

DOCKET NO. 00-10510-C

IN THE
UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

JERRY GREENBERG and IDAZ GREENBERG,
Plaintiffs/Appellants

vs.

NATIONAL GEOGRAPHIC SOCIETY, a District of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES, INC., a corporation, and
MINDSCAPE, INC., a California corporation,
Defendants/Appellees.

On Appeal from the United States District Court
for the Southern District of Florida

**RECORD EXCERPTS CITED IN
APPELLEES' BRIEF IN OPPOSITION TO
INITIAL BRIEF OF JERRY GREENBERG AND IDAZ GREENBERG**

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

vs.

NATIONAL GEOGRAPHIC
SOCIETY, a District of Columbia
corporation, NATIONAL GEOGRAPHIC
ENTERPRISES, INC., a corporation,
and MINDSCAPE, INC., a
California corporation,

Defendants.

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

AMENDED COMPLAINT

Plaintiffs, JERRY GREENBERG and IDAZ GREENBERG ("the Greenbergs"), pursuant to Rule 15 (a), Federal Rules of Civil Procedure, file and serve this Amended Complaint against the NATIONAL GEOGRAPHIC SOCIETY ("the Society"), NATIONAL GEOGRAPHIC ENTERPRISES, INC. ("Geographic Enterprises"), and MINDSCAPE, INC. ("Mindscape"), and allege:

1. This is a complaint for damages and permanent injunctive relief under the Copyright Act, codified at 17 U.S.C. § 101 et seq.

2. The Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1338.

3. The Court has personal jurisdiction over the defendants, who continuously and systematically market, distribute and sell the products addressed herein within this district.

4. Venue is proper in this judicial district in that (1) the plaintiffs' residence and principal place of business is in the district, and (2) the defendants committed a statutory tort in the district, and/or engaged in business activity in the district.

5. The National Geographic Society is a not-for-profit corporation formed in the District of Columbia, and its principal place of business is there. The Society, on its own or through one or more for-profit subsidiaries, engages in multiple ventures, exemplified by the monthly National Geographic magazine, television and film programs, maps and atlases, and CD-ROM packages.

6. On information and belief, National Geographic Enterprises, Inc. is a District of Columbia corporation, and is a wholly-owned subsidiary of the National Geographic Society.

7. Mindscape, Inc. is a California corporation that, among other things, engages in the development and distribution of consumer software and other products.

8. The Greenbergs are creative artists and entrepreneurs, who for decades have published and distributed their original works in books and other products.

9. The Greenbergs have found it necessary to retain legal counsel to pursue their rights and they have agreed to pay fees charged by their counsel for such services.

Factual Allegations

The Educational Insights Product

10. A photograph of a redband parrotfish, taken by Jerry Greenberg, was originally published in a book produced by the plaintiffs titled "The Living Reef" in 1972 (and a subsequent edition in 1979) and was published by the plaintiffs in "The Coral Reef" in 1976 (and a subsequent edition in 1988). Both books contain notice of copyright by the plaintiff(s), and the copyrights were registered with the U. S. Copyright Office.

11. Copies of "The Coral Reef" were provided to the Society by Jerry Greenberg in 1977, and the Society acknowledged receipt of the copies in a letter from its editor.

12. Authorization was never provided to the Society for any use of any kind of the redband parrotfish photograph.

13. A photograph of a stoplight parrotfish, taken by Jerry Greenberg, was originally published in "The Living Reef" and subsequently in "The Coral Reef." Authorization was never provided to the Society for any use of any kind of that photograph.

14. A photograph of a green moray, taken by Jerry Greenberg, was originally published in "The Living Reef," and subsequently was published in "The Coral Reef." Authorization was never provided to the Society for any use of any kind of that photograph.

15. A photograph of a scuba-diver under water, taken by Jerry Greenberg, was originally published in the Society's monthly magazine in January 1962. Copyright as to that photograph, which originally was possessed by the Society, was assigned to Mr. Greenberg by the Society on December 18, 1985, and Mr. Greenberg renewed the copyright in 1989. After the assignment, no authorization was ever provided to the Society for derivative use as artwork.

16. A separate photograph, taken by Jerry Greenberg and showing the Greenbergs' son in scuba gear under water, was originally published in "The Living Reef" and was also published in a poster in 1974 titled "Living Corals of the Tropical Atlantic." The poster also displayed notice of copyright by Jerry Greenberg and Idaz Greenberg. No authorization was ever provided to the Society for any use of any kind of that photograph.

17. In 1995 or 1996, Educational Insights, Inc., a California-based company, began the distribution and sale of a product bearing various titles including "Fish of the Coral Reef" and "Oceans GeoPack." The product otherwise bears identification as Code 2043. The product was sold, and is being sold, within this judicial district and elsewhere. For simplicity, the product is identified hereinafter as "the GeoPack."

18. The GeoPack product bears a logo of the National Geographic Society, and displays the following notice: "© 1995 National Geographic Society."

19. Copies made from the photographs described above in paragraphs 9, 12, 13, 14 and 15 ("the Disputed Images") are included in the GeoPack. The copies were licensed by the Society to Educational Insights, Inc. for commercial purposes.

20. On information and belief, the Society agreed to indemnify Educational Insights, Inc. with respect to the Disputed Images, and the Society agreed to defend any copyright infringement claim related to the Disputed Images that may ensue, although the Greenbergs have not been provided with any documentation of such an agreement.

The Sea Fan Photograph

21. Jerry Greenberg provided to the Society a photograph of a sea fan, taken by him, to appear in the Society's monthly magazine in July 1990. By the terms of a written agreement that encompassed the sea fan photograph, all rights to the photograph, including copyright, reverted to Mr. Greenberg after publication of the article by the Society in 1990. In 1996, without authorization, the Society included the photograph of the sea fan in a color brochure promoting the Society's 1996 Jason Project. When challenged by Mr. Greenberg concerning the use, the Society admitted that it had violated Mr. Greenberg's copyright. The dispute has not been resolved.

The CD-ROM Product: The Complete National Geographic

22. In 1997, the Society began distribution and sale, on its own and through Geographic Enterprises and Mindscape, of a CD-ROM product titled The Complete National Geographic (hereinafter "the Complete Geographic product") that incorporates, among other things, a complete replication of all publications over a span of 108 years of the National Geographic monthly magazine, amounting to more than 1,200 issues of the magazine. The CD-ROM product consists of approximately 30 discs for display through a computer.

23. The Complete Geographic product also contains, among other things, a multi-media logo for the Society, and an in-motion commercial message on behalf of Kodak.

24. The Complete Geographic product displays the following notice: "© 1997 National Geographic Society. All rights reserved." The notice appears on the box containing the 30-disc set, on each box within the boxed set containing a sub-set of discs for each decade, and on each CD-ROM disc.

25. The year of first publication of the Complete Geographic product was 1997, as indicated in the notice of copyright.

26. None of the 1200-plus issues of the monthly magazine contained within the Complete Geographic product was first published in 1997.

27. Each computer "page" or display that is downloaded in hard copy displays the 1997 copyright notice.

28. The Society has stated that the Complete Geographic product contains a digital image of every page of every monthly magazine, including advertisements, without any changes, additions, or modifications.

29. The Complete Geographic product was never distributed to the public by sale or other transfer of ownership, or displayed publicly, prior to 1997.

30. The Complete Geographic product is being promoted, marketed and distributed for sale by the Society and/or Geographic Enterprises and/or Mindscape, Inc., in the United States and elsewhere.

31. On information and belief, the Society and/or Geographic Enterprises authorized Mindscape, through a licensing agreement, to transfer its materials to discs, and to supervise the marketing and distribution of the CD-ROM discs.

32. On information and belief, Mindscape transferred all images to the CD-ROM discs.

33. Various monthly issues of the Society's magazine contain more than a dozen photographs created by Mr. Greenberg and provided to the Society for inclusion in particular monthly issues.

34. The Complete Geographic product contains all of the aforesaid photographs.

35. In early 1997, prior to the start of general distribution and sale of the Complete Geographic product, the Society was informed that the photographs described above may not be included in the Complete Geographic product without the Greenbergs' prior written permission. Such permission was never sought, and was never provided.

36. On each CD-ROM disc in the Complete Geographic product, near the beginning of the recorded matter, appears a sequence of moving magazine covers ("the Moving Covers Sequence") -- actually a multi-media sequence -- that serves apparently as thematic introductory material for the product. The sequence consists in part of the front covers of ten particular issues of the Society's monthly magazine. The ten covers are electronically and visually manipulated so that they metamorphose from one to another. Photographs of the sequence, made from a computer monitor to illustrate portions of the sequence, are attached to and incorporated in this Amended Complaint as Exhibit A.

37. One of the ten covers utilized in the Moving Covers Sequence is taken from the January 1962 issue of the Society's monthly magazine. That cover features a photograph of a female diver, using scuba gear, shown swimming among corals and fishes.

38. The photograph referenced in the paragraph above was taken by Jerry Greenberg. The photograph appears on the cover of the January 1962 issue, as well as inside that issue as part of a feature titled "Florida's Coral City Beneath the Sea," which started at page 70 of that monthly issue.

39. All rights to the photograph, including copyright, are owned by Mr. Greenberg. The Society never sought, and never obtained, permission to alter or deform the photograph for inclusion in the Complete Geographic product.

Other Photographs and Other Products

40. The Society has in its possession or control hundreds of photographs taken by Mr. Greenberg, or duplicates or electronically-scanned images of those photographs.

41. The Society has acknowledged that, in addition to the Complete Geographic product, the Society and Mindscape have developed and are developing 10 other CD-ROM products, or "titles," to be released in 1997 and 1998.

**Count I
(Copyright infringement by the Society)**

42. The allegations in paragraphs 9 through 19, and 40-41, are realleged and incorporated herein.

43. The Society had access to the Greenberg photographs.

44. The Disputed Images that appear in the GeoPack product are at least substantially similar to the Greenberg photographs, and an inference is warranted that the Disputed Images are copies.

45. Jerry Greenberg and/or Idaz Greenberg hold valid and exclusive copyright in the Greenberg photographs.

46. The photographs were copied by or for the Society, and provided to Educational Insights, Inc. by the Society for use in the GeoPack product, without the permission of the

copyright owners. Such conduct amounts to infringement by the Society pursuant to the Copyright Act.

47. In July 1996, the Greenbergs advised Educational Insights, Inc. that the copies had not been authorized, and demand was made that use of the copies in the GeoPack product be discontinued. The Society subsequently responded as the apparent licensor by denying the demand, and the continued use of the copies amounts to willful infringement.

WHEREFORE the plaintiffs seek the following relief with respect to Count I:

- (1) Entry of judgment against the Society for copyright infringement.
- (2) An award of statutory damages.
- (3) An award of exemplary damages for willful infringement.
- (4) Entry of a permanent injunction to halt any further use of the Disputed Images in the GeoPack product.
- (5) Entry of a permanent injunction to preclude any use by the Society, or by others with its participation, of the many photographs currently in the possession and control of the Society for which Mr. Greenberg, or the Greenbergs jointly, hold exclusive copyright or other proprietary interest.
- (6) An award of attorneys' fees and costs.
- (7) Such other relief as may be appropriate in the circumstances.

Count II
(Copyright infringement by the Society)

48. The allegations in paragraph 20 are realleged and incorporated herein.

49. The Society had access to the Greenberg photograph of a sea fan, which was delivered by him directly to the Society.

50. The photograph of the sea fan in the color brochure promoting the Society's 1996 Jason Project is identical to the Greenberg photograph.

51. Mr. Greenberg holds valid and exclusive copyright in the sea fan photograph.

52. The sea fan photograph was used by the Society as discussed herein without the authorization of Mr. Greenberg. Such conduct amounts to infringement pursuant to the Copyright Act.

WHEREFORE the plaintiffs seek the following relief with respect to Count II:

- (1) Entry of judgment against the Society for copyright infringement.
- (2) An award of statutory damages.
- (3) Entry of a permanent injunction to halt any further use of the sea fan photograph.
- (4) Entry of a permanent injunction to preclude any use by the Society, or by others with its participation, of the many photographs currently in the possession and control of the Society for which Mr. Greenberg, or the Greenbergs jointly, hold exclusive copyright or other proprietary interest.
- (5) An award of attorneys' fees and costs.
- (6) Such other relief as may be appropriate in the circumstances.

Count III
**(Copyright infringement by the Society,
Geographic Enterprises and Mindscape)**

53. The allegations in paragraphs 21 through 41 are realleged and incorporated herein.

54. The Complete Geographic product is a collection of more than 1,200 separate issues of the Society's monthly magazine, and contains reproductions or copies of the full contents of each issue. In copying those contents, the Society included in the Complete Geographic product more than a dozen photographs created by Jerry Greenberg ("the Greenberg Photographs"), for which he, or the Greenbergs jointly, own exclusive copyright.

55. The Complete Geographic product also includes, among other things, the Moving Covers Sequence, which incorporates a cover photograph by Mr. Greenberg ("the Cover Photograph"). Because the Moving Covers Sequence appears on each of the 30 CD-ROM discs comprising the Complete Geographic product, the Cover Photograph appears in the Complete Geographic product in 30 separate places (beyond its original use in the July 1962 issue of the monthly magazine).

56. Each separate issue of the Society's monthly magazine is a collective work, by virtue of the collection, selection, arrangement and assembly of materials in such a way that the resulting work as a whole -- the monthly issue -- constitutes an original work of authorship.

57. As a collective work, each separate issue of the Society's monthly magazine, at least since adoption of the 1909 Copyright Act, is or has been protected by federal copyright law pursuant to statute.

58. Each separate issue of the Society's monthly magazine bears copyright notice indicating, among other things, the year of first publication.

59. The existence of the Society's copyright in each underlying collective work -- each monthly magazine -- does not undermine or diminish in any way the Greenberg copyrights that apply to Greenberg photographs that appear within particular monthly issues.

60. The Complete Geographic product is not a "further use" of a preexisting collective work, or a "revision" of a preexisting collective work.

61. The Complete Geographic product is a new collective work, by virtue of the collection, selection, arrangement and assembly of materials -- some preexisting, some entirely new -- in a product that as a whole constitutes an original work of authorship.

62. In a copyright sense, no work like the Complete Geographic product ever existed previously.

63. As a new collective work, the Complete Geographic product is copyrightable. The Society has given notice of a 1997 copyright in that work. Any individual screen display derived from the CD-ROM contains 1997 copyright notice on that display when printed in hard copy.

64. Pursuant to the Copyright Act, the date in such notice indicates the year of first publication.

65. The Society and Geographic Enterprises had no right, as a matter of law, to reproduce, copy, display or sell the Greenberg Photographs in the Complete Geographic product, or to reuse the Cover Photograph in altered form, without prior permission. In the absence of

permission, the inclusion of the Greenberg Photographs and the altered Cover Photograph in the new collective work, amounts to infringement of the Greenberg copyrights.

66. Geographic Enterprises and Mindscape are at least vicariously liable for infringement of the aforesaid copyrights because of their roles in producing the CD-ROM discs and in distributing and selling the Complete Geographic product.

67. Prior to the start of general distribution and sale of the Complete Geographic product, the Society was warned not to include, or permit the inclusion of, the protected Greenberg photographs in the new collective work without prior written permission. The Society ignored the demand entirely, never discussed the subject with Mr. Greenberg or his counsel, and never obtained permission for the use of his photographs in the product. The infringement of the Greenberg copyrights addressed in this count was, therefore, willful.

WHEREFORE the plaintiffs seek the following relief with respect to Count III:

(1) Entry of judgment against the Society, Geographic Enterprises, and Mindscape for copyright infringement.

(2) An award of statutory damages.

(3) An award of exemplary damages for willful infringement.

(4) Entry of a permanent injunction to halt any further use of the protected Greenberg photographs in the Complete Geographic product.

(5) Entry of a permanent injunction to preclude any use by the Society, or by others with its participation, of the many photographs currently in the possession and control of the Society for which Mr. Greenberg, or the Greenbergs jointly, hold exclusive copyright or other proprietary interest.

- (6) An award of attorneys' fees and costs.
- (7) Such other relief as may be appropriate in the circumstances.

Count IV
**(Copyright infringement by the Society,
Geographic Enterprises and Mindscape)**

68. The allegations in paragraphs 21 through 41 are realleged and incorporated herein.

69. The Complete Geographic product is a collection of more than 1,200 separate issues of the Society's monthly magazine, and contains reproductions or copies of the full contents of each issue. In copying those contents, the Society included in the Complete Geographic product more than a dozen photographs created by Jerry Greenberg ("the Greenberg Photographs"), for which he, or the Greenbergs jointly, own exclusive copyright.

70. The Complete Geographic product also includes, among other things, the Moving Covers Sequence, which incorporates a cover photograph by Mr. Greenberg ("the Cover Photograph"). Because the Moving Covers Sequence appears on each of the 30 CD-ROM discs comprising the Complete Geographic product, the Cover Photograph appears in the Complete Geographic product in 30 separate places (beyond its original use in the July 1962 issue of the monthly magazine).

71. Each separate issue of the Society's monthly magazine is a collective work, by virtue of the collection, selection, arrangement and assembly of materials in such a way that the resulting work as a whole -- the monthly issue -- constitutes an original work of authorship.

72. As a collective work, each separate issue of the Society's monthly magazine, at least since adoption of the 1909 Copyright Act, is or has been protected by federal copyright law pursuant to statute.

