

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

SCHIFFER PUBLISHING, LTD., et al.,	:	
Plaintiffs,	:	CIVIL ACTION
	:	
v.	:	
	:	
CHRONICLE BOOKS, LLC, et al.,	:	No. 03-4962
Defendants.	:	

MEMORANDUM AND ORDER

Schiller, J.

January 11, 2005

On November 12, 2004, this Court found that Defendants Chronicle Books, LLC (“Chronicle”) and The Ivy Press, Ltd. (“Ivy”) infringed the copyrights of Plaintiffs Schiffer Publishing, Ltd. (“Schiffer”), Connecticut Quilt Search Project, Shirley Friedland, Constance Korosec, and Leslie Piña by including Plaintiffs’ photographs in Defendants’ book without permission or compensation. On December 2, 2004, this Court heard oral argument on the issue of damages, and now awards Plaintiffs \$150,000.00 in statutory damages and permanently enjoins Defendants from filling or taking future orders for their book, *1000 Patterns*, within the United States.

I. BACKGROUND

Plaintiffs’ photographers created photographs of fabrics and textiles which were printed in thirteen books published by Schiffer.¹ (Nov. 12 Order at 1-2.) Although no copyright notices are

¹ The books are: *Fun Fabrics of the 50’s*; *Funky Fabrics of the 60’s*; *Cool Hot Colors: Fabrics of the Late 1960’s*; *Forties Fabrics*; *Designer Fabrics of the Early 60’s*; *Paisley: A Visual Survey of Pattern and Color Variations*; *Stripes: A Survey of Fabric Designs*; *Abstract Textile Designs*; *Dots: A Pictorial Essay on Pointed Printed Patterns*; *Flower Power: Prints from the 1960’s*; *Quilts and Quiltmakers Covering Connecticut*; *African Fabric Design*; and *Naturally 70’s Fabrics*. (Pls.’ Trial Exs. 20-32.)

affixed on or near any of the individual photographs, a copyright notice appears at the beginning of each book. (*Id.* at 9.) When taking the photographs at issue, Plaintiffs' photographers made several kinds of creative choices, including decisions regarding the camera, film, and lens to use for each photograph, the arrangement and selection of lighting, and the choice of one image from among several made of each fabric. (*Id.* at 2-6.) Based in part on these choices, this Court concluded that Plaintiffs held valid copyrights those photographs. (*Id.* at 17.)

Ivy, a "book packager," designs and creates books from its headquarters in the United Kingdom. (R. at 12 (Aug. 24, 2004); Joint Pretrial Stmt. Ex. B ¶¶ 1-2.) Chronicle, a book publisher based in San Francisco, buys packaged books and then markets and distributes them. (R. at 140-41 (Aug. 24, 2004); Joint Pretrial Stmt. Ex. B ¶¶ 8-9.) In 2000, Ivy decided to create *1000 Patterns*, a book surveying the development of patterns in different cultures throughout history. (R. at 15-16 (Aug. 24, 2004).) Ivy hired Drusilla Cole to write the text and select many of the images to be included in the book. (*Id.* at 22-23.) In addition, Ivy retained Vanessa Fletcher to serve as the book's "picture researcher." (*Id.* at 27-28.) Fletcher gathered source materials and determined whether Ivy needed permission to use the images Cole selected from these sources. (*Id.* at 10-11, 28-29.) When Cole decided to use an image, she often physically cut the image out of the source book. (Joint Pretrial Stmt. ¶ 39; Pls.' Trial Ex. 100; (R. at 80-82 (Aug. 24, 2004).) These images were then scanned into digital form. (Joint Pretrial Stmt. Ex. B ¶ 40.) Some of the sources that Fletcher gave Cole were Schiffer books, and at least some of the scanned images from Plaintiffs' books were included in *1000 Patterns*. (Joint Pretrial Stmt. Ex. B ¶ 37; R. at 81 (Aug. 24, 2004).)

