

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DISTRICT**

AMERICAN BRIDAL AND PROM
INDUSTRY ASSOCIATION, INC., ALLURE
BRIDALS, INC., ALYCE DESIGNS, INC.,
JOVANI FASHION, LTD., LA FEMME
BOUTIQUE, INC., MON CHERI BRIDALS,
LLC, MORI LEE, LLC, NEXT CENTURY
PRODUCTIONS, INC. d/b/a/ "SYDNEY'S
CLOSET, and PROMGIRL, LLC,

Plaintiffs,

v.

SHEN CHEN, et al,

Defendants.

Case No.: 1:16-cv-00023

Judge John Robert Blakey

Magistrate Judge Susan E. Cox

**BRIEF OF AMICUS CURIAE ELECTRONIC FRONTIER FOUNDATION IN
OPPOSITION TO PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION**

The Electronic Frontier Foundation ("EFF") respectfully submits this amicus brief in opposition to Plaintiffs' motion for a preliminary injunction. Although the Court has already indicated that it will deny this motion, EFF hopes that briefing on some of the substantive issues raised by Plaintiffs' request might assist the Court both in its ruling on the motion and its subsequent management of this case.

INTEREST OF AMICUS

The Electronic Frontier Foundation ("EFF") is a member-supported, non-profit civil liberties organization that has worked to protect free speech, privacy rights, and innovation in the online world for over 25 years. With more than 26,000 active donors

and dues-paying members nationwide, EFF represents the interests of technology users in both court cases and broader policy debates surrounding the application of law in the digital age.

INTRODUCTION

In early 2012, after a massive public outcry, Congress abandoned proposed legislation that would have authorized broad site-blocking orders against third-parties such as domain registrars.¹ In this case, Plaintiffs seek precisely the kind of orders that failed to secure legislative approval. Plaintiffs have sued over 3,000 defendants in this single case and ask the Court to issue an extremely broad injunction that would expressly bind numerous non-parties. EFF submits that Plaintiffs' requested preliminary injunction would exceed the authority of the Court.

Plaintiffs' motion raises a number of important public policy issues. The Court has already raised the issue of whether Plaintiffs have pleaded facts sufficient to establish personal jurisdiction over all defendants. EFF files this *amicus* brief to provide authority and background regarding some additional issues. First, on the record before the Court, it appears that Plaintiffs have improperly joined thousands of unrelated defendants. Rule 20 requires more than an allegation that defendants have engaged in similar conduct. Improper joinder, especially of such a large number of defendants, creates unfairness as parties will struggle to present individual defenses. Second, contrary to Plaintiffs' claims, there is no such thing as "common law copyright" in unregistered visual works. Plaintiffs

¹ See Jonathan Weisman, *After an Online Firestorm, Congress Shelves Antipiracy Bills*, N.Y. Times, Jan. 21, 2012, <http://www.nytimes.com/2012/01/21/technology/senate-postpones-piracy-vote.html>.

must bring all copyright claims under the Copyright Act, which expressly requires that works be registered prior to suit.

Finally, and most important, Plaintiffs' request for an injunction binding non-parties, such as domain name registrars, exceeds the Court's authority under Rule 65. *See Blockowicz v. Williams*, 630 F.3d 563 (7th Cir. 2010). The Court can only bind non-parties working in active concert with defendants. This does not include neutral service providers.

ARGUMENT

I. The Court Should Consider Whether Plaintiffs Have Properly Joined the Over 3,000 Defendants Sued in this Action.

The mass joinder of so many defendants in a single case raises important questions of procedural fairness. Misjoinder can prejudice defendants who may be innocent but will be hard-pressed to defend themselves individually. This is illustrated in Plaintiffs' briefing which repeatedly characterizes the conduct of all "defendants" without citing specific evidence as to any particular defendant. To ensure fairness, the Court should sever any defendants that are improperly joined.

