

1 Katherine M. Dugdale, Bar No. 168014
KDugdale@perkinscoie.com
2 PERKINS COIE LLP
1888 Century Park E., Suite 1700
3 Los Angeles, CA 90067-1721
Telephone: 310.788.9900
4 Facsimile: 310.788.3399

5 William C. Rava (appearing *pro hac vice*)
Christian W. Marcelo (appearing *pro hac vice*)
6 WRava@perkinscoie.com
CMarcelo@perkinscoie.com
7 PERKINS COIE LLP
1201 Third Avenue, Suite 4900
8 Seattle, WA 98101
Telephone: 206.359.8000
9 Facsimile: 206.359.9000

10 Attorneys for Plaintiff
Nintendo of America Inc.

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13
14
15 NINTENDO OF AMERICA INC., a
Washington corporation

16 Plaintiff,

17 v.

18 MATTHEW STORMAN, an
individual, JOHN DOES 1-10,
19 individuals and/or corporations,

20 Defendant.

Case No. 2:19-CV-07818-CBM-RAO

**NINTENDO'S MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT OF ITS MOTION FOR
SUMMARY JUDGMENT**

Date: January 26, 2021
Time: 10:00 a.m.
Ctrm: #8B

The Honorable Consuelo B. Marshall

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I. INTRODUCTION

This is a straightforward video game piracy case, and the material facts are undisputed. For over a decade, defendant Matthew Storman owned and operated the website RomUniverse.com. He populated the website with pirated copies of thousands of different Nintendo games and distributed *hundreds of thousands* of copies of those pirated games.

There is no dispute that many of the pirated games which Mr. Storman uploaded and distributed infringed Nintendo’s copyrights and trademarks. Mr. Storman does not dispute Nintendo’s ownership or the validity of its relevant intellectual property, and the undisputed evidence demonstrates massive, intentional, years-long infringement from which Mr. Storman directly profited.

It gets worse. After refusing and then being ordered to produce key evidence, Mr. Storman instead destroyed it. That evidence included communications with his website administrators and data showing how many times each of the pirated video games had been downloaded. *This information disappeared mere days after Judge Oliver ordered Mr. Storman to produce it.*

On the record before the Court, there is no question that Mr. Storman is liable for direct and secondary copyright infringement as well as trademark infringement. Nintendo is therefore entitled to summary judgment as a matter of law. Additionally, because of the destruction of key evidence, Nintendo seeks an adverse inference regarding the missing data.

This motion is supported by the Declarations of Jacqueline Knudson (“Knudson Decl.”), Alicia Bell (“Bell Decl.”), and Christian Marcelo (“Marcelo Decl.”), as well as the records and files related to this matter.

II. STATEMENT OF FACTS

A. Nintendo, Its Business, and Its Intellectual Property Rights

Nintendo develops, markets, and distributes electronic video game hardware, software, and related accessories. Knudson Decl. ¶ 2. Nintendo’s innovation in

1 these areas has made it a world-famous brand, known for its fun video games and
2 beloved video game characters. *Id.*

3 Since at least as early as 1980, Nintendo began using video games to
4 introduce the world to characters that would soon become some of the most famous
5 and beloved characters of all time. *Id.* These characters, examples of which are
6 shown below, include household names such as Mario, Luigi, Donkey Kong,
7 Yoshi, Link, Princess Zelda, and many, many more. *Id.*



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11 Nintendo's immense and widespread popularity is reflected in the massive
12 volumes of sales of its video games and consoles dating back to the release of the
13 Nintendo Entertainment System in 1984.¹ And Nintendo's popularity has only
14 increased over the years.

15 Nintendo built its business through creative and financial investment in its
16 video games, products, and intellectual property. As part of this investment,
17 Nintendo owns registered United States copyrights for a variety of Nintendo video
18 games, video game characters, and related works. These registrations include
19 registrations for the copyrighted works identified in Exhibit A to Nintendo's
20 Complaint (the "Nintendo Copyrights"). *Id.*, Exs. 1-2 (copyright registrations)
21 pp. 5-142. Nintendo also owns registered United States trademarks covering these
22 offerings (the "Nintendo Trademarks," collectively with the Nintendo Copyrights,
23 the "Nintendo IP"). *Id.*, Ex. 3 (trademark registrations) pp.143-221; Compl., Ex. B.
24 Mr. Storman does not dispute Nintendo's ownership or the validity of the Nintendo
25 IP. Marcelo Decl., Ex. 1 (Storman Dep.) pp. 66-67 at 63:25-64:20.

26
27
28 ¹ For example, the Nintendo 3DS, released in 2011, enjoyed sales of over 75 million
consoles and over 385 million games. Knudson Decl. ¶ 3. Most recently, the Nintendo Switch
(released in 2017) has seen sales of over 68 million consoles and over 450 million games. *Id.*

1 **B. Mr. Storman’s Infringing Activities**

2 Nintendo’s popularity has made it a frequent target for intellectual property
3 pirates, including Mr. Storman. Video game pirates often make unauthorized
4 copies of video games by copying the “read-only memory files” or “read-only
5 memory images,” commonly referred to as “ROMs,” found in a genuine game
6 cartridge or disc. Knudson Decl. ¶ 6; Marcelo Decl., Ex. 1, pp. 29-31 at 26:12-
7 28:1. Such pirated copies can be played on unauthorized devices, such as personal
8 computers, through software (an emulator) designed to mimic the functionality of a
9 physical video game system. *Id.* Some pirated ROMs can also be played on
10 Nintendo hardware using hacking techniques. *Id.*

11 In or around 2009, Mr. Storman purchased the domain name and website
12 located at NDSUniverse.com (“NDSUniverse”). Marcelo Decl., Ex. 1, pp. 15-16 at
13 12:25-13:6. At that time, NDSUniverse distributed pirated ROMs of games for
14 Nintendo’s DS console. *Id.* pp. 19-21 at 16:6-18. Soon after, Mr. Storman
15 purchased the domain name RomUniverse.com, repurposed the NDSUniverse
16 website into a new website located at RomUniverse.com, and redirected traffic
17 from NDSUniverse to the website associated with RomUniverse.com
18 (“RomUniverse”). *Id.* pp. 16-18 at 13:10-15:13. Through RomUniverse,
19 Mr. Storman began distributing pirated ROMs, primarily for Nintendo’s consoles.
20 *Id.* pp. 30-32 at 27:24-29:1. Since purchasing the RomUniverse domain in or
21 around 2009, Mr. Storman has been and currently is the sole owner of, and solely
22 responsible for the content at, RomUniverse. *Id.* p. 18 at 15:21-25.