73. Each separate issue of the Society's monthly magazine bears copyright notice indicating, among other things, the year of first publication.

74. The existence of the Society's copyright in each underlying collective work -- each monthly magazine -- does not undermine or diminish in any way the Greenberg copyrights that apply to Greenberg photographs that appear within particular monthly issues.

75. The Complete Geographic product is not a "further use" of a preexisting collective work, or a "revision" of a preexisting collective work.

76. The Complete Geographic product is a new derivative work and a product that as a whole constitutes an original work of authorship.

77. In a copyright sense, no work like the Complete Geographic product ever existed previously.

78. As a new derivative work, the Complete Geographic product is copyrightable. The Society has given notice of a 1997 copyright in that work. Any individual screen display derived from the CD-ROM contains 1997 copyright notice on that display when printed in hard copy.

79. Pursuant to the Copyright Act, the date in such notice indicates the year of first publication.

80. The Society and Geographic Enterprises had no right, as a matter of law, to reproduce, copy, display or sell the Greenberg Photographs in the Complete Geographic product,

or to reuse the Cover Photograph in altered form, without prior permission. In the absence of permission, the inclusion of the Greenberg Photographs and the altered Cover Photograph in the new derivative work, amounts to infringement of the Greenberg copyrights.

81. Geographic Enterprises and Mindscape are at least vicariously liable for infringement of the aforesaid copyrights because of their roles in producing the CD-ROM discs and in distributing and selling the Complete Geographic product.

82. Prior to the start of general distribution and sale of the Complete Geographic product, the Society was warned not to include, or permit the inclusion of, the protected Greenberg photographs in the new derivative work without prior written permission. The Society ignored the demand entirely, never discussed the subject with Mr. Greenberg or his counsel, and never obtained permission for the use of his photographs in the product. The infringement of the Greenberg copyrights addressed in this count was, therefore willful.

WHEREFORE the plaintiffs seek the following relief with respect to Count III:

- (1) Entry of judgment against the Society, Geographic Enterprises, and Mindscape for copyright infringement.
- (2) An award of statutory damages.
- (3) An award of exemplary damages for willful infringement.
- (4) Entry of a permanent injunction to halt any further use of the protected Greenberg photographs in the Complete Geographic product.
- (5) Entry of a permanent injunction to preclude any use by the Society, or by others with its participation, of the many photographs currently in the possession and control of the

Society for which Mr. Greenberg, or the Greenbergs jointly, hold exclusive copyright or other proprietary interest.

- (6) An award of attorneys' fees and costs.
- (7) Such other relief as may be appropriate in the circumstances.

Count V
(Copyright Infringement Against the Society,
Geographic Enterprises, and Mindscape)

83. The allegations in paragraphs 21 through 41 above are realleged and incorporated.

84. The Society had access to the Greenberg photograph ("the Cover Photograph") that is included in the Moving Cover Sequence that appears on each CD-ROM disc comprising the Complete Geographic product.

85. An exact replica of the Cover Photograph has been altered and deformed for utilization in the Moving Cover Sequence.

86. Mr. Greenberg holds valid and exclusive copyright in the photograph.

87. Mr. Greenberg never authorized the defendants to alter and deform the photograph in the Moving Covers Sequence.

88. Inclusion of the Cover Photograph in the Moving Covers Sequence without Mr. Greenberg's prior permission amounts to infringement under the Copyright Act.

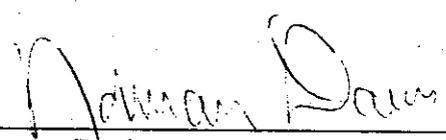
89. Geographic Enterprises and Mindscape are at least vicariously liable for infringement of the aforesaid copyright because of their roles in producing the CD-ROM discs and in distributing and selling the Complete Geographic product that contains the Cover Photograph in the Moving Covers Sequence.

90. The Society knew that it did not possess a copyright interest in the Cover Photograph, and by altering and deforming the photograph in the Moving Covers Sequence without consent willfully infringed the Greenberg copyright.

WHEREFORE the plaintiffs seek the following relief with respect to Count IV:

- (1) Entry of judgment against the Society, Geographic Enterprises, and Mindscape for copyright infringement.
- (2) An award of statutory damages.
- (3) An award of exemplary damages for willful infringement.
- (4) Entry of a permanent injunction to halt any further use of the Cover Photograph in the Moving Cover Sequence.
- (5) An award of attorneys' fees and costs.
- (6) Such other relief as may be appropriate in the circumstances.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing amended complaint was served by hand delivery on Valerie Itkoff, Esq., Weil, Gotshal & Manges LLP, 701 Brickell Avenue, Suite 2100, Miami, Florida 33131, this 23rd day of December, 1997.



Norman Davis

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CLERK, U.S.D.C. / S.D.F.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD

v.

NATIONAL GEOGRAPHIC SOCIETY, a district
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NATIONAL GEOGRAPHIC ENTERPRISES, INC, a
corporation, and MINDSCAPE, INC., a
California corporation,

Defendants.

**Memorandum of Law in Support of
Defendants' Motion to Dismiss Count II And to Dismiss Or
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

v.

NATIONAL GEOGRAPHIC SOCIETY, a district
of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES, INC, a
corporation, and MINDSCAPE, INC., a
California corporation,

Defendants.

**Memorandum of Law in Support of
Defendants' Motion to Dismiss Count II And to Dismiss Or
for Summary Judgment on Counts III - V of Plaintiffs' Amended Complaint**

The defendants National Geographic Society, National Geographic Enterprises' (collectively, the "Society") and Mindscape, Inc. ("Mindscape") submit this Memorandum of Law in support of their motion pursuant to Fed. R. Civ. P. 12(b)(6) and 56(b) to dismiss and for partial summary judgment dismissing counts II - V of the Amended Complaint (the "Am. Compl.").

The Parties

The plaintiffs, Jerry Greenberg and Idaz Greenberg, are creative artists and entrepreneurs who publish and distribute their works in books and other products (Am. Compl. at ¶ 8). The National Geographic Society is the world's largest nonprofit scientific and educational organization, with 9.5 million members, and is dedicated to the increase and

1. National Geographic Enterprises is incorporated under the name NGE, Inc.

diffusion of geographic knowledge in its broadest sense.² See Declaration of Thomas Stanton at ¶ 2 (hereinafter "Stanton Decl."). The Society and its subsidiaries produce periodicals, television programs, maps and atlases, educational games, and like products. Id. The Society's flagship publication, National Geographic Magazine (the "Magazine"), is the monthly journal of the Society containing articles and photographs which explore the cultural, geographical and organic richness of the world around us. Id. Mindscape is a computer software publisher and distributor which collaborates with the Society in its efforts to bring its

Statement of Material Facts

In 1997, the Society (through Enterprises) and Mindscape produced and began to sell "The Complete National Geographic," a CD-ROM product containing all issues of the Magazine published between 1888 and 1996 (hereinafter "CD-ROM 108") (attached as Exhibit A to the Stanton Decl.). Stanton Decl. at ¶ 3. CD-ROM 108 reproduces each issue of the Magazine *exactly* as it appeared in print. Id. at ¶ 5. There are no changes to the content, format or appearance of the Magazine in CD-ROM 108. Id. Each page of each issue remains perfectly intact, including all articles, photographs, graphics, advertising, notices of copyright, and attributions. Id.

At the beginning of each of the 30 disks in CD-ROM 108, there is a short promotional message for Kodak, which participated in marketing the product, and a multimedia sequence (the "Moving Cover Sequence"). Id. at ¶ 6. This sequence displays a series of images representing the covers of ten issues of the Magazine which transition from one into another, vividly illustrating the broad range of topics and issues that CD-ROM 108 and the Magazine address. Id. at ¶ 6. One of the images is the cover of the January 1962

2. National Geographic Enterprises (d/b/a National Geographic Interactive) (hereinafter "Enterprises") is a for-profit wholly-owned subsidiary of National Geographic Ventures, which in turn is a wholly-owned subsidiary of the National Geographic Society. Each of these entities promotes the Society's core mission of diffusing geographic knowledge of all kinds.

issue, containing a photograph taken by the plaintiff Jerry Greenberg (the "Cover"). The Cover appears in this sequence for less than one second. Id. at ¶ 7.

Prior to the release of CD-ROM 108, the Society sent a letter to each individual who had made a contribution to the Magazine. Stanton Decl. at ¶ 10 and Exh. B thereto. The letter notified the contributors of the pending release of CD-ROM 108 and explained the Society's belief that its continuing copyrights in the Magazine entitled it to reproduce the photographs in CD-ROM 108 without their consent. Stanton Decl. at ¶ 10 and Exn. B thereto. All contributors thus had the opportunity to come forward and claim any contractual rights to repayment which they may have had.

The plaintiffs then contacted the Society, claiming that the Society had no right to reproduce their photographs in CD-ROM 108 without their consent and that they did not consent to such use. They did not, however, assert that they had entered into any contract with the Society limiting its rights in this regard.

The plaintiffs then brought this action alleging infringement of copyright in "more than a dozen" photographs. The only photograph that the plaintiffs have specifically identified in their Amended Complaint is the photograph which was displayed on the cover of the January 1962 issue of the Magazine. Moreover, the plaintiffs did not attach to their Amended Complaint any evidence of their copyright registration in any of the photographs which they claim the Society has used without permission.

Argument

- I. THE PLAINTIFFS HAVE FAILED TO ALLEGE THAT THEY PROPERLY REGISTERED THEIR COPYRIGHTS IN THE "JASON" IMAGE, THE COVER, AND THE UNIDENTIFIED CD-ROM 108 PHOTOGRAPHS.

A copyright holder *must* register his or her copyright claim in order to bring a suit for infringement. 17 U.S.C.A. §411(a); Cable News Network, Inc. v. Video Monitoring Servs., 940 F.2d 1471 (11th Cir. 1991), *vacated on other grounds*, 949 F.2d 378 (11th Cir. 1991), *appeal denied*, 959 F.2d 188 (11th Cir. 1992); M.G.B. Homes, Inc. v. Ameron Homes,

Inc., 903 F.2d 1486 (11th Cir. 1990); 3 Nimmer on Copyright §12.09[A] at p. 12-132 (1997). Likewise, proper recordation of the transfer of a copyright is a jurisdictional prerequisite to an infringement action. Techniques, Inc. v. Rohn, 592 F. Supp. 1195, 1197 (S.D.N.Y. 1984).

The Court should dismiss Counts II - V of the Amended Complaint because the plaintiffs have failed to allege registration of copyright with respect to the photographs involved therein. Count II alleges that the Society published without authorization a photograph of a sea fan, taken by Jerry Greenberg for the Magazine's July 1990 issue, in a brochure promoting the Society's participation in the "Ocean Project." Am. Compl. at ¶¶ 48-52. However, the plaintiffs fail to allege that they registered their copyright in this photograph. Am. Compl. ¶ 21. In Counts III - V, the plaintiffs claim that the Society's reproduction of the Magazine and display of the Moving Cover Sequence in CD-ROM 108 violates their copyrights in the photograph published on the cover of the January 1962 issue and "more than a dozen" additional, unidentified, photographs. Am. Compl. at ¶¶ 15, 33, 53-90. The plaintiffs do not allege that they registered their copyrights or recorded their assignments of copyright in these photographs. The Court thus lacks jurisdiction to entertain Counts II - V and should dismiss them.

II. THE COPYRIGHT ACT EXPRESSLY PERMITS THE SOCIETY TO REPRODUCE THE MAGAZINE IN CD-ROM 108.

Pursuant to Rule 56(c) of the Federal Rules of Civil Procedure, the Court may grant summary judgment to a moving party where no genuine issue exists as to any material fact and the moving party is entitled to judgment as a matter of law. Celotex Corp. v. Catrett, 477 U.S. 317 (1986); Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986). There are no genuine issues of material fact to be resolved. The plaintiffs' images were published in certain issues of the Magazine. Each issue is a collective work of which the Society is the copyright owner. The Society has reproduced each issue in CD-ROM 108, which it has the right to do under Section 201(c) of the Copyright Act. Thus, it is appropriate for the Court to grant summary judgment.

- A. The plain language of §201(c) permits the Society to reproduce the Magazine in CD-ROM 108.

Section 201(c) of the Copyright Act provides that:

Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. *In the absence of an express transfer of the copyright* or of any rights under it, the owner of the copyright in the collective work is *presumed to have acquired only the privilege of reproducing and distributing*

collective works, and any later collective work in the same series.

17 U.S.C.A. §201(c) (emphases added).

The plain language of §201(c) controls this case. "When statutory language is plain . . . that is ordinarily 'the end of the matter.'" Amoco Prod. Co. v. Gambell, 480 U.S. 531 (1987); see also Bethesda Hosp. Assoc. v. Bowen, 485 U.S. 399 (1988) ("the plain meaning of the statute decides the issue presented"). Here, the plain language of §201(c) gives the Society the right to reproduce the plaintiffs' photographs in CD-ROM 108. All of the photographs involved in Counts III - V (the photograph featured on the cover of the January 1962 issue and "more than a dozen" unidentified photographs) were, initially, contributions to various issues of the Magazine. Am. Compl. at ¶ 33. Each of these issues is a collective work. 17 U.S.C.A. § 101. The plaintiffs have not alleged that there is "an express transfer of copyright" or, indeed, that they entered into any kind of agreement with the Society that limited its right, under §201(c), to reproduce those collective works.

The only reported decision on this issue is Tasini v. New York Times Co., 972 F. Supp. 804 (S.D.N.Y. 1997), *aff'd on reh'g*, 1997 WL 681314 (S.D.N.Y. Oct. 29, 1997)³ (attached hereto as Exhibit A) in which Judge Sonia Sotomayor held that § 201(c) permitted the defendants to reproduce issues of the New York Times, Sports Illustrated and other publications in electronic media, including CD-ROM. Judge Sotomayor explicitly rejected the plaintiffs' contention that §201(c) only permits a publisher to revise a collective work in the same medium as the original work. Tasini, 972 F. Supp. 804, 817-8. Section 201(c) contains

3. Tasini is currently on appeal to the Court of Appeals for the Second Circuit.

no such express limitation. Indeed, the Act as a whole was deliberately written to be medium-neutral. Id. at 818; see also H.R. Rep. No. 1476, 94th Cong., 2d Sess 62 (1976) ("Under the bill it makes no difference what the form, manner or medium of fixation may be. . .").⁴

The facts of this case are even more compelling than those in Tasini. In Tasini, some of the reproductions eliminated advertisements and photographs and changed database including articles from other publications, thus eliminating the sequence and organization of the original articles. Tasini, 974 F. Supp at 823-4. In addition, NEXIS did not reproduce the photographs, captions and layouts of the original publications. Id. at 824. By contrast, CD-ROM 108 displays an image of each page of the Magazine *exactly* as it appeared in hard copy, including all articles, photographs, graphics, advertising, notices of copyright, and attributions. Stanton Decl. at ¶ 5. CD-ROM 108 thus retains all of the elements of the original Magazine.

B. The legislative history of §201(c) confirms that the Society is entitled to reproduce the Magazine in CD-ROM 108.

Where, as here, the plain and ordinary meaning of the statute resolves the legal issue involved, there is no need to look at the legislative history. Amoco, 480 U.S. at 552-3 (cautioning against going behind plain language to search for possibly contrary intent). However, should the Court choose to do so, it will find that the legislative history of §201(c) supports the defendants' position.

4. Thus, for example, a copyright holder exercises its rights under the Act by distributing "copies" of the subject work. 17 U.S.C.A. §106. The Act defines "copies" as "material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C.A. §102. Thus, Congress deliberately refrained from restricting the media in which copyright holders could reproduce their works.

Section 201(c) was a compromise. It benefitted contributors by making it clear that the "copyright in each separate contribution to a collective work . . . vests initially in the author of the contribution." It benefitted publishers by establishing a baseline level of rights that the publisher acquires by force of law absent express contract language to the contrary.

The House Report summarized the compromise as follows:

The magazine contributors, while strongly supporting the basic presumption in their favor, suggested that the last clause be deleted as unduly restrictive. However, the House Report concluded that the clause was an essential counterpart of the basic presumption, as an essential counterpart of the basic presumption. Under the language which has been retained a publisher could reprint a contribution from one issue in a later issue of his magazine, or could reprint an article from a 1970 edition of an encyclopedia in a 1980 revision of it; he could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.

H.R. Rep. No. 2237, 89th Cong., 2d Sess 117 (1966) (later summarized in the final report on the 1976 Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 122-23 (1976)).

* * *

The clear language of § 201(c), its legislative history and the reasoned opinion in Tasini compel the conclusion that the defendants had the right to reproduce the issues of this Magazine which contained plaintiffs' images as part of CD-ROM 108.

III. THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE IS DE MINIMIS, AND, THEREFORE, NOT ACTIONABLE

The plaintiffs claim that the defendants infringed their copyright in the photograph that appeared on the Cover by showing it, as one of ten cover images, for less than one second as part of the Moving Cover Sequence. However, in order to establish actionable copying, a plaintiff must demonstrate that the copying exceeds a certain de minimis threshold. Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70 (2d Cir. 1997). De minimis use does not give rise to copyright liability. Warner Bros. Inc. v. American Broadcasting Cos., Inc., 720 F.2d 231 (2d Cir. 1983); Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044 (S.D.N.Y. 1994) (citing Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984)). In Ringgold v. Black Entertainment Television, Inc., 126

F.3d 70 (2d Cir. 1997), the defendant used a poster of the plaintiff's quilt as a background set decoration on a television show. Id. at 73. In analyzing the substantiality of copying involved, Judge Newman emphasized that, in cases involving visual works, "the quantitative component of substantial similarity also concerns the observability of the copied work -- the length of time the copied work is observable in the allegedly infringing work and such factors as focus, lighting, camera angles, and prominence." Id. at 74. Judge Newman found that the use of the plaintiff's poster in various segments of the program totalling between 26 and 27 seconds was "clearly and unmistakably recognizable as the plaintiff's 'colorful, virtually two-dimensional style.'" Id. at 77.

In a similar case involving copying of a visual work, the Southern District of New York also emphasized that to establish actionable copying, "[t]here must be some degree of permanence or the maxim 'de minimis' applies, requiring a finding of no liability." Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044, 1047 (S.D.N.Y. 1994). In Amsinck, the defendant used the plaintiff's crib mobile as part of the set decoration of a film. Id. at 1046. The mobile appeared in several scenes for periods of time ranging from two to twenty-one seconds, with a total exposure of roughly one minute and thirty-six seconds. Id. at 1045. As in Ringgold, the entire copyrighted work was displayed. Id. However, the court concluded that this did not constitute actionable copying, in part because the mobile "appear[ed] for only seconds at a time and [could] be seen only by viewing a film, [and thus was] fleeting and impermanent." Id. at 1048.

If the concept of de minimis use has any meaning whatsoever, it must apply to this case. The Cover flashes by in less than one second, see Stanton Decl. at ¶ 7; it is virtually impossible for a visual work to appear for a shorter period of time and yet still be capable of perception by the human eye. Indeed, the plaintiffs themselves admit that there is no element of permanence to the Moving Cover Sequence. Am. Compl. at ¶ 36 (images "are electronically and visually manipulated so that they metamorphose from one to another"). Thus, the Moving Cover Sequence, and especially the one Cover including the plaintiffs' photograph, is unquestionably a de minimis use.

IV. THE DEFENDANTS' USE OF THE COVER IN THE MOVING COVER SEQUENCE CONSTITUTES FAIR USE.

The 1976 Copyright Act codifies the judicial doctrine of fair use, an "equitable rule of reason" which "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." Stewart v. Abend, 495 U.S. 207, 236 (1990) (citations omitted). Section 107 permits:

the fair use of a copyrighted work . . . for purposes such as criticism, comment,

whether the use made of a work in any particular case is a fair use the factors to be considered shall include: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C.A. §107.

A. CD-ROM 108 is educational and does not seek to exploit the Cover for commercial gain.

1. The Magazine is an educational periodical.

The preamble of §107 lists six examples of the type of use which may give rise to a successful fair use defense: criticism, comment, news reporting, teaching, scholarship and research. 17 U.S.C.A. §107. The list is nonexclusive and is meant to provide "general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses." Campbell, 510 U.S. at 577 (parody); see also Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 560 (1985) (news reporting); New Era Publications Int'l v. Carol Publishing Group, 904 F.2d 152, 155 (2d Cir. 1990) (critical biography); Salinger v. Random House, Inc., 811 F.2d 90, 96 (2d Cir. 1987) (biography).

Generally, fair uses are those which contribute in some way to the public welfare. Pacific and Southern Co., Inc. v. Duncan, 744 F.2d 1490 (11th Cir. 1984). A use which falls within the ambit of the preamble to §107 gives rise to a strong presumption of fair use. Arca Institute v. Palmer, 970 F.2d 1067, 1077 (2d Cir. 1992) (psychologist's book

on "intuition training" fell within preamble to §107); Wright v. Warner Books, Inc., 953 F.2d 731, 736 (2d Cir. 1991) (scholarly biography fit within categories of uses that Congress indicated may be fair).

The Magazine's mission is to educate its readership about the cultural, geographical and organic richness of the world around us. Stanton Decl. at ¶ 2. The collection of 1,200-plus issues of the Magazine, spanning 108 years, is a remarkable

such as "Making Friends with Mountain Gorillas" (January 1970); "New Map Interweaves History with Geography" (January 1970); "Lebanon, Little Bible Land in the Crossfire of History" (February 1970); and "Starfish Threaten Pacific Reefs" (March 1970) enrich the reader's knowledge of the incredibly varied and complex world around us. The Magazine "contributes to the public welfare," see Pacific & Southern Co., 744 F.2d at 1496, because it increases our cultural knowledge of and appreciation for the symbiotic relationship between humans and the plant and animal life which surrounds us. Thus, the Magazine's pervasively recognized status as an educational publication weighs in favor of the defendants.

2. CD-ROM 108 makes "transformative" use of the Cover, which weighs in favor of finding fair use.

The Supreme Court's most recent pronouncement on the fair use defense emphasizes that the "central purpose" of the first fair use factor is to determine whether the new work merely replaces the original, or whether it makes "transformative" use of the original by adding further creative expression or meaning to it. Campbell, 510 U.S. at 579 (citations omitted). See also Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 562 (1985) (no fair use of verbatim excerpts of former President Ford's memoirs); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1400 (9th Cir. 1997) (nontransformative use of elements of Dr. Seuss character cut against fair use); Pacific & Southern Co., Inc. v. Duncan, 744 F.2d 1490, 1496 (11th Cir. 1984) (no fair use where television news service copied and sold entire news feature); Jartech, Inc. v. Clancy, 666 F.2d 403 (9th Cir. 1982) (upholding jury finding of fair use because use was not the "same intrinsic use [from] which the copyright holders expected protection").

The key to transformative use is that it builds upon elements of the original work in creating an entirely new work which conveys a different message and serves a different function than that of the original. Campbell, 510 U.S. at 580. A finding of transformative use will diminish the significance of other considerations, such as commerciality, which might otherwise weigh against the defendant. Id. at 579. This is consistent with the Copyright Act's goal of encouraging creative endeavors in science and the arts. Id.

The plaintiffs concede, albeit in derogatory terms, that the defendants' use of the Cover of the Magazine in the Moving Cover Sequence is transformative. Am. Compl. at ¶ 85 ("the Cover Photograph has been altered and deformed for utilization in the Moving Cover Sequence"). The Cover of the Magazine is portrayed exactly as it actually appears in the Magazine for a moment, but the position of one element in the photograph, the figure of the female diver, is then altered to facilitate the visual effect of the Cover transitioning into the next cover in the sequence. Stanton Decl. at ¶ 7. It is one piece of a moving digital mosaic which evokes the variety and richness of the natural world which is the subject of the Magazine.

The transformative nature of the Moving Cover Sequence weighs in favor of the defendants.

3. The defendants do not exploit the Cover for commercial gain in the Moving Cover Sequence.

While the Supreme Court has stated that copying which serves a commercial or profit-making activity is presumptively unfair, Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 448-9 (1984), it has emphasized that this is not a "hard evidentiary presumption," but merely one element of the inquiry into the first factor which should not be given dispositive weight. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 583-4 (1994); see also Maxtone-Graham v. Burtchaell, 803 F.2d 1253, 1262 (2d Cir. 1986) (in analyzing commerciality, need not "make a clear-cut choice between two polar characterizations, 'commercial' and 'non-profit'"). Indeed, if commerciality alone were determinative of fair use, "the presumption would swallow nearly all of the illustrative uses listed in the preamble

paragraph of §107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities 'are generally conducted for profit in this country.'" Campbell, 510 U.S. at 584 (quoting Harper & Row, 471 U.S. at 592 (Brennan, J., dissenting)); see also American Geophysical Union v. Texaco, Inc., 60 F.3d 916 (2d Cir. 1995) (since most secondary users seek some measure of commercial gain from use, unduly emphasizing commercial motivation leads to overly restrictive view of fair use).

F.2d 1171 (5th Cir. 1980), found that purely commercial use could constitute fair use. In that case, the Miami Herald displayed the cover of TV Guide Magazine in an advertisement for its own competing television guide. Id. at 1172-3. The District Court ruled against the Miami Herald on the sole ground that the use of the TV Guide cover was to obtain commercial advantage. Id. at 1175. The Fifth Circuit reversed, rejecting the lower court's "per se rule that commercial motive destroys the defense of fair use." Id. The court found that the circumstances of the use undercut its commercial nature. Id. at 1175-6. The TV Guide cover was used in a truthful comparative advertisement, and the Court took note of the public interest in disseminating "important information to consumers [which] assists them in making rational purchase decisions." Id. at 1176 n. 13 (quoting 16 C.F.R. §14.15(c) (1980)). Thus, even though the Miami Herald used the TV Guide cover expressly for the purpose of gaining a competitive advantage in the market for television guides, the manner in which it did so constituted fair use. Id. at 1176.

Moreover, the inquiry into commerciality specifically focuses on whether the alleged infringer stands to gain from "exploitation of the *copyrighted material*," Harper & Row, 471 U.S. at 562, not whether the new work, as a whole, is commercial in nature. See Penelope v. Brown, 792 F. Supp. 132, 137 (D. Mass. 1992); Haberman v. Hustler Magazine, Inc., 626 F. Supp. 201 (D. Mass. 1986) (citing Harper & Row, 471 U.S. at 562). In analyzing the first fair use factor, the Haberman court emphasized that "[t]he fact that Hustler magazine is offered for sale. . . does not dictate a finding that the reproduction of Haberman's [two photographs] was a commercial use." Haberman, 626 F. Supp. at 210. Haberman's

photographs were displayed inside the magazine and were not advertised on the cover or otherwise made evident to prospective purchasers. Id. Thus, the court ruled that the manner of Hustler's use was "not a strong factor militating against a finding of fair use."

Finally, the fair use defense is broader with respect to works which, though intended to be profitable, aspire to serve broader public purposes. Twin Peaks Prods., Inc. v. Publications Int'l, Ltd., 996 F.2d 1366, 1375 (2d Cir. 1993); Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1523 (9th Cir. 1993). This public benefit need not be direct or tangible in order to claim fair use. Sega, 977 F.2d at 1523.

The defendants do not contest that CD-ROM 108 is sold for a profit. However, that fact does not affect the core educational purpose of the Society's mission to further the diffusion of geographic knowledge. The Society's primary motivation in republishing the Magazine in CD-ROM 108 was to bring the convenience of digital archiving to educators, librarians, students and families. Stanton Decl. at ¶ 3 and Ex. B thereto. In light of the significant educational value of the Magazine, the fact that CD-ROM 108 is offered for sale carries little or no weight in the first factor analysis.

Moreover, the defendants' use of the Cover in the Moving Cover Sequence is not the source of whatever commercial gain the defendants might realize as a result of CD-ROM 108. Indeed, potential purchasers of CD-ROM 108 are not even aware of the Moving Cover Sequence, since it is not referenced on the outside packaging and has not been highlighted in any advertising for the product. Stanton Decl. at ¶ 6.

4. The defendants have acted in good faith.

The conduct of the allegedly infringing user is also relevant to the first fair use factor because "fair use presupposes 'good faith' and 'fair dealing.'" Harper & Row, 471 U.S. at 562 (citations omitted); see also Weissman v. Freeman, 868 F.2d 1313, 1323 (2d Cir. 1989). Consequently, the deliberate exploitation of a copyrighted work for one's own personal gain weighs heavily against a finding of fair use. Harper & Row, 471 U.S. at 563 (The Nation's "knowing[] exploitation [of] a purloined manuscript" in an effort to "scoop" Time Magazine militated strongly against a finding of fair use); Los Angeles News Serv. v.

KCAL-TV Channel 9, 108 F.3d 1119 (9th Cir. 1997) (no fair use where television station broadcast competing station's videotape of Reginald Denny beating and did not attribute tape to competitor); Rogers v. Koons, 960 F.2d 301, 308 (2d Cir. 1992) (no fair use where artist deliberately removed copyright notice from photograph before unauthorized copying).

The defendants here have acted in the utmost good faith with respect to CD-ROM 108. The Society sent a letter to all contributors to the Magazine informing them of the pending release of CD-ROM 108, describing the product and explaining that §201(c) authorized the Society to republish the Magazine in CD-ROM format. Stanton Decl. at ¶ 2. The Society thus afforded all contributors the opportunity to notify the Society of any contractual rights which might limit the applicability of §201(c). The defendants' good faith weighs in their favor.

Because the Magazine (and consequently CD-ROM 108) is primarily educational rather than commercial, because the use is transformative, because the defendants do not seek to gain any profit directly from the use of the Cover, and because the defendants have acted in good faith, the first fair use factor weighs in the defendants' favor.

B. The Cover has already been published.

The second fair use factor assesses "the nature of the copyrighted work." 17 U.S.C.A. §201(c). Whether a copyrighted work has already been published is a critical element of this factor. Harper & Row, 471 U.S. at 563. The scope of the fair use defense is broader with respect to works that have already been published. Harper & Row, 471 U.S. at 563; Arica Institute, Inc. v. Palmer, 970 F.2d 1067 (2d Cir. 1992) (finding fair use by psychiatrist of published ego fixation model in book); Salinger v. Random House, Inc., 811 F.2d 90 (2d Cir. 1987); (biographer's use of subject's unpublished works weighed against fair use); Haberman v. Hustler Magazine, Inc., 626 F. Supp. 201 (D. Mass. 1986) (fact that photographs had been published undercut weight of creativity and originality in examination of second fair use factor). This is because the creator of the original work has an interest in controlling its first publication. Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 737; Haberman, 626 F. Supp. at 212.

The photograph at issue here, like the photographs in Haberman, has already been published: it appeared on the cover of the January 1962 issue of the Magazine. Therefore, the plaintiffs' interest in controlling its first publication is not at stake here as it was in Harper & Row. This factor thus favors the defendants' claim of fair use.

C. The Cover's fleeting appearance in the Moving Cover Sequence is not a substantial use.

The third fair use factor considers "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 207(c). It has been conclusively established that copying an entire work does not preclude a fair use defense. See Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984); Ringgold v. Black Entertainment Television, 126 F.3d 70 (2d Cir. 1997) (third fair use factor weighed in favor of defendants where poster, used as set decoration, appeared in television show for less than 27 seconds); Triangle Publications, Inc. v. Knight-Ridder Publications, Inc., 626 F.2d 1171 (5th Cir. 1980) (finding fair use of entire cover of TV guide in advertisement for competing television programming guide); Sandoval v. New Line Cinema Corp., 973 F. Supp. 409 (S.D.N.Y. 1997) (finding fair use of photographs which were displayed for approximately 90 seconds in motion picture).

This factor has both a quantitative and a qualitative aspect. Wright v. Warner Books, Inc., 953 F.2d 731, 738 (2d Cir. 1991). Thus, even substantial copying may constitute fair use if it does not reproduce the "heart" of the original work, see Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 738; Triangle Publications, 626 F.2d at 1177.

As in Ringgold and Sandoval, while the defendants used the entire Cover in the Moving Cover Sequence, it appears for a split second as one of a series of ten images of other Magazine covers. Stanton Decl. at ¶¶ 6-7. The plaintiffs cannot seriously contend that such a fleeting and ephemeral use of the Cover captures its "essence or value," see Sandoval, 973 F. Supp. at 413, or its "heart," see Harper & Row, 471 U.S. at 564; Wright, 953 F.2d at 738; Triangle Publications, 626 F.2d at 1177. The Cover is barely discernable or identifiable as it is momentarily shown before transitioning into the next image. Moreover, a user can

skip the Moving Cover Sequence by mouse-clicking on it once after his or her initial use of CD-ROM 108. Stanton Decl. at ¶ 6. This factor weighs in favor of the defendants.

D. The Moving Cover Sequence has no effect on the potential market for the photograph appearing in the Cover.

The fourth fair use factor examines "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C.A. §201(c). The Supreme Court in *Campbell* rejected the Court of Appeals' presumption, stemming from the Supreme Court's earlier decision in *Sony*, that any finding of commercial use under the first factor creates a finding of market harm under the fourth factor. *Campbell*, 510 U.S. at 590-1. The Supreme Court limited the *Sony* presumption of market harm to cases involving exact copying for purely commercial purposes. *Id.* Thus, one who duplicates a work exactly and then makes a profit by distributing the copy to the *same market* as that of the original work cannot claim fair use. *Pacific & Southern Co., Inc. v. Duncan*, 744 F.2d 1490, 1496 (11th Cir. 1984) (under fourth factor, "court can measure the success of the original purpose and single out those purposes that most directly threaten the incentives for creativity which the copyright tries to protect").

It is difficult to imagine how the Moving Cover Sequence could displace market demand for the photograph appearing in the Cover, since the size and quality of the images in the sequence are inferior to the original Magazine. Stanton Decl. at ¶ 8. A potential purchaser of a poster or a postcard depicting the Cover photograph could not buy CD-ROM 108 instead and use the Moving Cover Sequence as a substitute for the original photograph. As a result, the fourth factor weighs heavily in favor of the defendants.

* * *

Pursuant to §201(c) of the Copyright Act, the defendants are entitled to reproduce the Magazine in CD-ROM 108. In addition, their use of the Cover in the Moving Cover Sequence is de minimis and protected by the fair use doctrine. The defendants are thus entitled to an Order granting them summary judgment on Counts III-V.

Conclusion

For all the reasons stated, the defendants respectfully request that their motion be granted.

