

Jadusingsh's pending personal injury claims effectively forced NYUHC's hand and made litigation over the duty to defend inevitable.

In these circumstances, notwithstanding its formal status as a plaintiff vis-à-vis Nouveau and New York Marine, NYUHC is properly viewed as an insured who prevailed on the merits after being "cast in a defensive posture by the legal steps an insurer takes in an effort to free itself from its policy obligations." *U.S. Underwriters*, 3 N.Y.3d at 598, 789 N.Y.S.2d 470, 822 N.E.2d 777 (quoting *Mighty Midgets*, 47 N.Y.2d at 21, 416 N.Y.S.2d 559, 389 N.E.2d 1080). Therefore, like the fees of the insured in *U.S. Underwriters*, the fees "incurred by [NYUHC] in [pursuing] the declaratory judgment action arose as a direct consequence of [the insurer's] unsuccessful attempt to free itself of its policy obligations." *Id.* NYUHC is therefore "entitled to recover those expenses from the insurer." *Id.*

[4] Finally, the precedents on which New York Marine relies are inapposite, including for the reasons stated by HCC. These cases largely involved affirmative claims for relief by insureds that were distinct from the underlying liability. As such, the claims were not an essential component of the defense; litigation as to them fell outside the duty to defend. *See, e.g., P.J.P. Mech. Corp. v. Commerce and Indust. Corp.*, 65 A.D.3d 195, 882 N.Y.S.2d 34, 47 (1st Dep't 2009) (insured's claim for balance due on construction contract not an essential component of contractor's defense to property damage liability). New York Marine also invokes the anti-subrogation rule, under which an insurer may not recover, from its insured, losses for which the insurer agreed to provide coverage. *See, e.g., Millennium Holdings LLC v. Glidden Co.*, 27 N.Y.3d 406, 415, 33 N.Y.S.3d 846, 53 N.E.3d 723 (2016). That

doctrine, too, is irrelevant here. Finally, New York Marine cites cases in which an insured, which was afforded a joint defense, alleged a conflict entitling it to independent counsel to pursue affirmative claims. *See, e.g., Nat'l City Bank v. N.Y. Cent. Mut. Fire Ins. Co.*, 6 A.D.3d 1116, 775 N.Y.S.2d 679, 680 (4th Dep't 2004). These cases, too, are inapposite. Tellingly, New York Marine does not cite any case holding that an insured that was forced to initiate successful declaratory judgment litigation in the face of an insurer's pertinacious denial of a duty to defend was ineligible to recover fees incurred in that litigation. That is the apt context here.

#### CONCLUSION

For the reasons set out above, the Court holds that NYUHC and its subrogee HCC are entitled to the fees incurred in litigating New York Marine's duty to defend. The Court denies HCC's request to file a reply, Dkt. 41, and New York Marine's request for a sur-reply, Dkt. 42.

The Clerk of Court is respectfully directed to terminate the motion pending at docket 37 and to close this case.

SO ORDERED.



**Tamita A. BROWN, Glen S. Chapman,  
and Jason T. Chapman, Plaintiffs,**

**v.**

**NETFLIX, INC., Amazon.com, Inc.,  
and Apple Inc., Defendants.**

**19 Civ. 1507 (ER)**

United States District Court,  
S.D. New York.

Signed 05/27/2020

**Background:** Musicians who created song "Fish Sticks n' Tater Tots" brought action

against video streaming services, asserting claims for copyright infringement, contributory and vicarious copyright infringement, and inducement of copyright infringement, based on their provision of documentary film about burlesque dancers that used, without authorization, a portion of their song. Services moved to dismiss and for judgment on the pleadings.

**Holdings:** The District Court, Edgardo Ramos, J., held that:

- (1) transformative nature of secondary use weighed in favor of finding fair use;
- (2) secondary use was neither quantitatively nor qualitatively excessive, weighing in favor of finding fair use; and
- (3) effect on the potential market or value weighed in favor of finding fair use.

Motions granted.

#### 1. Federal Civil Procedure $\Leftrightarrow$ 1041

Standard for granting a motion for judgment on the pleadings is identical to that for granting motion for failure to state a claim; accordingly, motion for judgment on the pleadings should be granted if, from the pleadings, the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 12(b)(6), 12(c).

#### 2. Federal Civil Procedure $\Leftrightarrow$ 1053.1, 1055

On motion for judgment on the pleadings, the court accepts as true the pleadings' factual allegations and draws all reasonable inferences in the non-movant's favor. Fed. R. Civ. P. 12(c).

#### 3. Copyrights and Intellectual Property $\Leftrightarrow$ 51

In order to state a claim for copyright infringement, a plaintiff must allege both (1) ownership of a valid copyright and (2) infringement of the copyright by the defendant. 17 U.S.C.A. § 106.

#### 4. Copyrights and Intellectual Property $\Leftrightarrow$ 53.2

Consideration of each statutory factor for fair use, as defense to copyright infringement, is mandatory. 17 U.S.C.A. § 107.

