

NOT FOR PUBLICATION
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

FROST-TSUJI ARCHITECTS, Plaintiff-Appellant, v. HIGHWAY INN, INC.; HO'OLA MAU, LLC; BRYCE E. UYEHARA, A.I.A., INCORPORATED; IWAMOTO AND ASSOCIATES, LLC; J. KADOWAKI, INC.; PALEKANA PERMITS LLC; BARGREEN ELLINGSON OF HAWAII, INC., Defendants-Appellees.	No. 15-15802 D.C. No. 1:13-cv-00496- SOM-BMK MEMORANDUM* (Filed Oct. 26, 2017)
---	---

FROST-TSUJI ARCHITECTS, Plaintiff-Appellant, v. HIGHWAY INN, INC.; HO'OLA MAU, LLC; BRYCE E. UYEHARA, A.I.A., INCORPORATED; J. KADOWAKI, INC.; IWAMOTO AND ASSOCIATES, LLC;	No. 16-15562 D.C. No. 1:13-cv-00496- SOM-BMK
---	---

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

App. 2

PALEKANA PERMITS LLC;
BARGREEN ELLINGSON OF
HAWAII, INC.,

Defendants-Appellees.

FROST-TSUJI ARCHITECTS,
Plaintiff-Appellee,

v.

HIGHWAY INN, INC.;
HO'OLA MAU, LLC;
BRYCE E. UYEHARA,
A.I.A., INCORPORATED,

Defendants-Appellees,

J. KADOWAKI, INC.,

Defendant-Appellant,

IWAMOTO AND
ASSOCIATES, LLC;
PALEKANA PERMITS LLC;
BARGREEN ELLINGSON
OF HAWAII, INC.,

Defendants-Appellees.

No. 16-15799

D.C. No.

1:13-cv-00496-
SOM-BMK

FROST-TSUJI ARCHITECTS,
Plaintiff-Appellee,

v.

No. 16-15802

D.C. No.

1:13-cv-00496-
SOM-BMK

App. 3

HIGHWAY INN, INC.; HO'OLA MAU, LLC, Defendants-Appellants, BRYCE E. UYEHARA, A.I.A., INCORPORATED; J. KADOWAKI, INC.; IWAMOTO AND ASSOCIATES, LLC; PALEKANA PERMITS LLC; BARGREEN ELLINGSON OF HAWAII, INC., Defendants-Appellees.
--

Appeal from the United States District Court
for the District of Hawaii
Susan O. Mollway, District Judge, Presiding
Argued and Submitted October 12, 2017
U. of Hawaii Manoa

Before: SCHROEDER, D.W. NELSON, and McKEOWN,
Circuit Judges.

Frost-Tsuji Architects brought this action against Highway Inn, Inc., a former client, and Ho'ola Mau, LLC, J. Kadowaki, Inc., Bargreen Ellingson, Inc., Bryce E. Uyehara, A.I.A., Inc., Palekana Permits, LLC, and Iwamoto & Associates, LLC (collectively, "Highway Inn"), alleging that Highway Inn (1) infringed Frost-Tsuji's copyright in architectural plans for a new restaurant, and (2) removed Frost-Tsuji's copyright management information ("CMI") from the plans in violation of the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 1202(b)(1). The district court

App. 4

granted summary judgment in favor of Highway Inn. The district court then denied Frost-Tsuji's motions for reconsideration of the summary judgment orders. The court awarded Highway Inn attorneys' fees and costs incurred in litigating the DMCA claim and in litigating the copyright infringement claim after the district court's August 26, 2014 summary judgment order.

We review de novo the order granting summary judgment on Frost-Tsuji's copyright infringement claim, *Wolfe v. BNSF Ry. Co.*, 749 F.3d 859, 863 (9th Cir. 2014), and we affirm for the reasons stated in the district court's order entered August 26, 2014.

We review de novo the order granting summary judgment on Frost-Tsuji's CMI removal claim under the DMCA, *id.*, and we affirm for the reasons stated in the district court's order entered November 7, 2014.

We review for abuse of discretion the order denying Frost-Tsuji's motion for reconsideration of the November 7, 2014 summary judgment order, 389 *Orange St. Partners v. Arnold*, 179 F.3d 656, 661 (9th Cir. 1999), and we affirm for the reasons stated in the district court's order entered January 21, 2015.

We review for abuse of discretion the order denying Frost-Tsuji's motion for reconsideration of the August 26, 2014 summary judgment order, *id.*, and we affirm for the reasons stated in the district court's order entered January 23, 2015.

We review for abuse of discretion the order awarding Highway Inn attorneys' fees and costs under

App. 5

the Copyright Act, *Maljack Productions, Inc. v. GoodTimes Home Video Corp.*, 81 F.3d 881, 889 (9th Cir. 1996), and under the DMCA, *see Polar Bear Productions, Inc. v. Timex Corp.*, 384 F.3d 700, 719 (9th Cir. 2004), and we affirm for the reasons stated in the district court's order entered March 30, 2015.

AFFIRMED.

Each party shall bear its own costs and fees on appeal.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	)	CIVIL NO.
ARCHITECTS,	)	13-00496 SOM/BMK
	)	ORDER GRANTING
Plaintiff,	)	SUMMARY JUDGMENT
	)	IN FAVOR OF ALL
vs.	)	DEFENDANTS WITH
HIGHWAY INN, INC.;	)	RESPECT TO COUNT
HO`OLA MAU, LLC;	)	IV OF THE SECOND
BRYCE UYEHARA,	)	AMENDED COMPLAINT;
A.I.A., INCORPORATED;	)	ORDER DENYING
J. KADOWAKI, INC.;	)	PARTIAL SUMMARY
FESTIVAL	)	JUDGMENT WITH
MANAGEMENT	)	RESPECT TO COUNT V
CORPORATION; et al,	)	OF THE SECOND
	)	AMENDED COMPLAINT;
Defendants.	)	ORDER DENYING AS
	)	MOOT DEFENDANT
	)	J. KADOWAKI, INC.'S
	)	MOTION FOR PARTIAL
	)	SUMMARY JUDGMENT
	)	AS TO STATUTORY
	)	DAMAGES AND
	)	ATTORNEYS' FEES
	)	PURSUANT TO COUNT
	)	IV AND MOTION TO
	)	CONTINUE THAT
	)	MOTION; ORDER
	)	DENYING MOTION
	)	TO FILE THIRD-
	)	AMENDED COMPLAINT

**ORDER GRANTING SUMMARY JUDGMENT
IN FAVOR OF ALL DEFENDANTS WITH
RESPECT TO COUNT IV OF THE SECOND
AMENDED COMPLAINT; ORDER DENYING
PARTIAL SUMMARY JUDGMENT WITH
RESPECT TO COUNT V OF THE SECOND
AMENDED COMPLAINT; ORDER DENYING
AS MOOT DEFENDANT J. KADOWAKI, INC.'S
MOTION FOR PARTIAL SUMMARY JUDGMENT
AS TO STATUTORY DAMAGES AND ATTORNEYS'
FEES PURSUANT TO COUNT IV AND MOTION
TO CONTINUE THAT MOTION; ORDER
DENYING MOTION TO FILE THIRD-
AMENDED COMPLAINT**

(Filed Aug. 26, 2014)

I. INTRODUCTION.

This case involves an architectural firm's claims that a restaurant is using the architectural firm's designs without having paid for them. The restaurant's position is that it ended its agreement with the architectural firm when the firm refused to work within budget, and that it is acting within its rights.

Before the court are competing motions filed by Plaintiff Frost-Tsuji Architects, on the one hand, and Defendants Highway Inn, Inc., and Ho'ola Mau LLC (collectively, "Highway Inn"), on the other. Both sides seek summary judgment on the copyright claim asserted in Count IV of the Second Amended Complaint. In a related motion, Defendant J. Kadowaki, Inc., seeks a determination that Frost-Tsuji is not entitled to statutory damages or attorneys' fees

in connection with Count IV. Also before the court is a motion to continue the Kadowaki motion. The court also has before it Highway Inn's motion for partial summary judgment on Count V, which alleges that Frost-Tsuji's copyright management information was wrongfully removed from its architectural plans.

Frost-Tsuji, the architectural firm, originally sought partial summary judgment with respect to several portions of Count IV of the Second Amended Complaint, *see* ECF No. 55, but has since clarified that its motion is limited to "the issue[] of whether any of the named defendants had a license to use and/or copy [its] copyrighted work after [its] termination." *See* ECF No. 99. A decision that Defendants have a license would moot out other issues raised by Count IV. Highway Inn, the restaurant owner, argues that, because its use of any of Frost-Tsuji's work was "fully licensed," Frost-Tsuji cannot maintain any copyright claim. *See* ECF No. 176.

The court agrees that Highway Inn had a non-exclusive implied license to use the plans created by Frost-Tsuji in the construction of and permitting for the contemplated restaurant. Accordingly, Highway Inn and the other Defendants did not violate any of the rights Frost-Tsuji claims in Count IV to have had as a copyright owner. Summary judgment is therefore granted in favor of Defendants with respect to Count IV of the Second Amended Complaint. This ruling renders moot Kadowaki's motion seeking a determination that Frost-Tsuji is not entitled to statutory damages or attorneys' fees in connection

with Count IV. Accordingly, that motion and the motion seeking to continue that motion are denied without a hearing pursuant to Local Rule 7.2(d).

The court denies partial summary judgment in favor of Highway Inn with respect to Count V of the Second Amended Complaint, as Highway Inn fails to meet its initial burden as to whether Highway Inn or any Highway Inn agent removed the copyright management information at issue in that count.

II. FACTUAL BACKGROUND

On or about December 1, 2012, Highway Inn hired Frost-Tsuji to design and oversee the development of a full-service restaurant in the Kakaako area of Honolulu. Frost-Tsuji was not the first firm to tackle this project, having been preceded by DKKY Architecture Studio, Inc., whose plans, drawings, schematics, and layouts Frost-Tsuji received copies of. *See* Declaration of Monica Toguchi ¶ 4, ECF No. 141-2, PageID # 1514; Declaration of Monica Toguchi, ¶ 7, ECF No. 177-1, PageID # 1777.

Highway Inn and Frost-Tsuji entered into a letter agreement dated December 1, 2012. *See* ECF No. 56-4, PageID #s 472-73. Pursuant to that agreement, Frost-Tsuji was to “coordinate and manage [Highway Inn’s] consultant team and provide for Concept, Schematic, Design Development and Construction Document Phases.” *Id.*, PageID # 472.

App. 10

The letter agreement stated, “Any termination of this Agreement shall be per AIA Standard Contract language which is either party may terminate this agreement at any time with 7 day written notice.” *Id.*, PageID # 473.

The letter agreement further stated that, “per AIA standard contract, Architect’s drawings, specifications, and all design work are ‘instruments of service’, and all copyrights to all items designed are for the specific jobsite address only, and design copyrights, formulas, custom furniture, fixtures or fabrics remain under the ownership of the Architect.” *Id.*

The parties contemplated that the letter agreement would be followed by a formal contract. Thus, the letter agreement required Frost-Tsuji to “convert” the letter agreement “into a Standard AIA Short Form Contract between Architect and Owner, not later than December 31, 2012.” *Id.* Frost-Tsuji did not meet that deadline. Instead, it waited until February 1, 2013, to propose a contract, which Frost-Tsuji labeled “DRAFT.” *See* Declaration of Monica Toguchi ¶ 11, ECF No. 177-1, PageID # 1779. Highway Inn marked up the proposed contract and returned it to Frost-Tsuji on or about March 1, 2013. Frost-Tsuji did not make any of the changes Highway Inn sought. *See* Toguchi Decl. ¶ 12-13, PageID #s 1779-80.

The contract proposed by Frost-Tsuji did not entirely track the letter agreement. For example, the letter agreement noted that the project was to end “not later than June 15, 2012,” and that Frost-Tsuji would

App. 11

provide its services “for a NOT TO EXCEED SUM of \$97,500.” ECF No. 56-4, PageID # 473. The draft contract, on the other hand, had a “Substantial Completion date” of July 15, 2013, and provided for Highway Inn to pay Frost-Tsuji \$97,500. *See* ECF No. 56-7, PageID #s 504, 513; ECF No. 177-7, PageID #s 1892, 1901; ECF No. 177-8, PageID #s 1912, 1921. The draft contract also had a different scope of work from that described in the letter agreement, and added a list of additional services for additional pay. *Compare* ECF No. 56-4, PageID # 472, *with* ECF No. 177-7, PageID #s 1893-1900.

The draft contract proposed by Frost-Tsuji appears to have been based on AIA Document B101-2007, Standard Form of Agreement Between Owner and Architect. *See* ECF No. 56-5. Had the parties signed the draft contract as proposed by Frost-Tsuji, they would have agreed to the following:

Article 9 TERMINATION OR SUSPENSION

§ 9.1 If Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect’s option, cause for suspension of performance of services under this Agreement. . . .

. . . .

§ 9.4. Either party may terminate this Agreement upon not less than seven days’ written notice should the other party fail

App. 12

substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5. The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6. In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

. . . .

§ 9.8. The Owner's right to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 11.9.

ECF No. 56-7, PageID #s 511-12; ECF No. 177-7, PageID #s 1904-05; ECF No. 177-8, PageID #s 1924-25.

Section 7.3 of the draft contract states:

Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. . . . The license

App. 13

granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project. If the Architect terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

ECF No. 56-7, PageID # 509; ECF No. 177-7, PageID # 1907; ECF No. 177-8, PageID # 1927.

Section 11.9 of the draft contract states, "If the Owner terminates the Architect for its convenience under Section 9.5, . . . the Owner shall pay a licensing fee as compensation for the Owner's continued use of the Architect's Instruments of Service solely for purposes of completing, using and maintaining the project as follows:" ECF No. 56-7, PageID # 514; ECF No. 177-7, PageID # 1902; ECF No. 177-8, PageID # 1922. In the standard AIA form that the draft contract was based on, there is then a blank for the parties to fill in with the licensing fee. *See* ECF No. 56-5, PageID # 491. In the draft contract, Frost-Tsuji filled in that blank with the following: "Compensation for Basic Service + Additional Services earned to Date of Termination + Reimbursable Expenses to Date + 15% x Article 11.1 [stating that Highway Inn shall pay Frost-Tsuji \$97,500 for its services] or \$14,625, or the remaining amount due on the Contract, whichever is

App. 14

less.” ECF No. 56-7, PageID # 514; ECF No. 177-7, PageID # 1907; ECF No. 177-8, PageID # 1922.

The original letter agreement, while requiring Frost-Tsuji to “convert” the letter agreement “into a Standard AIA Short Form Contract between Architect and Owner,” had not expressly incorporated by reference the provisions of the AIA Contract into the letter agreement. *See* ECF No. 56-4, PageID # 473. In executing the letter agreement, even assuming it had incorporated the “Standard AIA” form, Highway Inn could not have agreed to the terms of the draft contract later proposed by Frost-Tsuji. That is because the draft contract included provisions that were not part of the standard form. For example, as discussed in the preceding paragraph, the standard form had a blank that Frost-Tsuji filled in as the license fee in the event Highway Inn terminated the draft agreement. Highway Inn could not have known what this material term of the contract would be when it executed the letter agreement, which was silent as to a license fee. Nor could it have known then how Frost-Tsuji would fill out other blanks in the standard form, or that Frost-Tsuji would line out certain provisions of the standard form, or change what was stated in the letter agreement. *See, e.g.,* ECF No. 177-7, PageID # 1907. Frost-Tsuji’s additions to and deletions from the standard form indicate that, when it was “converting” the letter agreement, it exercised considerable discretion. The present record does not indisputably establish what the final contract was to be.

While working with Highway Inn, Frost-Tsuji knew that Highway Inn intended to do business as another company. Thus, on the version of the draft contract that Highway Inn returned to Frost-Tsuji, there is a handwritten note stating that the legal entity to be listed in the documents was to be Ho`ola Mau. Similarly, on February 11, 2013, Wendy Tsuji of Frost-Tsuji sent Monica Toguchi of Highway Inn an e-mail in which Tsuji asked what the legal name for the entity operating the restaurant would be: “your new LLC? With dba added?” ECF No. 177-6, PageID # 1883. Toguchi responded that day with an e-mail stating, “The LLC is Ho`ola Mau but it has not been registered.” *Id.*, PageID # 1886.

There is no dispute that Highway Inn never executed the draft contract. At most, it appears that, on or about February 15, 2013, Highway Inn and Frost-Tsuji entered into an additional services agreement. See ECF No. 56-6. That additional services agreement was not the “Standard AIA Short Form Contract between Architect and Owner” contemplated by the letter agreement. *Id.*

On or about February 6, 2013, Frost-Tsuji sent Highway Inn a bill for \$25,286.56. The description for that bill included, “Scope of Work: A. *Basic Services*: Completion of Schematic Design Phase” and “Fee: A. Frank Frost, Wendy Tsuji. Completion of Schematic Design Phase.” ECF No. 177-10, PageID # 1935. The bill was for “ARCHITECTURAL SERVICES FROM JANUARY 1 TO 31, 2013.” *Id.* It also covered “Partial Design Development, Permit, and Bid Document

Phases.” *Id.* Highway Inn paid this bill the same day with a check for \$25,286.56. ECF No. 177-11, PageID # 1937. Thereafter, Highway Inn paid another bill of \$17,912. According to a memorandum dated April 29, 2013, from Frost-Tsuji to its attorney, submitted by Frost-Tsuji to this court, Highway Inn paid \$59,400 of the letter agreement’s maximum of \$97,500 for basic services, as well as \$10,220.98 in “reimbursable expenses” and GE tax, and \$12,000 for additional services. *See* 56-12, PageID # 527. The memorandum stated that Highway Inn owed an additional \$39,015.98 for basic and additional services, plus taxes and reimbursable expenses. *Id.*

On or about April 25, 2013, Highway Inn’s attorney sent Frost-Tsuji’s attorney written notice that Highway Inn was terminating its contract with Frost-Tsuji “effective immediately.” *See* ECF No. 56-10, PageID # 522. Highway Inn did not give the “7 day written notice” required by the letter agreement for “termination” of the contract. ECF No. 56-4, PageID # 473.

The termination letter stated that Highway Inn was concerned that Frost-Tsuji was going way over budget and was going to exceed the maximum fee of \$97,500. Highway Inn’s letter also expressed concern that Wendy Tsuji would “not let go” and would “not compromise.” The letter complained that Tsuji expected to use koa wood, which was not in the budget, and that she had “refused to stamp the plans or work within the budget despite instructions” from Highway Inn. *See* ECF No. 56-10, PageID # 522.

App. 17

Toguchi, of Highway Inn, estimates that, at the time Highway Inn terminated its agreement with Frost-Tsuji, Frost-Tsuji had completed “less than one third of the services . . . and deliverables promised under the December 1, 2012 Letter Agreement.” Toguchi Decl. ¶ 20, ECF No. 177-1, PageID #s 1781-82. Yet, as described in the preceding paragraphs, four days later, Frost-Tsuji was claiming that Highway Inn owed additional amounts that would have taken the total billed to Highway Inn to \$106,000. Of that total, \$79,000 would have been for “basic services,” indicating that, with possibly only a third of the work done, Frost-Tsuji was already close to the \$97,500 maximum amount stated in the letter agreement, assuming that the letter agreement applied only to “basic services.”

Frost-Tsuji’s attorney says that, on May 3, 2013, he gave written notice to Highway Inn that the “governing contractual documents would be terminated on May 10, 2013, for non-payment.”¹

¹ Frost-Tsuji did not originally submit a copy of this document in connection with its motion for summary judgement with respect to Count IV of the Second Amended Complaint, claiming that it was a protected communication under Rule 408 of the Federal Rules of Civil Procedure. Rule 408 speaks to the inadmissibility of evidence relating to settlement negotiations or settlement agreements “to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction.” But even if the document included a “compromise offer,” it could be admitted for a purpose unrelated to settlement, such as to prove when Frost-Tsuji attempted to terminate the letter agreement. In any event, Frost-Tsuji did submit the letter of May 3, 2013, in connection with its opposition

App. 18

Declaration of Bennett J. Chin ¶ 6, ECF No. 56-2, PageID # 465.

It is unclear from the record how much of the restaurant, if any, had been built or what materials had been ordered based on Frost-Tsuji's drawings as of the date when the letter agreement was terminated. For purposes of the motions now before the court, the court accepts as true Frost-Tsuji's contention that someone used and altered its plans after the letter agreement was terminated. For example, after Defendant Bryce Uyehara, A.I.A., Incorporated, was hired to replace Frost-Tsuji, Uyehara gave Highway Inn a proposal stating that Uyehara would prepare a design "based upon architectural and engineering work performed by [Frost-Tsuji] and [Highway Inn's] design and engineering consultants." *See* ECF No. 186-7, PageID # 2049.

Frost-Tsuji claims that the copyright management information on its plans was removed. For example, Drawing A-6, ECF No. 186-10, PageID # 2057, contained Frost-Tsuji's name, address, and telephone number on a plan for the restaurant, as well as the following: "© ALL DRAWINGS, DIGITAL FILES, AND WRITTEN MATERIAL APPEARING HEREIN CONSTITUTE THE ORIGINAL AND UNPUBLISHED WORKS OF THE ARCHITECT AND THE SAME WAY MAY NOT BE DUPLICATED,

to Highway Inn's motion for partial summary judgment with respect to Count V of the Second Amended Complaint. *See* ECF No. 186-8, PageID 2051.

USED OR DISCLOSED WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT IN ADVANCE OF USE.” Frost-Tsuji claims that Uyehara prepared a design plan that used much of Frost-Tsuji’s design. Frost-Tsuji’s information and copyright language were not included in the documents Uyehara generated, allegedly based on Frost-Tsuji’s work. Instead, Uyehara’s documents bore the Uyehara company name, and its plan was stamped by Bryce E. Uyehara. *See* ECF No. 186-9, PageID # 2056.

There is no evidence in the record indicating who, if anyone, “removed” Frost-Tsuji’s copyright management information from any document. Highway Inn denies responsibility for the alleged “removal.” *See* Declaration of Monica Toguchi ¶¶ 4-5, ECF No. 135-2, PageID # 1069 (indicating that only Toguchi, Russell Ryan, and Sharen Fern-Chong, of Highway Inn, had access to Frost-Tsuji’s plan, and that declarant did not remove or alter any information on Frost-Tsuji’s plans); Declaration of Russell Ryan ¶¶ 4-5, ECF No. 135-3, PageID # 1071 (same); Declaration of Sharen Fern-Chong ¶¶ 4-5, ECF No. 135-4, PageID # 1073 (same).

III. SUMMARY JUDGMENT STANDARD.

Summary judgment shall be granted when “the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a) (2010). *See Addisu v. Fred Meyer, Inc.*, 198 F.3d 1130,

1134 (9th Cir. 2000). The movants must support their position that a material fact is or is not genuinely disputed by either “citing to particular parts of materials in the record, including depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for the purposes of the motion only), admissions, interrogatory answers, or other materials”; or “showing that the materials cited do not establish the absence or presence of a genuine dispute, or that an adverse party cannot produce admissible evidence to support the fact.” Fed. R. Civ. P. 56(c). One of the principal purposes of summary judgment is to identify and dispose of factually unsupported claims and defenses. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986). Summary judgment must be granted against a party that fails to demonstrate facts to establish what will be an essential element at trial. *See id.* at 323. A moving party without the ultimate burden of persuasion at trial – usually, but not always, the defendant – has both the initial burden of production and the ultimate burden of persuasion on a motion for summary judgment. *Nissan Fire & Marine Ins. Co. v. Fritz Cos.*, 210 F.3d 1099, 1102 (9th Cir. 2000).

The burden initially falls on the moving party to identify for the court those “portions of the materials on file that it believes demonstrate the absence of any genuine issue of material fact.” *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n*, 809 F.2d 626, 630 (9th Cir. 1987) (citing *Celotex Corp.*, 477 U.S. at 323). “When the moving party has carried its burden under Rule 56(c),

App. 21

its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986) (footnote omitted).

The nonmoving party must set forth specific facts showing that there is a genuine issue for trial. *T.W. Elec. Serv., Inc.*, 809 F.2d at 630. At least some “‘significant probative evidence tending to support the complaint’” must be produced. *Id.* (quoting *First Nat’l Bank of Ariz. v. Cities Serv. Co.*, 391 U.S. 253, 290 (1968)). See *Addisu*, 198 F.3d at 1134 (“A scintilla of evidence or evidence that is merely colorable or not significantly probative does not present a genuine issue of material fact.”). “[I]f the factual context makes the non-moving party’s claim implausible, that party must come forward with more persuasive evidence than would otherwise be necessary to show that there is a genuine issue for trial.” *Cal. Arch’l Bldg. Prods., Inc. v. Franciscan Ceramics, Inc.*, 818 F.2d 1466, 1468 (9th Cir. 1987) (citing *Matsushita Elec. Indus. Co.*, 475 U.S. at 587). Accord *Addisu*, 198 F.3d at 1134 (“There must be enough doubt for a ‘reasonable trier of fact’ to find for plaintiffs in order to defeat the summary judgment motion.”).

All evidence and inferences must be construed in the light most favorable to the nonmoving party. *T.W. Elec. Serv., Inc.*, 809 F.2d at 631. Inferences may be drawn from underlying facts not in dispute, as well as from disputed facts that the judge is required to resolve in favor of the nonmoving party. *Id.* When “direct evidence” produced by the moving party

conflicts with “direct evidence” produced by the party opposing summary judgment, “the judge must assume the truth of the evidence set forth by the nonmoving party with respect to that fact.” *Id.*

IV. PARTIAL SUMMARY JUDGMENT IS GRANTED IN FAVOR OF DEFENDANTS WITH RESPECT TO COUNT IV OF THE SECOND AMENDED COMPLAINT.

The issue before this court with respect to the countermotions on Count IV of the Second Amended Complaint boils down to whether Highway Inn had a license to use the architectural plans Frost-Tsuji created for Highway Inn’s restaurant even after the agreement was terminated.

A license to use Frost-Tsuji’s plans is a defense to the copyright infringement claim asserted in Count IV of the Second Amended Complaint. *See Oddo v. Ries*, 743 F.2d 630, 634 n.6 (9th Cir. 1984) (citing 3 M. Nimmer, *Nimmer of Copyright* § 13.04 (1983)). The court concludes as a matter of law that Highway Inn had a license to use Frost-Tsuji’s architectural plans after the termination of the agreement. Partial summary judgment is therefore granted in Defendants’ favor with respect to the copyright claim asserted in Count IV of the Second Amended Complaint. This ruling renders moot Kadowaki’s motion seeking a determination that Frost-Tsuji is not entitled to statutory damages and attorneys’ fees with

respect to the copyright claim asserted in Count IV, as well as Frost-Tsuji's motion to continue that motion.

A. Highway Inn and Its Agents Have a Nonexclusive Implied License to Use Frost-Tsuji's Plans.

Although Frost-Tsuji contends that the December 2012 letter agreement incorporates by reference other terms in the standard AIA contract, the letter agreement contains no express statement to that effect. At best, it states, "Noted that per AIA standard contract, Architect's drawings, specifications, and all design work are 'instruments of service', and all copyrights to all items designed are for the specific jobsite address only, and design copyrights, formulas, custom furniture, fixtures or fabrics remain under ownership of the Architect." ECF No. 56-4, PageID # 473. It then says that Frost-Tsuji "will convert this Letter Agreement into a Standard AIA Short Form Contract between Architect and Owner, not later than December 31, 2012." *Id.* As it turned out, the parties never executed such a contract. In fact, what Frost-Tsuji ended up proposing to Highway Inn was materially different from the standard AIA form. Frost-Tsuji's proposal filled in blanks in the form, including, for example, a blank relating to a licensing fee to continue to use Frost-Tsuji's architectural drawings in the event of termination under certain conditions. *See* ECF No. 56-7, PageID # 514.