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that the foregoing has been sent by hand delivered this 30th day of January, 1998 to Norman Davis and David A. Frenkel, SUGARMAN & DAVIS LLP, 200 South Biscayne Boulevard, 40th Floor, Miami, Florida 33131-2398, attorneys for plaintiff.

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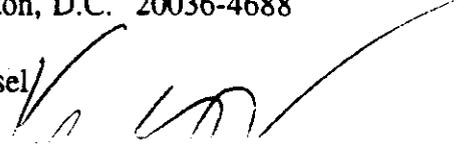
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JAN 30 1998

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

v.

NATIONAL GEOGRAPHIC SOCIETY, a district
of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES, INC, a
corporation, and MINDSCAPE, INC., a
California corporation,

Defendants.

**DECLARATION OF
THOMAS STANTON**

Thomas Stanton affirms as follows, under penalty of perjury:

1. I am the Director of CD-ROM Product Management at National Geographic Interactive, a division of NGE, Inc., which is a wholly-owned for-profit subsidiary of the National Geographic Society (collectively, the "Society"). I make this declaration based upon personal knowledge.

2. The National Geographic Society is the world's largest nonprofit scientific and educational organization, with 9.5 million members, and is dedicated to the diffusion of geographic knowledge in its broadest sense. The Society and its subsidiaries produce periodicals, television programs, maps and atlases, educational games, and like products. Its flagship publication, National Geographic Magazine (the "Magazine"), is the

monthly journal of the Society containing articles and photographs which explore the cultural, geographical and organic richness of the world around us.

3. In 1996, the Society decided to reproduce all issues of the Magazine published between 1888 and 1996 in CD-ROM format (hereinafter "CD-ROM 108") (attached hereto as Exhibit A). The Society's primary motivation in republishing the Magazine in CD-ROM 108 was, in light of the growing significance of electronic media, to bring the convenience of digital archiving to the Magazine's readership, which consists largely of educators, librarians, students and families. The Society believed that the completeness and accessibility of this vast collection of the Magazine would enhance its mission for the diffusion of geographic knowledge. In 1997, the Society produced and began to sell CD-ROM 108.

4. As Director of CD-ROM Product Management, I supervised all aspects of CD-ROM 108's development. I drafted the initial development proposal, interviewed, hired and supervised a vendor to conduct the scanning process, conducted beta testing, and participated in all technical aspects of the product's development.

5. After careful consideration, the Society elected to develop this archive through the process of digital scanning. Each issue was thus scanned, page by page, into a computer system. The scanning process created an exact image of each page as it appeared in the Magazine. CD-ROM 108 provides no tools to the user for cutting, pasting or altering any of the digital pages. The Society made absolutely no changes to the content, format or appearance of the Magazine. Each page of each issue remains perfectly intact, including all articles, photographs, graphics, advertising, notices of copyright, and attributions.

6. A short multimedia sequence (the "Moving Cover Sequence") is contained on each of the 30 disks in CD-ROM 108. This sequence displays a series of images representing the covers of ten issues of the Magazine which transition from one into another. The sequence plays the first time a user boots up CD-ROM 108. When the user opens the program on subsequent occasions, he or she can skip the sequence by mouse-clicking on it once. The sequence is not referenced on the outside packaging of CD-ROM 108, nor has it been highlighted in any advertising.

7. The cover of the January 1962 issue of the Magazine is one cover in the Moving Cover Sequence. It depicts a female scuba diver swimming among corals and fishes (the "Cover"). To facilitate the visual effect of the Cover transitioning into the next cover in the sequence, the figure of the female diver is repositioned to align itself with the body of the female dancer in the next cover. The Cover is visible for less than one second.

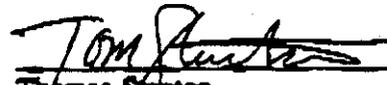
8. None of the images in the Moving Cover Sequence can compete qualitatively with an actual photograph or with a color copy taken from the Magazine itself. The Moving Cover images are much smaller than their hard copy counterparts. Moreover, while the scanning process selected by the Society resulted in an exact copy of each page, it could not reproduce the same high resolution as the original Magazine. Even a cursory glance at CD-ROM 108 reveals that the digital images appear somewhat "fuzzy" compared to paper copies of the Magazine. Thus, even if a consumer wanted to attempt to capture an image from the Moving Cover Sequence and print it out, that consumer could never reproduce the quality of, for example, a color copy taken from the Magazine. Thus, it is

virtually inconceivable that an image taken from the Moving Cover Sequence could ever supplant demand for the plaintiffs' photograph.

9. As a courtesy to the Society's many contributors, I wrote a letter dated May 21, 1997 notifying all contributors to the Magazine of CD-ROM 108's pending release (attached hereto as Exhibit B). In the letter, I explained that the Society's continuing copyrights in the Magazine entitled it to publish CD-ROM 108 without making further payments for the use of individual contributions. Exh. B. at p. 2. This letter was meant to reassure contributors that although the Society was not required to make additional payments for CD-ROM 108, the possible use of their contributions in other CD-ROM products might entitle them to such payment. *Id.*

10. I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 30, 1998


Thomas Stanton

R1-20-Exh. A

EXHIBIT "A"

**The Complete National Geographic
108 Years of National Geographic Magazine on CD-ROM**

Actual Set Filed With the Court Only

NATIONAL GEOGRAPHIC INTERACTIVE

TOM STANTON
Director, CD-ROM Product Management

May 21, 1997

XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

Dear Magazine Contributor:

As you know, the Society is making a digital archive of NATIONAL GEOGRAPHIC magazine from 1888 through 1996. *The Complete NATIONAL GEOGRAPHIC: 108 Years of NATIONAL GEOGRAPHIC Magazine on CD-ROM* contains a digital image of every page of the magazine, including advertisements, without any changes, additions, or modifications.

This CD-ROM contains a search engine based on the National Geographic Society proprietary indexing scheme. It does not allow users to cut and paste photographs or text, and while photographs and text can be printed, the quality is inferior to a photocopy of the magazine itself.

The NATIONAL GEOGRAPHIC on CD-ROM was designed as a low-cost reference tool for educators, librarians, students, and families. Producing a CD-ROM of this size is an expensive proposition. We have deliberately priced the 30-volume set at \$199 to make it more affordable for educational institutions and families.

The 40-million-dollar CD-ROM marketing and distribution contract with Mindscape, Inc., that some of you have read about in the media covers 11 titles over a three-year period, including *The National Geographic Photo Gallery*, *Really Wild Animals*, *Geo Bee Challenge*, and *The Complete NATIONAL GEOGRAPHIC: 108 Years of NATIONAL GEOGRAPHIC Magazine on CD-ROM*. These four titles will be released in 1997, and seven additional products are scheduled for release in 1998. This \$40 million represents the total retail sales Mindscape hopes to generate from its distribution arrangement. National Geographic's expected proceeds are a small fraction of this amount; the Society does not expect to do more than break even on these products. Kodak is identified as a sponsor of the project as part of a larger advertising arrangement with the Society.

We are aware that some photographers and writers, whose work has appeared in NATIONAL GEOGRAPHIC and, therefore, will be in the CD-ROM archive, are questioning whether they will be paid for this use of their work. As Director of CD-ROM Product Management, I want to convey to you the Society's position on this matter.

This does not lend itself to a simple or easy explanation, as it is a blend of copyright law, magazine publishing lore, National Geographic contract interpretation, etc., but I will attempt to summarize. Because the CD-ROM archive consists of an exact image of every page as it was originally published, this reissuance (or reprint) is not a "further editorial use" of material such as requires additional payment to the photographers whose contracts commit the Society to payment under those circumstances. The Society holds copyrights in the magazine issues as collective works, and we believe that the continuing copyrights permit the Society to republish its magazine archive in this CD-ROM delivery mechanism. This is comparable to magazines being made available on microfiche.

Beyond this, I don't want to make any blanket statement about individualized contracts. I do want to state, however, that the NATIONAL GEOGRAPHIC on CD-ROM is a unique situation. The Society does pay, where appropriate, for electronic/digital reproduction rights. For example, we will pay photographers for the digital rights to another CD-ROM—*The National Geographic Photo Gallery*—a product which is clearly a "further editorial use" of preexisting material. We have also paid for digital rights on all other interactive products including CD-ROMs and Web site content modules. It has been, and will continue to be, the Society's position to pay fair market value for the content we publish.

Sincerely,

A handwritten signature in black ink that reads "Tom Stanton". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

vs.

NATIONAL GEOGRAPHIC
SOCIETY, a District of Columbia
corporation, NATIONAL GEOGRAPHIC
ENTERPRISES, INC., a corporation,
and MINDSCAPE, INC., a
California corporation,

Defendants.

**PLAINTIFFS' MEMORANDUM
IN RESPONSE TO DEFENDANTS' MOTION
TO DISMISS COUNT II AND TO DISMISS OR FOR
SUMMARY JUDGMENT ON COUNTS III - V
OF PLAINTIFFS' AMENDED COMPLAINT**

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Plaintiffs, JERRY GREENBERG and IDAZ GREENBERG ("the Greenbergs"), submit this memorandum in response to Defendants' Motion to Dismiss Count II and to Dismiss Or For Summary Judgment on Counts III-V of Plaintiffs' Amended Complaint.

STATEMENT OF UNDISPUTED MATERIAL FACTS

The National Geographic Society ("the Society") is a not-for-profit corporation formed in the District of Columbia, and its principal place of business is there. Defs. Answer ¶ 5. National Geographic Enterprises, Inc. is a wholly-owned for-profit subsidiary of the Society. Thomas Stanton Declar. ¶ 1. The Society or a subsidiary relies on a marketing and distribution agreement with Mindscape, Inc. to distribute and sell The Complete National Geographic on CD-ROM ("the Complete Geographic"), among other projects. Stanton Declar., Ex. B.

The Complete Geographic¹ was first distributed in 1997, and incorporates 108 years of the National Geographic monthly magazine, through the year 1996, amounting to more than 1,200 issues of the magazine. Thomas Stanton Declar. ¶ 3. The Complete Geographic product consists of approximately 30 discs for display through a computer. Stanton Declar., Ex. A. The materials in the Complete Geographic are clustered by decade, and within the box containing the 30 discs the monthly magazines for each decade are segregated in separate packages. *Id.* Each disc will display the covers of all issues for any given year within that decade. *Id.* A purchaser of the Complete Geographic must buy the entire 30-disc set, although the defendants have had a decade-a-month purchase plan, whereby, for example, discs encompassing magazine issues for the 1990s are available. *See* Ex. B, Jerry Greenberg Affid. ¶ 14.

As to the specific magazines included in the Complete Geographic, a computer can display an image of each page of the magazine as it appeared in hard copy, including all articles, photographs, graphics, advertising, notice of copyright, and attributions. Defs. Mem. at 6. At two places on the labeling that adorns the box containing the 30 discs appears the following: "Relive 100 years of classic advertisements as they appeared in over a century of National

¹ This memorandum utilizes the term "Complete Geographic," which corresponds to the label on the product itself. The defendants' memorandum refers to the product as CD-ROM 108.

Geographic magazine.” Stanton Declar., Ex. A. Additionally, promotional literature distributed by the Society for the Complete Geographic product included the following invitation: “Relive 100 years of classic advertisements as they appeared in over a century of National Geographic magazine.” See Ex. A, Idaz Greenberg Affid., Attach. 1.

The Society’s literature states that the magazine is available for advertising purposes in “worldwide, international, U.S., regional, statewide, metro, and ‘test’” editions, as well as an edition published in the Japanese language. See Ex. C, John David Affid., Attachment A. Therefore, many variations of the monthly magazine, bearing different advertising or a different language, are not included in the Complete Geographic product. The box in which the Complete Geographic is packaged says on the printed cover that “The Complete National Geographic on CD-ROM was produced from an archive of magazines collected in a central repository, and is not representative of any single regional edition of the magazine.” Stanton Declar., Ex. A. The same statement appears on the label attached to each of the 30 discs. Id. The same statement appears on screen at the end of the display on each disc. Id.

No product like the Complete Geographic existed prior to 1997. Stanton Declar. ¶ 3. Each disc, when activated, displays a moving logo of a globe with music, and a 30-second advertisement for Kodak with sound. Stanton Declar., Ex. A. As an introductory logo, each disc also contains a multi-media sequence of moving magazine covers (“the Moving Covers Sequence”) that serves as thematic material for the Complete Geographic. That sequence consists of the front covers of ten selected issues of the Society’s monthly magazine. Id. The ten covers are electronically and visually manipulated so that they metamorphose from one to another. Id. One of the ten covers utilized in the Moving Covers Sequence is taken from the January 1962 issue of the Society’s monthly magazine that features a photograph of a female diver, using scuba gear, shown swimming among corals and fishes. Jerry Greenberg Affid. The photograph was taken by Mr. Greenberg. Id.

The Society stores and sells single back-issues of the monthly magazine if issues for particular months are available. Idaz Greenberg Affid. A month-by-month and year-by-year search would have to be made to determine availability of particular magazines. Id. Where issues do not exist in a warehouse, paper reprints of those issues are not available. Id.

The Society has in its possession or control hundreds of photographs taken by Mr. Greenberg, or duplicates or electronically-scanned images of those photographs. Jerry Greenberg Affid.

The Complete Geographic product contains more than a dozen photographs taken by Mr. Greenberg for which he owns exclusive copyright. *Id.* Those copyrights have been timely registered and/or renewed with the U. S. Copyright Office. *Id.*

The Society placed the following notice on the Complete Geographic: "© 1997 National Geographic Society. All rights reserved." The notice appears on the outside of the box containing the Complete Geographic, on the label attached to each disc in the box, and in the visual display contained on each disc. Stanton Declar., Ex. A. When a single "page" display on the computer is downloaded and printed, the 1997 copyright notice appears at the bottom of the hard copy. *Id.* The printed matter on the outside of the box containing the discs encourages the user to "print spectacular photographs and articles in color or black and white." *Id.*

Jerry Greenberg never received a copy of the May 21, 1997 letter described by Thomas Stanton in paragraph 9 of his affidavit, attached to the defendants' memorandum, nor did he receive any other communication from any of the defendants regarding his photographs. J. Greenberg Affid.

ARGUMENT²

I. ALL OF THE RELEVANT GREENBERG COPYRIGHTS ARE REGISTERED

The defendants seek dismissal of Counts II-V because the Amended Complaint does not allege in those counts that all pertinent copyrights were registered. The memorandum argues a lack of jurisdiction. The motion, however, invokes Rule 12 (b) (6), which has nothing to do with jurisdiction. In all counts of the Amended Complaint the allegations are that the Greenbergs own

² This memorandum attempts to correspond as much as possible to the arguments and the format utilized in the defendants' motion.

valid and exclusive copyrights: they would not be valid for litigation purposes had they not been registered. An affidavit by Jerry Greenberg, attached hereto as Exhibit A, identifies with particularity each and every registration and renewal, and the plaintiffs urge the Court to accept the affidavit as buttressing the allegations in the Amended Complaint.

The Greenbergs urge the Court to minimize disruption to the case on this issue, and to consider the somewhat similar circumstances involving copyright registration in M.G.B. Homes, Inc. v. Ameron Homes, Inc., 903 F.2d 1486, 1489 (11th Cir. 1990), where the Eleventh Circuit quoted Rule 61, Federal Rules of Civil Procedure, to the effect that “[t]he court at every stage of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.” The defendants are not prejudiced by the technical omission. Nonetheless, the Greenbergs are prepared to amend the complaint if necessary, or to take any other remedial action directed by the Court.

**II. THE COMPLETE GEOGRAPHIC IS NOT MERELY
A BOX FILLED WITH REPRINTS, BUT IS
A NEW COLLECTIVE WORK**

Count III of the Amended Complaint alleges infringement of copyright by the defendants because the Complete Geographic, as a new collective work, incorporates the protected photographs of Jerry Greenberg without his consent. In their memorandum, the defendants contend in Part II starting on page 4 that the incorporation of the photographs is protected by Section 201 (c) of the Copyright Act. The defendants have not answered Counts II, III, IV and V of the Amended Complaint.

**A. The Complete Geographic is
Not a “Reissuance” or a “Reprint.”**

The parties agree that each separate monthly issue of the Society’s magazine is a collective work, pursuant to 17 U.S.C. § 101. The defendants maintain that the Complete Geographic is merely a “reissuance” or a “reprint” of more than 1,200 collective works in a different medium. Defs. Mem., Ex. B. Plaintiff Jerry Greenberg’s position is that he holds valid

copyrights to many photographs that originally appeared in various monthly issues, and that have been reproduced without his consent in the Complete Geographic.

The defendants contend that ownership of copyright in each of the monthly issues (each a collective work) that are germane to this case entitles them pursuant to Section 201(c) of the Copyright Act to reprint those monthly issues and the Greenberg photographs they contain. But Section 201 (c) expressly limits the reproduction by the defendants of separate contributions to a collective work, such as the Greenberg photographs, and says that any reproduction of an underlying copyrighted contribution must be

part of that collective work [the particular monthly magazine], any revision of that collective work [the particular magazine], and any later collective work in the same series.

17 U.S.C. § 201(c) (emphasis and bracketed material added). The Complete Geographic falls within none of those permitted reproductions. Under 201 (c), a reproduction or reissue of a particular monthly magazine containing Greenberg photographs would be permissible. Indeed, the four magazines (from 1962, 1968, 1971 and 1990) containing Greenberg photographs may be purchased in single-copy form from the Society. *Idaz Greenberg Affid.* Such use of the Greenberg photographs does not constitute infringement.

