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16
17 **UNITED STATES DISTRICT COURT**
18 **CENTRAL DISTRICT OF CALIFORNIA**

19 CRAIG NEWMARK, *et al.*,

20 Plaintiffs,

21 v.

22 TURNER BROADCASTING SYSTEM,
23 INC., *et al.*,

24 Defendants.

Case No. CV 02-04445 FMC (Ex)

Hon. Florence-Marie Cooper

**COPYRIGHT OWNER
DEFENDANTS' MEMORANDUM
IN OPPOSITION TO
PLAINTIFFS' MOTION TO
CONSOLIDATE**

DATE: August 12, 2002

TIME: 10:00 a.m.

PLACE: Courtroom 750

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1 **I. INTRODUCTION**

2 The Copyright Owner Defendants¹ show in their concurrent motion to
3 dismiss² that the five individual Plaintiffs in this action (the “EFF Plaintiffs”) have
4 failed to state a cognizable declaratory relief claim, as there is no “actual
5 controversy” in this case. Because the Copyright Owner Defendants’ motion to
6 dismiss is dispositive, the Court need not consider the EFF Plaintiffs’ motion to
7 consolidate this case with Paramount Pictures, et al. v. ReplayTV, Inc., CV 01-9358
8 FMC (Ex) (the “ReplayTV Litigation”), the nine-month old litigation between the
9 Copyright Owner Defendants and Defendants ReplayTV, Inc. and SONICblue Inc.
10 (the “ReplayTV Defendants”). Rather, this action should be dismissed or stayed.

11 The EFF Plaintiffs waited more than seven months to file this action, an
12 action that makes sense only as a ploy to interfere with and delay the ReplayTV
13 Litigation. The EFF Plaintiffs have fallen far short of satisfying their burden of
14 proving that consolidation is appropriate. In fact, there are several reasons why
15 consolidation will result only in unnecessary additional expense and delay.

16 ***A. The EFF Plaintiffs’ Lack Of Support For Consolidation***

17 At heart, the EFF Plaintiffs’ consolidation motion rests on the false premise
18 that simply because their claims parrot one of the ReplayTV Defendants’ defenses
19 in the ReplayTV Litigation, the two cases must be consolidated. The law is

20 ¹ The “Copyright Owner Defendants” are Defendants Turner Broadcasting System, Inc., Disney
21 Enterprises, Inc., Paramount Pictures Corporation, National Broadcasting Company, Inc., NBC
22 Studios, Inc., Showtime Networks Inc., The United Paramount Network, ABC, Inc., Viacom
23 International Inc., CBS Worldwide Inc., CBS Broadcasting Inc., Time Warner Entertainment
24 Company, L.P., Home Box Office, Warner Bros., Warner Bros. Television, Time Warner Inc.,
25 New Line Cinema Corporation, Castle Rock Entertainment, The WB Television Network
Partners, L.P., Metro-Goldwyn-Mayer Studios Inc., Orion Pictures Corporation, Twentieth
Century Fox Film Corporation, Universal City Studios Productions, Inc., Fox Broadcasting
Company, Columbia Pictures Industries, Inc., Columbia Pictures Television, Inc., Columbia
Tristar Television, Inc., and Tristar Television, Inc.

26 ² On July 17, 2002, the Copyright Owner Defendants filed their Motion to Dismiss Complaint or
27 Alternatively, to Stay Proceedings (the “Motion to Dismiss”), which is also set for hearing on
28 August 12, 2002.

1 otherwise, and the substantive reasons the EFF Plaintiffs advance for consolidation
2 are all inadequate:

- 3 • First, they say they are “necessary parties”³ to the resolution of the ReplayTV
4 Litigation because that case will address primary infringement by individual
5 ReplayTV 4000 users. But the law is clear that in contributory and vicarious
6 infringement cases, primary infringers (i.e., individual ReplayTV 4000 users)
7 are not necessary parties. Moreover, the EFF Plaintiffs’ interests, if any, in the
8 ReplayTV Litigation are adequately represented by the ReplayTV Defendants.
- 9 • Second, they say that the ReplayTV Litigation “implicates their privacy
10 rights.”⁴ But the EFF Plaintiffs’ “privacy rights” have never been implicated in
11 the ReplayTV Litigation. The only reason their identities are now known is
12 because their counsel, the EFF, convinced them to file this action.
- 13 • Third, they say their economic interest in their individual ReplayTV devices
14 could be affected by the result of the ReplayTV Litigation. But any claim they
15 might have would not be against the Copyright Owner Defendants, but against
16 the sellers of the ReplayTV 4000 – the ReplayTV Defendants. Moreover, any
17 such claim would be foreclosed by the fact that they bought their devices after
18 the ReplayTV Litigation was already underway, and after the ReplayTV
19 Defendants specifically warned them that the features of the product could later
20 be altered.
- 21 • Fourth, they say that consolidation will result in efficiency because their
22 individual uses of the ReplayTV 4000 are a proxy for all ReplayTV 4000 users.
23 But the EFF Plaintiffs have offered no facts to support the suggestion that their
24

25 ³ The EFF Plaintiffs’ Amended Notice Of Motion And Motion To Consolidate, dated July 12,
26 2002 (“Am. Notice of Motion”), at 3.

