

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

PREFERRED CAROLINAS REALTY, INC.,)	
)	
Plaintiff,)	Civil Action _____
)	
v.)	
)	
AMERICAN HOME REALTY NETWORK,)	
INC., D/B/A NEIGHBORCITY.COM,)	
)	
Defendant.)	

COMPLAINT

1. Defendant American Home Realty Network, Inc. (“AHRN”) is unlawfully copying and displaying thousands of real-estate listings and photographs on its website, including those owned and copyrighted by Preferred Carolinas Realty, Inc. (“Preferred Carolinas”). In cases filed by other plaintiffs, two federal district courts have issued preliminary injunctions against AHRN, and Preferred Carolinas has demanded that AHRN stop violating its copyrights. But AHRN has refused. AHRN’s conduct violates the United States Copyright Act. Through this action, Preferred Carolinas seeks both injunctive and damages relief.

JURISDICTION AND VENUE

2. This action arises under the copyright laws of the United States, 17 U.S.C. § 101 *et seq.* This Court has federal-question jurisdiction over these claims under 28 U.S.C. §§ 1331 and 1338. This Court also has diversity jurisdiction under 28 U.S.C. § 1332 because the parties are citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

3. This Court has personal jurisdiction over AHRN because, among other reasons, AHRN has done and is doing business in the state of North Carolina, including (a) operating an interactive website that is accessible in North Carolina and used by North Carolina residents; (b) providing referrals to real-estate brokers and agents in North Carolina; (c) committing infringing acts and other illegal acts inside and outside North Carolina that have had and are having effects in North Carolina; and (d) being registered to do business in North Carolina when it engaged in some of the acts alleged in this Complaint.

4. Venue is proper in this Court under 28 U.S.C. §§ 1391(b) and (c) and 28 U.S.C. § 1400(a).

PARTIES

5. Plaintiff Preferred Carolinas is a corporation organized and existing under the laws of the State of North Carolina with its principal place of business at 110 Oakwood Drive, Suite 110, Winston-Salem, North Carolina. Preferred Carolinas operates under the names Prudential Carolinas Realty, Prudential Yost and Little Realty, and Prudential York Simpson Underwood Realty. Preferred Carolinas is a citizen of North Carolina for diversity-jurisdiction purposes.

6. AHRN is a corporation organized and existing under the laws of the State of Delaware and having its principal place of business at 222 7th Street, 2nd Floor, San Francisco, California. AHRN is a citizen of both California and Delaware for diversity-jurisdiction purposes. AHRN operates the website www.neighborcite.com. AHRN was registered with the North Carolina Secretary of State to do business in North Carolina when it engaged in at least some of the acts at issue in this Complaint.

FACTUAL ALLEGATIONS

I. Preferred Carolinas is one of the leading residential-real-estate agencies in the United States, and its agents use copyrighted photographs to list their properties.

7. Preferred Carolinas is a licensed real-estate-brokerage company serving areas in North Carolina.

8. Preferred Carolinas has more than 700 real-estate agents and 14 sales offices in the leading metropolitan areas of North Carolina, including Charlotte, Lake Norman, Winston-Salem, Kernersville, Greensboro, Raleigh, Durham, Chapel Hill, and Cary.

9. Preferred Carolinas uses real-estate agents who are independent contractors. These agents market and sell properties under the Preferred Carolinas name and its operating names, and they use its website at www.pruccarolinas.com.

10. Preferred Carolinas and its agents use property listings to generate interest in properties for sale and communicate information about the properties to potential buyers. These listings are posted on Preferred Carolinas' website and are distributed by its agents to interested buyers in paper and electronic form.

11. Preferred Carolinas and its agents invest significant time, money, resources, and creativity in preparing each property listing. After an agent contracts with a seller to list a property, the agent goes through a series of steps to market the listing, which can include staging the property, taking photographs of the property, editing the photographs, creating a virtual tour, preparing a narrative description of the property, and entering the listing into an MLS database. The agent also spends significant time marketing the property by creating flyers, yard signs, postcards, and other marketing materials using the photographs and property information; hosting open houses; and traveling to and from the property for showings.

12. When a Preferred Carolinas agent secures the right to list and market a property for sale, the agent arranges for internal and external photographs of the property for use in the listings. The photographs are vital to the listings because they allow potential buyers to view the property before visiting the property. Preferred Carolinas agents and employees sometimes take the photographs. Other times the photographs are taken by the property owner or by a third party at the request of Preferred Carolinas or its agents.