Rule 20 of the Federal Rules of Civil Procedure ("Rule 20") allows for joinder of defendants when the plaintiff's "right to relief is asserted against [defendants] jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences," and "any question of law or fact common to all defendants arise[s] in the action." Even if these requirements are satisfied, courts will order severance "to protect a party against embarrassment, delay, expense, or other prejudice" Fed. R. Civ. P. 20(b). When

parties are misjoined, the court may “at any time, on just terms, add or drop a party.” Fed. R. Civ. P. 21.

For joinder to be appropriate, the claims must arise out of the *same* transaction or series of transactions. It is not enough that defendants engaged in *similar* conduct. Courts have repeatedly held that merely committing the same type of violation in the same way is not enough for joinder. *AF Holdings, LLC v. Does 1-1058*, 752 F.3d 990, 998 (D.C. Cir. 2014); *Private Lenders Grp., Inc. v. Does 1-17*, 294 F.R.D. 513, 516 (E.D. Mo. 2013) (defendants may not be joined in the absence of “transactional link” between them); *Body Science LLC v. Boston Scientific Corp.*, 846 F. Supp. 2d 980, 988 (N.D. Ill. 2012); *Rudd v. Lux Products Corp. Emerson Climate Techs. Braeburn Sys., LLC*, No. CIV.A. 09-CV-6957, 2011 WL 148052, at *3 (N.D. Ill. Jan. 12, 2011); *LaFace Records, LLC v. Does 1-38*, No. 5:07-CV-298-BR, 2008 WL 544992, at *2 (E.D.N.C. Feb. 27, 2008).

On the record before the Court, it appears likely that many, if not most, of the defendants are improperly joined under this standard. In fact, Plaintiffs have effectively *admitted* that they do not know whether defendants acted together or separately. *See* Plaintiffs’ Memorandum of Law in Support of Temporary Restraining Order at 12 (Doc. 10) (hereafter “TRO Brief”) (claiming it is “virtually impossible” for Plaintiffs to learn “the exact interworking” of defendants). Subsequent developments in this case suggest that, aside from being targeted by Plaintiffs, many of the defendants have no connections whatsoever. *See* Doc 48 (letter to Court from defendant based in Ireland who, contrary to Plaintiffs’ allegations, provided accurate Whois information regarding his website). At the very least, Plaintiffs should be required to show cause as to why so many defendants

can be properly joined in this case. *See New Sensations, Inc. v. Does 1-201*, No. CIV.A. 12-11720-RGS, 2012 WL 4370864, at *1 (D. Mass. Sep. 21, 2012).

Even if Plaintiffs have met the legal requirements for joinder, the Court should consider whether severing the defendants would serve the interests of justice. Under Rule 20(a), courts have broad discretion to refuse joinder or to sever a case in order “to protect a party against embarrassment, delay, expense, or other prejudice” Fed. R. Civ. P. 20(b); *see also Coleman v. Quaker Oats Co.*, 232 F.3d 1271, 1296 (9th Cir. 2000) (explaining that permissive joinder must “comport with the principles of fundamental fairness”). There are many reasons to consider severing defendants in this case. Courts have severed defendants because of the impracticality of managing litigation involving dozens of defendants. *See reFX Audio Software Inc. v. Does 1-97*, No. 4:13-CV-00409 CEJ, 2013 WL 3766571, at *3-4 (E.D. Mo. July 16, 2013); *Third Degree Films v. Does 1-47*, 286 F.R.D. 188, 196 (D. Mass. 2012). Severance may be particularly appropriate where, as in this case, individual questions about jurisdiction and venue are likely to arise. *See Lightspeed v. Does 1-1000*, No. 10 C 5604, 2011 WL 8179131, at *3 (N.D. Ill. Mar. 31, 2011) (“The court’s decision to order severance is reinforced by its concerns regarding the plaintiff’s choice of venue.”). Finally, there is the concern that some plaintiffs have engaged in mass joinder to avoid filing fees while using the pressure of litigation costs to secure quick settlements. *See, e.g., In re BitTorrent Adult Film Copyright Infringement Cases*, 296 F.R.D. 80, 92 (E.D.N.Y. 2012).

