JUDGE LYNCH

Richard Dannay (rxd@cll.com)
Thomas Kjellberg (txk@cll.com)
COWAN, LIEBOWITZ & LATMAN, P.C.

mo CIV 00528

1133 Avenue of the Americas New York, NY 10036 Phone: 212-790-9200

Fax: 212-575-0671 Attorneys for Plaintiff

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK	× DEGETWEN
PENGUIN GROUP (USA) INC.,	: JAN 2 0 2009
Plaintiff,	No. U.S.D.C. S.D. N.Y.
-against-	· ECF CASE
AMERICAN BUDDHA,	:
Defendant.	:
	x

COMPLAINT

Plaintiff Penguin Group (USA) Inc. ("Penguin"), by its attorneys Cowan, Liebowitz & Latman, P.C., for its complaint, alleges:

NATURE OF THE ACTION

1. In this action Penguin seeks preliminary and permanent injunctive relief and damages arising out of American Buddha's willful infringement of Penguin's exclusive rights in the novels *Oil!* by Upton Sinclair and *It Can't Happen Here* by Sinclair Lewis; and the new translation by E. J. Kenney of *The Golden Ass* by Apuleius.

THE PARTIES

- 2. Plaintiff Penguin Group (USA) Inc. is a Delaware corporation having its principal place of business in the City and County of New York.
- 3. Upon information and belief, defendant American Buddha is an Oregon not-for-profit corporation, with a principal place of business at 2165 South Avenida Planeta, Tucson, Arizona 85710.

JURISDICTION AND VENUE

- 4. Subject matter jurisdiction exists in this case pursuant to 28 U.S.C. § 1331, giving this Court original jurisdiction in a civil action raising a federal question, and 28 U.S.C. § 1338(a), giving this Court original and exclusive jurisdiction in a civil action arising under the copyright laws of the United States.
- 5. Upon information and belief, defendant American Buddha has engaged in infringing activities that injure plaintiff in this district, and is otherwise subject to personal jurisdiction in this district.
 - 6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b).

FACTS

- 7. Penguin is the owner of exclusive publishing rights in the new translation by E. J. Kenney of *The Golden Ass* by Apuleius ("*The Golden Ass*").
- 8. The copyright in *The Golden Ass* is valid and subsisting, and is in the process of being registered at the United States Copyright Office on an expedited basis.

- 9. In December 2008 Penguin learned that a complete copy of the text of *The Golden Ass* in digital format was posted on the website located at www.naderlibrary.com (the "Website").
- 10. The Website contains a notice directing that "DMCA Notices [be sent] to The Ralph Nader Library's Legal Representative" via an email link to chas@charlescarreon.com, the email address of Online Media Law, PLLC and Charles Carreon, Esq., with an address at 2165 South Avenida Planeta, Tucson, Arizona 85710.
- 11. On December 18, 2008 Penguin through counsel submitted a letter (Exhibit 1) to Mr. Carreon by email at chas@charlescarreon.com, requesting that Mr. Carreon's client immediately remove the text of *The Golden Ass* from the Website. Mr. Carreon responded with a request, sent by ordinary mail, that Penguin's counsel "clarify your standing as counsel pertinent to this title before we proceed to discuss it further." (Exhibit 2)
- 12. By letter dated December 23, 2008 (Exhibit 3), Penguin again requested that Mr. Carreon's client immediately remove the text of *The Golden Ass* from the Website.
- 13. In response (Exhibit 4) Mr. Carreon represented that American Buddha is the "service provider," as defined in 17 U.S.C. § 512(k)(1), for the Website; identified American Buddha's agent for service of DMCA notices as "Mr. Jacob Hammond"; and "invite[d]" Penguin "to serve a DMCA notice on American Buddha's designated agent for service of DMCA notices."
- 14. On January 5, 2009 Penguin, pursuant to 17 U.S.C. § 512(c)(1)(C), submitted to Jacob Hammond a Notice of Claimed Infringement ("NOCI") with respect to the posting of the Work on the Website (Exhibit 5). In response to the NOCI, Mr. Hammond removed the infringing material from the Website.

