

Hirsch is a professional photographer who works as an independent contractor for the *New York Post* ("Post"). Declaration of Steven Hirsch ("Hirsch Decl.") ¶¶ 3-4 (Dkt. 18); Default Direct Party Statement at 1 ("Party Statement"). (Dkt. 15). Hirsch retains ownership of the photos he shoots and is paid a discounted flat rate in exchange for a non-exclusive editorial license for the photos with the Post. Hirsch Decl. ¶ 5. Hirsch's arrangement with the Post allows him to license the photos to others as stock photographs. *Id.* ¶¶ 6-7; Party Statement at 1-2.

Hirsch owns the copyrights in two photographs of Columbia University gynecologist Robert Hadden, who was indicted for sexually assaulting his patients. Hirsch Decl. ¶¶ 11-19; Exhibits 1-4 (Dkt. 17, 19, 22 & 27). The first Hadden photograph, which depicts Hadden sitting in court at a counsel table between two people who are standing ("Hadden I"), was registered by the U.S. Copyright Office with an effective date of registration of May 24, 2016 (Reg. No. VA 2-004-884). (Dkt. 17 & 22). The Hadden I Photograph was registered as a part of a group of photographs that were published between January 5, 2016 and April 18, 2016, according to the registration. (Dkt. 22). The second Hadden photograph, which depicts Hadden sitting in court at a counsel table looking sideways at another person who holds a pair of glasses next to Hadden's shoulder ("Hadden II"), was registered by the U.S. Copyright Office with an effective registration date of April 20, 2020 (Reg. No. VA 2-203-802). (Dkt. 19 & 27). The Hadden II Photograph was registered as a part of a group of photographs that were published between February 3, 2020 and March 31, 2020, according to the registration. (Dkt. 19). (Hadden I and Hadden II are hereafter collectively referred to as "the Works.")

SCDN is the owner and operator of the website www.scdaily.com ("Website"). *See* Declaration of Ryan E. Carreon ("Carreon Decl.") ¶¶ 3-4 (Dkt. 26); Exhibit 7 (Dkt. 25); *see also* https://scdaily.com/contact.[1] SCDN's Website is a Chinese language news publication that displays numerous paid advertisements appearing next to content published on the Website. *See* Party Statement at 2; Exhibit 5 (Dkt. 23); https://scdaily.com/pricing (last accessed on January 5, 2024). SCDN published, on or about September 9, 2020, an article on its Website entitled "New York obstetrician charged with desecrating more than 20 female patients, including Andrew Yang's wife." Claim; Party Statement at 3; Carreon Decl. ¶¶ 5-7; Exhibits 8-9 (Dkt. 21 & 24). That article included copies of the Works without permission from Hirsch. Party Statement at 3; Hirsch Decl. ¶¶ 20 & 22; Exhibits 8-9 (Dkt. 21 & 24). According to Hirsch's claim, which was filed on December 1, 2023, the Works continued to appear on the Website as of the filing of his claim. (Dkt. 1). Hirsch did not state whether the Works remain on the Website in his written testimony.

The Agreement, dated January 11, 2021, shows that Hirsch licensed stock photographs similar to the courtroom-style works at issue here to a production company for use in "an episodic series" (presumably intended for television or streaming) throughout the world. Hirsch Decl. ¶¶ 23-24; Exhibit 6 (Dkt. 28). The Agreement shows that he charged the production company $6,400 in total or $800 each for eight photos. *Id.*

Hirsch is seeking $8,000 in statutory damages. Party Statement at 6.

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). Hirsch submitted evidence of two Certificates of Registration for the Works: (1) Hadden I with an effective registration date of May 24, 2016 (Reg. No. VA 2-004-884) and which states that the work was published between January 5, 2016 and April 18, 2016 (Dkt. 22); and (2) Hadden II with an effective registration

[1] Exhibit 7 (Dkt. 25), a Texas Franchise Tax Account Status and Public Information Report filed with the Office of the Comptroller of Texas for SCDN, includes information identifying the President of SCDN and its address, which correspond to the information at **https://scdaily.com/contact** identifying the Publisher and the Website's address. Moreover, the following legend appears at the bottom of that webpage and other webpages at scdaily.com: "© 2023 Southern Chinese Daily News. All Rights Reserved."

date of April 20, 2020 (Reg. No. VA 2-203-802) and which states that the work was published between February 3, 2020 and March 31, 2020. (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). Accordingly, the Board need only consider whether SCDN infringed the Works.

