

1 JOSEPH C. GRATZ (CA SBN 240676)
 JGratz@mofo.com
 2 TIFFANY CHEUNG (CA SBN 211497)
 TCheung@mofo.com
 3 TIMOTHY CHEN SAULSBURY (CA SBN 281434)
 TSaulsbury@mofo.com
 4 MORRISON & FOERSTER LLP
 425 Market Street
 5 San Francisco, California 94105-2482
 Telephone: 415.268.7000
 6 Facsimile: 415.268.7522

7 MARK A. LEMLEY (CA SBN 155830)
 mlemley@lex-lumina.com
 8 LEX LUMINA PLLC
 745 Fifth Avenue, Suite 500
 9 New York, New York 10151
 Telephone: 646.898.2055
 10 Facsimile: 646.906.8657

11 [CAPTION PAGE CONTINUED ON NEXT PAGE]

12 Attorneys for Defendants
 STABILITY AI LTD. and STABILITY AI, INC.

13

14 UNITED STATES DISTRICT COURT
 15 NORTHERN DISTRICT OF CALIFORNIA
 16 SAN FRANCISCO DIVISION

17

18 SARAH ANDERSEN, ET AL.,

19 Plaintiffs,

20 v.

21 STABILITY AI LTD., ET AL.,

22 Defendants.

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Case No. 3:23-cv-00201

**DEFENDANTS STABILITY AI LTD.
 AND STABILITY AI, INC.'S ANSWER
 TO SECOND COMPLAINT**

Judge: Hon. William H. Orrick

1 ADITYA V. KAMDAR (CA SBN 324567)
AKamdar@mofocom
2 MORRISON & FOERSTER LLP
2100 L Street, NW, Suite 900
3 Washington, DC 20037
Telephone: 202.887.1500
4 Facsimile: 202.887.0763

5 LAURA G. REMUS (CA SBN 352638)
LRemus@mofocom
6 MORRISON & FOERSTER LLP
707 Wilshire Boulevard, Suite 6000
7 Los Angeles, California 90017-3543
Telephone: 213.892.5200
8 Facsimile: 213.892.5454

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1 Defendants Stability AI Ltd. and Stability AI, Inc. (collectively “Stability AI”), by and
2 through the undersigned counsel, submit the following answer to Plaintiffs’ Second Amended
3 Complaint (“SAC”).

4 Stability AI states that the headings and sub-headings throughout the SAC do not
5 constitute well-pleaded allegations of fact and, therefore, require no response. To the extent that
6 a response is deemed required, Stability AI denies the allegations contained in the SAC’s
7 headings and sub-headings.

8 Stability AI denies all allegations in the SAC that are not explicitly admitted and
9 otherwise answers as follows.

10 **I. AI IMAGE PRODUCTS ARE TRAINED ON VAST NUMBERS OF COPYRIGHTED**
11 **IMAGES WITHOUT CONSENT, CREDIT, OR COMPENSATION AND VIOLATE**
12 **THE RIGHTS OF MILLIONS OF ARTISTS**

13 1. Denied.

14 2. Denied.

15 3. Denied.

16 4. Stability AI admits that Emad Mostaque stated on the Narratives Podcast linked to
17 in paragraph 4 of the SAC: “Stable Diffusion is the model itself. It’s a collaboration that we did
18 with a whole bunch of people ... We took 100,000 gigabytes of images and compressed it to a
19 two-gigabyte file that can recreate any of those and iterations of those.” Stability AI denies any
20 remaining allegations in this paragraph.

21 5. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 6. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

25 7. Denied.

1 18. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 19. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 20. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 21. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 22. Stability AI lacks knowledge or information sufficient to admit or deny the
10 allegations in this paragraph, and on that basis denies them.

11 23. Stability AI lacks knowledge or information sufficient to admit or deny the
12 allegations in this paragraph, and on that basis denies them.

13 24. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 25. Stability AI lacks knowledge or information sufficient to admit or deny the
16 allegations in this paragraph, and on that basis denies them.

17 26. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 27. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.
21
22 **IV. DEFENDANTS**

23 27. Stability AI admits that defendant Stability AI Ltd. is a UK corporation with its
24 principal place of business at 88 Notting Hill Gate, London, England, W11 3HP. Stability AI
25 admits that Stability AI Ltd. was founded by Mohammad Emad Mostaque. Stability AI lacks
26 knowledge or information sufficient to admit or deny any additional allegations that relate to
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1 Mr. Mostaque, and on that basis denies them. Stability AI denies any remaining allegations in
2 this paragraph.

3 28. Admitted.

4 29. Stability AI lacks knowledge or information sufficient to admit or deny the
5 allegations in this paragraph, and on that basis denies them.

6 30. Stability AI lacks knowledge or information sufficient to admit or deny the
7 allegations in this paragraph, and on that basis denies them.

8 31. Stability AI lacks knowledge or information sufficient to admit or deny the
9 allegations in this paragraph, and on that basis denies them.
10

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12 V. AGENTS AND CO-CONSPIRATORS

13 32. Denied.

14 33. Denied.

15

16 VI. CLASS ALLEGATIONS

17 A. Class Definitions

18 34. Denied.

19 35. Denied.

20

21 B. Numerosity

22 36. Denied.

23 C. Typicality

24 37. Denied.

25

26 D. Commonality & Predominance

27 38. Denied.

28 39. Denied.

1 40. Denied.

2 41. Denied.

3 42. Denied.

4 43. Denied.

5 44. Denied.

6 44. Denied.

7 **E. Adequacy**

8 45. Denied.

9

10 **F. Other Class Considerations**

11 46. Denied.

12 47. Denied.

13 48. Denied.

14

15 **VII. ARTISTS AND THEIR WORKS**

16 49. Stability AI lacks knowledge or information sufficient to admit or deny the
17 allegations in this paragraph, and on that basis denies them.

18 50. Stability AI lacks knowledge or information sufficient to admit or deny the
19 allegations in this paragraph, and on that basis denies them.

20 51. Denied.

21 52. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 53. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

25 54. Denied.

26 55. Denied.

27 56. Denied.

