

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SAMUEL BARTLEY STEELE,)
)
 Plaintiff,)
 v.)
)
 JOHN BONGIOVI, Individually and d/b/a Bon)
 Jovi Publishing, SCOTT D. BROWN,)
 CHRISTOPHER G. CLARK, MAJOR)
 LEAGUE BASEBALL PROPERTIES, INC.,)
 MATTHEW J. MATULE, KENNETH A.)
 PLEVAN, RICHARD SAMBORA,)
 Individually and d/b/a Aggressive Music,)
 SKADDEN, ARPS, SLATE, MEAGHER &)
 FLOM LLP & AFFILIATES, CLIFFORD M.)
 SLOAN and TURNER BROADCASTING)
 SYSTEM, INC.)
)
 Defendants.)

Civil Action No. 10-11218 (NMG)

ORAL ARGUMENT REQUESTED

DEFENDANTS' REPLY TO STEELE'S OPPOSITION TO MOTION TO DISMISS

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INTRODUCTION

The Defendants seek dismissal of the Plaintiff Steele's Complaint, brought under the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 1202(b)(1), on the grounds that Steele lacks standing to assert a claim under the DMCA; that he has failed to allege facts to show two essential elements of a Section 1202(b)(1) claim – that the Defendants intentionally removed copyright management information and that they did so with reason to know that any such removal would facilitate or conceal infringement of Steele's copyright; and that the Complaint is barred by principles of claim and issue preclusion based on this Court's final judgment in *Steele v. Turner Broadcasting System, Inc.*, 646 F. Supp. 2d 185 (D. Mass. 2009), *appeals pending*, Nos. 09-2571 and 10-2173 (1st Cir.) ("*Steele I*"), holding that there was no infringement of Steele's copyright. Steele's Opposition borders on the absurd, claiming, among other things, that he has standing to sue for alleged removal of another person's copyright management information from a copyrighted work in which he had no legal interest; that he need not show that the Defendants actually "removed" copyright management information to satisfy the statutory element that the Defendants "intentionally remove[d] . . . copyright management information;" and that he need not show an actual "infringement" to establish the statutory element that the Defendants had reason to know that the alleged removal would "facilitate, or conceal an infringement." 17 U.S.C. § 1202(b).

As is demonstrated more fully below, Steele's arguments in his Opposition are contrary to law and unsupported – and often contradicted – by Steele's own assertions. Accordingly, Steele's Complaint should be dismissed, and sanctions imposed.

ARGUMENT

I. Steele Has Offered No Authority to Support His Claim of Standing to Assert a DMCA Claim Based on the Alleged Removal of Another Person’s Copyright Management Information Protecting the Other Person’s Copyright.

Steele does not dispute that his Section 1202(b) claim is based on the alleged removal of *another person’s* copyright management information (“CMI”), *i.e.*, the Major League Baseball Advanced Media (“MLBAM”) copyright notice, intended to protect that *other person’s* copyright, *i.e.*, MLBAM’s copyright in the Audiovisual. *See* Opposition at 7. Instead, Steele asks this Court to extend standing to assert a Section 1202(b) claim to persons having no interest in either the allegedly removed CMI or the copyrighted work it was intended to protect. *Id.* at 7-10.

Steele fails to cite any authority to support such an expansive and unprecedented interpretation of statutory standing under the DMCA. To the contrary, the one DMCA standing case relied on by Steele, Judge O’Toole’s decision in *Bose BV v. Zavala*, No. 09-11360, 2010 WL 152072 (D. Mass. Jan. 14, 2010), held that “[a] *party who controls* the technological measures that protect the copyrighted works,” has standing under the DMCA to sue for circumvention of those copyright protection measures. *Id.* at *2 (emphasis added). In contrast, Steele neither controlled nor had any other legal interest in the CMI that protected MLBAM’s copyright and, as such, has no standing to assert a claim for alleged removal of that CMI.¹

¹ The other case cited by Steele, *CoxCom, Inc. v. Chaffee*, 536 F.3d 101 (1st Cir. 2008), addressed only constitutional standing and did not discuss statutory standing under the DMCA. *See id.* at 107-08. Moreover, *CoxCom* was brought by a cable company, CoxCom, challenging the circumvention of “CoxCom’s pay-per-view billing mechanism” that served to protect CoxCom’s cable programming. *Id.* The case thus provides no support for Steele’s position.

II. Steele’s Opposition Confirms that He Has No Factual Basis for His Conclusory Assertion that the Defendants Removed Copyright Management Information from the Audiovisual.