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) (internal quotation marks 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 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.03[A][1] (2019)). *See also Novelty Textile Mills v. Joan Fabrics Corp.*, 558 F.2d 1090, 1093 (2d Cir. 1977) (finding defendant's work substantially similar to plaintiff's work when the former, "to our 'lay' eyes, is almost identical").

Hirsch has demonstrated that, without his consent, SCDN reproduced and publicly displayed exact copies of the Works on its Website next to advertisements. Hirsch Decl. ¶¶ 20-22, Exhibit 5 (Dkt. 23). There is no question that Claimant's Works are identical to the photos displayed on SCDN's Website, 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

Hirsch requests $8,000 in statutory damages. Party Statement at 6. 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); 17 U.S.C. § 1504(e)(1)(A)(ii).

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") (citations omitted).

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. 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).

Hirsch has provided the Board with evidence and information needed to establish a lost license fee in this proceeding. Hirsch has provided an Agreement for the licensing of similar courtroom style photos for use in an episodic series. (Dkt. 28); *see* Party Statement at 5. The Agreement provided a perpetual, worldwide license, in all formats and media, for the use of eight photos in exchange for the payment of $6,400 or $800 for each photo. (Dkt. 28). The Works are similar enough to the photographs covered by the submitted Agreement that it is relevant in establishing actual damages. Exhibit A of the Agreement, titled "Photographs," displays eight photos of Anna Sorokin in a courtroom; one of them shows her sitting at a counsel table next to someone who is standing next to her. *Id.* Similar to the Hadden photographs, Hirsch captures various facial expressions made by Sorokin, also a defendant in a highly-publicized case, in the courtroom. *Compare* Dkt. 17 & 27 *with* Dkt. 28.

Hirsch states that the price of $800 per photo is comparable to what he would have changed SCDN had it sought a license from him. Hirsch Decl. ¶¶ 23-24; Supplemental Hirsch Decl. ¶ 7. However, he has not provided any information or evidence explaining how the license fees are comparable despite the Board requesting that he describe "*how* the $800 fee per photograph compares to Hirsch's typical license fee for similar photographs *for use in print and online*" (Dkt. 30) (emphasis added). Nor has he provided any details about the use of the photos licensed in the Agreement as requested. *See id.*

As stated in his Declaration, Hirsch is a professional photographer who regularly works for the Post as a contractor. (Dkt. 18 ¶¶ 3-4). He states that his arrangement with the Post is beneficial to him because it allows him to build up his library of editorial photographs, which in turn leads to more opportunities to license his photographs to third-party publications. As a result, he often is able to "command significant licensing value on the secondary

market." *Id.* ¶¶ 5-7. Notwithstanding that written testimony, Hirsch has chosen not to provide any such licenses, which could have been more reliable, choosing to provide only a single license for an episodic audiovisual series.

Because the license for the use of the photographs of Sorokin was in a different medium and market, which included advertising and publicity, than the infringing use of the Hadden photos, the Board discounts the license fee of $800 per photo to $600 per photo.

Awarding damages of three times Hirsch's lost license fee for the infringed Works in this case is appropriate to deter SCDN and others from using Hirsch's images without paying the appropriate license fees. SCDN used the Works on its Website that featured numerous commercial advertisements next to the Works. (Dkt. 21, 23 & 24). Hirsch is a professional photographer and his ability to continue to license its images depends, in part, on his enforcement of unlicensed usage of its photos; otherwise, others will believe they can utilize Hirsch'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 $1,800 for each Work infringed for a total of $3,600, which is three times the amount of Hirsch's proven actual damages.

VI. Conclusion

The Board's proposed default determination finds that SCDN has committed copyright infringement and awards Hirsch $3,600 in statutory damages.