

Victoroff Victorious

in Another Copyright Infringement Case for Guild Artist

The following copyright infringement case, settled in favor of Plaintiff Sean Kane, a Guild member from Victoria, BC, illustrates how important it is to register your work with the U.S. Copyright Office and to keep track of how your work is being used. Greg Victoroff, Esq. of Rohde and Victoroff of Los Angeles, CA, the attorney who won the case, submitted the Case Summary. A condensed version is reprinted below, followed by highlights of the case from Mr. Kane's perspective and reflections by Attorney Victoroff:

Case Summary

Court: United States District Court, Central District, California, Southern Division

Judge: James V. Selna

Case Type: Copyright Infringement

Name of Case: Sean Kane vs. City of Anaheim dba Anaheim Convention Center; Hellmuth, Obata & Kassabaum; Anaheim Orange County Visitors and Convention Bureau; and Related Cross Actions: City of Anaheim vs. Hellmuth, Obata & Kassabaum; Anaheim Orange County Visitors and Convention Bureau vs. Hellmuth, Obata & Kassabaum

Case No.: SACV 05-651-JVS (RNBx)

Settlement Date: Feb. 27, 2006

Settlement Amount: \$70,000.00

BREAKDOWN OF SETTLEMENT

\$37,500 paid by Hellmuth, Obata & Kassabaum, \$15,000 paid by The City of Anaheim; \$17,500 paid by the Anaheim Orange County Visitors and Convention Bureau.

PLAINTIFF

Sean Kane, 36, illustrator and graphic designer.

DEFENDANT(S)

City of Anaheim dba Anaheim Convention Center; Hellmuth, Obata & Kassabaum; Anaheim Orange County Visitors and Convention Bureau; Cross-defendant: Hellmuth, Obata & Kassabaum.

PLAINTIFF'S ATTORNEY

Greg Victoroff, Esq., Rohde & Victoroff, Los Angeles, CA.

DEFENSE ATTORNEYS

Ed Sybesma, Esq., Rutan & Tucker, LLP, Attorney for Defendant City of Anaheim dba Anaheim Convention Center; Steven Krongold, Esq., Bienert & Krongold, Attorney for Defendant Hellmuth, Obata & Kassabaum; and Philip Ashman, Esq., McQueen & Ashman LLP, Attorney for Defendant Anaheim Orange County Visitors and Convention Bureau.

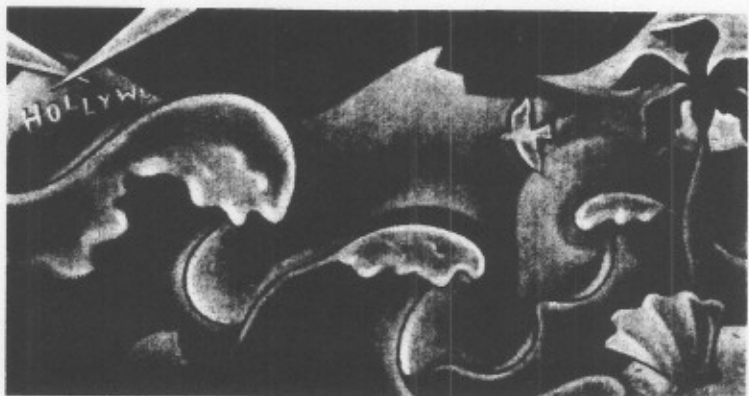
PLAINTIFF'S EXPERTS

Harris Fogel, Chairman, Media Arts Dept., The University of the Arts, Philadelphia, PA: photography, copyright infringement, fair use, damages; Sharon Kurlansky, Agency Director, Laughing Stock Agency: illustration agent, expert on art licensing, infringing uses, fair use, incidental use; Janet Botaish, Janet Botaish Group, Studio City, CA: photograph licensing rates, damages for unauthorized uses, copyright infringement, fair use; Andreas Spruill, Guidance Software, Inc., Pasadena, CA: certified computer forensic examiner.

