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Fitzpatrick Cella Harper & Scinto

TorrentSpy terminated as studios win \$111 million judgment

The US District Court for the Central District of California has entered a staggering final judgment against Valence Media, LLC, awarding several major motion picture studios nearly \$111 million in damages for copyright infringement. The court further entered a permanent injunction enjoining the operation of Valence's TorrentSpy website. Valence plans to appeal the ruling.



Ronald A Clayton

Federal district court judge Florence-Marie Cooper found Valence liable for wilful inducement of copyright infringement, contributory copyright infringement and vicarious copyright infringement of numerous copyrighted motion pictures and television shows. Plaintiffs 20th Century Fox Film Corporation, Columbia Pictures Industries, Inc, Disney Enterprises Inc, Tristar Pictures, Inc, Universal City Studios, LLP, Universal City Studios Productions, LLP and Warner Bros Entertainment, Inc were awarded statutory damages of \$30,000 per act of infringement for each of 3,699 infringing acts, totalling \$110,970,000.

This made-for-TV case has not been without incident since its February 23 2006 inception. At that time, according to the Motion Picture Association of America (MPAA) TorrentSpy was the world's most visited site for obtaining potentially infringing content. The site offered over 160,000 items including 27,182 films, 21,130 TV shows and over 45,000 music items. Since then TorrentSpy has unsuccessfully moved to dismiss the case against it and has had its action against the MPAA for violations of the Federal Wiretap Act dismissed. Most recently, Valence Media has shut down the TorrentSpy website and filed for bankruptcy.

The final judgment in this case was entered based on the court granting the plaintiffs' motion for termination sanctions. The court found that the defendant had engaged in widespread and systematic efforts to destroy evidence and provided false testimony when it:

- deleted and modified hundreds, perhaps thousands of incriminating postings from its website;
- deleted directory headings referencing copyrighted material; and
- destroyed potentially infringing users' IP addresses, then stated under oath that they never existed.

Since the case was not decided on the merits, from a copyright law perspective it does not provide a legal basis for future lawsuits brought by motion picture studios. However, provided that it is not overturned on appeal, the decision helps to sharpen the sometimes fuzzy line of what constitutes conduct worthy of termination penalties.

For background, see "Film studios win infringement case against TorrentSpy", "No case against MPAA for hacked emails, court finds", "TorrentSpy hits back at MPAA lawsuit" and "Is film-sharing the new P2P? How Hollywood is facing the challenge."

Ronald A Clayton and Troy A Kennedy, Fitzpatrick, Cella, Harper & Scinto, New York