In July of 2002, Ivy entered into a contract with Chronicle whereby Chronicle would market and distribute *1000 Patterns* in the United States, Canada, and other areas outside of the British

Commonwealth. (R. at 142-44 (Aug. 24, 2004); Pls.’ Trial Ex. 38 ¶ 2(a); Joint Pretrial Stmt. Ex. B ¶ 25.) Moreover, Chronicle was responsible for designing the cover, including selecting the cover images, for the United States version of *1000 Patterns*. (R. at 149, 165-68 (Aug. 24, 2004).)

1000 Patterns was first published in March 2003, and Plaintiffs learned of the book in June 2003. (*Id.* at 58; R. at 231-232 (Aug. 23, 2004).) On September 3, 2003, Plaintiffs filed the above-captioned action. After granting partial summary judgment in favor of Defendants on August 11, 2004, this Court conducted a bench trial on August 23 and 24, 2004, and decided in favor of Plaintiffs on their copyright infringement claim and in favor of Defendants on Plaintiffs’ Digital Millennium Copyright Act claims. Plaintiffs now seek statutory damages and injunctive relief for Defendants’ copyright infringements.

II. STANDARD OF REVIEW

The Copyright Act of 1976 (the “Act”), 17 U.S.C. §§ 101-500 (2004), provides that a copyright infringer is liable for either: (1) the copyright owner’s actual damages and the infringer’s profits; or (2) statutory damages. 17 U.S.C. § 504(a) (2004). The copyright owner may elect to seek statutory damages at any time before final judgment is rendered. *Id.* at § 504(c)(1). A copyright owner electing statutory damages is entitled to between \$750.00 and \$30,000.00 for all infringements of each “work” that has been infringed, “as the court considers just.” *Id.* There are two exceptions to this damages range. First, if the court finds that the defendant “willfully” infringed plaintiff’s copyrights, it may increase damages up to \$150,000.00 for each infringed work. *Id.* at § 504(c)(2); *see also Williams Elec., Inc. v. Artic Int’l, Inc.*, 685 F.2d 870, 878 (3d Cir. 1982). Second, if the court finds that the infringer “was not aware and had no reason to believe that his or her acts

constituted an infringement of copyright,” i.e., that the infringer was “innocent,” the court may reduce the per-work award to not less than \$200.00. *Id.* These provisions apply only in “exceptional cases,” and the burden of proof rests on the party that advocates a damages award outside the normal statutory range. 1 MELVIN B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.04[B][3] (2d ed. 1999); *see also Joe Hand Promotions v. Burg’s Lounge*, 955 F. Supp. 42, 44 (E.D. Pa. 1997) (requiring evidence of “especially egregious circumstances” before awarding statutory damages outside normal range). Finally, in a copyright infringement action, co-defendants who engage in the same acts of infringement are jointly and severally liable for damages, including statutory damages. *See Columbia Broad. Sys., Inc. v. Scorpio Music Distributions, Inc.*, 569 F. Supp. 47, 48 (E.D. Pa. 1983) (holding it to be “well established that a suit for infringement is analogous to other tort actions and infringers are jointly and severally liable”); *see also Nelson-Salabes, Inc. v. Morningside Dev.*, 284 F.3d 505, 517 (4th Cir. 2002); *Fitzgerald Pub. Co. v. Baylor Pub. Co.*, 807 F.2d 1110, 1116 (2d Cir. 1986).

III. DISCUSSION

After determining the number of “works” for which Plaintiffs may recover statutory damages, the Court will fix the amount of damages Plaintiffs shall recover for each work.

A. Number of Works at Issue

1. What Constitutes a “Work”

Plaintiffs are entitled to an award of statutory damages for each “work” that Defendants infringed. 17 U.S.C. § 504(c). In the calculation of statutory damages, “all the parts of a compilation or derivative work constitute one work.” *Id.* A “compilation” includes so-called

“collective works,” which in turn are works “in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.” *Id.* Under the Act’s definition, each Schiffer book is a collective work, as each book utilizes a number of independent photographs and assembles them into a collective whole. Therefore, statutory damages will be awarded on a per book, not a per photograph, basis. *See Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 285 (4th Cir. 2003) (holding that “parts of a compilation . . . for purposes of statutory damages . . . constitute one work”); *see also Stokes Seeds Ltd. v. Geo. W. Park Seed Co., Inc.*, 783 F. Supp. 104, 106-07 (holding that where Defendant infringed multiple photographs appearing in one of Plaintiff’s books, the book was a collective work, justifying a single award of statutory damages, notwithstanding the photographs’ individual copyrightability).