DESCRIPTION OF CASE

Facts:

In September 2000, Sean Kane ("Kane"), an illustrator and graphic designer, created two original paintings and licensed them to the American Association of Critical Care Nurses ("AACN") to use for AACN'S convention to be held in May 2001 at the Anaheim Convention Center ("ACC") in Anaheim, California. In



accordance with AACN's license from Kane, Kane's paintings were reproduced on several large decorative banners displayed throughout the interior and exterior of the ACC during the AACN convention.

Hellmuth, Obata & Kassabaum ("HOK"), a St. Louis based architecture firm, designers for Anaheim's \$180 million ACC renovation, hired a photographer to take photos of the ACC for HOK marketing purposes (the "HOK Photos"). In April, 2001, prior to taking the photos, when HOK inquired about permission to include the AACN banners embodying Kane's art work in the HOK photos, ACC referred HOK to AACN. Since the proposed HOK Photos exceeded AACN's license from Kane, AACN contacted Kane regarding the proposed photography, and Kane contacted HOK. In answer to deposition questions regarding Kane allegedly consenting to the use of his artwork in the HOK Photos, HOK's former designer, Steve Brubaker initially testified that he couldn't recall "anybody giving...permission at all," but HOK later testified that he believed Kane had "impliedly" granted permission to use Kane's art work as long as Kane's art was not "featured" or "prominent" in the photos, although he could not recall whether he ever used the word "prominent" in his telephone conversation with Kane. Kane denied granting any permission to HOK, express or implied.

Several of the large decorative banners embodying Kane's artwork were visible in at least 17 of the HOK Photos. HOK used the photos for marketing purposes on HOK's internal Web site, on printed HOK marketing materials used to solicit and obtain multi-million dollar HOK contracts in Phoenix, Tucson, and Ft. Worth, and otherwise, and displayed the photos in HOK's home office in St. Louis.

HOK also provided the HOK Photos to Defendants Anaheim and Anaheim Orange County Visitors and Convention Bureau ("AOCVCB"). In mid-2002, ACC launched a Web site which included seven of the 17 HOK Photos in which Kane's art was visible. The photos were used on several pages of the Anaheim's ACC Web site and in animations on the website home page. Thumbnails of the HOK Photos encouraged visitors to download, print and re-use without restriction, high resolution copies of the HOK Photos. Indeed, several businesses around Anaheim including local hotels and ACC convention lessees re-used several of the HOK Photos including Kane's artwork on third-party Web sites.

Defendant AOCVCB used two of the HOK Photos with Kane's artworks in printed brochures, on its Web site, and in paid magazine advertisements.

Causes of Action:

Complaint: Copyright infringement, contributory copyright infringement, vicarious copyright infringement. Cross-claims against HOK by Anaheim and AOCVCB for express, implied and equitable indemnity, contribution and apportionment.

Defenses:

Defenses to claims for copyright infringement included fair use, de minimus use, "public view" exception to architectural works copyright (17 U.S.C. §201), and implied consent. In defense to vicarious infringement claims, HOK alleged having no control over, and deriving no profit from, the HOK Photos. HOK's defenses to cross-claims for indemnity included that HOK never granted Anaheim permission to use HOK Photos on the ACC Web site.

DAMAGES

Based on Kane's licensing history and licensing quotes for comparable uses known to Kane from illustration licensing sources including thespot.com, the *WorkBook* and the *Graphic Artists Guild Handbook of Pricing and Ethical Guidelines*, Kane estimated the fair market value of unauthorized uses in terms of lost license fees to be in the range of approximately \$213,300-\$560,400, lost pre-judgment interest in the range of \$74,655-\$196,140; and attorney's fees and costs of \$61,000, totaling between \$346,463-\$814,997.