“[T]o effectively incorporate by reference a separate writing, or a portion thereof, into a contract, ‘the language used . . . must explicitly, or at least precisely, identify the written material being incorporated and must clearly communicate that the purpose of the reference is to incorporate the referenced material into the contract (rather than merely to acknowledge that the referenced material is relevant to the contract, e.g., as background law or negotiating history).’” *Safeway, Inc. v. Nordic PCL Constr., Inc.*, 130 Haw. 517, 527, 312 P.3d 1224, 1234 (Ct.App.2013) (quoting *Northrop Grumman Info. Tech. Inc. v. United States*, 535 F.3d 1339, 1345 (Fed. Cir. 2008)). No part of the letter agreement clearly incorporates anything by reference. Instead, the letter agreement provides that it will be converted into the standard AIA form. This court thinks it would be a stretch to read a reference to a conversion as equivalent to an incorporation, much less to an incorporation that has been “clearly communicated.”

Frost-Tsuji argues that, if the letter agreement is not read as having incorporated the standard AIA form, Highway Inn could not have acquired a license to use its architectural drawings, because it was the terms of the standard AIA form that provided for a license. However, nonexclusive licenses “‘may be granted orally, or may even be implied from conduct.’” *Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir. 1990) (quoting 3 M. Nimmer & D. Nimmer, *Nimmer of Copyright* § 10.03[A], at 10-36 (1989)). The Ninth Circuit has recognized that an implied license is

granted when “(1) a person (the licensee) requests the creation of a work, (2) the creator (the licensor) makes that particular work and delivers it to the licensee who requested it, and (3) the licensor intends that the licensee-requestor copy and distribute his work.” *Asset Marketing Sys., Inc. v. Gagnon*, 542 F.3d 748, 754-55 (9th Cir. 2008) (quotation marks and citation omitted).

In *Foad Consulting Group v. Musil Govan Azzalino*, 270 F.3d 821 (9th Cir. 2001), the Ninth Circuit held that a nonexclusive license to copy and modify architectural plans can be implied from the parties’ agreement and conduct. That case involved facts similar to those presented here. Foad Consulting was hired by GenCom, Inc., to create a “preliminary Concept Development Plan” for a shopping center. GenCom submitted Foad Consulting’s plans to the city of Arroyo Grande, California, for approval. After receiving that approval, GenCom transferred its rights to develop the project to Claire Enterprises, LLC, which, in turn, hired Hawkeye Investments, LLC, as the project developer. Hawkeye then hired Musil Govan Azzalino to perform architectural and engineering services. Based on the documents prepared by Foad Consulting that the city had approved, Musil Govan prepared final plans for the project, copying much of Foad Consulting’s work. Foad Consulting then contended that its copyrighted plans were being infringed. *Id.* at 824-25.

In examining the copyright claim, the Ninth Circuit noted that the owner of a copyright has the exclusive right to reproduce, adapt, publish, perform,

and display a copyrighted work. *Id.* at 825 (citing 17 U.S.C. § 106). The court noted that the copyright holder may transfer any or all of these exclusive rights, but must do so in writing. *Id.* (citing 17 U.S.C. § 204(a)). The contract between Foad Consulting and GenCom did not transfer an exclusive right, but the writing requirement applies only to the transfer of exclusive rights. “[G]rants of nonexclusive copyright licenses need not be in writing.” *Id.* The contract between Foad Consulting and GenCom granted GenCom “an implied license to use the revised plot plan to complete development of the project, to hire another firm to create derivative works using the revised plot plan for the purpose of completing the project, and to publish the resulting work.” *Id.* at 826. GenCom also had an implied license to reproduce plans to build the project.

Examining the fee of \$175,000 and the contract’s requirement that Foad Consulting help with Gencom’s application to the city, the Ninth Circuit said that “it would be surprising if the parties had intended for GenCom to seek Foad’s permission before using the plans to build the project. . . . [N]owhere does the contract state that after the city had granted its approval, GenCom would need to obtain Foad’s permission before commencing work.” *Id.* at 828-29. The Ninth Circuit noted that not to find an implied license to continue to use the plans would allow architectural firms “to hold entire projects hostage, forcing the owner either to pay the firm off, continue to employ it, or forego the value of all work completed so far and start from scratch.” *Id.* at 829 n.12.

The Ninth Circuit also determined in *Foad Consulting* that the contract granted GenCom an implied license to adapt the plans; nothing in the contract prohibited others from modifying the plans. *Id.* at 829. Instead, the contract contained language indicating that Foad Consulting would be indemnified in the event of liability arising out of others' modification of its plans. *Id.*

Although California law applied in *Foad Consulting*, this court finds nothing in Hawaii law suggesting a different result. The only contract before this court is the December 2012 letter agreement. Like the agreement in *Foad Consulting*, the letter agreement contemplates Frost-Tsuji's creation of plans for the restaurant and Frost-Tsuji's assistance in obtaining building permits and other approvals. *See* ECF No. 56-4, PageID # 472. Highway Inn was to pay up to \$97,500 under the terms of the letter agreement, and, as the Ninth Circuit noted in *Foad Consulting*, "it would be surprising if the parties had intended for [Highway Inn] to seek [Frost-Tsuji's] permission before using the plans to build the project." *Foad Consulting*, 270 F.3d at 828.

The parties may have assumed that Frost-Tsuji would act as Highway Inn's architect throughout the building of the restaurant, but they also contemplated the possible termination of the letter agreement. The letter agreement did not unambiguously state what would happen to the work Frost-Tsuji had already done before the termination of the letter agreement. Under these circumstances, and consistent with *Foad*

Consulting, Highway Inn had a license to use Frost-Tsuji's architectural plans to build its restaurant, as Highway Inn had requested the creation of the plans, and Frost-Tsuji had made the plans and delivered them to Highway Inn with the intention that Highway Inn use, copy, and distribute them. *See Asset Marketing Sys.*, 542 F.3d at 754-55.

The court also concludes that Highway Inn's implied license allowed its contractors and another architectural firm to use (copy, reproduce, and adapt) the plans to complete the project.

Clearly, Highway Inn paid for something. Before the letter agreement was terminated, Frost-Tsuji sent Highway Inn a bill for \$25,286.56, dated February 6, 2013, for "ARCHITECTURAL SERVICES FROM JANUARY 1 TO 31, 2013." The bill stated: "Scope of Work: A. *Basic Services*: Completion of Schematic Design Phase" and "Fee: A. Frank Frost, Wendy Tsuji. Completion of Schematic Design Phase." ECF No. 177-10, PageID # 1935. Highway Inn paid the bill the same day via a check for \$25,286.56. ECF No. 177-11, PageID # 1937. If payment for "Schematic Design Phase" refers to payment for Frost-Tsuji's architectural plans, Highway Inn could be said to have paid for the right to use those plans in constructing its restaurant.²

² Frost-Tsuji submitted its plans to the court as Oversized Exhibit M to its Concise Statement in Support of its Motion for Partial Summary Judgment. Exhibit M is dated January 10, 2013. That date suggests that Highway Inn paid for the plans at issue

To deny Highway Inn a license to use and adapt Frost-Tsuji's plans would allow Frost-Tsuji to hold the project hostage until an owner like Highway Inn paid a "ransom" for the continued use of the plans. As the Ninth Circuit noted in *Foad Consulting*, not every owner can start from scratch after the owner's contractual agreement with an architect terminates, especially when government approvals have already been obtained based on earlier plans. The Ninth Circuit implied a license for the continuing use of architectural plans in *Foad Consulting*, and this court implies Highway Inn's license to continue to use Frost-Tsuji's plans.

In *Foad Consulting*, having determined that GenCom had a license to use the architectural plans to build the shopping center, the Ninth Circuit determined that all of the defendants in that case (including the party that had asked Foad Consulting to design the plans, the project developer, and the replacement architectural firm) had reproduced and adapted Foad Consulting's plans within the scope of

in this case when it paid the bill covering January 2013, which would have included the architectural plan submitted to the court as oversized Exhibit M.

Even if the reference to "Schematic Design Phase" completion in the February 6, 2013, bill did not refer to the architectural plans at issue, the bill also stated that it was for "Partial Design Development, Permit, and Bid Document Phases." The court does not have before it the subsequent bills from Frost-Tsuji to Highway Inn, and therefore cannot tell what those bills covered, but notes that Frost-Tsuji might have finished the "Design Development" phase before Highway Inn paid the next bill of \$17,912.77. *See* ECF No. 56-12, PageID # 527.

Foad Consulting's implied license. Accordingly, the Ninth Circuit affirmed the grant of summary judgment by the district court to those defendants with respect to the copyright claim against them. *See* 270 F.3d at 824. This court similarly rules that, to the extent Frost-Tsuji asserts a copyright claim against other Defendants who used and adapted Frost-Tsuji's plans within the scope of Highway Inn's implied license, those other Defendants are also entitled to summary judgment with respect to the copyright claim. Their license to use the plans derives from Highway Inn's. That is, because Highway Inn had a nonexclusive implied license to use Frost-Tsuji's architectural plans in connection with the building of its restaurant, its contractors and subsequent architectural firm did too. Nothing in the record indicates that they exceeded the scope of that license by any use or adaptation of those plans when building the restaurant.

Frost-Tsuji claims that Highway Inn still owes it \$39,015.85 under the contract. *See* ECF No. 56-12, PageID # 527. It argues that Highway Inn was therefore not entitled to a license. Putting aside the issue of whether Frost-Tsuji could charge more than the maximum of \$97,500 stated in the letter agreement, the court concludes that full payment is not a condition precedent to implying a license in this case.

In *Effects Associates, Inc. v. Cohen*, 908 F.2d 555, 559 n.7 (1990), the Ninth Circuit declined to construe payment in full as a condition precedent to implying a

license. The Ninth Circuit noted that a condition precedent is disfavored and will not be read into a contract unless required by plain and unambiguous language.

According to an exhibit submitted to this court by Frost-Tsuji, Highway Inn paid \$59,400 of the basic services contract that had a cap of \$97,500. Highway Inn also paid \$12,000 for additional services and \$10,220.98 in taxes and other reimbursable expenses, for a total of \$81,620. *See* ECF No. 56-12, PageId # 527. Frost-Tsuji says Highway Inn has failed to pay \$19,600 for basic services, \$15,000 for additional services, and \$4,415.85 in taxes and other reimbursable expenses. *Id.* Highway Inn's payment of a substantial amount constituting well over half the maximum contract amount supports the implication of a license to use and adapt the plans created by Frost-Tsuji, even if Highway Inn failed to pay all it owed.

In *Cohen*, Larry Cohen paid Effects Associates only part of the money he had agreed to pay for the creation of an explosion scene that he intended to include in a movie. Cohen nevertheless used the scene in the movie. *See* 908 F.2d at 555-56. The Ninth Circuit rejected Effects Associates' claim that Cohen lacked a license to use the scene until he paid the full contract price. The Ninth Circuit determined that a license to use the scene in the movie was granted because Effects Associates created the scene at Cohen's request and handed it over to Cohen with the intention that he be allowed to use it. *Id.* at 558-59. The court could not square Cohen's payment of nearly \$56,000 to Effects

Associates with Effects Associates' claim that Cohen had no license to use the scene in the film. Cohen's nonexclusive license to use the scene in the film meant that Effects Associates had no valid copyright claim relating to that use. To the extent Cohen owed more money for that use, Effects Associates could pursue other state-law causes of action, including breach of contract claims. *Id.* at 559.

Like Cohen, Highway Inn paid a substantial sum for the architectural plans that it asked Frost-Tsuji to create and that it received from Frost-Tsuji. This payment supports an implied nonexclusive license for Highway Inn to use those plans in the construction of the restaurant. The license is a defense to the copyright claim asserted in Count IV of the Second Amended Complaint. Any failure by Highway Inn to pay the full contract price for the plans does not extinguish the license, instead simply giving rise to state-law claims for the nonpayment.

B. Highway Inn's License Was Not Terminated By The Termination of the Letter Agreement.

Frost-Tsuji argues that, based on the standard AIA contract language, any license Highway Inn may have had to use its architectural plans terminated when Frost-Tsuji terminated its relationship with Highway Inn. Try as it might, however, Frost-Tsuji has not demonstrated that the standard AIA form or the draft contract containing that language governs the

relationship between Frost-Tsuji and Highway Inn. Highway Inn did not sign the draft contract. Highway Inn did execute the letter agreement of December 1, 2012. The court does not read the letter agreement as having incorporated the termination language of the standard AIA form. *See* ECF No. 56-4.

Earlier in this order, this court noted that the letter agreement does not expressly incorporate the standard AIA form, although it refers to it. With respect to termination of the agreement, the letter agreement states, “Any termination of this Agreement shall be per AIA Standard Contract language which is either party may terminate this agreement at any time with 7 day written notice.” Frost-Tsuji argues that this language should be read as incorporating the language governing termination in the AIA standard form. The standard form includes a requirement that seven days’ written notice be given before termination, and also provides that an owner’s nonexclusive license to use an architect’s work is conditioned on, among other things, prompt payment of all sums when due. ECF No. 56-5, PageID #s 486, 488-89. Frost-Tsuji argues that, because Highway Inn failed to give seven days’ written notice, Highway Inn’s termination notice of April 23, 2013, was ineffective, and that, moreover, Highway Inn has no license to use Frost-Tsuji’s work because Highway Inn has not paid all sums due. ECF No. 55-1, PageID # 490. The court, however, does not read the termination language in the letter agreement as being as unequivocal as Frost-Tsuji does.

The Hawaii Supreme Court has stated that, in construing a contract, a court's principal objective is to ascertain and effectuate the intent of the parties as manifested by the contract in its entirety. If there is any doubt, the interpretation that "most reasonably reflects the intent of the parties" must be chosen. *Univ. of Haw. Prof'l Assembly v. Univ. of Haw.*, 66 Haw. 214, 219, 659 P.2d 720, 724 (1983) (quoting *Haw. State Teachers Ass'n v. Haw. Pub. Employment Relations Bd.*, 60 Haw. 361, 368, 590 P.2d 993, 998 (1979)). However, it has also been said that "[a]mbiguities in a contract are construed against the drafter." See *Koga Eng'g & Constr., Inc. v. Hawaii*, 122 Haw. 60, 72 n.19, 222 P.3d 979, 991 n.19 (2010); accord *Amfac, Inc. v. Waikiki Beachcomber Inv. Co.*, 74 Haw. 85, 110 n.5, 839 P.2d 10, 25 N.5 (1992) (noting that, when a contract is open to more than one reasonable interpretation, it is "interpreted most strongly against the party who has drafted the language"). These rules governing the construction of contracts are not irreconcilable. This court gives primacy to the parties' intent but construes ambiguities in a contract against the drafter as a last resort, "when other rules of interpretation have failed to elucidate the contract's meaning." *HRPT Props. Trust v. Lingle*, 715 F.Supp. 1115, 1130 (D.Haw.2010).

Here, the parties' intent with respect to termination of the letter agreement is unclear. The sentence at issue could be read to mean that "Any termination of this Agreement shall be per AIA Standard Contract language." But the phrase "which is either party may terminate this agreement at any

time with 7 day written notice” could reasonably be read as describing the entirety of the parties’ understanding of standard AIA contract termination provisions. That is, it could be read as allowing either party to terminate the letter agreement by providing written notice seven days before the effective date of the termination, without further penalty or obligation other than pursuant to ordinary contract law. No evidence has been submitted to the court enabling the court to determine which interpretation better matches the parties’ intent. Even if the court assumes that Frost-Tsuji intended to incorporate the standard AIA contract language on this point, there is no evidence of a meeting of the minds on this point. At best, Frost-Tsuji argues that Highway Inn did not attempt to negotiate a change to the termination provisions in the draft contract, which tracked the standard form. But that draft contract was never agreed to.

Typically, when the parties’ intent cannot be determined at the summary judgment stage, it is a matter left for determination at trial. Here, though, the court is at a loss to identify the triable matter. The record includes no competing affidavits or declarations, each outlining a different understanding. The court is presented with no deposition testimony to be probed for inconsistency, no factual assertion challenged as to credibility, and no exchange of correspondence on this subject that could be elucidated at trial. The parties have limited themselves to presenting the letter agreement, the draft contract,

and the standard AIA form. No one contests the contents of those documents. The dispute rests solely on how to read the undisputed language. This is not a matter subject to resolution at trial. In the court's view, this situation is made for application of the rule of last resort. The parties identify no manner in which a trial can determine their intent.

Because the record does not disclose the parties' intent as to how to read the termination language in the letter agreement, and because the letter agreement was sent to Highway Inn by Wendy Tsuji of Frost-Tsuji, the court applies the rule of last resort and construes the ambiguous language against Frost-Tsuji. That is, the court reads the termination language as indicating that the letter agreement could be terminated by either party on written notice seven days before termination.

The e-mail Highway Inn sent to Frost-Tsuji on April 25, 2013, to terminate the letter agreement did not provide seven days' notice; it stated that it was effective immediately. *See* ECF No. 56-10. Frost-Tsuji argues that the termination notice therefore had no effect. Instead, Frost-Tsuji argues, the relationship continued until Frost-Tsuji subsequently terminated it based on Highway Inn's nonpayment. *See* Chin Decl. ¶ 6, ECF No. 56-2, PageID # 465. Relying on paragraph 7.4 of the draft contract, which tracks the standard AIA form, Frost-Tsuji says that, because it terminated the relationship for cause (i.e., nonpayment), any license Highway Inn had to use Frost-Tsuji's

architectural drawings also terminated. The court disagrees.

Although there is no Hawaii law directly on point, it is often thought that, when a party seeks to terminate a contract before the notice period stated in the contract, the termination becomes effective at the end of the period, rather than being wholly ineffective, especially when the other party could not cure a default. *See, e.g.,* 17A Am.Jur.2d Contracts § 144 (“considerable authority supports the view that a notice of cancellation allowing a period of time shorter than that stipulated in a contract is effective after lapse of full time, although there is contrary authority”); Crais III, W.C., *Effect of Attempt to Terminate Employment or Agency Contract Upon Shorter Notice Than That Stipulated in Contract*, 96 A.L.R. 272, § 2 (“The cases are fairly harmonious in recognizing as a general principle that a notice to terminate an agency or employment contract, although allowing the noticed party a shorter period of time than that stipulated in the contract, is not wholly inoperative, but serves to terminate the relationship after the expiration of the stipulated time.”); Crais III, W.C., *Effect of Attempt to Terminate Insurance or Fidelity Contract Upon Notice Allowing a Shorter Period Than That Stipulated in Contract*, 96 A.L.R. 286, § 3 (“most courts are agreed that a notice, otherwise sufficient in form and content, which purports to cancel an insurance or fidelity contract at a time earlier than that permitted under the pertinent cancellation provisions of the contract is not wholly

ineffective but serves to cancel the contract and the coverage afforded by it at the expiration of the permitted time”).

Even if Highway Inn’s termination did not take immediate effect on April 25, 2013, it took effect seven days later. That is, Highway Inn’s termination letter “became effective May 3, 2013, in accordance with the terms of the Letter Agreement,” as Frost-Tsuji itself at one point concedes, *see* ECF No. 198, PageID # 2167, notwithstanding its contention elsewhere that Highway Inn’s termination e-mail was wholly ineffective.

Highway Inn appears to have wanted to end its relationship with Frost-Tsuji because Frost-Tsuji was going over budget and wanted to use expensive materials that were not in the budget. Frost-Tsuji gave no indication that it would or could stay within the \$97,500 budget for the two-thirds of the contract Highway Inn says remained. The letter agreement allowed Highway Inn to terminate the agreement, but only with seven days’ notice. Even if, as Frost-Tsuji argues, the letter agreement was not terminated until Frost-Tsuji sent Highway Inn a notice of termination in May 2013, that is a distinction without a difference under the facts presented here. As noted earlier, the draft contract does not govern the parties’ relationship. Under the letter agreement, which party terminated the letter agreement is irrelevant to Highway Inn’s right to use the architectural plans.

C. Highway Inn Was Permitted To Transfer The License to Ho`ola Mau.

Frost-Tsuji argues that, even if Highway Inn had an implied nonexclusive license to use Frost-Tsuji's plans, Highway Inn had no right to transfer that license to Ho`ola Mau. As Frost-Tsuji notes, the letter agreement contains no express provision for any transfer. But the court has before it evidence that the parties clearly contemplated a transfer. Frost-Tsuji protests that the parol evidence rule bars consideration of extrinsic evidence to determine whether the parties contemplated a transfer. The parol evidence rule provides that, when there is a single final written instrument setting forth the parties' understanding, all prior and contemporaneous negotiations are excluded and superseded by the written instrument. *See State Farm Fire & Cas. Co. v. Pac. Rent-All, Inc.*, 90 Haw. 315, 324, 978 P.2d 753, 762 (1999); *Pancakes of Hawaii, Inc. v. Pomare Props. Corp.*, 85 Haw. 300, 310, 944 P.2d 97, 107 (Ct.App.1997).

The letter agreement is clearly not the final written instrument contemplated by the parties. It provides for Frost-Tsuji to convert it into a standard AIA form contract. *See* ECF No. 566-4, PageID # 473. According to Highway Inn, Frost-Tsuji understood that the restaurant would be placed into the name of an LLC. *See* Declaration of Monica Toguchi ¶ 9, ECF No. 177-1, PageID # 1778. Whether or not negotiations about the LLC occurred even before the letter agreement was signed, the parties subsequently contemplated putting the designs and applications for

government approval in the name of Ho`ola Mau. The parol evidence rule does not bar evidence of what the parties agreed to after the letter agreement was signed.

On or about February 11, 2013, two months after the letter agreement was signed, Wendy Tsuji sent Monica Toguchi of Highway Inn an e-mail asking for the final legal name that would appear on the drawings and specifications. *See* ECF No. 177-6, PageID #1883. That e-mail asked Highway Inn whether the name was going to be “your new LLC?” *Id.* Toguchi responded in an email that same day that “The LLC is Ho`ola Mau but it has not been registered.” *Id.*, PageID #1886. This suggests that, before the contractual relationship between Frost-Tsuji and Highway Inn terminated, Frost-Tsuji agreed that the drawings could be in the name of Ho`ola Mau such that Ho`ola Mau could contract with other businesses to finish building the restaurant. In any event, Ho`ola Mau’s use of the plans was within the scope of Highway Inn’s license, given Frost-Tsuji’s design of plans for a restaurant that it knew Highway Inn wanted to put in its LLC’s name.

V. PARTIAL SUMMARY JUDGMENT IS DENIED WITH RESPECT TO COUNT V OF THE SECOND AMENDED COMPLAINT.

Count V of the Second Amended Complaint asserts a violation of 17 U.S.C. § 1202(b)(1), which states:

App. 41

No person shall, without the authority of the copyright owner or the law –

(1) intentionally remove or alter any copyright management information

....

knowing, or, with respect to civil remedies under section 1203, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any right under this title.

This provision has been read as containing three elements:

To state a claim for removal of [copyright management information] under 17 U.S.C. § 1202(b)(1), a plaintiff must allege that a defendant: (1) without authority of the copyright owner or the law; (2) intentionally removed or altered [copyright management information]; (3) knowing or having reasonable grounds to know that the removal will induce, enable, facilitate, or conceal an infringement of the federal copyright laws.

Imageline, Inc. v. CafePress.com, Inc., 2011 WL 1322525, *6 (C.D. Cal. Apr. 6, 2011) (citing 17 U.S.C. § 1202(b)(1)).

Highway Inn seeks partial summary judgment with respect to Count V, arguing that it cannot be liable for removal of Frost-Tsuji's copyright management information. Of Highway Inn's employees and principals, only Monica Toguchi,

Russell Ryan, and Sharen Fern-Chong had access to Frost-Tsuji's plans. Each of them claims that he or she did not remove or otherwise alter any of Frost-Tsuji's copyright management information. *See* Declaration of Monica Toguchi ¶¶ 4-5, ECF No. 135-2, PageID # 1069; Declaration of Russell Ryan ¶¶ 4-5, ECF No. 135-3, PageID # 1071; Declaration of Sharen Fern-Chong ¶¶ 4-5, ECF No. 135-4, PageID # 1073. Therefore, Highway Inn contends it is entitled to summary judgment with respect to Count V.

The court is struck by the narrow scope of the declarations. They refer to employees and principals, while saying nothing about other persons Highway Inn may have directed, influenced, or controlled (e.g., agents, contractors, friends, family, attorneys, or other representatives). For that reason, the court rules that Highway Inn fails to meet its initial burden with respect to the motion for partial summary judgment as to Count V. That motion is therefore denied.

V. CONCLUSION

The court grants partial summary judgment in favor of Defendants and against Frost-Tsuji on the copyright claim asserted in Count IV of the Second Amended Complaint.

In so ruling, the court disposes of ECF Nos. 55, 176, 184, 189, 190, and 193. This court's ruling as to the copyright claim renders moot Kadowaki's motion seeking to restrict damages relating to that claim, as well as Frost-Tsuji's motion to continue Kadowaki's

motion. This order thus also disposes of ECF Nos. 140, 150, 152, 153, 157, 159, and 215.

Given the dismissal of Count IV, it would be inappropriate to allow Frost-Tsuji to file a Third Amended Complaint reasserting the same claim. Accordingly, its motion (ECF No. 217) of August 13, 2014, which seeks leave to file a Third Amended Complaint, is denied without prejudice. Any future motion to amend the complaint must take into account the rulings already entered in this case.

The court denies partial summary judgment with respect to the copyright management claim asserted in Count V of the Second Amended Complaint, disposing of ECF Nos. 134 and 184.

IT IS SO ORDERED.

DATED: Honolulu, Hawaii, August 26, 2014.

[SEAL]

/s/ Susan Oki Mollway
Susan Oki Mollway
Chief United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	) CIVIL NO.
ARCHITECTS,	) 13-00496 SOM/BMK
	) ORDER GRANTING
Plaintiff,	) PARTIAL SUMMARY
	) JUDGMENT TO
vs.	) DEFENDANTS WITH
HIGHWAY INN, INC.;	) RESPECT TO COUNT
HO`OLA MAU, LLC;	) V OF THE SECOND
BRYCE UYEHARA,	) AMENDED COMPLAINT
A.I.A., INCORPORATED;	)
J. KADOWAKI, INC.;	)
FESTIVAL MANAGEMENT	)
CORPORATION; et al,	)
	)
Defendants.	)

**ORDER GRANTING PARTIAL SUMMARY
JUDGMENT TO DEFENDANTS WITH
RESPECT TO COUNT V OF THE
SECOND AMENDED COMPLAINT**

(Filed Nov. 7, 2014)

I. INTRODUCTION.

In relevant part, Count V of the Second Amended Complaint asserts that, in violation of 17 U.S.C. § 1202(b)(1), Defendants intentionally removed Plaintiff Frost-Tsuji Architects' copyright management information from architectural drawings Frost-Tsuji had created for the construction of a

restaurant. *See* Second Amended Complaint, Count V, ECF No. 53, PageID # 406. Defendants move for summary judgment (or join in co-Defendants' motions), arguing that they did not remove any copyright management information and that, even assuming that they did, it was not for the purpose of infringing on Frost-Tsuji's copyright, as they had a license to use Frost-Tsuji's work.

Frost-Tsuji does not raise a genuine issue of fact sufficient to defeat the motions for partial summary judgment with respect to Count V. Count V is limited to a copyright management information removal claim. It does not include a claim that copyrighted works were distributed after the copyright management information had been removed. Frost-Tsuji submits no direct evidence concerning the removal of that information by any Defendant, and at most asks the court to infer that it was Defendant Bargreen Ellingson of Hawaii, Inc., that actually removed the copyright management information. Bargreen Ellingson was the kitchen designer for the restaurant. Even assuming Bargreen Ellingson did remove Frost-Tsuji's copyright management information, which it denies, Bargreen Ellingson had a license to use and adapt Frost-Tsuji's drawings such that Frost-Tsuji cannot demonstrate that any such removal of copyright management information induced, enabled, facilitated, or concealed an infringement of federal copyright laws. Partial summary judgment is granted in favor of all

Defendants with respect to Count V of the Second Amended Complaint.

