

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

G/Q STUDIOS, LTD.,
Plaintiff

CIVIL ACTION

v.

MCADAMS, RICHMAN & ONG, INC.,
BRIAN MCADAMS, RICHARD BOOTH,
THOMAS ONG, and BOATHOUSE ROW :
SPORTS, LTD.

Defendants

NO. 01-1067

MEMORANDUM AND ORDER

McLaughlin, J.

May 28, 2003

G/Q Studios, Ltd. ("G/Q") alleges that Boathouse Row Sports, Ltd. ("Boathouse") infringed G/Q's copyright when Boathouse published photographs taken by G/Q in its print catalog and online website.

G/Q and Boathouse have filed cross motions for summary judgment. Because the Court finds that Boathouse had an implied license to use the photographs for its first use of the photographs, the Court grants summary judgment for the defendant, Boathouse, on that issue. Because there are material facts in dispute regarding Boathouse's later uses of the photographs, the Court denies both Boathouse's and G/Q's motion for summary judgment as to the later uses. The Court also grants Boathouse's motion to dismiss and for partial summary judgment on G/Q's claim for statutory damages for the first use, and denies the motion as

to the later uses. The Court also denies the plaintiff's motion to amend the complaint.

I. Background

A. Facts¹

G/Q brought this action against: McAdams, Richman & Ong, Inc. ("MRO"); Brian McAdams, Richard Booth and Thomas Ong ("the individual defendants',); and Boathouse.

The plaintiff, G/Q, is a photography studio located in Philadelphia, Pennsylvania. Boathouse is a Philadelphia based manufacturer of custom athletic outerwear. From May 1998 to November 1999, Boathouse retained MRO, an advertising and design agency located in Bala Cynwyd, Pennsylvania. Def. Ex. S.²

1 In deciding a motion for summary judgment, the Court must view the facts in the light most favorable to the non-moving party. Josey v. John R. Hollingsworth Corp., 996 F.2d 632, 637 (3d Cir. 1993). A motion for summary judgment shall be granted where all of the evidence demonstrates "that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). The moving party has the initial burden of demonstrating that no genuine issue of material fact exists. Once the moving party has satisfied this requirement, the non-moving party must present evidence that there is a genuine issue of material fact. The non-moving party may not simply rest on the pleadings, but must go beyond the pleadings in presenting evidence of a dispute of fact. Celotex Corp. v. Catrett, 477 U.S. 317, 323-24 (1986).

2 Hereinafter, Exhibits to Boathouse's Opposition to Plaintiff's Motion for Partial Summary Judgment and to Amend and Enlarge the Complaint to Conform to the Evidence will be labeled "Def. Ex." followed by the exhibit letter and page number. The exhibits to the

Pursuant to an agreement signed between Boathouse and MRO on May 18, 1998, MRO was appointed to provide advertising, marketing, public relations, and related services to Boathouse. MRO was to be the exclusive advertising agency of Boathouse, and was to perform account services, administration services, marketing consulting, media services, creative services, production services, and public relations services. For these services, the agency was paid on a monthly basis, and received other fees such as public relations fees and reimbursement of outside costs and expenses. According to the agreement, MRO was responsible for obtaining "where appropriate all properly executed releases, granting [Boathouse] the unlimited right to reproduce or use any copy, photography, pictures, images and testimonials required in connection with the services forever." Def. Ex. S.

As part of the services provided to Boathouse by MRO MRO contracted for and made arrangements for the photography,

plaintiff's Response to Defendant Boathouse's Motion for Summary Judgment will be labeled "Pl. Ex." followed by the exhibit letter and page number or other identifier. The Exhibits to Defendant's Revised Reply Memorandum of Law in Further Support of its Motion to Dismiss and Strike Plaintiff's Amended Complaint and for Partial Summary Judgment on the Issue of Statutory Damages and Attorney's Fees will be labeled "Def. Rep. Ex." followed by the exhibit letter and page number, References to the transcript from the June 6, 2002 hearing in this case are indicated as "Tr." followed by the transcript's page number.

layout, and copy work for Boathouse's 2000 catalog. Pl Ex. A, Kane Dep., at 27-28.

In 1999, MRO entered into an agreement with G/Q, under which G/Q would take digital photography of Boathouse's products. There was no contract signed by both parties with respect to this arrangement. Pursuant to an invoice from G/Q, dated June 22, 1999, G/Q was to be pre-paid one third of the cost, receive one third on delivery, and receive one third when invoiced. Pl. Ex. A, 5B.

