

STATE OF NEW YORK

395

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. VANEL -- read once and referred to the Committee on Judiciary

AN ACT to amend the general business law, in relation to prohibiting bad faith assertions of copyright infringement

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general business law is amended by adding a new article 24-AA to read as follows:

ARTICLE 24-AA

BAD FAITH ASSERTIONS OF COPYRIGHT INFRINGEMENT

Section 370. Definitions.

370-a. Bad faith assertions of copyright infringement prohibited.

370-b. Penalties.

370-c. Severability.

§ 370. Definitions. The following terms shall have the following meanings:

1. "Demand" or "assertion" shall mean a letter, e-mail, or other communication asserting or claiming that the target has engaged in copyright infringement.

2. "Target" shall mean a New York resident:

(a) Who has received a demand letter or against whom an assertion or allegation of copyright infringement has been made;

(b) Who has been threatened with litigation or against whom a lawsuit has been filed alleging copyright infringement; or

(c) Whose customers have received a demand letter asserting that the person's product, service, or technology has infringed on a copyright.

§ 370-a. Bad faith assertions of copyright infringement prohibited. 1. A person shall not make a bad faith assertion of copyright infringement.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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1 2. An assertion of copyright infringement is presumptively made in bad
2 faith when:

3 (a) The amount demanded by the person making the assertion was not
4 made in good faith; or

5 (b) The claim or assertion of copyright infringement is based on copy-
6 righted material that is in the public domain or for which the asserter
7 lacks the authority to enforce the copyright.

8 3. A court determining whether an amount demanded was made in good
9 faith shall consider the following factors:

10 (a) the amount of the demand that makes up the cost of the copyrighted
11 material;

12 (b) the amount of the demand that makes up any reasonable costs and
13 attorney's fees incurred in making the assertion, provided however that
14 where the assertion was made through automated means or the costs
15 incurred to make and communicate the assertion were de minimis, the
16 court shall find that the cost incurred in making the assertion is zero
17 dollars;

18 (c) the amount of the demand that makes up damages related to the use
19 of the copyrighted material, including reputational damages, lost
20 licensing revenue, lost sales, punitive damages and any other financial
21 loss associated with the infringement, provided however that a court
22 shall assess the veracity of such damages and the amount claimed by such
23 damages;

24 (d) the amount of the demand that makes up any other costs;

25 (e) the amount that is generally awarded for similar claims where a
26 person asserting copyright infringement prevails, other than such
27 amounts described in paragraph (b) of this subdivision;

28 (f) the amount that a willing buyer of the relevant copyrighted mate-
29 rial is willing to pay a willing seller. To determine such amount a
30 court may examine:

31 (i) existing listings, sales and negotiations for sales, whether pres-
32 ently or previously occurring;

33 (ii) the cost of other, similar copyrighted material that the asserter
34 has listed, sold and negotiated, whether presently or previously occur-
35 ring; and

36 (iii) the overall market for similar copyrighted materials;

37 (g) the ratio between the different categories of all amounts
38 asserted, in relation to the overall amount of the demand;

39 (h) whether such amounts demanded from the asserter evince an intent
40 to compel the recipient to settle for a significantly higher sum than
41 the typical cost of the copyrighted material to avoid the costs of liti-
42 gating a claim. The court may consider any relevant non-privileged
43 information in making this determination; and

44 (i) the amount that the asserter would have recovered or did recover
45 had they been successful or when they were successful in an action to
46 enforce the copyrighted material, other than such amounts described in
47 paragraph (b) of this subdivision.

48 4. Where subdivision two of this section does not apply, a court may
49 consider the following factors as evidence that a person has made a bad
50 faith assertion of copyright infringement:

51 (a) The demand letter does not contain a reference to the copyrighted
52 material and the name and address of the copyright owner or owners and
53 assignee or assignees, if any;

54 (b) The demand letter demands payment of a license fee or response
55 within an unreasonably short period of time;

56 (c) The claim or assertion of copyright infringement is deceptive;

(d) The claim or assertion of copyright infringement is meritless, and the person knew, or should have known, that the claim or assertion is meritless;

(e) The person or their subsidiaries or affiliates have previously filed or threatened to file one or more lawsuits based on the same or similar claim of copyright infringement, and:

(i) those threats or lawsuits lacked the information described in paragraph (a) of this subdivision; or

(ii) the person attempted to enforce the claim of copyright infringement in litigation, and a court found the claim to be meritless; and

(f) Any other factor the court finds relevant.