15. The Copyright Act provides that

a service provider shall not be liable to any person for any claim based on the service provider's good faith disabling of access to, or removal of, material ... claimed to be infringing [provided that] the service provider ... replaces the removed material and ceases disabling access to it not less than 10, nor more than 14, business days following receipt of the counter notice, unless its designated agent first receives notice from the person who submitted the [NOCI] that such person has filed an action seeking a court order to restrain the subscriber from engaging in infringing activity relating to the material on the service provider's system or network.

17 U.S.C. § 512(g)(1)-(2).

16. On January 13, 2009, Mr. Carreon, "acting as the attorney for American Buddha," submitted to Mr. Hammond a "counter notification" pursuant to 17 U.S.C. § 512(g)(3) (Exhibit 6), stating in part:

the subscriber has a good faith belief that the material was removed due mistaken misapplication [sic] of the applicable law of copyright, including without limitation: Penguin Books' refusal to accord the American Buddha Online Library the exemption from liability granted by 17 U.S.C. § 108 and the First Amendment, notwithstanding the subscriber's compliance with 37 C.F.R. 201.14; the Constitutional right of fair use under 17 U.S.C. § 107; the first-sale doctrine; and, because of mistakes of fact.

- 17. American Buddha, which Mr. Carreon previously identified as the "service provider" under the statute, was identified in the counter notification as the "subscriber" under the statute.
- 18. In January 2009 Penguin learned that a complete copy of the text of the novel Oil!, by Upton Sinclair ("Oil!"), in digital format was posted on the Website.
- 19. The copyright in *Oil!* is valid and subsisting, and is the subject of Registration No. R132078 at the United States Copyright Office.
 - 20. Penguin is the owner of exclusive publishing rights in Oil!.

- 21. In January 2009 Penguin learned that a complete copy of the text of the novel *It* Can't Happen Here, by Sinclair Lewis ("It Can't Happen Here"), in digital format was posted on the Website.
- 22. The copyright in *It Can't Happen Here* is valid and subsisting, and is the subject of Registration No. R303502 at the United States Copyright Office.
 - 23. Penguin is the owner of exclusive publishing rights in It Can't Happen Here.

FIRST CLAIM FOR RELIEF

(Copyright Infringement - 17 U.S.C. § 501)

- 24. Penguin repeats the averments contained in paragraphs 1 through 23 as if set forth in full.
- 25. Penguin's copyright rights in *The Golden Ass*, *Oil!* and *It Can't Happen Here* (the "Works") are valid and enforceable.
 - 26. American Buddha has infringed Penguin's copyright rights in the Works.
- 27. The exemption from liability for copyright infringement under Section 108 of the Copyright Act, 17 U.S.C. § 108, does not apply to "virtual-only" libraries and archives, i.e., those that do not conduct their operations through physical premises.
- 28. American Buddha's reproduction and distribution of the Works in their entirety is not fair use under Section 107 of the Copyright Act, 17 U.S.C. § 107.
- 29. American Buddha's acts have irreparably damaged and, unless enjoined, will continue to irreparably damage Penguin.
 - 30. Penguin has no adequate remedy at law for these wrongs and injuries.

- 31. Penguin is, therefore, entitled to a preliminary and permanent injunction restraining and enjoining American Buddha, its agents, servants, employees, and attorneys and all persons acting in concert with them from infringing Penguin's copyright rights in the Works.
- 32. Penguin is entitled to recover all damages sustained as a result of American Buddha's unlawful conduct.

WHEREFORE, Penguin demands judgment:

- A. Preliminarily and permanently enjoining American Buddha, its agents, servants, employees, and attorneys and all those acting in concert with them from directly or indirectly infringing Penguin's copyright rights in the Works in violation of 17 U.S.C. § 501;
- B. Awarding to Penguin its actual damages incurred as a result of American Buddha's infringement of Penguin's copyright rights in the Works, and all profits American Buddha realized as a result of its acts of infringement, in amounts to be determined at trial; or in the alternative, awarding to Penguin, pursuant to 17 U.S.C. § 504, statutory damages for the acts of infringement committed by American Buddha with respect to *It Can't Happen Here* and *Oil!*; and
 - C. Granting such other and further relief as this Court deems just and proper.