23 Prior to and throughout most of this litigation, RomUniverse distributed
24 pirated ROMs of thousands of Nintendo games, including pirated ROMs of games
25 for the Super Nintendo Entertainment System (Super NES), Nintendo
26 Entertainment System (NES), Game Boy, Game Boy Advance, Game Boy Color,
27 Nintendo 64, Nintendo DS, Nintendo 3DS, Wii, and the Nintendo Switch. *Id.* pp.
28 30-32 at 27:24-29:1; Marcelo Decl., Ex. 2, pp.106-109. These pirated ROMs were

1 labelled and organized using Nintendo’s trademarks to allow RomUniverse users to
2 quickly locate the pirated games. Marcelo Decl., Ex. 1, pp. 37-38 at 34:8-35:11; *id.*
3 p. 92 at 89:19-22; Marcelo Decl., Exs. 2-5, pp.104-123; Bell Decl. Ex. 3 pp. 9-142;
4 Knudson Decl., Ex. 5, p. 223 (Mr. Storman explaining a new category will “make[]
5 it easier for the public to find specific ROMs”).²

6 Mr. Storman and his website administrators populated RomUniverse with
7 this catalogue of pirated ROMs. Mr. Storman uploaded numerous pirated ROMs
8 himself. Marcelo Decl., Ex. 1, pp. 39-42 at 36:20-39:18; Knudson Decl., Ex. 7, p.
9 225. Mr. Storman found these ROMs on other websites distributing pirated
10 content. *Id.* He concedes that many of the ROMs he uploaded were identified as
11 ROMs of Nintendo games, and he believed them to be such before uploading them
12 to RomUniverse. *Id.* On several occasions, Mr. Storman responded to user
13 requests by locating specific pirated ROMs and uploading them to RomUniverse.
14 Marcelo Decl., Ex. 1, pp. 90-92 at 87:25-89:4; Knudson Decl., Ex. 7, p. 225. He
15 also had the ability and authority to control the actions of RomUniverse
16 administrators in connection with the content and functionality of RomUniverse
17 and was responsible for the content they uploaded. Marcelo Decl., Ex. 1, pp. 43-44
18 at 40:19-41:7; *id.* pp. 98-100 at 95:9-97:14.

19 When Nintendo filed its Complaint in September 2019, RomUniverse
20 claimed to offer pirated ROMs of more than 3000 Nintendo 3DS games and pirated
21 ROMs of 247 Nintendo Switch games, impacting Nintendo’s most recently
22 released consoles. Marcelo Decl., Ex. 3, pp. 114-16. And according to
23 RomUniverse, at that time, it had supported and facilitated more than 400,000
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27 ² The “Admin” account seen in Exs. 5-7 attached to the Knudson Decl. belonged to Mr.
28 Storman and no one else had access to the account. Marcelo Decl., Ex. 1, pp. 79-80 at 76:10-
77:10.

1 downloads of pirated ROMs of Nintendo 3DS games and 300,000 downloads of
2 pirated ROMs of Nintendo Switch games.³ *Id.*

3 Mr. Storman directly profited from this infringing activity by selling
4 “Premium Memberships” for between \$28 and \$60 for either annual or lifetime
5 memberships. Marcelo Decl., Ex. 1, pp. 51-52 at 48:3-49:17; Knudson Decl. Ex. 6,
6 p. 224. Non-paying users were limited to one free download; Premium Members
7 could download an unlimited number of pirated ROMs at higher speeds than non-
8 paying users. Marcelo Decl., Ex. 1, pp. 44-45 at 41:8-42:13. Additionally, Mr.
9 Storman provided gift giveaways to RomUniverse Premium Members, including
10 gifting a Nintendo 3DS console to a Premium Member (presumably to play the
11 pirated content). *Id.* pp. 48-49 at 45:19-46:6. Mr. Storman promoted Premium
12 Memberships by highlighting RomUniverse’s vast array of pirated ROMs for
13 Nintendo games, noting that RomUniverse offered “1000s of game roms ...
14 [i]ncluding Switch, Wii, 3DS/DS, GBA and more.” *Id.* pp. 56-57 at 53:18-54:17;
15 Marcelo Decl., Ex. 16, pp. 222-23. Since 2016, Mr. Storman received at least
16 \$77,700 in payments for Premium Memberships. *Id.*, Ex. 8 (Interrogatory
17 Response No. 1) p. 140; Ex. 9, p. 151.⁴

18 Mr. Storman used the available pirated Nintendo content to promote
19 RomUniverse in other ways too. On June 24, 2019, Mr. Storman posted a Tweet
20 stating: “Hey you. You know we have Nintendo Switch Scene Roms. They’re
21 uploaded when they are dumped. Check them out.”⁵ Marcelo Decl., Ex. 10, p. 159;

22
23 ³ Soon after Nintendo filed its Complaint—which specifically referenced this data
24 (Compl. ¶ 33)—Mr. Storman removed it from the website. Marcelo Decl., Ex. 1, pp. 60-61 at
25 57:9-58:21; pp. 63-65 at 60:7-62:2; compare Marcelo Decl., Ex. 2 (9/12/2019 RomUniverse
26 screenshot) pp.104-110 and Ex. 3 (screenshot of 3/18/2019 archive of RomUniverse) pp.114-16
27 with Ex. 6 (9/13/2019 RomUniverse screenshot) pp.125-131.

28 ⁴ In interrogatory responses, Mr. Storman claimed to have owned RomUniverse only since
2016 and provided financial information from that time. Marcelo Decl., Ex. 9, p. 152 (Rog. 8).
However, in his deposition, Mr. Storman admitted he has owned RomUniverse since 2009 and
has been charging membership fees since at least 2010. Marcelo Decl., Ex. 1 pp. 50-51 at 47:25-
48:2. His total income from Premium Memberships is thus likely significantly greater than he
disclosed.

⁵ “Dumping” refers to the creation of the ROM by making an illegal copy of the game.

1 Marcelo Decl., Ex. 1, pp. 34-36 at 31:2-33:17. He also used a third-party service,
2 Discord⁶, to notify RomUniverse users when new, pirated content was available and
3 boasted of RomUniverse’s vast catalogue of pirated ROMs of Nintendo games. *Id.*,
4 pp. 76-77 at 73:23-74:2; *see also* Knudson Decl., Ex. 4, p. 222.

5 Under Mr. Storman’s control and management, RomUniverse attracted
6 hundreds of thousands of users each year, resulting in hundreds of thousands of
7 downloads of pirated ROMs of Nintendo games. Marcelo Decl., Exs. 11-12,
8 pp.161-162. RomUniverse also grew dramatically in recent years, coinciding with
9 the release of the Nintendo Switch console and related games. In 2016,
10 RomUniverse had over 200,000 users and nearly 2 million pageviews. *Id.* By
11 2019, just two years after the Nintendo Switch release, RomUniverse traffic had
12 *tripled*, with over 600,000 users and over 7 million pageviews. *Id.*

13 **C. Nintendo’s Investigation of RomUniverse**

14 In its Complaint, Nintendo provided a list of 37 Nintendo games to which it
15 owns valid, enforceable copyrights (the “Nintendo Games”), as well as the box art
16 corresponding with 12 of those games (the “Nintendo Box Art”). Compl. Ex. A.
17 Pirated ROMs of each of the 37 Nintendo Games—among thousands of other
18 games for Nintendo consoles—were available for download from RomUniverse
19 (the “Infringing ROMs”). Bell Decl., ¶¶ 7-10; *id.*, Ex. 2, p. 8. On April 30, 2019,
20 Nintendo retained the law firm Miller Nash Graham & Dunn LLP (“Miller Nash”)
21 to gather evidence related to RomUniverse. Bell Decl., ¶ 2. Miller Nash
22 downloaded each of the Infringing ROMs from RomUniverse, documenting the
23 process. *Id.* ¶¶ 2-12. Nintendo’s investigation confirmed five important points.

24 ***First***, RomUniverse identified and categorized the Infringing ROMs using
25 one or more of the Nintendo Trademarks. *Id.*, Ex. 3 (screenshots relating to
26

27 _____
28 ⁶ Discord is an online communication service provider located at Discord.com where users communicate in private chats via voice calls or text messaging, and send media and files.

1 Infringing ROMs), pp. 9-142; Marcelo Decl., Ex. 2 pp. 104-111; Knudson Decl.,
2 Ex. 3 (trademark registrations), pp.143-221.