II. FACTUAL BACKGROUND

The factual background for this case was set forth in this court's orders of August 26 and October 27, 2014, ECF Nos. 222 and 320. That background is incorporated here by reference and supplemented as set forth below.

As noted in the court's order of August 26, 2014, Highway Inn hired Frost-Tsuji in December 2012 to design and oversee the development of a full-service restaurant in the Kakaako area of Honolulu. *See* ECF No. 222, PageID # 2864. Highway Inn terminated its relationship with Frost-Tsuji effective May 3, 2014. *See id.*, PageID # 2894. There is no dispute that, after Highway Inn terminated Frost-Tsuji, Defendant Bryce E. Uyehara, A.I.A., Inc., became the architect for Highway Inn's restaurant project.

Bargreen Ellingson was the kitchen equipment designer and contractor for Highway Inn's restaurant. *See* Declaration of Richard H. Elkins ¶ 3, ECF No. 240-1, PageID # 3657. Bargreen Ellingson entered into a contract with Highway Inn on January 8, 2013, to provide such services. *See* Design Agreement, ECF No. 240-4, PageID # 3668; Frost-Tsuji Concise Statement ¶ 1, ECF No. 300, PageID # 4929-30.

Defendant J. Kadowaki was the general contractor for the construction of Highway Inn's restaurant. *See*

Declaration of Stanley N. Sato ¶¶ 2, 4, 5, ECF No. 241-1, PageID # 3689.

According to the allegations of the Second Amended Complaint, Defendant Iwamoto and Associates was the structural engineering firm for the restaurant project, and Defendant Palekana Permits LLC was “the third-party reviewer for the permit applications.” *See* ECF No. 53 ¶¶9-10, PageID #s 52-53.

Frost-Tsuji has stipulated to the dismissal with prejudice of claims against Defendant Festival Management Company dba The Festival Companies, which was allegedly the manager of the property on which the restaurant was being built. *See* ECF No. 53 ¶ 7 (alleging that Festival was the property manager) and ECF No. 318 (stipulation to dismiss Festival).

Frost-Tsuji prepared a design for the kitchen for Highway Inn and transmitted a Computer-Aided Design, or CAD, for the kitchen to Highway Inn on January 10, 2013. *See* Declaration of Frank H. Frost ¶¶ 6-7, ECF No. 300-2, PageID #s 4939-40. Although the court previously stated that there was no dispute that Frost-Tsuji owned the copyright to works it created, *see, e.g.*, ECF No. 320, PageID # 5333, Bargreen Ellingson stated at the hearing on the present motion that the restaurant design may have been a collaboration such that multiple parties may own the copyright in the design. For purposes of this motion, the court, viewing matters in the light most favorable to Frost-Tsuji, need not definitively

determine who owns the copyright and continues to assume that Frost-Tsuji owns the copyright.

Between January 14, 2013, and March 6, 2013, Richard H. Elkins, Bargreen Ellingson's general manager, sent Frost-Tsuji at least 12 versions of CAD drawings that Elkins had created based on Frost-Tsuji's CAD for the kitchen design. *See* Declaration of Richard H. Elkins ¶ 6, ECF No. 240-1, PageID # 3658; Frost Decl. ¶ 12, ECF No. 300-2, PageID # 4941. Elkins explains that he has a computer program that allows him to take a CAD and overlay a CAD he is creating or has created, in a process akin to placing a pane of glass over another pane of glass. *See* Elkins Decl. ¶ 8, ECF No. 240-1, PageID # 3659.

After Frost-Tsuji's termination, on May 16, 2013, Elkins sent Highway Inn, its new architect, and its general contractor a revised CAD for the kitchen design. Elkins says that, in sending that CAD, he did not include FTA's CAD. *See* Elkins Decl. ¶ 10, ECF No. 240-1, PageID # 3660. Elkins therefore says that he did not "remove" Frost-Tsuji's copyright management information from its copyrighted works. *Id.* Instead, as Frank Frost contends, Elkin's work was simply based on Frost-Tsuji's work. *See* Frost Decl. ¶ 12, ECF No. 300-2, PageID # 4941.

Citing paragraph 12 of the concise statement in opposition to the motion, Frost-Tsuji says that Bargreen Ellingson's kitchen layout is "virtually identical" to Frost-Tsuji's. But paragraph 12 of the concise statement does not go that far. Paragraph 12

cites only paragraph 12 of Frost's declaration, which states that Frost-Tsuji "received CAD files from Bargreen [Ellingson] while it was Architect of Record on the Project, but any and all designs and layouts in these CAD files were based on [Frost-Tsuji's] work or created by [Frost-Tsuji]."

In the court's order of August 26, 2014, the court determined that Highway Inn had an implied nonexclusive license to use the architectural drawings Frost-Tsuji had created for the restaurant. That is, the court determined that Highway Inn had asked Frost-Tsuji to create the plans, that Frost-Tsuji had created and delivered the plans to Highway Inn intending that Highway Inn use them, and that Highway Inn had paid substantial consideration to Frost-Tsuji for the plans. *See* ECF No. 222, PageID #s 2878-88. The court ruled that, "to the extent Frost-Tsuji asserts a copyright claim against other Defendants who used and adapted Frost-Tsuji's plans within the scope of Highway Inn's implied license, those other Defendants are also entitled to summary judgment with respect to the copyright claim. Their license to use the plans derives from Highway Inn's." *Id.*, PageID # 2886.

III. SUMMARY JUDGMENT STANDARD.

The court set forth the standard for motions for summary judgment in its order of August 26, 2014. *See* ECF No. 222. That standard is incorporated here by reference.

IV. ANALYSIS.

Because Frost-Tsuji fails to raise a genuine issue of material fact with respect to the removal of copyright management information claim asserted in Count V of the Second Amended Complaint, partial summary judgment is granted in favor of Defendants on that claim.

A. Count V of the Second Amended Complaint Only Asserts a Violation of 17 U.S.C. § 1202(b)(1).

Count V of the Second Amended Complaint asserts only that “Defendants intentionally removed [Frost-Tsuji’s] copyright management information from the plans . . . for use in construction and permitting” without permission. *See* ECF No. ¶¶ 59-60, PageID # 406. The allegations of the Second Amended Complaint are therefore limited to claims of *removal* of copyright management information. The parties have litigated this case with the understanding that Count V asserts only a violation of 17 U.S.C. § 1202(b)(1). For example, Defendants Highway Inn and Ho`ola Mau earlier sought dismissal of the claim, noting that it “appears to be an attempt to plead a DMCA violation claim under 17 U.S.C. § 1202(b)(1).” *See* ECF No. 64, PageID # 665. Frost-Tsuji’s opposition to that motion to dismiss did not contest that Count V was limited to the alleged removal of copyright management information. *See* ECF No. 168. In the court’s order of July 10, 2014, the court stated that there was “no dispute that Count V of the Second Amended

Complaint asserts a violation of 17 U.S.C. § 1202(b)(1). . . .” ECF No. 203, PageID # 2235.

It was not until Frost-Tsuji filed its opposition to the current motions that it contended for the first time that Count V of the Second Amended Complaint is not limited to a claim under 17 U.S.C. § 1202(b)(1) but instead additionally asserts violations of 17 U.S.C. § 1202(b)(2) and -(3), which prohibit the distribution, or importation for distribution, or public performance of works with knowledge that the copyright management information has been altered or removed. *See* ECF No. 303, PageID # 5128-29. No such additional claims are actually pled.

Count V’s allegation that Defendants “removed” copyright management information is not accompanied by allegations that they distributed Frost-Tsuji’s work, imported it for distribution, or publicly performed it while knowing that the copyright management information had been removed. *See* ECF No. 53 ¶¶ 59-60, PageID # 406. Frost-Tsuji does not identify anything in the record supporting its statement that it “validly alleged the Defendants distributed its Copyrighted Works.” While it cites to “ECF No. 53 at ¶ 26” in making this statement, ECF No. 53 is the Second Amended Complaint, Paragraph 26 of which alleges only, “On July 11, 2013, [Frost-Tsuji] successfully registered its copyrights for the Project. The Certificates of Registration are attached hereto as Exhibit ‘D.’” ECF No. 53, PageID # 402.

The dispositive motions deadline was September 17, 2014, and trial is scheduled for February 18, 2015. *See* ECF No. 46 (scheduling order). It would, at this point, clearly be unfair to allow Frost-Tsuji to proceed with claims that were not asserted in its Second Amended Complaint. The court therefore limits Count V of the Second Amended Complaint to its actual allegations, which concern only Defendants' alleged removal of copyright management information in violation of 17 U.S.C. § 1202(b)(1).

B. Defendants Are Granted Partial Summary Judgment on the Claim that They Removed Copyright Management Information in Violation of 17 U.S.C. § 1202(b)(1).

The statute on which Count V is based, 17 U.S.C. § 1202(b)(1), states:

No person shall, without the authority of the copyright owner or the law –

(1) intentionally remove or alter any copyright management information

. . . .

knowing, or, with respect to civil remedies under section 1203, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any right under this title.

This provision has been read as containing three elements:

To state a claim for removal of [copyright management information] under 17 U.S.C. § 1202(b)(1), a plaintiff must allege that a defendant: (1) without authority of the copyright owner or the law; (2) intentionally removed or altered [copyright management information]; (3) knowing or having reasonable grounds to know that the removal will induce, enable, facilitate, or conceal an infringement of the federal copyright laws.

Imageline, Inc. v. CafePress.com, Inc., 2011 WL 1322525, *6 (C.D. Cal. Apr. 6, 2011) (citing 17 U.S.C. § 1202(b)(1)); accord Intellectual Prop. Litig. Comm., Am. Bar Assoc., *Model Jury Instructions: Copyright, Trademark and Trade Dress Litig.* § 1.8.17 (2008) (requiring proof that a defendant “Intentionally removed or altered plaintiff’s copyright management information without plaintiff’s authority or the authority of law” and “that Defendant did such action knowing, or having reasonable grounds to know, that doing so would induce, enable, facilitate or conceal copyright infringement”).

1. Frost-Tsuji Submits No Evidence Demonstrating that Any Defendant Removed Its Copyright Management Information From Its Copyrighted Work.

a. Frost-Tsuji Does Not Show That Highway Inn, Ho`ola Mau, or Uyehara Removed Frost-Tsuji's Copyright Management Information.

Frost-Tsuji presents no evidence indicating that Highway Inn or Ho`ola Mau removed or directed anyone else to remove Frost-Tsuji's copyright management information. The record identifies Monica Toguchi, Russell Ryan, and Sharon Fern-Chong as the only principals or employees of Highway Inn and/or Ho`ola Mau who had access to Frost-Tsuji's plans and documents. Each denies having removed, altered, cropped, or copied the documents such that the copyright management information was obscured or otherwise removed. Each denies having directed or otherwise influenced any Highway Inn or Ho`ola Mau employees, agents, contractors, architects, friends, family, attorneys, or others to take such action. See Declaration of Monica Toguchi ¶¶ 5-8, ECF No. 236-5, PageID #s 3501-02; Declaration of Russell Ryan ¶¶ 5-8, ECF No. 236-6, PageID # 35-4-05; Declaration of Sharon Fern-Chong ¶¶ 5-8, ECF No. 236-7, PageID # 3507-08. Bryce E. Uyehara similarly denies that he or anyone associated with his company removed copyright information from Frost-Tsuji's work. See Declaration of Bryce E. Uyehara ¶¶ 4-5, ECF No.

241-3, PageID 3707. Frost-Tsuji identifies no evidence that it could offer at trial showing that anyone associated with Highway Inn, Ho`ola Mau, or Uyehara was responsible for the removal of the copyright management information.

At most, Frost-Tsuji relies on e-mails of May 16 and 21, 2013, to support its copyright management information removal claim. *See* ECF No. 186-9, PageID # 2054; ECF No. 186-11, PageID 2058. Attached to those e-mails were a .jpeg of a floor plan for the restaurant and a “Floor Color Study” for the restaurant. The floor plan is stamped by Bryce E. Uyehara, the replacement architect. The “Floor Color Study” also has Uyehara’s copyright management information. The “Floor Color Study” also refers to Highway Inn. *See* ECF No. 186-9, PageID # 2055; ECF No. 186-11, PageID # 2064. Highway Inn’s possession of floor plans that Frost-Tsuji says are “virtually identical” to its work does not mean that anyone from Highway Inn or Ho`ola Mau removed or had anyone remove Frost-Tsuji’s copyright management information from Frost-Tsuji’s plans. “Virtually identical” plans could have been created by redrawing Frost-Tsuji’s plans and not including Frost-Tsuji’s copyright management information, but that would not involve any removal or alteration of copyright management information from Frost-Tsuji’s original work.

Highway Inn or Ho`ola Mau’s possession of Frost-Tsuji’s plan does not suffice to show removal or alteration of copyright management information. Nor

does Uyehara's stamp on drawings allegedly based on Frost-Tsuji's work, without more, establish a statutory violation. Without evidence of removal, Frost-Tsuji has no viable claim for removal of copyright management information. *See Faulkner Press, L.L.C. v. Class Notes, L.L.C.*, 756 F. Supp. 2d 1352, 1359 (N.D. Fla. 2010) ("An action for removal of copyright management information requires the information to be removed from a plaintiff's product or original work.").

Although Frost-Tsuji argues that Highway Inn and Ho`ola Mau have failed to explain who allegedly removed Frost-Tsuji's copyright management information, *see* ECF No. 301, PageID # 5008, that is not Defendants' burden. Those Defendants met their initial burden of demonstrating that they were not responsible for the alleged removal. The burden then shifted to Frost-Tsuji to raise a genuine issue of fact as to whether Defendants were responsible for that removal. In the absence of a showing that there are such triable issues, Frost-Tsuji cannot proceed with Count V.

b. Frost-Tsuji Does Not Show That Bargreen Ellingson Removed Frost-Tsuji's Copyright Management Information.

Partial summary judgment is also granted in favor of Bargreen Ellingson on the claim that Defendants "removed" Frost-Tsuji's copyright management

information without its permission. *See* ECF No. 53 ¶¶ 59-60, PageID # 406.

Frost-Tsuji asserts that, after Frost-Tsuji was terminated, Bargreen Ellingson sent CADs out that did not include Frost-Tsuji's CAD containing its copyright management information. But sending out such CADs does not indicate that Bargreen Ellingson actually removed the copyright management information from Frost-Tsuji's copyrighted work.

On May 9, 2013, Monica Toguchi of Highway Inn sent Skip Elkins of Bargreen Ellingson an e-mail stating, "Since we are no longer using Wendy's plans for this project, can you please resend the kitchen layout that you've completed." ECF No. 300-7, PageID 4967. Elkins responded on May 14, 2013, by sending the requested plans. *Id.* Frost-Tsuji says that these CADs did not contain Frost-Tsuji's copyright management information, *see* ECF No. 299, PageID # 4919, although Frost-Tsuji's concise statement, ECF No. 300, does not actually support this assertion. At most, paragraph 9 of that concise statement refers to the attached Exhibit D, which includes what appear to be drawings for the restaurant. Frost-Tsuji does not specifically identify a drawing that it created from which Frost-Tsuji's copyright management information is missing. If Frost-Tsuji expects this court to scour the record to pinpoint such information, the court reminds Frost-Tsuji that Local Rule 56.1(f) expressly states that the court has no such duty.

Even if Frost-Tsuji is correct in contending that Bargreen Ellingson created its CAD for the kitchen design of the restaurant “based on FTA’s work,” *see* Declaration of Frank H. Frost ¶ 12, ECF No. 300-2, PageID # 4941, basing a CAD on Frost-Tsuji’s CAD is not the same as “removing” copyright information from a copyrighted work. The physical act of removal is not the same as basing a drawing on someone else’s work. Reliance on another’s work is insufficient to support a claim of removal of copyright management information. *See Faulkner Press*, 756 F. Supp. 2d at 1359 (“An action for removal of copyright management information requires the information to be removed from a plaintiff’s product or original work.”).

c. Frost-Tsuji Does Not Show That Kadowaki Removed Frost-Tsuji’s Copyright Management Information.

Frost-Tsuji makes no effort to raise a genuine issue of fact as to whether Kadowaki *removed* Frost-Tsuji’s copyright management information. Instead Frost-Tsuji attempts to recast Count V as including a claim of *knowing distribution* of copyrighted works that have had their copyright management information removed. *See* ECF No. 303, PageID # 5128-29. But Count V includes no claim for distribution of copyrighted work without copyright management information.

In trying to identify questions of fact fatal to Kadowaki's motion, Frost-Tsuji repeatedly refers to parts of the record that in no way establish the matters for which they are cited. For example, in contending that Kadowaki received one or more of its CAD files, Frost-Tsuji, in its opposition, cites to paragraph 19 of its concise statement of facts. *See* ECF No. 303, PageID # 5127. That paragraph states, "On October 1, 2014, [Kadowaki] admitted it received 'one or more CAD files containing [Frost-Tsuji's] CMI that contained proposed schematic kitchen design and layout.'" ECF No. 304, PageID # 5143. The concise statement references the attached Exhibit D as evidence supporting that statement. This reference is problematic in a number of ways.

First, Local Rule 56.1(c) states, "The concise statement shall particularly identify the page and portion of the page of the document referenced. The document referred to shall have relevant portions highlighted or otherwise emphasized." Frost-Tsuji makes no attempt to identify which part of Exhibit D the court should examine. As noted earlier, Local Rule 56.1(f) provides that "the court shall have no independent duty to review exhibits in their entirety, but rather will review only those portions of the exhibits specifically identified in the concise statements." To the extent Frost-Tsuji says Exhibit D supports an evidentiary point, but expects the court to figure out exactly where, Frost-Tsuji loses the battle of persuasion.

Second, although cited as evidence that Kadowaki “admitted” receipt of CAD files, Exhibit D to Frost-Tsuji’s concise statement, ECF No. 304-7, cannot be said to contain any admission by Kadowaki. Exhibit D is Defendant Highway Inn’s response to requests for admissions. Even assuming Kadowaki did receive drawings from Frost-Tsuji, as Kadowaki acknowledges in its reply, *see* ECF No. 310, PageID # 5247, this receipt does not, absent more, establish removal of copyright management information, the only claim asserted in Count V.

Frost-Tsuji claims that it sent Kadowaki a hand-drawn design of the restaurant’s kitchen in December 2012, although the document itself does not indicate that it was sent to Kadowaki. *See* ECF No. 135-5, PageID # 1388. Monica Toguchi, of Highway Inn, also sent an e-mail to Kadowaki and others on January 10, 2013, that included schematics for the restaurant. *See* ECF No. 304-5, PageID # 5155. Kadowaki says it prepared “shop drawings” from the kitchen design drawings done by Bargreen Ellingson, the kitchen designer. *See id.* ¶¶ 12-13, PageID #s 3690-91. At the time it prepared those “shop drawings,” Kadowaki would have been aware of Frost-Tsuji’s design, as it had seen that design. To the extent Frost-Tsuji is arguing that Kadowaki created “shop drawings” based on Frost-Tsuji’s work and left out Frost-Tsuji’s copyright management information in the process, no actionable removal of copyright management information is involved, as basing a drawing on another’s work is not the same as removing copyright

management information. *See Faulkner Press*, 756 F. Supp. 2d at 1359.

d. There is No Evidence that Any Other Defendant Removed Frost-Tsuji's Copyright Management Information.

At the hearing on the present motions, Frost-Tsuji argued that Defendants other than Bargreen Ellingson violated Count V when they received and used Bargreen Ellingson's drawings, which did not include Frost-Tsuji's copyright management information. Because Count V asserts a claim of improper removal of copyright management information in violation of 17 U.S.C. § 1202(b)(1), the mere receipt and possession of a copyrighted work that has allegedly had copyright management information removed does not violate § 1202(b)(1). A defendant who does not actually remove copyright management information cannot be said to have violated § 1202(b)(1).

Frost-Tsuji's argument is more consistent with an unpled claim alleging the distribution of a copyrighted work with knowledge that copyright management information has been removed.

2. Frost-Tsuji Submits No Evidence Demonstrating that Any Defendant Removed Frost-Tsuji's Copyright Management Information From Its Copyrighted Work Knowing or Having Reasonable Grounds to Know That the Removal Would Induce, Enable, Facilitate, or Conceal an Infringement of Federal Copyright Law.

Even assuming Bargreen Ellingson (or any other Defendant) could be said to have “removed” copyright management information from Frost-Tsuji’s copyrighted work while creating another work based on Frost-Tsuji’s copyrighted design, Frost-Tsuji could not prevail on Count V. This court has previously ruled that Highway Inn had an implied nonexclusive license to use Frost-Tsuji’s copyrighted works. Other Defendants used and adapted Frost-Tsuji’s plans within the scope of that implied license. Therefore, even if one or more Defendants removed Frost-Tsuji’s copyright management information, no Defendant can be said to have removed any copyright management information “knowing or having reasonable grounds to know that the removal [would] induce, enable, facilitate, or conceal an infringement of the federal copyright laws.” *Imageline*, 2011 WL 1322525, *6.

On this point, the court is unpersuaded by Frost-Tsuji’s argument that Frost-Tsuji did not authorize any derivative works of its copyrighted works. As determined in the court’s order of August 26, 2014, Frost-Tsuji created works that Highway Inn requested

and substantially paid for. Frost-Tsuji then delivered the works to Highway Inn with the intent that they be used in connection with the construction of Highway Inn's restaurant. Frost-Tsuji could not revoke the implied license that Highway Inn (and its contractors) had to use the copyrighted works. Frost-Tsuji cannot now claim that any use by any Defendant of those works violated its copyrights. Nor can Frost-Tsuji show that Bargreen Ellingson knew or had reason to know that any alleged removal of Frost-Tsuji's copyright management information would induce or enable any copyright infringement. Frost-Tsuji certainly knew from the dozen draft designs Bargreen Ellingson sent to it that Bargreen Ellingson was basing its CAD on Frost-Tsuji's work. Under these circumstances, Frost-Tsuji does not show how it would establish a violation of 17 U.S.C. § 1202(b)(1) at trial.

CONCLUSION.

For the foregoing reasons, partial summary judgment is granted in favor of Defendants with respect to Count V of the Second Amended Complaint. This order terminates ECF Nos. 235, 238, 239, 262, and 264.

IT IS SO ORDERED.

DATED: Honolulu, Hawaii, November 7, 2014.

[SEAL]

/s/ Susan Oki Mollway
Susan Oki Mollway
Chief United States
District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	)	CIVIL NO.
ARCHITECTS,	)	13-00496 SOM/BMK
	)	ORDER GRANTING
Plaintiff,	)	JUDGMENT ON THE
	)	PLEADINGS ON
vs.	)	COUNT VI IN FAVOR
HIGHWAY INN, INC.;	)	OF HIGHWAY INN AND
HO`OLA MAU, LLC;	)	HO`OLA MAU; ORDER
BRYCE UYEHARA,	)	GRANTING PARTIAL
A.I.A., INCORPORATED;	)	SUMMARY JUDGMENT
J. KADOWAKI, INC.;	)	IN FAVOR OF
FESTIVAL	)	DEFENDANTS
MANAGEMENT	)	HIGHWAY INN, INC.,
CORPORATION; et al,	)	AND HO`OLA MAU,
	)	LLC, ON ANY CIVIL
Defendants.	)	CONSPIRACY CLAIM
	)	IN COUNT VII BASED
	)	ON A VIOLATION OF
	)	PLAINTIFF FROST-
	)	TSUJI ARCHITECTS'
	)	COPYRIGHTS; ORDER
	)	GRANTING
	)	JUDGMENT ON THE
	)	PLEADINGS IN FAVOR
	)	OF HIGHWAY INN AND
	)	HO`OLA MAU ON ANY
	)	PORTION OF COUNT
	)	VII BASED ON TORTIOUS
	)	INTERFERENCE

**ORDER GRANTING JUDGMENT ON THE
PLEADINGS ON COUNT VI IN FAVOR OF
HIGHWAY INN AND HO`OLA MAU; ORDER
GRANTING PARTIAL SUMMARY JUDGMENT
IN FAVOR OF DEFENDANTS HIGHWAY INN,
INC., AND HO`OLA MAU, LLC, ON ANY CIVIL
CONSPIRACY CLAIM IN COUNT VII BASED
ON A VIOLATION OF PLAINTIFF FROST-
TSUJI ARCHITECTS' COPYRIGHTS; ORDER
GRANTING JUDGMENT ON THE PLEADINGS
IN FAVOR OF HIGHWAY INN AND HO`OLA
MAU ON ANY PORTION OF COUNT VII BASED
ON TORTIOUS INTERFERENCE**

(Filed Nov. 7, 2014)

I. INTRODUCTION.

Defendants Highway Inn, Inc., and Ho`ola Mau, LLC, seek judgment on the pleadings with respect to the tortious interference with contractual relations and civil conspiracy claims asserted in Counts VI and VII of the Second Amended Complaint. The court grants the motion with respect to the tortious interference claim asserted in Count VI, as no claim is asserted against Highway Inn or Ho`ola Mau. To the extent Plaintiff Frost-Tsuji Architects bases its civil conspiracy claim on Highway Inn's and Ho`ola Mau's alleged violation of Frost-Tsuji's copyrights, partial summary judgment is granted in favor of Highway Inn and Ho`ola Mau, as this court has already determined that they committed no such copyright violations. Finally, to the extent the civil conspiracy claim asserted in Count VII is based on alleged tortious

interference, judgment on the pleadings is granted in favor of Highway Inn and Ho`ola Mau. Highway Inn cannot tortiously interfere with its own contract, and no facts are pled supporting Frost-Tsuji's assertion that Ho`ola Mau interfered with Frost-Tsuji's contract with Highway Inn.

II. STANDARD.

The court previously set forth the standard for motions for summary judgment in its order of August 26, 2014. *See* ECF No. 222. That standard is incorporated here by reference.

The standard for a motion for judgment on the pleadings brought under Rule 12(c) of the Federal Rules of Civil Procedure is “functionally identical” to that governing a Rule 12(b)(6) motion. *United States ex rel. Caffaso v. Gen. Dynamics C4 Sys., Inc.*, 637 F.3d 1047, 1054 n.4 (9th Cir. 2011). Under Rule 12(c), “Judgment on the pleadings is properly granted when, accepting all factual allegations as true, there is no material fact in dispute, and the moving party is entitled to judgment as a matter of law.” *Chavez v. United States*, 683 F.3d 1102, 1108 (9th Cir. 2012) (quotation marks and citation omitted); *accord Jensen Family Farms, Inc. v. Monterey Bay Unified Air Pollution Control Dist.*, 644 F.3d 934, 937 n.1 (9th Cir. 2011).

Review is generally limited to the contents of the complaint. *Sprowell v. Golden State Warriors*, 266 F.3d 979, 988 (9th Cir. 2001); *Campanelli v. Bokrath*, 100

F.3d 1476, 1479 (9th Cir. 1996). All allegations of material fact are taken as true and construed in the light most favorable to the nonmoving party. *Fed'n of African Am. Contractors v. City of Oakland*, 96 F.3d 1204, 1207 (9th Cir. 1996). Conclusory allegations of law, unwarranted deductions of fact, and unreasonable inferences are insufficient to defeat a motion to dismiss. *Sprewell*, 266 F.3d at 988.

To survive a motion for judgment on the pleadings, “factual allegations must be enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true even if doubtful in fact.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (examining Rule 12(b)(6)) (internal quotation marks omitted); accord *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (“the pleading standard Rule 8 announces does not require ‘detailed factual allegations,’ but it demands more than an unadorned, the-defendant-unlawfully-harmed-me accusation”).

While a complaint need not have detailed factual allegations, “a plaintiff’s obligation to provide the ‘grounds’ of his ‘entitlement to relief’ requires more than labels and conclusions, and a formulaic recitation of the elements of a cause of action will not do.” *Twombly*, 550 U.S. at 555. The complaint must “state a claim to relief that is plausible on its face.” *Id.* at 570. “A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 556 U.S. at 677. “Naked assertions devoid of further factual enhancement” that

suggest only a “mere possibility of misconduct” are not enough to state a claim for relief. *Id.* at 698. Additionally, “[t]hreadbare recitals of elements of a cause of action supported by mere conclusory statements” do not suffice. *Id.* at 679.

