

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
LOUIS K. SMITH,	:	12 Civ 4374 (ALC) (GWG)
	:	
Plaintiff,	:	Oral Argument Requested
	:	
- against -	:	
	:	
BARNESANDNOBLE.COM LLC,	:	
	:	
Defendant.	:	
-----X	:	

**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANT  
BARNESANDNOBLE.COM LLC'S MOTION TO DISMISS PURSUANT TO FRCP  
RULE 12(b)(6) OR ALTERNATIVELY TO DISMISS OR SEVER PLAINTIFF ENRICO  
FESTA PURSUANT TO FRCP RULE 21**

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## **MEMORANDUM OF LAW IN SUPPORT OF MOTION TO DISMISS**

Defendant barnesandnoble.com LLC (“Barnes & Noble,” “BN.com,” or “Defendant”) submits this Memorandum of Law in support of its motion to dismiss all claims of Plaintiffs Louis Smith (“Smith”) and Enrico Festa (“Festa”) pursuant to Fed. R. Civ. P. 12(b)(6). Alternatively, Barnes & Noble seeks dismissal or severance of Festa’s claims on the grounds of improper joinder pursuant to Fed. R. Civ. P. 21.

### **PRELIMINARY STATEMENT**

Smith. Plaintiff Smith engaged a third party distributor, Smashwords, Inc. (“Smashwords”), to distribute his eBook, *The Hardscrabble Zone* (“*Hardscrabble*” or “HSZ”), to various affiliated online retailers including BN.com. Upon receiving *Hardscrabble* from Smashwords, Barnes & Noble listed it for sale on BN.com until informed by Smith that his relationship with Smashwords had ended. Barnes & Noble immediately removed *Hardscrabble* from its online listings. Although *Hardscrabble* did not sell a single copy at BN.com, Smith seeks over \$150,000 in damages and fees on three claims: direct copyright infringement, contributory infringement, and unfair competition. None is cognizable.

Festa. Plaintiff Festa directly created an account at BN.com to sell his eBook, *Lust Life*. (“*Lust*”). Festa claims that he cancelled his account but that BN.com continued to list *Lust*. No sales of *Lust* were made to any person other than Festa’s agent, who was retained after the filing of the original Complaint to manufacture Festa’s claim. Festa neither registered his copyright prior to instituting suit nor pled that any infringement occurred post-registration. Notwithstanding that Festa is squarely barred by the Copyright Act from doing so, he seeks statutory damages and fees on three claims similarly styled to Smith’s. None is cognizable.

Improper Joinder. To the extent that any of Festa's claims survive 12(b)(6) challenge, they should be dismissed for improper joinder or severed pursuant to Fed. R. Civ. P. 21. The sum and substance of the commonality between Festa and Smith is that both are alleging copyright infringement against BN.com using the same lawyer. Joinder of Festa is accordingly improper under Fed. R. Civ. P. 20(a)(1) and would be otherwise unfair or inefficient. Dismissal of Festa's claims, or severance thereof under Fed. R. Civ. P. 21, is warranted.

### STATEMENT OF FACTS

Those facts necessary to the disposition of this motion are set forth below. All facts are taken from the Amended Complaint that was filed on August 9, 2012. *See* Dkt. No. 8.

#### A. The Allegations of Plaintiff Louis Smith

In 2006, Smith wrote a book entitled *Hardscrabble*. Am. Compl. ¶ 8. In September 2009, Smith entered into a relationship with Smashwords (an online eBook distributor that is a not a party to this case) and uploaded *Hardscrabble* to the Smashwords.com site. *Id.* ¶¶ 10, 11. Smashwords provided *Hardscrabble* to its retail partners, including Barnes & Noble, to list online for potential purchase by consumers. *Id.* ¶ 12.