27 ⁴ The EFF Plaintiffs’ Amended Memorandum Of Points And Authorities In Support Of Motion
28 To Consolidate, dated July 12, 2002 (“Am. Mem.”), at 9.

1 particular uses of the device are representative of all ReplayTV 4000 users.

2 ***B. Consolidation Is a Bad Idea for Both Cases***

3 Consolidation is only appropriate when the result will be judicial efficiency
4 without “delay, confusion, and prejudice.”⁵ Here, consolidation would only
5 guarantee delay, confusion, and prejudice. The EFF Plaintiffs are unabashed in their
6 eagerness to gain unrestricted access to the most sensitive and confidential financial
7 documents and business plans of the Copyright Owner Defendants. However, in
8 light of the substantial differences in the claims and defenses in the two actions, the
9 EFF Plaintiffs would be entitled to only little of the ReplayTV Litigation discovery.

10 If consolidation is allowed, forward progress in the ReplayTV Litigation
11 could easily come to a full stop for months as the parties engage in protracted
12 motion practice to establish the ground rules concerning the appropriate scope of
13 discovery for the EFF and the EFF Plaintiffs. Implementing those ground rules will
14 be the tail wagging the dog at every deposition in a consolidated case, causing more
15 delay and confusion, and severely prejudicing the Copyright Owner Defendants.

16 The EFF Plaintiffs’ motivations are transparently the advancement of the
17 EFF’s political agenda. But that is not sufficient reason to support their “claims,” let
18 alone support their motion for consolidation. Far too much has happened in the
19 ReplayTV Litigation while the EFF Plaintiffs stood on the sidelines for many
20 months (and then delayed serving their Complaint for a month in favor of holding a
21 press conference).

22 After providing the Court with a brief procedural background and the legal
23 standards relevant to this motion, we first address below the differences in the
24 claims and defenses in the two actions, and the vast inefficiencies that would result
25 from consolidation. We then address the inadequacies of Plaintiffs’ arguments in
26

27 ⁵ Southwest Marine, Inc. v. Triple A Machine Shop, Inc., 720 F. Supp. 805, 807 (N.D. Cal. 1989).

1 favor of consolidation.

2 **II. FACTUAL AND PROCEDURAL BACKGROUND**

3 The Copyright Owner Defendants filed their first complaint in the ReplayTV
4 Litigation on October 31, 2001. Despite persistent media coverage of the ReplayTV
5 Litigation,⁶ the EFF Plaintiffs waited more than seven months, until June 6, 2002, to
6 file this action.⁷ Upon filing their Complaint, the EFF Plaintiffs' counsel
7 immediately convened a multimedia press conference. The Copyright Owner
8 Defendants heard nothing from the EFF Plaintiffs for over ten days following the
9 press conference. Tellingly, the EFF Plaintiffs' first communication on June 17 to
10 the Copyright Owner Defendants' counsel in the ReplayTV Litigation requested that
11 the Copyright Owner Defendants stipulate to the consolidation of this action with
12 the ReplayTV Litigation. Amended Declaration of Ira P. Rothken, dated July 12,
13 2002 ("Am. Rothken Decl."), Ex. A. As of June 17, no effort had been made to
14 serve the Complaint, and obviously none of the Copyright Owner Defendants had
15 yet made an appearance in this action. Indeed, in an apparent effort to circumvent
16 the Local Rules that ensure the response to a complaint will precede a motion to
17 consolidate,⁸ the EFF Plaintiffs chose not to serve their Complaint until June 27, a
18 full three weeks after their initial press conference. See Worobec Decl., ¶¶ 5 and 6.

19 ⁶ The Copyright Owner Defendants have previously provided the Court with copies of some of
20 the press coverage surrounding the ReplayTV Litigation in support of the Motion to Dismiss. See
Declaration of Kim Worobec, dated July 17, 2002 ("Worobec Decl."), Exs. 1-5.