#### 5. Copyrights and Intellectual Property $\Leftrightarrow$ 53.2

At the core of inquiry into purpose and character factor for fair use, as statutory defense to copyright infringement, is whether the secondary use is transformative — understood as communicating a further purpose or different character, altering the first with new expression, meaning or message. 17 U.S.C.A. § 107.

#### 6. Copyrights and Intellectual Property $\Leftrightarrow$ 53.2

A “transformative work,” with respect to purpose and character inquiry for statutory fair use defense to copyright infringement, is one that serves a new and different function from the original work and is not a substitute for it. 17 U.S.C.A. § 107.

See publication Words and Phrases for other judicial constructions and definitions.

#### 7. Copyrights and Intellectual Property $\Leftrightarrow$ 53.2

Use of unaltered copyrighted material — also known as raw material — is not prohibited, and indeed, raw material, transformed in the creation of new information, new aesthetics, new insights and understandings is the very type of activity contemplated by the fair use doctrine. 17 U.S.C.A. § 107.

#### 8. Copyrights and Intellectual Property $\Leftrightarrow$ 53.2

Purpose and character inquiry for fair use, as statutory defense to copyright infringement, must consider whether the copyrighted materials are for a commercial or nonprofit educational purpose, finding

the former to weigh against finding of fair use; a finding of commercial use is not dispositive, as the more transformative the new work, the less significance of other fair use factors, like commercialism. 17 U.S.C.A. § 107.

**9. Copyrights and Intellectual Property**  
⌚66

Unauthorized use of musicians' "Fish Sticks n' Tater Tots" children's song in documentary film depicting burlesque dancers was transformative, weighing in favor of finding of fair use, in musicians' copyright infringement action against video streaming services that provided the film, even if film was commercial in nature; song told tale of a student on her way to lunch and was created with children being the intended audience, whereas the film was centered on strippers and used the song while a scantily clad woman began to perform a strip dance routine. 17 U.S.C.A. § 107.

**10. Copyrights and Intellectual Property**  
⌚53.2

Nature of the copyrighted work factor for fair use, as statutory defense to copyright infringement, is of limited usefulness when the secondary use is transformative. 17 U.S.C.A. § 107(2).

**11. Copyrights and Intellectual Property**  
⌚53.2

The analysis of amount and substantiality of portion used in relation to copyrighted work as a whole, as factor considered for statutory fair use defense to copyright infringement, is with reference to the allegedly copyrighted work, not the infringing work. 17 U.S.C.A. § 107(3).

**12. Copyrights and Intellectual Property**  
⌚53.2

Factor for statutory fair use defense to copyright infringement that considers the amount and substantiality of the por-

tion used in relation to the copyrighted work as a whole calls for thought not only about the quantity of the materials used, but about their quality and importance, too. 17 U.S.C.A. § 107(3).

**13. Copyrights and Intellectual Property**  
⌚53.2

Quantitative inquiry for statutory fair use defense to copyright infringement, that considers the amount and substantiality of the portion used in relation to the copyrighted work, considers whether the secondary use employs more of the copyrighted work than is necessary, whereas the qualitative inquiry asks whether the use was excessive in relation to any valid purposes asserted under the first factor. 17 U.S.C.A. § 107(3).

**14. Copyrights and Intellectual Property**  
⌚53.2

If secondary use of copyrighted work qualitatively amounts to "the heart" of the original work, although quantitatively minimal, the use could be considered substantial, for purposes of factor of statutory fair use defense to copyright infringement that considers amount and substantiality of portion used in relation to the work as a whole; however, use of "the heart" of the copyrighted work is not dispositive, because when the work is transformative, the secondary use must be permitted to conjure up at least enough of the original to fulfill its transformative purpose. 17 U.S.C.A. § 107(3).

**15. Copyrights and Intellectual Property**  
⌚53.2

Where the heart of the copyrighted work is at the core of the transformative character, use of the heart is permissible to fulfill its transformative purpose, under statutory fair use defense to copyright infringement. 17 U.S.C.A. § 107(3).

**16. Copyrights and Intellectual Property**

⊕66

Portion of musicians' "Fish Sticks n' Tater Tots" children's song used in documentary film depicting burlesque dancers was neither quantitatively nor qualitatively excessive, weighing in favor of finding fair use, in musicians' copyright infringement action against video streaming services that provided the film; although the eight-second segment used in the film, which amounted to approximately 4% of the song, was repeated three times in song and was allegedly the "heart" of the song, use was necessary to achieve the transformation, as strip dance performance that used the segment required phrase "fish sticks and tater tots" to communicate the "reverse mermaid" transformation. 17 U.S.C.A. § 107(3).

**17. Copyrights and Intellectual Property**

⊕53.2

Effect upon the potential market or value is undoubtedly the single most important element of statutory fair use defense to copyright infringement. 17 U.S.C.A. § 107(4).