In two years, only three people purchased *Hardscrabble*. *See id.* Ex. C (email correspondence between Smith and Smashwords).<sup>1</sup> All three sales occurred at Smashwords' points of sale *other* than Barnes & Noble. Not a single purchase occurred or was alleged to have occurred through BN.com. *Id.* Ex. F.

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<sup>1</sup> In deciding a Rule 12(b)(6) motion, the Court may consider "any written instrument attached to the complaint, statements or documents incorporated into the complaint by reference [as well as any] documents possessed by or known to the plaintiff and upon which it relied in bringing the suit." *ATSI Commc 'ns, Inc. v. Shaar Fund, Ltd.*, 493 F.3d 87, 98 (2d Cir. 2007).

Blaming Smashwords for the fact that only three people bought his book, Smith terminated his relationship with the company in October of 2011. *Id.* Ex C; *see also id.* ¶ 11. There is no allegation that anyone (including either Smith or Smashwords) informed Barnes & Noble that Smith had terminated his relationship with Smashwords and no longer wished to have *Hardscrabble* listed at Smashwords' online retailers such as Barnes & Noble.

Approximately five months after cancelling his Smashwords' account, Smith was informed that "Amazon had found the Book available for sale on BN.com." *Id.* ¶ 13. *See also id.* Ex. D (email from Amazon to Smith). Seventeen days later, Smith emailed a purported "first notification of copyright infringement" to Barnes & Noble. *Id.* ¶ 16. *See also id.* Ex. E (Smith email to Barnes & Noble). That very day, Barnes & Noble "agreed to remove the HSZ listing from BN.com's website." *Id.* ¶ 17, *see also id.* Ex. F (email response to Smith from Barnes & Noble). Barnes & Noble also informed Smith that it had "sold zero (0) copies of the Book, in both print and eBook version." *Id.*

Nonetheless, Smith demanded a \$50,000 payment from Barnes & Noble. *Id.* Ex. E, at 2. Thereafter, he filed this lawsuit seeking \$150,000 in statutory damages for alleged copyright infringement. *See* Dkt. No. 1. On August 9, 2012, Smith filed an Amended Complaint adding claims for contributory copyright infringement and unfair competition. Am. Compl. ¶¶ 63-73. All three causes of action are predicated on the assertion that Barnes & Noble impermissibly continued to list *Hardscrabble* as available for purchase or preview on BN.com for five months after his "authorization" had been revoked. There is no allegation in the Amended Complaint that a single Barnes & Noble customer purchased *Hardscrabble* or viewed any of its contents.



## **B. The Allegations of Plaintiff Enrico Festa**

The Amended Complaint also purports to add a second plaintiff, Enrico Festa, to the lawsuit. *Id.* ¶ 3. Festa is a retired pornographic actor who wrote an autobiography entitled *Lust*. *Id.* ¶ 33, 34.

In the fall of 2010 and looking for a way to distribute *Lust* as an eBook, Festa registered at BN.com. *Id.* ¶ 36. At the time, BN.com accepted eBooks in the “PDF” format, a format with which Festa was familiar. *Id.* Later that year, BN.com changed its policy such that it would no longer accept eBooks in PDF format. *Id.* ¶ 37. Festa attempted to convert *Lust* into the acceptable “Nook format” for upload to BN.com. *Id.* ¶¶ 38-39. The Nook version of *Lust* that Festa created and uploaded was, in his own words, “poor, unedited, misaligned, and obviously corrupted.” *Id.*

Festa ultimately chose to stay with the PDF file format. *Id.* ¶ 39. Because BN.com no longer accepted eBooks in that format, in October 2010, Festa purportedly “contacted BN.com’s ‘PubIt!’ (pubit.barnesandnoble.com) in order to cancel his account.” *Id.* ¶ 38, 39. Festa alleges, upon information and belief, that an unauthorized version of *Lust* has remained available for sale on BN.com since the fall of 2010. *Id.* ¶ 47. On or about July 19, 2012, Festa maintains that he contacted Barnes & Noble to request that it remove *Lust* from BN.com. *Id.* ¶ 44.