III. ANALYSIS.

A. Highway Inn and Ho`ola Mau Are Entitled to Judgment on the Pleadings With Respect to the Tortious Interference With Contract Claim Asserted in Count VI of the Second Amended Complaint.

Count VI of the Second Amended Complaint asserts that Frost-Tsuji had a contract with Highway Inn. *See* Second Amended Complaint ¶ 62. It then alleges that Defendants Bryce E. Uyehara, A.I.A., Incorporated, J. Kadowaki, Inc., and Festival Management Corporation, knew of this contract and intentionally induced Highway Inn to breach it without justification. *Id.* ¶ 63-65. Count VI alleges that Frost-Tsuji “has been damaged by Uyehara, [Kadowaki], and Festival’s conduct in an amount to be proven at trial.” *Id.* ¶ 67. Count VI asserts no claim against Highway Inn or Ho`ola Mau.

Highway Inn and Ho`ola Mau seek clarification that they are not named as defendants with respect to Count VI. Curiously, Frost-Tsuji does not admit that its Second Amended Complaint fails to assert a claim against Highway Inn and/or Ho`ola Mau in Count VI. Rather, Frost-Tsuji argues that Ho`ola Mau could

possibly interfere with the contract between Frost-Tsuji and Highway Inn. This court need not address Frost-Tsuji's argument because Count VI of the Second Amended Complaint asserts no claim against Highway Inn or Ho`ola Mau.

B. Partial Summary Judgment Is Granted to Highway Inn and Ho`ola Mau on Any Part of the Civil Conspiracy Claim Asserted in Count VII Based on Alleged Violations of Frost-Tsuji's Copyrights.

In the court's order of August 26, 2014, ECF No. 222, the court ruled that neither Highway Inn nor Ho`ola Mau had violated Frost-Tsuji's copyrights. Given this prior ruling, summary judgment rather than judgment on the pleadings, is appropriate with respect to copyright-based claims. Thus, to the extent Frost-Tsuji's civil conspiracy claim asserted in Count VII of the Second Amended Complaint is premised on copyright violations, partial summary judgment is granted in favor of Highway Inn and Ho`ola Mau.

C. To the Extent the Civil Conspiracy Claim Asserted in Count VII is Based on Claims of Tortious Interference With Contract, Judgment on the Pleadings is Granted in Favor of Highway Inn and Ho`ola Mau.

In part, Count VII of the Second Amended Complaint asserts a civil conspiracy claim based on

Highway Inn and Ho`ola Mau's alleged tortious interference with Frost-Tsuji's contract with Highway Inn. Judgment on the pleadings is granted in favor of Highway Inn and Ho`ola Mau with respect to that claim.

To the extent the civil conspiracy claim is based on Highway Inn's alleged tortious interference with its own contract, judgment on the pleadings is granted in favor of Highway Inn. As Frost-Tsuji admits, Highway Inn cannot tortiously interfere with its own contract. *See* ECF No. 298, PageID # 4908; *see also Kahala Royal Corp. v. Goodsill Anderson Quinn & Stifel*, 113 Haw. 251, 274, 151 P.3d 732, 755 (2007) ("A party cannot 'interfere' with its own contracts, so the tort itself can be committed only by a third party.").

To the extent the civil conspiracy claim is based on Ho`ola Mau's alleged tortious interference with the contract between Frost-Tsuji and Highway Inn, there are no factual allegations in the Second Amended Complaint that support such a claim.

IV. CONCLUSION.

Partial summary judgment is granted in favor of Highway Inn and Ho`ola Mau with respect to the civil conspiracy claim asserted in Count VII to the extent that claim is based on an alleged violation of Frost-Tsuji's copyrights. Judgment on the pleadings is granted in favor of Defendants Highway Inn and Ho`ola Mau with respect to the tortious interference with contractual relations and remaining civil

App. 71

conspiracy claims asserted in Counts VI and VII of the
Second Amended Complaint.

IT IS SO ORDERED.

DATED: Honolulu, Hawaii, November 7, 2014.

[SEAL]

/s/ Susan Oki Mollway
Susan Oki Mollway
Chief United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	)	CIVIL NO.
ARCHITECTS,	)	13-00496 SOM/BMK
	)	
Plaintiff,	)	ORDER DENYING
	)	MOTION FOR
vs.	)	RECONSIDERATION
	)	OF ORDER FILED ON
HIGHWAY INN, INC.;	)	NOVEMBER 7, 2014
HO`OLA MAU, LLC;	)	
BRYCE UYEHARA,	)	
A.I.A., INCORPORATED;	)	
J. KADOWAKI, INC.;	)	
FESTIVAL	)	
MANAGEMENT	)	
CORPORATION; et al,	)	
	)	
Defendants.	)	

**ORDER DENYING MOTION FOR
RECONSIDERATION OF ORDER
FILED ON NOVEMBER 7, 2014**

(Filed Jan. 21, 2015)

I. INTRODUCTION.

Plaintiff Frost-Tsuji Architects seeks reconsideration of the order of November 7, 2014, granting summary judgment against Frost-Tsuji on the copyright management information removal claim asserted in Count V of the Second Amended Complaint. Frost-Tsuji asserts but does not establish

clear error in that order. Accordingly, the court denies the motion for reconsideration.

II. RECONSIDERATION STANDARD.

Frost-Tsuji seeks reconsideration of an interlocutory order. That is, Frost-Tsuji seeks reconsideration of an order granting partial summary judgment on a single claim that left other claims for further adjudication. Such a motion is governed by Local Rule 60.1, which allows such motions based on “(a) Discovery of new material facts not previously available; (b) Intervening change in law; and (c) Manifest error of law or fact.” “Mere disagreement with a previous order is an insufficient basis for reconsideration.” *White v. Sabatino*, 424 F. Supp. 2d 1271, 1274 (D. Haw. 2006). “Whether or not to grant reconsideration is committed to the sound discretion of the court.” *Id.* (internal quotation marks omitted).

III. FROST-TSUJI’S MOTION FOR RECONSIDERATION IS DENIED.

In relevant part, Count V of the Second Amended Complaint asserts that, in violation of 17 U.S.C. § 1202(b)(1), Defendants intentionally removed Plaintiff Frost-Tsuji Architects’ copyright management information from architectural drawings Frost-Tsuji had created for the construction of a restaurant. See Second Amended Complaint, Count V, ECF No. 53, PageID # 406.

App. 74

The statute on which Count V is based, 17 U.S.C. § 1202(b)(1), states:

No person shall, without the authority of the copyright owner or the law –

(1) intentionally remove or alter any copyright management information

....

knowing, or, with respect to civil remedies under section 1203, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any right under this title.

This provision has been read as containing three elements:

To state a claim for removal of [copyright management information] under 17 U.S.C. § 1202(b)(1), a plaintiff must allege that a defendant: (1) without authority of the copyright owner or the law; (2) intentionally removed or altered [copyright management information]; (3) knowing or having reasonable grounds to know that the removal will induce, enable, facilitate, or conceal an infringement of the federal copyright laws.

Imageline, Inc. v. CafePress.com, Inc., 2011 WL 1322525, *6 (C.D. Cal. Apr. 6, 2011) (citing 17 U.S.C. § 1202(b)(1)); accord Intellectual Prop. Litig. Comm., Am. Bar Assoc., *Model Jury Instructions: Copyright, Trademark and Trade Dress Litig.* § 1.8.17 (2008) (requiring proof that a defendant “Intentionally

removed or altered plaintiff's copyright management information without plaintiff's authority or the authority of law" and "that Defendant did such action knowing, or having reasonable grounds to know, that doing so would induce, enable, facilitate or conceal copyright infringement").

On November 7, 2014, the court granted partial summary judgment in favor of Defendants with respect to the copyright management information removal claim asserted in Count V. *See* ECF No. 326. First, the court reasoned that Frost-Tsuji submitted no evidence that any Defendant had removed copyright management information from Frost-Tsuji's copyrighted work. The court was not persuaded that mere possession of plans lacking Frost-Tsuji's copyright management information was sufficient to raise a genuine issue of fact as to whether a particular Defendant had removed or altered copyright management information from a copyrighted work. The court further reasoned that, once a Defendant met its initial burden of demonstrating that it was not responsible for any alleged removal, the burden then shifted to Frost-Tsuji to raise a genuine issue of fact as to whether that Defendant was responsible for any alleged removal. The court determined that Frost-Tsuji did not meet that burden. The court further reasoned that the mere sending of a Computer-Aided Design, or CAD, lacking Frost-Tsuji's copyright management information did not indicate that the sending Defendant had removed that information, and that basing a design on Frost-Tsuji's work was not the

same as removing copyright management information from an original copyrighted work.

Second, the court granted partial summary judgment with respect to Count V because Frost-Tsuji submitted no evidence indicating that any Defendant had removed copyright management information from a copyrighted work by Frost-Tsuji knowing or having reasonable grounds to know that the removal would induce, enable, facilitate, or conceal an infringement of copyright law. Because the court had previously ruled that Highway Inn and Ho`ola Mau had an implied nonexclusive license to use the copyrighted work, a Defendant could not be said to have removed Frost-Tsuji's copyright management information while having reasonable grounds to know that the removal would induce, enable, facilitate, or conceal an infringement of copyright law.

Frost-Tsuji seeks reconsideration of the order of November 7, 2014, arguing that it did submit evidence that Defendants removed its copyright management information. Frost-Tsuji is unpersuasive. Citing "ECF No. 300-7 #4969" on page 9 of its reconsideration motion, Frost-Tsuji says that Highway Inn and Ho`ola Mau "asked Bargreen to send the kitchen layout, which required Bargreen to remove [Frost-Tsuji's copyright management] layer." But ECF No. 300-7, PageID # 4969 is simply a drawing, not a request to Bargreen. Frost-Tsuji may have meant to refer to PageID # 4967, which states, "Since we are no longer using Wendy's plans for the project, can you please resend the kitchen layout that you've completed.

Thanks so much.” Even this evidence fails to indicate that Highway Inn or Ho`ola Mau asked Bargreen to remove the copyright management information. Nor can it reasonably be inferred from that statement that Bargreen removed copyright management information from Frost-Tsuji’s original copyrighted work. The statement instead refers to a drawing that Bargreen itself completed.

The court is similarly unpersuaded that Frost-Tsuji identifies a genuine issue of fact as to whether Bargreen removed Frost-Tsuji’s copyright management information by citing to “ECF No. 300-7 #4935, ¶ 19, citing ECF No. 292-1 # 3643.” First, PageID # 4935 is not part of ECF No. 300-7. Instead, PageID # 4395 is part of the concise statement submitted by Frost-Tsuji as ECF No. 300. Although Frost-Tsuji is correct in noting that paragraph 19 of its concise statement cites to “ECF No. 292-1 #3643,” the original reference to “ECF No. 292-1 #3643” was itself incorrect.

There is no ECF No. 292-1 in the record, and ECF No. 292 is a citation to a court order denying a motion to continue the motions for summary judgment. Frost-Tsuji may have meant to refer to ECF No. 239-1, PageID # 3643, a document in which Bargreen explained that, after Frost-Tsuji was terminated, “Bargreen sent its work (its pane of glass) electronically to Highway Inn, Uyehara and Kadowaki. In doing so, Bargreen did not remove or strip [Frost-Tsuji’s copyright management information (‘CMI’)] [Frost-Tsuji’s] CMI was included in its drawing file

(pane of glass). Bargreen simply did not include [Frost-Tsuji's] drawing file in its transmissions." *Id.* That statement does not indicate that Bargreen removed Frost-Tsuji's copyright management information from Frost-Tsuji's copyrighted work. Instead, it indicates that Bargreen developed its own drawing based on Frost-Tsuji's work and, when Frost-Tsuji asked that its work no longer be used, Bargreen followed that request and did not include Frost-Tsuji's drawing, or "pane of glass."

The miscitations in Frost-Tsuji's present motion and in underlying motions, combined with its submission of multiple documents when one would have done the job, have complicated this court's review of the record. While the court is able to discern that, as Frost-Tsuji points out, it cited ECF Nos. 186-9 and 186-10 in connection with the underlying motions, those documents do not justify reconsideration. Those documents include an e-mail from Monica Toguchi of Highway Inn to various Defendants asking that they use the attached documents and reminding them not to use Frost-Tsuji's work. *See* ECF No. 186-9. ECF No. 186-10 refers to a drawing done by Frost-Tsuji that includes Frost-Tsuji's copyright management information. A comparison of the documents in ECF Nos. 186-9 and 186-10 indicates that they are similar in that the building space is the same and the placements of some items in the drawings are similar. But the drawing by Uyehara, ECF No. 186-9, is not identical to the drawing by Frost-Tsuji, ECF No. 186-10, such that this court can say that Uyehara removed

or altered Frost-Tsuji's copyright management information from ECF No. 186-10.

In its order of November 7, 2014, this court ruled that basing a drawing on Frost-Tsuji's work is not sufficient to support a claim of copyright removal. *See* ECF No. 326, PageID # 5383 (citing *Faulkner Press, L.L.C. v. Class Notes, L.L.C.*, 756 F. Supp. 2d 1352, 1359 (N.D. Fla. 2010) ("An action for removal of copyright management information requires the information to be removed from a plaintiff's product or original work.")). Frost-Tsuji submitted no evidence that Uyehara (or any other Defendant) removed the copyright management information from Frost Tsuji's original work, in this case ECF No. 186-10, or altered what was the actual original.

Nor is the court persuaded by Frost-Tsuji's reference to a floor color study. The order of November 7, 2014, discussed the floor color study and ruled that it did not support a claim of copyright management information removal. *See* ECF No. 326, PageID #s 5382-83. Frost-Tsuji's mere disagreement with the court's order on this point does not support reconsideration. *See White v. Sabatino*, 424 F. Supp. 2d 1271, 1274 (D. Haw. 2006) ("Mere disagreement with a previous order is an insufficient basis for reconsideration.").

Finally, Frost-Tsuji argues that new evidence in the form of admissions by Bargreen establishes that Bargreen did remove Frost-Tsuji's copyright management information. Once again, the evidence to

which Frost-Tsuji cites does not stand for that proposition. In Admission No. 34, Bargreen admits that it “did not locate and design the spatial arrangement of the Open Display Kitchen which was used for the Restaurant.” In Admission No. 4, Bargreen generally admits “that the layout and design sent to [Bargreen] on January 10, 2013 . . . , was a prior version of the Restaurant layout and design currently in place at the Restaurant.” At most, these admissions indicate that Bargreen based its work on the work of someone else, presumably Frost-Tsuji, not that Bargreen physically removed the copyright management information from any rendition of Frost-Tsuji’s work.

Because none of Frost-Tsuji’s arguments raises a genuine issue of fact as to whether any Defendant removed the copyright management information from Frost-Tsuji’s original work, rather than indicating that Defendants created derivative work from Frost-Tsuji’s, the motion seeking reconsideration of the court’s earlier order is denied.

The court notes that, even if Frost-Tsuji is correct in arguing that Defendant’s derivative use of Frost-Tsuji’s drawings could be the basis for a copyright management information removal claim, reconsideration would not be justified. That is, even if a copyright management removal claim does not require that information be removed from an original work, Frost-Tsuji makes no attempt to demonstrate that it can satisfy the other elements of such a claim on this motion. In its order of November 7, 2014, this

court ruled that, because Highway Inn and Ho`ola Mau had an implied nonexclusive license to use Frost-Tsuji's copyrighted works, even if one or more Defendants did remove Frost-Tsuji's copyright management information, no Defendant could be said to have removed copyright management information knowing or having reasonable grounds to know that that removal would induce, enable, facilitate, or conceal an infringement of the federal copyright laws. Frost-Tsuji therefore fails to establish that element of its claim as well.

IV. CONCLUSION.

Because Frost-Tsuji fails to demonstrate any reason this court should reconsider its previous order granting summary judgment in favor of Defendants on Count V, Frost-Tsuji's motion for reconsideration, ECF No. 354, is denied.

IT IS SO ORDERED.

DATED: Honolulu, Hawaii, January 21, 2015.

[SEAL]

/s/ Susan Oki Mollway
Susan Oki Mollway
Chief United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	)	CIVIL NO.
ARCHITECTS,	)	13-00496 SOM/BMK
Plaintiff,	)	ORDER DENYING
vs.	)	SECOND MOTION FOR
HIGHWAY INN, INC.;	)	RECONSIDERATION
HO`OLA MAU, LLC;	)	CONCERNING
BRYCE UYEHARA, A.I.A.,	)	COUNT IV
INCORPORATED;	)	
J. KADOWAKI, INC.;	)	
FESTIVAL MANAGEMENT	)	
CORPORATION; et al,	)	
Defendants.	)	

**ORDER DENYING SECOND MOTION FOR
RECONSIDERATION CONCERNING COUNT IV**

(Filed Jan. 23, 2015)

I. INTRODUCTION.

Before the court is Frost-Tsuji's Second Motion for Reconsideration concerning Count IV. This motion seeks reconsideration of the order filed on August 26, 2014, granting summary judgment against Frost-Tsuji on its copyright infringement claim in Count IV of the Second Amended Complaint, and the order filed on October 27, 2014, denying a motion for reconsideration of that order. Counsel for Frost-Tsuji represents that, pursuant to Rule 56(d) of the Federal Rules of Civil Procedure, Frost-Tsuji sought a continuance of the

hearing on its motion for partial summary judgment on Count IV and of the cross-motion for summary judgment on Count IV. That representation is inaccurate. Frost-Tsuji filed a Rule 56(d) motion concerning a different motion.

Frost-Tsuji now claims to have discovered new evidence that raises factual issues that should have precluded summary judgment with respect to Count IV. But Frost-Tsuji does not demonstrate that it acted with reasonable diligence in obtaining this new evidence. To the contrary, the record indicates that it was only after it lost cross-motions for summary judgment with respect to the copyright infringement claim asserted in Count IV that Frost-Tsuji sought the discovery it says led to the new evidence. This court expended substantial effort in drafting its orders of August 26 and October 27, 2014. What Frost-Tsuji would have this court do is accept that the court wasted its time relying on the then-existing record, excuse a party's belated discovery efforts, and revisit issues whenever a party feels ready to supplement the record. The court denies Frost-Tsuji's Second Motion for Reconsideration.

The court decides the Second Motion for Reconsideration without a hearing pursuant to Local Rule 7.2(d).

II. FACTUAL BACKGROUND

Count IV of the Second Amended Complaint of February 28, 2014, asserted a claim of copyright infringement. *See* ECF No. 53, PageID # 405-06.

On March 5, 2014, Frost-Tsuji filed a motion for partial summary judgment with respect to the copyright infringement claim asserted in Count IV. *See* ECF No. 55. Frost-Tsuji supplemented that motion on April 11, 2014, clarifying that its motion only addressed “the issues of whether any of the named defendants had a license to use and/or copy Frost-Tsuji’s copyrighted work after Frost-Tsuji’s termination and, if no license existed, whether any of the named defendants infringed upon Frost-Tsuji’s copyrights.” *See* ECF No. 85, PageID # 803.

On June 3, 2014, Defendant J. Kadowaki, Inc., filed a motion for partial summary judgment with respect to Count IV, arguing that Frost-Tsuji was not entitled to statutory damages and attorneys’ fees based on Count IV, because Frost-Tsuji had not registered its copyright before any alleged infringement and because Frost-Tsuji had not published its architectural drawings. *See* ECF No. 140. This motion was originally set for hearing on August 4, 2014. *See* ECF No. 143. The hearing was continued to August 18, 2014. *See* ECF Nos. 148 and 158.

On June 25, 2014, Defendants Highway Inn, Inc., and Ho`ola Mau, LLC, filed a Cross-Motion for Summary Judgment with respect to Count IV of the Second Amended Complaint and Frost-Tsuji’s motion

for partial summary judgment on that count. *See* ECF No. 176.

A hearing on Frost-Tsuji's motion for partial summary judgment and Highway Inn and Ho`ola Mau's cross-motion for partial summary judgment with respect to Count IV was held on July 21, 2014. *See* ECF No. 206. Before that hearing, the court issued its usual prehearing Inclinations. The Inclinations stated that the court was inclined to grant partial summary judgment in favor of Defendants on the ground that Highway Inn and Ho`ola Mau had an implied nonexclusive license to use the plans created by Frost-Tsuji and that such a license was a defense to the copyright infringement claim asserted in Count IV. *See* ECF No. 205. Based on the parties' indication at the hearing that the case might be settling, the court stated that it would refrain from ruling until the parties indicated whether a settlement had been reached. *See* ECF No. 206.

On August 7, 2014, Frost-Tsuji filed a Rule 56(d) request to continue the hearing on J. Kadowaki's motion concerning statutory damages and attorneys' fees pursuant to Count IV. *See* ECF No. 215.

On August 26, 2014, after determining that the case had not settled, the court, consistent with its prehearing Inclinations, granted Highway Inn and Ho`ola Mau's motion for summary judgment with respect to Count IV. *See* ECF No. 222. The court also granted the multiple joinders in that motion and denied Frost-Tsuji's motion for partial summary

judgment with respect to Count IV. *Id.* The court denied as moot J. Kadowaki's motion with respect to statutory damages and attorney's fees, as well as Frost-Tsuji's Rule 56(d) motion to continue the hearing on J. Kadowaki's motion. *Id.*

On September 5, 2014, Frost-Tsuji sought reconsideration of the order of August 26, 2014. *See* ECF No. 232. That motion was denied on October 3, 2014. *See* ECF No. 292.

On October 8, 2014, Frost-Tsuji sent Defendant Bargreen Ellingson of Hawaii, Inc., a Fifth Request for Admissions. *See* ECF No. 308. Bargreen responded on November 7, 2014. *See* ECF No. 391-13.

On November 12, 2014, Frost-Tsuji noticed the depositions of Monica Toguchi, Russell Ryan, Stan Sato, Bryce Uyehara [sic], and Richard Herbert Elkins. *See* ECF Nos. 331 (Elkins notice), 333 (Uyehara notice), 334 (Sato notice), 335 (Toguchi and Ryan notice). Elkins's Deposition was taken on December 3, 2014. *See* ECF No. 391-9. Toguchi's Deposition was taken on December 11, 2014. *See* ECF No. 391-4. Ryan's Deposition was taken on December 12, 2014. *See* ECF No. 391-11. Uyehara's Deposition was taken on December 15, 2014. *See* ECF No. 391-8. Sato's Deposition was taken on December 18, 2014. *See* ECF No. 391-7.

On December 8, 2014, Frost-Tsuji sent a subpoena to Kamehameha Schools. *See* ECF No. 372. In response to that subpoena, Kamehameha Schools produced documents, including the e-mails filed as ECF Nos.

391-5 and 391-6, on January 9, 2014. *See* Decl. of Randall K. Schmitt ¶¶ 8, 9, ECF No. 391-3, PageID #s 6212-13.

Based on the discovery it sought only after the court had granted summary judgment in favor of Defendants with respect to Count IV and after the court had denied Frost-Tsuji's motion for reconsideration of that order, Frost-Tsuji filed the Second Motion for Reconsideration. *See* ECF No. 391.

III. ANALYSIS.

Frost-Tsuji seeks reconsideration of an interlocutory order. That is, Frost-Tsuji seeks reconsideration of an order that, at the time it was entered, left other claims for further adjudication. To this day, a separate claim technically remains pending, albeit subject to settlement that presumably will include a stipulation to dismiss that claim. Accordingly, the reconsideration motion is governed by Local Rule 60.1, which allows such motions based on "(a) Discovery of new material facts not previously available; (b) Intervening change in law; and (c) Manifest error of law or fact." "Mere disagreement with a previous order is an insufficient basis for reconsideration." *White v. Sabatino*, 424 F. Supp. 2d 1271, 1274 (D. Haw. 2006). "Whether or not to grant reconsideration is committed to the sound discretion of the court." *Id.* (internal quotation marks omitted).

This court has previously stated, "To support a motion for reconsideration based upon newly

discovered evidence, the movant is obliged to show not only that the evidence was newly discovered or unknown, but also that it could not with reasonable diligence have discovered and produced such evidence at the hearing.” *Oyama v. Univ. of Haw.*, 2013 WL 3296567 (D. Haw. June 28, 2013); *accord Hagan v. U.S. Nat’l Bank*, 2014 WL 5465321 (D. Haw. Oct. 27, 2014). Accordingly, this court has denied motions seeking reconsideration of orders based on evidence and/or legal arguments that the party seeking reconsideration could have raised in connection with an original motion. *See Barker v. Gottlieb*, 2015 WL 181776 (D. Haw. Jan. 14, 2015). Because the Second Motion for Reconsideration fails to show why Frost-Tsuiji could not have earlier discovered the evidence it now relies on, the court denies the Second Motion for Reconsideration based on “newly discovered evidence.”¹

¹ Even if the court had already entered judgment given the settlement of the remaining claims such that the Second Motion for Reconsideration could be deemed to be seeking relief under Rule 59(e) of the Federal Rules of Civil Procedure, the court’s analysis would remain unchanged. With respect to motions for reconsideration brought under Rule 59(e), the Ninth Circuit has stated, “A Rule 59(e) motion may not be used to raise arguments or present evidence for the first time when they could reasonably have been raised earlier in the litigation.” *See Kona Enter., Inc. v. Estate of Bishop*, 229 F.2d 877, 890 (9th Cir. 2000).

Nor would examining the Second Motion for Reconsideration under Rule 60(b)(2) of the Federal Rules of Civil Procedure change the result. Although Rule 60(b)(2) allows relief from a “final judgment, order, or proceeding” based on “newly discovered evidence that, with reasonable diligence, could not have been discovered in time to move for a new trial under Rule 59(b),” that

In *Engelhard Industries, Inc. v. Research Instrumental Corp.*, 324 U.S. 347, 352 (1963), the Supreme Court addressed an attempt to establish questions of fact in a patent infringement case. That attempt involved the submission of four affidavits that had not been submitted to the trial court before it granted summary judgment. The trial court declined to consider the affidavits when they were submitted in a motion for rehearing. *Id.* The Supreme Court ruled that the trial court had not erred in granting summary judgment, as the facts in the affidavits had been readily available and known well in advance of the summary judgment hearing. *Id.*

Based on *Engelhard*, the Ninth Circuit, in *Frederick S. Wyle Professional Corp. v. Texaco, Inc.*, 764 F.2d 604, 609 (9th Cir. 1985), determined that a bankruptcy court had not abused its discretion in denying reconsideration of a summary judgment order, and that a district court had not erred in affirming that denial. That case involved a party's reliance on "newly discovered evidence" in seeking reconsideration. Because that evidence was available before the

rule does not excuse a litigant from diligently seeking discovery prior to a motion for summary judgment. *See Hopkins v. Andaya*, 958 F.2d 881, 887 n.5 (9th Cir. 1992), *overruled on other grounds as recognized in Federman v. County of Kern*, 61 Fed. Appx. 438, 440 (9th Cir. 2003) ("Appellants knew of the witness and could have deposed him or submitted his affidavit to contest the summary judgment motion. Appellants offer no excuse for not presenting the affidavit earlier. A defeated litigant cannot set aside a judgment because he failed to present on a motion for summary judgment all the facts known to him that might have been useful to the court.").

summary judgment order issued, the Ninth Circuit ruled that reconsideration was not appropriate. *Id.* The district court had held that, to support a motion for reconsideration of a summary judgment order based on newly discovered evidence, the movant was “*obliged* to show not only that this evidence was newly discovered or unknown to it until after the hearing, but also that it could not with reasonable diligence have discovered and produced such evidence at the hearing.” *Id.*

In *Kowalski v. Anova Food, LLC*, 958 F. Supp. 2d 1147 (D. Haw. 2013), a party sought reconsideration of an order denying a motion to dismiss for lack of personal jurisdiction. The reconsideration motion was based in relevant part on a new declaration by Douglas Brinsmade that had not been submitted to the court in connection with the original motion. The court denied the motion for reconsideration, ruling that, “Defendants have not shown that they could not have, with reasonable diligence, such as through the service of a subpoena, presented testimony from Brinsmade before the Court ruled on the Motions to Dismiss. Defendants may not now rely on a new declaration by Brinsmade.”