DATE, TIME AND PLACE OF INCIDENT(S)

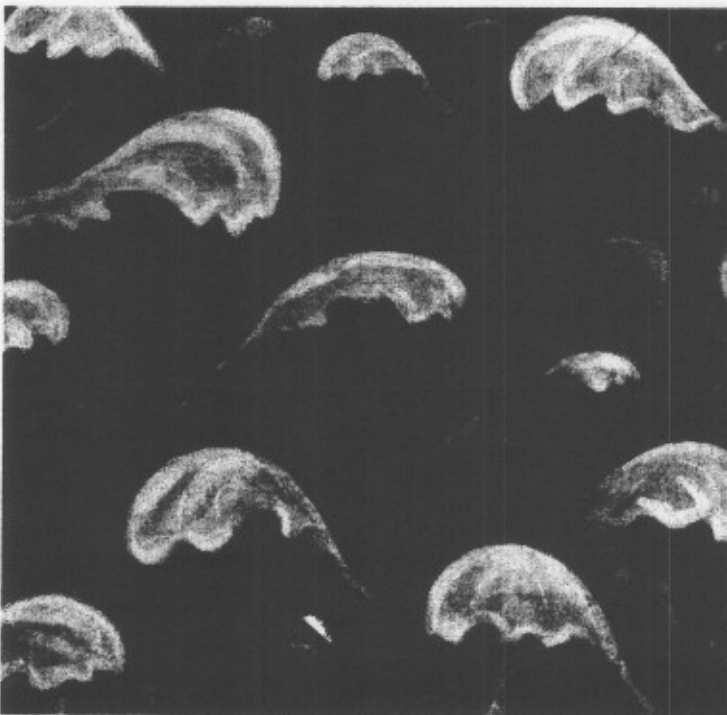
Commencing on or about July 2002: Anaheim Convention Center Web site, AOCVCB Web site and brochure, HOK's internal Web site, marketing materials and display in HOK's St. Louis office.

OTHER COMMENTS

Comments on matters critical to the outcome of the case. At the Rule 26(f) scheduling Conference, Judge Selna instructed Kane's counsel to "educate the Defendants on damages." Kane's exhaustive research and investigation uncovered extensive commercial uses by third parties, creating the potential for additional claims, cross-claims and third party claims. The deposition testimony of Steve Brubaker admitting that HOK had made commercial uses of the HOK Photos in which Kane's art was visible was key evidence of direct infringement by HOK. Defendant's reliance on defenses Plaintiff believed were meritless and easily overcome, specifically, "fair use", "implied consent" and the "public view" exception to copyrights in architectural works.

SETTLEMENT NEGOTIATIONS

Demand: \$250,000.00. Offer: Prior to mediation, \$9,000 from AOCVCB; display of Kane's artwork at the Anaheim Convention Center with credit from Anaheim. At the commencement of the mediation HOK's attorney apologized on behalf of HOK.



The above image and the one on the previous page are sections from Sean Kane's artwork that was used without his permission and was at the heart of his copyright infringement case.

Random Opinions and Reflections from the Plaintiff's Attorney

By Greg Victoroff, Esq.

Professional artists should strive to cultivate some of Sean Kane's personal and professional attributes, which were integral to winning the case: tenacity, meticulous organization, resourcefulness, courage to put personal funds at risk to enforce artist's rights, modesty, balance, and perspective.

Memo to businesses using artwork on their Web sites:

Ignorance of copyright law can lead to expensive and time-consuming lawsuits. Due to what I perceived as the arrogance, sloppy business practices, and contempt for artist's rights of one of the three defendants, a case that could have settled early and without litigation for a nominal amount ended up costing defendants well over \$100,000 in settlement and defense costs.

Memo to copyright lawyers here, there, and everywhere:

a) The recent *Kelly vs. ArribaSoft* Internet "fair use" case held *low-resolution thumbnails* of photos used for Internet *indexing purposes* to be a non-infringing "fair use." High-resolution, downloadable, full screen images are copyright infringement and not "fair use."

b) The so-called "*Batman*" case found the "public-view exception" to copyright protection applied to certain decorative features permanently affixed to architectural works, not to *temporary* decorative artwork not permanently affixed to such buildings.