The reference in Section 201 (c) to “any later collective work in the same series” can only implicate a subsequent issue of the monthly magazine, where reproduction would be permissible.

The defendants cite to Tasini v. New York Times Co., 972 F.Supp. 804 (S.D.N.Y. 1997), aff'd on rehearing, 1997 WL 681314 (Oct. 29, 1997), for the conclusion that the Copyright Act is medium-neutral. The Greenbergs' claims do not suggest otherwise. The principal holding in Tasini was that the reproductions at issue there were permissible revisions of individual collective works, such as a daily issue of the New York Times. As to Section 201 (c), neither the plaintiffs nor the defendants in this case contend that the Complete Geographic is a revision of a prior collective work. See Defs. Mem. at 6.

The legislative history cited in the defendants' memorandum at page 7 actually undermines the defendants' position. The House Report reflects the lawmakers' intention, in writing Section 201 (c), to restrict any republication of a separately copyrighted contribution

(such as the Greenberg photographs) contained within a collective work (such as an issue of the Society's monthly magazine) to "certain limited circumstances," as described in the report:

[A] publisher could reprint a contribution from one issue in a later issue of his magazine, or could reprint an article from a 1970 edition of an encyclopedia in a 1980 revision of it; he could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work.

H.R. Rep. No. 2237, 89th Cong., 2d Sess. 117 (1966), referenced in the final committee report on the 1976 Copyright Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 122-23 (1976) (emphasis added). As discussed below, the Complete Geographic violates that restriction.

B. The Complete Geographic is a New Collective Work.

Other portions of the Copyright Act are implicated in this dispute. A "collective work" is defined in the Copyright Act as

a work, such as a periodical issue, anthology, or encyclopedia, in which a number of contributions, constituting separate and independent works in themselves, are assembled into a collective whole.

17 U.S.C. § 101. "A collective work ... consists of numerous original contributions which are not altered, but which are assembled into an original collective whole." Tasini, 972 F.Supp. at 812. Moreover, a "collective" work is a subset of "compilation" which is defined in the Act as

a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

17 U.S.C. § 101. "The originality requirement [for a compilation] is not particularly stringent. A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the selection or arrangement³

³ "The requisite originality [in a collective work] may inhere in selection or arrangement alone, even if the other ingredient is lacking." 1 NIMMER ON COPYRIGHT § 2.04[B] (footnotes)

independently ... and that it display some minimal level of creativity.” Feist Publishers v. Rural Tel. Serv., 499 U.S. 340, 346, 111 S.Ct. 1282, 1287 (1991). In the context of selection and arrangement, the Second Circuit has said that “[i]n the law of copyright, only an unmistakable dash of originality need be demonstrated; high standards of uniqueness in creativity are dispensed with.” Weissman v. Freeman, 868 F.2d 1313, 1321 (2d Cir. 1989). “[C]ompilations, and collective works, are characterized by the fact that they possess relatively little originality. . . .” Tasini, 972 F.Supp. at 814. See also Baltimore Orioles v. Major League Baseball Players, 805 F.2d 663, 668 n.6 (7th Cir. 1986) (a work is original if it is the creation of its author). “[T]he originality called for in a collective work consists of the collection and assembling of pre-existing materials. . . .” 1 NIMMER ON COPYRIGHT § 3.02 at 3-7. Originality in a collective work does not require the addition of new materials. Id. § 3.03 at 3-9, 10.

By these legal standards, the Complete Geographic is a new collective work. It is new because nothing like it existed before, and it is therefore original. It is original, moreover, because of the selection and arrangement of things included (and excluded) from the work. The defendants concede that nothing like it ever existed before. Apart from the new product, no collection of the monthly magazines covering 108 years has ever existed previously in any medium. Hard-copy issues of some of the monthly magazines -- but not all -- are stored in warehouses and can only be purchased individually for varying prices. Idaz Greenberg Affid. The final issue of the monthly magazine incorporated in the Complete Geographic product was published in December 1996. The Complete Geographic was produced in 1997 and sales began in that year. Defs. Mem., Ex. B. This is further confirmed by the use of the year 1997 in the copyright notice affixed to the product. The Copyright Act requires such notice to state “the year of first publication of the work.” 17 U.S.C. § 401(b)(2). Each notice on the Complete Geographic product includes the assertion “all rights reserved,” which has legal implications for protecting copyright under various international copyright treaties. The large box containing 30

omitted). Thus, the Complete Geographic, in selection or arrangement of its contents, qualifies as a collective work.

discs, as well as each box within containing a decade's discs, each contain unique and original ISBN numbers, which are used for cataloging by some repositories.

Furthermore, the label on the box containing the 30 discs proclaims an "unprecedented CD-ROM collection." (Emphasis added). It is an unprecedented collection in any medium.⁴ In the new product, the magazines are sold only as a collection. A purchaser of the Complete Geographic must purchase the entire 30-disc collection covering 108 years, or a smaller collection covering an entire decade. The Complete Geographic product is certainly new and unique.

The new product is a collective work "formed by the collection and assembling of preexisting materials ... that are selected, coordinated, or arranged." 17 U.S.C. § 101. The defendants assert that the Complete Geographic "displays an image of each page of the Magazine *exactly* as it appeared in hard copy, including all articles, photographs, graphics, advertising, notices of copyright, and attributions." Defs. Mem. at 6. (Emphasis in original). That may be true of those magazines that the defendants chose to place in the Complete Geographic, but the defendants left out of the collection other editions of the monthly magazine that were different in some way, as in advertising or language. The defendants thus engaged in selection that included some magazines or editions, and omitted others.

The box in which the Complete Geographic is packaged says on the printed cover that "The Complete National Geographic on CD-ROM was produced from an archive of magazines collected in a central repository and is not representative of any single regional edition of the magazine." The same language appears on the label attached to each of the 30 discs, and it also appears at the end of the display on each disc. The Society's own advertising literature states that the magazine is available for advertising purposes in "worldwide, international, U.S.,

⁴ The May 21, 1997 letter attached to the Thomas Stanton Declaration states that the republishing of "this magazine" on CD-ROM is "comparable to magazines being made available on microfiche." The issue, however, is not the medium used (as the defendants' memorandum stresses) but whether the microfiche product would be a new collective work. A single issue of the monthly magazine produced in its entirety on microfiche would not qualify as a new collective work, but 1200-plus issues duplicated on microfiche and packaged and sold only as a collection would.

regional, statewide, metro, and "test" editions, as well as an edition published in the Japanese language. John David Affid. attachments. The defendants thus exercised considerable discretion in selecting editions to be included and excluded.⁵

The materials in the Complete Geographic are clustered by decade, and within the box containing the 30 discs the monthly magazines for each decade are segregated on discs placed in separate packages. Each disc will display the covers of all issues for any given year within that decade. The Society's magazines have never been packaged or marketed in such a fashion. Each disc, when activated, displays an elegant moving logo of a globe, a multi-media Moving Cover Sequence that also serves as a logo, and a multi-cover display page for each year of the 108 years of publication. Each disc contains a 30-second advertisement for Kodak. When each disc is exited, a series of moving graphics displays lengthy credits for those who participated in the project. Any single page displayed on screen has the capacity to be downloaded and printed, in color or black-and-white. Every such page, when printed, contains 1997 copyright notice across the bottom.

The Complete Geographic, therefore, is not merely a box containing reprints of magazines, but is a new and original collective work.

C. The Inclusion of the Greenberg Photographs Infringes His Copyright in Those Photographs

The Complete Geographic contains many photographs created by Jerry Greenberg, for which he is the sole owner of copyright. The photographs were included in the new collective work that is the Complete Geographic against his express instructions. Such inclusion amounts to infringement of his copyrights.

"The copyright [in a collective work] is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting

⁵ The defendants considered advertisements in the magazine over the decades to be an important ingredient of the Complete Geographic product. At two places on the labeling that adorns the box containing the 30 discs appears the following: "Relive 100 years of classic advertisements as they appeared in over a century of National Geographic magazine."

material.” 17 U.S.C. § 103 (b). Copyright protection for the Complete Geographic product does not diminish Jerry Greenberg’s copyright protection in his photographs that are contained in that product. “Under Section 103 (b), any unauthorized use of preexisting protected material by the creator of a derivative or a collective work infringes the copyright existing in that preexisting material.” Tasini, 972 F.Supp. at 814.

If the Complete Geographic is deemed not to be a new collective work and is merely a reprinting of the earlier issues, with no copyright liability for the defendants for using the protected works of others contained in earlier issues, the defendants will have unlimited opportunity to exploit protected works of others that have been gathered over decades, for purposes never conceived by either side, in still other “reprints” that can take many forms. The economic reality is that offering a back issue or a reprint of the May 1956 issue of the magazine, or the November 1974 issue, or any other single issues, on its face has extremely limited appeal. The earlier issues have profit-making marketability only when collected with others and packaged in new and original works in such a way that consumers will be enticed to buy.⁶ This in no way demeans the significance or quality of the Society’s products or the noble purposes for which the Society says it exists. But as with any other publisher, the Society and its affiliates may not with such business strategies transgress the protections afforded by the Copyright Act to creative artists such as Jerry Greenberg.

The defendants’ memorandum in Part II does not defeat the allegations in Count III of the Amended Complaint with respect to a new collective work, and summary judgment on that claim cannot be granted to the defendants.⁷

⁶ The Court can note that single issues that may be available are sold by the Society itself, a nonprofit corporation. Idaz Greenberg Affid. The Complete Geographic, on the other hand, is prepared and marketed by one or more for-profit subsidiaries created by the Society, with licensing extended to defendant Mindscape, another for-profit entity. Defs. Memor. at 2, n.2.

⁷ In a motion, the plaintiffs are voluntarily seeking dismissal of the claim in Count IV of the Amended Complaint that the Complete Geographic constitutes a derivative work. However, in pursuing Count V, the plaintiffs will contend, inter alia, when their response to the defendants’ “fair use” argument is presented to the Court, that the impermissible use of the Greenberg

III. BECAUSE THE DEFENDANTS HAVE MADE PROMINENT USE OF A GREENBERG PHOTOGRAPH IN THE MOVING COVERS SEQUENCE, SUCH INFRINGEMENT CANNOT BE DE MINIMIS

The defendants' argument in Part III of their memorandum is directed at Count V of the Amended Complaint. The defendants have not answered the allegations in Count V, and have not asserted defenses to that claim. Nonetheless, in Part III they have invoked a de minimis defense⁸ with respect to Count V. The defendants' motion for summary judgment as to Count V should be denied because the defendants' infringement in the Moving Covers Sequence is not de minimis.⁹

A. The Use of the Greenberg Photograph Cannot Be De Minimis Because the Defendants Have Thrust the Photograph to the Forefront of Every One of its Discs in the Complete Geographic

Part III of the defendants' memorandum argues that since the Greenberg cover photograph appears in the Moving Covers Sequence for less than one second,¹⁰ it is a de minimis use and thus not actionable. The defendants, however, cite no authority to support the proposition in Part III that de minimis is defined solely on the basis of quantity of use rather than quality of use. Indeed, "even a small usage may be unfair if it is of critical importance to the

photograph in the Moving Cover Sequence involves the creation by the defendants of a derivative work.

⁸ Establishing a de minimis contention is the defendants' burden. See generally 2 NIMMER ON COPYRIGHT § 8.01 [G].

⁹ As set forth later in this memorandum, the plaintiffs are unable to respond adequately to Part IV of the defendants' memorandum, which asserts the statutory defense of fair use, without appropriate discovery of facts. Part IV includes, in sub-part C, a discussion of the "amount and substantiality" of use as an aspect of fair use, which overlaps with the de minimis argument in Part III. The plaintiffs' response to Part III of the memorandum, therefore, is not a waiver of their right to challenge all of the components of Part IV when adequate information is in hand.

¹⁰ An issue of fact exists as to the duration of the appearance of the Greenberg photograph in the Sequence. See Idaz Greenberg Affidavit, ¶ 7.

work as a whole and taken by the infringer in order to save the time and expense incurred by the copyright owner." Meredith Corp. v. Harper & Row Publishers, Inc., 378 F. Supp. 686, 693 n.12 (S.D.N.Y. 1974), aff'd, 500 F.2d 1221 (2d Cir. 1974); see also Horgan v. MacMillan, Inc., 789 F.2d 157, 162 (2d Cir. 1986) ("Even a small amount of the original, if it is qualitatively significant, may be sufficient to be an infringement . . ."); Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co., 900 F. Supp. 1287, 1300 (C.D. Cal. 1995) ("[T]he Court must look to the quantitative and qualitative extent of the copying involved. . . . Plaintiffs should prevail on this issue . . . [because] the brevity of the infringing work when compared to the original does not excuse copying."); Chicago Record-Herald Co. v. Tribune Ass'n, 275 F. 797, 799 (7th Cir. 1927) (rejecting defendant's de minimis argument because "[w]hether the appropriated publication constitutes a substantial portion of [the defendant's infringing article] cannot be determined alone by lines or inches which measure the respective articles."). The defendants cannot now attempt to trivialize a photograph they made the conscious decision to highlight in the Moving Covers Sequence.

The Complete Geographic consists of 108 years of versions of the monthly magazine. Altogether, the Complete Geographic features more than 1200 issues of the magazine published between 1888 and 1996. These 1200-plus issues are spread out over 30 compact discs. Amid the more than 1200 issues of the magazine on the 30 discs, a photograph by Jerry Greenberg appears prominently on the cover of the January 1962 issue.

The defendants admit that they created the Moving Covers Sequence to run at the beginning of every one of the 30 discs. (Memorandum, at 2). As the defendants admit, the purpose of this Moving Covers Sequence is to provide "a series of images which transition from one into another vividly illustrating the broad range of topics and issues that [the Complete Geographic] and the Magazine address." Id. (emphasis added). With these expressed goals of (1) transition, and (2) vivid illustration in mind, the defendants had to select carefully the right images to effectuate their purpose. This means that the images could not have been chosen at random, and the defendants do not argue that this was the case. Indeed, the defendants had to choose the right images from hundreds of magazine covers to create their dramatic Moving Covers Sequence. Out of those many magazine covers, the defendants settled upon ten. Ten

magazine covers with images that could meet the goals of the Moving Covers Sequence by (1) transitioning smoothly into another image, and (2) providing a vivid illustration of the topics addressed by the magazine. From more than 1200 magazine covers, the defendants chose the Greenberg cover photograph as one of the ten. Those ten images, in the context of their placement, use and prominence in the Complete Geographic product, are nothing less than iconic in terms of their significance to the product.¹¹

The defendants cannot now downplay the significance of this choice by dismissing it as “de minimis.” See Educational Testing Servs. v. Katzman, 793 F.2d 533, 542 (3d Cir. 1986) (rejecting defendants’ de minimis argument that they copied only a “handful” of test questions out of thousands produced by plaintiff; court looked instead to the “qualitative value of the copied material, both to the originator and to the plagiarist.”); Elsmere Music, Inc. v. National Broad. Co., 482 F. Supp. 741, 744 (S.D.N.Y. 1980) (rejecting defendant’s de minimis argument because, even though defendant copied only four notes and two words from a song of 100 measures and 45 words, “[u]se of such a significant (albeit less than extensive) portion of the composition is far more than merely a de minimis taking.”), aff’d, 623 F.2d 252 (2d Cir. 1980). The defendants have thrust the Greenberg cover photograph to the forefront of every one of its discs in the Complete Geographic. No law is required to conclude that the decision to place his photograph on a magazine cover in 1962 represented a high tribute to the quality of his work. It was an even higher tribute to Greenberg’s work that the defendants chose to use his photograph to epitomize all the cover photographs that have come before. In essence, along with nine other photographs in the Moving Covers Sequence, the Greenberg photograph has become emblematic of all of the magazines in the Complete Geographic collection.

In addition, unlike the other photographs in the Complete Geographic, the plaintiff’s photograph does not sit silently on a page within one of the 1200-plus issues on one of the 30 discs until someone finds it. Rather, the photograph finds you. Every time someone views any

¹¹ An instruction sheet that accompanies the discs inside the product box refers to the sequence as “The Complete National Geographic icon.” Thomas Stanton Affid., Ex. A. An icon can be said to be a symbol of the magazine. H. Mifflin Co., THE AMERICAN HERITAGE DICTIONARY at 638 (2d Coll. Ed.).

one of the 30 discs, he or she views the Moving Covers Sequence. The only way to avoid viewing the Moving Covers Sequence each time a disc is opened is for the viewer to make a conscious decision to mouse-click it away.¹² Except for the nine other photographs within the Moving Covers Sequence, no other image is granted such exalted status within the Complete Geographic as the Greenberg photograph.

Furthermore, the defendants' de minimis argument should be rejected because the case law cited in Part III of their memorandum does not support their position. The defendants rely largely on two cases, Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70 (2d Cir. 1997) and Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044 (S.D.N.Y. 1994).

Ringgold, in reality, provides support for the Greenbergs. In Ringgold, the defendant used a poster of a copyrighted image in the background scenery in one of its television shows. 126 F.3d at 73. As in the instant case, the defendants invoked the de minimis defense in a motion for summary judgment prior to discovery. Id. at 73. The defendants argued that the use was de minimis because "the television viewer sees no more than 'some vague stylized [sic] painting . . . ' and can discern none of [the plaintiff's] particular expression of her subjects." Id. at 77 (quoting from the defendants' brief). The Second Circuit, however, rejected this argument and held that the de minimis threshold for actionable copying of protected expression had been crossed. Id. Using language particularly appropriate for the instant case, the court found it "disingenuous" for defendant Home Box Office, "whose production staff evidently thought that the poster was well suited as a set decoration for the [scene] . . . , now to contend that no visually significant aspect of the poster is discernible." Id.