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VIII. THE SOURCE OF THE TRAINING DATASETS: LAION

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2 57. Stability AI admits that LAION appears to be an acronym for “Large-scale
3 Artificial Intelligence Open Network.” Stability AI admits that the LAION website states that the
4 Organizational Lead/Founder is Christoph Schuhmann. Stability AI admits that the LAION
5 website states: “We are a non-profit organization with members from all over the world, aiming
6 to make large-scale machine learning models, datasets and related code available to the general
7 public.” Stability AI admits that the LAION “Team” website lists Robin Rombach, Katherine
8 Crowson, and Romain Beaumont. Stability AI lacks knowledge or information sufficient to
9 admit or deny the remaining allegations in this paragraph, and on that basis denies them.
10

11 58. Stability AI admits that LAION makes available datasets. Stability AI lacks
12 knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that
13 basis denies them.
14

15 59. Stability AI admits that the link in paragraph 59 of the SAC is to a paper titled
16 “LAION-400M: Open Dataset of CLIP-Filtered 400 Million Image-Text Pairs.” Stability AI lacks
17 knowledge or information sufficient to admit or deny any remaining allegations in this paragraph,
18 and on that basis denies them.

19 60. Stability AI admits that one format of the LAION-400M dataset appears to include
20 metadata records that contain the following attributes: sample ID, URL, text, license, NSFW,
21 similarity, width, and height. Stability AI lacks knowledge or information sufficient to admit or
22 deny the remaining allegations in this paragraph, and on that basis denies them.
23

24 61. Stability AI admits that LAION has released software called “img2dataset.”
25 Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this
26 paragraph, and on that basis denies them.

27 62. Stability AI lacks knowledge or information sufficient to admit or deny the
28 allegations in this paragraph, and on that basis denies them.

1 63. Stability AI admits that the LAION-400M Paper linked in paragraph 59 of the
2 SAC states, “To create image-text pairs, we parse through WAT files from Common Crawl and
3 parse out all HTML IMG tags containing an alt-text attribute. We download the raw images from
4 the parsed URLs with asynchronous requests using Trio and Asks libraries.” Stability AI lacks
5 knowledge or information sufficient to admit or deny the remaining allegations in this paragraph,
6 and on that basis denies them.

7
8 64. Stability AI admits that the first Twitter post linked in paragraph 64 of the SAC
9 appears to be from Mr. Mostaque and states: “I funded LAION, underlying dataset for both stable
10 diffusion and Craiyon.” Stability AI admits that the second Twitter post linked to in paragraph 64
11 of the SAC appears to be from Mr. Mostaque and states: “We actually have/had no influence on
12 CompVis or LAION, did not funded either to build the models nor have we received commercial
13 models.” Stability AI lacks knowledge or information sufficient to admit or deny the remaining
14 allegations in this paragraph, and on that basis denies them.

15
16 65. Stability AI admits that the LAION-5B Paper linked to in paragraph 65 of the SAC
17 is titled “LAION-5B: An open large-scale dataset for training next generation image-text
18 models.” Stability AI admits that the LAION-5B Paper states that LAION-44M is “a previously
19 released subset of LAION-5B.” Stability AI lacks knowledge or information sufficient to admit
20 or deny any remaining allegations in this paragraph, and on that basis denies them.

21
22 66. Stability AI admits that one format of LAION-5B appears to contain metadata
23 records that contain the following attributes: 64-bit integer identifier, URL of the image, text
24 string, height and width of the image, cosine similarity between the text and image embeddings,
25 and the output from NSFW and watermark detectors. Stability AI lacks knowledge or
26 information sufficient to admit or deny the remaining allegations in this paragraph, and on that
27 basis denies them.

1 67. Stability AI admits that LAION has released software called “img2dataset.”
2 Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this
3 paragraph, and on that basis denies them.

4 68. Stability AI lacks knowledge or information sufficient to admit or deny the
5 allegations in this paragraph, and on that basis denies them.

6 69. Stability AI admits that the LAION-5B Paper linked in paragraph 65 of the SAC
7 states: “To extract image-text pairs from Common Crawl, we parse the HTML IMG (image) tags
8 from Common Crawl’s WAT metadata file” and “In order to maximize resource utilization, we
9 downloaded the raw images from the parsed URLs with asynchronous requests using the Trio and
10 Asks Python libraries.” Stability AI lacks knowledge or information sufficient to admit or deny
11 any remaining allegations in this paragraph, and on that basis denies them.

12 70. Stability AI admits that the LAION-5B Paper linked in paragraph 65 of the SAC
13 states: “As a result, we strongly recommend that LAION-5B should only be used for academic
14 research purposes in its current form. We advise against any applications in deployed systems
15 without carefully investigating behavior and possible biases of models trained on LAION-5B.”
16 Stability AI lacks knowledge or information sufficient to admit or deny any remaining allegations
17 in this paragraph, and on that basis denies them.

18 71. To the extent that the allegations in this paragraph are directed at Runway,
19 Midjourney, and DeviantArt, Stability AI lacks knowledge or information sufficient to admit or
20 deny those allegations, and on that basis denies them. Stability AI denies any remaining
21 allegations in this paragraph.

22 72. Stability AI admits that the model card for CLIP V ViT-H/14 linked to in
23 paragraph 72 of the SAC states: “Acknowledging stability.ai for the compute used to train this
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1 model.” Stability AI lacks knowledge or information sufficient to admit or deny any remaining
2 allegations in this paragraph, and on that basis denies them.

3 73. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 74. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 75. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 76. Stability AI admits that the language in the caption of the image in paragraph 75 of
10 the SAC appears to match the language in the image in paragraph 74 of the SAC. Stability AI
11 lacks knowledge or information sufficient to admit or deny the remaining allegations in this
12 paragraph, and on that basis denies them.

13 77. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 78. Denied.

16 79. Stability AI lacks knowledge or information sufficient to admit or deny the
17 allegations in this paragraph, and on that basis denies them.

