

UNITED STATES DISTRICT COURT
DISTRICT OF NEW HAMPSHIRE

T-PEG, INC and)
TIMBERPEG EAST, INC.,)
Plaintiffs,)
)
vs.) No. 03-CV-462-M
)
VERMONT TIMBER WORKS, INC.,)
Defendant.)

DEFENDANT’S MOTION FOR SUMMARY JUDGMENT
ON (1) NON-COPYRIGHTABILITY, AND (2) VTW’S LACK OF PROFITS

Defendant, Vermont Timber Works, Inc., (“VTW”) moves the Court under FRCP 56 for summary judgment on Count II, the copyright claim, on the additional¹ grounds that, as a matter of law, (1) plaintiffs admit that none of the components allegedly copied was creative, and (2) VTW had no “profits” attributable to the alleged “infringement.”

There is no genuine dispute as to any material fact and VTW is entitled to judgment on these issues. The following memorandum, and Exhibits 26 – 34 in a separate MSJ Appendix II, are submitted in support.

MEMORANDUM IN SUPPORT

The principal facts are set forth in VTW’s memorandum dated August 13, 2004 (Document 23), and references in this memo to Exhibits 1-25 refer to the exhibits in plaintiffs MSJ Appendix of that date.

¹ VTW’s principal motion for summary judgment was filed August 18, 2004, and is pending. The two issues in this motion have arisen since that time, based on (1) deposition admissions by plaintiffs’ Chief of Design (and listed expert witness in this case) in his deposition dated October 22, 2004, and (2) plaintiffs September 29, 2004 election to waive its claim for damages and instead seek to disgorge VTW’s “profits.”

This motion assumes that VTW copied (which it strongly denies), and addresses only the issues (1) whether any of the limited elements of plaintiffs' design was protectible by copyright, and (2) whether defendants had any profits at all on account of the alleged infringement.

STATEMENT OF UNDISPUTED FACTS

There is no genuine dispute as to the following material facts:

Non-Copyrightability Of Design Elements

1. Against payment of \$1,500, plaintiffs provided Isbitski a Foundation Plan (Ex. 27), which they did not copyright, and which they authorized him to use to construct the foundation on his project. Ex. 26 & 27; Cole Dep. at 54-56, Ex. 14 (quoted below at page 7).
2. Through their Chief of Design, plaintiffs concede that placing posts over the foundation, girders or other posts is a "standard feature" and "functional requirement." Vincent Dep. II at 30-31, 33. (Ex. 29)
3. Through their Chief of Design, plaintiffs concede that designing in two-foot increments or intervals is "standard," and that "it's not anything you can copyright or trademark." Vincent Dep. II at 32-33. (Ex. 29)
4. Through their Chief of Design, plaintiffs concede that 8 feet and 9 feet story heights (also called "plate height") are "standard," that plaintiffs did not originate them, and that they claim no copyright in it. Vincent Dep. II at 34-35. (Ex. 29)
5. On a post-by-post basis, plaintiffs concede that 25 of the 27 posts in the VTW frame design are different in location, size, orientation or other feature from the posts in their own drawing. Vincent Dep. II at 57-69, Ex. 29. This is summarized, with deposition page references, in a chart (Ex. 30).

6. Through their Chief of Design, plaintiffs concede that the salt box and shed dormer forms have existed in New England since the 1600s, that plaintiffs did not originate these, and that they do not claim copyright in them. Vincent Dep. I at 35-37, Ex. 14.

7. Through their Chief of Design, plaintiffs concede that a 12/12 pitched roof is standard, not originated by them, and they do not claim copyright in it. Vincent Dep. I at 41-42 (Ex. 14)

8. Through their Chief of Design, plaintiffs concede that they do not assert copyright in the dimensions alone of 40 feet by 44 feet (the dimensions in their plan) because those dimensions alone do not have “creative content. Vincent Dep. I at 42. (Ex. 14)

9. Other undisputed facts are set forth, with citations, in the argument.

No Profits

10. VTW spent 71.5 hours designing its frame, the same approximate amount as with all designs. (Ex. 31)

11. VTW charged \$1,500 for design work. (Ex. 32)

12. VTW’s designer compensation costs for the 71.5 design hours were \$2,539.29, and it had a loss of \$935.29 on the design services. (Ex. 33)

13. Plaintiffs’ Chief of Design was unable to say that there would be any time savings by copying the post locations and sizes. (Ex. 29 at 70-71) VTW’s timber frame expert, Phil Phillips, opines that viewing a footprint with proposed post locations “would not likely be of any significant help in the overall process of designing a frame,” and “might well cause the designer to spend more time than he or she would be starting from scratch.” Ex. 34.