During the four or five month period when MRO was negotiating with G/Q regarding the price G/Q would charge for the photography, MRO and G/Q discussed various options regarding the rights Boathouse would be given to the photographs. Although they discussed giving Boathouse the right to use the photographs for one year only, MRO and G/Q ultimately agreed that Boathouse would receive unlimited usage rights. Def. Ex. C, at 28-29.

James Quaile of G/Q shot the photographs at the G/Q studios, with representatives from both Boathouse and MRO present. MRO was responsible for bringing the garments to the studio, for describing to G/Q the number of shots required, and describing the positioning of the garments. Boathouse selected and delivered the garments to be photographed. The Boathouse and MRO representatives provided G/Q with a "comp," a mock-up catalog that showed how the garments were to be laid out and positioned.

Def. Ex. C, at 41, 57; Def. Ex, E, at 74-79; Def. Ex. D, at 9-10; Def. Ex. N, at 57-62.

MRO informed G/Q that the garments were to be photographed on a white background and provided G/Q with a sketch of how the garments should be laid out. MRO requested that the products in the photographs be "stripped out with clipping path," meaning that the photographs of the products were to be digitally isolated from their backgrounds to make it easier to place them in the catalog. The Boathouse representative at the shoot was present to ensure that the correct number and type of photographs were being taken, as well as to ensure that the products were laid out correctly in the photographs. Def. Ex. C, at 41, 57; Def. Ex. E, at 74-79.

During and after the photographs were taken, G/Q submitted proofs and then revised proofs of the work to MRO. After reviewing each proof, Boathouse and MRO would mark up the changes. Through MRO, Boathouse requested that G/Q adjust various aspects of the photography, including changing the layout of the garments, removing or adding logos, and correcting the colors. Def. Ex. C, at 55, 58, 62; Strotbeck Aff. ¶ 6; Def. Ex. E, at 76-78.

After the various proofs were given to MRO and the various changes that were requested by Boathouse were made, G/Q

gave the photography to MRO on a CD.³ This was done before the final one third payment had been made to G/Q. Stephen Gaye, one of G/Q's owners, personally delivered the photographs to MRO. Mr. Gaye knew that Boathouse intended to use the photographs in its 2000 catalog. Def. Ex. C, at 28, 54-55.

It is not disputed that MRO made two payments to G/Q for the photography or that all checks issued to G/Q for the photography came from MRO. MRO also sent a check for the third payment, but told G/Q not to cash it. G/Q has not yet received the third installment due under its agreement with MRO. The principals of G/Q believed that G/Q was hired by and was under the direction and control of MRO. Tr. at 8, 13-16; Pl. Ex. A, at 28.

In August of 1999, Boathouse alleges that it published its 2000 catalog, which included some garment photography by G/Q. The catalog was distributed to Boathouse's sales representatives, direct mailed to Boathouse's customers, and placed on the Boathouse website. Strotbeck Aff., 17-10.

On October 29, 1999 Boathouse terminated its relationship with MRO, and settled all outstanding invoices with

³ Boathouse was unsatisfied with the final photography by G/Q. As a result, MRO hired a different photographer, Square One Photography, to reshoot certain items and perform additional color correction on the photography. These changes were done prior to the use of the photography in Boathouse's catalog. Def. Ex. E, at 78-79; Pl. Ex. A, 4A.

MRO with a payment of \$100,000.00 to MRO. This payment covered all monies due to MRO, including payment for the catalog production. Boathouse does not owe MRO any additional payments. Tr., at 16.

On November 5, 1999, the owners of G/Q applied for copyright protection for the digital photography at issue. The title of the work was listed on the registration certificate as "Boathouse Custom Team Outerwear Brochure." The certificate acknowledges that the work was first "published" on September 1, 1999. The effective date of copyright registration for the work was January 7, 2000. Def. Ex P.

On Monday, December 20, 1999, Ed Manwaring of MRO sent an email to G/Q Studios which stated that "as I explained to you earlier, the client does not want to purchase unlimited license for your photographs. As you recall you initially quoted prices for one year use only and the client has only paid for that usage." Attachment to Pl. Ex. A, MRO 00042.