The decision to award damages per book and not per photograph is further supported by the Copyright Office’s regulations. When one registration application is made for a published work, “[a]ll copyrightable elements that are otherwise copyrightable as self-contained works, that are included in a single unit of publication, and in which the copyright claimant is the same” shall be considered a single work. 37 C.F.R. § 202.3(b)(3)(A). In this case, Plaintiffs submitted registrations with the Copyright Office for their books, not for their individual photographs. (Pls.’ Trial Exs. 1-13.) Therefore, because the individual photographs (the copyrightable elements) are included in the registered books (the single units of publication), each book will be considered a single work for the purposes of awarding statutory damages. The Court now turns to the question of how many books merit an award of statutory damages.

2. *Number of Recoverable Works*

Although registration of a copyright claim is not a condition of copyright protection, the Act

prohibits any award of statutory damages for any copyright infringement commenced after a work is published but before the “effective date of its registration.” 17 U.S.C. §§ 408(a), 412(2). Infringement “commences” for the purposes of § 412 upon the first act of infringement in a series of continuing infringements. *Johnson v. Jones*, 149 F.3d 494, 506 (6th Cir. 1998) (noting that “[e]very court to consider this question has come to the same conclusion; namely, that infringement ‘commences’ for the purposes of § 412 when the first act in a series of acts constituting continuing infringement occurs”); *see also Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 144 (5th Cir. 1992); *Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc.*, 609 F. Supp. 1325, 1331 (E.D. Pa. 1985). Moreover, although registrations can be supplemented or amplified at a later date, the governing regulation states that “[s]upplementary registration is not appropriate . . . to reflect changes in the content of a work.” 37 C.F.R. 201.5(b)(2)(iii) (2004).

In this case, Plaintiffs registered their books between 1996 and 2001. (Pls.’ Trial Exs. 1-13.) The initial copyright registrations for ten of the thirteen books claimed copyright in “text and photographs.” (*Id.* Exs. 1, 2, 4, 6, 8-13.) The remaining three registrations initially claimed copyright solely in text. (*Id.* Exs. 3, 5, 7.) On May 25, 2004, over eight months after they instituted this action, Plaintiffs submitted purported “supplementary registrations” for these three latter works with the Copyright Office. (*Id.* Exs. 3A, 5A, 7A.) These documents stated that “copyright is claimed in photographs as well as text,” and that “[t]he word ‘photographs’ was inadvertently omitted from the original application for registration.” (*Id.*) These omissions, regardless of whether or not they were inadvertent, constitute changes to the “content” of the work for purposes of statutory damages. The effective registration date for these three books is therefore May 25, 2004.

Although registration may appear to be a mere formality, the leading commentator has stated

that, indeed, “the remedy of statutory damages may depend on a formality.” 2 NIMMER ON COPYRIGHT § 716 [B][1][b][iii]. Courts have consistently refused to award statutory damages or attorney’s fees when the infringement commences before the work is registered. *See, e.g., Johnson*, 149 F.3d at 505-06; *Gamma Audio & Video v. Ean-Chea*, 11 F.3d 1106, 1111 (1st Cir. 1993); *Evans Newton, Inc. v. Chicago Sys. Software*, 793 F.2d 889, 896 (7th Cir., 1986); *Whelan*, 609 F. Supp. at 1331-32. The registrations of photographs for the final three books were not effective until May 25, 2004, while Defendants’ infringements of the photographs in those books “commenced” sometime early in 2003, with the publication of *1000 Patterns*. *Compare* Pls.’ Trial Exs. 3A, 5A, 7A (registering photographs for these works) *with* R. at 58 (Aug. 24, 2004) (stating that *1000 Patterns* was published in March 2003). Therefore, statutory damages are unavailable for these three works, and only ten of the Schiffer books will be included in the damages award.²

