	Case 2:20-cv-03129-MEMF-GJS Document 2 #:97	37
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5	UNITED STATES	S DISTRICT COURT
6	CENTRAL DISTR	ICT OF CALIFORNIA
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8	COLUMBIA PICTURES INDUSTRIES, INC.,	Case No.: 2:20-cv-03129-MEMF (GJSx)
9	et al.,	ORDER GRANTING PLAINTIFFS' MOTION FOR DEFAULT JUDGMENT
10	Plaintiffs,	AGAINST DEFENDANTS RICHARD
11	V.	HORSTEN, ANNA GALINDO, MARTHA GALINDO, OSVALDO GALINDO, RAUL
12	ALEJANDRO GALINDO, et al.,	ORELLANA, AND FIRESTREAM LLC [ECF NO. 227] AND GRANTING PLAINTIFFS'
13	Defendants.	REQUESTS FOR RELIEF PURSUANT TO PLAINTIFFS' SUPPLEMENTAL BRIEF IN
14		SUPPORT OF MOTION FOR
15		TERMINATING SANCTIONS AND ENTRY OF JUDGMENT AGAINST DEFENDANT
16		ALEJANDRO GALINDO [ECF NO. 226]
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20	Before the Court is the Motion for Default Judgment filed by Plaintiffs Columbia Pictures,	
21	Industries, Inc.; Amazon Content Services, LLC; Disney Enterprises, Inc.; Paramount Pictures	
22	Corporation; Warner Bros. Entertainment Inc.; Universal City Studios Productions LLLP; Universal	
23	Television LLC; and Universal Content Productions LLC. ECF No. 227. Also before the Court is	
24	Plaintiffs' Supplemental Brief in Support of their Motion for Terminating Sanctions and Entry of	
25	Judgment against Defendant Alejandro Galindo. ECF No. 226. For the reasons stated herein, the	
26	Court hereby GRANTS the Motion for Default Judgment and GRANTS Plaintiffs' Request for	
27	judgment against Alejandro Galindo.	

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I. <u>Factual Background¹</u>

This case involves large-scale copyright infringement through an unlicensed internet streaming² service. Plaintiffs Columbia Pictures Industries, Inc. ("Columbia"); Amazon Content Services, LLC ("Amazon"); Disney Enterprises, Inc. ("Disney"); Paramount Pictures Corporation ("Paramount"); Warner Bros. Entertainment, Inc. ("Warner Bros."); Universal City Studios Productions LLLP ("Universal City"); and Universal Content Productions LLC ("Universal Content") (collectively, "Plaintiffs"), either directly or through affiliates, "produce and distribute a significant portion of the world's most popular television programs and motion pictures." SAC ¶ 31. Plaintiffs own or hold "the exclusive U.S. rights . . . to reproduce, distribute, and publicly perform countless works, including by means of streaming those works over the Internet to the public." *Id.* ¶ 32.

Defendants Richard Horsten (a/k/a "Rik de Groot") ("Horsten"), Alejandro ("Alex") Galindo, Anna Galindo, Martha Galindo, Osvaldo Galindo, Raul Orellana (a/k/a "Touchstone") ("Orellana"), and Firestream LLC ("Firestream") (collectively, the "Nitro Defendants") owned and operated Nitro TV, an unlicensed Internet Protocol television service ("IPTV"). *Id.* ¶¶ 1, 34.

A. Nitro TV Platforms

Nitro TV is a collection of web-based and application-based streaming platforms for use on mobile phones and smart TVs (collectively, the "Nitro TV Platforms"). *Id.* ¶ 2. For \$20 per month, the Nitro Defendants offered Nitro TV subscription packages consisting of thousands of live and title-curated television channels available twenty-four hours a day, seven days a week, in the United States and abroad. *Id.* ¶¶ 1–3, 42. Beginning in or around May 2017, Nitro Defendants marketed, promoted, and sold Nitro TV subscriptions through NitroIPTV.com. *Id.* ¶ 41. Alex Galindo registered the domain name NitroIPTV.com with Domain.com LLC in December 2016. *Id.* In April 2017, Horsten, under the alias Rik de Groot, registered the domain names for TekkHosting.com,

 ¹ Unless otherwise stated, the following factual background is derived from the Second Amended Complaint.
ECF No. 113 ("SAC").