While listed at BN.com, precisely one purchase of *Lust* was made: to an agent and relative of Festa engaged by his attorney to manufacture this case. Specifically, the attorney hired Festa’s nephew, Martin Gwynn (“Gwynn”), as an “expert” in this litigation “to assess certain aspects of the operation of [BN.com].” *Id.* Ex. O, at 1. While working for Festa and his attorney, Gwynn purchased a Nook version of *Lust* from BN.com on July 20, 2012. *Id.* ¶ 45, Ex. O, at 2, 34. Thereafter, on August 1, 2012, Gwynn contacted BN.com Customer Service to ask who

published *Lust* because “my uncle [Festa] said he wrote it but he also said he did not put his book on your site.” *Id.* Ex. O, at 43-44.

Based upon these allegations, Festa brings claims for copyright infringement, contributory copyright infringement, and unfair competition. *Id.* ¶¶ 57-73. The three causes of action are predicated on two independent bases: (1) the assertion that Barnes & Noble impermissibly continued to list *Lust* on BN.com after Festa’s authorization had been revoked in 2010, *id.* ¶¶ 49-54, and (2) the assertion that Barnes & Noble sold *one* copy of *lust*—to Festa’s agent. *Id.* ¶¶ 50-51, 53-54. No other sales of *Lust* are alleged.

## **ARGUMENT**

### **I. Smith Fails To State a Cognizable Claim.**

Barnes & Noble disputes many allegations in the Amended Complaint. For the purposes of this motion, however, it will accept all allegations as true. *Cleveland v. Caplaw Enters.*, 448 F.3d 518, 521 (2d Cir. 2006). Even under that generous standard, Smith fails to state a cognizable claim. All of his claims should be dismissed.

#### **A. Smith Fails to State a Claim for Direct Copyright Infringement.**

Smith alleges that Barnes & Noble violated copyright rights exclusively conferred on him under 17 U.S.C. § 106, namely the exclusive rights pertaining to reproduction, creation of derivative works, display, and distribution. *See* 17 U.S.C. § 106; Am. Compl. ¶¶ 29-31, 60.

Merely parroting the language of the statute in a complaint, however, is insufficient to survive a motion to dismiss. *See Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (a proper complaint requires more than “labels and conclusions” or “a formulaic recitation of the elements of a cause of action”). To survive a motion to dismiss, a complaint must contain

sufficient factual matter to “state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 670 (2009) (quoting *Twombly*, 550 U.S. at 570) (citation omitted).

With respect to claims of copyright infringement, a plaintiff must “plead with *specificity* the acts by which a defendant has committed copyright infringement.” *Marvullo v. Gruner & Jahr*, 105 F.Supp.2d 225, 230 (S.D.N.Y. June 19, 2000) (emphasis added).<sup>2</sup> Construing the Amended Complaint in the light most favorable to Smith, only two specific allegations are made: (1) that Barnes & Noble improperly listed *Hardscrabble* for sale on its website, and (2) that Barnes & Noble improperly offered a “preview” function in connection with its listing of *Hardscrabble*. Am. Compl. ¶¶ 29-31, 60. Neither justifies the relief Smith seeks.

### **1. Improper Listing of a Work Does Not Violate 17 U.S.C. § 106.**

The gravamen of Smith’s claim is that Barnes & Noble improperly listed *Hardscrabble* on the BN.com website for five months. BN.com, as a Smashwords retailer, originally started listing *Hardscrabble* pursuant to a business relationship that Smith had with Smashwords. Smith claims to have “terminated” that relationship with Smashwords on or about October 26 or 27, 2011. Thereafter—notwithstanding that Barnes & Noble had no notice, *from anyone*, that this relationship was terminated—Smith alleges that BN.com’s listing of *Hardscrabble* was “unauthorized,” and therefore, violative of the reproduction, creation of derivative work, display, and distribution rights set forth in 17 U.S.C. § 106.