B. Amount of Damages

Having decided the number of works to be awarded damages, the Court now turns to the amount of damages to be awarded for each work. Statutory damages serve the dual purposes of compensation and deterrence: they compensate the plaintiff for the infringement of its copyright; and they deter future infringements by punishing the defendant for its actions. *See Palmer v. Slaughter*, Civ. A. No. 99-899, 2000 U.S. Dist. LEXIS 22118, at *9, 2000 WL 1010261, at *3 (D. Del. July 13,

² This Court notes, however, that it considers \$150,000.00 to be the just amount of damages in this case, and that, notwithstanding whether ten or thirteen of Plaintiffs’ works are determined to be infringed, the Court would simply reapportion the amount per work to equal \$150,000.00. *See, e.g., Venegas-Hernandez v. Sonolux Records*, 370 F.3d 183, 195-96 (1st Cir. 2004) (decreasing number of works infringed but, rather than simply multiplying new number of works by district court’s previously determined amount of damages per work, remanding to allow district court option of increasing that amount to maintain same aggregate damage award).

2000); *see also F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952) (holding that statutory policy of discouraging wrongful conduct permits finding of liability “[e]ven for uninjurious and unprofitable invasions of copyright”). Moreover, it is clear that the “defendant should not reap a benefit from its violation of the copyright laws [and] that statutory damages should exceed the unpaid license fees so that defendant will be put on notice that it costs less to obey the copyright laws than to violate them.” *A & N Music Corp. v. Venezia*, 733 F. Supp. 955, 958 (E.D. Pa. 1990) (quotation omitted). Therefore, when determining the appropriate amount of statutory damages, courts consider: “(1) expenses saved and profits reaped by the infringer; (2) revenues lost by the plaintiff; (3) the strong public interest in insuring the integrity of the copyright laws; and (4) whether the infringement was willful and knowing or innocent and accidental.” *Broadcast Music, Inc. v. Golden Horse Inn Corp.*, 709 F. Supp. 580, 581 (E.D. Pa. 1989); *Original Appalachian Artworks, Inc. v. J.F. Reichert, Inc.*, 658 F. Supp. 458, 465 (E.D. Pa. 1987).

The defendant’s conduct is the most important factor. *Original Appalachian*, 658 F. Supp. at 465 (noting that because other factors are difficult to monetize, defendant’s intent and behavior is foremost consideration); *see also Universal City Studios, Inc. v. Ahmed*, Civ. A. No. 93-3266, 1994 U.S. Dist. LEXIS 6251, at *10, 1994 WL 185622, at *3 (E.D. Pa. May 13, 1994) (recognizing defendant’s conduct as preeminent factor and stating that statutory award escalates in direct proportion to blameworthiness). A court’s analysis of the defendant’s conduct also determines whether the normal statutory range of \$750.00-\$30,000.00 per infringed work applies, or if a departure is warranted, either because the infringements are “willful” (thus raising the award up to \$150,000.00 per work) or “innocent” (thus decreasing the award to as little as \$200.00 per work). *See* 17 U.S.C. § 504(c)(2). Accordingly, this Court will turn first to the question of Defendants’

conduct.

1. *Defendants' Conduct*

Not surprisingly, Plaintiffs argue that Defendants willfully infringed their copyrights while Defendants argue that they are mere “innocent infringers.” Plaintiffs bear the burden of proving that Defendants acted willfully, and Defendants bear the burden of demonstrating the innocence of their actions. *Id.*; *see also Original Appalachian*, 658 F. Supp. at 463.

a. Willfulness

Willfulness is not defined in either the Copyright Act or its legislative history. However, courts have required plaintiffs to prove willfulness by showing either that the defendant actually knew it was infringing the plaintiff’s copyrights or recklessly disregarded that possibility. *See, e.g., Fitzgerald Pub. Co. v. Baylor Pub. Co.*, 807 F.2d 1110, 1115 (2d Cir. 1986) (requiring actual knowledge); *Bly v. Banbury Books, Inc.*, 638 F. Supp. 983, 986 (E.D. Pa. 1986) (same); *see also Venegas-Hernandez v. Sonolux Records*, 370 F.3d 183, 196 (1st Cir. 2004) (reckless disregard may be willful); *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 113 (2d Cir. 2001) (same); *Original Appalachian*, 658 F. Supp. at 463-64 (same). Plaintiff does not have to prove defendant’s knowledge or reckless disregard directly; rather, it may be inferred from defendant’s conduct. *Bly*, 638 F. Supp. at 986.

