

UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

SUMMARY ORDER

**THIS SUMMARY ORDER WILL NOT BE PUBLISHED IN THE FEDERAL REPORTER AND MAY NOT BE CITED AS PRECEDENTIAL AUTHORITY TO THIS OR ANY OTHER COURT, BUT MAY BE CALLED TO THE ATTENTION OF THIS OR ANY OTHER COURT IN A SUBSEQUENT STAGE OF THIS CASE, IN A RELATED CASE, OR IN ANY CASE FOR PURPOSES OF COLLATERAL ESTOPPEL OR RES JUDICATA.**

At a stated term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse, Foley Square, in the City of New York, on the 17th day of February, two thousand six.

PRESENT: HONORABLE REENA RAGGI,  
HONORABLE PETER W. HALL,  
*Circuit Judges,*  
HONORABLE EDWARD R. KORMAN,  
*District Judge.*<sup>1</sup>

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THOMAS ALEXANDER DALLAL,  
*Plaintiff-Appellant,*

v.

No. 05-2924

THE NEW YORK TIMES COMPANY,  
THE NEW YORK TIMES ELECTRONIC  
MEDIA COMPANY, TIMES COMPANY  
DIGITAL, INC., THE NEW YORK TIMES  
INFORMATION SERVICE, INC. AND  
NEW YORK TIMES NEWS SERVICE,  
*Defendants-Appellees.*

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APPEARING FOR APPELLANT: ERIC VAUGHN-FLAM, Rubin Bailin  
Ortoli Mayer & Baker LLP, New York,

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<sup>1</sup> The Honorable Edward R. Korman, Chief Judge of the United States District Court for the Eastern District of New York, sitting by designation.

New York.

APPEARING FOR APPELLEES:

ROBERT PENCHINA (Audrey Critchley  
*on the brief*) Levine Sullivan Koch &  
Schulz, LLP, New York, New York;  
George Freeman, The New York Times  
Company, New York, New York.

Appeal from the United States District Court for the Southern District of New York  
(Alvin K. Hellerstein, *Judge*).

UPON DUE CONSIDERATION, IT IS HEREBY ORDERED, ADJUDGED, AND  
DECREED that the judgment of the district court, entered on May 12, 2005, is hereby  
VACATED and the case REMANDED for further proceedings.

Plaintiff Thomas Alexander Dallal, a freelance photographer, appeals from an award  
of summary judgment entered in favor of defendants (referred to collectively as “the New  
York Times” or “the Times”) on Dallal’s claim of copyright infringement in connection with  
the Times’s website. Dallal submits that the district court erred (1) in failing to draw an  
adverse inference from the Times’s conduct in discovery, see Fed. R. Civ. P. 37(b)(2)(A),  
and (2) in concluding that he was equitably estopped from complaining of infringement. We  
review a district court’s award of summary judgment de novo, and we will not affirm unless  
the record, viewed in the light most favorable to Dallal, reveals “no genuine issue as to any  
material fact” and defendants’ entitlement to “judgment as a matter of law.” Fed. R. Civ. P.  
56(c); see Island Software and Computer Serv., Inc. v. Microsoft, 413 F.3d 257, 260 (2d Cir.  
2005). We assume the parties’ familiarity with the facts and the record of prior proceedings,

which we reference only as necessary to explain our decision.

1. Adverse Inference

Dallal faults the district court for its refusal to draw an adverse inference from the Times's discovery actions in connection with certain photographs removed from its website. A district court enjoys considerable discretion in supervising discovery and in deciding when discovery misconduct warrants an adverse inference. We review its decision only for abuse of discretion, *see Bouzo v. Citibank, N.A.*, 96 F.3d 51, 60 (2d Cir. 1996), and find none in this case. As the district court observed, and Dallal himself concedes, Dallal repeatedly asked the Times to remove his photographs from its website, at one point complaining that the paper was not acting fast enough on his request. Thus, the district court acted well within its discretion in declining to draw an adverse inference from the Times's inability to respond to certain discovery requests precisely because it had removed Dallal's photographs from the website.