Similarly, the defendants here are attempting now to diminish the importance of a photograph they deemed well-suited for inclusion in a highly-select group of photographs chosen

¹²It is axiomatic that the number of times an individual views the Moving Covers Sequence depends on the individual's own taste. But the fact that the Complete Geographic enables a viewer to mouse-click the Moving Covers Sequence away does not alter the fact that the Moving Covers Sequence begins playing automatically, without any prompting from the viewer. Moreover, the defendants cannot know whether, or how often, the Moving Covers Sequence will be stopped by clicking.

to represent the history of the magazine. In Ringgold, the artist's work was part of background scenery. Here, the photograph serves as an emblem for the entire 108-year magazine collection.

The defendants also cannot find support in Amsinck, which is clearly distinguishable from the instant case. In Amsinck, without the artist's permission, the defendants used a crib mobile that featured the plaintiff's artwork as part of the set decoration in a film. Id. at 1046. In contrast, the Greenberg photograph at issue is not some incidental decoration for the Complete Geographic, but as discussed above it is given stage-center prominence, in a highly symbolic manner, on every disc in the 30-disc collection. See Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566, 105 S. Ct. 2218, 2233 (1985) ("In view of the expressive value of the excerpts and their key role in the infringing work, we cannot agree with the Second Circuit that the 'magazine took a meager, indeed an infinitesimal amount of [the] original language.'") (citation omitted).

This Court should reject the defendants' argument in Part III of their memorandum that quantity of use alone determines what crosses beyond the de minimis threshold.

B. The Defendants' Inclusion of the Photograph Cannot Be De Minimis Because the Defendants Used the Entire Photograph, and Not Just a Fragment, in the Sequence

The defendants' de minimis argument also should be rejected because the defendants used Jerry Greenberg's entire photograph, and not just a fragment, in the Moving Covers Sequence. "As a rule, a taking is considered de minimis only if it is so meager and fragmentary that the average audience would not recognize the appropriation." Fisher v. Dees, 794 F.2d 432, 434 n.2 (9th Cir. 1986); accord Epic Metals Corp. v. Condec, Inc., 867 F. Supp. 1009 (M.D. Fla. 1994) (quoting the above rule of law from Fisher); Acuff-Rose Music, Inc. v. Campbell, 972 F.2d 1429, 1438 (6th Cir. 1992) ("A de minimis use, one that is meager and fragmentary, by definition fails to conjure up the original and does not constitute an infringement."), rev'd on other grounds, 510 U.S. 569 (1994).

Because the defendants do not deny that they used anything but the entire Jerry Greenberg photograph in the Moving Covers Sequence, their de minimis argument in Part III of their memorandum should be rejected.

IV. THE PLAINTIFFS CANNOT ADEQUATELY RESPOND TO THE DEFENDANTS' FAIR USE ARGUMENTS WITHOUT REASONABLE DISCOVERY AS TO RELEVANT FACTS

Part IV of the defendants' memorandum is devoted to the application of the fair use doctrine to Count V of the Amended Complaint, which asserts a claim relative to the Moving Covers Sequence that appears on each disc in the Complete Geographic product.

Rule 56 (f), Federal Rules of Civil Procedure, provides as follows:

Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

The plaintiffs request a continuance of the defendants' pending motion -- but only as to Count V -- so that appropriate discovery may be had.¹³ According to Rule 56 (f), such a request must take the form of an affidavit stating the reasons for the party's inability to present facts essential to justify its opposition. An affidavit by a party's counsel can satisfy the requirement of the rule where the attorney has the requisite first-hand knowledge and is competent to address the specifics of the facts needed. Fernandez v. Bankers Nat'l. Life Ins. Co., 906 F.2d 559, 570 (11th Cir. 1990). See also Resolution Trust Corp. v. North Bridge Assocs., 22 F.3d 1198 (1st Cir. 1994) (party need not execute affidavit). An affidavit for that purpose by Norman Davis is attached to and incorporated in this memorandum as Exhibit D.

"The party opposing a motion for summary judgment has a right to challenge the affidavits and other factual materials submitted in support of the motion by conducting sufficient discovery so as to enable him to determine whether he can furnish opposing affidavits." Snook v. Trust Co. of Georgia Bank of Savannah, N.A., 859 F.2d 865, 870 (11th Cir. 1988). If the documents or other discovery sought would be relevant to the issues presented by the motion for

¹³ In making the request under Rule 56 (f), the plaintiffs expressly do not waive any other discovery to which they are entitled under Rule 26.

summary judgment, the opposing party should be allowed the opportunity to utilize the discovery process to gain access to the requested materials. Id. Generally summary judgment is inappropriate when the party opposing the motion has been unable to obtain responses to his discovery requests. Id.

The plaintiffs presently believe that the discovery required as to issues raised in the motion with respect to Count V should require no more than two months after the Court's authorization. That period may be significantly reduced, depending on the ability and willingness of the defendants to respond promptly to requests. The plaintiffs cannot know whether follow-up requests or depositions may become necessary on the basis of information provided by the defendants. The plaintiffs have no desire to prolong resolution of the motion unnecessarily, but where a dispositive motion affecting an important claim in their case is involved, they should have the full ability to oppose arguments advanced by the defendants in the motion.

Notwithstanding this request with respect to Count V, the Court's ability to resolve issues addressed in the defendants' motion with respect to other counts would not be impaired.

CONCLUSION

As to the defendants' motion to dismiss with reference to Counts II-V, the plaintiffs urge the Court to accept that the copyright registrations are implied in the allegations, or accept the sworn representations in the Jerry Greenberg Affidavit as to the registration of copyrights in the interest of minimizing disruption that would be caused by a newly-amended complaint.

Alternatively, the plaintiffs are prepared to amend the Amended Complaint to incorporate the registrations.

As to the defendants' motion for summary judgment on Counts III through V, the plaintiffs urge as follows:

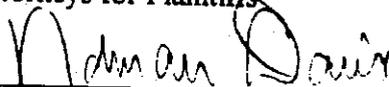
Count III -- defendants' motion should be denied.

Count IV -- plaintiffs are moving separately to voluntarily dismiss the claim.

Count V -- plaintiffs request a continuance of the defendants' motion only as to Count V until the plaintiffs can conduct appropriate discovery.

Respectfully submitted,

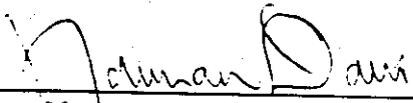
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing plaintiffs' memorandum in response to defendants' motion to dismiss or for summary judgment was served by hand on Edward Soto, Weil, Gotshal & Manges, LLP, 701 Brickell Avenue Boulevard, Suite 2100, Miami, Florida 33131; and via Federal Express on Robert G. Sugarman, Weil, Gotshal & Manges, LLP, 767 Fifth Avenue, New York, New York 10153, this 13th of February, 1998.



Norman Davis

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

vs.

NATIONAL GEOGRAPHIC
SOCIETY, a District of Columbia
corporation, NATIONAL GEOGRAPHIC
ENTERPRISES, INC., a corporation,
and MINDSCAPE, INC., a
California corporation,

Defendants.

AFFIDAVIT OF JERRY GREENBERG

Jerry Greenberg appeared before the undersigned authority and stated as follows:

1. My name is Jerry Greenberg. The statements in this affidavit are based on my personal knowledge.
2. I have been a professional photographer for more than 40 years. During most of that time, with Idaz Greenberg, I also have engaged in a small publishing business, based in Miami, Florida, under the name Seahawk Press.
3. Starting in the early 1960s, I provided to the National Geographic Society ("the Society") over a period of time many hundreds of photographs, some of which were utilized in various articles appearing in issues of the monthly Society magazine.

4. I have been advised by various managers and employees of the Society that the Society continues to have possession or control over hundreds of photographs taken by me, or duplicates, or electronically scanned images of the photographs. I have copyright in some of those photographs, and the Society has proprietary rights to others.

5. In 1997, I purchased in Miami, Florida a product called The Complete National Geographic, consisting of approximately 30 CD-ROM discs on which are produced more than 1,200 issues of the Society's monthly magazine ("the Complete Geographic").

6. More than a dozen photographs on which I hold exclusive copyright interest are included in the Complete Geographic. I was never asked for my consent to include those photographs, and I never provided consent in any form.

7. On December 18, 1985, the Society assigned to me copyright interest in my photographs that had appeared in issues of the monthly magazine in 1962, 1968 and 1971. That assignment was recorded in the U. S. Copyright Office on September 16, 1988. Copies of the assignment and Certificate of Recordation are attached to this affidavit and incorporated as Attachment 1.

8. As expiration neared for the copyright in the 1962 photographs, I renewed the copyright in December 1989. A copy of the renewal form is attached to this affidavit and incorporated as Attachment 2.

9. As expiration neared for the copyright in the 1968 photographs, I renewed the copyright in March 1996. A copy of the renewal form is attached to this affidavit and incorporated as Attachment 3.

10. On June 14, 1989, I entered into an agreement with the Society to produce original photographs to be incorporated in a 1990 magazine article on the Pennekamp Reef Park. In paragraph 5, the agreement provided that copyright in the new photographs to be taken for the 1990 article would inure to the Society, but that after publication all photographs would be returned to me along with all rights to said photographs. In addition, I provided to the Society several stock photos from my personal archive for use in the article. A copy of the agreement is attached to this affidavit and incorporated as Attachment 4.

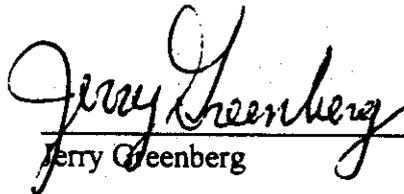
11. The photographs utilized in the article described in paragraph 10 above were returned to me by the Society in the spring of 1990. In July 1990, I registered my copyright with the U. S. Copyright Office. A copy of the registration form is attached to this affidavit and incorporated as Attachment 5.

12. Early in 1997 I became aware that the Society was intending to begin the distribution and sale of the Complete Geographic at some time in 1997. In 1997, through my legal counsel, I expressly informed the Society that I would not agree to the inclusion in that product of my copyrighted photographs, and I warned against their inclusion. The Society never responded on the matter.

13. I have read the Declaration of Thomas Stanton, an exhibit to the Memorandum of Law in Support of Defendants' Motion to Dismiss Count II and to Dismiss or for Summary Judgment on Counts III-IV of Plaintiffs' Amended Complaint. Mr. Stanton states, in paragraph 9, that he wrote a letter, dated May 11, 1997, notifying all contributors to the magazine of the pending release of the Complete Geographic. I never received that letter, or any communication from the Society, with reference to the Complete Geographic product.

14. In July 1997, I ordered from Mindscape Direct a CD-ROM excerpt from the Complete Geographic product that covered only the decade of the 1990s. The CD-ROM for that decade was delivered to me some weeks later. The invoice from Mindscape Direct covering the transaction is attached to and incorporated in this affidavit as Attachment 6.

AFFIANT SAID NOTHING FURTHER.


Jerry Greenberg

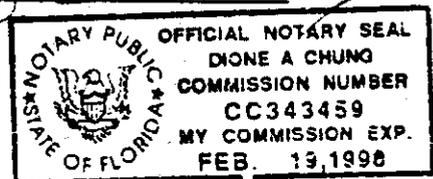
STATE OF FLORIDA)
) ss
COUNTY OF DADE)

The foregoing instrument was acknowledged before me this ^{7c} 11 day of February, 1998, by Jerry Greenberg, who was sworn and who said that the information set forth above is true and correct to the best of his knowledge and belief. Mr. Greenberg is personally known to me, or produced known as personal identification.



Notary Public

My Commission Expires:



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

v.

NATIONAL GEOGRAPHIC SOCIETY, a district
of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES, INC, a
corporation, and MINDSCAPE, INC., a
California corporation,

REPLY DECLARATION OF
THOMAS STANTON

Defendants.

Thomas Stanton affirms as follows, under penalty of perjury:

1. I am the Director of CD-ROM Product Management at National Geographic Interactive, a division of NGE, Inc., which is a wholly-owned for-profit subsidiary of the National Geographic Society (collectively, the "Society"). I make this declaration based upon personal knowledge.

2. When the Society decided to produce CD-ROM 108, I asked Mary Anne McMillen, the Director of the Society's Records Library Department, to retrieve copies of each issue of the Magazine from the Society's central warehouse and provide those copies to an outside vendor for scanning.

3. However, the Society's central warehouse did not contain copies of every single issue of the Magazine. We filled the gaps in our inventory by purchasing copies

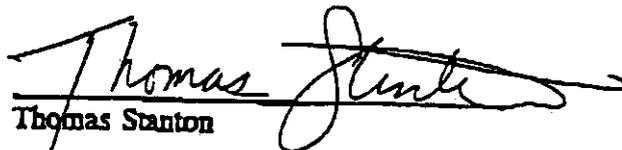
of the Magazine from used book stores, institutions, garage sales and any other available source.

4. The Society only included one edition of each issue of the Magazine in CD-ROM 108. The Society actually publishes approximately 30-40 editions of each monthly issue. The editorial content of each edition of the Magazine is identical. However, as is common in the periodical industry, regional editions contain varying advertisements, and the Society also publishes a Japanese language edition of the Magazine. The Society did not employ any methodological selection process whatsoever in determining which edition to include in CD-ROM 108. Because the Society did not publish foreign language editions of the Magazine before 1995, the Society chose the English language edition for inclusion in CD-ROM 108. With respect to regional editions, which differ only in advertisements, the Northeastern edition was chosen simply because it happened to be one of those which the Society had in its central warehouse. No effort was made to select an edition according to any criteria at all.

5. Upon further inquiry since the date of my initial Declaration in this action, I have learned that my letter dated May 21, 1995 was not sent to the plaintiffs.

6. I declare under penalty of perjury that the foregoing is true and correct.

Dated: February 23, 1998


Thomas Stanton

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

CASE NO. 97-3924
CIV-LENARD
Magistrate Judge Turnoff

v.

NATIONAL GEOGRAPHIC SOCIETY, a district
of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES, INC, a
corporation, and MINDSCAPE, INC., a
California corporation,

**ORAL ARGUMENT IS
REQUESTED**

Defendants.

**Reply Memorandum of Law in Support of
Defendants' Motion to Dismiss Count II And to Dismiss Or
for Summary Judgment on Counts III - V of Plaintiffs' Amended Complaint**

OF COUNSEL:

Robert G. Sugarman, Esq.
Naomi Jane Gray, Esq.
Edward Soto, Esq.
Valerie Itkoff, Esq.
Terrence B. Adamson, Esq.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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corporation, and MINDSCAPE, INC., a
California corporation,

**ORAL ARGUMENT IS
REQUESTED**

Defendants.

**Reply Memorandum of Law in Support of
Defendants' Motion to Dismiss and for Summary Judgment**

The defendants National Geographic Society, National Geographic Enterprises¹ (collectively, the "Society") and Mindscape, Inc. ("Mindscape") submit this Reply Memorandum of Law in support of their motion pursuant to Fed. R. Civ. P. 12(b)(6) and 56(b) to dismiss and for partial summary judgment dismissing counts II - V of the Amended Complaint (the "Am. Compl.").

Preface

The plaintiffs do not dispute the defendants' lawful and appropriate use of the plaintiffs' photographs in National Geographic Magazine (the "Magazine"), including the use of one of their photographs on the cover of the January 1962 issue (the "Cover"). Nor do they claim that they were not paid for publication of the photograph in the Magazine. The plaintiffs concede that the copyright law is medium neutral and would encompass the right to

1. National Geographic Enterprises is incorporated under the name NGE, Inc.

republish the Magazine in the CD-ROM medium. The single issue, therefore, is whether the reproduction of multiple issues of the Magazine on one CD-ROM disk and the inclusion of a brief opening promotion of a co-sponsor, a moving sequence of several covers (one of which is a cover on which the plaintiffs' photograph was lawfully used) and a cover display is prohibited by the copyright law.

Argument

I. CD-ROM 108 IS NOT A NEW COLLECTIVE WORK.

The plaintiffs have asserted that CD-ROM 108 is not a reproduction of the Magazine, but an entirely new collective work. They support their argument by claiming that "nothing like it existed before" and by relying on "the selection and arrangement of things included (and excluded) from the work." Plaintiffs' Memorandum in Response to Defendants' Motion to Dismiss Count II and to Dismiss or For Summary Judgment on Counts III - V of Plaintiffs' Amended Complaint at p. 7 (hereinafter "Pl. Mem."). The plaintiffs' claim that "nothing like it existed before" is simply wrong. CD-ROM 108 is nothing more than a collection, in one place, of prior issues of the magazine. For years, publishers have sold collections of their publications in bound volumes and on microfilm and microfiche. Libraries around the country, including institutions such as the Library of Congress and the Eleventh Circuit library, have regularly made available periodicals originally published in print form in these media. And, the defendants in Tasini -- the New York Times, Sports Illustrated and Newsday -- have accumulated their prior issues on electronic media, including CD-ROM.