As noted above, awards outside the ordinary statutory range are made only in “exceptional cases,” NIMMER ON COPYRIGHT § 14.04[B][3], and there must be evidence of “especially egregious circumstances” before the enhanced damages become appropriate, *Joe Hand*, 955 F. Supp. at 44. In particular, courts often award heightened damages where a defendant is a counterfeiter, a chronic copyright infringer, or if, after receiving notice of Plaintiff’s claims, takes no action to investigate

and merely continues its' infringing behavior. *See, e.g., Wildlife Express Corp. v. Carol Wright Sales*, 18 F.3d 502, 511 (7th Cir. 1994); *N.A.S. Import Corp. v. Chenson Enters., Inc.*, 968 F.2d 250, 253 (2d Cir. 1992); *Ahmed*, 1994 U.S. Dist. LEXIS 6251, at *10.

Plaintiffs argue vigorously that Defendants' infringements were willful. First, Plaintiffs assert that a memorandum written by Vanessa Fletcher, *1000 Patterns*'s picture researcher, demonstrates Ivy's actual knowledge of the infringement. In this memo, Fletcher cautioned that, with regard to eleven of the Schiffer books at issue, "do not over use and mix up as much as possible as although any one of the images could easily have come from another sources [sic] or original collections of material etc if lots all used together it will become apoparant [sic] we have ripped off books." (Pls.' Trial Ex. 50-D.) Moreover, just above the titles of several Schiffer books is the admonishment: "Schiffer: TREAT AS ONE SOURCE SO TRY TO PUT IN SOME OTHER SOURCES AMONGST THESE." (*Id.*) Plaintiffs assert that this memo represented Defendants' attempt to "camouflage" their willful infringement. Second, Plaintiffs argue that circumstantial evidence weighs in favor of a finding of willfulness, because, inter alia, the Schiffer books bore copyright notices on their inside front covers; the infringed photographs were identically copied from Plaintiffs' books; and Ivy and Chronicle are "sophisticated parties" involved in the publishing industry who should have known that their activities constituted copyright infringement.

This Court holds, however, that Defendants' infringements were not willful. First, Defendants' internal communications during the production of *1000 Patterns* clearly demonstrate their belief that Plaintiffs' individual photographs were not copyrightable. Instead, Defendants believed Plaintiffs had copyrights in their books only as *compilations*. For example, on January 24, 2003, Fletcher emailed Earle and Collins regarding the credits to be included in *1000 Patterns*. (Pls.' Trial Ex. 50-D.)

Trial Ex. 49 at IP000644.) Fletcher stated that although she had “found some modern people who would be in copyright if we were dealing with painting etc . . . but I really feel we do not need to clear copyright on a piece of material.” (*Id.*) Moreover, Fletcher bluntly stated her belief that “[t]here is no © in the photography of a flat piece (ruling against Bridgheman [sic] in 2000) as there is no creativity in it so we are OK on that score.” (*Id.*) Additionally, the Fletcher memorandum cited above refers to “ripping off books,” not individual images. This accords with the testimony of Sophie Collins, Ivy’s publisher and Managing Director. Collins stated that she did not want *1000 Patterns* to copy the “spreads,” or arrangement of images and text, in another book, because “[t]he book itself is in copyright. The object, the book [a]s object, is in copyright.” (R. at 41 (Aug. 24, 2004).)

