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BELÍEVE, BELIEVE, SAS, BELIEVE DIGITAL SAS, ISOLATION NETWORK, INC. d/b/a INGROOVES,

CONSPIRACY LTD, NAXOS OF AMERICA, INC.,

SECOND WIND DIGITAL, THE STATE51

PHONOFILE AS, ADASAM LIMITED,

CLEOPATRA RECORDS, INC., PICKWICK GROUP LIMITED, CUGATE LTD., WNTS, IDEAL MUSIC, 1 2 SHAMI MEDIA INC., BLÚE SOUNDS, TVP, INC., J. JOES J. EDIZIONI MUSICALI, MARATHON 3 MEDIA INT. LTD., THOMAS COLLEY, BEST RECORDS, WERNER LAST'S FAVOURITES JAZZ, 4 BROKEN AUDIO. RELOADED MUSIC, VINTAGE MUSIC SL, ACROBAT MUSIC LTD., FUTURE 5 NOISE MÚSIC LIMITED, P<u>ink dot</u> PRIMEPHONIC USA INC., DWK RECORDS, 6 SENDDIGITAL, CTS DIGITAL, MICHAEL BENNETT. AP MUSIC LTD. JAZZSENTIAL 7 HASMICK PROMOTIONS LIMITED, HENRY HADAWAY ORGANIZATION LIMITED ENTERTAIN ME LTD., OVC MEDIA, MACH60 MUSIC, AVID GROUP, IMPRESSIONS, GRALIN MUSIC, JAZZ CO., MOVE, XELON 9 ENTERTAINMENT PTY. LTD., CHERISHED RECORDS, RAILROAD, VINTAGE RECORDS, 10 PLENTY JÁZZ RECORDS, JAZZ MOON. 11 FAVORITE CLASSICS, HISTORICAL JAZZ RARITY MUSIC, LIONFISH MUSIC, LLC, TRITON, 12 SMITH & CO B.V., BRISA RECORDS, CLASSICS, ROBA MUSIC VEŔLAG GMBH, BACCI BROS 13 RECORDS, DIGITAL GRAMOPHONE, PLAZA MAYOR COMPANY LIMITED, BLARICUM C.D. COMPANY (B.C.D.) BV, and John Doe Distributors 14 and John Doe Pirate Labels 1–10, 15 Defendants.

### Introduction

- 1. This case is about massive music piracy operations in the digital music stores and streaming services of some of the largest tech companies in the world. Apple, Amazon, Google, Microsoft, and Pandora and their distributors have joined with notorious music pirates to sell and stream thousands of pirated recordings embodying copyrighted musical works owned by plaintiffs SA Music, LLC and the Harold Arlen Trust ("Plaintiffs").
- 2. Plaintiffs are the legal and/or beneficial copyright owners of musical works authored by Harold Arlen, a premier composer of American music. Arlen wrote and co-wrote some of the most popular modern songs, including *Over the Rainbow* from The Wizard of Oz and many other seminal works in the American



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- songbook, including *I've Got the World on a String*, *Stormy Weather*, *The Devil and the Deep Blue Sea*, *Come Rain or Come Shine*, *Get Happy*, *Ill Wind* and *It's Only A Paper Moon*. A list of Plaintiffs' copyrighted compositions at issue in this case is annexed as Exhibit A (the "Subject Compositions").
- 3. Arlen's masterpieces have been recorded by the most prominent jazz and popular artists of all time, including Art Tatum, Benny Goodman, Billie Holliday, Cab Calloway, Charlie Parker, Coleman Hawkins, Count Basie, Dizzy Gillespie, Duke Ellington, Ella Fitzgerald, Etta James, Frank Sinatra, John Coltrane, Lena Horne, Louis Armstrong, Miles Davis, Ray Charles, and Sarah Vaughan to name only a few. These monumental works of art are, quite literally, national treasures.
- 4. These and other recordings of Arlen's musical works have been pirated by the Defendants in this case. They are players in the digital music business that participate in, and jointly profit from, making digital phonorecord deliveries, (*i.e.*, downloads and interactive streams), of pirated recordings of the Subject Compositions.
- 5. Digital phonorecord deliveries of musical recordings constitute a reproduction and distribution of the musical work embodied in the digital recording and require a negotiated license from the copyright owner of the musical composition, sometimes referred to as a "mechanical license."
- 6. Defendants have failed to obtain any license that would authorize them to reproduce, distribute, sell or stream the pirated recordings of the Subject Compositions and, as a result, Defendants have infringed Plaintiffs' exclusive rights of reproduction and distribution of the Subject Compositions, under 17 U.S.C. §§ 106(1) and 106(3).