Many of the cases cited above involve a only few dozen defendants accused of infringing a single motion picture. This case, in contrast, involves over 3,000 defendants accused of infringing a wide array of trademarks and copyrighted works that in turn

belong to numerous plaintiffs. Any concerns about the practicality and fairness of joinder are vastly more serious here. Thus, even if Plaintiffs had properly joined defendants, the Court should still consider severance.

II. Plaintiffs Cannot Bring Claims for Infringement of “Common Law Copyright” In Visual Works.

Most of Plaintiffs’ copyright claims appear to be based on alleged infringement of unregistered words. Plaintiffs state that they own “common law copyrights respecting Plaintiffs’ original images displayed on the Websites for use in connection with bridal gowns and formalwear.” Complaint ¶ 34; *see also* TRO Brief at 6. But there is *no such thing* as “common law copyright” in photographs. 17 U.S.C § 301(a) (expressly preempting copyright “in any such work under the common law or statutes of any State”); *see also FASA Corp. v. Playmates Toys, Inc.*, 869 F. Supp. 1334, 1359 (N.D. Ill. 1994).

In the absence of common law copyright, Plaintiffs *must* bring their claims under the Copyright Act. The Copyright Act provides that “no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.” 17 U.S.C. § 411(a); *Chicago Bd. of Educ. v. Substance, Inc.*, 354 F.3d 624, 631 (7th Cir. 2003) (“an application for registration must be filed before the copyright can be sued upon”). Admittedly, in some cases, courts have allowed copyright owners to seek injunctions based on unregistered works despite the clear language of the Copyright Act. *See Strategy Source, Inc. v. Lee*, 233 F. Supp. 2d 1, 2 (D.D.C. 2002) (noting that courts are divided on this issue). The Seventh Circuit has not squarely addressed this issue. At a

minimum, this is another issue supporting severance in this case as some defendants are only alleged to have infringed unregistered works.

III. Rule 65 Does Not Allow an Injunction Against the Neutral Service Providers.

Plaintiffs in this case seek relief far broader than that permitted by law. They seek an injunction that would expressly bind a wide array of non-parties including domain name registrars and payment providers. But non-parties cannot be bound by an injunction unless they are shown to be working “in active concert or participation” with Defendants. Fed. R. Civ. P. 65(d)(2)(C). On the record before the Court, Plaintiffs do not appear close to meeting this standard.

Rule 65 of the Federal Rules of Civil Procedure codifies the “well-established principle that, in exercising its equitable powers, a court ‘cannot lawfully enjoin the world at large.’” *New York v. Operation Rescue Nat’l*, 80 F.3d 64, 70 (2d Cir. 1996) (quoting *Alemite Mfg. Corp. v. Staff*, 42 F.2d 832, 832 (2d Cir. 1930) (Hand, J.)). Accordingly, the rule mandates that an injunction can bind only a limited universe of people: (1) the parties; (2) their “officers, agents, servants, employees, and attorneys”; or (3) those in “active concert or participation” with them. Fed. R. Civ. P. 65(d)(2); *see also United States v. Kirschenbaum*, 156 F.3d 784, 794 (7th Cir. 1998). The “active concert or participation” standard is narrow. Its purpose is to ensure that “defendants may not nullify a decree by carrying out prohibited acts through aiders and abettors[.]” *Regal Knitwear Co. v. NLRB*, 324 U.S. 9, 14 (1945). The relationship between the party and the nonparty must be “that of associate or confederate.” *Chase Nat’l Bank v. City of Norwalk, Ohio*, 291 U.S. 431, 436-37 (1934); *see also Microsystems Software, Inc. v. Scandinavia Online AB*, 226 F.3d 35, 43 (1st Cir. 2000) (“[A]ctive concert” requires a “close alliance with the enjoined defendant”). Plaintiffs’ bear the burden of proving that any non-party

they seek to bind meets these requirements. *Blockowicz v. Williams*, 630 F.3d 563, 567 (7th Cir. 2010).