21 ⁷ The EFF Plaintiffs' reliance on Magistrate Judge Eick's April 26, 2002 discovery order --
22 requiring the ReplayTV Defendants to provide to the Copyright Owner Defendants anonymous
ReplayTV 4000 customer use data -- in an attempt to explain their curious delay in initiating this
23 action is not credible. See Am. Mem. at 6. The EFF Plaintiffs waited more than a month after the
issuance of that order to file suit. Indeed, the commencement of this action post-dated this Court's
24 May 30, 2002 order reversing that portion of Magistrate Judge Eick's order.

25 ⁸ Local Rule 7-3 provides that the pre-filing conference of counsel for "a motion to dismiss
pursuant to F.R.Civ.P. 12(b) . . . shall take place at least five (5) days prior to the last day for filing
26 the motion; [whereas, for other motions], the conference shall take place at least twenty (20) days
prior to the filing of the motion." (emphasis added). Local Rule 6-1 provides that "[t]he notice of
27 motion and all moving papers in support thereof shall be filed with the Clerk not less than twenty
(20) days prior to the Motion Day for which the matter is noticed."
28

1 Upon learning that the Copyright Owner Defendants intended to move to
2 dismiss their Complaint, the EFF Plaintiffs filed not one, but two, procedurally
3 defective ex parte applications (within 48 hours of one another), asserting an urgent
4 need for expedited consideration of their request to consolidate this case with the
5 ReplayTV Litigation. Despite their purported sense of urgency, the EFF Plaintiffs
6 did not file these applications until July 10 and July 12, almost two weeks after
7 serving their Complaint, and over a month after filing this action. This Court denied
8 the EFF Plaintiffs' ex parte applications, each of which also violated the Local
9 Rules.⁹

10 **III. STANDARDS FOR CONSOLIDATION**

11 The Court has broad discretion in determining whether consolidation is
12 appropriate. In re Adams Apple, Inc., 829 F.2d 1484, 1487 (9th Cir. 1987). The
13 moving party bears the burden of persuading the court that consolidation is
14 desirable. In re Repetitive Stress Injury Litig., 11 F.3d 368, 373 (2d Cir. 1993);
15 Internet Law Library, Inc. v. Southridge Capital Mgmt., LLC, Nos. 01 Civ. 6600
16 (RLC), 01 Civ. 0877 (RLC), 02 Civ. 0138 (RLC), 2002 WL 550966, at *2
17 (S.D.N.Y. Apr. 10, 2002). The fact that two cases involve a common question of
18 law or fact does not alone justify consolidation in the absence of other factors that
19 would promote judicial economy. New Kayak Pool Corp. v. Gerspach, No. 93-CV-
20 0784E(M), 1995 WL 13257, at *1 (N.D.N.Y. Jan. 11, 1995); Prudential Ins. Co. of
21 America v. Marine National Exchange Bank, 55 F.R.D. 436, 437 (E.D. Wis. 1972);

22
23
24 ⁹ The EFF Plaintiffs' numerous violations of the Local Rules in connection with their two ex parte
25 applications are described in detail in the Copyright Owner Defendants' oppositions to those
26 applications. For the Court's convenience, copies of the Copyright Owner Defendants'
27 oppositions are collectively attached as Exhibit 1 to the accompanying Declaration of Simon
28 Block, dated July 29, 2002 ("Block Decl."). The EFF Plaintiffs' willful failure to comply with the
Local Rules in the mere seven weeks since the filing of this action suggests that their participation
in the ReplayTV Litigation can only result in additional delay and expense.

1 Schacht v. Javits, 53 F.R.D. 321, 324-25 (S.D.N.Y. 1971).¹⁰

2 Specifically, “[t]o determine whether to consolidate, a court weighs the
3 interest of judicial convenience against the potential for delay, confusion, and
4 prejudice caused by consolidation.” Southwest Marine, Inc. v. Triple A Machine
5 Shop, Inc., 720 F. Supp. 805, 807 (N.D. Cal. 1989); Serrato v. Efremsky, No. 95-
6 20221 SW, 1995 WL 415152, at *5 (N.D. Cal. June 30, 1995). “Factors to be
7 weighed include specific risks of prejudice and confusion, the risk of inconsistent
8 legal judgments, burdens on the parties and judicial resources, time and delay, and
9 cost.” Leiken v. Squaw Valley Ski Corp., Nos. S-93-505 LKK and S-93-1622 LKK,
10 1994 WL 494298 (E.D. Cal. 1994). As set forth below, the EFF Plaintiffs have not
11 carried their burden of proof. The Court can best avoid unnecessary costs and delay
12 by declining to consolidate.