**18. Copyrights and Intellectual Property**

⊕53.2

Critical inquiry for factor of statutory fair use defense to copyright infringement that considers effect upon the potential market or value is whether the secondary use usurps the market of the original, where the infringer's target audience and the nature of the infringing content is the same as the original; in such instances, the secondary use competes with the original so as to deprive the rights holder of significant revenues because of the likelihood that potential purchasers may opt to acquire the copy in preference to the original. 17 U.S.C.A. § 107(4).

**19. Copyrights and Intellectual Property**

⊕53.2

Likelihood that potential purchasers may opt to acquire the copy in preference to the original, for purposes of factor of statutory fair use defense to copyright infringement that considers effect upon the potential market or value, is closely linked to the first fair use factor that looks at the purpose and character of the use, as the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original. 17 U.S.C.A. § 107(4).

**20. Copyrights and Intellectual Property**

⊕53.2

Critically, the factor of statutory fair use defense to copyright infringement that looks at the effect upon the potential market or value must consider not only the market harm caused by the particular actions of the alleged infringer, but also the market harm that would result from unrestricted and widespread conduct of the same sort. 17 U.S.C.A. § 107(4).

**21. Copyrights and Intellectual Property**

⊕66

Effect upon the potential market or value for musicians' "Fish Sticks n' Tater Tots" children's song weighed in favor of finding that use of song in documentary film about burlesque dancers was fair, in musicians' copyright infringement action against video streaming services that provided the film; because song was created for children and film was centered on strippers, it was unlikely that parents would purchase copies of the film for their minor children so they could hear the excerpt of the song in the film. 17 U.S.C.A. § 107(4).

**22. Copyrights and Intellectual Property**

⊕53.2

Not every effect on potential licensing revenues enters the analysis under factor

of statutory fair use defense to copyright infringement that considers effect upon the potential market or value, and a copyright holder has no right to demand that users take a license unless the use that would be made is one that would otherwise infringe an exclusive right. 17 U.S.C.A. § 107(4).

### 23. Copyrights and Intellectual Property ⌚53.2

Only impacts on potential licensing revenues for traditional, reasonable, or likely to be developed markets should be legally cognizable, with respect to factor of statutory fair use defense to copyright infringement that looks at the effect upon the potential market or value. 17 U.S.C.A. § 107(4).

### 24. Copyrights and Intellectual Property ⌚77

While the Copyright Act does not create liability for contributory, vicarious, or inducement of copyright infringement, the common-law doctrine, that one who knowingly participates or furthers a tortious act is jointly and severally liable with the prime tortfeasor, applies; however, there can be no contributory, vicarious, or inducement of infringement where no direct infringement exists. 17 U.S.C.A. § 106(1).

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1. Streaming is the method by which film and television programs are delivered to viewers

Brown, Ballard Spahr LLP, Washington, DC, Joseph Slaughter, Thomas Byrne Sullivan, Ballard Spahr LLP, New York, NY, for Defendant Amazon.Com, Inc.

## OPINION & ORDER

Ramos, D.J.:

Tamita Brown, Glen S. Chapman, and Jason T. Chapman (collectively, “Plaintiffs”) are musicians who created the song *Fish Sticks n’ Tater Tots* (the “Song”). In 2017, a documentary film titled *Burlesque: Heart of the Glitter Tribe* (the “Film”) depicts a group of burlesque dancers in Portland, Oregon, one of whom incorporated the Song in a performance. Amazon.com, Inc. (“Amazon”), Netflix, Inc. (“Netflix”), and Apple Inc. (“Apple”) (collectively, “Defendants”) are corporations that provide, among other products, video streaming services.<sup>1</sup> The Film is available to view on Defendants’ platforms. Plaintiffs allege that the use of the Song in the Film was unauthorized, and bring suit against Defendants for willful copyright infringement. Before the Court is Defendants’ joint motion to dismiss the claims against Netflix and Apple, and for judgment on the pleadings for Amazon. Doc. 28. Because the Court finds the Film’s incorporation of the Song to be fair use, Defendants’ motion is GRANTED.

## I. BACKGROUND

### A. Factual Background

Plaintiffs wrote, arranged, and recorded the Song in 2011. Compl. ¶ 15. The Song, created for children, describes a student’s journey from her classroom to her school cafeteria to eat fish sticks and tater tots for lunch. Defs.’ Mem. in Supp. of Mot. to Dismiss (“Mem. in Supp.”), Doc. 29 at 10;

through computers and other internet-enabled devices. Compl. ¶ 23–27, Doc. 5.

Decl. of Jay Ward Brown (“Brown Decl.”), Ex. A (“CD of the Song”), Doc. 30. They were granted a U.S. Copyright Registration for the Song on May 1, 2012. Compl. ¶ 16.

