



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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EARL STEVENS,

Plaintiff,

-v-

VODKA & MILK, LLC; VODKA & MILK 2,
LLC; BUCK 50 PRODUCTIONS; and
ERIKA KANE

Defendants.
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17-cv-8603 (JSR)

ORDER

JED S. RAKOFF, U.S.D.J.

Plaintiff and counterclaim-defendant Earl Stevens originally brought this action against author Erica Kane and publishers Vodka & Milk, LLC; Vodka & Milk 2, LLC; and Buck 50 Productions, making various claims that stem from defendants' 2017 publication of a book - Captain Save a Hoe - that is also the title of a song that Stevens released in 1993. All defendants responded with the same set of counterclaims, including intentional interference with a contract under New York law.¹ Stevens moves to dismiss that counterclaim. For the reasons that follow, that motion is granted and the first counterclaim is dismissed with prejudice.

¹ This motion was filed before Erica Kane (apparently a nom de plume) was served. She makes the exact same counterclaim based on the exact same allegations as the corporate defendants. By agreement of the parties, plaintiff's motion incorporates Kane's counterclaim, and Kane adopts the corporate defendants' arguments in opposition.

The elements of a claim of tortious interference with a contract under New York law are "(1) the existence of a valid contract between the plaintiff and a third party; (2) the defendant's knowledge of the contract; (3) the defendant's intentional procurement of the third-party's breach of the contract without justification; (4) actual breach of the contract; and (5) damages resulting therefrom." Kirch v. Liberty Media Corp., 449 F.3d 388, 401 (2d Cir. 2006)²; see also Hornstein v. Podwitz, 173 N.E. 674, 675 (N.Y. 1930).

Counterclaimants allege that Stevens contacted various online retailers and asked that they stop selling counterclaimants' book, but knew or should have known that the book did not infringe on Stevens's copyright. They also allege that Stevens knew or should have known that his interference would cause these retailers to stop selling the book and thus breach their contracts with counterclaimants, that this in fact occurred, and that counterclaimants suffered injuries therefrom. See ECF Nos. 31, 32, 39 ¶¶ 14, 17-20.

Stevens makes several arguments in favor of dismissal, only one of which the Court need address: that this counterclaim is preempted by the Digital Millennium Copyright Act ("DMCA").

² In quoting cases, this order omits internal citations, footnotes, alterations in the originals, and internal quotation marks, unless otherwise noted.

Section 512 of the DMCA limits liability for copyright infringement by creating safe harbors for internet service providers that follow certain detailed procedures. One such safe harbor is found in Section 512(c), which "insulates service providers from liability for infringements of which they are unaware, contained in material posted to their sites by users, so as to make it commercially feasible for them to provide valuable Internet services to the public." Capitol Records, LLC v. Vimeo, LLC, 826 F.3d 78, 82 (2d Cir. 2016). This section also "augments the rights of copyright owners by establishing a notice-and-takedown regime." Id. at 83. Through that process, those who believe an internet service provider is hosting material that infringes on their copyright can submit a formal takedown notice, and the provider loses the benefit of the safe harbor if it continues to host the allegedly infringing material. See 17 U.S.C. § 512(c)(1)(C). It is undisputed that the notices Stevens sent to online retailers were takedown notices pursuant to this Section of the DMCA.

The DMCA also provides two remedies for posters who believe their material has been taken down incorrectly. Section 512(g) requires providers to take "reasonable steps promptly to notify" the poster whose content has been removed. Id. § 512(g)(2)(A). The alleged infringer can then send the provider a "counter notification," including a statement of good-faith belief that

the material was removed "as a result of mistake or misidentification." Id. § 512(g)(3)(C). Providers must then "promptly" inform the person that sent the initial notification that they will replace the removed material in 10 business days. Id. § 512(g)(2)(B). After those 10 business days have passed - but before 14, and absent a lawsuit seeking restraint of the allegedly infringing activity - the provider must put the material back online. Id. at § 512(g)(2).