13 **IV. CONSOLIDATION WOULD RESULT IN UNNECESSARY**
14 **EXPENSE AND DELAY**

15 ***A. Consolidation Is Inappropriate Given The Differences***
16 ***In The Claims And Defenses In The Two Actions.***

17 The differences in the claims and defenses in the two actions make
18 consolidation inappropriate. See Childers v. High Society Magazine, Inc., 561 F.
19 Supp. 1376, 1377 (S.D.N.Y. 1983) (denying motion for consolidation; “[the]
20 liability [of the defendant in the second action] as a [magazine] distributor is likely

21
22 ¹⁰ The mere fact that “[t]he cases involve the same parties and the same copyrights,” a fact relied
23 upon by Plaintiffs throughout their motion papers, does not justify consolidation. Am. Mem. at 8;
24 Am. Notice of Motion at 3. Several courts have found consolidation inappropriate despite the fact
25 that the two actions involved the same copyrights or trademarks. See Childers v. High Society
26 Magazine, Inc., 561 F. Supp. 1376 (S.D.N.Y. 1983) (denying consolidation motion despite the fact
27 that infringement action against magazine and its publisher involved same copyright as
28 infringement action against magazine distributor); Schacht v. Javits, 53 F.R.D. 321 (S.D.N.Y.
1971) (consolidation not proper for two actions concerning the alleged breach of the same
copyright); Holiday Inns of America, Inc. v. Lussi, 42 F.R.D. 27 (N.D.N.Y. 1967) (consolidation
inappropriate for two actions by owner of national motel chain against competitor even though
both cases involved same trademark).

1 to involve different legal and factual questions than the liability of the direct
2 infringer [the magazine and its publisher.]); In re Repetitive Stress Injury Litig., 11
3 F.3d 368, 374 (2d Cir. 1993) (“A party may not use [consolidation] as a method of
4 increasing the costs of its adversaries . . . by forcing them to participate in discovery
5 or other proceedings that are irrelevant to their case.”). This action raises different,
6 and narrower, issues than those present in the ReplayTV Litigation.¹¹ The EFF
7 Plaintiffs, however, ignore these differences in an attempt to (i) gain unfettered
8 access to discovery provided by the Copyright Owner Defendants in the ReplayTV
9 Litigation that is irrelevant to this case; and (ii) force the Copyright Owner
10 Defendants to engage in discovery in the ReplayTV Litigation that is irrelevant to
11 that case. The only conceivable outcome of consolidation under these
12 circumstances would be unnecessary expense and delay, the very result the
13 consolidation rules seek to avoid.

14 For example, the EFF Plaintiffs assert that “[t]he critical issue of Fair Use is
15 identical in [the two] cases” Am. Notice of Motion, at 3. This sweeping
16 generalization is simply false. In this action, only five individual ReplayTV 4000
17 owners seek a declaration that their specific uses of the ReplayTV 4000 constitute
18 “fair uses” under the Copyright Act.

19 In their Complaint, the EFF Plaintiffs have identified their specific uses of the
20 ReplayTV 4000, and, should the Court permit the EFF Plaintiffs to proceed with this
21 action, the Copyright Owner Defendants should be able to resolve any questions
22 concerning those uses through relatively brief, focused discovery.

23
24
25 ¹¹ For example, most of the Copyright Owner Defendants have asserted direct copyright
26 infringement claims against the ReplayTV Defendants in the ReplayTV Litigation. These claims
27 against the manufacturers of the ReplayTV 4000 are irrelevant to Plaintiffs’ declaratory relief
28 claim, and Plaintiffs do not contend otherwise. By seeking blanket consolidation, however,
Plaintiffs inexplicably seek access to all discovery provided in the ReplayTV Litigation relating to
these claims. Such access is unjustified, and can only lead to additional expense and delay.

1 In contrast, in the ReplayTV Litigation, the ReplayTV Defendants have
2 asserted the affirmative defense of fair use based upon the uses of the device by all
3 present and future ReplayTV 4000 users. As a result, and in light of the Court's
4 discovery ruling concerning actual ReplayTV 4000 user data, the parties to the
5 ReplayTV Litigation have been discussing the most efficient way to present to the
6 Court reliable secondary evidence of how current and potential ReplayTV 4000
7 customers use (or will use) the device. The EFF Plaintiffs' specific uses of the
8 device, to the extent relevant, will be easy to separate from any surveys or discovery
9 with respect to the larger population of present and future users of the ReplayTV
10 4000 or devices with similar infringing features. Consolidation would not alter this
11 fact.

12 ***B. Consolidation Will Unnecessarily***
13 ***Complicate The ReplayTV Litigation.***

14 Plaintiffs unabashedly request wholesale access to the discovery thus far
15 exchanged in the ReplayTV Litigation:

16 Unless the cases are consolidated, the Newmark Plaintiffs
17 will not automatically obtain materials provided in
18 response to discovery in [the ReplayTV Litigation],
19 especially given the protective order in place in that case.