Moreover, "the selection and arrangement of things included (and excluded) from the work" does not come near the level of originality required to make CD-ROM a new collective work. "In order to qualify for a separate copyright as a derivative or collective work, the additional matter injected in a prior work, or the manner of rearranging or otherwise transforming a prior work, must constitute more than a minimal contribution." 1 Nimmer on Copyright §3.03. This additional matter "must contain some substantial, and not merely trivial, originality." Sherry Mfg. Co., Inc. v. King of Florida, Inc., 753 F.2d 1565, 1568 (11th Cir. 1985); L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 491 (2d Cir. 1976)

(differences between plastic "Uncle Sam" coin bank and cast iron original in public domain were trivial, thus plastic bank insufficiently original to support copyright); New York Chinese TV Programs, Inc. v. U.E. Enters., Inc., 1989 U.S. Dist. LEXIS 2760 (S.D.N.Y. March 8, 1989) (attached hereto as Exhibit A). CD-ROM 108 does not satisfy this test.

In Sherry, two towel manufacturers disputed the copyrightability of a towel design depicting three palm trees growing out of the sand, an ocean view with a sailboat in one corner, and clouds on the horizon. Sherry, 753 F.2d at 1566. The plaintiff Sherry had copyrighted a *redesigned* version of its towels which contained changes in the dimensions of the beach, trees and water. Id. The Eleventh Circuit held that the "majority of those distinguishing details are so minor that they are virtually unnoticeable upon a cursory comparison of the two towels." Id. at 1569. The redesigned towels thus lacked sufficient originality to be copyrightable. Id.

In New York Chinese, the holder of an exclusive license to distribute Mandarin language videotapes in the United States sued various videotape rental stores for obtaining unlicensed copies which were taped directly off the Taiwanese airwaves and distributing them. Id. at * 5, 8-10. The licensed and unlicensed tapes differed in a variety of respects, including episode divisions, previews and credits. Id. at * 18. The Second Circuit ruled that these differences were "trivial non-programmatic 'packaging' changes" which did not confer derivative work status on the licensed tapes. Id. at * 18-19.

The packaging and presentation, the Kodak promotional message, the sequence of moving covers and the cover displays are "trivial" additions to the original 1,200-plus issues of the Magazine, which are reproduced exactly as they originally appeared. Moreover, the selection and arrangement of these elements does not display the "minimal level of creativity" which the plaintiffs concede is required by Feist Publishers v. Rural Tel. Servs. 499 U.S. 340, 346, 111 S. Ct. 1282, 1287 (1991); Pl. Mem. at p. 7. The Kodak promotional message,² the sequence of moving covers and the cover displays are simple

2. See Paramount Pictures Corp. v. Video Broadcasting Sys., Inc., 724 F. Supp. 808 (D. Kan.), where the court ruled that the addition of a commercial message at the beginning of a videotape did not create an unauthorized derivative work.

labeling and transitional displays; the placement of these displays involved minimal creativity, such as that at issue in Feist.

The plaintiffs' argument that the Society's selection of the English language edition of the Magazine and not those published in other languages or one of several issues which contains different advertising makes CD-ROM 108 a new collective work, Pl. Mem. at p. 8, borders on the frivolous. Selection of the English language edition, which was the only language in which the Magazine was published prior to 1995, see Reply Declaration of Thomas Stanton at ¶ 4 (hereinafter "Stanton Reply Decl."), can hardly be considered creative. Moreover, the Society did not engage in any selection process whatsoever in choosing one of several "regional" editions which contained different advertising. Rather, it included those issues which it had on hand; it supplemented gaps in its inventory by purchasing issues at used book stores, institutions, and even garage sales. Stanton Reply Decl. at ¶ 3. Again, this is hardly the type of creative decision required to make CD-ROM 108 a new collective work.³

CD-ROM 108 thus does not qualify as a new collective work for purposes of §201(c) because it does not differ in any material creative respect from paper copies of the Magazine. As a straightforward reprint of the Magazine, the Society is entitled to publish it pursuant to §201(c).

II. SECTION 201(C) OF THE COPYRIGHT ACT PERMITS THE SOCIETY TO PUBLISH CD-ROM 108 EVEN IF IT IS A NEW COLLECTIVE WORK.

Even if the Court were to determine that CD-ROM 108 is a new collective work, that determination would be irrelevant to the outcome of this case.

Section 201(c) explicitly permits the use of an author's contribution, initially published in a collective work, in a new collective work. Thus, revisions of a particular collective work and later collective works in the same series -- both explicitly authorized by § 201(c) -- are clearly "new" collective works. For example, "a 'revision' can alter a

3. The inclusion of a 1997 copyright notice has no significance. Under the present law, copyright notice is not even required. 2 Nimmer on Copyright §7.02[C][3]. Thus, it does not signify whether CD-ROM 108 is or is not a collective work. That judgment is based as indicated above, on whether the new matter is substantial and not merely trivial.

preexisting work by a sufficient degree to give rise to a new original creation." Tasini v. New York Times Co., 972 F. Supp. 804, 819 (S.D.N.Y. 1997). Also, a publisher "could reprint an article from a 1970 edition of an encyclopedia in a 1980 revision of it," H.R. Rep. No. 2237, 89th Cong., 2d Sess. 117 (1966), referenced in the final committee report on the 1976 Copyright Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 122-23 (1976), even though that 1980 revision would obviously be a "new" collective work. Moreover, if a revision of an encyclopedia, which adds new material, is permitted by §201(c), then the exact reproduction of previous issues of the Magazine to which a promotional message, a sequence of moving covers and cover displays are added is also permissible.

Conceding explicitly that it is not the electronic medium that is at issue here, Pl. Mem. at p. 8 n. 4, the plaintiffs' position is evidently that, while the Society could reproduce each issue of the Magazine on a separate CD-ROM disk, it cannot reproduce all of its back issues on 30 disks. In other words, the Society could distribute a collection of past issues on approximately 1300 disks, but not on 30 disks. The proposition that the plaintiffs allege demonstrates its obvious weakness.

Would the plaintiffs argue that the Society could not distribute a bound volume in which all of the issues for a particular year were reproduced? Obviously not. Nor have they ever objected to the distribution of multiple issues of the Magazine on microfiche and 35mm film, a historically common practice for libraries, educational institutions and others around the world with respect to virtually every published periodical. Yet, while they concede that "the issue . . . is not the medium used," Pl. Mem. at p. 8 n. 4, they argue that the Society cannot distribute a collection of 30 compact disks, each of which contains approximately 43 issues of the Magazine. Not only does this contention defy logic, but, were it the law, it would undermine the medium neutrality which is the hallmark of the 1976 Act. Tasini, 972 F. Supp. at 818-9. Different media have different capabilities with respect to the amount of data they can physically store within a given space. A CD-ROM can hold more data than microfiche or 35mm film, which, in turn, can store more information in a given space than paper.

The plaintiffs' economic argument, that contributors will be disadvantaged if publishers are permitted to exploit extremely marketable new technologies under §201(c),

was roundly rejected in Tasini, 972 F. Supp. at 827. There, Judge Sotomayor correctly pointed out that if recently developed technologies render §201(c) unappealing to contributors like the plaintiffs, their remedy lies in Congress, not the courts. Id.

The plaintiffs have not alleged that the Society had no right to publish any of the photographs involved in Counts III - V in the Magazine, nor have they alleged that they were not paid in full for the photographs at the time of publication. The plaintiffs rely on one contract governing the publication of their photographs in a 1990 issue of the Magazine, Affidavit of Jerry Greenberg at par. 10 and Exhibit 4 thereto (hereinafter "J. Greenberg Aff."), but have set forth no contracts relating to the remainder of the photographs at issue here. The 1990 contract does not restrict the Society's use of the subject photographs to any particular medium. J. Greenberg Aff. Exh. 4. Nor do the plaintiffs claim that it contains an "express transfer of copyright" which undercuts the applicability of §201 (c). See Tasini, 972 F. Supp. at 812. Having failed to bargain for that benefit, the plaintiffs may not now, in an effort to extract additional payment from the Society, escape its strictures.

In sum, it defies logic to admit, as the plaintiffs do, that the Society can reproduce a particular monthly issue of the Magazine containing the plaintiffs' photographs, but cannot reproduce that same monthly issue on a CD-ROM disk containing multiple issues.

III. THE SOCIETY'S USE OF THE COVER IN THE SEQUENCE OF MOVING COVERS IS DE MINIMIS.

A. The significance of the Cover in relation to CD-ROM 108 as a whole is minuscule.

The plaintiffs have neglected to address in their brief the insubstantiality of the Cover's appearance in the sequence of moving covers, which is the relevant de minimis analysis, engaging instead in overblown rhetoric which vastly exaggerates the significance of the sequence of moving covers, and the series of independent covers depicted therein, to CD-ROM 108 as a whole. Pl. Mem. at p. 13. The plaintiffs also overlook the fact that the Cover was designed by the Society and bears a photograph which the Society commissioned and paid the plaintiffs to take; there is no question that the Society is entitled to use the plaintiffs' photograph on the Cover. However, none of the plaintiffs' self-congratulatory arguments can change the simple fact that the reproduction of the Cover in the introductory

sequence appears only for a split second,⁴ is never seen by a customer in any advertising or promotional material, and, indeed, is never seen by a customer before the sale of the product. Thus, it is not "iconic in terms of [its] significance to the product" or "emblematic of all the magazines in [CD-ROM 108]," Pl. Mem. at p. 13.⁵

Nor does the plaintiffs' reliance on the qualitative artistic merit of the Cover carry any legal weight in the de minimis analysis. In Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70 (2d Cir. 1997) and Sandoval v. New Line Cinema Corp., 973 F. Supp. 409 (S.D.N.Y. 1997), the courts did not consider whether the allegedly infringed work had artistic merit. Indeed, it was recognized in Ringgold that the plaintiff's work was used because it had artistic merit. The analysis in those cases concerned how and for how long the admittedly valuable work was displayed, Ringgold, and the value of the material used in relation to the whole work, Sandoval. Here, the visual quality of the images in the sequence of moving covers is fleeting and inferior to that of paper copies of the Magazine. Declaration of Thomas Stanton at ¶ 8 (hereinafter "Stanton Decl."). And, the material used is inconsequential in relation to the whole work. Qualitatively as well as quantitatively, the sequence of moving covers constitutes de minimis use of the Cover.

Finally, the plaintiffs' attempt to find support in Ringgold is unavailing. The defendants here do not contend that *no* visually significant aspect of the Cover is discernible. Rather, the brevity of the Cover's display in the sequence of moving covers, coupled with

4. The defendants invite the Court to view the sequence of moving covers to determine whether the duration of the Cover's appearance is anywhere near the "between one and two seconds" that Idaz Greenberg claims. Affidavit of Idaz Greenberg at ¶ 7.

5. The use of the Cover here is far less than the uses involved in Education Testing Servs. v. Katzman, 793 F.2d 533, 542 (3d Cir. 1986) and Elsmere Music, Inc. v. National Broadcasting Co., 482 F. Supp. 741, 744 (S.D.N.Y. 1980). In Katzman, the defendants copied actual questions from the Scholastic Aptitude Test and the Achievement Tests, which is maintained and administered under highly confidential circumstances. Katzman, 793 F.2d at 536, 543. In Elsmere, the defendants used the most significant and recognizable portion of the song "I Love New York" in a parody. Elsmere, 482 F. Supp. at 744. In contrast, the Society here has made fleeting and insubstantial use of the Cover on which the plaintiffs' photograph appears and the plaintiffs do not contest that the defendants obtained the right to publish the photograph in the Magazine.

the inferior quality of the digitally scanned image, does not cross the de minimis threshold. Significantly, the Ringgold image was displayed for a period *twenty-six times longer* than the Cover appears in the sequence of moving covers. Ringgold, 126 F.3d at 77; Stanton Decl. at ¶ 7. The defendants are not, as the plaintiff suggests, trying to "diminish the importance of a photograph they deemed well-suited for inclusion in a highly-select group of photographs chosen to represent the history of the magazine." Pl. Mem. at p. 15. The defendants recognize the Cover's appearance in the sequence of moving covers for exactly what it is worth -- a split-second flash reproduction in a product containing thousands of images.

B. The defendants' use of the entire Cover does not preclude a finding of de minimis use.

The plaintiffs' claim that the appearance of the entire Cover in the sequence of moving covers precludes a finding of de minimis use is flatly contradicted by the holdings in Amsinck v. Columbia Pictures Indus., Inc., 862 F. Supp. 1044 (S.D.N.Y. 1994) and in Ringgold, 126 F.3d at 70. In Amsinck, the defendant used the plaintiff's crib mobile as part of the set decoration of a film. Id. at 1046. The court found that the use was de minimis despite the fact that the entire work was portrayed. Id. at 1048. In Ringgold, while the court found that the use exceeded the de minimis threshold, it reached that conclusion based on the duration and significance of the use, not on the fact that the entire image was used. Ringgold, 126 F.3d at 77. Similarly, courts have found fair use of photographs where the entire work was used. See Sandoval v. New Line Cinema Corp., 973 F. Supp. 409 (S.D.N.Y. 1997) (finding fair use of ten photographs displayed in film); Haberman v. Hustler Magazine, Inc., 626 F. Supp. 201 (D. Mass. 1986) (finding fair use of two photographs reproduced substantially in full in magazine). Clearly, the fact that the defendants used the entire Cover in the sequence of moving covers does not preclude a finding of de minimis use.

IV. THE COURT POSSESSES SUFFICIENT FACTS FOR IT TO RULE ON THE FAIR USE DEFENSE.

The plaintiffs have taken the liberty of not responding at all to the defendants' fair use argument, claiming that they need discovery. Since, as demonstrated below, the

argument that any discovery is needed is fallacious, the Court should not impose delay and unnecessary discovery, but should adopt the defendants' position.

None of the discovery sought by the plaintiffs has any bearing whatsoever on the defendants' fair use defense. Indeed, the plaintiffs' counsel concedes that the issue is whether defendants "seek to exploit the Moving Covers Sequence for commercial gain," Davis Aff. at ¶ 8, not whether CD-ROM 108 is sold for commercial gain. Bearing this critical fact in mind, it is clear that the Court has before it all the facts it needs to determine the fair use question.

It is well established that where a district court possesses sufficient facts to permit it to evaluate each of the four fair use factors, it may determine the fair use issue as a matter of law. Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985) (finding no fair use); Pacific and Southern Co., Inc. v. Duncan, 744 F.2d 1490 (11th Cir. 1984). "The mere fact that a determination of the fair use question requires an examination of the specific facts of each case does not necessarily mean that in each case involving fair use there are factual issues to be tried." Amsinck, 862 F. Supp. at 1046 (citations omitted). Because the Court possesses all the facts it needs to determine fair use, and because there is no genuine dispute of material fact, the Court may decide the issue.

Moreover, a nonmoving party's request for a continuance to allow it to conduct further discovery with respect to the pending motion must be reasonably calculated to uncover facts which will help the party oppose the motion. Witter v. Abell-Howe Co., 765 F. Supp. 1144 (W.D.N.Y. 1991). The plaintiffs cannot meet this burden.

The plaintiffs claim that they require information regarding "[t]he nature of for-profit corporate affiliates created by the National Geographic Society to produce, market and distribute the 'Complete Geographic' product, and the financial goals and expectations of the affiliates," Davis Aff. at ¶ 8(a), and the expectations of the Society and Mindscape to reap economic gain from CD-ROM 108. Davis Aff. at ¶ 8(b)-(c). However, these requests fall far wide of the fair use mark. The fair use inquiry into commerciality focuses on whether the alleged infringer stands to gain from "exploitation of the *copyrighted material*," Harper & Row, 471 U.S. at 562, not whether the new work, as a whole, is commercial in nature. See Penelope v. Brown, 792 F. Supp. 132, 137 (D. Mass 1992); Haberman v.

Hustler Magazine, Inc., 626 F. Supp. 201, 210 (D. Mass. 1986) (citing Harper & Row, 471 U.S. at 562). The defendants do not dispute that CD-ROM 108 is sold for a profit by a legal entity which is a for-profit corporation. See Memorandum of Law in Support of Defendants' Motion to Dismiss Count II and to Dismiss or for Summary Judgment on Counts III - V of Plaintiffs' Amended Complaint at p. 13 (hereinafter "Def. Mem."). That, however, as the plaintiffs concede, is not the issue. The proper inquiry in this case is whether the inclusion of the Cover in the sequence of moving covers alone is designed to reap economic benefit, not whether the defendants expect to earn a profit from the sale of CD-ROM 108 as a whole.⁶ The discovery described in ¶ 8(a)-(c) of the Davis Affidavit can shed no light on this issue.

Finally, the plaintiffs have requested information regarding the roles that the respective defendants played in various aspects of the production and sale of CD-ROM 108. Davis Aff. at ¶ 8(d). This, too, is entirely unnecessary for a ruling on fair use. The activities of the defendants in developing, marketing and selling CD-ROM 108 have no bearing on any of the four fair use factors. The minutiae of Interactive's methodology in digitally scanning each issue of the Magazine and Mindscape's efforts to distribute CD-ROM 108 cannot illuminate the Court's analysis of the four factors. Tellingly, the plaintiffs do not provide any rationale for their need to discover these facts. "A 'bare assertion' that the evidence supporting a plaintiff's allegation is in the hands of the defendant is insufficient to justify a denial of a motion for summary judgment under Rule 56(f)." Contemporary Mission, Inc. v. U.S. Postal Serv., 648 F.2d 97, 107 (2d Cir. 1981).