18 80. Stability AI admits that the Twitter post linked to in paragraph 80 of the SAC
19 appears to be from Emad Mostaque and states: “Future models will be fully licensed and able to
20 learn instantly from vision boards of image styles or whatever.” To the extent that the allegations
21 pertain to Runway or Midjourney, Stability AI lacks knowledge or information sufficient to admit
22 or deny the allegations in this paragraph, and on that basis denies them. Stability AI denies any
23 remaining allegations in this paragraph.
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1 81. Stability AI admits that Senator Hirono stated at a 2023 Senate Judiciary
2 Committee Hearing: “So basically, you don’t pay for the data that you put into your – to train
3 your model.” Stability AI admits that at the same hearing Ben Brooks stated: “For the base, the
4 kind of initial training or teaching of these models with those billions of images, there is no
5 arrangement in place.” Stability AI admits that at the same hearing Senator Hirono stated: “So,
6 you have Ms. Ortiz who says that this is wrong. Is that correct, Ms. Ortiz?” Stability AI admits
7 that at the same hearing Karla Ortiz stated: “One hundred percent, Senator.” To the extent that the
8 allegations in this paragraph purport to summarize or are inconsistent with the transcript of this
9 hearing, Stability AI denies those allegations. Stability AI denies any remaining allegations of
10 this paragraph.
11

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13 **IX. HOW AI IMAGE PRODUCTS WORK: CLIP-GUIDED DIFFUSION**

14 82. Stability AI lacks knowledge or information sufficient to admit or deny the
15 allegations in this paragraph, and on that basis denies them.

16 83. Stability AI lacks knowledge or information sufficient to admit or deny the
17 allegations in this paragraph, and on that basis denies them.

18 84. Stability AI admits that the link in paragraph 84 is to a paper titled “Deep
19 Unsupervised Learning using Nonequilibrium Thermodynamics.” Stability AI lacks knowledge
20 or information sufficient to admit or deny the remaining allegations in this paragraph, and on that
21 basis denies them.
22

23 85. Stability AI admits that the image in paragraph 86 appears to be an image taken
24 from the website linked to in paragraph 85. Stability AI lacks knowledge or information
25 sufficient to admit or deny the remaining allegations in this paragraph, and on that basis denies
26 them.
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1 86. Stability AI admits that the image in paragraph 86 appears to be an image taken
2 from the website linked to in paragraph 85.

3 87. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 88. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 89. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 90. Stability AI admits that the paper linked to in paragraph 90 of the SAC states:
10 “diffusion models are explicitly trained to reconstruct the training set.” Stability AI lacks
11 knowledge or information sufficient to admit or deny the remaining allegations in this paragraph,
12 and on that basis denies them.

13 91. Stability AI admits that the paper linked to in paragraph 91 is titled “Denoising
14 Diffusion Probabilistic Models.” Stability AI lacks knowledge or information sufficient to admit
15 or deny the remaining allegations in this paragraph, and on that basis denies them.

16 92. Stability AI lacks knowledge or information sufficient to admit or deny the
17 allegations in this paragraph, and on that basis denies them.

18 93. Stability AI admits that the diagram in paragraph 94 appears in the paper linked to
19 in paragraph 91. Stability AI lacks knowledge or information sufficient to admit or deny the
20 remaining allegations in this paragraph, and on that basis denies them.

21 94. Stability AI admits that the image in paragraph 94 appears to be the image
22 described in paragraph 95.

23 95. Stability AI admits that the photo on the left of the diagram is labeled “Source x₀”
24 and the photo on the right is labeled “Source x’₀.” Stability AI lacks knowledge or information
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1 sufficient to admit or deny the remaining allegations in this paragraph, and on that basis denies
2 them.

3 96. Stability AI admits that the image in the red frame of the diagram is labeled “pixel-
4 space interpolation.” Stability AI lacks knowledge or information sufficient to admit or deny the
5 remaining allegations in this paragraph, and on that basis denies them.

6 97. Stability AI admits that the image in the green frame is labeled “denoised
7 interpolation.” Stability AI lacks knowledge or information sufficient to admit or deny the
8 remaining allegations in this paragraph, and on that basis denies them.

9 98. Stability AI admits that the image in paragraph 99 appears to be an enlarged detail
10 of the two images in the diagram in paragraph 94. Stability AI lacks knowledge or information
11 sufficient to admit or deny the remaining allegations in this paragraph, and on that basis denies
12 them.

13 99. Denied.

14 100. Stability AI lacks knowledge or information sufficient to admit or deny the
15 allegations in this paragraph, and on that basis denies them.

16 101. Stability AI admits that the paper linked to in paragraph 101 is titled
17 “High-Resolution Image Synthesis with Latent Diffusion Models” and was authored by, among
18 others, Robin Rombach. Stability AI denies that Robin Rombach is currently employed by
19 Stability AI. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.

21 102. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 103. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

1 104. Stability AI admits that the link in paragraph 104 of the SAC is to a paper titled
2 “Learning Transferable Visual Models From Natural Language Supervision.” To the extent that
3 the allegations in this paragraph purport to summarize or are inconsistent with it, Stability AI
4 denies those allegations. Stability AI lacks knowledge or information sufficient to admit or deny
5 any remaining allegations in this paragraph, and on that basis denies them.
6

7 105. Stability AI admits that CLIP stands for “contrastive language-image pretraining.”
8 Stability AI lacks knowledge or information sufficient to admit or deny the remaining allegations
9 in this paragraph, and on that basis denies them.

10 106. Stability AI lacks knowledge or information sufficient to admit or deny the
11 allegations in this paragraph, and on that basis denies them.

12 107. Stability AI lacks knowledge or information sufficient to admit or deny the
13 allegations in this paragraph, and on that basis denies them.
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15 108. Stability AI lacks knowledge or information sufficient to admit or deny the
16 allegations in this paragraph, and on that basis denies them.

17 109. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 110. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.
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22 111. Stability AI lacks knowledge or information sufficient to admit or deny the
23 allegations in this paragraph, and on that basis denies them.

24 112. Stability AI lacks knowledge or information sufficient to admit or deny the
25 allegations in this paragraph, and on that basis denies them.

26 113. Stability AI lacks knowledge or information sufficient to admit or deny the
27 allegations in this paragraph, and on that basis denies them.
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1 114. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 115. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

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6 **X. PROTECTED EXPRESSION FROM TRAINING IMAGES IS COPIED,
7 COMPRESSED, STORED, AND INTERPOLATED BY DIFFUSION MODELS**

8 116. Stability AI lacks knowledge or information sufficient to admit or deny the
9 remaining allegations in this paragraph, and on that basis denies them.

10 117. Stability AI admits that a Twitter thread by François Chollet states: “Deep learning
11 takes data points and turns them into a query-able structure that enables retrieval and interpolation
12 between the points. You could think of it as a continuous generalization of database
13 technology...Because it is analogous to a database, the usefulness of a deep learning system
14 depends entirely on the data points it was constructed with. You get back what you put in (or
15 interpolations of the same).” Stability AI lacks knowledge or information sufficient to admit or
16 deny the remaining allegations in this paragraph, and on that basis denies them.