ARGUMENT

I. THE ELEMENTS ALLEGEDLY COPIED ARE NOT PROTECTIBLE

A. Judge Determines Copyrightability As Matter Of Law

Originality is a necessary condition to the validity of a copyright, Nimmer On Copyright §12.11[B][1]. The registration certificate constitutes *prima facie* evidence of originality under Section 410(c) of the Copyright Act but, as noted by Nimmer, the presumption is rebuttable, at 12.11[B] and dissipates easily because – unlike patents – the Copyright Office does not examine a copyright application for originality at all before issuing a registration. Id. §12.11[B][3].

Copyrightability is always for the judge as an issue of law. As stated by Nimmer,

Decisions by the Judge as a Matter of Law

[C]ertain other matters are reserved to the judge. Included are determinations of copyrightability in all instances. . . .

A threshold issue in any infringement case is the copyrightability of the plaintiff's work. . . . Judge Easterbrook opines that that decision is for the judge alone: "the jury has nothing to do with this subject."

Id. §12.10[B] (emphasis added). See also, Lotus Dev. Corp. v. Borland Int'l, Inc., 788 F. Supp. 78, 85 (D. Mass. 1992) (all questions of law and fact bearing on copyrightability to be determined by court, not jury), *rev'd but accepting proposition cited*, 49 F. 3d 807 (1st Cir. 1995).

B. Filtering Out Of Design Elements Which Are (1) Non-Original, (2) Standard Features, (3) Functionally Required, (4) Used With Permission, or (5) Mere Ideas

There are several bases on which elements of a design are not subject to copyright protection. These include the following:

- Non-original elements. This exclusion is based on Section 102 of the Copyright Act, which gives copyright protection only to “original works of authorship.” See generally, Nimmer §12.11[B][1].

- “Standard features.” This is based on the Section 101 definition of “architectural work” which “does not include individual standard features.” 17 U.S.C. §101. See generally, Nimmer §2.20.

- Elements which are “functionally required.” This is based on the legislative history of the definition “architectural work,” which demonstrates that the definition “accord[s] protection only when the design elements are not functionally required.” Nimmer §2.20[A] at 2-217.

- Features used by permission. There can be no liability for use of elements to the extent that such elements are covered by an appropriate license or usage agreement. See generally, Nimmer §13.03[B][2][c]. See also, Apple Computer, Inc. v. Microsoft Corp., 35 F. 3d 1435, 1439 (9th Cir. 1994) (“infringement cannot be based on licensed similarity”).

- Elements constituting mere “ideas” as opposed to the “expression of ideas.” This is based on Section 102(b) of the Copyright Act, which states “in no case does copyright protection for an original work of authorship extend to any idea, procedure, system, [etc.], regardless of the form in which it is described” See generally, Nimmer §13.03[B][2][a].

In determining which elements – if any – of a design are protectible, each of these un-protectible elements must first be filtered out. As stated repeatedly by Nimmer,

§2.20[A] “First, an architectural work should be examined to determine whether there are original design elements present If such design elements are present, a second step is reached to examine whether the design elements are functionally required.”

§12.10[B][3] “[E]ven if the two works in suit are similar, the court may still determine as a matter of law whether the similarity relates to copyrightable matter. Summary judgment for defendant is proper if the similarity relates to noncopyrightable material.”

§13.03[B][2]. “To the extent that such similarity inheres in ideas, which are by definition unprotected, or in expression that is not proprietary to plaintiff, then an essential ingredient is lacking[A]n essential element of an infringement case is that “plaintiff must show that defendants’ works are substantially similar to elements of plaintiff’s work that are *copyrightable* or *protected* by the copyright. When similar works resemble each other only in those unprotected aspects, then defendant prevails.” [Italics in original]

§13.03[F]. “Infringement is shown by a substantial similarity of *protectible expression*, not just an overall similarity between the works. . . . Thus, before evaluating similarity, it is necessary to eliminate from consideration those elements. . . that are not protected by copyright.” [Italics in original]

C. Here, After Filtering Out The Unprotectible Elements, There Is No Element Left To Protect

Here, based on admissions by plaintiffs themselves, every single element as to which plaintiffs claim copying is unprotectible.