Frost-Tsuji seeks reconsideration of orders based on discovery it did not even seek until after the orders were filed. Frost-Tsuji provides no explanation as to why it did not seek or could not have presented the evidence to the court in connection with the original motion. Frost-Tsuji’s failure to seek discovery with reasonable diligence precludes it from now obtaining

reconsideration of the court's orders based on "newly discovered evidence."

The court notes that, in connection with the Second Motion for Reconsideration, counsel for Frost-Tsuji represents that Frost-Tsuji had sought a Rule 56(d) continuance of the cross-motions for partial summary judgment with respect to the license issue in Count IV. *See* ECF No. 391-3, PageID # 6211. The court found no such request in the record. Instead, the record reflects that, after the court had held a hearing on those motions, Frost-Tsuji filed a motion to continue the hearing on a different motion, J. Kadowaki's motion. J. Kadowaki's motion concerned the issues of when Frost-Tsuji had registered its copyright and whether it had published its drawing, not the license issue raised by the cross-motions. J. Kadowaki's motion was denied as moot based on the order granting summary judgment in favor of Defendants with respect to the license issue raised by Count IV. Frost-Tsuji's request for a continuance of J. Kadowaki's motion does not indicate reasonable diligence in seeking discovery concerning the license issue relevant to its own motion and the cross-motion filed by Highway Inn and Ho'ola Mau.

Indeed, it would have made little sense for Frost-Tsuji to have sought a Rule 56(d) continuance on the license issue. Frost-Tsuji had itself moved for summary judgment on the license issue, contending that there were no factual issues needing to be tried as to that issue. Rule 56(d) contemplates that a nonmovant may need time to take discovery, but

Frost-Tsuji was the movant. Admittedly, Frost-Tsuji had to respond to Highway Inn and Ho`ola Mau's "cross motion." The court viewed the "cross-motion" as a counter-motion under Local Rule 7.9, meaning that it addressed the same subject matter as Frost-Tsuji's motion and was, in effect, the opposition to Frost-Tsuji's motion. *See* August 26, 2014, Order, ECF No. 222, PageID # 2877 ("The issue before this court with respect to the countermotions on Count IV of the Second Amended Complaint boils down to whether Highway Inn had a license to use the architectural plans Frost-Tsuji created for Highway Inn's restaurant even after the agreement was terminated."). For that reason, Frost-Tsuji's opposition to that "cross-motion" was also its reply in support of its original motion on the license issue. *See* ECF No. 198. Frost-Tsuji quite correctly did not make the illogical argument that it needed to take further discovery on the very matter it was contending the court could decide as a matter of law.

IV. CONCLUSION.

Frost-Tsuji seeks reconsideration of orders based on "newly discovered evidence." Because Frost-Tsuji did not even seek discovery of that information until after the orders issued and does not show why it could not have done so, Frost-Tsuji is not entitled to reconsideration. The court denies the Second Motion for Reconsideration, ECF No. 391.

IT IS SO ORDERED.

App. 93

DATED: Honolulu, Hawaii, January 23, 2015.

[SEAL]

/s/ Susan Oki Mollway

Susan Oki Mollway
Chief United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	) CIV. NO. 13-00496
ARCHITECTS,	) SOM-BMK
Plaintiff,	) FINDINGS AND
vs.	) RECOMMENDATION
HIGHWAY INN, INC.,	) TO GRANT IN PART
ET AL.,	) DEFENDANTS'
Defendants.	) MOTIONS FOR
	) ATTORNEYS' FEES
	) AND COSTS

**FINDINGS AND RECOMMENDATION TO
GRANT IN PART DEFENDANTS' MOTIONS
FOR ATTORNEYS' FEES AND COSTS**

(Filed Feb. 1, 2016)

Before the Court are (1) Defendant Bargreen Ellingson of Hawaii, Inc.'s Motion for Award of Attorney's Fees and Costs (Doc. 419); (2) Defendant J. Kadowaki, Inc.'s Motion for Award of Attorneys' Fees and Costs (Doc. 421); and (3) Defendants Highway Inn, Inc. and Ho'ola Mau, LLC's Motion for Attorneys' Fees and Costs (Doc. 420) (collectively "Defendants' Motions for Attorneys' Fees and Costs"). In light of Defendants' Highway Inn, Inc. and Ho'ola Mau, LLC's (collectively "Highway Inn") duty to defend and indemnify Defendant Bryce Uyehara, A.I.A., Inc. and Iwamoto and Associates, LLC, (hereinafter "BEU"), Highway Inn's Motion for Attorneys' Fees and Costs also seeks

reimbursement of fees and costs incurred by BEU. (Doc. 420-1 at 41-45.)

On remand to this Court, Defendant Bargreen Ellingson of Hawaii, Inc., (“Bargreen”) seeks an award of attorneys’ fees in the amount of \$45,862.98 and costs in the amount of \$355.97, for a total award of \$46,218.95, as a prevailing party. (Doc. 453 at 3.) Defendant J. Kadowaki, Inc., (“JKI”), now seeks an award of attorneys’ fees in the amount of \$179,203.58 and costs in the amount of \$10,578.45, for a total award of \$189,782.03, as a prevailing party. (Doc. 454 at 27.) Highway Inn now seeks an award of attorneys’ fees in the amount of \$310,349.09 and costs in the amount of \$9,223.10, for a total award of \$319,572.19, as a prevailing party. (Doc. 455 at 6.) Included in the award Highway Inn seeks on remand, are attorneys’ fees and costs incurred by BEU, in the amount of \$68,885.31 and \$2630.62, respectively. (Doc. 455 at 25.)

The Court finds this matter suitable for disposition without a hearing pursuant to Local Rule 7.2(d) of the Local Rules of Practice for the United States District Court for the District of Hawaii (“Local Rules”). For the reasons discussed below, the Court finds and recommends that Defendants’ Motions for Attorneys’ Fees and Costs be GRANTED IN PART.

FACTUAL BACKGROUND

Inasmuch as the parties are familiar with the factual and procedural background of this case, the Court will only address herein the background that is

relevant to the Motions and Supplemental Memoranda currently pending before the Court. On July 17, 2015, this Court issued its Findings and Recommendation to Deny Defendants' Motions for Attorneys' Fees and Costs. (Doc. 437.) Defendants filed Objections to this Court's Findings and Recommendation, which was adopted in part and rejected in part by the Honorable Susan Oki Mollway on September 23, 2015 ("Order on Fees"). (See Doc. 451.) Judge Mollway concluded, in relevant part, that Defendants are entitled to certain of their attorneys' fees and costs with respect to their defense of the copyright claims. (Doc. 451 at 11.) Specifically, Judge Mollway awarded fees for Defendants' work on Plaintiff Frost-Tsuji Architects' ("FTA") copyright infringement claim (Count IV) after summary judgment was granted on Count IV, (see Doc. 222), and also awarded Defendants fees relating to the subsequent motions for reconsideration, as well as all fees relating to FTA's CMI claim ("Count V" or "DMCA claim"). (Doc. 451 at 24.) Judge Mollway further concluded that Defendants are entitled to costs associated with their defense of the copyright claims. (*Id.* at 25.) The matter was remanded to this Court for a determination of reasonable attorney's fees and costs consistent with the Court's Order on Fees. (*Id.*)

On September 24, 2015, this Court ordered the parties to file supplemental briefing addressing the issues remanded. (Doc. 452.) On October 20, 2015, Defendants each filed their Supplemental Memoranda. (Docs. 453, 454, 455.) On November 6, 2015, Frost-Tsuji filed its Opposition to the

Supplemental Memoranda, (Docs. 456, 457, 458), and shortly thereafter, Defendants filed their respective Replies. (Docs. 459, 460, 461.)

For the reasons discussed below, the Court finds and recommends that Defendants Motions for Attorneys' Fees and Costs be GRANTED IN PART.

LEGAL STANDARD

Inasmuch as the Court has already determined that Defendants are entitled to certain of their attorneys' fees and costs, this Court need only address the calculation of fees and costs in this matter. In calculating fees, the Court must determine a reasonable fee by multiplying "the number of hours reasonably expended on the litigation" by "a reasonable hourly rate." *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983). Beyond establishing a reasonable hourly rate, "a party seeking attorneys' fees bears the burden of proving that the requested fees and costs are associated with the relief requested and are reasonably necessary to achieve the results obtained." *U.S. v. Chung*, Civ. No. 07-00570 ACK-BMK, 2010 WL 5388006, *3 (D. Haw. Dec. 17, 2010). "A court must guard against awarding fees and costs which are excessive, and must determine which fees and costs were self-imposed and avoidable." *Id.* (citation omitted). A court has discretion to "trim fat" from, or otherwise reduce, the number of hours claimed to have been spent on the case, and time expended on work deemed "excessive, redundant, or otherwise

unnecessary” shall not be compensated. *Id.* (citations and internal quotation marks omitted). The Court will employ this framework in calculating the attorneys’ fees and costs to which Defendants are entitled.

I. Bargreen Ellingson of Hawaii, Inc.’s Attorneys’ Fees & Costs Request

On remand to this Court, Bargreen filed a supplemental memorandum identifying the attorneys’ fees and costs it incurred that fall within the scope of the Court’s Order on Fees. (*See* Doc. 453.) Bargreen now seeks an award of attorneys’ fees in the amount of \$45,862.98, which includes Hawaii General Excise Tax, for work performed in connection with FTA’s copyright claims after summary judgment on this claim was granted on August 26, 2014, and for work performed in connection with FTA’s Count V DMCA claims. (Doc. 453 at 2.) Bargreen further seeks \$355.97 in deposition transcript costs. (Doc. 460 at 4.)

A. Reasonable Hourly Rate

Here, Bargreen requests an hourly rate of \$300 per hour for its counsel, Paul Maki. (Doc. 453 at 2.) “The reasonable hourly rate is that prevailing in the community for similar work.” *Tirona v. State Farm Mut. Auto. Ins. Co.*, 821 F. Supp. 632, 636 (D. Haw. 1993) (citation omitted). In determining whether an hourly rate is reasonable, the Court considers the experience, skill, and reputation of the attorney requesting fees. *See Webb v. Ada Cnty.*, 285 F.3d 829,

840 n.6 (9th Cir. 2002). It is the burden of the fee applicant to produce satisfactory evidence, in addition to the affidavits of its counsel, demonstrating that the requested hourly rate reflects prevailing community rates for similar services of lawyers of reasonably comparable skill and reputation. *See Jordan v. Multnomah Cnty.*, 815 F.2d 1258, 1263 (9th Cir. 1987).

In support of Bargreen's Motion for Attorneys' Fees and Costs, its counsel, Paul Maki, declares that he has been a member of the bar of this Court since 1972 and has appeared before this Court primarily in copyright and trademark matters. (Doc. 419-2 at 1-2.) Mr. Maki further declares that he has previously represented Bargreen, and that his billing rate is well within the range of billing rates charged in Honolulu by attorneys having comparable background and experience. (*Id.* at 3-4.) This Court is well aware of the prevailing rates in the community for similar services performed by attorneys of comparable experience, skill, and reputation, and based on this Court's knowledge and on Plaintiff's submissions in this matter the Court finds that an hourly rate of \$300 plus Hawaii General Excise Tax is reasonable for Mr. Maki. *See Sheehan v. Centex Homes*, 853 F. Supp. 2d 1031, 1043 (D. Haw. 2011) (permitting a rate of \$350 per hour for an attorney with over forty years of experience).

B. Reasonableness of Hours Expended

Bargreen seeks reimbursement of attorneys' fees for 146 hours of work performed by Mr. Maki. (Doc.

453-1 at 4.) Beyond establishing a reasonable hourly rate, a party seeking attorneys' fees bears the burden of proving that the fees and costs sought are associated with the relief requested and are reasonably necessary to achieve the results obtained. *See Tirona*, 821 F. Supp. at 636. In determining reasonable fees, the Court must subtract hours which were duplicative, unproductive, excessive, or unnecessary, and must also assess the extent to which fees and costs could have been avoided or were self-imposed. *Id.* at 636, 637. The Court has "discretion to trim fat from, or otherwise reduce, the number of hours claimed to have been spent on the case," and time expended on work deemed "excessive, redundant, or otherwise unnecessary" shall not be compensated. *Robinson v. Plourde*, 717 F. Supp. 2d 1092, 1099 (D. Haw. 2010) (internal quotation marks and citation omitted).

FTA objects to Bargreen's calculation of hours expended on the basis that (1) it includes fees outside of the scope of the Court's Order on Fees; (2) it contains insufficient descriptions; (3) the time entry descriptions are not contemporaneous; (4) it contains improper quarter-hour billing units; and (5) it contains block-billed entries. (Doc. 456 at 2-10.) The Court will address each objection in turn.

1. Outside of the Scope of the Court's Order on Fees

FTA first objects to Bargreen's requested hours on the basis that it contains fees outside of the Court's

September 23, 2015 Order on Fees. (Doc. 456 at 4-5.) Judge Mollway's Order on Fees clearly awarded attorneys' fees for three fee categories: (1) fees related to Defendants' work on the copyright infringement claim (Count IV after summary judgment was granted on this claim; (2) fees relating to the subsequent motions for reconsideration; and (3) all fees relating to FTA's CMI claim, which alleged copyright violations based on the removal of FTA's copyright management information ("CMI claim" or "DMCA claim").¹ (Doc. 451 at 24.) FTA apparently attempts to limit Bargreen's recovery to fees related solely to FTA's motions for reconsideration and to fees relating to FTA's CMI claim. (See Doc. 456 at 4-5.) The Court finds that Judge Mollway's Order on Fees was not so limited, and instead, finds that the Order on Fees granted fees related to Defendants' work on the copyright infringement claim (Count IV) after summary judgment was granted on Count IV (See Doc. 451 at 14.)

The Court further finds, despite FTA's arguments to the contrary, that the Order on Fees encompasses work performed on discovery related matters related to FTA's copyright claims. The Order on Fees noted that FTA's "successive motions for reconsideration on the copyright infringement claim, and the related

¹ FTA's Count V is one for the removal or alteration of copyright management information under the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 1202(b), and is referred to by the parties as either the "CMI claim" or the "DMCA claim." For purposes of this F&R, the Court uses "CMI claim" and "DMCA claim" interchangeably to refer to FTA's Count V claim.

discovery [FTA] conducted after summary judgment was granted, were objectively unreasonable.” (Doc. 451 at 14.) The Order on Fees further noted that FTA “took extensive discovery after the summary judgment motions were adjudicated to gather further evidence in support of its copyright claims,” and “offered no legitimate reason for this court to consider material obtained in that discovery on any of [FTA’s] motions for reconsideration.” (Doc. 451 at 19.) Moreover, the Order on Fees provides that “even when there were no claims pending, Frost-Tsuji still continued to pursue discovery from Defendants.” (*Id.*) Inasmuch as FTA’s discovery requests sought discovery related to its claims and defenses, including its copyright infringement and copyright notice removal claims, this Court finds that legal work performed after August 26, 2014 on discovery-related tasks is encompassed by the Court’s Order on Fees. Thus, contrary to what FTA argues, this Court finds that the Order on Fees encompasses work performed in relation to Bargreen’s defense of FTA’s Count IV copyright claims incurred after August 26, 2014.

Upon review of Bargreen’s submissions, the Court finds that Bargreen is seeking fees for 140.4 hours of work performed, which it argues is within the scope of the Court’s Order on Fees.² Not considering entries that FTA argues contain insufficient descriptions, the

² Although Bargreen maintains it is seeking reimbursement for 146 hours of legal work, (*see* Doc. 453 at 2), according to the Court’s calculation, Bargreen has provided invoices for 140.4 hours.

Court finds that Bargreen has met its burden of demonstrating that this time was expended on tasks that fall within the scope of the Order on Fees and were reasonably incurred, and therefore, the Court recommends that these fees be granted, with certain reductions, as discussed below.

2. Insufficient Descriptions

FTA objects to Bargreen's requested hours on the basis that they contain insufficient descriptions. (Doc. 456 at 5.) Although counsel's time entries are in large part sufficiently descriptive, certain entries must be excluded due to the inadequacy of the descriptions. Local Rule 54.3(d) requires that the party seeking an award of fees "describe adequately the services rendered, so that the reasonableness of the requested fees can be evaluated." Local Rule 54.3 further sets out guidance for properly documenting time entries, and provides:

time entries for telephone conferences must include an identification of all participants and the reason for the call; entries for legal research must include an identification of the specific issue researched and, if possible, should identify the pleading or document for which the research was necessary; entries describing the preparation of pleadings and other papers must include an identification of the pleading or other document prepared and the activities associated with such preparation.

Local Rule 54.3(d)(2). Without proper documentation, this Court cannot evaluate the reasonableness of the requested fees. *See Hensley*, 461 U.S. at 433-34.

Here, multiple entries do not contain the subjects of telephone conferences and emails, and merely state, for example, “tel w/ Kuwahara,” “emails from and to Ishida and Kuwahara,” “emails from and to and telephone w/ Ishida,” “telephone w/ Mr. Elkins,” etc. Because these entries are vague and do not contain the subjects of emails or discussions, the Court is unable to determine whether the entries fall within the scope of the Court’s Order on Fees, or if the fees requested for these tasks are reasonable. Moreover, most of these insufficient entries are in the improper block billing format. Because the Court has no method to reasonably apportion these entries between compensable and non-compensable tasks, the Court recommends that these entries be deducted in full. *See BlueEarth Biofuels, LLC v. Hawaiian Elec. Co.*, Civ. No. 09-00191 LEK-KSC, 2015 WL 881577, at *16 n.10 (D. Haw. Feb. 27, 2015) (similarly excluding, in full, time entries which contained insufficient descriptions and were also block billed). Accordingly, the Court recommends that 48.75 hours be deducted from Bargreen’s requested time due to insufficient descriptions.

3. Entries are Not Contemporaneous

FTA next argues that Bargreen’s time entries and descriptions show clear signs that they were not

contemporaneously made, and therefore, argues that these time entries should be declined. (Doc. 456 at 8.) Specifically, FTA points to seven entries made on July 3, September 2, October 14, November 7 and 26, and December 2 and 18 of 2014, in which Bargreen's counsel added time breakdowns by hand for these entries. (Doc. 456 at 8; *see also* Doc. 453-2.) FTA argues that these subsequently added time breakdowns indicate that the time records were not made contemporaneously. (Doc. 456 at 8.)

Generally, in the absence of contemporaneous time records, the court in its discretion may deny an award of attorney's fees. *See Hensley*, 461 U.S. at 433; *see also Action on Smoking & Health v. C.A.B.*, 724 F.2d 211, 220 (D.C. Cir. 1984) (generally recognizing that the denial of fees for failure to keep contemporaneous time records "should not be imposed in a draconian manner," and that "deficiencies in documentation are cause for reduction rather than outright denial of fees"). Upon review of these entries, it appears that counsel's written notations were an attempt to separate certain block-billed entries into specific time breakdowns. Under the circumstances presented here, the Court finds that to decline these entries in full would be too stringent a sanction. Therefore, inasmuch as the Court will address the issue of Bargreen's block billing below, the Court recommends that these time entries not be declined in full, and instead, be reduced pursuant to the Court's general practice of reducing block billed entries.

4. Entries Improperly Billed in Quarter-Hour Units

FTA next argues that Bargreen's time records should be reduced by ten percent due to counsel's use of improper quarter-hour billing units. (Doc. 456 at 9.) Courts in this district have generally applied a percent reduction for billing in quarter-hour increments. *Hawaii Defense Foundation v. City & Cnty. of Honolulu*, Civ. No. 12-00469 JMS-RLP, 2014 WL 2804448, at *5 (D. Haw. June 19, 2014). Here, counsel's time sheets indicate that he largely billed in quarter-hour increments, which suggests that the hours billed are excessive. *See Hawaii Defense Foundation v. City & County of Honolulu*, Civ. No. 12-00469 JMS-RLP, 2014 WL 2804445, at *10 (D. Haw. Apr. 22, 2014) ("The Court routinely reduces hours when attorneys bill in quarter-hour increments because the tasks reflected in the time entries likely took a fraction of the time billed and the practice of billing in such large fractional increments typically results in requests for excessive hours."). Here, Bargreen's counsel billed entirely in quarter-hour increments. Accordingly, to offset the excessive hours that resulted from counsel's quarter-hour billing practice, the Court recommends that an across-the-board reduction of 10% on counsel's hours be imposed. *See*, at *10 (imposing an across-the-board reduction of 25% on counsel's time due to counsel's primarily half-hour billing practice).

5. Entries are Block Billed

FTA objects to multiple time entries on the basis that they are in an improper block billing format. (Doc. 456 at 9-10.) “The term ‘block billing’ refers to the time-keeping method by which each lawyer and legal assistant enters the total daily time spent working on a case, rather than itemizing the time expended on specific tasks.” *JJCO, Inc. v. Isuzu Motors America, Inc.*, Civ. No. 08-00419 SOM-LEK, 2010 WL 3001924, at *12 (D. Haw. Jul. 30, 2010) (citation omitted). This practice violates Local Rule 54.3, which requires that the memorandum in support of a motion for attorneys’ fees describe “the work performed by each attorney and paralegal, broken down by hours or fractions thereof expended on each task[.]” Local Rule 54.3(d). District courts have the authority to reduce hours that are billed in block format because such a billing style makes it difficult for courts to ascertain how much time counsel expended on specified tasks. *Welch v. Metro. Life Ins. Co.*, 480 F.3d 942, 948 (9th Cir. 2007).

The Court reviewed the entries submitted by counsel and finds that a majority of counsel’s entries include time spent on multiple tasks. Because counsel’s block billing format prevents the Court from determining the reasonableness of the hours expended with respect to specific tasks, the Court recommends an across-the-board reduction of 15% for the 52.7 hours that counsel submitted in the block billing format. *See Robinson v. Plourde*, 717 F. Supp. 2d 1092, 1100 (D. Haw. 2010) (applying a 15% deduction for block billed entries). Accordingly, the Court

recommends that a total of 7.9 hours be deducted from counsel's time due to block billing. Although FTA argues for a 30% reduction of Bargreen's time, (*see* Doc. 456 at 10), the Court finds that a 15% reduction is reasonable, especially in light of the further deductions already made to counsel's time.

In sum, after making reductions to counsel's time for insufficient descriptions (reduction of 48.75 hours), block billing (reduction of 15% of block billed entries, for total reduction of 7.9 hours), and billing in quarter-hour units (across-the-board deduction of 10% of counsel's time), the Court finds that Bargreen has sufficiently demonstrated that counsel expended 75.375 hours of legal work within the scope of the Court's Order on Fees.

C. Bargreen's Total Fee Award

Based on the foregoing, the Court finds that an hourly rate of \$300 per hour for Bargreen's counsel, Paul Maki, is reasonable. After making deductions to Bargreen's time request for insufficient descriptions and block billing, and applying an across-the-board deduction of 10% for billing in quarter-hour units, the Court finds that Bargreen has demonstrated that it reasonably and necessarily expended 75.375 hours in this litigation on tasks within the scope of the Court's Order on Fees. Accordingly, the Court recommends that Bargreen be awarded \$22,612.50 in attorney's fees, plus \$1,065.50 in Hawaii General Excise Tax

(“GET”), for a total award of \$23,678.00 in attorneys’ fees.

D. Bargreen’s Cost Award

Bargreen also seeks reimbursement of \$355.97 in costs for the deposition transcript of Mr. Richard Elkins, Bargreen’s principal employee in Hawaii. (Doc. 453-2 at 16; Doc. 460 at 4.) Fees incurred obtaining deposition transcripts may be recovered under 28 U.S.C. § 1920(2) if necessarily obtained for use in the case. 28 U.S.C. § 1920(2); *Yasui v. Maui Elec. Co.*, 78 F. Supp. 2d 1124, 1126 (D. Haw. 1999). FTA argues that Bargreen’s costs should be denied because the costs are “unrelated to the awards in the Fees Order” and Bargreen fails to relate this cost item to FTA’s copyright claims. (Doc. 456 at 10-11.) Bargreen argues, on the other hand, that Mr. Elkins’ deposition was used in support of one of FTA’s motions for reconsideration. (Doc. 460 at 4.) Although it does not appear that Bargreen filed an opposition to FTA’s motion for reconsideration before the Court denied the motion, the Court finds that it was reasonable for Bargreen to order the deposition transcript relied upon by FTA in its motion in order to prepare its opposition. Accordingly, the Court recommends that Bargreen’s costs in the amount of \$355.97 be granted.

II. J. Kadowaki, Inc.'s Attorneys' Fees & Costs Request

On remand to this Court, Defendant JKI filed a supplemental memorandum identifying the fees it incurred, which it argues fall within the scope of the Court's Order on Fees. (*See* Doc. 454.) JKI now seeks an award of attorneys' fees in the amount of \$179,203.58 in attorneys' fees and \$10,578.45 in taxable costs, for a total award of \$189,782.03. (Doc. 454 at 27.)

A. Reasonable Hourly Rate

JKI requests an hourly rate of \$275 plus Hawaii GET for its lead trial counsel, Lyle Ishida; \$125 per hour plus Hawaii GET for Ian Nishi, an associate attorney; and \$70 per hour plus Hawaii GET for counsel's legal assistant. (Doc. 421-1 at 42.) In support of JKI's fee request, counsel submits a declaration of Jerry M. Hiatt, an attorney with the Hiatt & Hiatt law firm with experience in commercial litigation. (*See* Doc. 421-2.) Mr. Hiatt attests to Mr. Ishida's skill, reputation, and experience, and maintains that Mr. Ishida's billing rate is reasonable and customary for similar legal services in this community. (*Id.* at 3.) JKI further provides that its Counsel Lyle Ishida was admitted to the bar in 1987 and focuses his practice in commercial, real estate, and business. (Doc. 421-20 at 1.) JKI further indicates that Counsel Ian Nishi was admitted to the bar in 2012 and is an associate attorney at Tom Petrus & Miller specializing in civil

litigation. (Doc. 421-20 at 2.) FTA does not appear to object to JKI's requested hourly rates.

This Court is well aware of the prevailing rates in the community for similar services performed by attorneys of comparable experience, skill, and reputation. The Court is also familiar with Counsel Lyle Ishida, who has been practicing law for approximately twenty eight years, and Counsel Ian Nishi, who has been practicing for approximately three years. Thus, based on the Court's knowledge of counsel's experience, skill, and reputation, and of the prevailing rates in the community, the Court finds that an hourly rate of \$275 for Mr. Ishida, and an hourly rate of \$125 for Mr. Nishi comports with the reasonable hourly rates in this jurisdiction. *See Painsolvers, Inc. v. State Farm Mut. Auto. Ins. Co.*, Civ. No. 09-00429 ACK-KSC, 2012 WL 2529298, at *11 (D. Haw. Jun. 28, 2012) (finding that \$280 an hour was reasonable for an attorney with twenty-nine years of experience); *JJCO, Inc. v. Isuzu Motors America, Inc.*, Civ. No. 08-00419 SOM-LEK, 2010 WL 3001924, at * 11 (D. Haw. July 30, 2010) (noting that this Court typically awards attorneys with two to three years of experience \$130 per hour). Further, the Court finds that an hourly rate of \$70 for JKI's legal assistant comports with the reasonable hourly rates of paralegals in this jurisdiction. *See Donkerbrook v. Title Guar. Escrow Servs., Inc.*, Civ. No. 10-0016 LEK-RLP, 2011 WL 3649539, at *7 (D. Haw. Aug. 18, 2011) (permitting an hourly rate of \$85 for paralegals).

B. Reasonableness of Hours Expended

JKI seeks reimbursement of attorneys' fees for the following hours expended in connection with this litigation that fall within the scope of the Court's Order on Fees: 538.841 hours for Lyle M. Ishida; 113.575 hours for Ian Nishi; and 125.165 hours for Jeannine Kamai. (*See* Doc. 454-1 at 3-6.) FTA generally objects to JKI's calculation of hours expended on the basis that (1) it includes fees outside of the scope of the Court's Order on Fees; and (2) it contains insufficient descriptions. (Doc. 457 at 2-3.)