Listing a work as available for sale—without actually making a sale—does not offend the reproduction or creation of derivative work rights, because a listing is obviously neither a copy

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<sup>2</sup> See also *Brought to Life Music, Inc. v. MCA Records, Inc.*, 2003 WL 296561 (S.D.N.Y. Feb. 11, 2003) (dismissal because plaintiffs did not describe by what acts the defendant infringed the copyright); *Lindsay v. The Wrecked and Abandoned Vessel R.M.S. Titanic*, 1999 WL 816163 (S.D.N.Y. Oct. 13, 1999) (dismissal in light of failure to plead particular infringing acts with specificity).

nor a derivative work. Nor does listing a book for sale infringe upon the display right. It is black-letter law that copying from a work does not constitute infringement unless sufficient protected expression is copied. *See, e.g.*, Paul Goldstein, GOLDSTEIN ON COPYRIGHT 7.3.1, at 7:21 (3d ed. 2005). And listing a book for purchase, even with a picture of the cover, does not involve sufficient protected expression to trigger 17 U.S.C. § 106. *Cf. Hammer v. Amazon.com*, 392 F.Supp. 2d 423, 431 (E.D.N.Y. Sept. 27, 2005) (“Here, Plaintiff’s copyright claims must be dismissed because. . . the only allegations that are arguably relevant to this claim concern the fact that a graphic depicting Plaintiff’s book cover was linked. . . .”) (citations omitted).

Several of the changes made by Smith to his Complaint via amendment are ostensibly intended to convince this court that the listing of *Hardscrabble* by BN.com might plausibly constitute wrongful *distribution* under 17 U.S.C. § 106. As explained below, however, Smith has not sufficiently pled distribution because a listing is—at best—a conditional offer of sale.

Section 106(3) of the Copyright Act creates an exclusive right “to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.” 17 U.S.C. § 106(3). Conspicuously absent from that provision is any language pertaining to “offers” or “attempts” to distribute copyrighted works. As such, it is not surprising that leading copyright law experts unanimously agree that, in order for a violation of § 106(3) to occur, “an actual transfer must take place; a mere offer for sale will not infringe the right.” Paul Goldstein, 2 GOLDSTEIN ON COPYRIGHT § 7.5.1 (3d ed. 2007); *accord* Melville B. Nimmer & David Nimmer, 2 NIMMER ON COPYRIGHT § 8.11[A] (2007); William F. Patry, 4 PATRY ON COPYRIGHT § 13:9 (2007) (“[W]ithout actual distribution of copies . . . , there is no violation of the distribution right.”).

No court of appeals has held otherwise. *See, e.g., Perfect 10 v. Amazon.com et al.*, 508 F.3d 1146, 1162 (9th Cir. 2007) (“[D]istribution requires an ‘actual dissemination’ of a copy”); *Nat’l Car Rental Sys. v. Computer Assocs. Int’l, Inc.*, 991 F.2d 426, 434 (8th Cir. 1993), *cert denied*, 510 U.S. 861 (1993) (“Infringement of the distribution right requires an actual dissemination of . . . copies.”) (citing 2 NIMMER ON COPYRIGHT 8.11[A], at 8-124.1).