On March 3, 2017, the Film was released on Defendants’ websites.<sup>2</sup> Compl. ¶ 19. It chronicles the stories of a group of burlesque dancers in Portland, Oregon through interviews, backstage preparations, and on-stage performances. Mem. in Supp. at 2; Brown Decl., Ex. B (“DVD Copy of Film”). In one scene, a dancer, who goes by the stage name Babs Jamboree, performs an act in a food-themed show centered on the concept of a “reverse mermaid,” which, in her telling, is a creature with the head of a fish and the legs of a woman. Mem. in Supp. at 3. During the performance, Jamboree steps behind a sign labeled “hot oil” and emerges, having removed her fish head and changed into brown leggings to appear as though she has been transformed into fish sticks. DVD Copy of Film at 27:47–30:34. During the performance, eight seconds of the Song plays, consisting of the lyrics “fish sticks n’ tater tots” sung by Brown a total of five times. DVD Copy of Film at 29:55–30:03. The performance continues for approximately 20 more seconds with different songs in the background. DVD Copy of Film at 30:04–30:24. The Film is available on Defendants’ websites for customers to purchase, rent, or stream. Compl. ¶¶22–27.

### B. Procedural History

Plaintiffs filed the instant action on February 20, 2019, accusing Defendants of directly infringing their right to publicly perform their work under 17 U.S.C. § 106(4); directly infringing their right to reproduce their copyrighted work under 17 U.S.C. § 106(1); and of contributory and vicarious copyright infringement, as well as induce-

ment of copyright infringement, of their rights of reproduction and public performance under 17 U.S.C. § 106 (1), (4). Compl. ¶¶ 37–79. Amazon filed an Answer on April 22, 2019. Netflix and Apple did not answer the Complaint. On November 13, 2019, Defendants jointly filed the instant motion to dismiss the claims against Netflix and Apple pursuant to Federal Rule of Civil Procedure 12(b)(6), and for judgement on the pleadings on the claims against Amazon pursuant to Rule 12(c). Mem. in Supp. 29.

## II. STANDARD OF REVIEW

### A. Rule 12(b)(6)

“To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678, 129 S.Ct. 1937, 173 L.Ed.2d 868 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570, 127 S.Ct. 1955, 167 L.Ed.2d 929 (2007)). A claim is facially plausible “when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Id.* (citing *Twombly*, 550 U.S. at 556, 127 S.Ct. 1955). The plaintiff must allege sufficient facts to show “more than a sheer possibility that a defendant has acted unlawfully.” *Id.* (citing *Twombly*, 550 U.S. at 557, 127 S.Ct. 1955). However, this “flexible ‘plausibility standard’” is not a heightened pleading standard, *In re Elevator Antitrust Litig.*, 502 F.3d 47, 50 n.3 (2d Cir. 2007) (citation omitted), and “a complaint . . . does not need detailed factual allegations” to survive a motion to dismiss. *Twombly*, 550 U.S. at 555, 127 S.Ct. 1955.

The question on a motion to dismiss “is not whether a plaintiff will ultimately pre-

2. The record is silent as to who created the

Film or when.

vail but whether the claimant is entitled to offer evidence to support the claims.” *Sikhs for Justice v. Nath*, 893 F. Supp. 2d 598, 615 (S.D.N.Y. 2012) (quoting *Villager Pond, Inc. v. Town of Darien*, 56 F.3d 375, 378 (2d Cir. 1995)). “[T]he purpose of Federal Rule of Civil Procedure 12(b)(6) is to test, in a streamlined fashion, the formal sufficiency of the plaintiff’s statement of a claim for relief without resolving a contest regarding its substantive merits” or “weigh[ing] the evidence that might be offered to support it.” *Halebian v. Berv*, 644 F.3d 122, 130 (2d Cir. 2011) (internal citations and quotation marks omitted). Accordingly, when ruling on a motion to dismiss pursuant to Rule 12(b)(6), the Court accepts all factual allegations in the complaint as true and draws all reasonable inferences in the plaintiff’s favor. *Nielsen v. Rabin*, 746 F.3d 58, 62 (2d Cir. 2014); see also *Twombly*, 550 U.S. at 556, 127 S.Ct. 1955 (“[A] well-pleaded complaint may proceed even if it strikes a savvy judge that actual proof of those facts is improbable . . .”). “For purposes of this rule, the complaint is deemed to include any written instrument attached to it as an exhibit or any statements or documents incorporated in it by reference.” *Chambers v. Time Warner, Inc.*, 282 F.3d 147, 152 (2d Cir. 2002) (internal quotation marks omitted).