The mediation lasted well into the night. A cold, steady winter rain had pelted LA all day. After extracting a \$70,000 settlement, hungry and exhausted, Sean and I had a late dinner across from the Kodak Theater on Hollywood Blvd. where preparations were being finalized for the Academy Awards to take place the next day. The street had been cleared of cars and pedestrians for blocks. Over beer and soup, we shared stories about drumming and the joys of kids and parenthood, looking forward. The empty wet pavement reflected neon and movie lights, creating a surreal scene of pastel iridescence, not totally unlike Sean's amazing paintings we had fought so hard to protect for the prior 12 months.

Greg Victoroff, Esq. of Robde & Victoroff is a member of the Guild's Los Angeles Chapter. Mr. Victoroff is also part of the Guild's Legal Referral Network, a service available to members. He can be reached at greg@robde-victoroff.com.

The Plaintiff's Perspective

By Sean Kane

A few items stand out from my Plaintiff's perspective during the twelve months from the time I first became aware of the infringements until the case settled:

1. Registering the Copyright in my artwork at the time it was created, prior to the infringements by the Defendants, was definitely of major significance. It enabled me to pursue the case with confidence that, upon victory, my legal fees would be paid by the Defendants and that statutory damages might also be awarded.

2. Thankfully, I keep things fairly organized in my illustration business, which allowed me to look up phone conversation notes, phone bills, calendars, contracts, and e-mails from events regarding creation and photographing of this artwork from five and six years ago. This enabled me to create a paper trail and connect the dots about moments and people involved in the case. Also, by copying screen shots of Internet uses of my artwork by AOCVCB as I discovered them, I was able to produce documented, dated proof of use, which was especially helpful once they began to remove the photos containing my artwork from their Web site (while maintaining that they had done nothing wrong).

3. The ignorance exhibited by HOK regarding copyright was surprising. In fact, HOK did not

believe my colored paintings appearing in their photos was artwork at all. This from a huge company whose business involves creating architectural designs seems most ironic.

4. A critical highlight was finding, through research on the Internet, another seven companies and organizations (besides those named in the lawsuit), in Anaheim or that were clients of AOCVCB, that were also using the photos containing my artwork on their Web sites. Additionally, I was able to find printed copies of trade magazine advertisement uses of photos containing my artwork which had not been made known to us by AOCVCB, despite our requests for all known uses. (To their credit, AOCVCB was instrumental in bringing together settlement funds during the Mediation.)

Unearthing all of these previously unknown uses (and presenting some of them for the first time at the Mediation!) gave us additional examples of advertising uses of my artwork that could arguably help defeat Defendant claims of Fair Use and add to the damages we were seeking. Subsequently, I now schedule time once a month to search for my artwork online and to check found uses against licenses I have granted.

5. Unfortunately, I was up against three defendants at the same time. Defendant fingerprinting (including a lawsuit!) about who was to blame for allowing photos containing my artwork to be used did not seem to be something that was

going to be resolved quickly or easily if a settlement was not reached at Mediation—not an ideal scenario for me. It was also considered that if the case went to trial, it would be held in Orange County with jurors being among the very taxpayers who would be paying any award I could hope to get from the City of Anaheim—also not an ideal situation. There were other legal actions that would have taken place prior to a trial that would have required additional time, travel, and resources (not to mention lost sleep) for uncertain outcomes—more reason to reach a settlement during Mediation.

While the eventual settlement award is less than the actual value I believe the years of use of my artwork is worth, the conclusion is a very satisfying moral victory nonetheless. I've learned that an individual artist *can* succeed in upholding his legal and moral rights to his creations even when the other sides have much greater resources, and even if the artwork uses are assumed by others to be of minimal or insignificant value.

I hope fellow Guild members can learn from my experiences of the past year as they encounter infringing uses of their work down the road. It's important to remember the immense value our artwork has for our clients. Those who are using images, with or without permission, need to know that creators deserve to share in the success and value their images add to the experience of viewing a Web site or other promotional materials.