3 **Second**, the download page on RomUniverse for 12 of the Infringing ROMs
4 used the Nintendo Box Art to promote the Infringing ROM. Bell Decl., Ex. 3⁷;
5 Knudson Decl., Ex. 2 (copyright registrations), pp. 110-142.

6 **Third**, at the time they were downloaded, all but three of the Infringing
7 ROMs were functional copies of the games listed in Exhibit A to Nintendo's
8 Complaint. Bell Decl., Ex. 2, pp. 8. Nintendo was able to load and launch these
9 Infringing ROMs and thus play pirated copies of the respective Nintendo Games.
10 *Id.* Nintendo owns copyright registrations for each of these video games. Knudson
11 Decl., Ex. 1 (copyright registrations) pp. 5-109.

12 **Fourth**, when launched, the title page for most of the Infringing ROMs
13 displayed one or more of the Nintendo Trademarks, including in many cases, the
14 world-famous NINTENDO design and word mark. Bell Decl., Ex. 3, pp. 9-142.
15 Again, Nintendo owns trademark registrations for those trademarks. Knudson
16 Decl., Ex. 3, pp.123-221.

17 **Fifth**, according to RomUniverse, which Mr. Storman alone owns and
18 controls, at or around the time Nintendo completed its investigation, nearly 50,000
19 copies of the Infringing ROMs had been downloaded through RomUniverse. Bell
20 Decl., Ex. 3, pp. 9-142; Marcelo Decl., Ex. 1, p. 14 at 11:17-21.

21 Nintendo's litigation provided Mr. Storman with unequivocal notice that
22 RomUniverse offered pirated Nintendo content. Yet, Mr. Storman continued to
23 operate RomUniverse and, most significantly, *continued to upload new pirated*
24 *ROMs of Nintendo games for over a year after the lawsuit was filed.* Knudson
25 Decl. ¶ 7. During this time, he also used RomUniverse to attempt to crowdfund his
26 legal defense, asking for donations to keep RomUniverse up and infringing.

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⁷ See pp. 17, 25, 29, 33, 37, 41, 45, 53, 58, 66, 131, and 138.

1 Marcelo Decl., Ex. 7, p. 225. As recently as mid-September 2020, a pirated ROM
2 of Nintendo’s newly-released and immensely popular *Super Mario 3D All-Stars*
3 video game was uploaded to RomUniverse, and RomUniverse users were notified
4 of this new content via Discord. Knudson Decl. ¶ 7.

5 **D. Spoliation of Communications and Download Data**

6 On June 23, 2020, Nintendo reached out to Mr. Storman concerning three
7 categories of documents he failed to produce in response to Nintendo’s discovery
8 requests: (1) his tax information, (2) data regarding the number of downloads of
9 the Infringing ROMs, and (3) communications regarding RomUniverse and this
10 litigation. A month later, Mr. Storman responded that he had a medical issue and
11 requested an extension of the case schedule to allow him to recover. Marcelo Decl.,
12 Ex. 13, pp. 163-165. Nintendo agreed to this extension.

13 On August 5, 2020 on the parties’ stipulation, the Court extended the case
14 schedule and further ordered the parties to participate in the Informal Discovery
15 Conference procedure (“IDC”), including a preceding substantive meet-and-confer
16 by no later than September 25, 2020. Dkt. No. 42. Thereafter, Nintendo attempted
17 to contact Mr. Storman on numerous occasions, including by email and via
18 telephone on August 17, August 21, August 28, September 4, and September 11,
19 2020. Marcelo Decl., Ex. 13, pp. 188-190. Mr. Storman did not respond. *Id.*

20 In violation of the Court’s August 5 Order (Dkt. No. 42), Mr. Storman did
21 not participate in a meet-and-confer with Nintendo. Marcelo Decl. ¶ 2.

22 On September 25, 2020 the parties participated in an IDC regarding these
23 discovery disputes. At the conclusion of the hearing, Magistrate Judge Oliver
24 ordered Mr. Storman to produce the requested documents by no later than
25 October 5, 2020 and warned him that his failure to comply with his discovery
26 obligations could result in sanctions. Dkt. No. 45 (“September 25 Order”).

27 On September 30, 2020, the parties conferred about the status of Mr.
28 Storman’s compliance with his discovery obligations and the Court order. Marcelo

1 Decl. ¶ 3, Ex. 14, pp. 217-19. During that conference, Mr. Storman represented
2 that he was on track to produce documents responsive to each of the three
3 document categories, and that, specifically, the data regarding the downloads was
4 available to him. *Id.* Additionally, regarding the download data and in connection
5 with Mr. Storman’s agreement to disable RomUniverse, the parties discussed—and
6 Mr. Storman specifically confirmed—that this data was and would remain
7 accessible. *Id.*; Marcelo Decl., Ex. 1, p. 81 at 78:7-19.

8 While Mr. Storman produced some tax records, he did not produce any
9 responsive documents regarding download data or communications by the October
10 5 deadline. Two days later, on October 7, 2020, Mr. Storman informed Nintendo
11 that he no longer had access to (a) his communications sent and received through
12 Discord and (b) the data on his website regarding the number of downloads of the
13 Infringing ROMs. *Id.*, Ex. 15, p. 220. Mr. Storman could not provide an
14 explanation as to why he could not access this data. Marcelo Decl., Ex. 1, pp. 78-
15 82 at 75:18-79:8. He did, however, confirm that the now-lost communications
16 included private messages regarding Nintendo, this litigation, and the website
17 generally. *Id.*, pp. 22-26 at 19:11-20:3; 21:13-23:13.

18 Mr. Storman testified that he did not even begin to attempt to collect the
19 required documents until after the Court-ordered deadline because he
20 “procrastinated.” *Id.*, pp. 79-82 at 75:18-79:8. This data is now unrecoverable.
21 Thus, at the conclusion of another IDC, the Court found that Mr. Storman had
22 violated the Court’s September 25 Order by not producing the data and “again
23 explained to [Mr. Storman] that he could be sanctioned for non-compliance with
24 past orders and this order, including by being ordered to pay Plaintiff’s costs
25 incurred in securing [Mr. Storman]’s compliance with his discovery obligations, by
26 allowing an adverse inference and/or giving an adverse instruction, and/or through
27 a terminating sanction.” Dkt. No. 49 (October 28 Order).

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III. ARGUMENT

Summary judgment is appropriate where, as here, there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. *See* Fed. R. Civ. P. 56; *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986). “If the party moving for summary judgment meets its initial burden of identifying for the Court the portions of materials on file which it believes demonstrate the absence of any genuine issue of material fact, the nonmoving party may not rely on mere allegations in the pleadings in order to preclude summary judgment.” *Sega Enters Ltd. v. MAPHIA*, 948 F. Supp. 923, 931 (N.D. Cal. 1996). Cases such as this one, where there is no dispute that the defendant engaged in the infringing activity, are particularly well-suited for summary judgment.