### B. Rule 12(c)

[1,2] Rule 12(c) of the Federal Rules of Civil Procedure provides that “[a]fter the pleadings are closed — but early enough not to delay trial — a party may move for judgment on the pleadings.” Fed. R. Civ. P. 12(c). “The standard for granting a Rule 12(c) motion for judgment on the pleadings is identical to that [for granting] a Rule 12(b)(6) motion for failure to state a claim.” *Lynch v. City of New York*, 952 F.3d 67, 75 (2d Cir. 2020) (internal quotation marks omitted). Accordingly, a

motion for judgment on the pleadings should be granted “if, from the pleadings, the moving party is entitled to judgment as a matter of law.” *Burns Int’l Sec. Servs., Inc. v. Int’l Union, United Plant Guard Workers of Am. (UPGWA) & Its Local 537*, 47 F.3d 14, 16 (2d Cir. 1995) (per curiam). The Court accepts as true the pleadings’ factual allegations and draws all reasonable inferences in the non-movant’s favor. *Nielsen v. Rabin*, 746 F.3d 58, 62 (2d Cir. 2014); see also *Lombardo v. Dr. Seuss Enter., L.P.*, 279 F. Supp.3d 497, 505 (S.D.N.Y., 2017) (noting that in considering a motion for judgment on the pleading “all pleadings — including defendant’s counterclaims — are taken to be true, subject to the same plausibility standard that applies on a Rule 12(b)(6) motion”).

### III. DISCUSSION

Plaintiffs assert two claims of direct copyright infringement — by public performance under 17 U.S.C. § 106(4), and by reproduction under 17 U.S.C. § 106(1) — and three claims that are contingent upon direct copyright infringement — inducement of copyright infringement, contributory copyright infringement, and vicarious copyright infringement in violation of their public performance and reproduction rights. Defendants do not dispute the validity of Plaintiffs’ copyright but argue that their use of the Song is fair use, which is a complete defense to direct copyright infringement and, as a result, to any claims that are contingent on the direct infringement. Plaintiffs, in turn, maintain that any fair use determination is premature at the motion to dismiss stage and that, moreover, Defendants’ use was not fair.

The Court disagrees with Plaintiffs on both points and finds that Defendants’ use of the song was fair. As such, the Court GRANTS Netflix and Apple’s motion to dismiss pursuant to Rule 12(b)(6), as well

as Amazon’s motion for judgment on the pleadings pursuant to Rule 12(c).

#### A. Fair Use at the Motion to Dismiss Stage

As an initial matter, Plaintiffs argue that the factual record is too premature to engage in a fair use inquiry, and accordingly, that the motion should be denied. Pls.’ Mem. in Opp’n of Mot. to Dismiss (Mem. in Opp’n), Doc. 32 at 2–3. Yet, Courts within this Circuit have consistently considered motions to dismiss and motions for judgment on the pleadings regarding copyright infringement claims. *TCA Television Corp. v. McCollum*, 839 F.3d 168, 178 (2d Cir. 2016) (“[T]his court has acknowledged the possibility of fair use being so clearly established by a complaint as to support dismissal of a copyright infringement claim.”); *Kelly-Brown v. Winfrey*, 717 F.3d 295, 308 (2d Cir. 2013) (finding motion to dismiss appropriate where “where the facts necessary to establish the defense are evident on the face of the complaint.”); *Lombardo*, 279 F. Supp.3d at 505. The Court will therefore proceed to the merits of the motion.

#### B. Fair Use Defense to Direct Copyright Infringement

[3, 4] Copyright owners are entitled to six exclusive rights under 17 U.S.C § 106, including the rights to “perform the copyrighted work publicly” and to “perform the copyrighted work publicly by means of a digital audio transmission.” 17 U.S.C § 106 (4), (6). In order to state a claim for infringement, “a plaintiff must allege both (1) ownership of a valid copyright and (2) infringement of the copyright by the defendant.” *Spinelli v. Nat’l Football League*, 903 F.3d 185, 197 (2d Cir. 2018). However, “the fair use of a copyrighted work . . . is not an infringement of copyright.” 17 U.S.C § 107. The following fac-

tors are used to determine whether use is fair:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work

*Id.* Consideration of each factor is “mandatory.” *Fox News Network, LLC v. Tveyes, Inc.*, 883 F.3d 169, 176 (2d Cir. 2018). The Court will therefore consider each of these factors in turn.

##### 1. Factor One: Purpose and Character

[5–8] The first statutory factor asks the Court to consider the “purpose and character” of the reproduced work, also known as the work’s “secondary use.” 17 U.S.C. § 107(1). At the core of this inquiry is whether the secondary use is transformative — understood as communicating a “further purpose or different character, altering the first with new expression, meaning or message.” *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 96 (2d Cir. 2014) (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579, 114 S.Ct. 1164, 127 L.Ed.2d 500 (U.S. 1994)). Thus, a transformative work is “one that serves a new and different function from the original work and is not a substitute for it.” *Id.* at 96. The use of unaltered copyrighted material — also known as raw material — is not prohibited, and indeed, “raw material, transformed in the creation of new information, new aesthetics, new insights and understandings . . . is the very type of activity” contemplated by the fair use doctrine. *Blanch v. Koons*, 467 F.3d 244, 252 (2d Cir. 2006). The inquiry must also con-



sider whether the copyrighted materials are for a commercial or nonprofit educational purpose, finding “the former tending to weigh against a finding of fair use.” *TCA Television Corp.*, 839 F.3d at 183 (internal quotation marks omitted). Yet, a finding of commercial use is not dispositive, as “the more transformative the new work, the less significance of other factors, like commercialism.” *Id.*

[9] Plaintiffs argue that because the Song itself is “unaltered,” its use cannot be transformative, and that because the subject of both works is “fish sticks,” that the idea underlying the Song and the performance are “exactly the same.” Mem. in Opp’n at 5. Moreover, they also suggest that record is underdeveloped as to whether the Film is a documentary, and thereby has an educational purpose, or whether its purpose is purely commercial, thereby making a finding of fair use premature at the motion to dismiss stage. *Id.* at 3. Neither of these arguments is persuasive.