20 Am. Mem. at 8 (emphasis added).¹² As this Court is well aware, the parties to the

21 ¹² However, the EFF Plaintiffs' motion papers are devoid of any legitimate reason as to why they
22 need access to the Copyright Owner Defendants' confidential detailed financial information and
23 business planning documents concerning the distribution of their copyrighted works. Indeed, they
24 do not even attempt to argue why such documents are relevant to their declaratory relief claim.
25 Moreover, while the EFF Plaintiffs contend that these two cases involve "[i]mportant questions
26 . . . [that] are being presented in a rapidly evolving technological context that will require
27 concentrated evaluation of complex legal doctrine," Am. Notice of Motion at 3, they do not
28 suggest that the ReplayTV Defendants or their counsel are not up to the task. In fact, the
ReplayTV Defendants' counsel, Fenwick & West, have substantial experience in complex
copyright infringement actions. Nor do the EFF Plaintiffs suggest that their participation in the
ReplayTV Litigation would contribute to the efficient resolution of that case. In sum, the EFF
Plaintiffs have not made any showing that the participation of additional parties and their counsel
would likely lead to anything more than additional expense and delay.

1 ReplayTV Litigation engaged in substantial motion practice concerning the scope of
2 relevant discovery in that case, especially as it pertains to the ReplayTV
3 Defendants' fair use defense. See Block Decl., Ex. 2, Joint Stipulation For
4 Plaintiffs' Motion For Protective Order And Defendants' Cross Motion To Compel,
5 dated March 30, 2002 ("First Joint Stipulation"), at 27 ("The vast majority of the
6 disputed discovery relates directly to Defendants' fair use defense."). In resolving
7 the parties' discovery disputes, the Magistrate Judge made specific relevancy
8 determinations based on the ReplayTV Defendants' arguments that they were
9 entitled to broad discovery on certain topics in order to prepare their fair use
10 defense.

11 The EFF Plaintiffs have made no showing whatsoever that they are entitled to
12 the same broad discovery granted to the ReplayTV Defendants in the ReplayTV
13 Litigation. To the contrary, the differences in the defenses in the two cases, as
14 described above, suggest that the EFF Plaintiffs are not entitled to anywhere near the
15 same scope of discovery on their fair use defense in this case.¹³ On this record,
16 neither the Copyright Owner Defendants nor the Court should be forced to expend
17 the considerable resources that would be involved in revisiting these discovery
18 issues.

19 Moreover, given the differences in the proper scope of discovery in the two
20 actions, consolidation would lead to many practical problems. In pressing their
21 discovery in the ReplayTV Litigation, the ReplayTV Defendants based many of
22 their relevancy arguments in part on their standing as, for example, potential
23

24 ¹³ By initiating the ReplayTV Litigation, the Copyright Owner Defendants accepted a proper
25 scope of discovery obligation to the ReplayTV Defendants. The Copyright Owner Defendants
26 have not accepted a similar obligation with respect to this action, and should not be required to
27 disclose their highly confidential business planning documents to the EFF Plaintiffs. The
28 Copyright Owner Defendants do not have any relationship with the EFF Plaintiffs, did not initiate
any legal action against them, and should not be required to provide the same discovery to these
Plaintiffs in a lawsuit that raises narrower issues than those present in the ReplayTV Litigation.

1 competitors of the Copyright Owner Defendants or potential licensors of the
2 Copyright Owner Defendants' copyrighted works. See, e.g., Block Decl., Ex. 3,
3 Joint Stipulation For Defendants' Motion To Compel, dated April 1, 2002 ("Second
4 Joint Stipulation"), at 98 n.27 (arguing that the ReplayTV Defendants' copyright
5 misuse defense is justified in part on the assertion that the ReplayTV Defendants
6 "are potential entrants into the market for VOD and PPV distribution of [the
7 Copyright Owner Defendants]' copyrighted works."), and at 104 (arguing that
8 certain discovery is relevant to defeat the claim that the ReplayTV Defendants
9 should have obtained license agreements before allowing consumers to record the
10 Copyright Owner Defendants' copyrighted works). Obviously, the EFF Plaintiffs,
11 as five individual consumers, could not justify the same broad-ranging discovery.
12 As a result, consolidation would seriously complicate document discovery.