In the fall of 2000, Boathouse put out its 2001 catalog. The photography and accompanying copy from the 2000 catalog, including the photographs by G/Q, were included in this new 2001 catalog. During this time the 2000 catalog, including the photographs taken by G/Q remained on Boathouse's website. Strotbeck Aff. ¶ 14-15.

B. Litigation

G/Q filed an amended complaint against Boathouse, MRO, and the MRO principals. The amended complaint contained the following five counts: 1) copyright infringement against all defendants for actual damages and defendant's profits; 2) copyright infringement against all defendants for statutory damages; 3) breach of contract against MRO and individual defendants; 4) negligent misrepresentation against MRO and individual defendants; and 5) punitive damages against MRO and individual defendants.

Boathouse filed a cross claim against MRO seeking indemnification from MRO for any amount for which Boathouse is found liable. MRO, the individual defendants, and G/Q have reached a settlement, but MRO remains a party in the case because Boathouse's cross-claim has not been settled,

Boathouse has filed a motion for summary judgment on all issues of liability, claiming that there was no infringement both because Boathouse had an implied nonexclusive license, and also because G/Q and Boathouse were co-owners of the copyright to the photography. Boathouse has also filed a motion to dismiss and for partial summary judgment on the portion of the plaintiff's complaint that seeks statutory damages based on Boathouse's allegation that any alleged infringement occurred prior to registration. G/Q has filed a motion for partial

summary judgment as to liability and has also moved for permission to amend and enlarge the amended complaint to add a claim of civil conspiracy against Boathouse.

11. Analysis

A. Did Boathouse Have a License to Use the Photographs?

There can be no copyright infringement by a defendant if the defendant was given a license by the plaintiff to use the photographs. The existence of a license is a full defense to copyright infringement. I.A.E Inc. v. Shaver, 74 F.3d 768, 775 (5th Cir. 1996).

1. The Agreements

There are two agreements at issue in this case - the agreement between MRO and Boathouse, and the agreement between MRO and G/Q. In order to decide whether it would be appropriate to grant summary judgment, it is necessary to first examine these agreements and consider whether Boathouse is bound by the agreement between MRO and G/Q.

The agreement between MRO and Boathouse was made on **May 1, 1998**. Def. Ex. S. According to the agreement, Boathouse appointed MRO as its exclusive advertising agency of record. MRO was authorized to enter into contracts with "certain third parties to carry out the purposes of" the agreement; MRO **was** not

to be liable or responsible for failure of performance by any of those third parties. MRO was to act as Boathouse's agent and provide services related to account services, administration, marketing consulting, media services, creative services, production services, and public relations services.

Under Section 4.1 of the agreement, MRO was responsible for obtaining all properly executed releases giving Boathouse the unlimited, perpetual right to reproduce or use any photography, pictures, or images required in connection with MRO's services. According to Section 7 of the agreement, upon full payment to MRO, all property and materials produced as part of the services to be performed by MRO would become Boathouse's property. Under Section 8.2, upon termination of the agreement, complete payment by Boathouse, and the written direction of Boathouse, MRO was to assign to Boathouse MRO's rights in contracts, agreements, arrangements, or other transactions made with third parties for Boathouse's account.

The agreement between **G/Q** and MRO is reflected in the estimate, purchase order, and invoices sent between **G/Q** to MRO. Estimate #199212, dated June 18, 1999, from **G/Q** to MRO states that charges for photography of Boathouse Custom Team Outerwear products for 2000 catalog would be **\$36,841.45**. The payment terms were: one-third prepaid; one-third on delivery; and one-third as invoiced at thirty days. The client named on the estimate was

"Boathouse Rev. VI." The estimate contained a provision that a late charge of two percent would be added per month after thirty days.

The estimate stated that media use would be "all rights" and the period of use would be "unlimited." The estimate also stated that the "reproduction rights granted only upon full payment of invoice."

On June 21, 1999, MRO issued a purchase order, number 01243, to G/Q for 36,841.45, referencing job #199212 (the June 18, 1999 estimate number). The purchase order again refers to unlimited use rights.

On June 22, 1999, G/Q issued an invoice to MRO referencing the June 21, 1999 purchase order. This invoice contained the same job number, payment terms, and language regarding the usage rights as the June 18, 1999 estimate. Def's Rev. Reply, Exhibit D.