The plaintiffs have now distilled the allegedly “matching” elements into (1) the footprint (“outline and design”), (2) post locations on the foundation, (3) the stair location, (4) the wall heights [also known as “plate height”] of 8 feet and 9 feet, (5) the locations of the rooms,² and (6) the post locations. (Pl. Memo of Law, Document 24) This is also reflected in the “expert” report of plaintiffs’ Chief of Design, Jonathan Vincent, who is their sole disclosed expert. (Pl. MSJ Appx., Ex. C) It is also readily apparent from the registered drawings (MSJ Appx., Ex. 1) that the footprint and first floor post locations are the only elements of the timberframe drawn in by plaintiffs at all.

² The VTW version does not have walls or partitions and therefore does not indicate “rooms.”

(1) Footprint/foundation. Plaintiff has no claim to protection in the foundation plan (which sets out the footprint), because for \$1,500 it sent Isbitski a foundation plan (which it therefore did not register with the Copyright Office) and authorized Isbitski to use that plan to put in the foundation. The transaction is shown by a series of August 2001, documents (Ex. 26, attached), in which Timberpeg notes the agreement and arranges for foundation plans to be created and sent to Isbitski and Isbitski's separate contractor so Isbitski could put in the foundation. Presumably this would be Ex. 27 (attached), the only foundation plan produced by plaintiffs, which is dated September 5, 2001, with a "plotted" date of September 18, 2001. Two days later, on September 20, 2001, plaintiffs confirmed that the foundation plan "[has] been sent to you and your Representative." (Ex. 28).

These documents note, with plaintiffs' approval, that Isbitski was "going to subcontract the . . . foundations himself." (Ex. 26, pages TIM 180, 181 and 182)

Moreover, as admitted by plaintiffs' Customer Representative handling the Isbitski account:

- Q. And at this point, you indicated to Jay Tucker [plaintiffs' building rep] that Stan [Isbitski] was going to . . . do the foundation himself?
- A. Stan said he wanted to do it that way.
- Q. And that was fine with you, right?
- A. It is. . . .
- Q. [A]nd at that point, he was not obligated to go forward with the full Timberpeg package, right?
- A. No, at that point he was not. . . .
- Q. And you authorized him based on the plans, to go ahead and put in the foundation, right?
- A. I agreed to do the construction plans and to furnish him with a foundation plan for a timber frame.
- Q. And you agreed for him to put in a foundation?
- A. Right.

Lynn Cole Dep. at 54-56, MSJ Appx. Ex. 14 (emphasis added).

The purchase by Isbitski and authorization to put in the foundation himself are undoubtedly the reasons why plaintiffs did not include the foundation plan with the plans they registered in the Copyright Office.³ See Ex. 1 (in the MSJ Appx).

Isbitski then put in the foundation, and had every right to use the footprint prescribed by the cement perimeter as well as the internal foundation footings. Thus the overall foundation footprint and the placement of posts over it must be filtered out as not protectible.

(2) Post locations in foundation. A comparison with the authorized foundation (Ex. 26) and the post locations noted by VTW show – as one would expect – that all posts are placed over the cement foundation, girders, or other supports in the foundation. Since Isbitski – a contractor – had his authorized foundation in the ground, neither is it at all surprising that he gave post locations over the cement foundation, steel girders and other supports. As admitted by plaintiffs (Vincent Dep. at 30-31, 33), placement of the posts over the foundation or girders is “functionally required.” Therefore this element is not protectible by copyrightable.

(3) Location of stairs. Like the foundation, the foundation plan shows the location of the central staircase and the required footings for it. (Ex. 26) Thus Isbitski was authorized to locate the staircase there and there can be no infringement based on Isbitski specifying that location to VTW.