17
18 118. Stability AI lacks knowledge or information sufficient to admit or deny the
19 remaining allegations in this paragraph, and on that basis denies them.

20 119. Stability AI admits that the paper linked in paragraph 119 of the SAC states: “Last
21 but not least, we hope that this work provides an alternative viewpoint that may help clarify the
22 ultimate capabilities of modern artificial intelligence (AI) systems, which are typically based on
23 deep networks such as transformers. Just as with all other natural phenomena or technical
24 innovations that were once “black boxes” to people, significant confusion and anxiety is arising in
25 society about the potential or implications of emerging new AI systems, including the recent large
26 language models (LLMs) such as GPT-4 (OpenAI, 2023b), large image generation models such
27 as Midjourney and DALL-E 3 (Betker et al., 2023), and many other multi-modal large language
28

1 models (MLLMs) (Liu et al., 2023; OpenAI, 2023a). From the perspective of this work, in which
2 we developed a clear understanding of transformer-type learning systems, these large models are
3 unlikely to do anything beyond purely mechanical data compression (encoding) and interpolation
4 (decoding). That is, this work suggests that regarding essence of these existing large AI models,
5 however magical and mysterious they might appear to be, compression is all there is.” To the
6 extent that the allegations in this paragraph purport to summarize or are inconsistent with it,
7 Stability AI denies those allegations. Stability AI lacks knowledge or information sufficient to
8 admit or deny any remaining allegations in this paragraph, and on that basis denies them.

10 120. Denied.

11 121. Stability AI lacks knowledge or information sufficient to admit or deny the
12 allegations in this paragraph, and on that basis denies them.

14 122. Stability AI lacks knowledge or information sufficient to admit or deny the
15 allegations in this paragraph, and on that basis denies them.

16 123. Stability AI admits that the announcement linked in paragraph 123 of the SAC
17 states: “This release is the culmination of many hours of collective effort to create a single file
18 that compresses the visual information of humanity into a few gigabytes.” To the extent that the
19 allegations in this paragraph purport to summarize or characterize this site or is inconsistent with
20 it, Stability AI denies those allegations. Stability AI denies any remaining allegations in this
21 paragraph.

23 124. Stability AI admits that Mr. Mostaque appears to have stated on the Narratives
24 Podcast linked in paragraph 124 of the SAC, “Stable Diffusion is the model itself... We took
25 100,000 gigabytes of images and compressed it to a two-gigabyte file that can recreate any of
26 those and iterations of those.” To the extent that the allegations in this paragraph purport to
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1 summarize or characterize it or is inconsistent with it, Stability AI denies those allegations.

2 Stability AI denies any remaining allegations in this paragraph.

3 125. Stability AI admits that Mr. Mostaque stated on the podcast linked in paragraph
4 125 of the SAC: “We took 100,000 gigabytes of image-label pairs—2 billion images—and
5 created a 1.6 gigabyte file ... that basically compresses the visual information of a snapshot of the
6 internet.” To the extent that the allegations in this paragraph purport to summarize or characterize
7 it or is inconsistent with it, Stability AI denies those allegations. Stability AI denies any
8 remaining allegations in this paragraph.

9
10 126. Stability AI admits that Mr. Mostaque stated on the podcast linked in
11 paragraph 126 of the SAC: “Because otherwise, we’ve created the most efficient compression in
12 the world.” To the extent that the allegations in this paragraph purport to summarize,
13 characterize, is inconsistent with, or takes the quote out of its context, Stability AI denies those
14 allegations. Stability AI denies any remaining allegations in this paragraph.

15
16 127. Stability AI admits that Mr. Mostaque stated in an article linked in paragraph 127
17 of the SAC: “a hundred thousand gigabytes of images compressed to a two-gigabyte file.” To the
18 extent that the allegations in this paragraph purport to summarize or characterize it or is
19 inconsistent with it, Stability AI denies those allegations. Stability AI denies any remaining
20 allegations in this paragraph.

21
22 128. Denied.

23 129. To the extent that the allegations in this paragraph refer to “an active area of
24 research in the AI field,” Stability AI lacks knowledge or information sufficient to admit or deny,
25 and on that basis denies them. Stability AI denies any remaining allegations in this paragraph.

26 130. Stability AI admits that link in paragraph 130 of the SAC is to a paper titled
27 “Extracting Training Data from Diffusion Models.” To the extent that the allegations in this
28

1 paragraph purport to summarize or are inconsistent with it, Stability AI denies those allegations.
2 Stability AI lacks knowledge or information sufficient to admit or deny any remaining allegations
3 in this paragraph, and on that basis denies them.

4 131. Stability AI admits that the Carlini Paper linked in paragraph 130 of the SAC
5 states, “The appeal of generative diffusion models is rooted in their ability to synthesize novel
6 images that are ostensibly unlike anything in the training set” and “that state-of-the-art diffusion
7 models do memorize and regenerate individual training examples.” To the extent that the
8 allegations in this paragraph purport to summarize or are inconsistent with it, Stability AI denies
9 those allegations. Stability AI lacks knowledge or information sufficient to admit or deny any
10 remaining allegations in this paragraph, and on that basis denies them.

11 132. Stability AI admits that the image described in paragraph 132 of the SAC appears
12 to be the same one shown in paragraph 133 of the SAC. Stability AI lacks knowledge or
13 information sufficient to admit or deny any remaining allegations in this paragraph, and on that
14 basis denies them.

15 133. Stability AI admits that the image described in paragraph 132 of the SAC appears
16 to be the same one shown in paragraph 133 of the SAC.

17 134. Stability AI admits that the Carlini Paper linked in paragraph 130 of the SAC
18 states: “The above experiments are visually striking and clearly indicate that memorization is
19 pervasive in large diffusion models—and that data extraction is feasible” and “State-of-the-art
20 diffusion models memorize and regenerate individual training images... and more useful
21 diffusion models memorize more than weaker diffusion models.” To the extent that the
22 allegations in this paragraph purport to summarize or are inconsistent with it, Stability AI denies
23 those allegations. Stability AI lacks knowledge or information sufficient to admit or deny any
24 remaining allegations in this paragraph, and on that basis denies them.