A. Mr. Storman Is Liable for Direct Copyright Infringement.

The Copyright Act gives the copyright owner the exclusive right to reproduce a copyrighted work and to distribute copies of the work. *See* 17 U.S.C. § 106(1), (3). To establish its claim for copyright infringement, Nintendo must prove: (a) that it owns valid copyrights in the works; and (b) that Mr. Storman infringed Nintendo’s exclusive rights. *See* 17 U.S.C. § 501; *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991); *Entm’t Research Grp., Inc. v. Genesis Creative Grp., Inc.*, 122 F.3d 1211, 1217 (9th Cir. 1997); *Sega v. MAPHIA*, 948 F. Supp. at 931. Mr. Storman’s knowledge or intent is irrelevant to liability, although here it is clear his infringement was willful. *See* 17 U.S.C. § 501(a); *Perfect 10, Inc. v. Cybernet Ventures, Inc.*, 213 F. Supp. 2d 1146, 1166 (C.D. Cal. 2002).⁸

In this case, there is no dispute as to either element: (a) Nintendo owns the copyrights in the Nintendo Copyrights; and (b) Mr. Storman distributed infringing copies of the Nintendo Games (the Infringing ROMs) and used unauthorized copies

⁸ A court may, however, consider a party’s state of mind in determining whether to enhance statutory damages or to award attorneys’ fees. *See* 17 U.S.C. § 504(c)(2).

1 of the Nintendo Box Art to promote the Infringing ROMs. *See* Section II(C),
2 *supra*.

3 Nintendo establishes the first element by providing its copyright registration
4 certificates for the Nintendo Copyrights. Knudson Decl., Exs. 1-2. These
5 registration certificates are prima facie evidence of Nintendo’s ownership of valid
6 copyrights, *see* 17 U.S.C. § 410(c), and Mr. Storman does not dispute Nintendo’s
7 ownership. Marcelo Decl., Ex. 1, pp. 66-67 at 63:25-64:20. Nintendo has therefore
8 satisfied the ownership element. *See Micro Star v. Formgen Inc.*, 154 F.3d 1107,
9 1110 (9th Cir. 1998) (“copyright registration creates a presumption of ownership”).

10 It is also undisputed that Mr. Storman trafficked infringing copies of the
11 Nintendo Games, including by uploading them to and distributing them through
12 RomUniverse. Marcelo Decl., Ex. 1, pp. 39-42 at 36:20-39:18; *id.* pp. 90-92 at
13 87:25-89:4; Bell Decl., Ex. 2, p. 8. Likewise, there is no question that Mr. Storman
14 displayed copies of the Nintendo Box Art to promote the download of the
15 Infringing ROMs. Bell Decl., Ex. 3;⁹ Knudson Decl., Ex. 2, pp. 110-142. Having
16 uploaded and distributed unauthorized and infringing copies of the Nintendo
17 Games, and uploaded and displayed the Nintendo Box Art to promote the
18 distribution of these pirated game copies, Mr. Storman infringed Nintendo’s
19 exclusive rights under the Copyright Act and is liable as a matter of law for
20 copyright infringement. *Columbia Pictures Indus., Inc. v. Fung*, 710 F.3d 1020,
21 1034 (9th Cir. 2013) (“Both uploading and downloading copyrighted material are
22 infringing acts. The former violates the copyright holder’s right to distribution, the
23 latter the right to reproduction.”).

24 **B. Mr. Storman Is Liable for Secondary Copyright Infringement**

25 There is no dispute that Mr. Storman has both contributorily and vicariously
26 infringed Nintendo’s rights under the Copyright Act. “[O]ne infringes
27

28 ⁹ *See* pp. 17, 25, 29, 33, 37, 41, 45, 53, 58, 66, 131, and 138.

1 contributorily by intentionally inducing or encouraging direct infringement . . . and
2 infringes vicariously by profiting from direct infringement while declining to
3 exercise a right to stop or limit it.” *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d
4 1146 (9th Cir. 2007) (quoting *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*,
5 545 U.S. 913, 930 (2005)).

6 **1. Contributory Infringement**

7 To establish liability for contributory infringement, Nintendo need only show
8 that “the users of [RomUniverse] directly infringed [Nintendo’s] copyright” and
9 that “with knowledge of the users’ infringing activity . . . [Mr. Storman] induced,
10 caused, or materially contributed to their infringing activity.” *See Sega v.*
11 *MAPHIA*, 948 F. Supp. at 932 (granting summary judgment finding willful
12 contributory copyright infringement). “[P]roviding the site and facilities for known
13 infringing activity is sufficient to establish contributory liability.” *Fonovisa, Inc. v.*
14 *Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996).

15 First, there is no dispute that users who downloaded the Infringing ROMs in
16 fact downloaded unauthorized copies of the Nintendo Games and thus infringed
17 Nintendo’s exclusive rights of reproduction under the Copyright Act. 17 U.S.C. §
18 106(1); Bell Decl. ¶ 9, Ex. 2, p.8 (confirming the Infringing ROMs were playable
19 copies of the Nintendo Games). According to Mr. Storman’s website, nearly
20 50,000 downloads of the Infringing ROMs occurred before this litigation was
21 initiated. Bell Decl., Ex. 3, pp. 9-142.

22 Second, there is also no dispute that Mr. Storman knew of, encouraged, and
23 materially contributed to this infringing activity. The vast majority of the content
24 found on RomUniverse—which Mr. Storman boasted was the “best romsite in the
25 universe”—consisted of pirated ROMs of Nintendo video games. Marcelo Decl.,
26 Ex. 7, p. 133. In fact, Mr. Storman notified RomUniverse users when new pirated
27 ROMs were uploaded and even invited users to visit RomUniverse specifically to
28 download pirated ROMs of games for Nintendo consoles. *See* Marcelo Decl., Ex.

1 10, p. 159; Ex. 16 p. 223; *see also* Ex. 1 pp. 76-77 at 73:23-74:2. Even after this
2 litigation was initiated, Mr. Storman *continued* to distribute the Infringing ROMs
3 for more than a year and upload new infringing content through September 2020.
4 Knudson Decl. ¶ 7.

5 Moreover, Mr. Storman assisted users of RomUniverse in locating the
6 Infringing ROMs by labeling and cataloguing them using Nintendo's trademarks.
7 Marcelo Decl., Exs. 2, p. 104-111; Bell Decl., Ex. 3 p. 9-142. And, when users
8 requested a specific Nintendo game, *Mr. Storman would personally locate pirated*
9 *ROMS of the requested game and upload it to RomUniverse.* Marcelo Decl., Ex. 1,
10 pp. 90-92 at 87:25-89:4. Mr. Storman not only knowingly assisted in this
11 infringement, he also directly profited from it by offering unlimited downloads of
12 illegal content for users who purchased Premium Memberships. *Id.*, pp. 44-52 at
13 41:8-42:13; 48:3-49:17.

14 Such conduct, supported by undisputed evidence, satisfies the elements of
15 contributory copyright infringement as a matter of law. *See A&M Records, Inc. v.*
16 *Napster, Inc.*, 239 F.3d 1004, 1021 (9th Cir. 2001) (finding contributory
17 infringement where defendant knew of availability of infringing files, assisted in
18 accessing the files, and failed to block access to the files); *Sega v. MAPHIA*, 948 F.
19 Supp. at 932-33; *Sega Enters Ltd. v. Sabella*, No. C 93-04260 CW, 1996 WL
20 780560, at *8 (N.D. Cal. Dec. 18, 1996).

21 **2. Vicarious Infringement**

22 Similar to contributory infringement, to establish liability for vicarious
23 copyright infringement, Nintendo must establish that: (1) the users of
24 RomUniverse infringed Nintendo's copyrights, (2) Mr. Storman had the right and
25 ability to supervise the infringing activity, and (3) Mr. Storman had a direct
26 financial interest in such activities. *Fonovisa*, 76 F.3d at 262.