Second, once Defendants learned of Plaintiffs’ complaints, they quickly ceased shipments of *1000 Patterns* and repeatedly contacted Plaintiffs to determine the nature and scope of the potential problems. Plaintiffs became aware of *1000 Patterns* in June of 2003. (R. at 231-32 (Aug. 23, 2004).) On June 12, 2003, Peter Schiffer, Schiffer’s President, sent a letter to Jack Jensen, Chronicle’s president, stating that Plaintiffs had found images in *1000 Patterns* that had been taken from their books. (Defs.’ Trial Ex. 659.) Almost immediately, on June 18, 2003, Christine Carswell, Chronicle’s associate publisher, sent Peter Schiffer an email stating that *1000 Patterns* had been put “on hold,” which meant that Defendants would not ship any more copies of the book. (*Id.* Ex. 660.) That same day, Collins emailed Peter Schiffer and stated, “I tried to call your office earlier this afternoon I’m sorry that you have concerns about the pictures in 1000 Patterns; please do be assured that we take your complaint very seriously . . . we are investigating it as fast as we possible [sic] can.” (*Id.* Ex. 661 at IP 000646.)

On June 24, 2003, Collins sent Peter Schiffer an email stating that Defendants “have discussed the matter with our lawyers who have asked us to clarify some points with you as to the details of the claim.” (*Id.* at IP000649.) Collins then sent numerous emails requesting more information about Plaintiffs’ claim, repeatedly reiterating a desire “of reaching an amicable settlement” of the dispute. (*Id.* at IP000650-57.) In the end, Collins set forth Defendants’ position that “the fact that an individual publishes a compilation does not necessarily mean that each constituent work within the compilation attracts copyright.” (Defs.’ Trial Ex. 661 at IP000654.) In conclusion, Defendants’ behavior after receiving notice of plaintiffs’ claims of copyright infringement did not rise to the level of reckless disregard – one who, after receiving notice of a possible infringement either “sneer[s] in the face of the copyright owner” or “hide[s] its head in the sand like an ostrich.” *Video Views v. Studio 21*, 925 F.2d 1010, 1021 (7th Cir. 1991).

b. Innocence

Defendants’ infringements were not willful. Nor, however, were they “innocent,” as defined by § 504(c)(2). The Act permits a reduction in statutory damages to not less than \$200.00 per work if “the infringer sustains the burden of proving . . . that such infringer was not aware and had no reason to believe that [its] acts constituted an infringement of copyright.” 17 U.S.C. § 504(c)(2). This reduction is unavailable, however, if a notice of copyright appears on the infringed work. 17 U.S.C. §§ 401(d); *see also Matthew Bender & Co. v. West Publ’g Co.*, 240 F.3d 116, 123 (2d Cir. 2001). Here, it is undisputed that each Schiffer book contained a proper copyright notice on its inside front cover. (Joint Pretrial Stmt. Ex. A ¶¶ 9, 17, 25, 34, 42, 51, 59, 68, 76, 84, 93, 101, 108.) The Act makes clear that one such notice “applicable to the collective work as a whole is sufficient to invoke the provisions of section 401(d) or 402(d), as applicable with respect to the separate

contributions it contains.” 17 U.S.C. § 404(a). Therefore, Defendants are precluded from claiming that their infringements were innocent and cannot obtain a reduction of statutory damages pursuant to § 504(c)(2).

c. Defendants’ Culpability

Having found that Defendants’ behavior was neither willful nor innocent, this Court is limited to a damages award within the normal statutory range, i.e., between \$750.00 and \$30,000.00 per infringed work. *See* 17 U.S.C. § 504(c)(1); *see also Allen-Myland, Inc. v. Int’l Bus. Mach. Corp.*, 770 F. Supp. 1014, 1026 (E.D. Pa. 1991) (noting that “[u]nder 504(c)(2), findings of both willfulness and innocence are exceptional; since a defendant’s actions may fit neither description, the concepts are not simply the converse of one another”). Within this range, three factors warrant damages substantially greater than the statutory floor of \$750.00. First is the large scale of Defendants’ copying. Defendants improperly appropriated 118 images into *1000 Patterns*, i.e., almost twelve percent of the book’s total. The sheer scale of such copying merits an increase in the damages award. Second, in December 2003, Defendants took *1000 Patterns* off hold and began accepting orders for the book again. This was improper, as they were aware that *1000 Patterns* potentially infringed Plaintiffs’ copyrights (even though Defendants reasonably believed otherwise) and that further sales of the book might constitute further infringements. Finally, although the photographs themselves did not include copyright notices, and Defendants clearly did not believe the photographs were copyrightable, the books all contained copyright notices on their inside front covers, which should have caused Defendants to investigate further. *See Original Appalachian*, 658 F. Supp. at 465 (crediting Defendant’s testimony that he did not believe his conduct to be infringing but stating that copyright notices “should have spurred further investigation on his part”).