Dated: New York, N.Y. January 16, 2009

Richard Dannay (rxd@cll.com)

Thomas Kjellberg (txk@cll.com)

COWAN, LIEBOWITZ & LATMAN, P.C.

1133 Avenue of the Americas

New York, NY 10036-6799

Phone (212) 790-9200 Fax (212) 575-0671

rax (212) 373-0071

Attorneys for Plaintiff Penguin Group (USA) Inc.

Cowan, Liebowitz & Latman, P.C.

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Richard Dannay Direct (212) 790-9256 rxd@cll.com

December 18, 2008

By Email: chas@charlescarreon.com

Charles Carreon, Esq. Online Media Law, PLLC Tucson, Arizona

Re:

American Buddha

The Ralph Nader Library

Dear Mr. Carreon:

I represent Penguin Group (USA) Inc., publisher under its imprint, Penguin Classics, of the new translation of *The Golden Ass* by Apuleius.

Your client, the online Ralph Nader Library, a project of American Buddha, has posted the entire text of this new translation online, without permission or license from Penguin, the copyright owner of the translation. While the underlying work is in the public domain, the translation is fully protected by copyright as a derivative work.

The reproduction and distribution online of the translation are violations of Penguin's copyright. The reproduction and distribution of an entire copyrighted work in these circumstances is not fair use under Section 107 of the Copyright Act. Nor is there any privilege or exemption available under Section 108 of the Copyright Act. Section 108 permits libraries and archives to reproduce and distribute copies under certain circumstances. However, Section 108 does not apply to virtual-only libraries and archives, those that do not conduct their operations through physical premises. The online Nader Library is thus not eligible to take advantage of the Section 108 exceptions. The Section 108 Study Group Report (March 2008), sponsored by the United States Copyright Office and the Library of Congress, made no recommendation that Section 108 be amended to cover virtual-only libraries and archives.

Cowan, Liebowitz & Latman, P.C. Charles Carreon, Esq. December 18, 2008 Page 2

On behalf of Penguin, I request that your client immediately remove the Penguin work from its online library and confirm that in writing. We look forward to your client's prompt cooperation so that any legal action may be avoided.

Sincerely yours,

Richard Dannay

cc: Alexander Gigante, Esq.
Vice President for Legal Affairs
& Corporate Counsel
Penguin Group



ONLINE MEDIA LAW, PLLC

Charles Carreon, Attorney at Law 2165 S. Avenida Planeta Tucson, Arizona 85710 chas@charlescarreon.com Telephone: 520-841-0835

December 18, 2008

Richard Dannay Cowan, Liebowitz & Latman, P.C. 1133 Avenue of the Americas New York, NY 10036-6799

Re: The Golden Ass

Dear Mr. Dannay:

Responding to your letter of today's date received as PDF via email, according to the volume in question, the copyright on the 1998 translation of the ancient classic *The Golden Ass* of Apuleius, is held by the author, E.J. Kenney. According to the U.S. Copyright Office, Mr. Kenney does not appear to have registered his copyright. I have printed the relevant search page into the PDF that is sent herewith. Accordingly, I would respectfully request that you clarify your standing as counsel pertinent to this title before we proceed to discuss it further.

Very truly yours,

CC:tlc



Public Catalog

Copyright Catalog (1978 to present)
Search Request: Left Anchored Name = apuleius
Search Results: Displaying 1 through 7 of 7 entries.

	N
previous	next
Digition.	