1 As discussed above, the first element is satisfied, because RomUniverse users
2 infringe the Nintendo Games by downloading the Infringing ROMs. So, too, did
3 any administrators that uploaded the Infringing ROMs to RomUniverse.

4 There is also no dispute regarding the second element. Mr. Storman admits
5 that he had the right and ability to control the infringing actions of the
6 RomUniverse users. Marcelo Decl., Ex. 1, pp. 43-44 at 40:19-41:7; *id.* pp. 98-100
7 at 95:9-97:14. He is the sole owner of RomUniverse and has the ability to change
8 or control the content available on RomUniverse. *Id.*; *see also id.* p. 18 at 15:21-25.
9 He also had the ability and authority to control the actions of RomUniverse
10 administrators in connection with the content and functionality of RomUniverse.
11 *Id.* Mr. Storman chose not to limit any of the infringing activities and added new
12 infringing ROMs, including for over a year after Nintendo initiated this litigation.
13 *Id.* pp. 98-100 at 95:9-97:14.

14 There is likewise no dispute that Nintendo has satisfied the third element.
15 Mr. Storman did not act to prevent infringement on RomUniverse precisely because
16 he directly profited from it. In fact, he testified that, until recently, his sole income
17 was from sales of Premium Memberships. *Id.* p. 89 at 86:8-21. These Premium
18 Memberships allowed users to download *more* infringing content at *faster* speeds.
19 *Id.* pp. 44-45 at 41:8-42:13. And Mr. Storman promoted and marketed the
20 availability of the Infringing ROMs to sell these Premium Memberships. *Id.* pp.
21 56-57 at 53:18-54:17; Marcelo Decl., Ex. 16, p. 223.

22 Because Mr. Storman had the right and ability to control the infringing
23 actions of RomUniverse's users and administrators and because he directly profited
24 from that infringement, Mr. Storman is vicariously liable for copyright
25 infringement as a matter of law. *See Napster*, 239 F.3d at 1024.

26 **C. Mr. Storman Is Liable for Trademark Infringement.**

27 A trademark owner establishes trademark infringement by showing: (1) that
28 it owns a trademark; and (2) that the infringer (a) used the mark without

1 authorization, (b) in commerce, and (c) in a manner likely to create consumer
2 confusion. *See* 15 U.S.C. § 1114(1)(a); *KP Permanent Make-Up, Inc. v. Lasting*
3 *Impression I, Inc.*, 543 U.S. 111, 117 (2004); *Toho Co., Ltd. v. William Morrow*
4 *and Co., Inc.*, 33 F. Supp. 2d 1206, 1210 (C.D. Cal. 1998).

5 The undisputed evidence establishes each of the required elements of
6 trademark infringement.

7 First, Nintendo registered each of the Nintendo Trademarks. Knudson Decl.,
8 Ex. 3, pp. 143-221. Such registrations constitute prima facie evidence of the
9 validity of the Nintendo Trademarks, as well as of the facts stated in the registration
10 certificates. 15 U.S.C. §1057(b); *Brookfield Commc'ns, Inc. v. W. Coast Entm't*
11 *Corp.*, 174 F.3d 1036, 1047 (9th Cir. 1999). These registrations are also prima
12 facie evidence of Nintendo's exclusive right to the use of the marks for purposes of
13 15 U.S.C. § 1114(1). *See* 15 U.S.C. § 1057(b); *Brookfield*, 174 F.3d at 1047. Mr.
14 Storman does not dispute Nintendo's ownership of these trademarks. Marcelo
15 Decl., Ex. 1 pp. 66-67 at 63:25-64:20.

16 Second, it is undisputed that Mr. Storman used the Nintendo Trademarks in
17 commerce. He trafficked in pirated ROMs of Nintendo games that, when played,
18 contain and display the Nintendo Trademarks. Bell Decl., Ex. 2, p. 8. Mr. Storman
19 also used the Nintendo Trademarks to identify and categorize the Infringing ROMs,
20 including on the Nintendo Box Art, to assist users in efficiently navigating
21 RomUniverse. *Id.*, Ex.3, pp. 9-142; Knudson Decl., Ex. 5, p. 223.

22 Finally, Mr. Storman's use of the Nintendo Trademarks is likely to cause
23 consumer confusion. *Sega v. MAPHIA* is particularly analogous here. In *Sega*, the
24 defendant used Sega's trademarks on his website to identify pirated video games
25 available for download, and when those pirated games were played, they displayed
26 Sega's trademarks. 948 F. Supp. at 937. The court held that the most relevant
27 factors outlined in *AMF v. Sleekcraft* established a likelihood of confusion as a
28 matter of law. *Id.* at 938. Specifically, the court found that the pirated video games

1 were substantially identical to the genuine games, the infringing marks were
2 identical to the registered marks, and the defendant “used, or knowingly allowed
3 others to use” the infringing marks. *Id.* at 937-38. Applying the same reasoning
4 from *Sega v. MAPHIA* here, those factors establish a likelihood of confusion as to
5 Mr. Storman’s use of the Nintendo Trademarks as a matter of law.¹⁰ *Id.*; *see also*
6 Section II(C), *supra*.

7 Like the defendant in *Sega*, Mr. Storman used the Nintendo Trademarks to
8 identify the Infringing ROMs. Marcelo Decl., Ex. 1, pp. 37-38 at 34:8-35:11; p. 92
9 at 89:19-22. In fact, Mr. Storman uploaded much of the pirated content found on
10 RomUniverse, believing he was uploading pirated copies of Nintendo games.
11 Marcelo Decl., Ex. 1, pp. 39-42 at 36:20-39:18. As in *Sega*, identical copies of the
12 Nintendo Trademarks appear both on RomUniverse and on the title screens of the
13 Infringing ROMs. *See e.g.*, Bell Decl., Ex. 3, pp. 9-12. Thus, “any member of the
14 public that logged onto [RomUniverse]” or that played the Infringing ROMs was
15 “likely to think that the trademark indicated that the games were sponsored by or
16 affiliated with [Nintendo].” *See Sega v. MAPHIA*, 948 F. Supp. at 938.

17 Moreover, because the Infringing Marks are counterfeit—*i.e.*, identical to the
18 Nintendo Trademarks and used on the same goods—“[i]t is unnecessary to perform
19 the step-by-step [*Sleekcraft* factor] examination ... because counterfeit marks are
20 inherently confusing.” *China Cent. Television v. Create New Tech. (HK) Ltd.*, No.
21 CV1501869 MMM (AJWx), 2015 WL 12732432, at *13 (C.D. Cal. Dec. 7, 2015).

22 Because Nintendo has established each of the elements of trademark
23 infringement, it is entitled to summary judgment on this count as well. For these
24 same reasons, summary judgement should be granted regarding Nintendo’s unfair
25 competition claim under California law. *See Moroccanoil, Inc. v. Groupon, Inc.*,

26
27 ¹⁰ Any remaining likelihood of confusion factors that are relevant here also support a
28 finding of likelihood of confusion. For instance, the Nintendo Trademarks are irrefutably strong
and entitled to broad protection and the parties’ marketing channels (the internet) are highly
similar or identical.

1 278 F. Supp. 3d 1157, 1161 (C.D. Cal. 2017) (“When trademark and unfair
2 competition claims are based on the same infringing conduct, courts apply the same
3 analysis to both claims.”).