Any attempt by Smith to rely on *Elektra Entertainment Group, Inc. v. Barker*, 551 F. Supp. 2d 234 (S.D.N.Y. Mar. 31, 2008), would be misplaced. *Elektra* is a peer-to-peer file sharing case where an individual defendant was alleged to have made freely available hundreds of music files for download and to have actually transferred some files. *See, e.g., Elektra*, 551 F. Supp. 2d at 245 (“Although Plaintiffs have not adequately alleged that Defendant ‘offer[ed] to distribute [Plaintiffs’ copyrighted works] . . . for the purposes of further distribution,’ [they] have adequately alleged that, in addition to making Plaintiffs’ works available, Defendant distributed Plaintiffs’ copyrighted works.”). Put simply, *Elektra* is not even remotely analogous to this case where (1) Smith has alleged only that Barnes & Noble offered to sell *Hardscrabble* to BN.com customers for personal consumption and (2) Smith has not alleged actual dissemination of the book. In such context, it is well settled that mere offers do not constitute distribution. *See, e.g., Arista Records, Inc. v. Mp3Board.com, Inc.*, 2002 WL 1997918, at \*4 (S.D.N.Y. Aug. 29, 2002) (“Infringement of the distribution right requires an actual dissemination of . . . copies”) (citing 2 NIMMER ON COPYRIGHT 8.11[A], at 8-124.1); *Obolensky v. G.P. Putnam’s Sons*, 628 F. Supp. 1552, 1555 (S.D.N.Y. Mar. 3, 1986) (“[T]here is no violation of the right to vend copyrighted works . . . where the defendant offers to sell copyrighted materials but does not consummate a sale”).

## **2. Preview Functionality Does Not Violate 17 U.S.C. § 106.**

The only other allegation with any specificity made in the Amended Complaint is that Barnes & Noble is liable to Smith for offering a “preview” of *Hardscrabble*, during the five months BN.com was “unauthorized” in listing the book. Am. Compl. ¶¶ 29-31, 60. This allegation does not create a cognizable claim.

The Amended Complaint contains no allegation that a single person actually utilized the preview function to view any portion of *Hardscrabble*. The mere offer of a preview function cannot possibly constitute infringing conduct because its availability does not violate—in any way—a right protected by Section 106 of the Copyright Act. Given that not a single person purchased *Hardscrabble* on BN.com in two years, it is at best pure speculation to assume that anyone “previewed” the book. And under the plausibility standard of *Iqbal*, a proper complaint must offer “more than a sheer possibility that a defendant has acted unlawfully.” *Iqbal*, 556 U.S. at 678. In any event, Smith would not state a cognizable claim against Barnes & Noble even if the preview functionality for *Hardscrabble* was used by a BN.com customer. *See, e.g., Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).

### **B. Smith Fails to State a Claim for Contributory Copyright Infringement.**

Smith also asserts a claim for contributory copyright infringement under 17 U.S.C. § 501(a). Contributory infringement by a defendant requires “knowledge [that] the infringing activity, induced, caused, or materially contributed to the infringing conduct of another.” *Wolk v. Kodak Imaging Network, Inc.*, 840 F. Supp. 2d 724, 750 (S.D.N.Y. 2012) (internal quotation marks omitted). Smith’s claim fails for two reasons.

First, Smith has not alleged that any actual infringement occurred by someone *other* than BN.com. By definition, contributory liability requires that someone *other than the defendant*

infringed the copyright holder's rights. Put differently, Smith's contributory claim fails because he did not allege that that Barnes & Noble "materially contributed to the infringing conduct of another." *Id.*

Second, contributory liability requires knowledge. *Id.* Smith's claim of contributory infringement must be dismissed because he fails to allege that Barnes & Noble "'knew or should have known' of [any] infringing activity at the time of its material contribution." *Id.* at 474. The reason for this failure is obvious: Barnes & Noble only learned that Smith wished to terminate the *Hardscrabble* listing on April 20, 2012 when it first received a "notice of copyright infringement." Am. Compl. ¶ 16, Ex. E. On that very day, Barnes & Noble removed *Hardscrabble* from its website. *See* Am. Compl. ¶ 16, Ex. E (email take-down notice sent April 2012), *id.* Ex. F (email response confirming take-down sent April 20, 2012). Because Barnes & Noble reasonably believed until then that Smith wanted his book to be listed, it could not possibly have known of any third party infringement.