1. Outside of Scope of Court's Fee Order

FTA first objects to JKI's requested hours on the basis that it contains fees outside of the Court's Order on Fees. (Doc. 457 at 4-5.) Specifically, FTA generally argues that \$146,465.90 of JKI's \$179,203.58 fee request is outside the scope of the Court's Order on Fees because JKI improperly "attempts to broaden the Awarded Categories to include 'all reasonable attorneys' fees and costs incurred in defense of [FTA's] copyright infringement claim after August 26, 2014[.]'" (Doc. 457 at 5.)

Inasmuch as the Court found, in its Order on Fees, that FTA's successive motions for reconsideration on the copyright infringement claim and the related discovery FTA conducted after summary judgment was granted were objectively unreasonable and highly unlikely to succeed, this Court finds that JKI's inclusion of reasonable attorneys' fees related to the

defense of FTA's copyright infringement claim after August 26, 2014, which largely include discovery related fees, is appropriate and within the scope of the Court's Order on Fees. (*See* Doc. 451 at 14.) Moreover, the Court reviewed the time sheets submitted by JKI and finds that JKI painstakingly divided counsel's time submissions to reflect the time spent on FTA's Count IV claims after August 26, 2014, and on FTA's Count V claims. Absent any evidence beyond FTA's summary objection to over 80% of JKI's fee request on the basis that it is outside of the scope of the Court's Order on Fees, the Court finds that FTA has failed to meet its burden of rebuttal. *Gates v. Deukmejian*, 987 F.2d 1392, 1397-98 (9th Cir. 1992) ("The fee applicant bears the burden of documenting the appropriate hours expended in the litigation and must submit evidence in support of those hours worked. The party opposing the fee application has a burden of rebuttal that requires submission of evidence to the district court challenging the accuracy and reasonableness of the hours charged or the facts asserted by the prevailing party in its submitted affidavits." (citations omitted)). Accordingly, the Court finds that JKI has demonstrated that counsel's time sheets detail work that falls within the scope of the Court's Order on Fees.

FTA next objects to JKI's fee request on the basis that JKI should not be entitled to recover any fees after the November 7, 2014 Order dismissing FTA's CMI claim because these claims pertained solely to the contract and unjust enrichment claims, and not the copyright claims. (Doc. 457 at 7.) The Court's Order on

Fees, issued nearly a year after the Court's November 7, 2014 Order, did not limit Defendant's entitlement to fees on FTA's CMI claim as such, and this Court does not interpret the Court's Order on Fees to encompass such a limitation. Accordingly, the Court finds that FTA's objection on this ground is without merit.

Upon review, the Court finds that JKI has demonstrated that its counsel and legal assistant expended the following hours performing legal work within the scope of the Court's Order on Fees: 538.841 hours for Lyle M. Ishida; 113.575 hours for Ian Nishi; and 125.165 hours for Jeannine Kamai.

Although FTA does not specifically object to JKI's Section H-1 time entries, which detail time spent on JKI's Motion for Award of Attorneys' Fees and Costs filed April 29, 2015, the Court finds these entries to be unreasonable. JKI requests reimbursement for 159.426 hours of its Counsel Lyle M. Ishida's time, and 87.15 hours of its Legal Assistant Jeannine Kamai's time for work done in connection with this filing. This would amount to nearly \$50,000 in fees for a single motion. The Court observes that the party requesting fees bears the burden of proving that the requested fees were reasonably and necessarily incurred. *Tirona*, 821 F. Supp. at 636. The Court finds that JKI has not demonstrated that expending nearly 250 hours to put together a single filing was reasonable and necessary. Instead, the Court finds that considering the nature and circumstances presented by this case, JKI's request is grossly excessive and too much time is being claimed by counsel for preparation of JKI's fee motion.

It is the Court's conclusion that this motion could reasonably have been prepared by a reasonably competent lawyer in 40 billable hours. The Court is tasked with guarding against awarding fees and costs which are excessive, and has discretion to "trim the fat" from, or otherwise reduce, the number of hours spent on a case. *Parr v. Kalani Corp.*, Civ. No. 11-00514 ACK-BMK, 2012 WL 1424538, at *4 (D. Haw. Apr. 3, 2012). Therefore, the Court recommends that the time spent on this filing be reduced as follows: Lyle Ishida's time to be reduced by 119.426 hours to reflect 40 hours spent on this filing, and Jeannine Kamai's time to be reduced by 67.15 hours to reflect 20 hours spent on this filing. The Court is familiar with the amount of time it generally takes counsel to prepare a Motion for Attorneys' Fees, and considering the nature of this case and the details of the fee request pending before the Court, the Court finds that this reduction is reasonable and appropriate under the circumstances.

2. Insufficient Descriptions

FTA next objects to JKI's requested hours on the basis that they contain insufficient descriptions. (Doc. 457 at 5-7.) FTA points to 15 specific entries that it alleges have insufficient descriptions. (*See* Doc. 457-2.) Upon review of these entries, the Court finds that a few of the identified entries are insufficiently described. (*See* Doc. 457- 2 at 31, 33, 38.) The Court finds that one entry, which details 0.2 hours of Mr. Ishida's time for a "Telephone Conference with Client S. Sato" is insufficient because it does not identify a reason for the

call, as required under Local Rule 54.3(d)(2). The Court further finds that four of the entries identified by FTA as being insufficiently described span for multiple hours, and the description for these entries lack any meaningful amount of specificity.

For example, one of Mr. Ishida's entries states "Work on File Regarding Drafting of MPSJ Re: Count V" for eight hours, (*see* Doc. 457-2 at 33), but clearly Mr. Ishida did not sit at his desk for eight hours straight drafting a summary judgment motion, and he certainly could have described his work for this eight-hour period with more specificity. There are three additional entries that similarly lack the requisite specificity – Mr. Nishi's entries detailing 4.9 hours and another 4.5 hours on "Legal Research Regarding Implied License and DMCA Violation," and another entry by Mr. Ishida detailing 4.5 hours performing "Work on File Regarding Legal Research Re: Elements of 1202(B) Claim . . ." (Doc. 457-2 at 30-31.) Greater specificity could certainly have been used to describe these substantial periods of time in order to identify, for example, the pleading or document for which the research was necessary and/or specific issues regarding these general research areas. Absent greater specificity, the Court cannot evaluate the reasonableness of the requests for these tasks. Accordingly, the Court recommends that 12.7 hours be deducted from Mr. Ishida's time, and 9.4 hours be deducted from Mr. Nishi's time due to insufficient descriptions. The Court reviewed the remaining entries identified by FTA, which mostly detail areas of

law researched by counsel and the preparation of pleadings, and finds that these entries sufficiently identify the issue researched and/or the document prepared in accordance with the Local Rules. *See* Local Rule 54.3(d)(2).

Accordingly, based on the reductions recommended above, the Court finds that counsel has reasonably and necessarily expended the following hours in connection with this matter:

Lyle M. Ishida	\$275/hour	406.715 hours	\$111,846.62
Ian Nishi	\$125/hour	104.175 hours	\$13,021.87
Jeannine Kamai	\$70/hour	58.015 hours	\$4,061.05
Total:		568.905 hours	\$128,929.54

C. JKI's Total Fee Award

Based on the foregoing, the Court finds that the following hourly rates for JKI's counsel and legal assistant are reasonable: \$275 for Counsel Lyle Ishida; \$125 for Counsel Ian Nishi; and \$70 for JKI's legal assistant Jeannine Kamai. After making deductions to JKI's time request for excessive billing and insufficient descriptions, the Court finds that JKI has demonstrated that it reasonably and necessarily expended a total of 568.905 hours in this litigation on tasks within the scope of the Court's Order on Fees. Accordingly, the Court recommends that JKI be

awarded \$128,929.54 in attorneys' fees, plus \$6,075.16 in Hawaii GET, for a total award of \$135,004.70 in attorneys' fees.

D. JKI's Request for Costs

JKI seeks \$1,598.84 in taxable costs under Federal Rules of Civil Procedure ("FRCP") Rule 54(d), and \$8,979.61 in non-taxable costs under 17 U.S.C. § 505. (Doc. 454 at 25-26.)

1. Taxable Costs

JKI first requests \$1,598.84 in taxable costs pursuant to FRCP Rule 54(d) and 28 U.S.C. § 1920 for expenses incurred in relation to photocopying and deposition transcripts. (Doc. 454-2 at 57-58.)

With regard to the photocopying costs JKI requests, the Court finds that items copied were obtained for use in the case, primarily, to provide the Court with courtesy copies of various filings. Pursuant to Local Rule, the practice of this Court is to allow taxation of copies at \$0.15 per page, or the actual cost charged by commercial copies, provided such charges are reasonable. Here, however, JKI failed to submit any invoices showing the actual cost charged for photocopying. Moreover, the Court finds some of the entries to be unreasonable and insufficiently documented. For example, JKI requests \$262.50 in costs for photocopying charges incurred in making color copies of 350 pages of documents, at a cost of

\$0.75 per page, related to its Motion for Summary Judgment Count V; however, it does not provide any invoices detailing this expense. (*See* Doc. 454-2 at 57.) The Court finds this cost to be unreasonable. Accordingly, pursuant to the practice of this Court to allow taxation of copies at \$0.15 per page, the Court finds and calculates that JKI has shown that it incurred costs in photocopying 2,693 pages, at \$0.15 per page, for a total cost of \$403.95. Accordingly, the Court recommends that JKI be awarded \$403.95 in photocopying costs.

JKI also requests \$841.54 in deposition transcript costs. The Court finds that these depositions, for Richard Elkins, Bryce Uyehara, and Stanley Sato, were necessarily obtained for use in this case and are reasonable. *See* Local Rule 54.2(f)(2). Accordingly, the Court recommends that JKI be awarded \$841.54 in costs related to expenses incurred for deposition transcripts.

In sum, the Court recommends that JKI be awarded \$1,245.49 in taxable costs under FRCP Rule 54(d).

2. Non-Taxable Costs

JKI also requests non-taxable costs under 17 U.S.C. § 505 in the amount of \$8,873.76 in non-taxable costs, plus \$105.85 in general excise tax, for a total award of \$8,979.61, for the following:

App. 120

Transcripts	\$2,571.35
Mediation	\$1,000.00
Postage	\$76.36
Legal Courier	\$119.83
Westlaw	\$1,162.60
Photocopying	\$1,020.41
Parking	\$56.75
Other	\$2,866.46
GET	\$105.85

(Doc. 454-2 at 64.) Pursuant to 17 U.S.C. § 505, “the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof” in any civil action brought under the Copyright Act. The Ninth Circuit has held that in copyright actions “district courts may award otherwise non-taxable costs, including those that lie outside the scope of § 1920, under §505.” *Twentieth Century Fox Film v. Entertainment Distributing*, 429 F.3d 869, 884-85 (9th Cir. 2005). FTA challenges these costs on the grounds that they are not supported by evidence, (Doc. 430 at 37), and they do not relate to FTA’s copyright claims. (Doc. 457 at 7-8.) Upon review, the Court finds that JKI’s costs are partially compensable.

In support of its request for non-taxable costs, JKI provides the Court with an itemized list of costs. (See Doc. 454-2 at 59-64.) Counsel Lyle Ishida further declares that Exhibit O, submitted with JKI’s April 29, 2015 Motion for Attorneys’ Fees, are invoices relating

to the costs sought under 17 U.S.C. § 505. (*See* Doc. 421-19.) Upon review of these documents, the Court finds that many of the items listed have insufficient descriptions or have no invoice detailing the expenses or the reason these expenses were incurred. For example, there are charges that merely state “Postage,” “Photocopy Charges,” or “Westlaw Usage,” and, for example, in its Exhibit O, JKI attaches State of Hawaii “General Pub.” receipts, but provides no further insight as to the reason for the expense. (*See generally*, Doc. 421-19.) Without further information, the Court cannot determine whether the costs can fairly be considered “full costs” in this action. Accordingly, the Court recommends that an award of these insufficiently described costs be denied.

Upon review of JKI’s submissions in support of its cost request, the Court finds that JKI has sufficiently demonstrated that it incurred \$90.98 in legal courier costs for deliveries of specific documents that were delivered over the course of the litigation; \$69.74 in transcript expenses; \$3.25 in costs related to acquiring a license copy from the Liquor Commission; \$1,000 in mediation costs paid to Dispute Prevention & Resolution, Inc.; and \$2,417.84 in costs incurred in taking the depositions of John Hirayama, Frank Frost, and Wendy Tsuji. Inasmuch as deposition costs for Richard Elkins, Bryce Uyehara, and Stanley Sato were awarded as taxable costs, they are not included here. Moreover, these costs already include Hawaii General Excise Tax; and therefore, additional taxes will not be included. Accordingly, the Court recommends that JKI

be awarded \$3,581.81 in non-taxable costs pursuant to 17 U.S.C. § 505.

In sum, the Court recommends that JKI's request for taxable costs be granted in part in the amount of \$1,245.49, and that JKI's request for non-taxable costs also be granted in part, in the amount of \$3,581.81, for a total cost award of \$4,827.30.

III. Highway Inn's Attorneys' Fees & Costs Request

On remand to this Court, Highway Inn requests attorneys' fees in the amount of \$310,349.09 and costs in the amount of \$9,223.10, for a total award of \$319,527.19, for successfully defending against FTA's Copyright Act and DMCA claims. (Doc. 455 at 6.) Included in the award Highway Inn seeks on remand, are attorneys' fees and costs incurred by BEU, whom Highway Inn owed a duty to defend and indemnify, for \$68,885.31 in attorneys' fees and \$2630.62 in costs. (Doc. 455 at 25.) For purposes of this Findings and Recommendation, the Court will address the request made by Highway Inn and the request made on behalf of BEU separately.

A. Highway Inn's Reasonable Hourly Rate

Highway Inn requests the following hourly rates for its counsel and legal assistants:

App. 123

Time Keeper	Role & Experience, where applicable	Hourly Rate	Hours
Harvey Lung	Partner (33 years of experience)	\$450-460	109.0
David Major	Associate (6 years of experience)	\$215-225	189.4
Kristin Shinkawa	Associate (3 years of experience)	\$185	19.7
Jordyn Toba	Associate (2 years of experience)	\$175	156.1
Shanen Cruz	Paralegal	\$85	3.8
Melody Robbins	Paralegal	\$85	5.3
John Lee	Accounts Receivable Specialist	\$75	61.5
Carolyn Hayashi	Partner (30 years of experience)	\$280-300	180.8
Mary Ishii	Paralegal	\$100	7.9
Kalen Sato	Paralegal	\$65-80	58.9
Aaron Sakamoto	Paralegal	\$25-50	92.0
Seth Reiss	Counsel (30 years of experience)	\$275	162.4
Sherri Lavatai	Paralegal	\$90	1.4

(Doc. 455 at 12-15.) FTA argues that counsel's requested rates should be reduced as follows: Harvey Lung – \$300 per hour; Kristin Shinkawa and Jordyn Toba – \$150 per hour; David Major – \$180 per hour. (Doc. 431 at 37-38.) FTA further argues that the Court should reduce the paralegal rates for Mary M. Ishii, Sherri Lavatai, and Shanen Cruz to \$80 per hour. (Doc.

431 at 38.) It does not appear as though FTA objects to the requested hourly rates of the remaining counsel and/or legal assistants.

This Court is well aware of the prevailing rates in the community for similar services performed by attorneys of comparable experience, skill, and reputation. Based on this Court's familiarity with this case, and the Court's knowledge of the community's prevailing rates, the Court recommends granting the following hourly rates: \$300 per hour for Harvey Lung; \$285 per hour for Carolyn Hayashi; \$180 per hour for David Major; \$150 per hour for Kristin Shinkawa and Jordyn Toba; and \$275 per hour for Seth Reiss. *See Seo Jeong Won v. England*, Civ. No. 07-00606 JMS-LEK, 2008 WL 3850485, at *4, n.2 (D. Haw. Aug. 18, 2008) (noting that the prevailing rates in the community for associates with one to four years of experience is generally \$120 to \$140 an hour); *Valencia v. Carrington Mortg. Servs., LLC*, Civ. No. 10-00558 LEK-RLP, 2013 WL 3223628, at *8 (D. Haw. June 25, 2013) (finding \$175 to be a reasonable hourly rate for a fifth year litigation associate); *Hawaii Defense Foundation v. City & Cnty. of Honolulu*, Civ. No. 12-00469 RLP-JMS, 2014 WL 2804448, at *5 (D. Haw. June 19, 2014) (awarding an attorney with 7.5 years of experience \$185 per hour); *HRPT Properties Trust v. Lingle*, 775 F. Supp. 2d 1225, 1232 (D. Haw. 2011) (noting that this Court has recently found that \$285 per hour is the prevailing rate in this community for attorneys with 20 to 30 years of experience); *Algal Partners, L.P. v. Santos*, Civ. No. 13-00562 LEK-BMK, 2014 WL

7420442, at *4 (D. Haw. Dec. 31, 2014) (awarding \$300 per hour to a senior partner with 30 years of experience).

The Court further recommends that Highway Inn's request of attorneys' fees for its accounts receivable specialist, John Lee, who works in the Bays Lung Rose & Holma law firm's accounting department, be denied. Highway Inn fails to provide the Court with any basis to support its request of fees for its accounting staff, and this Court finds none.

Moreover, the Court finds that the following hourly rates for Highway Inn's legal assistants comport with the reasonable hourly rates of paralegals in this jurisdiction, and therefore recommends that Highway Inn's legal assistants be awarded the following rates: \$85 per hour for Shanen Cruz, Melody Robbins, Mary Ishii, and Sherri Lavatai; \$80 per hour for Kalen Sato; and \$50 per hour for Aaron Sakamoto. *See Donkerbrook v. Title Guar. Escrow Servs., Inc.*, Civ. No. 10-0016 LEK-RLP, 2011 WL 3649539, at *7 (D. Haw. Aug. 18, 2011) (permitting an hourly rate of \$85 for paralegals).

B. Reasonableness of Hours Expended

Highway Inn seeks reimbursement of attorneys' fees for a total of 986.7 hours of work performed by its counsel and legal assistants, not including the 61.5 hours expended by its accounts receivable specialist John Lee. (*See* Doc. 455 at 16-17.) FTA objects to Highway Inn's calculation of hours expended on the

basis that (1) it includes fees outside of the scope of the Court's Order on Fees; and (2) it contains insufficient descriptions. (Doc. 458 at 5-8.) FTA also argues that Highway Inn should not be permitted to recover any of their non-motion for reconsideration fees past November 7, 2014, (Doc. 458 at 8); however, as noted above, this Court finds that the Order on Fees did not encompass such a limitation, and therefore, FTA's objection on this ground is without merit

1. Outside of the Scope of the Court's Order on Fees

FTA first objects to Highway Inn's requested hours on the basis that it contains fees outside of the Court's Order on Fees. (Doc. 458 at 5-6.)

Specifically, FTA argues that \$279,142.30 of Highway Inn's \$310,349.09 fee request is outside the scope of the Court's Order on Fees because Highway Inn improperly misrepresents and attempts to expand the scope of the Court's Order. Inasmuch as the Court found, in its Order on Fees, that FTA's successive motions for reconsideration on the copyright infringement claim and the related discovery FTA conducted after summary judgment was granted were objectively unreasonable and highly unlikely to succeed, this Court finds that Highway Inn's inclusion of reasonable attorneys' fees related to the defense of FTA's copyright infringement claim after August 26, 2014, which largely include discovery related fees, is

appropriate and within the scope of the Court's Order on Fees. (*See* Doc. 451 at 14.)

The Court reviewed the time sheets submitted by Highway Inn and finds that the time sheets include only those entries reflecting the time spent on FTA's Count IV claims after August 26, 2014 and discovery related issues, on FTA's motions for reconsideration, and on FTA's Count V claims. Inasmuch as FTA summarily objects to a large majority of Highway Inn's fee request on the basis that it is outside of the scope of the Court's Order on Fees, the Court finds that FTA has failed to meet its burden of rebuttal. *Gates*, 987 F.2d at 1397-98 ("The party opposing the fee application has a burden of rebuttal that requires submission of evidence to the district court challenging the accuracy and reasonableness of the hours charged or the facts asserted by the prevailing party in its submitted affidavits." (citations omitted)). Accordingly, upon careful review of the timesheets submitted by Highway Inn, the Court finds that Highway Inn has demonstrated that counsel's time sheets detail work that falls within the scope of the Court's Order on Fees and FTA has failed to provide explanations for the numerous entries it argues are outside the scope of the Court's Order on Fees, such that would warrant a reduction of Highway Inn's request. *See Moreno v. City of Sacramento*, 534 F.3d 1106, 1116 (9th Cir. 2008) ("[T]he burden of producing a sufficiently cogent explanation can mostly be placed on the shoulders of the losing parties . . . If opposing counsel cannot come up with specific reasons for reducing the fee request

that the district court finds persuasive, it should normally grant the award in full, or with no more than a haircut.”).

Upon careful review of counsel’s time sheets, the Court finds that Highway Inn has demonstrated that its counsel and legal assistants expended the following hours performing legal work within the scope of the Court’s Order on Fees:

Time Keeper	Hourly Rate	Hours
Harvey Lung	\$300	109.0
David Major	\$180	189.4
Kristin Shinkawa	\$150	19.7
Jordyn Toba	\$150	156.1
Shanen Cruz	\$85	3.8
Melody Robbins	\$85	5.3
Carolyn Hayashi	\$285	180.8
Mary Ishii	\$85	7.9
Kalen Sato	\$80	58.9
Aaron Sakamoto	\$50	92.0
Seth Reiss	\$275	162.4
Sherri Lavatai	\$85	1.4
Total Hours:		986.7

2. Insufficient Descriptions

FTA objects to a handful of Highway Inn’s time entries on the grounds that they are insufficiently described. (Doc. 458 at 7-8.) FTA points to seven specific entries that it alleges have insufficient descriptions. (*See* Doc. 458-2 at 18; Doc. 458-5 at 27, 44, 48, 49.) The entries objected to by FTA detail telephone

conferences, the drafting of pleadings, and the review of motions and Court orders. (*See id.*) Upon review of these entries, the Court finds that the time entries identified by FTA are sufficiently described.

Local Rule 54.3(d)(2) requires that time entries for telephone conferences include an identification of all participants and the reason for the call. The challenged telephone conference entries provide:

Telephone conference with JKI's Attorney L. Ishida Re: status of Court's ruling on FTA's Motion for Reconsideration and FTA's continued demand for production of documents.

Conference with Bryce Uyehara Re preparation of MPSJ Re Court V and Settlement Negotiation status

Telephone Conference with Ron Iwamoto Re analysis of FTA's settlement demand letter to Iwamoto and factual defenses to DMCA violations

(*See* Doc. 458-5 at 27, 44, 48.) Each of these entries identifies the participants and the reason for the call, and therefore, the entries are described as required under the Local Rules. Accordingly, the Court finds these to be sufficiently described.

Local Rule 54.3(d)(2) further requires that entries describing the preparation of pleadings and other papers include an identification of the pleading or document prepared and the activities associated with such preparation. The Local Rules further provide that

entries for legal research must include an identification of the specific issue researched, and where possible, the pleading or document for which the research was necessary. Local Rule 54.3(d)(2). Upon review of the remaining entries FTA challenged as insufficiently described, the Court finds that counsel for Highway Inn sufficiently described the documents reviewed, the pleading or document prepared, and the activities associated with such preparation.

Based on the foregoing, the Court finds that the entries objected to by FTA are sufficiently described and no reduction of time is warranted on this basis. The Court further evaluated the reasonableness of the requested fees for these entries, and finds that the requested fees are reasonable. Accordingly, the Court finds that FTA's objections are without merit, and therefore, recommends that no reduction of time be made. The Court notes that although not raised in the supplemental filings with the Court, FTA raised additional objections to Highway Inn's fee request in its original memorandum in opposition to Highway Inn's Motion for Attorneys' Fees and Costs, i.e., objections to costs unrelated to the copyright claims, Counsel Seth M. Reiss' attorneys' fees, Char Sakamoto's improper billing practices, fees relating to discovery matters prior to the filing of the complaint, excessive hourly rates, and attorneys' fees to non-attorneys and paralegals. (*See* Doc. 431.) The Court reviewed these objections and finds them to be moot due to the filing of supplemental memoranda or due to the Court's recommendations herein, or alternatively,

the Court finds these objections to be without merit. Accordingly, these objections will not be addressed any further.

C. Highway Inn's Total Fee Award

Based on the foregoing, the Court finds that the following hourly rates for Highway Inn's counsel and legal assistants are reasonable, and that Highway Inn has demonstrated that it reasonably and necessarily expended the following amount of time in this litigation on tasks within the scope of the Court's Order on Fees:

Time Keeper	Hourly Rate	Hours	Fee Award
Harvey Lung	\$300	109.0	\$32,700.00
David Major	\$180	189.4	\$34,092.00
Kristin Shinkawa	\$150	19.7	\$2,955.00
Jordyn Toba	\$150	156.1	\$23,415.00
Shanen Cruz	\$85	3.8	\$323.00
Melody Robbins	\$85	5.3	\$450.50
Carolyn Hayashi	\$285	180.8	\$51,528.00
Mary Ishii	\$85	7.9	\$671.50
Kalen Sato	\$80	58.9	\$4,712.00
Aaron Sakamoto	\$50	92.0	\$4,600.00
Seth Reiss	\$275	162.4	\$44,660.00
Sherri Lavatai	\$85	1.4	\$119.00
Total:		986.7	\$200,226.00

Accordingly, the Court recommends that Highway Inn be awarded \$200,226.00 in attorneys' fees, plus

\$9,434.64 in Hawaii GET, for a total fee award of \$209,660.64.

D. Highway Inn's Request for Costs

Highway Inn seeks costs in the amount of \$6,592.48 for expenses incurred for deposition transcripts, printing and copying costs, courier charges, postal expenses, electronic legal research, and for costs associated with obtaining certified copies of various documents. (Doc. 421-1 at 37-41; Doc. 455 at 20.) The Court finds that Highway Inn has demonstrated that these charges, in part, were necessarily incurred by Highway Inn and reasonably required for this case. Accordingly, as detailed below, the Court recommends that Highway Inn's request for costs be granted in part, for an award of \$4,914.33.

1. Deposition Transcripts

Highway Inn first seeks reimbursement in the amount of \$439.04 for expenses incurred in obtaining transcripts for the records deposition of Bryce E. Uyehara. (Doc. 420-20.) Highway Inn argues that the deposition transcripts were necessarily obtained for use in this case. (Doc. 420-1 at 37.) The Court finds that this deposition was reasonably and necessarily obtained for use in this case. *See* Local Rule 54.2(f)(2). Accordingly, the Court recommends that Highway Inn be awarded \$439.04 in costs related to expenses incurred for Mr. Uyehara's deposition transcript.

2. Fees and Disbursements for Printing

Highway Inn requests costs in the amount of \$288.95 for expenses incurred for printing. (Doc. 420-1 at 37-38.) Highway Inn further requests \$14.70 for expenses incurred making photocopies of Hawaii District Court records. (Doc. 455-13 at 1.) With regard to these requests, Highway Inn fails to indicate which documents were copied, nor does Highway Inn provide invoices detailing these charges. Instead, Highway Inn submits only an invoice, prepared by its counsel, indicating the amounts of costs advanced. Without further information, the Court is unable to determine whether these costs were necessarily and reasonably incurred. Accordingly, the Court recommends that these costs be denied.