On the other hand, several factors militate in favor of an award less than the statutory maximum of \$30,000.00 per work. Defendants first received notice of Plaintiffs' complaints on June 12, 2003. (Defs.' Trial Ex. 659.) Almost immediately, by June 18, 2003, they had placed all further shipments of the book on hold. (R. at 161, 175 (Aug. 24, 2004); Defs.' Trial Ex. 660.) The six month period for which the book was put on hold included a large part of "the peak period of the book's [sales] life." (R. at 179-80 (Aug. 24, 2004).) Moreover, before this action was filed Defendants consistently attempted to ascertain the scope of Plaintiffs' allegations and tried to resolve the matter amicably. *Cf. Boz Scaggs Music v. KND Corp.*, 491 F. Supp. 908, 915 (D. Conn. 1980) (awarding high statutory damages in part because Defendants "repeatedly rebuffed offers to resolve this dispute prior to the commencement of litigation"). In conclusion, while Defendants engaged in behavior that should raise the damages award above the statutory floor, they also took actions that should keep the damages award below the statutory ceiling. Therefore, the award of damages shall be between the statute's minimum and maximum amounts.

2. *Remaining Factors*

The next factor to be considered in assessing the proper measure of damages is the expenses saved and profits reaped by Defendants. Again, the Court notes that Defendants must not "reap a benefit from its violation of the copyright laws," i.e., "that statutory damages should exceed the unpaid license fees so that defendant will be put on notice that it costs less to obey the copyright laws than to violate them." *A & N Music* 733 F. Supp. at 958 (quotation omitted). Chronicle's profits from *1000 Patterns* amounted to \$16,971.00 (R. at 225 (Aug. 24, 2004); Defs.' Trial Ex. 672), while Ivy's profits were \$6,680.00 (Defs.' Trial Ex. 672). When Defendants did license images for use in *1000 Patterns*, the fees paid ranged from £40.00 to £47.00 per image. (R. at 63-64 (Aug. 24,

2004); Pls.' Trial Ex. 47 at IP000710-11.) Averaging this cost to £43.50, and multiplying by 118 photographs, Defendants saved approximately £5,133.00, or \$9,620.00 (at current rates of exchange) by not licensing Plaintiffs' images. Adding together Chronicle's profits, Ivy's profits, and the licensing fee average results in a total of \$33,271.00. The Court's damage award is between four and five times this amount, which this Court finds appropriate given the circumstances.

3. *Revenues Lost by the Plaintiff*

Next, an examination of the revenues lost by Plaintiffs are of little use here because Schiffer does not keep records of its profits on a per book basis. (R. at 90 (Aug. 23, 2004); Joint Pretrial Stmt. Ex. B ¶ 94.) Therefore, it is impossible to determine the revenues that Plaintiffs lost from the images infringed by Defendants. This is often the case, as courts have recognized this amount is usually "difficult to monetize," and thus do not ordinarily depend heavily on it in determining statutory damages. *Original Appalachian*, 658 F. Supp at 465.

Finally, the Court considers the deterrent value of a statutory damages award. *See Golden Horse Inn*, 709 F. Supp. at 581. As noted, statutory damages are not simply compensatory; instead, they also encompass a punitive element. *See Woolworth*, 344 U.S. at 233; *see also Fitzgerald*, 807 F.2d at 1117. Defendants have consistently contended that they did not believe that reproducing Plaintiffs' individual photographs constituted copyright infringement. (R. at 40-44; 163 (Aug. 24, 2004); Defs.' Ex. 661 at IP000651 (setting forth Defendants' "firmly held belief that copyright has not been infringed).) Moreover, Sophie Collins stated that she believed it to be an "industry practice" that "flat photography" – i.e., "the sort of photography that is an exact rendition of something, the sort of photography that is done on a copy stand" could be freely appropriated. (R. at 48 (Aug. 24, 2004).) Finally, Collins testified that while it might be "bad manners" to take every