### **C. Smith Fails to State a Claim for Unfair Competition.**

Finally, Smith asserts that Barnes & Noble is liable for "unfair competition" under 15 U.S.C. § 1125 (corresponding to section 43 of the Lanham Act). Smith claims that BN.com misrepresented its "affiliation" with Smith, apparently by implying that it had a license or permission to offer *Hardscrabble* for sale when it did not. Am. Compl. ¶ 72.

Importantly, section 43(a)(1)(A) of the Lanham Act targets trademark; it does not "add another layer of protection to copyright holders." *Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 307 (S.D.N.Y. Jan. 14, 2011) (citing *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33-34 (2003)). In *Agence France*, the defendant misrepresented that it had a right to license the plaintiff's images in its database. *Agence France*, 769 F. Supp. 2d at 307. The

court dismissed the plaintiff's section 43(a) claims. *Id.* To the extent that the listing of *Hardscrabble* somehow misrepresented any affiliation with or license from Smith, "recourse for unauthorized copying, whether through a false claim of authorship or a false assertion of license, lies in copyright law, not in trademark." *See Agence France*, 769 F. Supp. 2d at 307-08.<sup>3</sup>

## **II. Festa Also Fails To State a Cognizable Claim.**

As noted above, Barnes & Noble disputes many allegations in the Amended Complaint. *See supra* p. 5. Barnes & Noble accepts all allegations as true, however, for purposes of this motion. *Id.* Even under that generous standard, Festa fails to state a cognizable claim. Each of his claims suffers from the same infirmities that require dismissal of Smith's claims. *See supra* p. 5-11. And his direct copyright infringement claim fails for two additional reasons detailed below.

### **A. Festa's Direct Copyright Claim Must Be Dismissed Because It Does Not Satisfy the Registration Precondition for Suit of 17 U.S.C. § 411(a).**

"[N]o action for infringement of the copyright in any United States work shall be instituted until registration of the copyright claim has been made." 17 U.S.C. § 411. Here, when plaintiff Festa instituted his action, he had only submitted an *application* for registration; he had not been issued or received a certificate of registration from the Copyright Office. Am. Compl. ¶ 59.

That Festa did not possess a registered copyright matters; it requires dismissal. Although the Second Circuit has not addressed the issue, "district courts in this Circuit have held that a pending application for registration does not satisfy the registration precondition of Section 411(a)." *Patrick Collins, Inc. v. John Does 1-7*, 2012 WL 1889766, at \*1 (S.D.N.Y. May 24,

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<sup>3</sup> Nor would Smith fare any better with a claim under section 43(a)(1)(B) of the Lanham Act which prohibits misrepresentations as to "the nature, characteristics, qualities, or geographic origin" of goods. 15 U.S.C. § 1125(a)(1)(B). No alleged misrepresentation by BN.com involves—in any way—"the nature, characteristics, qualities, or geographic origin" of *Hardscrabble*. *Agence France*, 769 F. Supp. 2d at 308 (misrepresentation of an affiliation does not pertain to the "nature, characteristics, qualities, or geographic origin" of the good).



2012). As Chief Judge Preska explained: “The requirement that a plaintiff seeking to avail itself of the remedial provisions of the Act first register its copyright is no mere formality . . . . A pending application does not suffice.” *Muench Photography, Inc. v. Houghton Mifflin Harcourt Pub. Co.*, 2012 WL 1021535, at \*4-5 (S.D.N.Y. Mar. 26, 2012).<sup>4</sup> Among other things, requiring plaintiffs to wait for actual registration before filing suit discourages those looking to make a fast buck by bringing nuisance claims. The policy would be vindicated here, where Festa (1) has no actual damages and (2) is, by his own pleading, ineligible for statutory damages. *See infra* p. 13.