- 7. Further, the activity of making digital phonorecord deliveries of pirated recordings of the Subject Compositions does not qualify for a compulsory license under Section 115 of the Copyright Act.
- 8. A list of the pirated recordings of the Subject Compositions that Defendants have reproduced and distributed without authorization, including by making digital phonorecord deliveries, and various methods of reproduction and distribution, thus far identified, is set forth in the Infringement Chart annexed as Exhibit B.
- 9. Over 6,000 pirated recordings of the Subject Compositions have been separately reproduced and distributed as digital phonorecord deliveries by Defendants as set forth in the Infringement Chart annexed as Exhibit B. Defendants have infringed these works in concerted and distinct distribution chains, each of which gives rise to an award for statutory damages under the Copyright Act.
- 10. To put this case in context, in 2007, Jammie Thomas-Rasset, a single mother of four in Brainerd, Minnesota, was found liable, after three separate jury trials, for copyright infringement for using file sharing software that enabled the unauthorized downloading and distribution of 24 recordings by the Goo Goo Dolls and Def Leppard, among others. The juries awarded statutory damages in all three trials of up to \$80,000 per infringement. The Eighth Circuit Court of Appeals ultimately affirmed statutory damages in the amount of \$9,250 for each infringed recording, for a total award of \$222,000. Ms. Thomas-Rassett declared bankruptcy as she had "no other option."
- 11. In 2009, Joel Tenenbaum, a Massachusetts college student, who also used file-sharing software that permitted others to download 30 recordings by Limp Bizkit and Blink-182, was found liable and the jury awarded statutory damages of \$22,500 per recording, for a judgment that totaled \$675,000 forcing Mr. Tenenbaum to file for Chapter 7 bankruptcy.



- 12. Unlike Ms. Thomas-Rassett and Mr. Tenenbaum who were not alleged to have sold their infringing recordings or profited from their conduct, Defendants in this case have engaged in massive music piracy operation for the purpose of generating profits from their sales and streams of pirated recordings and by other means.
- 13. The copyright infringement operation detailed in this Complaint is only the latest in a long line of piracy schemes that have plagued composers, publishers, and record labels since the inception of the music industry over 100 years ago, when the perforated rolls used by player pianos to perform musical works were pirated. See *Aeolian Co. v. Royal Music Co.*, 196 F. 926 (W.D.N.Y. 1912).
- 14. As the technology employed by the music industry to reproduce musical works advanced, bootlegging efforts by music pirates kept pace. In the 1960s and 1970s, organized criminal enterprises engaged in record and tape piracy operations on a scale that is dwarfed by the infringing conduct explained herein. Like the Defendants in this case, the "tape pirates" and "record pirates" of years past unlawfully duplicated popular pre-existing recordings, and then claimed their liability was limited by the compulsory license provision of the 1909 Copyright Act, Section 1(e).
- 15. The landmark case *Duchess Music Corp. v. Stern*, 458 F.2d 1305 (9<sup>th</sup> Cir. 1972) settled the issue as to whether tape pirates could limit their liability for piracy under the compulsory license provision of the 1909 Copyright Act. In *Duchess*, the defendant tape pirate engaged in the same conduct identified in this Complaint, and claimed her conduct was lawful because the compulsory license provision of the Copyright Act authorized the reproduction and distribution of the musical works embodied on the recordings she pirated. The Ninth Circuit rejected the argument, stating, "She may not continue her piracy under the flag of compulsory licensing." The *Duchess* court concluded that the tape pirates' activity

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