While Steele acknowledges that “intentional removal” of CMI is an essential element of his Section 1202(b) claim (Opposition at 7; *see* 17 U.S.C. §1202(b)(1)), his Opposition, like his Complaint, fails to articulate any facts suggesting that any defendant actually “removed” CMI in connection with the Audiovisual the Defendants submitted to the Court in *Steele I*. Instead, Steele insists that he may satisfy this element simply by “reference [to] the obvious differences” between the audiovisual submitted to the Court in *Steele I* by Steele (which contained the MLBAM copyright notice) and that submitted by the Defendants (which did not). Opposition at 10.²

In support of the position that he need not allege actual removal, Steele relies exclusively on *Monotype Imaging, Inc. v. Bitstream, Inc.*, 2005 WL 936882 (N.D. Ill. Apr. 21, 2005) (*see* Opposition at 10), a case that is readily distinguishable and lends no support to Steele’s claim. The defendant in *Monotype*, a developer of software that enabled users to replicate original fonts, allegedly created and distributed copies of the plaintiff’s fonts that intentionally omitted the plaintiff’s CMI. *Id.* at *1, 8. The court held that the making and distribution of copies of plaintiff’s software that intentionally omitted the software owner’s CMI without the owner’s permission could fall within the scope of conduct prohibited by the DMCA. *Id.* at *8.

In contrast, Steele does not allege that the Audiovisual submitted by the Defendants was an incomplete *copy* of the version containing the MLBAM CMI or that it was in any way derived from the MLB.com version. Nor does he allege any other facts to suggest that in submitting the

² Steele submitted a version of the Audiovisual in which Steele had replaced the Bon Jovi Song audio with the Steele Song that Steele claims was infringed by the Audiovisual. *Steele I* Docket No. 1, Ex. I). According to Steele, the visual portion of his submission was taken from the MLB.com website. *See* Opposition, Exhibit 1 at 3, n.2.

Audiovisual the Defendants did anything to remove or intentionally fail to copy the MLBAM CMI. To the contrary, Steele specifically asserts that the Audiovisual submitted by the Defendants in *Steele I* was a “draft version” of the Audiovisual. Opposition, Ex. 1 at 3 (emphasis Steele’s). Thus, far from supporting a conclusion that the version submitted by the Defendants was created by “removing” or “failing to copy” the CMI from the MLBAM version, Steele’s own allegations suggest that the MLB.com version containing the MLBAM CMI was created by *adding* the MLBAM CMI to the “draft version” that was submitted by the Defendants.

Lacking any factual basis to claim actual removal or alteration of CMI, Steele has instead claimed in his lengthy correspondence that the Defendants misled this Court in *Steele I* by submitting, as a “true copy,” a version of the Audiovisual without the MLBAM copyright notice, while allegedly “referenc[ing] the MLB.com version with the MLBAM copyright notice.” See Opposition, Ex. 1 at 12 & n.18; *see id.* at 3, 16; *id.* at 11 & n.6 (claiming the version submitted by the Defendants was “falsely sworn to as [a] copy”). These assertions are unavailing for at least two independent reasons.

First, even if these assertions were true (which, as explained below, they plainly are not), they would provide no basis for a Section 1202(b)(1) claim. To the contrary, by conceding that the Audiovisual submitted by the Defendants was a different “version” (a “draft,” according to Steele), rather than a “copy” of the MLB.com version used by Steele, Steele has effectively conceded that no one “removed” or “failed to copy” CMI in preparing the version submitted by the Defendants.

Second, the suggestion that the Defendants represented the Audiovisual they submitted to the Court to be a “true copy” of the MLB.com version containing the MLBAM copyright notice

is demonstrably false. Nowhere did the Defendants attest or suggest that the version they submitted was a “true copy” of the version used on the MLB.com website. Rather, the Defendants described their submission as follows:

A true and correct copy of an audiovisual file of the promotional video (referred to by plaintiffs in the [Amended] Complaint as an “ad”) that Defendant Turner Broadcasting System, Inc. is alleged in paragraph 27 of the [Amended] Complaint to have created to promote the 2007 postseason (the “TBS Promo”) is contained in the DVD attached hereto as Exhibit 6.

Declaration of Scott D. Brown in Support of Motion for Summary Judgment ¶ 10, *Steele I*, Docket No. 94 (footnote omitted); *see also Steele I*, Docket No. 19 ¶ 2 (similar declaration submitted in connection with defendants’ motion to dismiss); *Steele I*, Docket No. 50 ¶ 2 (same).