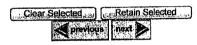
Resort results by:

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#	Name (NALL) <	Full Title	Copyright Number	Date
		Amor and Psyche: the psychic development of the feminine; a commentary on the tale by Apuleius. By Erich Neumann, translator: Princeton University Press, employer for hire of Ralph Manheim.	RE0000202506	1956
[2]	Apuleius	Apuleius: Metamorphoses; vol. 1-2 / edited and translated by J. Arthur Hanson.	TX0003432928	1990
[hall]	Apuleius	Apulcius: The Golden ass. By Robert Ranke Graves.	RE0000007741	1950
1223	Golden ass. By Apuleius, translated by William Adlington, edited, with an introd., by Crowell-Collier		RE0000500998	1962
[7]	Apuleius	Lam an ass! / by Boris Imas.	PAu001140400	1988
	Apuleius, Lucius	Tale of Cupid and Psyche / Lucius Apuleius; translated by Robert Graves; illustrated by Roberta Arenson; introd. by Marion Woodman.	TX0003549554	1993
	Apuleius, Lucius	Tale of Cupid and Psyche / Lucius Apuleius; translated by Robert Graves; illustrated by Roberta Arenson; introd. by Marion Woodman.	TX0003926852	1993

Resort results by:

Set Search Limits



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Scarch for: apuleius Scarch by: Name (Crichton Michael; Walt Disney Company) Item type: None

25 records per page

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Cowan, Liebowitz & Latman, P.C.

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Richard Dannay Direct (212) 790-9256 rxd@cll.com

December 23, 2008

By Email: chas@charlescarreon.com

Charles Carreon, Esq. Online Media Law, PLLC 2165 S. Avenida Planeta Tucson, Arizona 85710

Re:

American Buddha

The Ralph Nader Library

Dear Mr. Carreon:

This replies to your December 18 letter, which I received by ordinary mail today, responding to my letter of the same date sent by email.

I believe your letter confuses copyright registration and copyright ownership. My client, Penguin Group (USA) Inc., is the publisher of the E.J. Kenney translation of *The Golden Ass* by Apuleius. Penguin holds the exclusive publishing rights in the translation under contract with the translator. Penguin is, therefore, the copyright owner with respect to the rights exclusively licensed, 17 U.S.C. § 101 ("copyright owner" definition) and § 106, and has standing to sue for their infringement, 17 U.S.C. § 501(a), (b). Registration of copyright is not a condition of copyright protection, 17 U.S.C. § 408(a), and may be made at any time before suit is filed, 17 U.S.C. § 411(a).

In short, Penguin is the copyright owner of the rights your client, the online Ralph Nader Library (project of American Buddha), has infringed. Your client has reproduced and distributed the entire translation online, violating Penguin's exclusive rights of copyright. Reproduction and distribution of an entire copyrighted work is not fair use under Section 107 of the Copyright Act. And your client is not qualified for the Section 108 exception, which does not apply to virtual-only libraries and archives, i.e., those that do not conduct their operations through physical premises.

Cowan, Liebowitz & Latman, P.C. Charles Carreon, Esq. December 23, 2008 Page 2

As the Senate Report accompanying the DMCA states:

[T]he Committee wants to make clear that, just as when section 108 of the Copyright Act was first enacted, the term "libraries" and "archives" as used and described in this provision still refer to such institutions only in the conventional sense of entities that are established as, and conduct their operations through, physical premises in which collections of information may be used by researchers and other members of the public. Although online interactive digital networks have since given birth to online digital "libraries" and "archives" that exist only in the virtual (rather than physical) sense on websites, bulletin boards and homepages across the Internet, it is not the Committee's intent that section 108 as revised apply to such collections of information. The ease with which such sites are established online literally allows anyone to create his or her own digital "library" or "archives." The extension of the application of section 108 to all such sites would be tantamount to creating an exception to the exclusive rights of copyright holders that would permit any person who has an online website, bulletin board or a homepage to freely reproduce and distribute copyrighted works. Such an exemption would swallow the general rule and severely impair the copyright owners' right and ability to commercially exploit their copyrighted works. Consequently, the Committee intends that references to "the premises of the library or archives" in amended sections 108(b)(2) and (c)(2) mean only physical premises.