1 135. Stability AI admits that the Carlini Paper linked in paragraph 130 of the SAC
2 states: “Do large-scale models work by generating novel output, or do they just copy and
3 interpolate between individual training examples?” and “If our extraction attacks had failed, it
4 may have refuted the hypothesis that models copy and interpolate training data; but because our
5 attacks succeed, this question remains open.” Stability AI admits that the tweet by user @fchollet
6 linked in paragraph 135 of the SAC states: “It’s accurate that generative art models create new
7 content by recombining images from their training data, which is entirely unlike human
8 inspiration. But it does not follow that AI art is ‘art theft’.” Stability AI admits that the Yu Paper
9 linked in paragraph 119 of the SAC states: “From the perspective of this work, in which we
10 developed a clear understanding of transformer-type learning systems, these large models are
11 unlikely to do anything beyond purely mechanical data compression (encoding) and interpolation
12 (decoding).” To the extent that the allegations in this paragraph purport to summarize or are
13 inconsistent with them, Stability AI denies those allegations. Stability AI denies any remaining
14 allegations in this paragraph.
15

16 136. Stability AI admits that the Carlini Paper linked in paragraph 130 of the SAC
17 states, “This paper covers a very restricted definition of ‘memorization’: whether diffusion
18 models can be induced to generate near-copies of some training examples when prompted with
19 appropriate instructions” and “Our work also highlights the difficulty in defining memorization.
20 While we have found extensive memorization with a simple ℓ_2 -based measurement, a more
21 comprehensive analysis will be necessary to accurately capture more nuanced definitions of
22 memorization that allow for more human-aligned notions of data copying.” To the extent that the
23 allegations in this paragraph purport to summarize or are inconsistent with it, Stability AI denies
24 those allegations. Stability AI lacks knowledge or information sufficient to admit or deny any
25 remaining allegations in this paragraph, and on that basis denies them.
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1 137. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 138. Stability AI admits that the link in paragraph 138 of the SAC is to a paper titled “A
4 Reproducible Extraction of Training Images from Diffusion Models.” Stability AI lacks
5 knowledge or information sufficient to admit or deny any remaining allegations in this paragraph,
6 and on that basis denies them.

7 139. Stability AI admits that Stable Diffusion XL 1.0 was released by Stability AI in
8 July 2023. Stability AI lacks knowledge or information sufficient to admit or deny any remaining
9 allegations in this paragraph and on that basis denies them.

10 140. Stability AI lacks knowledge or information sufficient to admit or deny the
11 allegations in this paragraph, and on that basis denies them.

12 141. Stability AI admits that the link in paragraph 141 of the SAC is to a paper titled
13 “Measuring the Success of Diffusion Models at Imitating Human Artists.” Stability AI lacks
14 knowledge or information sufficient to admit or deny the remaining allegations in this paragraph,
15 and on that basis denies them.

16 142. Stability AI admits that the Casper Paper linked in paragraph 141 of the SAC
17 states “artwork from [artist’s name].” To the extent that the allegations in this paragraph purport
18 to summarize or are inconsistent with it, Stability AI denies those allegations. Stability AI lacks
19 knowledge or information sufficient to admit or deny the remaining allegations in this paragraph,
20 and on that basis denies them.

21 143. Stability AI admits that the Casper Paper linked in paragraph 141 of the SAC
22 states “On average, CLIP correctly classified 81.0% of the generated images as works made by
23 artists whose names were used to generate them... Overall, these results suggest that Stable
24 Diffusion has a broad-ranging ability to imitate the style of individual artists.” Stability AI lacks
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1 knowledge or information sufficient to admit or deny the remaining allegations in this paragraph,
2 and on that basis denies them.

3 144. Stability AI lacks knowledge or information sufficient to admit or deny the
4 remaining allegations in this paragraph, and on that basis denies them.

5 145. Stability AI lacks knowledge or information sufficient to admit or deny the
6 remaining allegations in this paragraph, and on that basis denies them.

7 146. Stability AI lacks knowledge or information sufficient to admit or deny the
8 remaining allegations in this paragraph, and on that basis denies them.

9 147. Denied.

10 148. Denied.

11 149. Stability AI lacks knowledge or information sufficient to admit or deny the
12 remaining allegations in this paragraph, and on that basis denies them.

13 150. Denied.

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16 **XI. EXAMPLES OF TEXT PROMPTS USING PLAINTIFF NAMES IN AI IMAGE**
17 **PRODUCTS OFFERED BY STABILITY, RUNWAY, AND MIDJOURNEY**

18 151. To the extent that the allegations in this paragraph are directed at Runway, and
19 Midjourney, Stability AI lacks knowledge or information sufficient to admit or deny those
20 allegations and on that basis denies them. Stability AI lacks knowledge or information sufficient
21 to admit or deny the remaining allegations in this paragraph, and on that basis denies them.

22 152. Stability AI lacks knowledge or information sufficient to admit or deny the
23 allegations in this paragraph, and on that basis denies them.

24 153. To the extent that the allegations in this paragraph are directed at “each
25 Defendant,” Stability AI lacks knowledge or information sufficient to admit or deny those
26 allegations and on that basis denies them. Stability AI denies any remaining allegations in this
27 paragraph.
28

1 154. Stability AI admits that Stable Diffusion XL 1.0 is made available in
2 DreamStudio. Stability AI lacks knowledge or information sufficient to admit or deny the
3 remaining allegations in this paragraph, and on that basis denies them.

4 155. Stability AI admits that certain words or phrases cannot be used as prompts in
5 DreamStudio. Stability AI lacks knowledge or information sufficient to admit or deny the
6 remaining allegations in this paragraph, and on that basis denies them.

7 156. Denied.

8 157. Denied.

9 158. Denied.

10 159. Stability AI lacks knowledge or information sufficient to admit or deny the
11 allegations in this paragraph, and on that basis denies them.

12 160. Denied.

13 161. Denied.

14 162. Denied.