**B. Festa’s Direct Copyright Claim Must Be Dismissed Because It Does Not Satisfy 17 U.S.C. § 412, and He Pleads No Actual Damages.**

Festa seeks statutory damages and attorneys’ fees pursuant to sections 504(c) and 505 of the Copyright Act. *See* Am. Compl., Prayer for Relief, Count I, ¶¶ C, D. A copyright owner, however, may recover attorneys’ fees or statutory damages under the Copyright Act only if the work at issue was registered *prior* to the commencement of the infringement. 17 U.S.C. § 412. Here the registration application occurred on August 3, 2012, but the alleged infringement commenced well before then, in 2010.<sup>5</sup> *Id.* ¶ 47. Accordingly, Festa’s claims for statutory damages and attorneys’ fees must be dismissed. *See, e.g., Ez-Tixz, Inc. v. Hit-Tix, Inc.*, 919 F.Supp. 728, 736 (S.D.N.Y. Mar. 29, 1996) (“Under section 412, infringement ‘commences’ when the first act of infringement in a series of on-going discrete infringements occurs.”).

Other than statutory damages and attorneys’ fees, there is nothing more to Festa’s claim. He pleads *no* actual damages, of any type, with any factual specificity. The reason for that is simple: Festa has suffered and will suffer no actual damages. His book listing has now been removed.

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<sup>4</sup> *See also K-Beech, Inc. v. Doe*, 2010 U.S. Dist. LEXIS 143728, at \*3-5 (E.D.N.Y. Sept. 19, 2010); *DO Denim, LLC v. Fried Denim, Inc.*, 634 F.Supp.2d 403, 406 (S.D.N.Y. 2009); *DMBJ Prods. v. TMZ TV*, 2009 WL 2474190 (S.D.N.Y. Aug. 11, 2009); *Greene v. Columbia Records/Sony Music Entm’t, Inc.*, 2004 WL 3211771 (S.D.N.Y. Mar. 1, 2005).

<sup>5</sup> Even the one alleged sale (to Festa’s agent) occurred pre-registration. Am. Compl. ¶ 45.

Nobody but his agent bought his book on BN.com; one cannot be “damaged” by buying one’s own book. He and his attorney simply hoped, in filing this suit, to shake down a well-known company for statutory damages and attorneys’ fees. As the statute makes clear, he is not entitled to recovery of either of those, and absent that, there is nothing left to his claim. Accordingly, beyond simply striking his improper claims for statutory damages and fees, this Court should dismiss the entirety of his direct copyright claim. *Cf. Ez-Tixz, Inc.*, 919 F.Supp. at 736.

### **III. Alternatively, Festa Should Be Dismissed or Severed on Joinder Grounds.**

Under the Federal Rules of Civil Procedure, multiple plaintiffs may be joined in one lawsuit if they satisfy the requirements of Fed. R. Civ. P. 20(a)(1). Rule 20 has two components: it premises joinder upon the existence of both a common question of law or fact *and* a right to relief that arises from the same transaction or series of transactions. *See* Fed. R. Civ. P. 20(a)(1) (authorizing joinder of multiple plaintiffs only if “they assert any right to relief . . . with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences”).

Smith and Festa have the burden of demonstrating that Rule 20 has been satisfied. *Deskovic v. City of Peekskill*, 673 F. Supp. 2d 154, 159 (S.D.N.Y. Sept. 22, 2009) (“The plaintiff bears the burden of demonstrating that joinder is warranted under Rule 20.”). To be clear: this burden is not satisfied by the mere existence of a common question of law, i.e., whether or not the unauthorized listing of a book violates the Copyright Act. It also requires that plaintiffs demonstrate a transactional relationship between their claims.

Smith and Festa have not met their burden. To be sure: they parrot the language of Fed. R. Civ. P 20(a)(1). *See* Am. Compl. ¶ 55. But they have not demonstrated that their claims involve the same transaction or series of transactions. Nor could they. Their claims occurred at different times; they involve unrelated authors living thousands of miles apart; they involve different

copyright works; they are wholly different in their procedural, factual, and legal predicates; they differ utterly in the documentary and testimonial evidence that would be adduced to prove or contest liability and damages, and they would be subject to distinct legal and factual defenses.