After entering into the agreement with Boathouse, MRO entered into an agreement with G/Q under which G/Q would provide photography services for Boathouse's catalog. If MRO was acting within the scope of its agency when it entered into the contract with G/Q, it is possible that Boathouse was bound by that contract.

Under Pennsylvania law, agency is created when: 1) there is a manifestation by the principal that the agent shall

act for him; 2) the agent accepts that undertaking; and 3) the parties understand that the principal is to be in control of the undertaking. Basile v. H&R Block, 563 Pa. 359, 367 (2000).

Under Pennsylvania law, a contract made by an agent within the scope of its delegated authority acts as a contract of the principal and binds the principal. Pennsylvania Fed'n of Teachers v. Sch. Dist. of Philadelphia, 506 Pa. 196, 200 (1984) (a contract made by an agent acting within the scope of delegated authority is considered a contract of the principal).

It is clear from the agreement between Boathouse and MRO that Boathouse manifested **its** consent for MRO to act as its agent. It is not clear, however, whether Boathouse consented to having MRO enter into an agreement with G/Q that would bind Boathouse.

The terms of the agreement between MRO and Boathouse give MRO the ability to enter into contracts with "certain third parties" and gives MRO the responsibility for obtaining any appropriate and necessary releases for the use of photographs and images. This language supports G/Q's claim that MRO was acting on behalf **of** Boathouse as its agent when it entered into the contract with G/Q.

The agreement, however, also states that the property produced in connection with MRO's services would only become the property of Boathouse upon full payment and that any rights MRO

had under contracts or agreements with third parties on Boathouse's account would be assigned to Boathouse upon full payment. This language supports the conclusion that the parties did not intend Boathouse to have rights under the contracts entered into by MRO and that when MRO entered into contracts with third parties, it did so on its own behalf.

Because it is not clear from the agreement that Boathouse intended that the scope of MRO's agency would include binding Boathouse in an agreement with G/Q, the Court cannot determine as a matter of law on this record whether MRO was acting within the scope of its agency when it entered into the contract with G/Q.⁴

⁴ Nor is there sufficient evidence for this Court to decide that MRO had the authority to enter into a contract with G/Q by implication.

Although it is true that under Pennsylvania law authority may arise by implication, this occurs only when such authority is reasonably necessary and would usually be given by the principal for the execution of the agent's powers or the performance of the business confided to the agent. E.g., Commonwealth v. Kelinson, 199 Pa. Super. 135, 141 (1962); see also Restatement of Agency 2d, § 35.

For the reasons already expressed, the contours of the powers given by Boathouse to MRO are unclear, as is the precise nature of the business with which MRO was entrusted. Without knowing the powers MRO had or the business they were to carry out, it is impossible for the Court to determine what implied authority MRO had. Additionally, the parties have not provided any evidence that would shed light on whether entering into this particular agreement with G/Q was usual or necessary for MRO to fulfill its agency obligations.

Nor is there evidence to support a finding, as a matter of law, that Boathouse intended to be independently bound by the contract between MRO and G/Q. It appears from the estimate, invoice, and purchase agreement that MRO and G/Q are the only parties to the agreement. Boathouse did not prepare or sign any of the documents; Boathouse is listed only as G/Q's client and the creator of the sportswear to be photographed.

The Court will, therefore, first analyze the undisputed facts of Boathouse's use of the photographs under the assumption that Boathouse is bound by the agreement between the plaintiff and MRO, and then analyze the facts under the assumption that Boathouse is not bound. The Court will also separate the analysis into two time frames: the use of the photographs by Boathouse in its first catalog and website in the fall of 1999; and the use of the photographs after January 1, 2000.

2. Boathouse's First Use of the Photographs

If Boathouse is bound by the agreement between G/Q and MRO, the use of the photography in the catalog and on the website in the fall of 1999 is not copyright infringement because Boathouse had a license to use the photographs under the terms of the invoices. According to its invoice, G/Q agreed to provide the photographs **for** use in the **1999** catalog once two-thirds **of**

the payment, approximately \$24,000, was received.' At the time the photographs were delivered to Boathouse, G/Q had already received the first two payments, a total of \$23,500.00. At this time, Boathouse would have had a license to use the photographs for one year.

If Boathouse was not bound by the contract, its use of the photographs was still not infringement because it had an implied license to use the photographs in 1999.