Paragraph 27 of the Amended Complaint, referenced in the Brown Declarations, likewise referred not to the MLB.com version, but to TBS’s announcement of:

a full length promo featuring Grammy Award winning rock performer BonJovi [sic], featuring a “rollicking new spot” with the band performing “I Love This Town” from their new *Lost Highway* CD. This piece was part of TBS mult[i]-platform marketing to promote its first year of MLB post season coverage. . . . The TBS/MLB marketing campaign included radio buys, on line advertising, [and] print advertisement.

Steele I, Amended Complaint, Docket No. 41 ¶ 27. Moreover, in the original *Steele I* Complaint, Steele identified the allegedly infringing video by reference to a TBS “ad” that could be found on youtube.com by searching “Google: ‘Bon Jovi MLB promo ad.’” *Steele I*, Docket No. 1 ¶ 29. That search leads to a version of the Audiovisual posted on youtube on August 29, 2007, which, like the version submitted by the Defendants, does *not* contain the MLBAM copyright notice.

III. Steele’s Opposition Confirms the Complete Absence of a Factual Basis to Establish Facilitation or Concealment of Copyright Infringement.

Steele concedes that an essential element of a removal claim under Section 1202 is that the Defendants knew, or had reasonable grounds to know, that removal of CMI would “induce,

enable, facilitate, or conceal an infringement.” 17 U.S.C. § 1202(b); *see* Opposition at 7 (“The elements of Steele’s § 1202(b) claim are the 1) intentional 2) unauthorized removal of CMI 3) reasonably knowing removal will enable, facilitate, or conceal copyright infringement.”) Unable to point to a single *factual* allegation to show how the absence of the MLBAM copyright notice could have possibly been intended or expected to facilitate or conceal infringement of the Steele Song, Steele instead offers a pair of unavailing theories that only confirm his failure to adequately or plausibly allege this element of his Section 1202(b) claim.

Steele’s primary argument seems to be that the absence of the MLBAM copyright notice was somehow intended to conceal from the plaintiff and the Court MLBAM’s identity as an owner of the copyright in the Audiovisual. *See* Opposition at 13 (removal of the CMI “might” have affected the “plaintiff’s – and the Court’s – level of certitude when identifying the owner of the primary infringing work”). This argument is refuted by Steele’s own assertions and by the undisputed record in *Steele I*.

As Steele has conceded, he was aware prior to filing *Steele I* of both the existence of the MLBAM.com version of the Audiovisual containing the MLBAM copyright notice and of MLBAM’s ownership interest in the copyright. *See* Opposition, Ex. 1 at 14-15 (“One might argue that Steele already knew the owner – indeed, he did . . . and he properly named and served them.”) Indeed, as noted above, Steele submitted as an exhibit to the Complaint in *Steele I* a version of the Audiovisual that included the MLBAM copyright notice (and that replaced the Bon Jovi Song audio with the Steele Song audio). *Steele I*, Docket No. 1, Ex. I. Thus, when the Defendants later submitted their Audiovisual exhibit in support of their dispositive motions, a version containing the MLBAM copyright notice was already in Steele’s and the Court’s possession and there was no possible grounds for any defendant to believe that submitting a

version of the Audiovisual without that notice could mislead anyone about MLBAM's status.³ In short, as this Court has already ruled in denying Steele's default motions in *Steele I*, Steele has failed to "explain how his allegations [concerning MLBAM] have any bearing on the Court's decision with respect to these motions and offers no evidence of bad faith on the part of the Defendants." *Steele I*, 2010 WL 3810850, at *6 (D. Mass. Sept. 27 2010).

In an apparent effort to claim that the absence of the MLBAM copyright notice could have somehow affected this Court's summary judgment analysis, Steele also argues that "length" and "fade ending" "may be material elements in an infringement analysis." *See* Opposition at 13-14. He offers absolutely no explanation, however, as to how the simple absence of the MLBAM copyright notice at the conclusion of the Audiovisual could have affected – or could have been expected by the Defendants to affect – this Court's substantial similarity analysis. *See* Defendants' Memorandum in Support of Motion to Dismiss at 11-13.

IV. *Steele II* Is Barred by Claim Preclusion Notwithstanding Steele's Claim that it is Based on Alleged Conduct Occurring After the Filing of *Steele I* or that He Lacked Knowledge of the Alleged Misconduct Until After Judgment.