13. As part of their independent-contractor agreements, Preferred Carolinas' agents assign to Preferred Carolinas all of their intellectual-property rights—including copyrights—in the material they create with respect to listed properties. Similarly, any third party engaged to take photographs of properties for use in listings also assigns all copyrights in the photographs to Preferred Carolinas.

II. AHRN is willfully violating Preferred Carolinas' copyrights by posting Preferred Carolinas' photographs on AHRN's NeighborCity website.

14. Through its website, www.neighborcity.com, AHRN allows the public to view real-estate listings for properties located throughout the United States, including in North Carolina.

15. The listings available through AHRN's website include listings that display photographs owned and copyrighted by Preferred Carolinas.

16. Preferred Carolinas has neither granted AHRN a license to use its copyrighted material nor has Preferred Carolinas otherwise authorized or granted any rights to AHRN to access, reproduce, display, distribute, or create derivative works based on Preferred Carolinas' copyrighted material.

III. AHRN is violating thousands of copyrights.

17. AHRN has violated and continues to violate thousands of copyrights, including the copyrights registered by Preferred Carolinas cited below:

A. 427 Carolina Avenue

18. On March 27, 2012, Preferred Carolinas agent Jill Flink first listed for sale through Preferred Carolinas the property located at 427 Carolina Avenue, Raleigh, NC 27606 (MLS ID #1827999). A true and correct copy of a screen shot of this listing from www.prucarolinas.com as of July 5, 2012 is attached as Exhibit A-1.

19. The Preferred Carolinas listing for this property contained 25 photographs taken by Jill Flink.

20. Jill Flink assigned all rights in and to the copyrighted photographs to Preferred Carolinas.

21. Preferred Carolinas applied to the United States Copyright Office on June 18, 2012, for registration of its copyrights relating to the 427 Carolina Avenue property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001822349 to these photographs. A copy of the Certificate of Registration is attached as Exhibit A-2.

22. AHRN copied and displayed on its NeighborCity website at least eight of Prudential Carolinas' copyrighted photographs of the 427 Carolina Avenue property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit A-3.

23. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

B. 126 Bear Oak

24. On March 31, 2012, Preferred Carolinas agent Kara Sanford first listed for sale the property located at 126 Bear Oak, Smithfield, NC 27577 (MLS ID #1828800). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit B-1.

25. The Preferred Carolinas listing for this property contained 20 photographs taken by Aleck and Amanda Carroll, the owners of the property.

26. Aleck and Amanda Carroll assigned all rights in and to the copyrighted photographs to Preferred Carolinas.

27. Preferred Carolinas applied to the United States Copyright Office on June 18, 2012, for registration of its copyrights relating to the 126 Bear Oak property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001826761 to these photographs. A copy of the Certificate of Registration is attached as Exhibit B-2.

28. AHRN copied and displayed on its NeighborCity website at least eight of Prudential Carolinas' copyrighted photographs of the 126 Bear Oak property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit B-3.

29. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

C. 2132 Bellaire Avenue

30. On March 22, 2012, Preferred Carolinas agent Graham Young first listed for sale the property located at 2132 Bellaire Avenue, Raleigh, NC 27608 (MLS ID #1827128). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit C-1.

31. The Preferred Carolinas listing for this property contained 20 photographs taken by Kristen Fields, an employee of Preferred Carolinas.

32. Preferred Carolinas owns and holds all rights in and to the copyrighted photographs because the photographs were works for hire.

33. Preferred Carolinas applied to the United States Copyright Office on June 18, 2012, for registration of its copyrights relating to the 2132 Bellaire Avenue property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001822340 to these photographs. A copy of the Certificate of Registration is attached as Exhibit C-2.

34. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 2132 Bellaire Avenue property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit C-3.

35. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

D. 109 London Plain Court

36. On April 4, 2012, Preferred Carolinas agent Cindy Faltisco first listed for sale the property located at 109 London Plain Court, Cary, NC 27513 (MLS ID #1829618). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit D-1.

37. The Preferred Carolinas listing for this property contained 24 photographs taken by Kristen Fields, an employee of Preferred Carolinas.

38. Preferred Carolinas owns and holds all rights in and to the copyrighted photographs because the photographs were works for hire.

39. Preferred Carolinas applied to the United States Copyright Office on June 22, 2012, for registration of its copyrights relating to the 109 London Plain Court property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001822330 to these photographs. A copy of the Certificate of Registration is attached as Exhibit D-2.

40. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 109 London Plain Court property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit D-3.

41. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

E. 3622 Trail Twenty Three

42. On April 11, 2012, Preferred Carolinas agent Laura Bromhal first listed for sale the property located at 3622 Trail Twenty Three, Durham, NC 27707 (MLS ID #1830585). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit E-1.

43. The Preferred Carolinas listing for this property contained 25 photographs taken by Kristen Fields, an employee of Preferred Carolinas.

44. Preferred Carolinas owns and holds all rights in and to the copyrighted photographs because the photographs were works for hire.

45. Preferred Carolinas applied to the United States Copyright Office on June 22, 2012, for registration of its copyrights relating to the 3622 Trail Twenty Three property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001822334 to these photographs. A copy of the Certificate of Registration is attached as Exhibit E-2.

46. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 3622 Trail Twenty Three property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit E-3.

47. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

F. 3409 Peninsula Court

48. On May 3, 2012, Preferred Carolinas agent Sheri Higgins first listed for sale a property located at 3409 Peninsula Court, Monroe, NC 28110 (MLS ID #2082866). A true and correct copy of this listing from www.prucarolinas.com as of June 25, 2012, is attached as Exhibit F-1.

49. The Preferred Carolinas listing for this property contained 16 photographs taken by Sheri Higgins, an employee of Preferred Carolinas.

50. Preferred Carolinas owns and holds all rights in and to the copyrighted photographs because the photographs were works for hire.

51. Preferred Carolinas applied to the United States Copyright Office on June 22, 2012, for registration of its copyrights relating to the 3409 Peninsula Court property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001822336 to these photographs. A copy of the Certificate of Registration is attached as Exhibit F-2.

52. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 3409 Peninsula Court property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit F-3.

53. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

G. 241 Kimberly Road

54. On April 12, 2012, Preferred Carolinas agent Mary Lib Richards first listed for sale a property located at 241 Kimberly Road, Davidson, NC 28036 (MLS ID #2078409). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit G-1.

55. The Preferred Carolinas listing for this property contained 16 photographs taken by Mary Lib Richards.

56. Mary Lib Richards assigned all rights in and to the copyrighted photographs to Preferred Carolinas.

57. Preferred Carolinas applied to the United States Copyright Office on June 26, 2012, for registration of its copyrights relating to the 241 Kimberly Road property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001820847 to these photographs. A copy of the Certificate of Registration is attached as Exhibit G-2.

58. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 241 Kimberly Road property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit G-3.

59. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

H. 5453 Ashbury Lane

60. On May 4, 2012, Preferred Carolinas agent Mary Lib Richards first listed for sale a property located at 5453 Ashbury Lane, Davidson, NC 28036 (MLS ID #2082978). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit H-1.

61. The Preferred Carolinas listing for this property contained 16 photographs taken by Mary Lib Richards.

62. Mary Lib Richards assigned all rights in and to the copyrighted photographs to Preferred Carolinas.

63. Preferred Carolinas applied to the United States Copyright Office on June 26, 2012, for registration of its copyrights relating to the 5453 Ashbury Lane property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001820846 to these photographs. A copy of the Certificate of Registration is attached as Exhibit H-2.

64. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 5453 Ashbury Lane property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit H-3.

65. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

I. 420 Windward Drive

66. On May 25, 2012, Preferred Carolinas agent Mary Lib Richards first listed for sale a property located at 420 Windward Drive, Davidson, NC 28036 (MLS ID #2087339). A true and correct copy of this listing from www.prucarolinas.com as of July 5, 2012, is attached as Exhibit I-1.

67. The Preferred Carolinas listing for this property contained 16 photographs taken by Mary Lib Richards.

68. Mary Lib Richards assigned all rights in and to the copyrighted photographs to Preferred Carolinas.

69. Preferred Carolinas applied to the United States Copyright Office on June 26, 2012, for registration of its copyrights relating to the 420 Windward Drive property using the Copyright Office's Pilot Program for electronic registration of groups of photographs. The Copyright Office assigned copyright-registration number VA0001820845 to these photographs. A copy of the Certificate of Registration is attached as Exhibit I-2.

70. AHRN copied and displayed on its NeighborCity website at least eight of Preferred Carolinas' copyrighted photographs of the 420 Windward Drive property. A true and correct copy of a NeighborCity.com screen shot showing the listing as of July 5, 2012, including Preferred Carolinas' copyrighted photographs, is attached as Exhibit I-3.

71. AHRN was not licensed or otherwise authorized to reproduce, publicly display, or create derivative works of any of Preferred Carolinas' copyrighted material with respect to this property.