Although exclusive licenses are required to be in writing, nonexclusive licenses are not because there is no transfer of ownership. 17 U.S.C. § 101. A nonexclusive license may be granted orally, or may even be implied from conduct. MacLean Assocs., Inc. v. Wm. M. Mercer-Meidinger-Hansen, Inc., 952 F.2d 769, 778 (3d Cir. 1991) (quoting 3 Nimmer on Copyright § 10.03 [A]).

An implied license arises where the totality of the parties' conduct indicates an intent by the copyright holder to give another the right to use the copyrighted works. See Nimmer, § 10.03[A][7]. A nonexclusive license may arise by implication where (1) one party created a work at the other's request, and (2) handed it over to the other, (3) intending that

⁵ This is consistent with G/Q's earlier estimate of February 12, 1999, wherein G/Q estimated the cost for one-year usage rights at \$21,005.45.

the other copy and distribute it. See McLean, 952 F.2d at 779 (citing Effects Assocs., Inc. v. Cohen, 908 F.2d 555, 558 (9th Cir. 1990)).

There is no dispute in this case that the first two conditions are fulfilled in this case. G/Q created the photographs for Boathouse and then delivered them to Boathouse through MRO. The facts also show that G/Q intended that Boathouse use the photographs in its catalog, meeting the third condition for the creation of a nonexclusive license by implication.

Boathouse requested the photography specifically for use in its catalog. Mr. Gaye, owner of G/Q stated in his deposition that the purpose of the photography was for Boathouse's catalog. G/Q's invoice, #99162 confirms this, stating that the work was "photography of Boathouse's Custom Team Outerwear products for 1999 catalog."

Additionally, G/Q's copyright registration certificate itself refers to photography for the "Boathouse Custom Team Outerwear Brochure." The presence of Boathouse representatives at the photography shoot, the provision of a mock-up catalog, and Boathouse and MRO's various requests that the photography be corrected and retouched for catalog use further indicate that it **was clear that the photography** was to be used by Boathouse in its catalog. After the proof stage, Mr. Gaye delivered the proofs to

MRO which was, at that time, acting **as** Boathouse's agent and putting the catalog together. These undisputed facts indicate that G/Q intended that the photographs be used in Boathouse's catalog.

In Effects Assocs., the plaintiff created a copyrighted work --special effects footage-- with knowledge and intent that the work would be used by the defendant for a specific purpose, use in a film. See Effects, 908 F.2d at 556-57. The plaintiff then handed over the footage to the defendant, who, unhappy with the work, refused to pay full price. Id. The court held that there was an implied license; to hold otherwise, they explained, did not make sense because the defendant had paid a significant amount of money for the footage, which without a license would have been worth almost nothing. Id., at 557-58.

The same reasoning applies to this case. G/Q prepared the photography for the specific purpose that they be used in the Boathouse catalog. Even though Boathouse was unhappy with the photography, G/Q was paid over twenty-thousand dollars for the photography. If no implied license were given, G/Q would have received that amount of money for photography that was useless to Boathouse and MRO.

By delivering the photographs knowing that they were to be used in the Boathouse catalog, G/Q created an implied license that, at a minimum, allowed Boathouse to use the photographs in

the initial catalog.

3. Later Uses of the Photographs

a. If Boathouse is Bound by the Agreement

If Boathouse is bound by the agreement between MRO and G/Q, Boathouse's later use of the photography may have been copyright infringement. The first disputed issue is whether payment in full was a condition precedent to the granting of full usage rights. The second disputed issue is whether MRO's e-mail to G/Q modified or terminated any license given by G/Q to Boathouse. The dispute over these two issues preclude a grant of summary judgment as to the later uses.

1) Condition Precedent

G/Q argues that payment of the invoice price in full was a condition precedent to the transfer of any usage rights for the photography to Boathouse. If that is the case, no usage rights would have transferred to Boathouse because full payment was not made and the later uses of the photography may have been copyright infringement. If the payment was a covenant but not a condition precedent, the usage rights would have transferred and Boathouse's use of the photography would not be infringement.⁶

⁶ In that situation G/Q may be able to pursue a breach of contract claim but not a copyright claim.

Under contract law, a condition precedent is something that the parties anticipate as "a condition which must occur before a duty to perform under a contract arises.'" Acme Markets Inc. v. Federal Armored Express, Inc., 437 Pa. Super. 41, 46 (1994); see also Restatement of Contracts § 224.