Plaintiffs argue that “[w]hen there is no alteration from the original there can be no [fair] use.” *Id.* In support, they rely primarily on *TCA Television Corp. v. McCollum*; however, the facts of that case are inapposite. In *TCA Television Corp. v. McCollum*, the secondary use not only copied the raw material, but also duplicated “the comedic purpose of the original work,” understood to be its original meaning. 839 F.3d at 184. Here, while Defendants do not alter the Song and reference its concept of “fish sticks,” the performance serves a “new and different function” from the Song, rather than offering merely a substitute for its tale of a student on her way to lunch. *HathiTrust*, 755 F.3d at 96. Indeed, even Plaintiffs repeatedly note the differences in purpose and character between the performance and the Song: the Song was created “with children being the intended audience,” whereas the Film is

“centered on strippers” and uses the Song “while a scantily clad woman . . . begins to perform a strip dance routine.” Compl. ¶¶ 17–18, 20; Mem. in Opp’n at 5. These descriptions only confirm that Defendants’ use transforms the Song: Whereas the Song communicates a light-hearted children’s story about a student looking forward to lunch in the school cafeteria, the Film depicts decidedly mature themes that portray fish sticks not as a lunch food, but as a component of a “reverse mermaid.” CD of the Song; DVD Copy of Film at 27:47–30:34. These are, undoubtedly, “new aesthetics.” *Blanch*, 467 F.3d at 252.

As to whether or not the Film has a commercial purpose, Defendants argue that their status as a commercial entity is irrelevant because the Film is transformative and is a documentary, and accordingly, offers criticism or commentary. Mem. in Supp. 29 at 14. Regardless of Plaintiffs’ claim that the Film is not a documentary — in contradiction of the evidence available in the record plainly demonstrating its documentary nature — the commercial nature of a work nonetheless is not determinative of the first factor analysis. DVD Copy of Film; *Campbell*, 510 U.S. at 584, 114 S.Ct. 1164 (noting that “nearly all of the illustrative uses listed in the preamble paragraph of § 107 . . . are generally conducted for profit” (internal quotations omitted)). Even if the Film were purely commercial, as Plaintiffs allege, because the secondary use is of a transformative nature, the first factor still weighs in favor of Defendants. *See Cariou v. Prince*, 714 F.3d 694, 708 (2d Cir. 2013) (“Although there is no question that [Defendant’s] artworks are commercial, we do not place much significance on that fact due to the transformative nature of the work”).

Thus, the first factor weighs in favor of Defendants.

2. *Factor Two: Nature of the Copyrighted Work*

The second statutory factor considers the “nature of the copyrighted work.” 17 U.S.C. § 107(2). This factor “has rarely played a significant role in the determination of a fair use dispute.” *Authors Guild v. Google, Inc.*, 804 F.3d 202, 220 (2d Cir. 2015). Indeed, because this analysis “inevitably involves” the first factor’s transformative purpose inquiry, “the second factor may be of limited usefulness where the creative work of art is being used for a transformative purpose.” *Id.*; *Blanch*, 467 F.3d at 257.

[10] Plaintiffs argue that the Song is intended for creative expression for public dissemination and that this factor weighs in their favor because Defendants have not provided a persuasive justification for their use. Mem. in Opp’n at 10. Notwithstanding Plaintiffs’ characterization of the Song, the transformative nature of the Film renders the second factor “of limited usefulness.” *Blanch*, 467 F.3d at 257. And while Plaintiffs argue that Defendants have not provided an adequate justification for their use, such requirement is satisfied when the secondary use is found to be transformative. *Google, Inc.*, 804 F.3d at 220 (finding the second factor “not dispositive” when the secondary use is transformative, even if “one (or all) of the plaintiff works were [creative]”); *Fox News Network, LLC*, 883 F.3d at 178 (finding that where the first statutory factor favors secondary use due to modest transformative use — “albeit slightly” — the second factor “plays no significant role”).

Accordingly, the second factor is neutral.