13 The deposition process also would be impossibly complicated by
14 consolidation. The ReplayTV Defendants will undoubtedly seek to use the
15 discovery they have obtained in the ReplayTV Litigation during the depositions of
16 the Copyright Owner Defendants' representatives. For the reasons discussed above,
17 the EFF Plaintiffs will not be entitled to much of that discovery. If the actions are
18 consolidated, however, the parties to the ReplayTV Litigation likely would have to
19 halt the depositions every few minutes in order to discuss whether the EFF Plaintiffs
20 should be entitled to access to discovery provided in the ReplayTV Litigation. This
21 scenario is unworkable and further demonstrates the inefficiencies that would result
22 from consolidation.

23 **V. THE CONSOLIDATION OF THESE TWO ACTIONS WOULD NOT**
24 **PROMOTE JUDICIAL ECONOMY AND IS UNNECESSARY TO**
25 **PROTECT PLAINTIFFS' RIGHTS.**

26 The consolidation of this action and the ReplayTV Litigation would not
27 expedite the resolution of these cases. Nor would a failure to consolidate prejudice
28 Plaintiffs' rights. First, Plaintiffs, as alleged direct infringers, are unnecessary to the

1 resolution of the ReplayTV Litigation. Second, any interests the EFF Plaintiffs
2 arguably may have in the ReplayTV Litigation are more than adequately represented
3 by the ReplayTV Defendants. Third, neither of Plaintiffs' two articulated
4 "interests" in the ReplayTV Litigation – their purported privacy rights and property
5 interests – weighs in favor of consolidation. Finally, Plaintiff's claim of efficiency
6 resulting from consolidation is unpersuasive.

7 **A. *Plaintiffs Are Not Necessary For The***
8 ***Resolution Of The ReplayTV Litigation.***

9 The EFF Plaintiffs attempt to make much of the fact that the Copyright
10 Owner Defendants' claims for contributory and vicarious copyright infringement
11 against the ReplayTV Defendants in the ReplayTV Litigation require proof of
12 primary infringement by ReplayTV 4000 customers. See Am. Mem. at 5. The EFF
13 Plaintiffs claim that they are "necessary parties to a fair and just adjudication" of the
14 ReplayTV Litigation. Am. Notice of Motion, at 3. The law is to the contrary. A
15 copyright owner is not required to sue a primary infringer in order to enforce its
16 rights against a contributory infringer:

17 Contributory infringement . . . plainly does not lie without
18 primary infringement. This, of course, does not mean that
19 the primary infringer must be a co-defendant in the case;
20 there may be many reasons why a party may not be held
21 accountable for its conduct in court. What is important is
22 that contributory infringement be hinged upon an act of
23 primary infringement, even if the primary infringer for
24 some reason escapes judicial scrutiny.

25 Danjaq SA v. MGM/UA Communications Co., 773 F. Supp. 194, 201 (C.D. Cal.
26 1991). See also Lockheed Martin Corp. v. Network Solutions, Inc., No. CV 96-
27 7438 DDP (ANx), 1997 U.S. Dist. LEXIS 10314, at *8 (C.D. Cal. Mar. 19, 1997)
28 (alleged service mark and trademark infringer was not a necessary party under Rule

1 19) (citing Costello Publishing Co. v. Rotelle, 670 F.2d 1035, 1043 (D.C. Cir. 1981)
2 (“It is well established that a suit for [copyright] infringement is analogous to other
3 tort actions and infringers are jointly and severally liable; hence plaintiff need only
4 sue participants as it sees fit.”)); 3 Nimmer On Copyright § 12.04[A][3][a], at 12-
5 82 (2002). Copyright plaintiffs often sue vicarious infringers without ever suing the
6 primary infringers. See, e.g., A&M Records v. Napster, Inc., 114 F. Supp. 2d 896
7 (N.D. Cal. 2001), aff’d, 284 F.3d 1091 (9th Cir. 2002); Fonovisa, Inc. v. Cherry
8 Auction, Inc., 76 F.3d 259 (9th Cir. 1996); Columbia Pictures Indus., Inc. v. Aveco,
9 Inc., 800 F.2d 59 (3d Cir. 1986); Danjaq, 773 F. Supp. 194 (C.D. Cal. 1991). Thus,
10 the EFF Plaintiffs’ contention that their participation is necessary for a fair
11 adjudication of the ReplayTV Litigation is simply wrong.¹⁴

12 ***B. Plaintiffs’ Interests, If Any, In The ReplayTV Litigation***
13 ***Are Adequately Represented By The ReplayTV Defendants.***