15 163. To the extent that the allegations in this paragraph are directed at Runway,
16 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
17 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

18 164. To the extent that the allegations in this paragraph are directed at Runway,
19 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
20 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

21 165. To the extent that the allegations in this paragraph are directed at Runway,
22 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
23 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

1 166. To the extent that the allegations in this paragraph are directed at Runway,
2 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
3 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

4 167. To the extent that the allegations in this paragraph are directed at Runway,
5 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
6 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

7 168. To the extent that the allegations in this paragraph are directed at Midjourney,
8 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
9 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

10 169. To the extent that the allegations in this paragraph are directed at Midjourney,
11 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
12 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

13 170. To the extent that the allegations in this paragraph are directed at Midjourney,
14 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
15 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

16 171. To the extent that the allegations in this paragraph are directed at Midjourney,
17 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
18 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

19 172. To the extent that the allegations in this paragraph are directed at Midjourney,
20 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
21 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

22 173. To the extent that the allegations in this paragraph are directed at Midjourney,
23 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
24 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

1 174. To the extent that the allegations in this paragraph are directed at Midjourney,
2 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
3 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

4 175. To the extent that the allegations in this paragraph are directed at Midjourney,
5 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
6 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

7 176. Denied.

8
9 **XII. EXAMPLES OF IMAGE PROMPTS USING PLAINTIFF IMAGES IN AI IMAGE**
10 **PRODUCTS OFFERED BY STABILITY, RUNWAY, AND MIDJOURNEY**

11 177. To the extent that the allegations in this paragraph are directed at Runway and
12 Midjourney, Stability AI lacks knowledge or information sufficient to admit or deny those
13 allegations and on that basis denies them. Stability AI lacks knowledge or information sufficient
14 to admit or deny the remaining allegations in this paragraph, and on that basis denies them.

15 178. Stability AI lacks knowledge or information sufficient to admit or deny the
16 remaining allegations in this paragraph, and on that basis denies them.

17 179. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 180. Stability AI admits that the website linked in paragraph 180 of the SAC states:
20 “The classical text-to-image Stable Diffusion XL model is trained to be conditioned on text
21 inputs. This version replaces the original text encoder with an image encoder. So instead of
22 generating images based on text input, images are generated from an image... This approach
23 produces similar-looking images with different details and compositions. Unlike the image-to-
24 image algorithm, the source image is first fully encoded, so the generator does not use a single
25 pixel from the original one!” To the extent that the allegations in this paragraph purport to
26 summarize or characterize this site or is inconsistent with it, Stability AI denies those allegations.
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1 Stability AI lacks knowledge or information sufficient to admit or deny any remaining allegations
2 in this paragraph, and on that basis denies them.

3 181. Stability AI admits that the website linked in paragraph 180 of the SAC states:
4 “This approach produces similar-looking images with different details and compositions. Unlike
5 the image-to-image algorithm, the source image is first fully encoded, so the generator does not
6 use a single pixel from the original one!” To the extent that the allegations in this paragraph
7 purport to summarize or characterize this site or is inconsistent with it, Stability AI denies those
8 allegations. Stability AI denies any remaining allegations in this paragraph.

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10 182. Stability AI lacks knowledge or information sufficient to admit or deny the
11 remaining allegations in this paragraph, and on that basis denies them.

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13 183. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 184. Denied.

16 185. To the extent that the allegations in this paragraph are directed at Runway,
17 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
18 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

19 186. To the extent that the allegations in this paragraph are directed at Runway,
20 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
21 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

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23 187. To the extent that the allegations in this paragraph are directed at Runway,
24 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
25 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

1 188. To the extent that the allegations in this paragraph are directed at Midjourney,
2 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
3 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

4 189. To the extent that the allegations in this paragraph are directed at Midjourney,
5 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
6 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

7 190. To the extent that the allegations in this paragraph refer to Midjourney, Stability
8 AI lacks knowledge or information sufficient to admit or deny, and on that basis denies them.
9 Stability AI denies any remaining allegations in this paragraph.

10 191. Denied.

11 192. Denied.

12 193. Denied.

13 194. Denied.

14 195. Denied.

15 196. Denied.

16 197. Denied.

17 198. Denied.

18 199. To the extent that the allegations in this paragraph are directed at Runway,
19 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
20 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

21 200. Denied.

22 **XIII. USER AND LICENSEE ACTIVITY**

23 201. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.
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1 202. To the extent that the allegations in this paragraph are directed at Midjourney,
2 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
3 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

4 203. To the extent that the allegations in this paragraph are directed at Midjourney,
5 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
6 that basis denies them. Stability AI denies any remaining allegations in this paragraph.

7 204. Stability AI admits that the website article linked in paragraph 204 of the SAC
8 states: “Prompt: art by <artist>... Negative prompt: blurry, soft, low quality,” and “The prompt
9 was straight forward “art by <artist>” which would get the SDXL mode to emulate the style and
10 creations of that artists.” To the extent that the allegations in this paragraph purport to summarize
11 or characterize or are inconsistent with it, Stability AI denies those allegations. Stability AI
12 denies any remaining allegations in this paragraph.

13 205. Stability AI admits that the website linked in paragraph 205 of the SAC states:
14 “prompt 1-3: ‘a portrait of a character in a scenic environment by [artist],’ prompt 4-6: ‘a building
15 in a stunning landscape by [artist].’” Stability AI admits that the website purports to include
16 exactly 1,781 artists in the study and links to a form entitled “Artist Recommendations.” To the
17 extent that the allegations in this paragraph purport to summarize or characterize or are
18 inconsistent with this website, Stability AI denies those allegations. Stability AI lacks knowledge
19 or information sufficient to admit or deny any remaining allegations, and on that basis denies
20 them.

