IN THE UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA

3	FOR THE CENTRAL DI	STRICT OF CALIFORNIA
4 5	JANE COE JOHN MOE,	Case No.
6 7 8 9 10 11	Plaintiffs, v. CHALK-IT-UP ARTS, INC A Delaware Corporation, SHAKEY PUDDING ARTS, LTD	COMPLAINT FOR DECLARATORY JUDGMENT OF COPYRIGHT NONINFRINGEMENT AND INJUNCTIVE RELIEF JURY TRIAL DEMANDED
12 13 14 15 16 17 18	Jane Coe John Moe 123 Moecoe Road P.O. Box 12 Hurley, CA 80449 858-123-4567 Plaintiffs Pro Se	_
20	Plaintiffs Jane Coe and John Moe allege and a	ver as follows:

PARTIES

1. Plaintiffs Jane Coe and her husband, John Moe, are California citizens who run an unincorporated business out of their home under the name of Tempting Collectibles. Jane and John make and sell collectibles, fabric and hand-made fabric crafts, such as aprons, blankets, pot holders, and placemats.

- 2. Shakey Pudding Arts Ltd is a British corporation with principal place of business at 6 Downing Street, London. Upon information and belief, this defendant is the owner of certain copyright and trademark rights concerning the artist Erte.
- 3. Chalk-It-Up Fine Arts, Inc., is a Delaware corporation with its principle place of business at 22 Old Hat Road, #1, Greenwich, CT 06830-6200. Upon information and belief, this defendant is an agent and representative for Shakey Pudding Arts, Ltd, and in that capacity, issued the Notice Of Claimed Infringement against the Plaintiffs.

JURISDICTION AND VENUE

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- 4. This Court has subject matter jurisdiction over plaintiffs' Copyright Act claims under 28 U.S.C. §§ 1331, 1332, and 2201. This Court has personal jurisdiction over Defendants under the test established in *Calder v. Jones*, 465 US 783 (1984), applying Cal. Code Civ. Proc § 410.10. Venue is proper in this District under 28 U.S.C. § 1391(b).
- 5. This Court also has jurisdiction under the Digital Millennium Copyright Act ("DMCA") under 17 U.S.C. § 512 (g)(3)(D) which provides that "jurisdiction of Federal District Court for the judicial district in which the address (of the Plaintiffs) is located."

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GENERAL ALLEGATIONS

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Plaintiffs' Business

- 6. Jane and John run a home-based business under the name Tempting Temptations. The business was named after a family cat, Tabitha. Jane and John sell collectibles and fabric 23 and also make and sell hand-made collectible fabric crafts, such as aprons, blankets, pot 24 holders, and placemats. 25
 - 7. Jane and John sell these items through their website, www.Tempting Collectibles.com, and through eBay auctions using the eBay selling ID of Tempting Collectibles.

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- 8. eBay is a popular Internet auction site accessible at http://www.ebay.com/. The eBay site allows users to post items for sale, on which other users may place bids. When the time allotted for the auction is complete, the site informs the highest bidder that he or she has "won" the auction, and informs the seller of the identity and contact information of the highest bidder. eBay also allows sellers to list items for sale in their "eBay Store" which is almost identical to the standard auction. After the buyer and seller complete their transaction, the eBay site offers both parties the opportunity to leave "feedback" on the quality of the goods and the speed and smoothness of the transaction.
- 9. Since they began selling items on eBay in 1998, Jane and John have sold over 11,000 items through the site. eBay sales have become the primary source of financial support for Plaintiffs. Plaintiffs sell high-quality manufactured goods, and nearly 60% of their sales have been to repeat customers. Out of the over 4,460 individuals who have purchased items from Plaintiffs and left feedback, 99.9% have indicated satisfaction with the transaction.
- 10. Jane and John sell many fabrics pre-printed with cartoon characters and logos. These fabrics are sold at retail fabric and craft stores to consumers. Jane and John do not themselves print any cartoon characters or logos on the fabrics they sell.
- 11. On information and belief, the fabric Jane and John purchase has been manufactured under the authorization of the owner of copyright and trademark rights in the characters or logos.
- 12. Tempting Collectibles auction listings on eBay consistently inform prospective buyers that the hand-crafted items for sale is not a product of the copyright or trademark holder. For example, a recent auction of an apron made from licensed fabric imprinted with images of characters from the Peanuts comic strip bore the notice, "This is not a licensed Peanuts product. It is, however, hand-crafted with care from licensed Peanuts fabrics. Tempting Collectibles is not affiliated with Peanuts."