In sum, we do not vacate the challenged summary judgment award on this ground.

2. Equitable Estoppel

Dallal submits that the district court erred in concluding that he was equitably estopped from asserting his copyright infringement claim. Because we conclude that the question of estoppel cannot be decided as a matter of law on the present record, we vacate the challenged judgment and remand the case to the district court.

Equitable estoppel “is properly invoked where the enforcement of rights of one party

would work an injustice upon the other party due to the latter's justifiable reliance upon the former's words or conduct.'" Veltri v. Building Serv. 32 B-J Pension Fund, 393 F.3d 318, 326 (2d Cir. 2004) (quoting Kosakow v. New Rochelle Radiology Assocs., 274 F.3d 706, 725 (2d Cir. 2001)); see 4 Nimmer on Copyright § 13.07 (noting that equitable estoppel applies in copyright infringement actions, and may deprive a plaintiff of an otherwise meritorious copyright infringement claim). As the parties appear to agree, a copyright defendant invoking equitable estoppel must show that: 1) the plaintiff had knowledge of defendant's infringing acts, 2) the plaintiff either intended that defendant rely on his acts or omissions or acted or failed to act in such a manner that defendant had a right to believe that it was intended to rely on plaintiff's conduct, 3) the defendant was ignorant of the true facts, and 4) the defendant relied on plaintiff's conduct to its detriment. See 4 Nimmer on Copyright § 13.07; Hampton v. Paramount Pictures Corp., 279 F.2d 100, 104 (9th Cir. 1960); Lottie Joplin Thomas Trust v. Crown Publishers, Inc., 456 F. Supp. 531, 535 (S.D.N.Y. 1977), aff'd, 592 F.2d 651, 655 (2d Cir. 1978).

While Dallal concedes the first element, he submits that the record establishes disputes of material fact as to the other three. We agree that when the record is viewed in the light most favorable to Dallal, these elements cannot be resolved in favor of the Times as a matter of law. After 1997, when Dallal apparently learned that the Times was displaying photographs initially appearing in its print edition on its website, he modified his invoices to state that he was granting the newspaper a "one-time only, first exclusive use" of his

photographs. Further, the record indicates that, in various oral conversations with Times editors and staffers, Dallal objected to the “unauthorized” use of his photographs on the Internet. This conduct is sufficient to raise questions of fact as to whether Dallal intended the Times to rely on his continued acceptance of assignments as authorization for its display of his photographs on its website, whether the Times was ignorant of the fact that such use of Dallal’s photographs was unauthorized, and whether the Times’s reliance on Dallal’s continued acceptance of assignments as authority for Internet display of his photographs was reasonable. See, e.g., Hampton v. Paramount Pictures Corp., 279 F.2d at 104 (rejecting defense of equitable estoppel in copyright infringement case where party against whom estoppel was sought asserted its copyright on the film in question, and concluding that party had a right to assume that this printed assertion of right, which appeared every time the film was exhibited, provided ample notice of its interest in the film).

To the extent Dallal could have been clearer as to the limits of his authorization, the Times certainly has a viable estoppel claim, but not one that can be resolved as a matter of law. See, e.g., Pavlica v. Behr, 397 F. Supp. 2d 519, 527 (S.D.N.Y. 2005) (finding triable issue of fact about whether defendant was ignorant of the true facts where copy of the allegedly infringed material had a notice on the first page stating “[a]ny reproduction is prohibited unless permission is granted by the author”); Lottie Joplin Trust v. Crown Publishers, Inc., 456 F. Supp. at 535 (concluding that defendants could not prove detrimental reliance because, among other reasons, defendants learned that licenses could not be issued

to cover such works but proceeded with the sale of infringing record packages anyway). Accordingly, on the present record, defendants were not entitled to summary judgment on the issue of equitable estoppel.

The judgment of the district court, entered on May 12, 2005, is hereby VACATED in part and REMANDED to the district court for further proceedings.

FOR THE COURT:  
ROSEANN B. MACKECHNIE, CLERK

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BY