To begin, Smith's claim involves a copyright that was allegedly registered before any purported infringement occurred. By contrast, Festa's claim involves a copyright that was *admittedly* not registered before either (1) the lawsuit was commenced or (2) the complained-of infringement began. By express command of the Copyright Act, that immediately changes the comparative posture of the cases, the statutory defense available, and the potential damages.

Second, the central particulars of the claims vary enormously. The claims asserted by Smith arise from the alleged termination of a third party relationship, i.e., his case stems, admittedly, from his deal with a non-party, Smashwords, that went sour. *See, e.g.*, Am. Compl. ¶ 11, Ex. C (email correspondence between Smith and Smashwords attached to Amended Complaint in which Smith insists that his Smashwords account be deleted immediately despite Smashwords informing him that “you have books out in distribution,” and that “[i]t usually takes retailers anywhere from 1-2 weeks to remove titles,” and advising him “to wait a few months . . . before you request an account deletion”). Were they to survive dismissal, the claims asserted by Smith would, thus, require litigation of several distinct issues, such as the terms of the business relationship between Smashwords and Smith, the manner and means by which such relationship could be terminated, and the degree to which that relationship by its terms—or via operation of law—protects innocent retailers like BN.com from claims made by former Smashwords authors. During the litigation and defense of such claims, relevant testimony and documents from Smashwords would need to come before the Court on those points, and others. Impleader could be warranted.

In contrast, Festa's claims involve no third parties or third party contracts. Festa maintains that he created an account *directly* with BN.com that authorized Defendant, initially, to list his book. Festa then allegedly cancelled his account. Thereafter, he claims to have emailed a general "pubit" account at BN.com. A few weeks later, Festa sued for copyright infringement because, according to him, Barnes & Noble had not yet taken down a listing for a book they never sold to anyone outside of Festa's litigation team. To put it mildly, Barnes & Noble is intensely skeptical of Festa's account (as well as that of his "expert" nephew) and, if necessary, will defend itself accordingly. Such defense, however, will involve entirely different issues, facts, witnesses, and documents than the defense of the claims asserted by Smith. In the words of one federal judge: the joinder of plaintiffs "who have no connection to each other in no way promotes trial convenience or expedites the adjudication of the asserted claims. Rather, the joinder of such unconnected, geographically diverse plaintiffs that present individual circumstances material to the final outcome of their respective claims would obstruct and delay the adjudication process." *In re Diet Drugs*, 1999 WL 554584, at \*3 (E.D. Pa. July 16, 1999).

Finally, because Rule 20 is permissive, even if its conditions are literally satisfied, a court retains discretion to deny joinder in the interests of economy or fairness. Fed. R. Civ. P. 21 similarly permits a court to sever a claim or claims that otherwise satisfied Rule 20, in the interests of justice. Relevant factors to guide that discretionary exercise include: "(1) whether the claims arise out of the same transaction or occurrence; (2) whether the claims present some common questions of law or fact; (3) whether settlement of the claims or judicial economy would be facilitated; (4) whether prejudice would be avoided if severance were granted; and (5) whether different witnesses and documentary proof are required for the separate claims." *In re Merrill Lynch & Co., Inc. Research Reports Securities Litigation*, 214 F.R.D. 152, 154-55

(S.D.N.Y. 2003). If permitted to proceed, the claims of Smith and Festa will require the litigation of different issues, based on different evidence, relating to different transactions. At a minimum, severance is warranted in the interest of economy and fairness.

### **CONCLUSION**

For the reasons set forth above, Barnes & Noble respectfully requests that this Court grant its motion pursuant to Fed. Rule Civ. P. 12(b)(6) to dismiss the Amended Complaint with prejudice. If any claims survive, Barnes & Noble respectfully requests that this Court grant its motion pursuant to Fed. Rule Civ. P. 21 to dismiss plaintiff Festa or to sever him from this action.

Respectfully Submitted,

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