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28 29 13. In order to attempt to prevent the sale of goods that infringe copyright and trademark rights through its site, eBay has established the Verified Rights Owner Program ("VeRO"). The VeRO program was initiated by eBay to bring it into compliance with the take-down provisions of the DMCA. The name "Verified Rights Owner" is a misnomer as eBay does not require the alleged "Rights Owner" to actually prove they hold any real rights under trademark, patent or copyright laws. eBay also keeps score of the takedowns, assigning black-marks against the seller's record, and frequently suspending repeat offenders. Included in the eBay email notifying the Plaintiffs of the terminated auctions, is the warning:

"IMPORTANT NOTICE: Repeated violations of this or other eBay policies may result in the suspension of your account."

(see Exhibit #1)

- 14. Under the DMCA, in order to halt an ongoing auction, the rights owner must file a Notice of Claimed Infringement ("NOCI") representing, under penalty of perjury, that they have a good faith belief that the items offered in that auction are infringing. After receipt of these representations, eBay summarily halts the auction without further investigation. eBay is not required to investigate the validity of the claims under the DMCA. eBay instructs sellers whose auctions have been halted due to a complaint from a rights-holder to contact the rights-holder to resolve the dispute. eBay will reinstate the halted auction and remove the black-mark only if the rights-holder retracts the NOCI or if the seller files a Counter Notice ("CN") as defined in the DMCA and the rights owner allows the CN to expire. The DMCA Counter Notice, once filed, sets jurisdiction in the Federal Court District of the party filing the Counter Notice (see under 17 U.S.C. § 512 (g)(3)(D)).
- 15. The threat of suspension from eBay impacts the eBay auction business of the Plaintiffs as a suspension would shut-down the at-home business the Plaintiffs have built. The fabric in question cannot be re-listed as another takedown would result in immediate suspension. (see Exhibit #1 and #5). If another fabric was questioned by a VeRO member, a permanent suspension could happen. eBay has long accepted take-downs from

anyone who has a computer and a complaint, whether valid or not. Because eBay has adopted a head-in-the-sand attitude, the Plaintiffs must vigorously defend against every take-down to protect their business.

- 16. After extended communications between the Plaintiffs and the Defendant, in which the Defendant openly admitted the Plaintiffs were not infringing, the Defendant flatly refused to retract the NOCI. The Plaintiffs have no recourse but to sue to protect their business and the reputation of their business.
- 17. The Plaintiffs are not disputing that the Defendant holds valid copyrights for Erte graphic designs.

Acts of Defendant Chalk-It-Up Fine Arts

- 18. Jane and John initiated auction number 6221832561 on or about October ___, 20___, and auction number 6203338371 (date unknown) in 2005. Auctions 6221832651 and 620338371 (the "Auctions") were for yardage of fabric with images of Betty Boop posed in elegant gowns on a black background. Included in the images of Betty Boop is the word "ELEGANCE".
- 19. The fabric was manufactured by Shamash & Sons. Upon information and belief, their corporate offices are located at ______, New York, NY 1______.
- 20. Upon information and belief, the Betty Boop character is copyrighted and is a trademark of King Features and Fleischer Studios.
- 21. Upon information and belief, this fabric was manufactured under a valid license from King Features and Fleischer Studios to Shamash & Sons.
- 22. On December ___, 20____, Defendant Chalk-It-Up Fine Arts (CVFA) transmitted to eBay a Notice of Claimed Infringement ("NOCI") which stated under penalty of perjury that this Defendant had a good faith belief that the sale of the fabric via the Store Auction infringed its intellectual property rights.
- 23. When they received this notice, eBay halted the Store Auctions.
- 24. When eBay halted the Store Auction, Plaintiffs received notice of CVFA's complaint from eBay via email. (see **Exhibit #1**)