photograph from a book, rearrange the text and pictures, and republish the ensuing work, it would not be copyright infringement. (R. at 136 (Aug. 24, 2004).) Defendants' strongly held belief, however, was wrong. Plaintiffs' photographs, and those like them, meet the standards required for copyright protection. As both Defendants are engaged in the publishing business, the Court finds it necessary to impose statutory damages in an amount that ensures Defendants will not engage in similar infringing behavior in the future.

Accordingly, the Court concludes that ten of Plaintiffs' works merit a statutory damages award of \$15,000.00 each, totaling \$150,000.00.

C. Injunction

The Act provides that a court may grant a temporary or permanent injunction "on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). Generally, injunctions are proper where there has been a showing of past infringement and a substantial likelihood of future infringement. *Pacific and Southern Co., Inc. v. Duncan*, 744 F.2d 1490, 1499 (11th Cir. 1984); *see also* NIMMER ON COPYRIGHT § 14.06[B]. Moreover, the Third Circuit has held that "injunctions may be issued without a showing of willful or deliberate infringement." *Williams Elec.*, 685 F.2d at 878. A permanent injunction is appropriate here. The Court's November 12, 2003 Order held that *1000 Patterns* infringed Plaintiffs' copyright, thus satisfying the requirement of showing past infringement. In addition, a substantial likelihood of future infringement can be demonstrated from evidence submitted by Plaintiffs that several online retailers offered *1000 Patterns* for sale as late as November 29, 2004. (Pls.' Mem. in Support of Stat. Dams. Ex. 1.) Therefore, this Court holds that Defendants shall be permanently enjoined from filling and/or taking future orders for *1000 Patterns* within the United States.

IV. CONCLUSION

For the reasons set forth above, this Court holds that pursuant to 17 U.S.C. § 504(c)(1) Defendants shall be liable to Plaintiffs in the amount of \$150,000.00 in statutory damages for infringing Plaintiffs' copyrights, and further holds that Defendants are permanently enjoined from filling and/or taking future orders for *1000 Patterns* within the United States. An appropriate Order follows.

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

SCHIFFER PUBLISHING, LTD., et al.,	:	
Plaintiffs,	:	CIVIL ACTION
	:	
v.	:	
	:	
CHRONICLE BOOKS, LLC, et al.,	:	No. 03-4962
Defendants.	:	
	:	

ORDER

AND NOW, this 11th day of **January, 2005**, upon consideration of Plaintiffs' Memorandum of Law in Support of Their Claim for Injunctive Relief and Statutory Damages (Document No. 57), Defendants' Memorandum Regarding Plaintiffs' Claim for Statutory Damages (Document No. 56), oral argument thereon, and for the foregoing reasons, it is hereby **ORDERED** that:

1. Judgment is **ENTERED** in favor of Plaintiffs and Against Defendants in the amount of Fifteen Thousand Dollars (\$15,000.00) in statutory damages pursuant to 17 U.S.C. § 504(c)(1) for each of the following works: *Fun Fabrics of the 50's; Funky Fabrics of the 60's; Forties Fabrics Paisley: A Visual Survey of Pattern and Color Variations; Abstract Textile Designs; Dots: A Pictorial Essay on Pointed Printed Patterns; Flower Power: Prints from the 1960's; Quilts and Quilmakers Covering Connecticut; African Fabric Design; and Naturally 70's Fabrics.* (Pls.' Trial Exs. 20, 21, 23, 25, 27, 28, 29, 30, 31, 32.)
2. Defendants, their officers, agents, servants and all persons in active concert or participation with them who receive actual notice of this injunction by personal

service or otherwise, are permanently enjoined from filling and/or taking future orders for the book *1000 Patterns*, ISBN # 0-8118-3979-6, within the United States.

3. Plaintiffs are directed to file a motion for attorneys' fees and costs.

BY THE COURT:

Berle M. Schiller, J.