4 **D. Nintendo Is Entitled to Recover Statutory Damages Under Both the**
5 **Copyright Act and the Lanham Act**

6 Both the Copyright Act and the Lanham Act allow a successful plaintiff to
7 elect to recover an award of statutory damages. A copyright owner may elect, at
8 any time before final judgment is rendered, to recover “instead of actual damages
9 and profits, an award of statutory damages for all infringements involved in the
10 action.” 17 U.S.C. § 504(c)(1). The Copyright Act authorizes statutory damages of
11 up to \$30,000 per copyright infringed, enhanced to up to \$150,000 per copyright if
12 the infringement is willful. 17 U.S.C. § 504(c). Similarly, in cases involving use of
13 a counterfeit mark, such as here, a trademark owner may elect to recover an award
14 of statutory damages of up to \$200,000 per trademark infringed, enhanced to up to
15 \$2,000,000 per mark if the infringement is willful. *See* 15 U.S.C. § 1117(c).

16 “The court has wide discretion in setting the amount of statutory damages
17 under the Copyright Act.” *China Cent. Television*, 2015 WL 12732432, at *15
18 (citation and internal quotation marks omitted). In determining the appropriate
19 award, courts consider several factors including “the expenses saved and profits
20 reaped by the infringer, the deterrent effect of the award on defendant and on third
21 parties, and the infringer's state of mind in committing the infringement.” *Id.*
22 There should be a “plausible relationship” between the statutory damages and the
23 infringing conduct, considering evidence of the estimated revenue lost by the
24 plaintiff and the profits garnered by the defendant. *Id.* at *16.

25 Finally, when a defendant has infringed both trademarks and copyrights, a
26 plaintiff is entitled to recover separate awards of statutory damages under both
27 statutes. Separate awards are appropriate because the Lanham Act and the
28 Copyright Act provide separate remedies for the two distinct injuries and serve

1 different public policies. *See Nintendo of Am., Inc. v. Dragon Pac. Int’l*, 40 F.3d
2 1007, 1011 (9th Cir. 1994) (a defendant commits “two wrongs” when his actions
3 violate both the Copyright Act and the Lanham Act; to “effectuate the purposes of
4 both statutes, damages may be awarded under both”).

5 Because Mr. Storman’s conduct violated both the Copyright Act and the
6 Lanham Act, Nintendo is entitled to statutory damages under each act.

7 **E. Nintendo Seeks \$15,610,000 In Statutory Damages for Mr. Storman’s**
8 **Willful Infringement**

9 Infringement is willful under the Copyright Act if the defendant “had
10 knowledge that [his] conduct represented infringement or perhaps recklessly
11 disregarded the possibility.” *Kepner-Tregoe, Inc. v. Vroom*, 186 F.3d 283, 288 (2d
12 Cir. 1999) (quoting *Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd.*, 996 F.2d 1366,
13 1382 (2d Cir. 1993)); *see also In re Barboza*, 545 F.3d 702, 707 (9th Cir. 2008);
14 *Sega v. MAPHIA*, 948 F. Supp. at 936.¹¹ Similarly, in order to establish the level of
15 willfulness necessary to warrant enhanced damages under the Lanham Act, a
16 plaintiff need only show that the defendant acted with “willful blindness” to the
17 trademark holder’s rights. 15 U.S.C. §1117(b); *Philip Morris USA Inc. v. Liu*, 489
18 F. Supp. 2d 1119, 1123 (C.D. Cal. 2007).

19 There is no doubt that Mr. Storman knew his conduct infringed Nintendo’s
20 copyrights. *See* Section II, *supra*. Not only did Mr. Storman himself upload
21 infringing content to RomUniverse, but he first obtained those pirated games from
22 other pirating websites and believed they were copies of Nintendo’s games.
23 Marcelo Decl., Ex. 1, p. 42 at 39:2-18; pp. 90-92 at 87:25-89:4. He also knew
24 RomUniverse used the Nintendo Trademarks. *Id.* p. 92 at 89:19-22. Additionally,
25 he concedes that he received notices from Nintendo identifying several of the

26 ¹¹ For purposes of willfulness under the Copyright Act, a defendant’s knowledge of
27 infringement may be constructive rather than actual—that is, the defendant’s knowledge of
28 infringement need not be proven directly, but may be inferred from the defendant’s conduct such
that reckless disregard of the copyright holder’s rights suffices. *Knitwaves, Inc. v. Lollytogs Ltd.*,
71 F.3d 996, 1010-11 (2d Cir. 1995).

1 Infringing ROMs as infringing Nintendo’s copyrights, but failed to remove those
2 identified ROMs. *Id.* pp. 70-71 at 67:15-68:25.¹² Even after this litigation began,
3 Mr. Storman continued to distribute the Infringing ROMs for over a year. In fact,
4 Mr. Storman added *new* infringing content to RomUniverse as recently as
5 September 2020, including recent releases for the Nintendo Switch. Knudson Decl.
6 ¶ 7. Such conduct is quintessential willful infringement. *Sega v. MAPHIA*, 948 F.
7 Supp. at 936 (finding willful infringement where defendant allowed others to use
8 Sega’s mark, upload and download Sega’s games, and solicited others to upload
9 games, and financially benefitted from operating the website).

10 Based on Mr. Storman’s trafficking in infringing Nintendo video games,
11 Nintendo seeks willful statutory damages of \$400,000 for 28 non-cumulative
12 Nintendo Trademarks at issue¹³ and \$90,000 for each of the 49 copyrights at issue,
13 for a total of \$15,610,000.

14 Nintendo recognizes this award is significant; however, so too, was Mr.
15 Storman’s infringement. While Nintendo’s Complaint identifies 37 specific
16 copyrighted works as examples of Mr. Storman’s infringement, RomUniverse
17 actually offered thousands of Nintendo’s games for download, likely amassing
18 millions of illegal downloads of Nintendo’s copyrighted works. Given

19
20 ¹² The URLs from the notices (Marcelo Decl., Exs. 17-18, pp. 225-26) are identical to
those used to download the Infringing ROMs by Ms. Bell (Bell Decl., Ex. 2 p. 8 at 14-15).

21 ¹³ Exhibit B to Nintendo’s Complaint provides 52 infringed trademarks. Nintendo only
22 seeks statutory damages regarding 28 of those marks: ANIMAL CROSSING (Reg. No.
2,803,207) (*see* Bell Decl., Ex. 3 p. 9); ARMS (5,292,973) (*Id.* p. 137); CAPTAIN TOAD
23 (4,774,095) (*Id.* p. 107); DONKEY KONG COUNTRY (Reg. 3,999,877) (*Id.* p. 16); KID
ICARUS (1,494,364) (*Id.* p. 20); LUIGI’S MANSION (4,342,883) (*Id.* p. 24); Mario (design
24 mark) (3,483,123) (*Id.* p. 112); MARIO BROS. (1,303,633) (*Id.* p. 91); MARIO KART
(2,345,411) (*Id.* p. 28); MARIO PARTY (2,387,966) (*Id.* p. 140); NINTENDO (1,497,674) (*Id.*
25 p. 72); NINTENDO (word and design) (1,689,015) (*Id.* p. 78); NINTENDO 3DS (4,234,454) (*Id.*
p. 17); NINTENDO DS (3,166,136) (*Id.* p. 58); SPLATOON (4,791,747) (*Id.* p. 114); STAR
26 FOX (1,883,044) (*Id.* p. 36); SUPER MARIO (2,345,441) (*Id.* p. 69); SUPER MARIO 64
(2,319,991) (*Id.* p. 94); SUPER MARIO BROS. (2,345,410) (*Id.* p. 100); SUPER MARIO LAND
(4,126,557) (*Id.* p. 72); SUPER MARIO ODYSSEY (5,525,632) (*Id.* p. 119); SUPER MARIO
27 RUN (5,638,525) (*Id.* p. 52); SUPER MARIO WORLD (1,704,302) (*Id.* p. 130); THE
ADVENTURE OF LINK (1,575,270) (*Id.* p. 104); THE LEGEND OF ZELDA (3,408,763) (*Id.* p.
28 88); THE LEGEND OF ZELDA MAJORA’S MASK (4,946,348) (*Id.* p. 48); THE LEGEND OF
ZELDA A LINK TO THE PAST (1,742,389) (*Id.* p. 80); and WII (3,500,328) (*Id.* p. 142).