COMPLAINT

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25. Because of CVFA's complaint, Plaintiffs suffered a loss of revenue from the Store Auction. The action by CVFA is potentially ruinous as another takedown could result in the loss of the entire eBay auction business for the Plaintiffs whose sole revenue is their at-home business.

- 26. Defendant claims one image of Betty Boop on the fabric is infringing. Specifically, that the gown Betty Boop is wearing is copied from the Erte graphic design, Ebony And White (as well as Symphony In Black), registered through Erte at 95, page 171. Also, the use of the word ELEGANCE on the fabric was claimed by CVFA to be infringing. CVFA also claimed the Betty Boop "Princess" fabric uses the Erte graphic design "Starstruck", registered through page 127. This figure appears on Betty Boop fabric often referred to as "Lush Life". The "Starstruck" character also appears on the "Elegance" fabric". (see Exhibit #2)
- 27. After several emails, CVFA referred all correspondence to Shakey Pudding Arts, Ltd, with the admonition:

"We represent Shakey Pudding Arts Ltd. the owners of the Erte trademark and copyright." They will respond to your email."

Acts of Defendant Shakey Pudding Arts, Ltd

- 28. Defendant Shakey Pudding Arts, Ltd ("Shakey Pudding Arts"), openly agreed that the Plaintiffs were not responsible for the manufacture of the fabric or the design thereon. Shakey Pudding Arts referred to Plaintiffs and other purchasers of the fabric as having "innocently bought fabric which makes (alleged) unauthorized use of Etre designs." (see Exhibit #3)
- 29. Plaintiffs repeatedly offered to no longer offer the fabrics for sale if Shakey Pudding Arts would simply have eBay withdraw the black-mark. (see **Exhibit** #4)
- 30. Despite pleas from Plaintiffs, Shakey Pudding Arts refused to take action to remove the black-marks against the Plaintiffs, thereby placing the continuing business of Tempting Collectibles in potential future jeopardy. (see Exhibit #3)

1	31. On, 20, Shakey Pudding Arts informed Plaintiffs that if they had a
2	"complaint and wish to take legal action you must do so." while also providing a contact
3	address in the UK. (see Exhibit #3)
4	32. On Monday,, 20, Plaintiffs emailed a Counter Notice to eBay and then
5	emailed CVFA a copy of same since CVFA was the VeRO member of record.
6	33. On, 20, Shakey Pudding Arts ordered agent CVFA to remove any
7	future listings by Plaintiffs and beginning communications with his attorney,
8 9 10	"I am sorry to see that Jane has taken this action. Please have E Bay remove the item again if that is possible as Jane may not have received my recent e mail which details the violation of copyright. If it is not possible please pass all correspondence to Joel Level and I will do likewise." (see Exhibit #5)
12	In this same email, copied to the Plaintiffs, Ray Perman also states to the Plaintiffs:
13 14 15 16	"You will note my comments above. If you have subsequently received my email and have withdrawn the counterclaim then there is no problem. If you have chosen to ignore my comments and continue to offer the fabric then we shall be forced to pursue the matter. In such event we reserve the right to have legitimate licensees join us in the action." (see Exhibit #5)
17	34. On, 20, Sevearts instructed Plaintiffs that all future
18	correspondence must be directed to his lawyers, saying:
19 20 21	"We have received the Counter Notice from E Bay. This states that the vendor claims the listings were removed in error which of course is not the case. The letter also obliges us to file an action in the federal court within 10 days which we will now do.
22	The matter is now in the hands of our lawyers Dewey Cheatem and Howe. You will no doubt hear from them shortly and all future correspondence must be directed to them."
24	(see Exhibit #5)
25	COUNT ONE:
26	DECLARATORY JUDGMENT – COPYRIGHT
27	(17 U.S.C. 101 et seq.)
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29	COMPLAINT