An act or event designated in the contract will not, however, be construed as constituting a condition precedent unless that clearly appears to be the parties' intent. Acme Markets, 437 Pa. Super at 46.

In this case, the invoice between MRO and G/Q states at the bottom that "above reproduction rights [for unlimited use] granted only upon full payment of invoice." The invoice also provides that the photography is to be delivered prior to full payment and provides a late fee provision if the final payment is not received as invoiced. These terms, considered together, make the invoice as a whole ambiguous because it allowed for delivery before final payment, while at the same time not providing a transfer of rights until after the final payment.

It is not clear from the invoice that the parties intended the final payment to be a condition precedent to the unlimited usage rights. Although these two provisions could be taken to mean that limited usage rights were given **at** delivery and unlimited usage rights given upon payment, it is **also** possible that the parties intended something else. The language

itself is ambiguous and the Court cannot, as a matter of law, find that the full payment was a condition precedent.

2) MRO's E-mail to G/Q

Another issue regarding the later uses of the photography is the impact of MRO's e-mail to G/Q that stated that Boathouse no longer wanted unlimited use rights to the photography. The alleged e-mail injects several disputed issues into this case that preclude summary judgment as to the later uses of the photography. These issues are: whether Boathouse actually told MRO that it did not want unlimited use; whether MRO could bind Boathouse by such a statement after the agency relationship between MRO and Boathouse had been terminated; and whether, if Boathouse did not know about the e-mail, G/Q is somehow estopped from relying on the e-mail because it did not confront Boathouse about it.

b. If Boathouse Is Not Bound by the Agreement

If Boathouse is not bound by the agreement between G/Q and MRO, the later use of the photographs was not infringement. Boathouse had an implied license to use the photographs, which was not rescinded by G/Q or Boathouse. The only alleged rescission was MRO's e-mail to G/Q; if MRO did not have the authority to act as an agent on Boathouse's behalf to bind them in the agreement

with G/Q, MRO would not have the authority after the relationship between MRO and Boathouse ended to terminate an implied license between G/Q and Boathouse.

B. Were G/Q and Boathouse Co-Authors of the Work?

Boathouse also alleges that it cannot be liable for copyright infringement because it was a co-author with G/Q of the photography at issue. The Copyright Act of 1976 provides that a "'joint work"' is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101. The authors of a joint work have equal rights to the work; either one of them can exercise any of the rights granted under the Copyright Act, subject only to an accounting. Id.

Although the Third Circuit has left open the question whether each purported co-author must make a contribution to the work that is independently copyrightable, four other circuits have held that this is a requirement for co-authorship. Andrien v. S. Ocean County Chamber of Commerce, 927 F.2d 132, 136 (3d Cir. 1991) (en banc) (leaving open the issue **of** whether all co-authors must make independently copyrightable contribution); Aalmuhammed v. Lee, 202 F.3d 1227, 1231 (9th Cir. 1999) (contributions of both authors must be independently copyrightable); Erickson v. Trinity Theatre, Inc., 12 F.3d 1061,

1070 (7th Cir. 1994) (same); Childress v. Taylor, 945 F.2d 500, 507 (2d Cir. 1991) (same); M.G.B. Homes, Inc. v. Ameron Homes, 903 F.2d 1486, 1493 (11th Cir. 1990) (same).

The Court will assume for purposes of this decision that the Third Circuit would also require an independently copyrightable contribution by both parties in order to create a work of joint authorship.

A work is independently copyrightable if it is an original work of authorship that is fixed in a tangible means of expression. 17 U.S.C. 102(a).

A work is fixed under the copyright act where "its embodiment in a copy ... by or under the authority of the author, is sufficiently permanent ... to permit it to be reproduced." Andrien, 927 F.2d at 134; 17 U.S.C. § 101. Any contribution by Boathouse to the creation of the catalog photography was "fixed" when G/Q took the photographs of the garments under Boathouse's authority. The photography taken by G/Q are sufficiently permanent and tangible that it can be, and has been, reproduced.⁷

⁷ The mere fact that G/Q took the pictures does not automatically make it an author of the photography; nor does it preclude Boathouse from being a co-author. Section 101 does not require that the work be fixed by the author; instead it specifically allows for a work to be fixed by someone "under the authority" of the author. As the Third Circuit explained in Andrien, an individual who is authorized to fix another individual's expression is not necessarily an author and will not be considered one if the process of fixing the work is rote or mechanical transcription that does

The Court also concludes that Boathouse's contribution may have been an original work of authorship. "Original," in the copyright context, means that the work was independently created by the author or authors and possesses at least some minimal degree of creativity. Feist Publ'n, Inc. v. Rural Tel. Serv. Co., Inc., 499 U.S. 340, 345 (1991).