3. *Factor Three: Amount and Substantiality*

[11–14] The third statutory factor considers the “amount and substantiality of

the portion used in relation to the copyrighted work as a whole.” 17 U.S.C. § 107(3). The analysis is “with reference to the allegedly copyrighted work, not the infringing work.” *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 613 (2d Cir. 2006). The factor “calls for thought not only about the quantity of the materials used, but about their quality and importance, too.” *Campbell*, 510 U.S. at 587, 114 S.Ct. 1164. The quantitative inquiry considers whether the secondary use “employs more of the copyrighted work than is necessary,” whereas the qualitative inquiry asks whether the use was “excessive in relation to any valid purposes asserted under the first factor.” *HathiTrust*, 755 F.3d at 96 (citing *Campbell*, 510 U.S. at 588, 114 S.Ct. 1164 (1994)). If the use qualitatively amounts to “the heart” of the original work, although quantitatively minimal, the use could be considered substantial; however, use of “the heart” of the copyrighted work is not dispositive. Indeed, when the work is transformative, “the secondary use must be [permitted] to conjure up at least enough of the original to fulfill its transformative purpose.” *Carriou*, 714 F.3d at 710 (citing *Campbell*, 510 U.S. at 588, 114 S.Ct. 1164) (internal quotation marks omitted).

Quantitatively, the Film uses eight seconds of the Song’s 190 seconds, or 4.21 percent of the Song. Mem. in Opp’n at 11; DVD Copy of Film at 29:55–30:03. Plaintiffs argue that because the segment used is repeated three times in the Song, that the total used is more accurately 12.63 percent of the Song. Mem. in Opp’n at 11. Yet Plaintiffs do not point to a single instance in which a copyrighted work’s repeated refrain was counted more than once for the quantitative assessment. Mem. in Opp’n at 11. This component, therefore, favors Defendants.

[15] Repetition can, however, be considered in the qualitative inquiry. Plaintiffs argue that the segment used in the Film represents the “heart” of the Song, noting that the cited passage is the chorus that gives the Song its name and is repeated throughout the Song. Mem. in Opp’n at 11. Even assuming that this segment is the “heart” of the Song, this does not end the analysis. See, *Lennon v. Premise Media Corp.*, 556 F. Supp. 2d 310, 326 (S.D.N. Y. 2008) (finding that the secondary use’s inclusion of a musical phrase used in 50 percent of the copyrighted material was not excessive, even though it contained the heart of the original material). Where the heart of the copyrighted work is at the core of the transformative character, use of the heart is permissible “to fulfill its transformative purpose.” *Cariou*, 714 F.3d at 710; see *Lennon*, 556 F. Supp. 2d at 326 (finding it was “not clear that defendants could have used any portion of the song [to fulfill its transformational purpose] without ending up with an excerpt” at the copyrighted work’s heart). Thus, use of the “heart” of a work is permissible when it is necessary to achieve its transformation. Such is the case with Defendants’ use — the dance depicted in the Film requires the phrase “fish sticks and tater tots” to communicate the “reverse mermaid” transformation. Therefore, the third factor’s qualitative component also favors Defendants.

[16] Because the portion of the Song used by Defendants is neither quantitatively nor qualitatively excessive, the third factor weighs in favor of a finding of fair use.

4. *Factor Four: Effect Upon the Potential Market or Value*

[17–20] The fourth factor considers “the effect of the [secondary] use upon the potential market for or value of the copyrighted work.” 17 U.S.C. § 107(4). This

factor is “undoubtedly the single most important element of fair use.” *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985). The critical inquiry is whether the secondary use “usurps” the market of the original, “where the infringer’s target audience and the nature of the infringing content is the same as the original.” *Cariou*, 714 F.3d at 709. In such instances, the secondary use competes with the original “so as to deprive the rights holder of significant revenues because of the likelihood that potential purchasers may opt to acquire the copy in preference to the original.” *Google, Inc.*, 804 F.3d at 223. This likelihood is closely linked to the first factor, as “the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original.” *Id.* (citing *Campbell*, 510 U.S. at 591, 114 S.Ct. 1164). Critically, the fourth factor must also consider “‘not only the . . . market harm caused by the particular actions of the alleged infringer,’ but also the market harm that would result from ‘unrestricted and widespread conduct of the [same] sort.’” *Fox News Network, LLC*, 883 F.3d at 179 (citing *Campbell*, 510 U.S. at 590, 114 S.Ct. 1164).

[21] Here, the fourth factor weighs decisively in favor of Defendants. Plaintiffs repeatedly acknowledge that the Film targets a different audience from their own, noting that they “created the Song with children being the intended audience,” whereas the Film is “centered on strippers” and is used “during a scene in which a woman dances to the Song while removing her clothing.” Compl. ¶¶ 17–18, 20. As the Film’s use is transformative of the original, the potential market — children or those who would acquire the Song on behalf of children — would not “opt to

acquire the copy” of a limited eight seconds of the Song “in preference to the original.” *Google, Inc.*, 804 F.3d at 223 (finding that an online service deemed transformational, which allows users to view only “snippets” of books, did not create a competing substitute for the books). Put another way, it is unlikely that parents would purchase copies of the film for their minor children so that they could hear the excerpt of the Song in the Film.