IV. Preferred Carolinas demanded that AHRN stop infringing its copyrights, but AHRN has refused.

72. On January 5, 2012, Preferred Carolinas' parent company sent a letter to AHRN regarding its infringement of the copyrights owned by Preferred Carolinas and other subsidiary brokerages (the "Cease and Desist Letter"). A copy of the Cease and Desist Letter is attached as Exhibit J.

73. AHRN responded to the Cease and Desist Letter on March 1, 2012. A true and correct copy of AHRN's March 1, 2012 letter is attached as Exhibit K.

74. In its March 1, 2012 letter, AHRN did not dispute that it has used and was continuing to use Preferred Carolinas' photographs. Nor did AHRN claim to have a license to use Preferred Carolinas' copyrighted material. Instead, AHRN acknowledged the absence of any such license by requesting a "custom license."

75. Preferred Carolinas and its parent company declined this offer.

76. Undeterred, AHRN continued using and displaying Preferred Carolinas' copyrighted photographs.

V. AHRN continues to violate Preferred Carolinas' copyrights, even after being enjoined by two federal courts in actions filed by other plaintiffs.

77. As stated above, Preferred Carolinas is not the only victim of AHRN's copyright infringement.

78. On March 28, 2012, Metropolitan Regional Information Systems, Inc. ("MRIS") filed a copyright-infringement lawsuit against AHRN in the United States District Court for the

District of Maryland. MRIS accused AHRN of unlawfully reproducing its copyrighted photographs and content on the www.neighborcity.com website.

79. AHRN was named as a defendant in another lawsuit on April 18, 2012, when Regional Multiple Listing Service of Minnesota, Inc. (“RMLS”) filed a copyright-infringement lawsuit in the United States District Court for the District of Minnesota. RMLS also accused AHRN of unlawfully reproducing copyrighted photographs and content on the www.neighborcity.com website.

80. Both MRIS and RMLS filed motions for preliminary injunctions.

81. Preferred Carolinas learned of these lawsuits and believed that, if preliminary injunctions were granted, AHRN would voluntarily stop infringing Preferred Carolinas’ copyrights.

82. On August 27, 2012, the Maryland federal court in the MRIS action issued a preliminary injunction enjoining AHRN from copying and displaying MRIS’s copyrighted material.

83. One month later, in the RMLS action, the Minnesota court enjoined AHRN from copying or displaying RMLS’s copyrighted material.

84. Despite these preliminary injunctions, AHRN continues copying and displaying Preferred Carolinas’ copyrighted photographs on the www.neighborcity.com website.

85. On November 15, 2012, RMLS filed a motion for contempt accusing AHRN of violating the Minnesota court’s preliminary injunction. MRIS filed a similar contempt motion in the Maryland action on January 17, 2013. As of the filing of this Complaint, both contempt motions remain pending.

COUNT I

(Direct Willful Copyright Infringement Against AHRN—Reproduction)

86. Preferred Carolinas incorporates by reference paragraphs 1-85 of this Complaint as if set forth in full here.

87. The photographs used in Preferred Carolinas' listings, including those photographs contained in the listings detailed in the foregoing paragraphs, are original works of authorship subject to copyright protection under 17 U.S.C. § 101 *et seq.*

88. AHRN has infringed Preferred Carolinas' exclusive copyrights by reproducing copyrighted photographs and displaying them on AHRN's NeighborCity.com website without AHRN's authorization.

89. AHRN's reproduction of each picture for each property constitutes a separate and distinct copyright violation.

90. AHRN's conduct constitutes direct infringement of Preferred Carolinas' exclusive copyrights under the Copyright Act, 17 U.S.C. § 106(1).

91. AHRN's acts of infringement have been willful, intentional, and purposeful and were in disregard of and indifferent to Preferred Carolinas' rights at all times relevant to this action.

92. As a direct and proximate result of AHRN's willful infringement of Preferred Carolinas' copyrights, Preferred Carolinas is entitled to the maximum statutory damages under 17 U.S.C. § 504(c).

93. Alternatively, at Preferred Carolinas' election, under 17 U.S.C. § 504(b), Preferred Carolinas is entitled to its actual damages in addition to AHRN's profits from infringement as Preferred Carolinas will prove at trial.

94. Preferred Carolinas is also entitled to its costs, including reasonable attorneys' fees, under 17 U.S.C. § 505.

95. Under 17 U.S.C. § 502, Preferred Carolinas is also entitled to both preliminary and permanent injunctive relief to prevent AHRN from further infringing Preferred Carolinas' rights.