Boathouse contributed to the photography by: providing the garments to be photographed; providing a sketch **of** how each garment was to be laid out in each picture; supervising the photo shoots; requesting modifications including adding or removing logos or features such as zippers; making the decisions regarding the final product, including color fidelity; and arranging for the photographs to be retouched by Square One according to Boathouse's specifications. These contributions involved decisions and creative judgments made by Boathouse that may be sufficiently independent and creative to qualify as an original contribution.

In addition, MRO also made various contributions to the photography. Because MRO may have been acting as Boathouse's agent, this leaves open the question **of** whether MRO's contributions were made on Boathouse's behalf in a way that further supports or undermines a finding that Boathouse made an

not require intellectual modification or technical enhancement. 927 F.2d at 135.

original contribution.

Even if the Court were to decide that Boathouse's contribution was an original contribution, this would not conclusively determine whether Boathouse was a co-author of the photography. Co-authorship also requires that both parties intend that their contributions be merged into inseparable or interdependent parts of a unitary whole. Although the Third Circuit has not yet decided the issue, some circuits have required that the authors have a shared intent to be co-authors. See, e.g., Childress, 945 F.2d at 507-509; Thompson v. Larson, 147 F.3d 195, 202-203 (2d Cir. 1998); Erickson v. Trinity Theatre, Inc., 13 F.3d 1061, 1068 (7th Cir. 1994); Brod v. General Publishins Grp., Inc., 32 Fed. Appx. 231 (9th Cir. Feb. 15, 2002).

Under the rule expressed in these cases, parties need not only intend that their works be joined into a unitary whole, but also that the result of their efforts will be a work of joint authorship. The participants need not be aware of or intend the legal consequences created by joint authorship; but, the parties must understand "some distinguishing characteristic" of the joint authorship relationship in order to meet the intent requirement. Childress, 945 F.2d at 508.

If intent in this sense is necessary, there **are issues** of material fact regarding intent that would preclude summary

judgment. Both parties willingly contributed to the photo shoots, knowing that the photography produced by their combined efforts would eventually be used in the Boathouse catalog. It is unclear, however, whether the parties intended to share joint authorship. For example, the evidence shows that G/Q intended to charge Boathouse and/or MRO for the transfer of non-exclusive usage rights from G/Q to Boathouse. If G/Q intended to be a co-author with Boathouse, Boathouse would already have the right to use the photography and it would not make sense for G/Q to charge a premium for usage rights that Boathouse already had.

If the type of intent described in Childress is not required in this Circuit, there are still issues of material fact because co-authors can contract their rights away. The facts in dispute regarding the contract issues between the parties therefore preclude summary judgment as to the later uses even if the type of intent envisioned by Childress is not required

C. Statutory Damages

Boathouse has also moved for dismissal and partial summary judgment on the plaintiff's request for statutory damages. Because the Court is granting summary judgment to the defendant on liability for the first use, the motion to dismiss is also granted as to statutory damages for that use because statutory damages are not available if there is no liability.

The Court must still decide, however, whether summary judgment is appropriate as to the plaintiff's request for statutory damages for the later uses of the photography.

Statutory damages are available in a copyright action under 17 U.S.C. § 504(c)(1), but should not be awarded where the infringement commenced before the copyright for the work was registered, unless the work is published and the copyright was registered within three months of the first publication. 17 U.S.C. § 412.

The date of the registration of the photographs at issue in this case is January 7, 2000. In order to be eligible for statutory damages, the plaintiff must show that the photographs were first infringed after January 7, 2000, or the photographs were published on or after October 7, 1999 and the copyright was first infringed thereafter.