3. Copying Costs

Highway Inn also requests costs in the amount of \$4,475.29, which includes Hawaii GET, for expenses incurred for in-house copying and printing at a rate of ten to fifteen cents per page. (Doc. 420-1 at 38-39.) Highway Inn argues that these costs were reasonably and necessarily incurred in litigating this case and is related to copying documents submitted to this Court and/or copying documents attributable to discovery and correspondence. (*Id.*) Local Rule 54.2(f)(4) provides that the copy of copies necessarily obtained for use in the case is taxable “provided the party seeking recovery submits an affidavit describing the documents copied,

the number of pages copied, the cost per page, and the use of or intended purpose for the items copied.”

Here, Highway Inn submitted affidavits describing the documents copied, the number of pages copied, the cost per page, and the use of or intended purpose for the items copied. (See Doc. 420-2 at 10-11; Doc. 420-3 at 8-9; Doc. 420-2 at 6.) Therefore, the Court finds that Highway Inn has met its burden under Local Rule 54.2 of establishing its copying costs. Accordingly, the Court recommends that Highway Inn be awarded \$4,475.29 in costs related to printing and copying expenses.

4. Miscellaneous Costs

Highway Inn also requests costs in the amount of \$83.77, which includes Hawaii GET, for expenses incurred for courier/messenger charges, and \$50.47 in costs for postal charges. (Doc. 420-1 at 40.) Highway Inn subsequently requested an additional \$26.18 for courier/messenger charges. (Doc. 455 at 20.) Highway Inn also requests a total of \$631.24 for electronic legal research charges. (Doc. 420-1 at 40, Doc. 455 at 20.) Lastly, Highway Inn requests \$282.50 for costs to obtain certified copies of the deposit materials that accompanied the two Copyright Registration Certificates that FTA relied upon for its copyright claims. (Doc. 420-1 at 40.)

Upon review of Highway Inn’s requests, the Court finds that many of the items listed have insufficient descriptions or have no invoice detailing the expenses or the reason these expenses were incurred. For

example, there are charges that merely state “Postage,” “Lexis-Nexis – Computer Legal Research,” or “Messenger Service – Delivery” for a given date. Without further information, the Court cannot determine whether the costs can fairly be considered “full costs” in this action, and whether they were necessarily and reasonably incurred. Accordingly, the Court recommends that an award of these insufficiently demonstrated costs be denied.

In sum, the Court recommends that Highway Inn be awarded \$439.04 in costs related to expenses incurred for Mr. Uyehara’s deposition transcript and \$4,475.29 in costs related to printing and copying expenses, for a total cost award of \$4,914.33.

IV. Highway Inn’s Attorneys’ Fees & Costs Request, on behalf of BEU

Highway Inn further seeks an award of attorneys’ fees and costs it incurred by BEU, due to its duty to defend and indemnify BEU against Counts IV and V of the Second Amended Complaint. (Doc. 455 at 21.) FTA does not object or otherwise argue that Highway Inn is not entitled to the recovery of fees and costs on behalf of BEU. (*See generally*, Docs. 431, 458.)

A. BEU’s Reasonable Hourly Rate

On behalf of BEU, Highway Inn seeks attorneys’ fees in the amount of \$68,885.31, which includes Hawaii GET, for work performed by its counsel, Arthur

H. Kuwahara. (Doc. 455 at 23.) Counsel Arthur Kuwahara seeks an hourly rate of \$165 per hour for a total of 398.7 hours. (*Id.*) In support of this request, Mr. Kuwahara declares that he is a partner with the Kim & Kuwahara law firm, and has been practicing law in this district for approximately 24 years. (Doc. 455-4 at 1, 2.) The Court is well aware of the prevailing rates in the community for similar services performed by attorneys of comparable experience, skill, and reputation. Based on this Court's knowledge of the prevailing rates in the community and Highway Inn's submissions in this case, the Court finds that an hourly rate of \$165 plus general excise tax is reasonable for Mr. Kuwahara, and in fact, falls below the prevailing rates in this community for attorneys of comparable experience. *See HRPT Properties Trust v. Lingle*, 775 F. Supp. 2d 1225, 1232 (D. Haw. 2011) (noting that this Court has recently found that \$285 per hour is the prevailing rate in this community for attorneys with 20 to 30 years of experience). Accordingly, the Court recommends that BEU's request of an hourly rate of \$165 per hour for its counsel Arthur Kawahara be granted.

B. Reasonableness of Hours Expended

Mr. Kuwahara provided documentation to this Court demonstrating that he has expended 398.7 hours of work in this matter. (Doc. 455-4 at 4; Doc. 455-16.) Mr. Kuwahara declares that the time sheets submitted comply with the Court's Order on Fees, and further declares that the time spent was reasonable

and necessary under the circumstances to achieve the results obtained. (Doc. 455-4 at 4-6.) FTA does not provide any specific objections to Mr. Kuwahara's time, and instead, generally argues in conjunction with its objections to Highway Inn's fee request, that a large portion of the fees requested fall outside of the Court's Order. (See Doc. 458 at 5-6.)

As previously stated in Part III.B.1, *supra*, the Court has carefully reviewed the timesheets submitted by Highway Inn and finds that Highway Inn has demonstrated that counsel's time sheets detail work that falls within the scope of the Court's Order on Fees. The Court further finds that FTA has failed to provide explanations for the numerous entries it argues are outside the scope of the Court's Order on Fees such that would warrant a reduction of Highway Inn's request. To the extent that FTA objects to specific entries by Mr. Kuwahara as being insufficiently described, the Court has already analyzed these entries and found them to be sufficiently described. See Part III.B.2, *supra*. The Court therefore finds that Mr. Kuwahara's requested time is associated with the relief requested and was reasonably necessary to achieve the results obtained, and therefore, recommends that no deductions be made to this time.

C. BEU's Total Fee Award

Based on the foregoing, the Court recommends that Highway Inn be awarded \$65,785.50 in attorneys' fees, plus \$3,099.81 in Hawaii GET, for a total award

of attorneys' fees incurred on behalf of BEU in the amount of \$68,885.31.

D. BEU's Request for Costs

On behalf of BEU, Highway Inn further seeks an award of costs in the amount of \$2,630.62 for expenses BEU incurred for printing, in-house copying, courier/messenger services and postal charges, and electronic legal research, as follows:

Printing Costs	\$899.59
Feeds for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case	\$228.50
Courier/Messenger	\$62.82
Postal Charges	\$55.87
Electronic Legal Research	\$1,368.86
In-House Copying Costs incurred after \$13.40 filing of Initial Motion Postal Charges incurred after filing of Initial Motion	\$1.58
Total:	\$2,630.62

(Doc. 420-1 at 44; Docs. 455-18, 455-19, 455-20.) FTA objects to BEU's cost request on the basis that the request is not supported by evidence relating these costs to FTA's copyright claims. (Doc. 458 at 9.) FTA further argues that absent any applicable authority entitling BEU to such expense, these costs should be denied. (*Id.*)

1. Copying Costs

BEU requests \$228.50, plus \$13.40 in subsequently incurred costs, for a total of \$241.90 in in-house copying and printing costs. (Doc. 420-5 at 6; Doc. 455-4 at 7.) Upon review, BEU is requesting reimbursement for costs to copy a total of 2,419 pages at \$0.10 per page. (*Id.*) In support of this cost request, BEU submitted affidavits of its counsel, Arthur Kuwahara, describing the documents copied, the number of pages copied, the cost per page, and the use of or intended purpose for the items copied. (*See* Doc. 420-5 at 6-7; Doc. 455-4 at 7.) The Court finds that BEU has met its burden under Local Rule 54.2 of establishing its copying costs, and that BEU is entitled to these costs pursuant to 17 U.S.C. § 505. Accordingly, the Court recommends that BEU be awarded \$241.90 in costs related to printing and copying expenses.

2. Courier/Messenger and Postal Charges

BEU further requests \$118.69 in courier/messenger and postal charges, plus \$1.58 in postal charges incurred after the filing of the initial fee motion, for a total of \$120.27 in courier/messenger and postal charges. (Doc. 420-5 at 7; Doc. 455-20.) BEU's counsel declares that these costs were necessarily incurred by BEU, and were reasonably required for this case. (Doc. 420-5 at 7; Doc. 455-4 at 8.) In support of this cost request, BEU submits a "Timekeeper Summary" listing various postal and courier charges by date. (*See* Docs. 420-35, 420-36, 455-20.) BEU also

provided invoices detailing \$62.82 in courier/messenger charges. (Doc. 420-36 at 2, 4.) With regard to BEU's postal charges, BEU provides the Court with timekeeper summaries that merely state "postal charge" for various dates. The Court finds that these descriptions are insufficient. Absent any further information or invoices detailing the postal expenses incurred, the Court is unable to determine whether these costs incurred were reasonable and whether these costs can fairly be considered "full costs" pursuant to 17 U.S.C. § 505. Accordingly, the Court finds that BEU has sufficiently demonstrated that it is entitled to \$62.82 in courier/messenger costs under 17 U.S.C. § 505, and therefore recommends that BEU be awarded these costs. The Court further recommends that BEU's request for postal charges be denied.

3. Printing Costs paid to Third-Party Vendors

BEU further requests \$899.59 in printing costs, which BEU's counsel declares was "made to third-party vendors for printing." (Doc. 420-5 at 5.) BEU's counsel states that these charges were incurred in connection with discovery in this case, and are related to FTA's claims for copyright infringement and DMCA violations. (*Id.*) In support of this request, BEU submitted invoices from third-party vendors detailing the printing costs incurred. (*See* Doc. 420-34 at 2-4, 6, 8, 10, 12-14, 16, 18.) These invoices detail \$899.59 in printing costs incurred by BEU. (*Id.*) Accordingly, BEU has sufficiently demonstrated that it incurred \$899.59

in printing costs paid to third-party vendors, and therefore, the Court finds and recommends that BEU be awarded these costs in full pursuant to 17 U.S.C. § 505.

4. Electronic Legal Research Costs

Lastly, BEU requests \$1,368.86 in costs related to electronic legal research expenses incurred. (Doc. 420-5 at 7.) In support of this request, BEU attaches invoices prepared by its counsel, which list individual electronic legal research costs. (*See generally*, Doc. 420-37.) These invoices, however, merely state “LexisNexis” and the price charged, and therefore fails to provide the Court with any information regarding the reason or purpose for incurring the expense. Accordingly, the Court is unable to determine whether these costs were reasonably and necessarily incurred in this action. Without further information, the Court cannot determine whether the costs can fairly be considered “full costs” in this action under 17 U.S.C. § 505. Accordingly, the Court finds that these costs are insufficiently detailed, and therefore, the Court recommends that these costs be denied.

In sum, the Court finds and recommends that BEU’s request for costs be granted in part in the amount of \$1,204.31.

CONCLUSION

Based on the foregoing, the Court hereby FINDS AND RECOMMENDS that (1) Defendant Bargreen Ellingson of Hawaii, Inc.'s Motion for Award of Attorney's Fees and Costs (Doc. 419) and Supplemental Memorandum in Support (Doc. 453) be GRANTED IN PART in the amount of \$23,678.00 in attorneys' fees and \$355.97 in costs, for a total award of \$24,033.97; (2) Defendant J. Kadowaki, Inc.'s Motion for Award of Attorneys' Fees and Costs (Doc. 421) and Supplemental Memorandum in Support (Doc. 454) be GRANTED IN PART in the amount of \$135,004.70 in attorneys' fees and \$4,827.30 in costs, for a total award of \$139,832.00; (3) Defendants Highway Inn, Inc. and Ho'ola Mau, LLC's Motion for Attorneys' Fees and Costs (Doc. 420) and Supplemental Memorandum in Support (Doc. 455) be GRANTED IN PART in the amount of \$209,660.64 in attorneys' fees and \$4,914.33 in costs, for a total award of \$214,574.97; and (4) Defendants Highway Inn's request for attorneys' fees and costs on behalf of Defendants Bryce Uyehara, A.I.A., Inc. and Iwamoto and Associates, LLC, (Doc. 420 at 41-45; Doc. 455 at 21-25), be GRANTED IN PART in the amount of \$68,885.31 in attorneys' fees and \$1,204.31 in costs, for a total award of \$70,089.62.

IT IS SO FOUND AND RECOMMENDED.

DATED: Honolulu, Hawaii, January 31, 2016

[SEAL]

/s/ Barry M. Kurren

Barry M. Kurren

United States Magistrate Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

FROST-TSUJI	) CIVIL NO.
ARCHITECTS,	) 13-00496 SOM/BMK
Plaintiff,	) ORDER ADOPTING
vs.	) THE MAGISTRATE
HIGHWAY INN, INC.;	) JUDGE'S FINDINGS
HO'OLA MAU, LLC;	) AND
BRYCE UYEHARA,	) RECOMMENDATION
A.I.A., INCORPORATED;	) TO GRANT IN PART
J. KADOWAKI, INC.;	) DEFENDANTS'
FESTIVAL MANAGEMENT	) MOTIONS FOR
CORPORATION; et al.,	) ATTORNEY'S FEES
Defendants.	) AND COSTS
	)

**ORDER ADOPTING THE MAGISTRATE JUDGE'S
FINDINGS AND RECOMMENDATION TO
GRANT IN PART DEFENDANTS' MOTIONS
FOR ATTORNEY'S FEES AND COSTS**

(Filed Mar. 30, 2016)

I. INTRODUCTION.

Before the court are objections filed by Plaintiff Frost-Tsuji, Defendant J. Kadowaki, Inc., and Defendants Highway Inn, Inc., and Ho'ola Mau, LLC (collectively "Highway Inn") to the Magistrate Judge's Findings & Recommendation to Grant in Part Defendants' Motions for Attorney's Fees and Costs ("F & R").

The F & R recommends the award of \$24,033.97 in attorney's fees and costs to Defendant Bargreen Ellingson of Hawaii, Inc., \$139,832.00 in fees and costs to J. Kadowaki, \$214,574.97 in fees and costs to Highway Inn, and \$70,089.62 in fees and costs to Highway Inn on behalf of Defendants Bryce Uyehara, A.I.A., and Iwamoto and Associates, LLC. The awards are for (1) Defendants' work on Frost-Tsuji's claim for copyright infringement (Count IV) after this court granted summary judgment in Defendants' favor on Count IV on August 26, 2014, and (2) Defendants' work on Frost-Tsuji's claim that Defendants improperly removed copyright management information ("CMI").

Frost-Tsuji objects to the portion of the F & R recommending an award to Defendants of their fees and costs for discovery-related work after August 26, 2014. Frost-Tsuji also challenges the Magistrate Judge's finding that Frost-Tsuji's motions for reconsideration on the copyright claims were "objectively unreasonable."

Highway Inn challenges the Magistrate Judge's finding and recommendation to reduce the reasonable hourly rate of its counsel, Harvey Lung, from \$450.00 to \$300.00.

J. Kadowaki objects to the Magistrate Judge's finding and recommendation to award it only sixty billable hours for its work on its attorney's fees motion.

After reviewing the various objections and the F & R, this court adopts the F & R in its entirety.

Pursuant to Local Rule 7.2(d), the court finds this matter suitable for disposition without a hearing.

II. FACTUAL BACKGROUND.

Because the parties and the court are familiar with the facts and procedural background of this case, this court addresses only those events relevant to the F & R. Additional background facts are contained in this court's Order Adopting in Part and Rejecting in Part the Magistrate Judge's Findings and Recommendations that Defendants' Motion for Attorney's Fees and Costs Be Denied, filed September 23, 2015 ("September 2015 Order"). *See* ECF No. 451.

On April 29, 2015, Bargreen Ellingson, Highway Inn, and J. Kadowaki filed separate motions for attorney's fees and costs as to Frost-Tsuji's copyright infringement claim and its CMI claim (collectively "copyright claims"). Bargreen Ellingson seeks \$84,744.66 in fees, plus \$355.97 in costs, ECF No. 419; Highway Inn seeks \$438,440.03 in fees, plus \$9,083.11 in costs, ECF No. 420; and J. Kadowaki seeks \$275,356.25 in fees, GET in the amount of \$12,974.79, and \$9,809.68 in costs, ECF No. 421.

The motions were referred to the Magistrate Judge, who made findings and recommended that Defendants' motions for attorney's fees and costs be denied. *See* ECF No. 437, PageID # 8410. The movants objected. *See* ECF Nos. 439, 441, 443.

On September 23, 2015, this court issued an order adopting in part and rejecting in part the Magistrate Judge's July 2015 F & R ("September 2015 Order"). *See* ECF No. 451. Applying the factors set forth in *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 533 (1994), this court determined that Defendants were entitled to an award of reasonable attorney's fees and costs for (1) their work on the copyright infringement claim after the order of August 24, 2014, granting partial summary judgment in Defendants' favor; and (2) their work relating to Frost-Tsuji's CMI claim. *See* ECF No. 451, PageID #s 8622-23. The court referred the motion to the Magistrate Judge for a determination of the amounts to be awarded to each Defendant. *See id.*, PageID # 8624.

On February 1, 2016, the Magistrate Judge issued his F & R, recommending that Defendants' motions for attorney's fees and costs be granted in part in the following amounts: \$24,033.97 in attorney's fees and costs to Bargreen Ellingson, \$139,832.00 in fees and costs to J. Kadowaki, \$214,574.97 in fees and costs to Highway Inn, and \$70,089.62 in fees and costs to Highway Inn on behalf of Bryce Uyehara and Iwamoto and Associates. *See* ECF No. 462, PageID #s 9474-75.

Frost-Tsuji, Highway Inn, and J. Kadowaki filed the present objections. *See* ECF Nos. 463, 464, 465.

III. STANDARD OF REVIEW.

Congress has empowered magistrate judges, upon referral of dispositive pretrial motions by district

judges, to conduct hearings and issue findings and recommendations regarding dispositive pretrial motions. *See* 28 U.S.C. § 636(b)(1)(B); *see also* Fed. R. Civ. P. 72(b) (promulgating rule). The Federal Rules of Civil Procedure permit a district judge to similarly refer a post-judgment motion for attorney's fees "as if it were a dispositive pretrial matter," *see* Fed. R. Civ. P. 54(d)(2)(D), and such motions are customarily referred to magistrate judges in this district, *see* Local Rule 54.3(h).

A district judge reviews a magistrate judge's findings and recommendation prior to ruling on the motion, and may accept, reject, or modify, in whole or in part, the findings and recommendation made by the magistrate judge. Fed. R. Civ. P. 72(b). If a party timely objects to portions of the findings and recommendation, the district judge reviews those portions of the findings and recommendation de novo. Fed. R. Civ. P. 72(b)(3); Local Rule 74.2. The district judge may consider the record developed before the magistrate judge. Local Rule 74.2. The district judge also has discretion to receive further evidence. 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72(b)(3); Local Rule 74.2; *see also United States v. Raddatz*, 447 U.S. 667, 676 (1980) (district judge has wide discretion in deciding whether to allow new evidence). The de novo standard requires the district court to consider a matter anew and arrive at its own independent conclusions, but a de novo hearing is not ordinarily required. *United States v. Remsing*, 874 F.2d 614, 617

(9th Cir. 1989); *United States v. Boulware*, 350 F.Supp.2d 837, 841 (D. Haw. 2004); Local Rule 74.2.

The district judge may accept the portions of the findings and recommendation to which the parties have not objected as long as it is satisfied that there is no clear error on the face of the record. *See United States v. Bright*, Civ. No. 07-00311 ACK/KSC, 2009 WL 5064355, at *3 (D. Haw. Dec. 23, 2009); *Stow v. Murashige*, 288 F.Supp.2d 1122, 1127 (D. Haw. 2003); Fed. R. Civ. P. 72(b) advisory committee's note.

The court determines that a hearing on this matter is neither necessary nor appropriate. *See* Local Rule 7.2(d).

IV. ANALYSIS.

A. Frost-Tsuji's Objections.

1. Defendants' Discovery-related Work After August 26, 2014.

Frost-Tsuji objects to the Magistrate Judge's recommendation to award Defendants their fees and costs for discovery-related tasks after August 26, 2014, the date of the order granting partial summary judgment. *See* ECF No. 463, PageID # 9478.

Frost-Tsuji's first contention is that the Magistrate Judge's recommended award of fees exceeds the scope of this court's September 2015 Order. *See id.*, PageID # 9481.

The Magistrate Judge correctly construed this court's September 2015 Order as awarding Defendants their reasonable attorney's fees for discovery-related work after August 26, 2014, on the copyright infringement claim and CMI claim. *See* ECF No. 451.

Frost-Tsuji next argues that the September 2015 Order should not have awarded such fees because "[l]egal work performed after November 7, 2014, could only be based on [Highway Inn's] Counterclaim and [Frost-Tsuji's] contract and unjust enrichment claims, as [Frost-Tsuji's] copyright claims were no longer pending at that time." *See* ECF No. 463, PageID # 9481.

The record contradicts Frost-Tsuji's assertion. After all, it was only after November 7, 2014, that Frost-Tsuji brought two motions for reconsideration on its copyright infringement claim, and a motion for reconsideration on its CMI claim. *See* ECF Nos. 232, 354, 391. It was also after November 7, 2014, that Frost-Tsuji took substantial discovery that it used as evidentiary support for its second motion for reconsideration regarding its copyright infringement claim. The second motion for reconsideration acknowledged this, stating, "The basis for this Second Motion for Reconsideration is new information obtained through depositions taken in December 2014 and subpoenaed documents, which Frost-Tsuji did not have when it filed its Motion for Partial Summary Judgment and first Motion for Reconsideration." *See* ECF No. 391-1, PageID # 6173.

Indeed, Frost-Tsuji took five depositions after November 7, 2014, and relied on those depositions in asking this court to vacate its grant of summary judgment on the copyright infringement claim in favor of Defendants. The new evidence of copyright infringement included the deposition of Monica Toguchi, taken on December 11, 2014, ECF No. 391-4; the deposition of Stanley Sato, taken on December 18, 2014, ECF No. 391-7; the deposition of Bryce Uyehara, taken on December 15, 2014, ECF No. 391-8; the deposition of Richard Herbert Elkins, taken on December 3, 2014, ECF No. 391-9; and a continuation of the deposition of Russell Ryan, taken on December 12, 2014, ECF No. 391-11.

Additionally, Frost-Tsuji's second motion for reconsideration attached exhibits of e-mails from its counsel, dated December 29, 2014, and December 22, 2014. *See* ECF No. 391-10. These e-mails detail certain of Frost-Tsuji's requests for further discovery from Defendants after November 7, 2014, as to the copyright infringement claim.

Clearly, this and other discovery-related work pertained to Frost-Tsuji's copyright claims, and occurred during the time period in which Frost-Tsuji now claims that all of its and Defendants' legal work could only have been directed to claims relating to issues other than copyright infringement. That Frost-Tsuji took extensive discovery after the summary judgment motions were adjudicated to gather further evidence in support of its copyright claims was noted in the September 2015 Order, upon which the

Magistrate Judge based his F & R. *See* ECF No. 451, PageID # 8618 (citing ECF Nos. 308; 331; 333-335; 372; 391-4, -7, -8, -9, and -11).

The September 2015 Order also noted, however, that Defendants were forced to spend substantial amounts of time and money because Frost-Tsuji not only brought objectively unreasonable motions for reconsideration, but also engaged in extensive discovery that it failed to justify in its motions for reconsideration. *See* ECF No. 451. As counsel for Frost-Tsuji should have been aware, “To support a motion for reconsideration based upon newly discovered evidence, the movant is obliged to show not only that the evidence was newly discovered or unknown, but also that it could not with reasonable diligence have discovered and produced such evidence at the hearing.” *Oyama v. Univ. of Haw.*, Civ. No. 12-00137, 2013 WL 3296567 (D. Haw. June 28, 2013); *accord Hagan v. U.S. Nat’l Bank*, 2014 WL 5465321 (D. Haw. Oct. 27, 2014). Because Frost-Tsuji did not demonstrate that it acted with reasonable diligence in obtaining this new evidence, this court denied the motion for reconsideration. *See* ECF No. 395, PageID # 6335.

For these and other reasons, all of which are detailed in the September 2015 Order, this court decided that Defendants were entitled to their reasonable attorney’s fees and costs for discovery-related work on the CMI claim, and on the copyright infringement claim after August 26, 2014. *See id.* This court thus rejects Frost-Tsuji’s argument that Defendants’ legal work after August 26, 2014, did not

relate to these copyright claims, or that an award of fees and costs to Defendants for their discovery-related work on these claims exceeds the scope of the September 2015 Order.

Alternatively, Frost-Tsuji contends that Defendants are not entitled to fees and costs for discovery taken after November 7, 2014, because Frost-Tsuji also sought to use this discovery for its unjust enrichment and breach of contract claims, as well as its defense to Highway Inn's Amended Counterclaim. *See* ECF No. 463, PageID # 9479. In other words, Frost-Tsuji is arguing that Defendants are not entitled to an award of fees under the Copyright Act or Digital Millennium Copyright Act for discovery-related work because Frost-Tsuji also sought the discovery for noncopyright claims. *See id.*

This argument is unpersuasive. In determining whether to award attorney's fees here, the precise question this court must decide is whether the work performed by the prevailing party, not the losing party, is related to a compensable claim under the Copyright Act or DMCA. *Cf. Entm't Research Group, Inc. v. Genesis Creative Group, Inc.*, 122 F.3d 1211, 1230 (9th Cir. 1997) ("It is well-established law that a party entitled to attorney's fees as a prevailing party on a particular claim, but not on other claims in the same lawsuit, can only recover attorney's fees incurred in defending against that one claim or any 'related claims.'" (citing *Hensley v. Eckerhart*, 461 U.S. 424, 434-35 (1983), *Ackerman v. Western Elec. Co., Inc.*, 860 F.2d 1514, 1520 (9th Cir. 1988))). Whether or not

Frost-Tsuji used the same discovery for a noncompensable claim is of no matter to determining whether Defendants used the discovery in the service of defending against Frost-Tsuji's copyright claims and therefore can claim attorney's fees and costs for such work. The statutory language for the fees provisions in the Copyright Act (17 U.S.C. § 505) or DMCA (17 U.S.C. § 1203(b)) gives no hint that this court should rule otherwise, and Frost-Tsuji fails to provide any authority in support of its argument. *See* 17 U.S.C. § 505; 17 U.S.C. § 1203(b).

Frost-Tsuji may also be arguing that Defendants are not entitled to attorney's fees and costs for work that serves both copyright and noncopyright claims. Again, however, Frost-Tsuji fails to provide authority to support this proposition. Under the Copyright Act, a prevailing party may be awarded attorney's fees for "hybrid" work that serves both compensable and noncompensable claims. *See Fantasy, Inc. v. Fogerty*, 94 F.3d 553, 561 (9th Cir. 1996) (affirming district court order that awarded attorney's fees and costs for "hybrid" entries for work that served both compensable and noncompensable claims). *Cf. Twin City Sportservice, Inc. v. Charles O. Finley & Co.*, 676 F.2d 1291, 1313 (9th Cir. 1982), *cert. denied*, 459 U.S. 1009 (1982) (holding to extent that fees related to both compensable claims and other claims, prevailing party may recover fees in full); *Marion v. Barrier*, 694 F.2d 229, 232 (11th Cir. 1982) (per curiam) (affirming an award of attorneys' fees by acknowledging that "where evidence gathered in preparing an unsuccessful issue

may also have been relevant to the successful claim, compensation should be provided for the time spent gathering that evidence”). To the extent Defendants used discovery for the copyright claims, as well as for other claims such as Frost-Tsuji’s breach of contract and unjust enrichment claims, Defendants are entitled to collect reasonable attorney’s fees and costs for this “hybrid” work. If Frost-Tsuji could show that certain entries by Defendants were entirely unrelated to Frost-Tsuji’s copyright claims, then Defendants would not be entitled to an award for that work. But Frost-Tsuji makes no effort to identify specific billing entries that are unconnected to compensable copyright claims.

This court adopts the Magistrate Judge’s findings and recommendation to award Defendants attorney’s fees for discovery-related work after August 26, 2014, relating to the copyright claims, even if that work also relates to other claims.

2. Objective Unreasonableness of Frost-Tsuji’s Motions for Reconsideration.

Frost-Tsuji argues that the Magistrate Judge erred in finding that Frost-Tsuji’s motions for reconsideration were objectively unreasonable. ECF No. 463, PageID # 9476.