 ² A "stream" is "digital data (such as audio or video material) that is continuously delivered one packet at a time and is usually intended for immediate processing or playback." *Stream*, Webster's Dictionary,

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Lalaluhosting.com, and Nitro.ltd with Namecheap, Inc. Id. All three sites are connected to the Nitro TV Platforms.

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Subscribers can obtain access to Nitro TV in two ways: (1) by purchasing a subscription through the Nitro TV website or another website maintained by the Nitro Defendants or (2) purchasing a subscription through a Nitro TV reseller. Id. ¶ 41. Many of the channels include popular television programs and movies such as The Office, Spider-Man: Homecoming, Toy Story 3, Star Trek Beyond, and Joker, and include works whose copyrights Plaintiffs own or exclusively control ("Copyrighted Works" or the "Works"). Id. ¶ 1. The channels also include live, Californiabased television networks such as Los Angeles ABC, CBS, CW, NBC, and FOX affiliates. Id. ¶ 50. Nitro TV also includes a "Catch Up" feature³ which allows a subscriber to access "television programming from the prior two days," id. ¶ 51, and "24/7, title-curated channels," which "are devoted to a single television series, motion picture, or franchise." Id. ¶ 52.

13 During the many years the Nitro Defendants operated Nitro TV, they infringed upon, at a 14 minimum, 1,897 Copyrighted Works. See SAC, Ex. A. The Nitro Defendants' infringement was 15 willful—they actively selected the programming they sold and streamed illegally on Nitro TV, 16 notified Nitro TV subscribers when channels containing the Copyrighted Works became available, 17 solicited feedback from subscribers regarding preferred television programs, and added television 18 shows in response to such feedback. Id. ¶ 3. The Nitro Defendants also took steps to actively 19 advertise Nitro TV, such as on YouTube channels and through Facebook. See id. ¶¶ 28, 35–37. 20 However, at no point did the Nitro Defendants seek to register a Digital Millennium Copyright Act ("DMCA") agent for any Nitro TV website they operated. Id. ¶ 4. Instead, the Nitro Defendants took 22 steps to operate anonymously and "hide their tracks," such as concealing registrant information on

³ The SAC describes the "Catch Up" features as follows: "For example, a Nitro TV subscriber using this 27 feature on a Monday would be shown a guide of what aired on Sunday and Saturday, and may select and watch a program that was telecast at a specific time on a specific channel . . . during the prior two days." Id. ¶ 28

the primary Nitro TV website from public access and advising subscribers to use a Virtual Private Network ("VPN").⁴ *Id.* ¶¶ 4, 39, 41.

B. Nitro TV Reseller Network

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In addition to selling subscription packages directly to users, the Nitro Defendants also developed a robust "reseller network" by which resellers market and sell the Nitro TV Platforms to subscribers all over the world. *Id.* ¶¶ 5, 54. Nitro TV resellers purchase reseller credits hosted on nitroiptv.com or other websites hosted by the Nitro Defendants. *Id.* ¶ 41. Profits and payments generated from the reseller network are managed by Anna Galindo, Martha Galindo, and Osvaldo Galindo who "hold and operate critical payment processor and bank accounts through which millions of dollars' worth of Nitro TV reseller credits and subscriptions have been sold." *Id.* ¶¶ 6, 40. Anna Galindo, Martha Galindo, and Osvaldo Galindo also used these accounts to pay Horsten, Orellana, and Firestream for their work in connection with the "promotion, sales, and operation of Nitro TV." *Id.* ¶ 40

II. <u>Procedural Background</u>

On April 3, 2020, Plaintiffs filed their initial complaint against Alex Galindo and Does 1–20 for direct and secondary copyright infringement associated with Nitro TV. ECF No. 1. Soon after, Plaintiffs sought—and were awarded— a preliminary injunction to enjoin Alex Galindo's copyright infringement, including his ongoing operation of Nitro TV. ECF Nos. 12 ("Motion for Preliminary Injunction"); 34 ("Order Granting Preliminary Injunction").

