

---

## Judge Dismisses Shelter Capital and Spark Capital from Copyright Lawsuit

2009-02-05

US District Court Judge Howard Matz of the Central District of California dismissed a copyright lawsuit against WilmerHale clients Shelter Capital and Spark Capital, which was filed by Universal Music Group (UMG).

In September 2007, UMG sued Veoh Networks for direct, contributory and vicarious copyright infringement and for inducement of copyright infringement. Almost a year later, in August 2008, UMG then named three of Veoh's investors as defendants on the three theories of secondary liability —Shelter Capital and Spark Capital being two of the three.

UMG sought to hold these two venture capital companies liable for secondary copyright infringement by virtue of their investment in, and Board positions in, the underlying invested company, Veoh Networks. UMG's approach, if vindicated, would have had a chilling effect on investments in the Internet space. However, Judge Matz found that the mere act of being an investor or board member of a company facing copyright issues and fulfilling those normal duties does not constitute infringement.

[Robert Badal](#) led the WilmerHale team, which included [Maria Vento](#),

Amanda Walker and Joel Cavanaugh.