[22, 23] Plaintiffs also argue that if such use of the Song were to become widespread, that is, “without first obtaining a license from [them],” Plaintiffs would potentially be precluded “from participating in at least two entire segments of the music industry,” which they identify as “music for an individual to at least appear to dance to, and as background music” in films. Mem. in Opp’n at 13. Yet, “not every effect on potential licensing revenues enters the analysis under the fourth factor,” and a copyright holder “has no right to demand that users take a license unless the use that would be made is one that would otherwise infringe an exclusive right.” *Fox News Network, LLC*, 883 F.3d at 180 (internal quotation marks omitted). Moreover, only impacts on “potential licensing revenues for traditional, reasonable, or likely to be developed markets should be legally cognizable.” *Id.* Here, it is unreasonable to consider the potential uses named by Plaintiffs, which were alleged in their complaint and only provided in response to Defendants’ motion. Because Defendants met their burden by showing that the Film’s secondary use would not usurp that of the original, other similarly hypothetical uses would equally not deprive them of prospective audiences. Thus, the fourth factor weighs in favor of Defendants.

\* \* \*

Because the first, third, and fourth factors weigh in favor of Defendants, and the second factor is merely neutral, their alleged use of the Song is fair within the meaning of 17 U.S.C. § 107. Accordingly, Plaintiffs’ claims of direct copyright infringement by public performance and reproduction fail to meet the pleading standard required by Rules 12(b)(6) and 12(c). See *Lynch*, 952 F.3d at 75 (finding the “standard for granting a Rule 12(c) motion for judgment on the pleadings is identical to that [for granting] a Rule 12(b)(6) motion for failure to state a claim”).

### C. Contributory, Vicarious, and Inducement of Copyright Infringement

[24] Plaintiffs also assert claims for inducement of copyright infringement, contributory copyright infringement, and vicarious copyright infringement in violation of their exclusive rights of reproduction and public performance under 17 U.S.C. § 106 (1), (4). Compl. ¶¶ 37–79. While the Copyright Act does not create liability for contributory, vicarious, or inducement of copyright infringement, “the common-law doctrine that one who knowingly participates or furthers a tortious act is jointly and severally liable with the prime [sic] tortfeasor.” *Arista Records, LLC v. Doe 3*, 604 F.3d 110, 117 (2d Cir. 2010). However, there can be no contributory, vicarious, or inducement of infringement where no direct infringement exists. *Cariou*, 714 F.3d at 712. Because Defendants have successfully invoked the doctrine of fair use, no underlying direct infringement exists. *Fox News Network, LLC*, 883 F.3d at 176 (finding fair use is an affirmative defense to copyright infringement). Accordingly, Plaintiffs’ claims for inducement of copyright infringement, contributory copyright infringement, and vicarious copyright infringement also fail to meet the requirements of both Rules 12(b)(6) and 12(c).

## IV. CONCLUSION

For the reasons stated above, the Defendants' motion to dismiss and for judgment on the pleadings is GRANTED with prejudice. The Clerk of Court is respectfully directed to terminate the motion, Doc. 28, and to close the case.

It is SO ORDERED.



UNITED STATES of America

v.

Souleymane BALDE, Defendant.

20-mj-5235

United States District Court,  
S.D. New York.

Signed May 26, 2020

**Background:** After his prior conviction for possession of a firearm by an illegal alien was vacated on appeal, 943 F.3d 73, government filed another complaint charging defendant with the same offense. Defendant sought bail, which the United States District Court for the Southern District of New York, Stewart D. Aaron, United States Magistrate Judge, denied. Defendant appealed.

**Holdings:** The District Court, Jed S. Rakoff, Senior District Judge, held that:

- (1) government failed to show by preponderance of the evidence that defendant posed flight risk, so as to support detention pending trial, and
- (2) government failed to show by preponderance of the evidence that defendant presented genuine danger to community or any other person, so as to support detention pending trial.

Ordered accordingly.

See also 943 F.3d 73.

## 1. Bail ⇐49(3.1)

Under the Bail Reform Act, the government carries the burden in seeking pre-trial detention by a preponderance of the evidence. 18 U.S.C.A. § 3142.

## 2. Bail ⇐42

Government failed to show by preponderance of the evidence that defendant posed flight risk, so as to support detention pending trial on charge of possession of a firearm by an illegal alien, despite contention that if defendant were released he would be automatically returned to United States Immigration and Customs Enforcement (ICE) and ICE had no obligation to keep defendant in United States; if defendant were removed from United States his failure to appear in future court proceedings would not be result of his own volition, and defendant had no incentive to flee as he lived for many years in United States with his family and had retained two immigration lawyers to seek stay of removal. 18 U.S.C.A. §§ 922(g)(5), 3142.

## 3. Bail ⇐42

Government failed to show by preponderance of the evidence that defendant presented genuine danger to community or any other person, so as to support detention pending trial on charge of possession of a firearm by an illegal alien, even though government focused on three incidents allegedly demonstrating danger; no one was injured during one incident and no state charges were ultimately pursued, second incident amounted to a drunk brawl with defendant's brother-in-law in which no one was in serious danger, and third incident consisted of defendant resisting verbally and mildly struggling with United