1 Mr. Storman’s decade long infringement—including distributing pirated copies of
2 Nintendo’s new releases a year after this litigation began, despoiling key evidence,
3 and violating multiple Court orders—an award of statutory damages in the lower
4 middle of the range available for willful infringement, as Nintendo requests here, is
5 reasonable and appropriate.¹⁴

6 These requested statutory damages are also “plausibly related” to Nintendo’s
7 lost revenue (trebled for willfulness). The information provided by Mr. Storman’s
8 own website—prior to his spoliation of it—indicated there were approximately
9 50,000 illegal downloads of the Infringing ROMs at the time the Complaint was
10 filed, more than a year before Mr. Storman disabled RomUniverse.¹⁵ Bell Decl.,
11 Ex. 3, p. 9-142. The retail price for the Nintendo Games is between \$20 and \$60
12 per game, depending on the console. Knudson Decl. ¶ 8. Thus, based on the (pre-
13 spoliation) download data available for the 37 Infringing ROMs, Nintendo suffered
14 roughly \$1,000,000 to \$3,000,000 in lost revenue, which when trebled totals
15 \$3,000,000 to \$9,000,000.

16 **F. Attorneys’ Fees Are Warranted**

17 Both the Copyright Act and the Lanham Act authorize this Court to issue an
18 order that Nintendo is entitled to recover its reasonable costs and attorneys’ fees.
19 Such an award is warranted under the circumstances here.

20 The Copyright Act authorizes the Court to award costs and attorneys’ fees to
21 the prevailing party. See 17 U.S.C. § 505. A court may “freely award fees” to the
22 prevailing party as long as it “seek[s] to promote the Copyright Act’s objectives,”
23

24 ¹⁴ See *Philip Morris USA Inc. v. Liu*, 489 F. Supp. 2d 1119, 1124 (C.D. Cal. 2007)
25 (awarding maximum statutory damages finding infringer was willfully blind as a matter of law);
26 *To v. Nguyen*, No. SACV070989 JVS (ANx), 2008 WL 11340345, at *3 (C.D. Cal. May 28,
27 2008) (awarding maximum statutory damages to “deter future violations”); *BAOL, s.r.o. v. Media*
28 *W. Entm’t, Inc.*, No. CV1110138 RGK (PjWx), 2012 WL 13012389, at *4 (C.D. Cal. June 26,
2012) (awarding statutory damages of \$500,000 per trademark and \$75,000 per copyright
infringed “given Defendants’ pattern of infringement and the goal of deterrence”).

¹⁵ The number of downloads grew well past 50,000, but such data was lost or destroyed by
Mr. Storman.

1 which is designed to encourage plaintiffs to act to protect their copyrights.
2 *Historical Research v. Cabral*, 80 F.3d 377, 378-79 (9th Cir. 1996) (citing *Fogerty*
3 *v. Fantasy Inc.*, 510 U.S. 517 (1994)). Willful infringement is not a prerequisite for
4 an award of attorneys’ fees, and attorneys’ fees are generally awarded to a
5 prevailing plaintiff as a matter of course. *Frank Music Corp. v. Metro-Goldwyn*
6 *Mayer, Inc.*, 886 F.2d 1545, 1556 (9th Cir. 1989).

7 Nintendo is also entitled to its fees and costs under the Lanham Act. The
8 Lanham Act provides that “[t]he court in exceptional cases may award reasonable
9 attorney fees to the prevailing party” and the “costs of the action.” 15 U.S.C. §
10 1117(a). Mr. Storman’s deliberate and willful infringement, numerous delays in
11 discovery, violations of the Court’s orders, and spoliation makes this an
12 “exceptional” case under the Lanham Act. *See Playboy Enter., Inc. v. Baccarat*
13 *Clothing Co.*, 692 F.2d 1272, 1276 (9th Cir. 1982); *Zosma Ventures, Inc. v. Nazari*,
14 No. CV121404 RSWL (FFMx), 2013 WL 12129643, at *4 (C.D. Cal. Sept. 23,
15 2013) (awarding attorneys’ fees where defendant’s bad faith during the litigation
16 and willful infringement made case exceptional).

17 In cases involving the mass distribution of infringing works, courts have also
18 routinely awarded costs and attorneys’ fees. *See, e.g., Philip Morris*, 489 F. Supp.
19 2d at 1124; *Sega v. MAPHIA*, 948 F. Supp. at 941. Upon a favorable ruling on its
20 Motion, Nintendo will submit a declaration in support of its request for reasonable
21 attorneys’ fees and costs in prosecuting this action.

22 **G. Permanent Injunction Is Warranted And Necessary**

23 Permanent injunctions are available under both the Copyright Act and the
24 Lanham Act. See 17 U.S.C. § 502(a); 15 U.S.C. §§ 1116(a) and 1125(c)(1).
25 Courts apply a four-factor test in determining whether to grant an injunction. *eBay*,
26 *Inc. v. MercExchange, LLC*, 547 U.S. 388, 391 (2006); *Microsoft Corp. v. Buy*
27 *More, Inc.*, 136 F. Supp. 3d 1148, 1158 (C.D. Cal. 2015), *aff’d*, 703 F. App’x 476
28 (9th Cir. 2017). Specifically, courts examine whether (1) the plaintiff has suffered

1 irreparable injury; (2) there is an adequate remedy at law; (3) a remedy in equity is
2 warranted, considering the balance of hardships between the plaintiff and the
3 defendant; and (4) it is in the public’s interest to issue the injunction. *Id.*

4 “Although, post-*eBay*, a court may no longer presume irreparable injury from
5 the bare fact of liability in a trademark or trade dress case, the injury caused by the
6 presence of infringing products in the market—such as lost profits and customers,
7 as well as damage to goodwill and business reputation—will often constitute
8 irreparable injury.” *Sennheiser Elec. Corp. v. Eichler*, No. CV 12-10809 MMM
9 (PLAx), 2013 WL 3811775, at *10 (C.D. Cal. July 19, 2013). Because it is
10 undisputed that RomUniverse distributed at least tens of thousands of illegal copies
11 of Nintendo games, bearing counterfeit marks and separately infringing Nintendo’s
12 copyrights, Nintendo has suffered irreparable injury including lost customers and
13 damage to its goodwill and business reputation. *See id.*; *see also* Knudson Decl. ¶
14 9. Moreover, Mr. Storman’s willful actions before and during this litigation
15 provide “no assurance that [he] will refrain from further infringement, absent a
16 permanent injunction.” *Microsoft Corp. v. Nop*, 549 F. Supp. 2d 1233, 1239 (E.D.
17 Cal. 2008); *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 520 (9th Cir.
18 1993) (“As a general rule, a permanent injunction will be granted when liability has
19 been established and there is a threat of continuing violations.”). Thus, the first two
20 factors weigh in favor of granting a permanent injunction.