5. With respect to a court's assessment under subdivisions three and four of this section, a court may consider the following factors as evidence that a person has not made a bad faith assertion of copyright infringement:

(a) The demand letter contains the information described in paragraph (a) of subdivision four of this section;

(b) Where the demand letter lacks the information described in paragraph (a) of subdivision four of this section and the target requests the information, the person provides the information within a reasonable period of time;

(c) The person engages in a good faith effort to establish that the target has infringed the copyright and to negotiate an appropriate remedy;

(d) The person is:

(i) the creator or author of the copyrighted material or, in the case of a copyright filed by and awarded to an assignee of the original creator or author or joint creator or author, is the original assignee; or

(ii) an institution of higher education or a technology transfer organization owned or affiliated with an institution of higher education;

(e) The person has demonstrated good faith business practices in previous efforts to enforce the copyright, or a substantially similar copyright; and

(f) Any other factor the court finds relevant.

6. Nothing in this section shall be construed as limiting, expanding or altering any parties' rights with respect to a copyright infringement claim brought in a court of competent jurisdiction.

7. The fact that a demand was made through automated means, in whole or in part, shall not be a defense to this section.

§ 370-b. Penalties. 1. A person who is the recipient of a bad faith assertion of copyright infringement may bring a civil action in a court of competent jurisdiction and, upon a finding that the person violated the provisions of this article, the court shall award such recipient of a bad faith assertion of copyright infringement:

(a) Equitable relief, as the court deems proper;

(b) Reasonable attorney's fees and costs;

(c) Exemplary damages in an amount of ten thousand dollars or three times the total of damages, costs, and fees, whichever is greater; and

(d) Any other relief the court deems proper.

2. A court, in its discretion, may award to any party or attorney in any action brought under this section costs in the form of reimbursement for actual expenses reasonably incurred and reasonable attorney's fees, resulting from frivolous conduct as defined in section 130-1.1 of title twenty-two of the New York codes, rules and regulations, as amended from time to time.

1 3. Wherever the attorney general shall find that a person has engaged
2 in a persistent course of conduct in violation of this article, an
3 application may be made by the attorney general in the name of the
4 people of the state of New York to a court of justice having jurisdic-
5 tion to issue an injunction, and upon notice to the defendant of not
6 less than five days, to enjoin and restrain the continuance of such
7 violations; and if it shall appear to the satisfaction of the court or
8 justice, that the defendant has, in fact, violated this section an
9 injunction may be issued by such court or justice enjoining and
10 restraining any further violation, without requiring proof that any
11 person has, in fact, been injured or damaged thereby. In any such
12 proceeding, the court may make allowances to the attorney general as
13 provided in paragraph six of subdivision (a) of section eighty-three
14 hundred three of the civil practice law and rules, and direct restitu-
15 tion. Whenever the court shall determine that a violation of this
16 section has occurred, the court may impose a civil penalty of not more
17 than ten thousand dollars per bad faith assertion of copyright infringe-
18 ment or three times the total of damages, costs, and fees, whichever is
19 greater. In connection with any such proposed application, the attorney
20 general is authorized to take proof and make a determination of the
21 relevant facts and to issue subpoenas in accordance with the civil prac-
22 tice law and rules.

23 § 370-c. Severability. If any clause, sentence, paragraph, section or
24 part of this article shall be adjudged by any court of competent juris-
25 dition to be invalid and after exhaustion of all further judicial
26 review, the judgment shall not affect, impair or invalidate the remain-
27 der thereof, but shall be confined in its operation to the clause,
28 sentence, paragraph, section or part of this article directly involved
29 in the controversy in which the judgment shall have been rendered.

30 § 2. This act shall take effect on the one hundred eightieth day after
31 it shall have become a law.