S. Rep. No. 105-190, at 62.

On behalf of Penguin, I again request that your client immediately remove the Penguin work from its online library and confirm that in writing to me. And we again request your client's prompt compliance so that legal action may be avoided.

Please send your response (or a copy) by email.

Sincerely yours,

Richard Dannay

cc: Alexander Gigante, Esq.
Vice President for Legal Affairs
& Corporate Counsel
Penguin Group



ONLINE MEDIA LAW, PLLC

Charles Carreon, Attorney at Law 2165 S. Avenida Planeta Tucson, Arizona 85710 chas@charlescarreon.com Telephone: 520-841-0835

December 23, 2008

Richard Dannay Cowan, Liebowitz & Latman, P.C. 1133 Avenue of the Americas New York, NY 10036-6799

Re: The Golden Ass

Dear Mr. Dannay:

It has always been American Buddha's policy to adhere to its own reasonably-interpreted understanding of the copyright laws. While conceding nothing in your letter of today's date, either factually or legally, it refers to the DMCA, which establishes a point of potential agreement between us. American Buddha always responds with alacrity to every properly-formed DMCA notice that it receives. Since your letter seems to assert the grounds that would entitle your client, if it were able to make the same statements under oath and with the other requirements set forth in 17 U.S.C. § 512(c)(3), to serve a DMCA notice on American Buddha's designated agent for service of DMCA notices, my client would invite that action. As shown on the form filed with the U.S. Copyright office, a copy of which is enclosed herewith, American Buddha is an OSP, and its agent for service of DMCA notices is Mr. Jacob Hammond, whose email address is as shown on the form, enclosed herewith - jacobhammond@gmail.com. (His street address has changed and needs to be amended, so please use email to send any DMCA notice.) Upon receipt of the DMCA notice, which includes averment of authorization to act on behalf of the copyright-holder, American Buddha will respond to your demand with a prompt takedown.

Very truly fours,

Charles Carreon

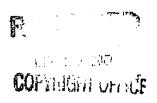
CC:tlc

Interim Designation of Agent to Receive Notification of Claimed Infringement

provider is doing business): American-Buddha.com, American Buddha Online Library, ABOL		
Address of	Service Provider: 1131 Barrington Circle, Ashland, Oregon 97520	
Name of A	gent Designated to Receive	
	n of Claimed Infringement: Pine Creek Hosting, LLC	
	ess of Designated Agent to which Notification Should be Sent (a P.O. Box gnation is not acceptable except where it is the only address that can be used in the geographic	
ine Creek	Hosting, LLC, Jacob Hammond, 4930 Lake Catherine Ct., Richmond, TX 77469	
Clephone	Number of Designated Agent: 713-898-7957	
acsimile !	Number of Designated Agent:	
mail Add	ress of Designated Agent: jacobhammond@gmail.com	
ignsture o	f Officer or Representative of the Designating Service Provider:	
	inted Name and Title: Tara Carreon, President, American Buddha	



Made Payable to the Register of Copyrights.



Cowan, Liebowitz & Latman, P.C.

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Richard Dannay Direct (212) 790-9256 rxd@cll.com

January 5, 2009

Via Email: jacobhammond@gmail.com; chas@charlescarreon.com

Jacob Hammond Pine Creek Hosting, LLC

Re: Notification of Copyright Infringement

Dear Mr. Hammond:

We are intellectual property counsel to Penguin Group (USA) Inc. ("Penguin"), copyright owner of the new translation by E. J. Kenney of *The Golden Ass* by Apuleius (the "Work"). It has come to our attention that the website located at www.naderlibrary.com (the "Website") has, without permission or license from Penguin, posted the entire text of the Work online. This letter is to serve as notification of this infringement pursuant to Section 512(c) of the Copyright Act. 17 U.S.C. § 512(c).