On May 4, 2020, Plaintiffs filed an application for entry of default against Alex Galindo. ECF No. 31. The Clerk of Court entered default on May 5, 2020. ECF No. 32. However, on May 19,

⁴ A VPN is a "a private computer network that functions over a public network." VPN, Merriam-Webster, https://www.merriam-webster.com/dictionary/VPN (last accessed Nov. 10, 2022); *see also United States v. Fisher*, No. 217CR00073APGGWF, 2019 WL 3310508, at *3 (D. Nev. Mar. 28, 2019), *report and recommendation adopted as modified*, No. 217CR00073APGGWF, 2019 WL 2419456 (D. Nev. June 10, 2019) ("A person using a VPN to communicate on the internet can obscure his or her true IP address and identity because the communication appears to originate from the VPN's IP address, rather than the user's actual IP address.").

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2020, pursuant the parties' stipulation, ECF No. 36, the Court set aside the entry of default. ECF No.37. Discovery commenced soon after. *See* Civil Trial Order, ECF No. 43.

However, Alex Galindo refused to cooperate in discovery and did not produce any documents. *See* ECF Nos. 53, 57. On August 19, 2020, Plaintiffs, suspecting that Alex Galindo had engaged in spoliation of evidence, filed a discovery motion requesting an order requiring, among other things, the preservation and production of relevant evidence and responses to interrogatories. ECF No. 57. Magistrate Judge Gail Standish granted the motion and ordered Alex Galindo to propound the requested discovery. *See* Report & Recommendation on Plaintiffs' Motion for Sanctions Against Alejandro Galindo, ECF No. 209 ("R&R") at 9–10, *report and recommendation adopted* ECF No. 222. Again, Alex Galindo failed to produce the ordered discovery. ⁵ R&R at 11– 12. As a result, Plaintiffs filed a Motion for Terminating Sanctions against Alex Galindo. ECF No. 112. Judge Standish issued a Report and Recommendation granting the Motion for Terminating Sanctions and granting Entry of Judgment on June 30, 2022. *See* R&R. On August 15, 2022, this Court adopted the R&R and ordered Plaintiffs to submit supplemental briefing on the issue of statutory damages and the amount of damages sought by Plaintiffs.⁶ ECF No. 222. Plaintiffs filed the requested brief on October 3, 2022. ECF No. 226 ("Supplemental Brief").

On August 27, 2020, Plaintiffs filed a First Amended Complaint adding Horsten as a defendant. ECF No. 63. On March 23, 2021, Plaintiffs filed the operative SAC adding Defendants Anna Galindo, Osvaldo Galindo, Raul Orellana, Firestream, and Martha Galindo.⁷ ECF No. 112. Plaintiffs allege three causes of action pursuant to the Copyright Act, 17 U.S.C. § 101, *et seq.*: (1) direct copyright infringement against Defendants Alex Galindo, Anna Galindo, Martha Galindo, Osvaldo Galindo, and Horsten; (2) secondary copyright infringement against all Nitro Defendants; and (3) intentional inducement of infringement against all Nitro Defendants. *See* SAC ¶¶ 64–91. Alex Galindo filed an answer on April 13, 2021. ECF No. 126. Despite properly effecting service on

⁵ A detailed summary of Alex Galindo's discovery violations may be found in the R&R.

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⁶ The Court addresses Plaintiffs' statutory damage supplemental briefing in a separate order.

⁷ Because Alex, Anna, Martha, and Osvaldo share the same last name, the Court refers to all four defendants by their first and last names.

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