21 The third and fourth factors likewise weigh in favor of granting a permanent
22 injunction. Regarding the balance of hardships, “an injunction will merely assure
23 [Mr. Storman’s] compliance with the Lanham Act and other laws governing
24 trademark infringement and unfair competition.” *Sennheiser*, 2013 WL 3811775 at
25 *11; *see also Polo Fashions, Inc. v. Dick Bruhn, Inc.*, 793 F.2d 1132, 1135-36 (9th
26 Cir. 1986) (“[i]f the defendants sincerely intend not to infringe, the injunction
27 harms them little; if they do, it gives [the plaintiff] substantial protection of its
28 trademark”). Finally, the public interest is served by upholding the rights provided

1 under the Copyright Act and Lanham Act. *Sennheiser*, 2013 WL 3811775 at *11;
2 *Buy More, Inc.*, 136 F. Supp. 3d at 1159.

3 Because Mr. Storman’s repeated and mass infringement of the Nintendo IP is
4 beyond dispute, including after the initiation of this litigation, Nintendo is justified
5 in inferring a threat of future harm. Accordingly, the Court should enter the
6 accompanying proposed permanent injunction to prevent any future infringement of
7 the Nintendo IP.

8 **H. Mr. Storman’s Counterclaim(s) Should Be Dismissed**

9 Although Mr. Storman purportedly alleges an unspecified counterclaim, Dkt.
10 No. 33 at 6, when asked at deposition, he could not identify any specific
11 counterclaims and could only question whether the Infringing ROMs were
12 “playable.” Marcelo Decl., Ex. 1, pp. 93-94 at 90:16-91:7. If anything, Mr.
13 Storman is articulating a potential defense (which fails, because Nintendo
14 confirmed that the Infringing ROMs are playable (*see* Bell Decl., Ex. 2)).
15 Summary judgment should be granted regarding any counterclaims Mr. Storman
16 may be asserting.

17 **I. Mr. Storman Despoiled Key Evidence**

18 Nintendo seeks an adverse inference regarding Mr. Storman’s failure to
19 preserve evidence consisting of: (1) data from RomUniverse showing the number
20 of times each Infringing ROM was downloaded, and (2) Mr. Storman’s
21 communications regarding Nintendo, RomUniverse, or this litigation. The court
22 may issue an adverse inference instruction where a party destroyed evidence and
23 “(1) the party having control over the evidence had an obligation to preserve it; (2)
24 the records were destroyed with a culpable state of mind; and (3) the destroyed
25 evidence was relevant to the party's claim or defense.” *World Courier v. Barone*,
26 No. C 06-3072 TEH, 2007 WL 1119196, at *1 (N.D. Cal. Apr. 16, 2007) (imposing
27 adverse inference where defendant’s husband destroyed relevant evidence). A
28 culpable state of mind requires only negligent spoliation to issue an adverse

1 inference. *Id.* at *2. Here, Mr. Storman either concedes or there is no dispute that
2 each of the required elements to issue an adverse inference instruction are met.

3 **First**, Mr. Storman was on notice as to the relevance of the destroyed
4 evidence since Nintendo filed its Complaint (September 10, 2019), and certainly no
5 later than April 2020, when Nintendo first propounded discovery requests for it (as
6 well as the numerous times Nintendo subsequently requested that Mr. Storman
7 produce it). Marcelo Decl. ¶¶ 2-3; *see Section II(D), supra*. After Mr. Storman’s
8 refusal to produce the evidence or to even confer about his refusal, Nintendo was
9 forced to seek the Court’s intervention. *Id.* The Court not only ordered Mr.
10 Storman to produce the requested information but also explicitly reminded Mr.
11 Storman that he could be sanctioned for failing to comply. *See* Dkt. No. 49
12 (warning Mr. Storman of potential monetary sanctions and adverse inferences).
13 Just days before the Court-ordered deadline to produce the evidence, Mr. Storman
14 confirmed that it was still available, and he was “on track” to produce it. Marcelo
15 Decl. ¶ 3. Instead, he ignored the Court’s deadline and “procrastinated” until the
16 evidence was no longer available. *Id.* pp. 78-82 at 75:18-79:8.

17 **Second**, Mr. Storman was “at least negligent, and more likely knowingly
18 willful, in failing to prevent the spoliation of relevant evidence[.]” *World Courier*,
19 2007 WL 1119196, at *2. Mr. Storman concedes that he was negligent in
20 preserving the evidence, testifying that he missed the deadline to produce the
21 evidence because he “procrastinated.” Marcelo Decl., Ex. 1 pp. 78-82 at 75:18-
22 79:8. He offers no explanation beyond “coincidence” as to how evidence
23 simultaneously disappeared from two separate online accounts that he controlled—
24 *including his own website*—serviced by two completely different internet service
25 providers, mere *days* before he was ordered to produce it. Marcelo Decl., Ex. 1 pp.
26 78-82 at 75:18-79:8; pp. 63-64 at 60:7:61:2. Respectfully, this strains credulity.
27 Mr. Storman’s negligence is sufficient to issue the requested adverse inference; the
28 circumstances here underscore his bad faith.

1 **Third**, there is no dispute that the destroyed evidence was relevant. The
2 information regarding the number of times each of the Infringing ROMs was
3 downloaded is highly relevant to Nintendo's damages. *See* Section III(E), *supra*.
4 And Mr. Storman testified that his now-lost communications included direct
5 messages with RomUniverse administrators about Nintendo, RomUniverse, and
6 this litigation. Marcelo Decl., Ex. 1, pp. 22-26 at 19:11-20:3; 21:13-23:13. The
7 loss of this evidence prejudices Nintendo's ability to establish its full measure of
8 damages and to investigate the scope of Mr. Storman's, or his co-conspirators',
9 infringement.

10 Because Nintendo has established each of the required elements, given Mr.
11 Storman's disregard for and violation of the Court's Orders, and to rectify the
12 prejudice caused, Nintendo respectfully requests an adverse inference that the
13 destroyed evidence was unfavorable to Mr. Storman.¹⁶

14 IV. CONCLUSION

15 Because it is undisputed that Mr. Storman directly, contributorily, and
16 vicariously infringed Nintendo's copyrights, and because it is undisputed that Mr.
17 Storman infringed Nintendo's trademarks in perpetrating this infringement, the
18 Court should grant summary judgment for Nintendo on its affirmative claims and
19 dismiss any counterclaims articulated by Mr. Storman. Additionally, because Mr.
20 Storman destroyed highly relevant evidence, the Court should enter an adverse
21 inference that the destroyed evidence was unfavorable to Mr. Storman.

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26 ¹⁶ Nintendo is also seeking modest monetary sanctions of \$9,300 in attorney's fees
27 expended in connection with these and related discovery violations. *See* Dkt. No. 51. Mr.
28 Storman did not file a response, and the Court has not issued an order. Awarding these fees in the
alternative as sanctions for spoliation would also be appropriate. *See Mfg. Automation &
Software Sys., Inc. v. Hughes*, No. CV 16-8962 CAS (KSX), 2018 WL 5914235, at *7 (C.D. Cal.
Sept. 18, 2018) (awarding \$41,129.38 in attorney's fees related to spoliation).

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DATED: December 29, 2020

PERKINS COIE LLP

By: /s/ Katherine M. Dugdale
Katherine M. Dugdale
William C. Rava (appearing *pro hac vice*)
Christian W. Marcelo (appearing *pro hac vice*)

Attorneys for Plaintiff
NINTENDO OF AMERICA INC.