Congress also created the following private cause of action as a remedy for abuse of this notice-and-takedown system:

Any person who knowingly materially misrepresents . . . that material or activity is infringing . . . shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged infringer . . . who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing

Id. § 512(f).

Under the Supremacy Clause of the Constitution, federal law "shall be the supreme Law of the Land," U.S. Const. art. VI, cl. 2, meaning that when state laws threaten the supremacy of federal law, they are "preempted" and must give way. Relevant here is "field preemption," which occurs "where Congress has legislated so comprehensively that federal law occupies an entire field of regulation and leaves no room for state law."

Wachovia Bank, N.A. v. Burke, 414 F.3d 305, 313 (2d Cir. 2005).

"Where Congress occupies an entire field, . . . even complementary state regulation is impermissible. Field preemption reflects a congressional decision to foreclose any state regulation in the area, even if it is parallel to federal standards." Arizona v. United States, 567 U.S. 387, 401 (2012).

Several other courts have held that the remedial provisions of the DMCA preempt state intentional interference with contract claims based on the wrongful use of DMCA takedown notices. See Online Policy Grp. v. Diebold, Inc., 337 F. Supp. 2d 1195, 1205 (N.D. Cal. 2004) ("In section 512(f), Congress provides an express remedy for misuse of the DMCA's safe harbor provisions. It appears that Congress carefully balanced the competing interests of copyright holders, ISPs, and the public, by providing immunity subject to relief for any misuse of the statute."); Amaretto Ranch Breedables, LLC v. Ozimals, Inc., No. C 10-05696, 2011 WL 2690437, at *4 (N.D. Cal. July 8, 2011) ("[A] DMCA Takedown Notification is a creature of a federal statutory regime, and . . . that regime preempts any state law claim based on an allegedly improper DMCA Takedown Notification."); Lenz v. Universal Music Corp., No. C 07-03783, 2008 WL 962102, at *4 (N.D. Cal. Apr. 8, 2008). This Court agrees.

DMCA takedown notices, and the system of which they are a part, are creations entirely of federal law. The DMCA is a complex and comprehensive statutory regime that meticulously details the steps that providers must take to avoid liability and that copyright holders must take to enforce their rights. Congress also included express remedies for alleged infringers by providing for a counter-notice system and a cause of action if fraudulent use of the notice and takedown procedures causes injury. Contrast *Silkwood v. Kerr-McGee Corp.*, 464 U.S. 238, 250-51 (1984) (permitting state tort remedies for violations of federal law in an otherwise preempted field, relying on the absence of a federal remedy). With this detailed process and these two express remedies, Congress intended to "appropriately balance[] the interests of content owners, on-line and other service providers, and information users in a way that will foster the continued development of electronic commerce and the growth of the Internet." H.R. REP. 105-551(II) at 21 (1998). The pervasive nature of the DMCA, including an express remedy for the very wrong that counterclaimants here allege, "make[s] reasonable the inference that Congress left no room for the States to supplement" the remedies outlined in the DMCA. *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947).

Moreover, copyright law has been overwhelmingly controlled by Congress since the Copyright Act of 1976. Indeed, though it

does not apply here, the Copyright Act has contained a provision expressly preempting almost all state law claims sounding in copyright since October 27, 1998 (the day before the DMCA was passed). See 17 U.S.C. § 301(a). Federal law's near-total occupation of the field of copyright law further supports an inference that the federal interest in creating remedies to ensure compliance with the DMCA "is so dominant that the federal system will be assumed to preclude enforcement of state laws on the same subject." Rice, 331 U.S. at 230.³

The Court holds that defendants' counterclaim for intentional interference with contract is preempted by the DMCA. Amendment of the counterclaim would therefore be futile. Accordingly, that counterclaim is dismissed with prejudice.

SO ORDERED

Dated: New York, NY
March 12, 2018



JED S. RAKOFF, U.S.D.J.

³ "There is typically a presumption against preemption in areas of regulation that are traditionally allocated to states and are of particular local concern. The presumption against federal preemption disappears, however, in fields of regulation that have been substantially occupied by federal authority for an extended period of time." Wachovia, 414 F.3d at 314.