Steele does not and cannot dispute that *Steele II* and *Steele I* both arise out of the alleged infringement of his copyright in the Steele Song and that both seek to recover for the same alleged injury. Instead he argues that because *Steele II* asserts a different claim based on alleged conduct occurring after the filing of *Steele I*, claim preclusion cannot apply. Opposition at 14-15. Not surprisingly, Steele cites no authority for this cramped interpretation of claim preclusion. More importantly, the one case that he does cite – this Court's decision in *Hughes v. McMenamon*, 379 F. Supp. 2d 75 (D. Mass. 2005) – stands for the opposite proposition. In

³ Aside from the version containing the MLBAM notice that was submitted with Steele's Complaint (Exhibit I), when the Defendants submitted their Audiovisual exhibit in support of their summary judgment motion, they simultaneously submitted an additional copy of Steele's Exhibit I containing the MLBAM notice. *See Steele I*, Docket 94 ¶12 & Ex. 8.

Hughes, this Court specifically recognized that alleged improper conduct occurring in an initial proceeding could and should have been raised in that proceeding, precluding efforts to raise it in subsequent proceedings. *Id.* at 79 (“The claims involving the alleged bias of [the magistrate judge] and denial of due process were or could have been raised in the First and Second Cases so they, too, meet the cause-of-action identity requirement.”)

Steele attempts to distinguish *Hughes* on the ground that the plaintiff in that case filed a motion for relief from judgment for fraud on the court under Federal Rule of Civil Procedure 60(b)(3) in the prior cases, whereas Steele did not do so in *Steele I*. Opposition at 16. As *Hughes* makes clear, however, for claim preclusion purposes it is sufficient that Steele “could have” filed a Rule 60(b) motion at anytime within one year of this Court’s judgment in *Steele I* (see Fed. R. Civ. P. 60(c)(1)); that he chose not to is beside the point. *Hughes*, 379 F. Supp. 2d at 79. Moreover, as Steele concedes, he has in fact raised his misconduct allegations repeatedly in *Steele I*, and they are now among the issues pending in the First Circuit. See, e.g., Opposition at 18 (“The facts showing misconduct . . . hav[e] been raised again and again”); *id.* at 7 n.3, 16, Ex. 1 at 1 (“[T]he First Circuit, which has taken up the issue in Steele’s recently filed appeal [in *Steele I*] . . . will finally and fully address the propriety of your client Skadden’s past and ongoing conduct.”); see also Memorandum in Support of Plaintiff’s Motion for Entry of Default as to MLBAM at 8, *Steele I*, Docket No. 119 (“Of great significance, the MLBAM Copyright Notice . . . appearing at the end of the true ‘TBS Promo’ had been deleted prior to defendants’ submission of the false TBS Promo to this Court.”); Br. of Appellant at 18-19, 38-41, *Steele I*, No. 09-2571 (1st Cir. Feb. 24, 2010); Reply Br. of Appellant at 8-19, 23-24, 29, *id.* (Apr. 20, 2010)); Appellant’s Motion for Sanctions at 7-8, 12, *id.* (Sept. 15, 2010) (denied by Order of Nov. 9, 2010).

Steele also seeks to avoid preclusion by claiming that the alleged misconduct was “*not discovered until after judgment entered*” in *Steele I*. Opposition at 5 (emphasis Steele’s). Even if this were true, it would not have prevented Steele from seeking post-judgment relief under Rule 60(b) and for that reason alone provides no basis to avoid preclusion here. But, in any event, Steele’s claimed ignorance flies in the face of Steele’s own allegations about the alleged misconduct. Steele claims that the “obvious differences” between the Audiovisual submitted by the Defendants in *Steele I* and the version containing the MLBAM copyright notice (the visual of which was submitted to the Court by Steele with his Complaint in *Steele I*) constituted “self-evident evidence of Defendants’ removal of CMI and § 1202 violation.” Opposition at 10. If that is so, then the “self-evident” violation would necessarily have been discovered by Steele (and for that matter, the Court) immediately upon viewing the parties’ respective submissions.

V. Steele’s Attempt to Recast His Claim as Premised on an Allegation that there “May Have” Been an Infringement of His Copyright Fails to Salvage His Claim From Issue Preclusion.