14 The EFF Plaintiffs have not attempted to establish, nor could they establish,
15 that their interests will be inadequately represented in the ReplayTV Litigation. The
16 ReplayTV Defendants are represented by experienced counsel and have standing to
17 assert -- and have asserted -- a broader range of defenses than the EFF Plaintiffs
18 have claimed. In this action, these five individual EFF Plaintiffs seek a declaration
19 that their personal uses of the ReplayTV 4000 constitute “fair uses” under the
20 Copyright Act, and therefore immunize them personally from liability for copyright
21 infringement – a claim never asserted against them. See Complaint, ¶¶ 69, 71.
22 There is no broader purpose served by their action. The ReplayTV Defendants
23 already have vigorously asserted the affirmative defense of fair use in the ReplayTV
24 Litigation. See First Joint Stipulation, at 27 (“If, as [the ReplayTV] Defendants
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26 ¹⁴ Moreover, the EFF Plaintiffs’ true goal, to intervene in the ReplayTV Litigation, should not be
27 permitted, as they cannot satisfy the requirements for intervention under Federal Rule of Civil
28 Procedure 24. See Motion to Dismiss, at 16-17.

1 believe, the evidence demonstrates that consumers' use of the challenged features of
2 the ReplayTV 4000 are fair uses, [the ReplayTV] Defendants are not liable for
3 [contributory or vicarious] infringement.”).

4 Moreover, given the multitude of affirmative defenses pled by the ReplayTV
5 Defendants, the EFF Plaintiffs have not suggested (nor could they suggest) that the
6 ReplayTV Defendants have failed to assert in the ReplayTV Litigation any defenses
7 to which the EFF Plaintiffs would be entitled. In sum, because the EFF Plaintiffs'
8 interests are adequately represented by the ReplayTV Defendants, the EFF
9 Plaintiffs' rights will not be prejudiced by the Court's refusal to consolidate these
10 actions.

11 **C. *The EFF Plaintiffs' Two Articulated "Interests"***
12 ***In The ReplayTV Litigation Do Not Justify Consolidation.***

13 The EFF Plaintiffs' claim that their privacy rights justify their intrusion into
14 the ReplayTV Litigation is both circular and frivolous. See Am. Mem. at 9. By
15 bringing this lawsuit, the EFF Plaintiffs have abandoned their "privacy" and put the
16 details of their uses of the ReplayTV 4000 at issue. Until these five individual
17 Plaintiffs filed this action, the Copyright Owner Defendants did not even know that
18 they existed, let alone that they owned ReplayTV 4000s, or that they used the
19 functions of those devices as set forth in their Complaint. Moreover, the Copyright
20 Owner Defendants have repeatedly stated that they have no interest in learning --
21 and no realistic way ever to learn -- the identities of these five individuals or any
22 other ReplayTV 4000 users.¹⁵

23 The EFF Plaintiffs' contention that concerns over their privacy rights led to
24

25 ¹⁵ Despite these facts, the EFF Plaintiffs contend that "other, allowed discovery [in the ReplayTV
26 Litigation] will identify ReplayTV users and give the [Copyright Owner Defendants] significant
27 information about them that would assist in a later case for copyright infringement." Am. Mem. at
28 5 n.1. As this Court is well aware, nothing could be further from the truth. Not surprisingly, the
EFF Plaintiffs fail to identify the "other, allowed discovery" to which they refer.

1 the filing of this action in the first instance is plainly pretextual. See Am. Mem. at
2 6. First, their claim of “aggressive attempts by the [Copyright Owner Defendants]
3 to use the discovery process to gather information about the identities . . . of
4 ReplayTV owners” is patently false. Id. at 5. As described in the Motion to
5 Dismiss (at 8-9), in connection with the discovery motions in the ReplayTV
6 Litigation, the Copyright Owner Defendants specifically disclaimed any interest in
7 obtaining the identities of ReplayTV 4000 users. Moreover, the EFF Plaintiffs’
8 counsel in this action, the Electronic Frontier Foundation, represented *amici curiae*
9 in connection with the appeal of Magistrate Judge Eick’s April 26, 2002 discovery
10 order requiring the production of anonymous ReplayTV 4000 customer use data,
11 and certainly knew that the Copyright Owner Defendants had not sought customer
12 identities. Second, the EFF Plaintiffs did not file this action until after this Court’s
13 May 30, 2002 order ruling that the ReplayTV Defendants did not even have to
14 provide the anonymous data.