The Magistrate Judge never made such a finding in his F & R. Rather, this court, in its September 2015 Order, found that Frost-Tsuji’s CMI claim and successive motions for reconsideration on the copyright infringement claim were “objectively

unreasonable” under *Fogerty*. ECF No. 451, PageID #s 8613-17.

Frost-Tsuji, in seeking to have this court reconsider its prior ruling as to objective unreasonableness in the September 2015 Order, is again attempting to relitigate the law of the case, despite having been warned on several occasions by this court to “refrain from rearguing matters that are no longer relevant based on the law of the case.” See ECF No. 292, PageID # 4567; ECF No. 451, PageID # 8616.

In any event, Frost-Tsuji fails to show that reconsideration is warranted. The “law of the case” doctrine generally precludes a court from reconsidering an issue that has already been decided by the same court or by a higher court in the identical case. *Rebel Oil Co. v. Atlantic Richfield Co.*, 146 F.3d 1088, 1093 (9th Cir. 1998). For the doctrine to apply, the issue in question must have been decided explicitly or by necessary implication in the previous disposition. Grounds justifying departure from the law of the case include substantially different evidence, a change in controlling authority, and the need to correct a clearly erroneous decision that would work a manifest injustice. See *United States v. Alexander*, 106 F.3d 874, 876 (9th Cir. 1997). “Failure to apply the doctrine of the law of the case absent one of the requisite conditions constitutes an abuse of discretion.” *Id.* (citing *Thomas v. Bible*, 983 F.2d 152, 155 (9th Cir. 1993), *cert. denied*, 508 U.S. 951 (1993)). Frost-Tsuji does not identify any substantially different evidence, a change in

controlling authority, or the need to correct a clearly erroneous decision that would work a manifest injustice. Frost-Tsuji therefore fails to show that this court should depart from its earlier finding of objective unreasonableness.

Indeed, Frost-Tsuji's arguments regarding objective unreasonableness not only ignore the standard for overturning the law of the case, they even ignore the standard for objective unreasonableness set forth in *Fogerty*.

As noted in the September 2015 Order, "A claim is objectively unreasonable where the party advancing it 'should have known from the outset that its chances of success in this case were slim to none.'" *Perfect 10, Inc. v. Giganews, Inc.*, No. CV 11-07098-AB SHX, 2015 WL 1746484, at *11 (C.D. Cal. Mar. 24, 2015) (quoting *SOFA Entm't, Inc. v. Dodger Prods., Inc.*, 709 F.3d 1273, 1280 (9th Cir. 2013). Courts assess the objective reasonableness of a copyright litigant's claims "both in the factual and in the legal components of the case." *Fogerty*, 510 U.S. at 534 n.19 (internal quotes omitted).

A claim that is not "objectively unreasonable" at the outset can become so if the litigant continues to pursue it when the litigant knew or should have known that the chance of success was slim to none. *See Allen v. Ghoulish Gallery*, No. CIV. 06CV371 NLS, 2008 WL 474394, at *7 (S.D. Cal. Feb. 19, 2008) (holding claim "objectively unreasonable" when plaintiff maintained claim without identifying or producing any evidence of

actual copyright in discovery, and produced only minimal evidence of it at trial).

Frost-Tsuji says that its first motion for reconsideration of the copyright infringement claim was not objectively unreasonable because it was based on the court's failure to consider the *Gagnon* test for intent. ECF No. 463, PageID # 9482. Even so, the motion was denied because the arguments raised in it not only were unsupported by the record, but also contradicted admissions previously made by Frost-Tsuji. ECF No. 320, PageID # 5333. To make matters worse, Frost-Tsuji's motion included arguments that it had clearly waived in the underlying motion, *see id.*, PageID # 5338, and "new evidence" that it had in its possession at the time of the underlying motions. Frost-Tsuji provided no explanation as to why such evidence was submitted for the first time on reconsideration. *Id.*, PageID #s 5334, 5342. Given all of these problems, Frost-Tsuji should have known that the motion for reconsideration that it filed with regard to the copyright infringement claim was highly unlikely to succeed.

The same holds true for Frost-Tsuji's second motion for reconsideration. This motion was based on evidence belatedly sought by Frost-Tsuji after the first motion for reconsideration was denied. ECF No. 463, PageID # 9482. In the order denying this motion, the court explained the fatal flaws in Frost-Tsuji's approach:

Frost-Tsuji now claims to have discovered new evidence that raises factual issues that should have precluded summary judgment with respect to Count IV. But Frost-Tsuji does not demonstrate that it acted with reasonable diligence in obtaining this new evidence. To the contrary, the record indicates that it was only after it lost cross-motions for summary judgment with respect to the copyright infringement claim asserted in Count IV that Frost-Tsuji sought the discovery it says led to the new evidence. This court expended substantial effort in drafting its orders of August 26 and October 27, 2014. What Frost-Tsuji would have this court do is accept that the court wasted its time relying on the then-existing record, excuse a party's belated discovery efforts, and revisit issues whenever a party feels ready to supplement the record. The court denies Frost-Tsuji's Second Motion for Reconsideration.

ECF No. 394, PageID # 6335. As noted in the September 2015 Order, Frost-Tsuji, being represented by sophisticated counsel, again should have known that this motion for reconsideration on the copyright infringement claim was unlikely to succeed and would create unnecessary expense for all the parties.

Frost-Tsuji argues that its motion for reconsideration on the CMI claim was not objectively unreasonable because it was based on new evidence that was not previously unavailable. *See* ECF No. 463, PageID # 9482. However, Frost-Tsuji's motion for reconsideration on the CMI claim was objectively

unreasonable for two reasons. First, the motion for reconsideration was denied because Frost-Tsuji still had not submitted evidence to establish that Defendants removed Frost-Tsuji's copyright management information. ECF No. 394, PageID # 6328. Second, Frost-Tsuji made no attempt to demonstrate that it could establish the other elements of its CMI claim. *Id.*, PageID # 6332 ("even if a copyright management removal claim does not require that information be removed from an original work, Frost-Tsuji makes no attempt to demonstrate that it can satisfy the other elements of such a claim on this motion"). Whether intentionally or inadvertently, Frost-Tsuji's motion failed to take into account the court's earlier ruling that Defendants had a nonexclusive implied license to use Frost-Tsuji's plans. In other words, even if one or more Defendants had removed Frost-Tsuji's copyright management information, no Defendant could be said to have removed copyright management information knowing or having reasonable grounds to know that that removal would induce, enable, facilitate, or conceal an infringement of federal copyright laws. *Id.* It was objectively unreasonable for Frost-Tsuji to attempt to prevail on its motion for reconsideration by simply disagreeing with or disregarding this court's prior rulings on the copyright infringement claim. *See White v. Sabatino*, 424 F. Supp. 2d 1271, 1274 (D. Haw. 2006) ("Mere disagreement with a previous order is an insufficient basis for reconsideration.").

Frost-Tsuji makes no attempt to show that, even if this court were to reconsider the objective unreasonableness factor, the balance of the other *Fogerty* factors should not still weigh in favor of an award of fees and costs to Defendants. Under *Fogerty*, not all factors must be met to support an award of attorney's fees. *Fogerty*, 94 F.3d at 558. These factors are merely guideposts for the court in exercising its "equitable discretion," and "courts are not limited to considering them." *Id.* Thus, the *Fogerty* test does not say that if the party opposing the award of fees disproves a single element such as objective unreasonableness, that party will successfully defeat a request for attorney's fees. For this court to depart from its prior ruling that Defendants are entitled to attorney's fees, Frost-Tsuji would have to show that the balance of *Fogerty* factors weighed against an award of attorney's fees. Frost-Tsuji makes no such showing.

This court is unpersuaded by Frost-Tsuji's arguments regarding objective unreasonableness.

B. Highway Inn's Objections.

Highway Inn raises only one challenge to the Magistrate Judge's F & R. According to Highway Inn, the Magistrate Judge erred in recommending that the hourly rate for its counsel, Harvey Lung, be reduced from \$450.00 to \$300.00 per hour. *See* ECF No. 464, PageID # 9497.

In determining the reasonableness of an hourly rate, the experience, skill, and reputation of the attorney requesting fees are taken into account. *See Webb v. Ada County*, 285 F.3d 829, 840 & n.6 (9th Cir. 2002). The reasonable hourly rate should reflect the prevailing market rates in the community. *See id.*; *Gates v. Deukmejian*, 987 F.2d 1392, 1405 (9th Cir. 1992), *as amended on denial of reh'g*, (1993) (noting that rate awarded should reflect “the rates of attorneys practicing in the forum district”); *see also Chun v. Bd. of Trustees of Employees’ Ret. Sys. of State of Hawaii*, 106 Haw. 416, 435, 106 P.3d 339, 358 (2005) (listing “the customary charges of the Bar for similar services” as factor that may be considered). It is the burden of the fee applicant to produce satisfactory evidence, in addition to an affidavit from the fee applicant, demonstrating that the requested hourly rate reflects prevailing community rates for similar services. *See Jordan v. Multnomah County*, 815 F.2d 1258, 1263 (9th Cir. 1987).

A review of recent cases from this jurisdiction sheds light on the prevailing reasonable hourly rates for comparable attorneys in the community.

In *Olson v. Lui*, No. CIV. 10-00691 ACK, 2012 WL 3686682, at *4 (D. Haw. Aug. 27, 2012), *aff’d sub nom.*, *Olson v. Han Kamakani Phua*, 584 Fed. Appx. 435 (9th Cir. 2014), the court applied the hourly rate of \$450.00 to Paul Alston, noting that he had been a trial lawyer for more than forty years, had an AV rating from Martindale-Hubbell, had been named a “Best Lawyer” in seven categories, and also had been awarded the

title of “Hawaii Lawyer of the Year” in relevant practice areas by Best Lawyers in America on two occasions. Highway Inn argues that the \$450.00 rate should also be applied to Mr. Lung.

However, in several other cases, this court and other judges in the district declined to apply that hourly rate to Mr. Alston. *See Au v. Funding Group, Inc.*, 933 F. Supp. 2d 1264, 1274-75 (D. Haw. 2013); *Eggs ‘N Things Int’l Holdings PTE, Ltd. v. ENT Holdings LLC*, Civil No. 11-00626 LEK-KSC, 2012 WL 1231962, at *2 (D. Haw. Mar. 20, 2012), *adopted by Eggs ‘N Things Int’l Holdings Pte, Ltd. v. ENT Holdings LLC*, Civil No. 11-00626 LEK-KSC, 2012 WL 1231992 (D. Haw. Apr. 11, 2012). In *Au* and the *Eggs ‘N Things* cases, the court approved a rate of \$395.00 per hour for Mr. Alston.

In *Pasion v. County of Kauai*, No. CV 13-00676 ACK-RLP, 2014 WL 1764920, at *3 (D. Haw. Apr. 29, 2014), Mark J. Bennett, a former attorney general for the State of Hawaii with over thirty-three years of experience and numerous awards and recognitions, requested \$450.00 per hour, which the court found excessive. Bennett was instead awarded \$385.00 per hour for his services. *Id.*

In *Seven Signatures General Partnership v. Irongate Azrep BW LLC*, 871 F. Supp. 2d 1040, 1053-54 (D. Haw. 2012), Irongate requested \$500.00 per hour for the work performed by Terrence O’Toole, who at the time had over thirty-five years of experience. The court approved a rate of \$350.00 per hour for Mr. O’Toole. *Id.*

In *Yonemoto v. Department of Veterans Affairs*, 2012 WL 1989818, *6 (D. Haw. June 1, 2012), the court approved a rate of \$300.00 per hour for Eric Seitz, an attorney with more than thirty years of experience. Likewise, in *Dimitrion v. Morgan Stanley Home Loans*, 2014 WL 4639130, *4, (D. Haw. Sept. 16, 2014), the court approved of a rate of \$300.00 per hour for Simon Klevansky, an attorney with 37 years of experience, who specialized in the relevant practice area of bankruptcy law.

During the period for which Highway Inn is requesting fees, Mr. Lung had approximately thirty-three to thirty-four years of experience. *See* ECF Nos. 455-1, 455-6. In Highway Inn's Objection to the Magistrate Judge's F & R, Highway Inn claims, based on Mr. Lung's attached declaration, that Mr. Lung has thirty-five years of commercial litigation experience. *See* ECF No. 464, PageID # 9500. The declaration does not actually provide evidence to confirm this contention. *See* ECF No. 466. In his declaration of October 20, 2015, Mr. Lung states that he was admitted to practice in Hawaii in 1981 and that he has practiced law in Hawaii for over thirty-three years. ECF No. 455-1, PageID # 8821. Based on this declaration, the court determines that Mr. Lung had approximately thirty-three to thirty-four years of experience from September, 2014, to October, 2015, the period for which Highway Inn seeks compensation for Mr. Lung's work.

Mr. Lung's 2016 declaration also provides evidence of his reputation and skill in certain areas.

See ECF No. 466, PageID # 9528. The declaration states that Mr. Lung was selected as one of the “Best Lawyers in Hawaii” by Honolulu magazine from 2008 to 2016 in the areas of Commercial Litigation, Construction Law, and Litigation-Construction and Mediation. He was also named “Lawyer of the Year” in Construction Litigation in 2014 by Honolulu Magazine. *See* ECF No. 466, PageID # 9528. His name is in the name of his law firm, and he very clearly is a well-regarded and experienced litigator.

However, while Mr. Lung may be entitled to an hourly rate higher than \$300.00 in a case involving those areas of law in which he has demonstrated significant experience and expertise, the claims for which Highway Inn is entitled to Mr. Lung’s reasonable attorney’s fees concern copyright law. Nothing in the record suggests that Mr. Lung has copyright expertise comparable to his considerable expertise in areas such as construction law or mediation. *See, e.g., Chudacoff v. Univ. Med. Ctr.*, 954 F. Supp. 2d 1065, 1089 (D. Nev. 2013) (reducing requested hourly rate because fees were awarded for claims that did not involve counsel’s area of expertise). Nor does Highway Inn offer evidence that Mr. Lung’s litigating of the copyright issues called upon the depth of general commercial litigation expertise he has acquired over decades of experience. Moreover, the rate of \$300.00 appears appropriate when placed next to the rates of other counsel in this case, many of whom also have many years of practice.

Based on this court's knowledge of the community's prevailing rates, the hourly rates generally granted by the court, the court's familiarity with this case, and defense counsel's submissions, this court agrees with the Magistrate Judge that the requested rate of \$450.00 per hour for Mr. Lung is not warranted here and that a rate of \$300.00 per hour for Mr. Lung is reasonable, given the nature of the claims and the prevailing rates for comparable attorneys in the community.¹

C. J. Kadowaki's Objections.

J. Kadowaki raises a single objection the Magistrate Judge's F & R. J. Kadowaki requested 246.576 hours in fees for its work on its attorney's fees motion, but the Magistrate Judge found and recommended that J. Kadowaki was only entitled to

¹ Besides noting again that this court could conceivably approve a different rate in a different kind of case, this court makes it clear that the court's award based on a reduced hourly rate (whether for Mr. Lung or any other attorney discussed in this order) does not necessarily amount to a conclusion that an attorney has overcharged a client. The considerations affecting the court's determination certainly overlap, but are not all identical to, a client's considerations. For example, the court's determination is retrospective, while a client agrees to a fee schedule before knowing how a case will turn out, or whether the case will evolve in such a way that makes greater use of counsel's areas of expertise. It is also important to note that the court's determination is specific to certain types of claims and may not reflect the attorney's value with regard to other claims and the management of the rest of the case, whereas the hourly rate agreed to by the client is not always specific to particular types of claims.

collect sixty hours, or less than 25%, of its requested amount, for the motion. *See* ECF No. 465, PageID # 9513.

J. Kadowaki contends that the Magistrate Judge ignored controlling Ninth Circuit precedent that, “By and large, the [district] court should defer to the winning lawyer’s professional judgment as to how much time he [or she] was required to spend on the case.” *See* ECF No. 465, PageID # 9514 (citing *Ryan v. Editions Ltd. W., Inc.*, 786 F.3d 754, 763-64 (9th Cir. 2015), *cert. denied sub nom.*, *Editions Ltd. W., Inc. v. Ryan*, 136 S.Ct. 267 (U.S. Oct. 5, 2015), *Moreno v. City of Sacramento*, 534 F.3d 1106, 1112 (9th Cir. 2008)).

Critical to the Ninth Circuit’s reasoning, however, was the fact that both *Ryan* and *Moreno* involved contingency-fee cases. *See Ryan*, 2016 WL 233093, at *6 (arguing that multiplier of fees award was “necessary to compensate [plaintiff’s counsel] for the risk he ran of nonpayment in this contingency case”); *Moreno*, 534 F.3d at 1112. The Ninth Circuit in *Moreno* justified this deference to counsel in a contingency-fee case by noting:

lawyers are not likely to spend unnecessary time on contingency fee cases in the hope of inflating their fees. The payoff is too uncertain, as to both the result and the amount of the fee. It would therefore be the highly atypical civil rights case where plaintiff’s lawyer engages in churning. By and large, the court should defer to the winning lawyer’s professional judgment as to how

much time he was required to spend on the case; after all, he won, and might not have, had he been more of a slacker.

534 F.3d at 1112. There is no dispute that counsel for J. Kadowaki did not take the case on a contingency-fee basis. The rationale in *Ryan* and *Moreno* for deferring to the winning lawyer's professional judgment regarding the time required on a project therefore does not apply here.

J. Kadowaki also contends that the Magistrate Judge ignored controlling Ninth Circuit precedent on attorney's fees awards in copyright infringement cases when he "fail[ed] to provide any explanation [for his reduction of the fees] other than his simple statement that he believed the hours on the JKI's Motions for Award of Attorneys' Fees and Costs was 'excessive.'" See *id.*, PageID #s 9514-15; see also *id.*, PageID #s 9511-15 (citing *Ryan*, 786 F.3d at 763-64, *Moreno*, 534 F.3d at 1112, and *Inhale, Inc. v. Starbuzz Tobacco, Inc.*, No. 2:11-cv-03838-ODW (FFMx), 2015 WL 1470796, at *2 (C.D. Cal. Mar. 31, 2015)).

J. Kadowaki mischaracterizes the Magistrate Judge's F & R, apparently in an attempt to draw a parallel between the analysis in the F & R and the analysis by the district court that the Ninth Circuit found wanting in *Moreno*. In *Moreno*, the Ninth Circuit vacated the district court's fees award because "the district court did not explain the necessity or degree of the cut, other than to say that the amount of time plaintiff's counsel spent was 'excessive.'" 534 F.3d at

1113. It is clear from a review of the F & R that the Magistrate Judge here provided a much more in-depth explanation for the recommendation to reduce J. Kadowaki's fees than simply saying that the fees were "excessive." The Magistrate Judge explained:

[J. Kadowaki] requests reimbursement for 159.426 hours of its Counsel Lyle M. Ishida's time, and 87.15 hours of its Legal Assistant Jeannine Kamai's time for work done in connection with this filing. This would amount to nearly \$50,000 in fees for a single motion. The Court observes that the party requesting fees bears the burden of proving that the requested fees were reasonably and necessarily incurred. [*Tirona v. State Farm Mut. Auto. Ins. Co.*, 821 F. Supp. 632, 636 (D. Haw. 1993)]. The Court finds that [J. Kadowaki] has not demonstrated that expending nearly 250 hours to put together a single filing was reasonable and necessary. Instead, the Court finds that considering the nature and circumstances presented by this case, [J. Kadowaki's] request is grossly excessive and too much time is being claimed by counsel for preparation of [J. Kadowaki's] fee motion. It is the Court's conclusion that this motion could reasonably have been prepared by a reasonably competent lawyer in 40 billable hours. The Court is tasked with guarding against awarding fees and costs which are excessive, and has discretion to "trim the fat" from, or otherwise reduce, the number of hours spent on a case. *Parr v. Kalani Corp.*, Civ. No. 11-00514 ACK-BMK,

2012 WL 1424538, at *4 (D. Haw. Apr. 3, 2012). Therefore, the Court recommends that the time spent on this filing be reduced as follows: Lyle Ishida's time to be reduced by 119.426 hours to reflect 40 hours spent on this filing, and Jeannine Kamai's time to be reduced by 67.15 hours to reflect 20 hours spent on this filing. The Court is familiar with the amount of time it generally takes counsel to prepare a Motion for Attorneys' Fees, and considering the nature of this case and the details of the fee request pending before the Court, the Court finds that this reduction is reasonable and appropriate under the circumstances.

ECF No. 462, PageID #s 9446-48.

This court finds that the explanation provided by the Magistrate Judge satisfies the requirements in *Moreno*. In *Moreno*, the Ninth Circuit instructed, "[I]f the court believes the overall award is too high, it needs to say so and explain why, rather than making summary cuts in various components of the award." 534 F.3d at 1113. The Ninth Circuit added that the court should also identify the degree of excessiveness. *Id.* Here, the Magistrate Judge explained that the request was too high considering it was for a single attorney's fees motion, and pointed out that his finding was also based on J. Kadowaki's failure to justify the additional time spent beyond what is normal for such a motion. Furthermore, the Magistrate Judge heeded the instruction in *Moreno* by stating the degree of excessiveness. The Magistrate Judge decided, based on his understanding of the circumstances of this case, his

familiarity with the briefing and evidence, and his extensive experience with adjudicating motions for attorney's fees, that the amount requested for J. Kadowaki's counsel was excessive by 119.426 hours, and the amount requested by the legal assistant was excessive by 67.15 hours.

J. Kadowaki suggests that the Magistrate Judge's explanation for the reduced award is inadequate because "[n]o specific rejection of time entries or line items was explained." ECF No. 465, PageID # 9513. As a practical matter, however, this approach does not make sense, given that the Magistrate Judge's rationale for denying the requested total amount was that it is unreasonably high for the type of motion under the circumstances. Were the Magistrate Judge denying specific time entries because they were unrelated to the claim, vague, or duplicative, a line-by-line analysis of the disputed entries would be appropriate. However, because the Magistrate Judge's reduction was not targeting specific time entries, but rather the overall amount requested, this court concludes that his decision not to engage in a line-by-line analysis was wholly appropriate under the circumstances. None of the Ninth Circuit case law cited by J. Kadowaki, whether *Moreno*, *Inhale*, or *Ryan*, requires a line-byline denial of time entries when the basis for reducing the award is that the request is excessive for the particular type of legal work.

J. Kadowaki's reliance on *Inhale* and *Ryan* also does not persuade this court to modify the F & R. Both cases are inapposite in that they specifically address a

district court's explanation for "across-the-board" cuts in attorney's fees.

In *Ryan*, the Ninth Circuit vacated the district court's across-the-board twenty-percent reduction of pretrial and trial phase attorney's fees because the district court "provided no explanation for the determination that twenty percent was the appropriate amount to deduct, and failed to account for the fact that many of the entries in Ryan's billing log were not billed in block format." 786 F.3d at 765.

In *Inhale*, which is not binding precedent on this court, the district court noted,

When faced with a "massive fee application," the Court may make "across-the-board percentage cuts" instead of making an hour-by-hour analysis. The Court may make a small across-the-board reduction, no greater than 10 percent, based on its exercise of discretion and without a more specific explanation. Nonetheless, a clear and concise explanation is required if the reduction is greater than 10 percent.

2015 WL 1470796, at *2.

The recommended cuts in J. Kadowaki's fees relate to a single motion. More importantly, the Magistrate Judge adequately explained the recommended cuts. *See* ECF No. 462, PageID #s 9446-48.

J. Kadowaki argues that Local Rule 54.3 required the Magistrate Judge to provide a more detailed

explanation for his reduction of the requested fees. *See* ECF No. 465, PageID # 9514 (“Here, where the Magistrate Judge ‘trimmed’ more than 75% of JKI’s requested hours, a more substantial explanation for its reduction is required. What was required under L.R. 54.3 was a detailed explanation of the tasks and entries the court felt were not justified by JKI in researching, preparing, presenting and substantiating the information requested by the Court rules.”). Although Local Rule 54.3 requires “adequate” descriptions for work performed, it imposes those requirements on the parties moving for fees, not the judges adjudicating the fees motion. *See* Local Rule 54.3. This argument is unpersuasive.

J. Kadowaki also contends that the Magistrate Judge undervalued the amount of work required for its motion for attorney’s fees. *See* ECF No. 465, PageID #s 9515-17.

J. Kadowaki’s bills regarding the motion have been submitted as Exhibit M-2 to ECF No. 454. *See* ECF No. 454-2. In adjudicating motions for attorney’s fees, this court need not conduct a “mini-trial” with respect to the parties’ disagreements. *See Mendoza v. Brewster Sch. Dist. No. 111*, 469 F. Supp. 2d 905, 920 (E.D. Wash. 2006) (citing *Hensley*, 461 U.S. at 437).

Having examined J. Kadowaki’s timesheets with regard to its attorney’s fees motion, *see* ECF No. 454-2, PageID #s 8741-49, this court agrees with the Magistrate Judge’s judgment that \$50,000 in fees and nearly 250 hours spent for a single attorney’s fees

motion is grossly excessive, *see* ECF No. 462, PageID # 9447.

Although J. Kadowaki says the motion required more work because J. Kadowaki knew it would be vigorously opposed, it does not provide sufficient detail as to why 246.576 hours of work was necessary for the motion. Nor does J. Kadowaki explain why its attorney needed over forty hours just to research the standard for the award of attorney's fees for actions under the Copyright Act or the DCMA, *see* ECF No. 454-2, PageID #s 8741-49, or approximately 35 hours just to draft the initial memorandum. *See id.*, PageID #s 8741-46. In comparison, J. Kadowaki only took 6.3 hours to draft its reply memorandum. *See id.*, PageID # 8747. Without such explanations, the court cannot determine that the time expended was reasonable. The reduction in J. Kadowaki's fees recommended by the Magistrate Judge is adequately explained.

With respect to legal assistant hours on the motion for attorney's fees, this court agrees with the Magistrate Judge that they, too, were excessive. A review of the time entries reveals that a majority of the legal assistant's time was spent preparing the exhibits in support of J. Kadowaki's motion for attorney's fees. *See id.*, PageID #s 8741-46. Nearly seventy of those hours are accounted for by the time entry, "draft/prepare back-up materials for motion for attorneys fees/costs." *See id.*, PageID #s 8741-46. The court recognizes that it likely took the legal assistant a substantial amount of time to prepare certain exhibits, particularly those detailing the receipts

related to J. Kadowaki's costs and listing the relevant attorney time entries for the motion. But the court finds, after having reviewed all of the exhibits prepared by the legal assistant, that it should not have taken nearly ninety hours to gather and prepare these exhibits. *See id.*

Like the Magistrate Judge, this court is familiar with both the facts and circumstances of the case, and in particular, J. Kadowaki's motion for attorney's fees. The court also has substantial experience with the amount of work it requires to research and draft such a motion, and prepare the exhibits in support of the motion. This court agrees with and adopts the Magistrate Judge's recommendation to award reasonable attorney's fees to J. Kadowaki in the amount of forty hours for its counsel, Mr. Ishida, and twenty hours for his legal assistant, Ms. Kamai.

V. CONCLUSION.

Having reviewed the portions of the F & R objected to, the court adopts the F & R in its entirety.

Bargreen Ellingson is awarded \$23,678.00 in attorney's fees and \$355.97 in costs, for a total award of \$24,033.97; J. Kadowaki is awarded \$135,004.70 in attorney's fees and \$4,827.30 in costs, for a total award of \$139,832.00; Highway Inn and Ho'ola Mau are awarded \$209,660.64 in attorney's fees and \$4,914.33 in costs, for a total award of \$214,574.97; and Highway Inn, on behalf of Bryce Uyehara and Iwamoto and

App. 175

Associates, is awarded \$68,885.31 in attorney's fees and \$1,204.31 in costs, for a total award of \$70,089.62.

IT IS SO ORDERED.

DATED: Honolulu, Hawaii, March 30, 2016.

[SEAL] /s/ Susan Oki Mollway
Susan Oki Mollway
United States District Judge