As Steele acknowledges, issue preclusion applies where the following four elements are satisfied: “(1) both proceedings involved the same issue of law or fact, (2) the parties actually litigated that issue, (3) the prior court decided that issue in a final judgment, and (4) resolution of that issue was essential to judgment on the merits.” *Global NAPs, Inc. v. Verizon New England, Inc.*, 603 F.3d 71, 95 (1st Cir. 2010). See Opposition at 16. Steele further concedes that his Section 1202(b) claim requires proof that the Defendants intentionally removed CMI, “reasonably knowing removal will *enable, facilitate, or conceal copyright infringement.*” *Id.* at 7 (citing 17 U.S.C. § 1202(b)) (emphasis added). Finally, Steele does not and can not dispute that: the parties have already litigated in *Steele I* whether there was an infringement of Steele’s

copyright in the Steele Song; the Court decided that issue against Steele in a final judgment; and resolution of that issue was essential to the judgment. *See id.* at 16-17.

Despite this failure to genuinely dispute the application of issue preclusion, Steele nonetheless insists that his claim may proceed because, he contends, “a finding of copyright infringement is not a predicate of a § 1202 claim nor a basis for dismissal, provided that there ‘may be a copyright claim.’” Opposition at 16 (Steele’s emphasis) (quoting *Jacobsen v. Katzer*, No. 06-01905, 2009 WL 4823021 (N.D. Cal. Dec. 10, 2009)). Steele’s effort to escape issue preclusion through this not so subtle distinction is unavailing for several independent reasons.

First, despite Steele’s clever use of the quotation from the *Jacobsen* case, none of the cases cited by Steele support the proposition that a plaintiff can prevail on a Section 1202 claim without establishing an actual copyright infringement. In *Jacobsen*, the case primarily relied on by Steele, the defendants moved for summary judgment on both the plaintiff’s copyright infringement claim and his Section 1202(b) claim on the grounds that the work at issue was not copyrightable. *Jacobsen*, 2009 WL 4823021, at *3 & n.1. The court found sufficient evidence to support an infringement claim and therefore denied summary judgment with respect to that claim. *Id.* at *3. Based on that same determination that “there may be a copyright claim,” the court also denied summary judgment on the Section 1202(b) claim. *Id.* at *3, n.1. While the court’s determination that there “may be a copyright claim” was a sufficient basis to deny summary judgment, nowhere did the court suggest that the plaintiff could ultimately prevail on the Section 1202(b) claim without establishing that there was in fact an infringement, any more

than he could prevail on the underlying copyright claim without establishing an actual infringement.⁴

Second, even assuming *arguendo* that the *possibility* of an infringement, as opposed to an *actual* infringement, could be sufficient to establish a Section 1202(b) claim under some circumstances, this Court's prior determination that, as a matter of law, there was *not* an infringement precludes a determination that there "may be an infringement," just as it would preclude a determination that there was an infringement. In other words, in the face of this Court's determination that there was no infringement, a fact finder could not properly find that there "may be" an infringement.

Finally, Steele's theory of liability in this case is expressly and necessarily predicated on the claim that there *was an actual* infringement of his copyright, not that there *may* have been or that there was a *potential* infringement. As Steele recognizes, in order to prevail on a claim under Section 1202(b)(1), Steele must establish that he was "injured" by the alleged removal of CMI. 17 U.S.C. § 1203(a); *see* Opposition at 3. The sole theory of "injury" offered by Steele in his Complaint is that the alleged removal of CMI effectively deprived him of damages that he might have been entitled to had he been able to establish copyright infringement. *See, e.g.*, Complaint ¶¶ 184, 193, 202, 211, 221, 231, 241, 251, 261, 271 (seeking to recover profits accruing to the Defendants "as a result of the ongoing exploitation for profit of the *infringing* MLB Audiovisual since the [Defendants'] first submission of the Altered Audiovisual to this Court.") (emphasis added).

⁴ Aside from *Jacobsen*, Steele cites in a footnote a series of cases raising copyright issues and issues under Section 1202(b) (Opposition at 17, n.10), but none address the issue of whether an actual infringement is needed to establish a Section 1202(b) claim.

Since an actual infringement is thus essential to Steele's claim of injury, this Court's prior determination that there was no infringement would preclude his claim on that ground alone, separate and apart from whether he could establish facilitation or concealment of infringement. As such, even if Steele could establish facilitation or concealment by recasting his Complaint as predicated on a potential or "may-be" infringement, rather than an actual infringement, the Court's prior determination that there was in fact no infringement precludes a finding of injury and therefore precludes Steele's claim.

CONCLUSION

For the foregoing reasons, the Defendants respectfully request that the Court dismiss the Complaint and order Steele and his counsel to pay the Defendants' attorneys' fees and costs incurred in responding to this lawsuit.

Dated: January 6, 2011

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Ben T. Clements, hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing and paper copies will be sent to those indicated as non-registered participants on January 6, 2011.

/s/ Ben T. Clements
Ben T. Clements