The Court cannot grant summary judgment on the issue of statutory damages for the later uses of the photography. Whether or not statutory damages are available is determined by looking at the first infringing use by the defendant; if the defendant used the photographs pursuant to a license, this would not be an infringing use. The Court has already held that Boathouse's usage of the photography during the fall of **1999** was allowable under an implied license and was not infringement. The first infringing use, therefore, would have to have occurred after that

time. It is possible that such infringing use would have occurred after January 7, 2000.⁸

D. G/Q's Motion to Amend the Complaint

G/Q has also filed a motion to conform the pleadings to the evidence. Specifically, G/Q seeks to amend the amended complaint to add allegations of civil conspiracy against Boathouse.

Although the plaintiff has characterized this motion as a motion under Rule 15(b) of the Federal Rules of Civil Procedure, Rule 15(b) applies when evidence that expands the scope of the pleadings is presented at trial. Rule 15(b) is inapplicable to this case, which has not yet gone to trial. The Court will treat the plaintiff's motion as a motion to amend under Rule 15(a).

The Court may deny a request under 15(a) if the amendment would prejudice the other party or would be futile. Foman v. Davis, 371 U.S. 178, 182 (1962). Because amending the complaint at this time would be both prejudicial and futile, the motion will be denied.

Boathouse will be prejudiced if the plaintiff is

⁸ For example, after creating the 2000 catalog and website in the fall of 1999, the next time that Boathouse allegedly used the photography was in the fall of 2000 in its 2001 catalog.

allowed to amend the complaint at this stage of the proceedings. Discovery in this matter has been completed, and competing motions for summary judgment have been filed. The defendants would be prejudiced because they have not had an opportunity to discover additional facts relating to this new theory of liability.

Even if the prejudice to the defendant could be cured by additional time and discovery, the amendment sought by the plaintiff would be futile because the plaintiff has not made out a claim for civil conspiracy.

The plaintiff has alleged only that the corporation conspired with its officers, agents, and employees, not with anyone external to the corporation. A corporation cannot conspire with itself, its officers, employees, or agents acting on the corporation's behalf. Thompson Coal Co., 488 Pa. at 211-212; Johnston v. Baker, 445 F.2d 424, 426 (3d Cir. 1971). Because the facts alleged by the plaintiff do not properly allege a claim of civil conspiracy, the motion to amend the pleadings to include such a claim is denied.

An appropriate order follows.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

G/Q STUDIOS, LTD.,
Plaintiff

CIVIL ACTION

v.

MCADAMS, RICHMAN & ONG, INC.,
BRIAN MCADAMS, RICHARD BOOTH,
THOMAS ONG, and BOATHOUSE ROW :
SPORTS, LTD.

Defendants

NO. 01-1067

ORDER

AND NOW this 28th day of May, 2003, upon consideration of the motion by the defendant, Boathouse Row Sports ("Boathouse"), to dismiss and to strike the plaintiff's amended complaint and for partial summary judgment (docket #21) and all subsequent filings related thereto, the motion by the defendant, Boathouse, for summary judgment (docket #43) and all subsequent filings related thereto, and the motion by the plaintiff, G/Q Studios ("G/Q") for partial summary judgment and to amend and enlarge the complaint (docket #45), and all subsequent filings related thereto, and after oral argument on the motions, for the reasons set forth in a memorandum of today's date, IT IS HEREBY ORDERED THAT:

(1) the defendant's motion to dismiss and for partial summary judgment on the issue of statutory damages is GRANTED IN PART and DENIED IN PART as follows:

The portion of the motion seeking to dismiss and for partial summary judgment on the issue of statutory damages as to Boathouse's first use of the photography at issue in its 2000 catalog and website is granted. Judgment is hereby entered on this issue for the defendant, Boathouse, and against the plaintiff, G/Q.

The rest of the motion is denied. AND IT IS FURTHER ORDERED:

(2) that the defendant's motion for summary judgment is GRANTED IN PART and DENIED IN PART as follows:

The portion of the motion seeking summary judgment on plaintiff's copyright infringement claim as to the issue of liability for Boathouse's first use of the photography at issue in its 2000 catalog and website is granted. Judgment is hereby entered on this issue for the defendant, Boathouse, and against the plaintiff, G/Q.

The rest of the motion is denied. AND IT IS FURTHER ORDERED:

(3) that the plaintiff's motion for partial summary

judgment and to amend and enlarge the complaint is DENIED.

BY THE COURT

A handwritten signature in cursive script, reading "Mary A. McLaughlin, J.", is written over a horizontal line.

Mary A. McLaughlin, J.