(4) Wall heights of 8 feet, 9 feet. Plaintiffs admit the wall (or plate) heights of 8 feet and 9 feet are “standard” features, and therefore these are not copyrightable.

³ At deposition, plaintiffs’ Chief of Design had “no knowledge” of whether plaintiffs even claim infringement on account of the foundation. Vincent Dep., Ex. 29 at 30.

(5) Locations of the rooms. The VTW frame did not have any walls or partitions, as admitted by plaintiffs (Vincent Dep. II 40-41, Ex. 29) nor did VTW install any. Its frame does not define “rooms.” To the extent it “accommodates” rooms matching plaintiffs’ rooms, that is because Isbitski gave dimensions based on the foundation which he used with authorization.

(6) Post locations. The VTW post locations are all in the foundation, girders or other footings, which was by authorization to Isbitski as well as “functional required,” as noted above. In addition, the use of standard four feet increments (4 feet, 6 feet), is “standard,” as admitted by plaintiffs. In addition, as admitted by plaintiffs’ Chief of Design – when forced to go through the 27 posts one by one – 25 of the 27 posts have a difference in location, size, orientation, or other feature. Vincent Dep. II at 57-69, Ex. 29, and summary chart, Ex. 30.

Since plaintiffs’ “design” has no single element which is protectible and which matches VTW’s frame, VTW is entitled to summary judgment.

II. VTW HAD NO “PROFITS” ATTRIBUTABLE TO DESIGN

Section 504(b) of the Copyright Act allows remedies of either recovery of plaintiffs “damages” or the disgorgement of the infringer’s profits.

Plaintiffs have already waived their damages claim after VTW demonstrated that plaintiffs had a profit, not loss, on account of the alleged infringement. On September 29, 2004 they expressly waived profits and “elected” to seek VTW’s “profits” instead. (Ex. 31)

VTW had a loss, not profit, on the Isbitski design work, as shown by the following:

First, it spent 71.5 design hours on the Isbitski project, which is at the comparable level as in other residential jobs, as shown by the times shown on all 2002 residential projects. There was no drafting time saved. See VTW's Response to Interrogatories, Ex. 32.

Second, VTW charged \$1,500 for its design services, or \$20.97 per hour. It paid its designer \$34.06 per hour (not including employer's payroll taxes) for the 71.5 hours spent. Thus it had a loss of \$939.29, as confirmed by the expert report of James Potvin, CPA. (Ex. 33)

Third, plaintiffs' own Chief of Design admits that it generally does not save time to copy a design as opposed to working from scratch, and he is not able to say that any time would be saved copying. Vincent Dep. II at 70-71, Ex. 29.

Fourth, VTW's timber frame expert, Phil Phillips, opines that no time would be saved by copying. (Ex. 34)

CONCLUSION

VTW is entitled to summary judgment (1) on the copyright count as there were no protectible elements of plaintiffs' "design;" and (2) as to the disgorgement of profits remedy.

Date: November 1, 2004

VERMONT TIMBER WORKS, INC.
Defendant,

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Exhibits (in MSJ II Appx):

Ex. 26 – Timberpeg internal documents, TIM 114, 180-182, 184	08/01/01
Ex. 27* – Timberpeg “Foundation Plan,” dated 9/5/02, TIM 428	plotted 09/18/01
Ex. 28 – Timberpeg letter to Isbitski, noting Foundation Plan sent	09/20/01
Ex. 29 – Jonathan Vincent Deposition II	10/22/04
Ex. 30 – Summary chart of post differences from Vincent Dep. II, with Comparison-marked Timberpeg and VTW drawings	10/22/04
Ex. 31 – VTW Interrog. Responses	03/05/04
Ex. 32 – Invoice	03/07/02
Ex. 33 – Stevens Wilcox, CPAs expert report	10/28/04
Ex. 34 – Phil Phillips, Timber Frame Joinery expert report	10/29/04

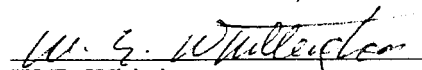
*Exhibit 27 is not being sent to counsels of record, because they already have this drawing.

CERTIFICATE OF SERVICE

I hereby certify that on November 1, 2004, I served the foregoing Defendant Vermont Timber Works’ Motion For Summary Judgment on the following counsels of record, by first class mail:

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