- 35. Plaintiffs repeat and re-allege paragraphs 1 though 34 as if fully set forth in this Paragraph.
- 36. There is a real and actual controversy between Plaintiffs and Defendants regarding whether Plaintiffs' actions constitute copyright infringement. Defendants have placed the at-home eBay auction business of the Plaintiffs in jeopardy and have threatened Plaintiffs with legal action.
- 37. Plaintiffs seek a declaratory judgment and injunctive relief pursuant to 28 U.S.C. § 2201
 that selling fabric containing the above mentioned images of Betty Boop is not an infringement of copyright as the images are fair use and therefore protected use by Shamash & Sons and the Plaintiffs and others.

Fair Use

- 38. Fair use, a defense to an otherwise valid claim of copyright infringement, is codified in Section 107 of the Copyright Act of 1976, 17 U.S. C. §107.
- 39. Section 107 sets out four nonexclusive factors to be considering in determining whether a use is "fair":
 - A. The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
 - B. The nature of the copyrighted work;
 - C. The amount and substantiality of the portion used in relation to the copyrighted work as a whole;
 - D. The effect of the use upon the potential market for or value of the copyrighted work.
- 40. The Erte image of Ebony And White, also Symphony In Black (see **Exhibit #6A**), is of a sophisticated woman posed, wearing a fur and a large fan-shaped hat, with a postured greyhound at the end of a taut leash. The Betty Boop image transforms that image in to the unsophisticated Betty, posed, in fur but without the pretentious hat, with her dog Pudgy sitting at the end of a limp leash. (see **Exhibit #6B**)
- 41. The Erte image of Starstruck is that of a woman on a pedestal, wearing a dark gown and necklace and surrounded by stars, with a radiance generating out from her (see **Exhibit**

- #6A). The Betty Boop transforms the image by brightening the focus: putting her into a bright white dress, no necklace or pedestal, making the stars shiny while Betty is modest. (see Exhibit #6B)
- 42. The nature of the work, is complimentary to the original while expressing an alternative interpretation. The Betty Boop parody is positive and in all likelihood would result in a positive effect for Erte graphic designs.
- 43. Erte graphic designs is an entirely different market and clientele than Betty Boop. There is no likelihood of confusion upon the part of consumers concerning the differing products. Patrons who purchase Erte sculptures and posters are very unlikely to purchase Betty Boop fabrics.
- 44. All four factors of "fair use" are meet and satisfied by the Betty Boop fabric designs. Parody and Satire
 - 45. In addition, the Betty Boop figure dressed in Erte gowns is a parody and satire.
 - 46. Parodies and satires have been expressly permitted as fair use of copyrights. Fair use, a defense to an otherwise valid claim of copyright infringement, is codified in Section 107 of the Copyright Act of 1976, 17 U.S. C. §107
 - 47. In Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994), the Supreme Court held that the commercial character of a parody does not create a presumption against fair use.
 - A. First factor focuses on "whether the new work merely supercedes the objects of the original creation . . . or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.'" 510 U.S. at 579 (quoting Pierre N. Leval, Toward a Fair Use Standard 103 HARV. L. REV. 1105, 1111 (1990)).
 - 1) Transformative uses are more likely to be fair: "Although such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at

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COMPLAINT

the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." 510 U.S. at 579 (citations omitted).