21 206. To the extent that the allegations in this paragraph are directed at Runway,
22 Stability AI lacks knowledge or information sufficient to admit or deny those allegations, and on
23 that basis denies them. Stability AI denies any remaining allegations in this paragraph.
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1 207. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 208. Denied.
4

5 **XIV. DEFINITIONS FOR THE CAUSES OF ACTION**

6 209. Stability AI admits that the U.S. Copyright Act defines “copies” as, “material
7 objects, other than phonorecords, in which a work is fixed by any method now known or later
8 developed, and from which the work can be perceived, reproduced, or otherwise communicated,
9 either directly or with the aid of a machine or device.” To the extent that the allegations in this
10 paragraph purport to summarize or characterize or are inconsistent with this definition, Stability
11 AI denies those allegations. Stability AI denies any remaining allegations in this paragraph.
12

13 210. Stability AI admits that the U.S. Copyright Act defines “derivative work” as, “a
14 work based upon one or more preexisting works, such as a translation, musical arrangement,
15 dramatization, fictionalization, motion picture version, sound recording, art reproduction,
16 abridgment, condensation, or any other form in which a work may be recast, transformed, or
17 adapted. A work consisting of editorial revisions, annotations, elaborations, or other
18 modifications which, as a whole, represent an original work of authorship, is a ‘derivative work’.”
19 To the extent that the allegations in this paragraph purport to summarize or characterize or are
20 inconsistent with it, Stability AI denies those allegations. Stability AI denies any remaining
21 allegations in this paragraph.
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23 211. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

25 212. Stability AI lacks knowledge or information sufficient to admit or deny the
26 allegations in this paragraph, and on that basis denies them.
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1 213. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3
4 **XV. CAUSES OF ACTION AGAINST STABILITY**

5 214. Stability AI admits that the Stable Diffusion 2.0 Model Card on the Hugging Face
6 website linked in paragraph 214 of the SAC states, “the model developers used the following
7 dataset for training the model: LAION-5B and subsets (details below).” Stability AI denies the
8 remaining allegations in this paragraph.

9 215. Stability AI admits that it trained a model called Stable Diffusion XL 1.0.
10 Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this
11 paragraph, and on that basis denies them.

12 216. Denied.

13 217. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 218. Denied.

16
17 **COUNT ONE**

18 **Direct copyright infringement of the LAION-5B Registered Works by training the Stability**
19 **Models, including Stable Diffusion 2.0 and Stable Diffusion XL 1.0 against Stability on**
20 **behalf of the LAION-5B Registered Plaintiffs and Damages Subclass**

21 219. This paragraph incorporates by reference the preceding factual allegations, and
22 thus no response is required. To the extent this paragraph calls for a response, Stability AI
23 incorporates by reference its responses to paragraphs 1-218.

24 220. To the extent that the allegations in this paragraph refer to Plaintiffs’ authorization
25 to use LAION-5B Registered Works, Stability AI lacks knowledge or information sufficient to
26 admit or deny, and on that basis denies them. Stability AI denies any remaining allegations in
27 this paragraph.
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1 244. This paragraph relates to a claim that has been dismissed, and thus no response is
2 required. To the extent a response is required: denied.

3 245. This paragraph relates to a claim that has been dismissed, and thus no response is
4 required. To the extent a response is required: denied.

5 246. This paragraph relates to a claim that has been dismissed, and thus no response is
6 required. To the extent a response is required: denied.

7 247. This paragraph relates to a claim that has been dismissed, and thus no response is
8 required. To the extent a response is required: denied.

9 248. This paragraph relates to a claim that has been dismissed, and thus no response is
10 required. To the extent a response is required: denied.

11 249. This paragraph relates to a claim that has been dismissed, and thus no response is
12 required. To the extent a response is required: denied.

13 250. This paragraph relates to a claim that has been dismissed, and thus no response is
14 required. To the extent a response is required: denied.

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18 **XVI. CAUSES OF ACTION AGAINST MIDJOURNEY**

19 251. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.

21 252. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 253. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

25 254. Stability AI lacks knowledge or information sufficient to admit or deny the
26 allegations in this paragraph, and on that basis denies them.
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1 255. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 256. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 257. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 258. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 259. Stability AI lacks knowledge or information sufficient to admit or deny the
10 allegations in this paragraph, and on that basis denies them.

11 260. Stability AI lacks knowledge or information sufficient to admit or deny the
12 allegations in this paragraph, and on that basis denies them.

13 261. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 262. Stability AI lacks knowledge or information sufficient to admit or deny the
16 allegations in this paragraph, and on that basis denies them.

17 263. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 264. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.

21 265. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 266. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

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1 284. This paragraph relates to a claim that has been dismissed, and thus no response is
2 required. To the extent a response is required: denied.

3 285. This paragraph relates to a claim that has been dismissed, and thus no response is
4 required. To the extent a response is required: denied.

5 286. This paragraph relates to a claim that has been dismissed, and thus no response is
6 required. To the extent a response is required: denied.

7 287. This paragraph relates to a claim that has been dismissed, and thus no response is
8 required. To the extent a response is required: denied.

9 288. This paragraph relates to a claim that has been dismissed, and thus no response is
10 required. To the extent a response is required: denied.

11 289. This paragraph relates to a claim that has been dismissed, and thus no response is
12 required. To the extent a response is required: denied.

13 290. This paragraph relates to a claim that has been dismissed, and thus no response is
14 required. To the extent a response is required: denied.

15 291. This paragraph relates to a claim that has been dismissed, and thus no response is
16 required. To the extent a response is required: denied.

17 292. This paragraph relates to a claim that has been dismissed, and thus no response is
18 required. To the extent a response is required: denied.

19 293. This paragraph relates to a claim that has been dismissed, and thus no response is
20 required. To the extent a response is required: denied.

21 294. This paragraph relates to a claim that has been dismissed, and thus no response is
22 required. To the extent a response is required: denied.

23 295. This paragraph relates to a claim that has been dismissed, and thus no response is
24 required. To the extent a response is required: denied.
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COUNT SEVEN

Lanham Act — false endorsement by unauthorized commercial use of artists’ names against Midjourney on behalf of the Midjourney Named Plaintiffs and Class

296. This paragraph incorporates by reference the preceding factual allegations, and thus no response is required. To the extent this paragraph calls for a response, Stability AI incorporates by reference its responses to paragraphs 1-295.

297. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

298. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

299. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

300. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

301. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

302. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

303. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

304. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

305. Stability AI lacks knowledge or information sufficient to admit or deny the allegations in this paragraph, and on that basis denies them.

1 337. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3
4 **COUNT TEN**

5 **Inducement of copyright infringement by distributing Stable Diffusion 1.5 for free against**
6 **Runway on behalf of the LAION-5B Registered Plaintiffs and Subclass**

7 338. This paragraph incorporates by reference the preceding factual allegations, and
8 thus no response is required. To the extent this paragraph calls for a response, Stability AI
9 incorporates by reference its responses to paragraphs 1-337.

10 339. Stability AI lacks knowledge or information sufficient to admit or deny the
11 allegations in this paragraph, and on that basis denies them.

12 340. Stability AI lacks knowledge or information sufficient to admit or deny the
13 allegations in this paragraph, and on that basis denies them.