The WHOIS information for the Website indicates that the Administrative Contact for the site is Charles Carreon; and a notice on the Website itself directs that "DMCA Notices [be sent] to The Ralph Nader Library's Legal Representative" via a link to Mr. Carreon's email address, chas@charlescarreon.com. Mr. Carreon, however, has represented to us that the service provider for the Website is American Buddha, an Oregon nonprofit religious corporation, and that you are American Buddha's agent for service of DMCA notices. (You are in fact designated on the Copyright Office's Directory of Service Provider Agents as Agent for American-Buddha.com and for American Buddha Online Library; however, as far as we can determine no designation of an Agent for the Website has been effected in the Copyright Office.)

Accordingly, we provide the following information pursuant to 17 U.S.C. § 512(c)(3)(A):

- 1. The copyrighted work infringed is the translation by E. J. Kenney of *The Golden Ass* by Apuleius.
- 2. The infringing material is located at a series of URLs within the Website beginning www.naderlibrary.com/goldenass.***.

Cowan, Liebowitz & Latman, P.C.

Jacob Hammond January 5, 2009 Page 2

- 3. You may contact Penguin Group (USA) Inc. through its undersigned counsel at Cowan, Liebowitz & Latman, P.C., 1133 Avenue of the Americas, New York, New York 10036, telephone (212) 790-9200, email rxd@cll.com.
- 4. We believe in good faith that the use of the Work on the Website is not authorized by Penguin, its agent, or the law.
- 5. The information in this notification is accurate; and, under penalty of perjury, we are authorized to act on behalf of Penguin, the owner of the exclusive rights in the Work infringed by the Website.

We therefore demand that you immediately remove the infringing material from the Website, and confirm such removal to the undersigned within five days of the date hereof. The foregoing is without prejudice to any of our client's rights, remedies and defenses, all of which are expressly reserved.

Sincerely,

Richard Dannay

ce: Charles Carreon, Esq. (chas@charlescarreon.com)
Online Media Law, PLLC
2165 S. Avenida Planeta
Tucson, Arizona 85710

Alexander Gigante, Esq. Vice President for Legal Affairs & Corporate Counsel Penguin Group (USA) Inc.



ONLINE MEDIA LAW, PLLC

Charles Carreon, Attorney at Law 2165 S. Avenida Planeta Tucson, Arizona 85710 chas@charlescarreon.com Telephone: 520-841-0835

January 13, 2009

Via email: JacobHammond@gmail.com Jacob Hammond

Re: Counternotice to DMCA Notice of Penguin Books

Dear Mr. Hammond:

Pursuant to 17 U.S.C. 512(g)(3), this is a counternotice in response the notice of Penguin Books alleging that American Buddha has infringed a copyright in The Golden Ass of Apuleius by means of producing a copy of the text of the book on webpages at NaderLibrary.com.

In compliance with subsection (A), this notice bears my electronic signature, acting as the attorney for American Buddha, the subscriber. In compliance with subsection (B), the material that has been removed was located at http://www.naderlibrary.com/goldenass.****. In compliance with subsection (C), I hereby state under penalty of perjury under the laws of the United States that the subscriber has a good faith belief that the material was removed due mistaken misapplication of the applicable law of copyright, including without limitation: Penguin Books' refusal to accord the American Buddha Online Library the exemption from liability granted by 17 U.S.C. § 108 and the First Amendment, notwithstanding the subscriber's compliance with 37 C.F.R. 201.14; the Constitutional right of fair use under 17 U.S.C. § 107; the first-sale doctrine; and, because of mistakes of fact. No defenses are waived by the foregoing enumeration which does not purport to be exclusive. In compliance with subsection (D), the subscriber's name, address, and telephone number are as follows:

American Buddha, an Oregon nonprofit corporation 2165 S. Avenida Planeta, Tucson, Arizona 85710 Tel: 520-822-8277

In further compliance with subsection (D), subscriber consents to the jurisdiction of Federal District Court located at 405 W. Congress Street, Suite 1500 Tucson, AZ 85701-5010.

Very truly yours,

s/Charles Carreon

Charles Carreon cc: American Buddha