- 2) Parody "has an obvious claim to transformative value" and may claim fair use. 510 U.S. at 579.
- 3) Court defines parody, for purposes of copyright law, as "the use of some elements of a prior author's composition to create a new one that, at least in part, comments on the author's works. . . . Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet an so requires justification for the very act of borrowing." 510 U.S. at 580-81 (citations omitted).
 - a) Work "loosely" targeting an original may still qualify as a parody. 510 U.S. at 580 n.14. *See* 510 U.S. at 597 ("The parody must target the original, and not just its general style, the genre of art to which it belongs, or society as a whole (although if it targets the original, it may target those features as well)") (Kennedy, J., concurring).
- B. Fact that a work is sold—and hence is "commercial"—does not make it presumptively unfair under the first factor, as "'[n]o man but a blockhead ever wrote, except for money." 510 U.S. at 584 (quoting 3 BOSWELL'S LIFE OF JOHNSON 19 (G. Hill ed. 1934)).
- C. No one factor primary: "All [four factors] are to be explored, and the results weighed together, in light of the purposes of copyright." 510 U.S. at 578.
- D. While (Plaintiffs) bears the burden of proof with respect to fair use, as it is an affirmative defense, with respect to the fourth factor, when "the second use is

COMPLAINT

transformative, market substitution is as least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure and simple, it is more likely that the new work will not affect the market for the original work in a way cognizable under this factor, that is, by acting as a substitute for it This is so because the parody and the original usually serve different market functions." 510 U.S. at 591. Court notes that "there is no protectible derivative market for criticism." 510 U.S. at 592.

- E. Fourth factor concerns likely effect on market for original and for derivative works, so evidence as to both markets pertinent. 510 U.S. at 592-94.
- 48. There is no exclusive right granted to the use of the word "ELEGANCE" as claimed by Defendant. There are five Betty Boop figures depicted on the "Elegance" fabric. The parody and satirical use of the word "Elegance" refers to all five figures, which are in fact "elegant" as described.

Betty Boop Is Herself A Parody and Satire

- 49. Betty Boop herself is a parody and satire. She was patterned after Helen Kane as a parody and satire of the 1930's movie stars and entertainers. In fact, Helen Kane sued Paramount Pictures and Betty Boop in 1932, Kane claiming the Boop character infringed and Kane's identity as the "boop-opp-a-doop" girl. The Court ruled that both Kane and Betty Boop were patterned after Clara Bow, the "it" girl and ruled against Kane.
- 50. The Betty Boop cartoon character has a long and varied history of parody and satire. Images of Betty Boop often portray her as recognizable characters, in famous poses, or doing a readily recognizable function. The parodies and satires appear in a wide variety of media, including but not limited to posters, postcards, dolls, mugs, air fresheners, magnets, banks, figurines, tins, tapestry, fabrics, etc. (Rosie The Riviter, Sheena The Jungle Queen, Statue of Liberty, Marilyn Monroe, Red Hat Society, Biker Betty, etc.)
- 51. Betty Boop and nursery rhymes are one example of her parodies and satires. Attached are examples of Betty Boop and The Three Little Kittens, Betty Boop as Mother Goose, Boop Be Nimble and Little Miss Boop. (see **Exhibit #7A**)