14 341. Stability AI lacks knowledge or information sufficient to admit or deny the
15 allegations in this paragraph, and on that basis denies them.

16 342. Stability AI lacks knowledge or information sufficient to admit or deny the
17 allegations in this paragraph, and on that basis denies them.

18 343. Stability AI lacks knowledge or information sufficient to admit or deny the
19 allegations in this paragraph, and on that basis denies them.

20
21 **COUNT ELEVEN**

22 **DMCA violations by removing and altering CMI of training images against Runway**
23 **on behalf of all Plaintiffs, the Damages and Injunctive Classes**

24 344. This paragraph incorporates by reference the preceding factual allegations, and
25 thus no response is required. To the extent this paragraph calls for a response, Stability AI
26 incorporates by reference its responses to paragraphs 1-343.

27 345. This paragraph relates to a claim that has been dismissed, and thus no response is
28 required. To the extent a response is required: denied.

1 357. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 358. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 359. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 360. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 361. Stability AI lacks knowledge or information sufficient to admit or deny the
10 allegations in this paragraph, and on that basis denies them.

11 362. Stability AI lacks knowledge or information sufficient to admit or deny the
12 allegations in this paragraph, and on that basis denies them.

13 363. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 364. Stability AI lacks knowledge or information sufficient to admit or deny the
16 allegations in this paragraph, and on that basis denies them.

17 365. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 366. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.

21 367. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 368. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.

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1 369. Stability AI lacks knowledge or information sufficient to admit or deny the
2 allegations in this paragraph, and on that basis denies them.

3 370. Stability AI lacks knowledge or information sufficient to admit or deny the
4 allegations in this paragraph, and on that basis denies them.

5 371. Stability AI lacks knowledge or information sufficient to admit or deny the
6 allegations in this paragraph, and on that basis denies them.

7 372. Stability AI lacks knowledge or information sufficient to admit or deny the
8 allegations in this paragraph, and on that basis denies them.

9 373. Stability AI lacks knowledge or information sufficient to admit or deny the
10 allegations in this paragraph, and on that basis denies them.

11 374. Stability AI lacks knowledge or information sufficient to admit or deny the
12 allegations in this paragraph, and on that basis denies them.

13 375. Stability AI lacks knowledge or information sufficient to admit or deny the
14 allegations in this paragraph, and on that basis denies them.

15 376. Stability AI lacks knowledge or information sufficient to admit or deny the
16 allegations in this paragraph, and on that basis denies them.

17 377. Stability AI lacks knowledge or information sufficient to admit or deny the
18 allegations in this paragraph, and on that basis denies them.

19 378. Stability AI lacks knowledge or information sufficient to admit or deny the
20 allegations in this paragraph, and on that basis denies them.

21 379. Stability AI lacks knowledge or information sufficient to admit or deny the
22 allegations in this paragraph, and on that basis denies them.

23 380. Stability AI lacks knowledge or information sufficient to admit or deny the
24 allegations in this paragraph, and on that basis denies them.
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SIXTH AFFIRMATIVE DEFENSE

Plaintiffs’ remedies are barred at least in part by the applicable statute of limitations or by the doctrine of laches.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiffs are barred from recovery of damages because of and to the extent of their failure to mitigate their alleged damages (to which, in any event, they are not entitled).

EIGHTH AFFIRMATIVE DEFENSE

Some or all of the material in which Plaintiffs claim copyright is in the public domain.

NINTH AFFIRMATIVE DEFENSE

Plaintiffs’ claims of copyright infringement are barred or limited by the doctrine of merger.

TENTH AFFIRMATIVE DEFENSE

Plaintiffs’ claims of copyright infringement are barred or limited by the idea/expression dichotomy.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiffs’ claims of copyright infringement are barred or limited because the material in which Plaintiffs claim copyright constitutes “scenes a faire.”

TWELFTH AFFIRMATIVE DEFENSE

To the extent there is copying of copyrightable expression, that copying is de minimis.

THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiffs’ claims of copyright infringement are barred or limited, and Plaintiffs’ claims for recovery of damages are barred or limited, because of their failure to register the works for which infringement is alleged.

FOURTEENTH AFFIRMATIVE DEFENSE

Plaintiffs’ claims of copyright infringement are barred or limited because they have not suffered any cognizable injury.

FIFTEENTH AFFIRMATIVE DEFENSE

1 Plaintiffs' claims of copyright infringement are barred or limited because the accused
2 Stability AI models, products, actions, or services have commercially significant non-infringing
3 uses.

4 **SIXTEENTH AFFIRMATIVE DEFENSE**

5 Plaintiffs' claims of copyright infringement are barred or limited to the extent
6 reproduction, distribution, or display of infringing material was caused by the acts or omissions of
7 persons or entities, including Plaintiffs or their agents, for whose conduct Stability AI is not
8 legally responsible.

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Dated: December 6, 2024

MORRISON & FOERSTER LLP
By: /s/ Joseph C. Gratz
Joseph C. Gratz

JOSEPH C. GRATZ
JGratz@mofo.com
TIFFANY CHEUNG
TCheung@mofo.com
TIMOTHY CHEN SAULSBURY
TSaulsbury@mofo.com
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105-2482
Telephone: 415.268.7000
Facsimile: 415.268.7522

ADITYA V. KAMDAR
AKamdar@mofo.com
MORRISON & FOERSTER LLP
2100 L Street, NW, Suite 900
Washington, DC 20037
Telephone: 202.887.1500
Facsimile: 202.887.0763

LAURA G. REMUS
LRemus@mofo.com
MORRISON & FOERSTER LLP
707 Wilshire Boulevard, Suite 6000
Los Angeles, California 90017-3543
Telephone: 213.892.5200
Facsimile: 213.892.5454

LEX LUMINA PLLC
MARK A. LEMLEY (CA SBN 155830)
MLemley@lex-lumina.com
LEX LUMINA PLLC
745 Fifth Avenue, Suite 500
New York, New York 10151
Telephone: 646.898.2055
Facsimile: 646.906.8657

Attorneys for Defendants
STABILITY AI LTD. and STABILITY
AI, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on December 6, 2024 the within document was filed with the Clerk of the Court using CM/ECF which will send notification of such filing to the attorneys of record in this case.

/s/ Joseph C. Gratz
JOSEPH C. GRATZ