COUNT II

(Direct Willful Copyright Infringement Against AHRN—Derivative Works)

96. Preferred Carolinas incorporates by reference paragraphs 1-85 of this Complaint as if set forth in full here.

97. AHRN, without Preferred Carolinas' authorization, modified and adapted copyrighted material owned by Preferred Carolinas to create derivative works available for use, download, and distribution on the NeighborCity.com website in connection with AHRN's business, all of which violated Preferred Carolinas' exclusive copyrights.

98. The creation of a derivative work with respect to each picture for each property constitutes a separate and distinct copyright violation.

99. AHRN's conduct constitutes direct infringement of Preferred Carolinas' exclusive copyrights under the Copyright Act and violated 17 U.S.C. §106(2).

100. AHRN's acts of infringement have been willful, intentional, and purposeful, and were in disregard of and indifferent to Preferred Carolinas' rights at all times relevant to this action.

101. As a direct and proximate result of AHRN's infringement of Preferred Carolinas' copyrights, Preferred Carolinas is entitled to the maximum statutory damages under 17 U.S.C. § 504(c) because of AHRN's willful infringement.

102. Alternatively, at Preferred Carolinas' election, under 17 U.S.C. § 504(b), Preferred Carolinas is entitled to its actual damages plus AHRN's profits from infringement as Preferred Carolinas will prove at trial.

103. Preferred Carolinas is also entitled to its costs, including reasonable attorneys' fees, under 17 U.S.C. § 505.

104. Under 17 U.S.C. § 502, Preferred Carolinas is entitled to both preliminary and permanent injunctive relief to prevent AHRN from any further infringement of Preferred Carolinas' rights.

COUNT III

(Direct Willful Copyright Infringement Against AHRN—Public Display)

105. Preferred Carolinas incorporates by reference paragraphs 1-85 of this Complaint as if set in full here.

106. AHRN, without authorization, displayed publicly Preferred Carolinas' copyrighted content on the NeighborCity.com website and made Preferred Carolinas' copyrighted content, and derivative works based on such content, available for use, download, and distribution by Internet users in connection with AHRN's business, all in violation of Preferred Carolinas' exclusive copyrights.

107. The public display of each picture for each property constitutes a separate and distinct copyright violation.

108. AHRN's conduct directly infringes Preferred Carolinas' exclusive copyrights under the Copyright Act in violation of 17 U.S.C. § 106(5).

109. AHRN's acts of infringement have been willful, intentional, and purposeful, and were in disregard of and indifferent to Preferred Carolinas' rights at all times relevant to this action.

110. As a direct and proximate result of AHRN's infringement of Preferred Carolinas' copyrights, Preferred Carolinas is entitled to the maximum statutory damages under 17 U.S.C. § 504(c) because of AHRN's willful infringement.

111. Alternatively, at Preferred Carolinas' election, under 17 U.S.C. § 504(b), Preferred Carolinas is entitled to its actual damages plus AHRN's profits from infringement as will be proven at trial.

112. Preferred Carolinas is also entitled to its costs, including reasonable attorneys' fees, under 17 U.S.C. § 505.

113. Under 17 U.S.C. § 502, Preferred Carolinas is entitled to both preliminary and permanent injunctive relief to prevent AHRN from any further infringement of Preferred Carolinas' rights.

WHEREFORE, Plaintiff Preferred Carolinas prays for judgment against Defendant AHRN as follows:

- A. For a judgment that Defendant AHRN willfully infringed Preferred Carolinas' copyrights in the photographs used in its listings, both directly and secondarily.
- B. For preliminary and permanent injunctive relief requiring that AHRN and its agents, servants, employees, officers, attorneys, successors, licensees, partners, and assigns, and all persons acting in concert or participation with each or any of them or any of their principals, cease directly or indirectly infringing, or causing, enabling, facilitating, encouraging, promoting, and inducing or participating in the infringement

of, any of Preferred Carolinas' copyrights or exclusive rights protected by the Copyright Act, whether now in existence or hereafter created and whether or not such copyrights have been registered.

C. For statutory damages under 17 U.S.C. § 504(c) for willful infringement.

Alternatively, at Preferred Carolinas' election, under 17 U.S.C. § 504(b), for actual damages in addition to AHRN's profits from infringement, as Preferred Carolinas will prove at trial.

D. For Preferred Carolinas' costs, including reasonable attorneys' fees and costs, under 17 U.S.C. § 505.

E. For pre- and post-judgment interest according to law.

F. For such other and further relief as the Court may deem just and proper.

Respectfully submitted, this the 4th day of March, 2013.

TEAGUE CAMPBELL DENNIS & GORHAM, L.L.P.

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