COMPLAINT

- 52. Betty Boop has appeared as a G.I. Betty doll, playing baseball, as a movie star poster, doing a parody and satire of the Zodiac as Gemini, and Born 2 Boop bumper sticker. (see **Exhibit #7B**).
- 53. Betty Boop has parodied motion pictures such as The Wizard Of OZ, King Kong, Dancin' In The Rain, Frankenstein, Cinderella, Gone With The Wind, Casablanca, to name a few. (see **Exhibit #7C**)
- 54. Famous people and things have also been parodied. Marylyn Monroe is a favorite where she was standing over the air grate in "*Some Like It Hot*". Boop is shown as a cut-out that stands 5 feet 6 inches tall, a Betty Boop doll called "Marylyn", a tapestry and a postcard of the air grate scene. The air grate scene appears frequently of fabrics. The Statue of Liberty, Rosie the Riviter, and the Spice Girls are others. (see **Exhibit #7D**)
- 55. Some parodies involve Betty Boop as Santa, the painting "*The Birth Of Venus*" by Sandro Botticelli, a parody of the Coppertone Suntan Lotion ad, and Betty Boop promoting *Boopsi-Cola*. (see Exhibit #7E)
- 56. The parodies and satires are not limited to one location or just Hollywood. The "Outside The Castle" has Betty Boop and friends outside Buckingham Palace in London. The "troupe de mlle eglantine" is a spoof of the Toulouse-Lautrec artwork of the Moulin Rouge. A number of the fabrics released have Las Vegas themes. One fabric is called "Tryin' Hawaiian". (see **Exhibit #7F**)
- 57. The Betty Boop fabrics express a wide number of themes. Over 40 different Betty Boop fabrics have been released in the last five years. Among these are varying themes: exercising, in the big city, motoring about, cowgirl, motorcycles, bingo, wearing red hats, etc.
- 58. The ELEGANCE fabric was just an extension of this pattern of parodies and satires. The word "elegance" is a generic term denoting sophistication. A generic term cannot be copyrighted.

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Claims By Shakey Pudding Arts

59.	. In an	email to	CVFA,	dated July	7 21, 200	3, from	Shakey	Pudding .	Arts to (CVFA,	_
		states	·								

- "This is a serious matter not only for ourselves but also for some of our licensees who have exclusive rights for Erte products that can be easily produced from this fabric."
- 60. Erte licensees market high-end prints, posters, and sculptures of Erte designs. There is no conceivable product that can be manufactured from the Betty Boop fabrics that could reasonably be sold to someone seeking an Erte item. This statement is simply a smoke-screen attempt to justify unwarranted interference in the lawful sale of an item.

CONCLUSION

WHEREFORE, Plaintiffs Jane Coe and John Moe request that this Court enter judgment as follows:

- 1. A declaratory judgment, holding that:
 - a) Selling the Betty Boop fabrics as described above is not an infringement of copyright;
 - b) Displaying photographs of the fabrics as described above in connection with their sale is not an infringement of copyright rights.
- 2. An order restraining Defendants, their agents, servants, employees, successors, and assigns, and all others in concert and privity with them, from bringing any lawsuit or threat against Plaintiffs or any other person or entity for copyright infringement in connection with the manufacturing, marketing, and sale of the Betty Boop fabrics as described above;
- 3. An order restraining Defendants, their agents, servants, employees, successors, and assigns, and all others in concert and privity with them, from representing to any third party that the manufacturing, marketing, and sale of the Betty Boop fabrics as described above constitutes copyright;
- 4. An order restraining Defendants, their agents, servants, employees, successors, and assigns, and all others in concert and privity with them, from interfering with

1	eBay auctions, or other internet auctions, that offer for sale the Betty Boop fabrics				
2	as described above, as being infringing of their intellectual property rights;				
3	5. Such other and further relief as the Court shall find just and proper.				
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6	Respectively submitted				
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8	Ву				
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10					
11	Jane Coe				
12	John Moe 123 Moecoe Road P.O. Box 12				
13	Hurley, CA 80449 858-123-4567				
14					
15	Plaintiffs Pro Se				
16	Certificate of Service				
17					
18	I HEREBY CERTIFY that on this ^h Day of, 201_, a true and correct				
19	copy of the Complaint for Declaratory Judgment for Copyright Noninfringement And				
20	Injunctive Relief was mailed, with all attachments, postage prepaid, Priority Mail with				
21	delivery confirmation to:				
22					
23	Corporation				
23	CorporationAvenue New York, NY				
24	New York, NY				
24 25	Avenue				
24 25 26	Avenue New York, NY Joel Lever Dewey, Cheatem & Howe, LLP				
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