The Seventh Circuit's decision in *Blockowicz* is closely analogous to this case. In *Blockowicz*, the court held that the operators of a nonparty website (Ripoff Report) could not be bound by an injunction against users of its service. The court reached that conclusion even though Ripoff Report continued to provide service to those defendants by leaving their material up on its website after the injunction had issued. *Id.* at 567-68. The court found that plaintiffs "failed to present any evidence that [the website operators] had any contact with the defendants after the injunction was issued, or that they worked in concert with the defendants to violate the injunction." *Id.* As such, the conduct of website and its owners was "simply inadequate to render them aiders and abettors" for purposes of Rule 65. *Id.* at 568-70.

Plaintiffs' request for an injunction against third-parties fails for the same reasons. Plaintiffs have not shown how neutral domain name registrars or payment providers play active and direct role in the thousands of defendants' allegedly infringing activities. It is not enough that some defendants may have used some open and widely available services. On the record before the court, neutral service providers are no more in "active concert" with the defendants here than a utility company that provides electricity to an infringing business, or the postal service delivering copies of allegedly infringing works. *See, e.g., Paramount Pictures Corp. v. Carol Publ'g Grp.*, 25 F. Supp. 2d 372, 374 (S.D.N.Y. 1998) (book retailers not "in active concert" with infringing publisher by selling previously purchased copies of infringing book); *see also Bobolas v. Does*, No. CV-10-2056-PHX-DGC, 2010 WL 3923880, at *2 (D. Ariz. Oct. 1, 2010) ("Plaintiff's

counsel argued that GoDaddy is an agent of Defendants given its role as website host and domain name registrar, but Plaintiff has made no such allegation in the complaint and provides no factual or legal proof on this point in its papers. As a result, the Court cannot enter a TRO against GoDaddy.”).

Plaintiffs did not cite *Blockowicz* anywhere in their briefing. Instead, they cited a collection of unpublished, *ex parte* orders issued by various courts. See TRO Brief at 34-36. EFF submits that the Seventh Circuit’s reasoned decision is far more persuasive than a grab bag of hastily-issued *ex parte* orders from other districts.² On the key question of whether an injunction can bind non-party service providers, *Blockowicz* is both correctly decided and controlling authority.

IV. The Court Should Require Any Evidence to Be Properly Submitted to the Court.

EFF finally notes that much of Plaintiffs’ evidence in this case appears to be externally hosted on the server of Plaintiffs’ expert rather than properly submitted to the Court. The Plaintiffs’ evidence of alleged infringement is found in documents that are listed in Exhibit 1 to the March 7, 2016 declaration of Suren Ter Saakov (Doc 66-1). This exhibit contains hyperlinks to *externally* hosted documents that were not filed with the Court.³ The documents, many of which are hundreds of pages long, are hosted online by Plaintiffs’ expert.

EFF is concerned that this manner of presenting evidence does not properly create a court record. Documents that are hosted externally on the Internet by a party can be

² EFF is submits this brief partly because of its concern that, in the absence of legal argument on both sides of the issue, some courts have issued site-blocking injunctions that are inconsistent with Rule 65. Plaintiffs then cite these highly questionable orders as if they were legal precedent, further compounding the problem.

³ Short excerpts of some of these documents appear to have been filed with Plaintiffs’ temporary restraining order briefing.

removed or changed at any time. This means that the Court, defendants, and members of the public cannot be certain that they will be inspecting the same evidence when they visit these pages at different times. Moreover, it is highly unlikely that Plaintiffs' expert will wish to bear the expense of hosting such a large volume of evidence online forever.

The only constant feature of the Internet is that it is continually changing. *See, e.g., About the Internet Archive*, <https://archive.org/about/> (discussing how content on the Internet is lost over time). If this case were appealed, the appeals court could find that much of the record has vanished. External webpages cannot substitute for filings. Moreover, in EFF's view, Plaintiffs' failure to actually file this evidence with the Court is another sign that the mass joinder in this case is impractical.

CONCLUSION

For the foregoing reasons, EFF requests that the Court deny Plaintiffs' motion for a preliminary injunction. In addition, the Court should either sever the defendants or issue an order requiring the Plaintiffs to show cause why the defendants are properly joined.