15 Similarly, the EFF Plaintiffs’ contention of potential economic harm is
16 baseless and similarly does not justify Plaintiffs’ intrusion into the ReplayTV
17 Litigation. See Am. Mem. at 4, 9. As the Copyright Owner Defendants have
18 explained in their recently-filed Motion to Dismiss (at 13), any claim that the value
19 of their ReplayTV 4000s will be diminished if the Copyright Owner Defendants
20 prevail in the ReplayTV Litigation -- if such a claim exists at all -- would only be
21 against the ReplayTV Defendants for breach of warranty or breach of contract for
22 distributing a device with infringing features. In fact, however, the EFF Plaintiffs
23 could not establish any cognizable loss because the Copyright Owner Defendants
24 initiated the ReplayTV Litigation before the ReplayTV 4000 was available for sale
25 to the general public and by the time the EFF Plaintiffs purchased the ReplayTV
26 4000, they had actual or constructive knowledge of the ReplayTV Litigation and the

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1 likelihood of subsequent injunctive relief.¹⁶

2 ***D. The EFF Plaintiff's Claim Of Efficiency***
3 ***Resulting From Consolidation Is Fictional.***

4 These five individual Plaintiffs contend that their involvement in the
5 ReplayTV Litigation will "expedite the proceedings there because [they] can act as
6 de facto representatives of all [ReplayTV 4000] owners . . . and provide real data on
7 their usage of the ReplayTV 4000s, rather than the statistical surveys that would
8 otherwise be required." Am. Mem. at 9. The EFF Plaintiffs' claim misses the mark
9 in three respects.

10 First, even if the EFF Plaintiffs claimed to be seeking relief on behalf of
11 anyone other than themselves as individuals -- which they do not (see Complaint at
12 22) -- there would be no need for them to participate as parties to "represent the
13 interests" of ReplayTV owners, because the ReplayTV Defendants are already
14 aggressively defending the device features at issue in this lawsuit.

15 Second, the EFF Plaintiffs have offered nothing but sheer speculation to
16 support the notion that their uses of the ReplayTV 4000 are "representative" of any
17 significant number of ReplayTV 4000 users. In fact, to the contrary, Plaintiffs
18 Shawn Hughes and Craig Newmark allege, respectively, that they use, or intend to
19 use, their ReplayTV 4000s to send programs between their units and their laptop
20 computers for viewing outside of their homes, Complaint at ¶¶ 10, 11, which
21 involves a "hack" of the device that the ReplayTV Defendants have declared is
22

23 ¹⁶ Moreover, the ReplayTV Defendants' advertisements and website specifically disclaim that
24 "SONICblue reserves the right to automatically add, modify, or disable any features in the
25 operating software when your ReplayTV 4000 connects to our server." Similarly, the owner's
26 manual that accompanies each ReplayTV device states that, "You acknowledge and agree that
27 SONICblue may periodically update, modify or enhance the Software remotely through the
28 [ReplayTV Service]. . . ." Worobec Decl., Ex. 8. See also Worobec Decl., Exs. 6 and 7; see also
ReplayTV4500, Technical Specifications, at [http://www.replay.com/video/replaytv/
replaytv_4000_tech.asp](http://www.replay.com/video/replaytv/replaytv_4000_tech.asp) (last visited July 29, 2002) (containing same disclaimer for the ReplayTV
4500 model).

1 unauthorized. Second Joint Stipulation, at 28 (“ReplayTV . . . is designed not to
2 allow recordings to be transferred to a PC . . .”).

3 Third, if the EFF Plaintiffs’ own uses of the ReplayTV 4000 were relevant,
4 either side in the ReplayTV Litigation could take their depositions and seek
5 document discovery from them as third parties; there would be no need for them to
6 have the status of *parties* to obtain such evidence.

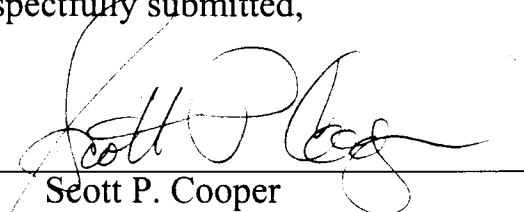
7 **VI. CONCLUSION**

8 For all the foregoing reasons, the Copyright Owner Defendants respectfully
9 request that the Court deny in its entirety the EFF Plaintiffs’ motion to consolidate.

10
11 Dated: July 29, 2002

Respectfully submitted,

12
13
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PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I declare that: I am employed in the County of Los Angeles, California. I am over the age of eighteen years and not a party to the within cause; my business address is 2049 Century Park East, Suite 3200, Los Angeles, California 90067-3206.

On July 29, 2002, I served the foregoing document described as:

**COPYRIGHT OWNER DEFENDANTS' MEMORANDUM
IN OPPOSITION TO PLAINTIFFS' MOTION TO
CONSOLIDATE**

on the interested parties in this action:

(By Mail) By placing the true copies thereof enclosed in sealed envelopes address as follows:

SEE ATTACHED SERVICE LIST

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, the envelopes would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepared at Los Angeles, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

(Federal) I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on July 29, 2002, at Los Angeles, California.


KAREN J. JONES

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