Conclusion

For all the reasons stated, the defendants respectfully request that their motion be granted.

Dated: Miami, Florida
February 23, 1998

6. For a fuller discussion of this aspect of the fair use inquiry, see Def. Mem. at pp. 12-13.

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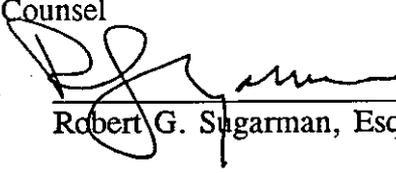
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1989 U.S. Dist. LEXIS 2760 printed in FULL format.

NEW YORK CHINESE TV PROGRAMS, INC., Plaintiff, v. U.E. ENTERPRISES, INC., FLUSHING STAR, INC., CHAN'S VIDEO & TRADING, INC., GONG PICTURES, INC., QUEENS VIDEO LTD., DANG'S VIDEO, INC., PO YUEN, AND JOHN DOES NOS. 1-50, Defendants

No. 88 Civ. 4170 (JMW) (KAR)

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

1989 U.S. Dist. LEXIS 2760; Copy. L. Rep. (CCH) P26,398

March 8, 1989, Decided

COUNSEL: [*1]

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Francis S. L. Wang, Esq., WANG & WANG-USA, Amicus Curiae, San Francisco, California

OPINIONBY: ROBERTS, [*2] Magistrate

OPINION: OPINION & ORDER

KATHLEEN A. ROBERTS, UNITED STATES MAGISTRATE

This action for copyright infringement, violations of

Section 43(a) of the Lanham Act, unfair competition and interference with contractual relations was filed on June 16, 1988. n1 Plaintiff seeks damages and an order enjoining defendants from infringing plaintiff's copyrights and other proprietary rights in and to certain Chinese language television programs produced by three Taiwanese television companies. On June 17, 1988, Judge Walker issued an ex parte temporary restraining order, which the parties subsequently agreed would remain in effect pending the court's decision on plaintiff's request for a preliminary injunction. Judge Walker referred the case to me on August 2, 1988, to conduct a hearing on plaintiff's application for a preliminary injunction. The parties thereafter agreed that I would conduct all proceedings in this matter, pursuant to 28 U.S.C. § 636(c) (1968 and Supplement 1988).

n1 An Amended Complaint, adding defendants Po Yuen and Dang's Video, Inc., was served on October 31, 1988, and filed on November 10, 1988.

Defendants opposed plaintiff's motion for a preliminary injunction [*3] on many grounds, asserting, inter alia, that the Taiwan Relations Act, 22 U.S.C. § 3301 et seq. (1979) (the "TRA"), is unconstitutional to the extent the TRA seeks to confer copyright protection on Taiwanese nationals pursuant to the Treaty of Friendship, Commerce and Navigation (the "FCN Treaty"). Because defendants raised an issue regarding the constitutionality of a federal statute, I invited a response from the Department of Justice, pursuant to 28 U.S.C. § 517 (1968), which submitted a Statement of Interest of the United States ("Statement of Interest") on September 27, 1988. The Court also received a brief ("Amicus Brief") on September 29, 1988, from Wang & Wang-USA, a California law firm specializing in intellectual property right enforcement between the United States and Taiwan. n2

n2 Amicus Wang & Wang contends that defen-



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dants' challenge to the validity of the FCN Treaty "threaten[s] the very cornerstone of U. S. policy and trade relations with Taiwan." Mr. Wang points out that the FCN Treaty currently serves as "the legal framework through which a host of essential agreements are negotiated with Taiwan, and brought to fruition includ[ing] trade navigation, and tariff agreements as well as agreements to cooperate in educational and cultural matters." Amicus Brief at 1. The reciprocal rights and privileges currently protected by the FCN Treaty are detailed on pages 13-20 of the Amicus Brief.

[*4]

On October 11, 1988, I held oral argument on the legal issues pertaining to the application and constitutionality of the TRA. At the same time the parties and I worked to identify and narrow the disputed facts regarding other issues that would require an evidentiary hearing on plaintiff's application for a preliminary injunction. Based upon the success of these efforts and the extensive briefing of all legal issues pertaining to plaintiff's infringement claims, I ordered that the hearing on plaintiff's application for a preliminary injunction be consolidated with the trial of the action on the merits pursuant to Fed. R. Civ. P. 65(a)(2). In addition, as set forth in greater detail below, the parties agreed to submit all issues for decision without an evidentiary hearing, based upon motions for summary judgment dismissing the complaint or trial on stipulated testimony and exhibits.

This Opinion therefore constitutes my decision on the motions and my findings of fact and conclusions of law pursuant to Fed. R. Civ. P. 52(a) with respect to plaintiff's claim of copyright infringement. By agreement, plaintiff's other claims, plaintiff's damages and defendants' counterclaims will be tried [*5] separately. n3

n3 Plaintiff's other claims involve alleged Lanham Act violations, unfair competition and interference with contractual relations. At the hearing before me on November 9, 1988, defendants reserved a possible antitrust counterclaim, as well as potential cross-claims. In addition, defendant Po Yuen reserved his right to answer and further contest the issue of his personal liability for any infringement this court may find by the corporate defendants. See Transcript of November 9, 1988 conference at 25-27.

BACKGROUND

Plaintiff New York Chinese TV Programs, Inc. ("New York Chinese") is a New York corporation engaged in the distribution of Mandarin language videotapes to its authorized sub-licensee retail outlets for rental purposes.

Defendants U.E. Enterprises, Inc. ("UE"), Flushing Star, Inc. ("Star Video"), Chan's Video and Trading, Inc. ("Chan's Video"), Gong Pictures, Inc. ("Gong Pictures"), and Queens Video, Ltd. ("Queens Video"), are New York corporations engaged primarily in selling and renting Chinese language videotapes. Defendant Dang's Video, Inc. ("Dang's Video"), is a subsidiary of UE. Defendant Po Yuen is the President and owner of UE and Dang's Video, [*6] and an attorney admitted to practice in New York.

New York Chinese is a licensee of International Audio-Visual Corporation ("IAVC"), a California corporation that is the exclusive authorized distributor in the United States and Canada of Mandarin language television programs ("the Programs") produced by three Taiwanese television companies. n4 The Programs are delivered to IAVC in Taiwan and sent to IAVC's California headquarters where they are edited and copied for distribution in North America with IAVC's copyright notice. Copies of the edited version of each Program have been registered with the United States Copyright Office. n5

n4 Those companies are Taiwan Television Enterprises, Ltd., China Television Company, and Chinese Television System. IAVC and the Taiwan television companies have agreed to be bound by the decision of this court. The Taiwan television companies have assigned the copyrights to the Programs in the United States to IAVC, and IAVC has duly recorded the assignment of copyright from each of the Taiwan television companies in the United States Copyright Office. Copies of IAVC's agreements with the Taiwan television companies are annexed to the Amended Complaint as Exhibit A. Copies of the assignments of copyright recorded with the Copyright Office are annexed to the Amended Complaint as Exhibit B.

[*7]

n5 IAVC has previously obtained orders restraining unauthorized distribution of the Programs. Int'l Audio-Visual Communications, Inc. v. Chen, CV. 84-2328-DWW (MCX) (C.D. Cal. 1984) (copy of order granting preliminary injunction annexed to Plaintiff's Reply Memo as Exhibit A); Int'l Audio-Visual Communications, Inc. v. Michael Wu, et al., No. 85-521 (C.D. Cal. 1985) (copies of TRO and preliminary injunction annexed to Affidavit of Laurence I. Fox, dated June 15, 1988, as Exhibit A). See also Affidavit of Eva Young, dated July 22, 1988 paras. 8-15.

On April 20, 1988, IAVC granted plaintiff an exclusive license in New York and New Jersey to distribute and rent videotapes of the Programs to the general pub-



lic or to selected sub-licensee retail outlets. A copy of the License Agreement is annexed to the Amended Complaint as Exhibit C. By written assignment executed contemporaneously with the License Agreement, and recorded in the United States Copyright Office on or about June 10, 1988, IAVC assigned to New York Chinese: (i) the right, title, and interest in and to the copyrights in New York and New Jersey of programs created on or after March 1, 1988, and the right to [*8] commence and maintain actions for infringement of the copyrights in such programs; (ii) the right to commence and maintain actions for infringement of programs created on or before February 29, 1988; and (iii) all proceeds from judgments obtained with respect to any infringement of the copyrights in New York and New Jersey. A copy of the Assignment is annexed to the Amended Complaint as Exhibit B. See also License Agreement para. 19. New York Chinese and IAVC subsequently placed numerous advertisements in Chinese language newspapers and on Chinese language radio stations identifying New York Chinese as the only authorized distributor of the Programs in New York and New Jersey. n6

n6 Copies of the print advertisements are annexed to the Affidavit of Dick Ying, dated June 13, 1988, as Exhibits D-G.

On or about May 3, 1988, plaintiff determined that defendants UE, Flushing Star, Chan's Video, Gong Pictures, and Queens Video (none of which is an authorized sub-licensee of New York Chinese) were renting videotapes of the Programs to the public. n7 Plaintiff filed this action on June 16, 1988, alleging that defendants' activities violate the United States copyright laws, 17 U.S.C. [*9] § 101 et seq. (1979) (the "Copyright Act"), the Lanham Act, 15 U.S.C. § 1125(a) (1982), N.Y. General Business Law § 350 (McKinney 1988), and constitute common law unfair competition and interference with contractual relations.

n7 See Affidavit and Supplemental Affidavit of Joy Chen Yu Lewis, dated May 26, 1988 and June 15, 1988, respectively.

Through the course of expedited discovery, it was revealed that the videotapes of the Programs distributed by defendants had been copied by a "source" in Taiwan directly off the Taiwanese airwaves (deleting commercials), and shipped to the United States in boxes marked "gift," to Dang's Video, which in turn supplied the tapes to UE for copying and distribution to the other defendants and to the public. UE, Dang's, Yuen and Queens Video admit importing, copying and/or distributing copies of the Programs with knowledge of plaintiff's claim to ownership of the copyright. n8 The other de-

fendants acknowledge distributing the Dang's/UE tapes.

n8 See Affidavit of Laurence I. Fox, dated July 22, 1988, pp. 2-8 (summarizing and annexing deposition testimony of UE owners and officers Manching Ng and Jack Ho); Affidavit of Sui-Ti-Feng (annexed to Queens Video Memo of Law); Affidavit and Supplemental Affidavit of Po Yuen, dated July 12 and July 27, 1988, respectively.

[*10]

Defendants, however, challenge plaintiff's claim of copyright infringement on several legal grounds. n9

n9 These defenses have been formally raised and briefed in affidavits and memoranda submitted by defendant UE, which have been joined in by all other defendants.

First, defendants contend that because certain differences exist between the Programs as aired on Taiwanese television and the videotapes marketed by New York Chinese, plaintiff at best holds a copyright on a "derivative work." See 17 U.S.C. § 103. Defendants argue that because they copied the Programs directly off the Taiwanese airwaves and not from the "edited" version prepared by IAVC in California, they have not infringed plaintiff's copyright on the "derivative" work. Defendants contend that, because IAVC has not registered its copyright on the "underlying work," i.e., the unedited version aired in Taiwan, plaintiff cannot prove that defendants have copied a registered work.

Second, defendants contend that even if the videotapes copyrighted by IAVC are not "derivative works," IAVC does not hold valid U. S. copyrights on the Programs. There are two grounds for this contention: 1) the Programs were "first [*11] published" in Taiwan and there is no valid treaty in effect between the United States and Taiwan extending copyright protection to works by Taiwanese nationals that are first published in Taiwan; and 2) even if a valid copyright treaty exists between the United States and Taiwan, IAVC's copyrights are invalid because IAVC made material misrepresentations to the U. S. Copyright Office.

Finally, defendants argue that the "sole purpose" of the License Agreement between IAVC and plaintiff is the assignment of the right to litigate disputes over copyright infringement, and that the Agreement is therefore "champertous" and should not be enforced by this Court. n10

n10 Defendants' previously asserted opposition to the application for a preliminary injunction on grounds of delay is moot in light of the consolidation of that application with trial on the merits of the



infringement action.

DEFENDANTS' DERIVATIVE WORK DEFENSE

In order to establish copyright infringement plaintiff "must show ownership of a valid copyright and copying by the defendant. *Eckes v. Card Prices Update*, 736 F.2d 859, 861 (2d Cir. 1984) (quoting *Novelty Textile Mills, Inc. v. Joan Fabric Corp.*, 558 F.2d [*12] 1090, 1092 (2d Cir. 1977)).

A timely obtained certificate of registration "constitute[s] prima facie evidence of the validity of the copyright * * *," 17 U.S.C. § 401(c), but "a certificate of registration creates no irrebutable presumption of validity." *Durham Industries Inc. v. Tomy Corp.*, 630 F.2d 905, 908 (2d Cir. 1980). Plaintiff has offered prima facie evidence of a valid copyright by submitting timely obtained certificates of registration for the Programs, which were issued by the Copyright Office to plaintiff's assignor, IAVC. See Affidavit of Eva Young, dated May 27, 1988, Exhibit H; see also Affidavit of Dick Ying, dated June 13, 1988, Exhibit A. Defendants' challenges to the validity of plaintiff's copyright are addressed infra, pages 16-44. I turn first to defendants' assertion that they have not copied the works registered by IAVC.

Defendants concede that they have copied and distributed the Programs as they are broadcast by Taiwan TV (except for commercials). They contend, however, that they have not copied the works registered by IAVC, which are "edited" versions of the Programs. Defendants argue that by submitting to the Copyright Office only the edited [*13] version of the Programs, IAVC (and therefore plaintiff) obtained a copyright on a "derivative work," or "compilation" leaving the unedited version unprotected and subject to legal copying by defendants.

Section 103 of the Copyright Act provides that copyright protection may be obtained for "derivative works," or "compilations." 17 U.S.C. § 103(a). The Act defines a derivative work as:

a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work".

17 U.S.C. § 101. A compilation is defined as

a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

Id.

In the typical derivative [*14] work case, the person accused of infringement contends that the alleged infringing work is independently copyrightable as an original work of authorship. See, e.g., *Durham*, 630 F.2d at 909-911; *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486 (2d Cir.) (en banc), cert. denied, 429 U.S. 857 (1976).

Defendants offer an unusual variation on the classic derivative work defense. Defendants contend that if IAVC's edited version is independently copyrightable as a derivative work, it is by definition a "different work" than the unedited version, and the registration of the edited version does not protect the unedited version. Conversely, if the edited version is not sufficiently "different" to constitute a derivative work, it is the same work as the unedited version and defendants have therefore copied a registered work. n11

n11 Defendants concede that if IAVC registered its copyright on the Programs as they were broadcast in Taiwan, defendants' derivative work defense would be of no avail.

Without accepting the validity of this approach to the issue, n12 I find that the edited version does not qualify as a derivative work.

n12 Plaintiff argues that even if the "edited" version is a derivative work, the distinction is irrelevant where the same individual owns the copyrights in both a derivative work and the original. See *Rexnord, Inc. v. Modern Handling Systems, Inc.*, 379 F. Supp. 1190, 1198-1199 (D. Del. 1974) (plaintiff acquired a valid copyright in the 1968 version of catalogue when it was published with notice of copyright, and plaintiff's copyright in the 1970 catalogue therefore protected plaintiff from copying of the 1968 material from the 1970 catalogue); see also 2 M. and D. Nimmer, *Nimmer on Copyright*, § 7.16[B][2] at 7-120.1 - 121. Because I find that defendants' argument is meritless by their own proposed standard, it is not necessary to decide whether a rule more favorable to plaintiff should be applied.

[*15]

The "'one pervading element prerequisite to copyright protection' * * * is originality," *Batlin*, 536 F.2d at 489-90 (quoting 1 M. Nimmer, *Nimmer on Copyright*, § 10 at 32 (1975)). Although the requirement of originality



has been described as "modest," "mimimal," and as establishing a "low threshold," see *Durham*, 630 F.2d at 910, the original aspects of the work must be "more than trivial." *Id.* at 909. As the court noted in *Batlin*, "[t]o extend copyright-ability to minuscule variations would simply put a weapon for harassment in the hands of mischievous copiers * * * ." *Batlin*, 536 F.2d at 492. see also *Gaste v. Kaiserman*, 863 F.2d 1061, 1066 (2d Cir. 1988) ("slavish copying involving no artistic skill whatsoever does not qualify" for copyright protection).

The parties have agreed that I may determine whether the edited versions of the Programs are derivative works by viewing both versions of representative episodes of a Program entitled "The Kidnapped Pearl."

I have reviewed the videotapes in their entirety n13 and make the following findings of fact regarding the similarities and differences between the IAVC version and the Dang's/UE version:

1. The dramatization [*16] of the story "The Kidnapped Pearl," including dialogue, universal Chinese subtitles, characters, action settings, costumes and music, is identical in both versions.

2. Both versions delete commercials.

3. Each tape contains two episodes.

4. The first episode on the IAVC tape is preceded by a thirty-second display of the IAVC logo and a United States copyright warning, a thirty-second preview of a different IAVC title, and 2-1/2 minutes of opening credits for "The Kidnapped Pearl." The first episode on Dang's/UE tape is preceded only by the opening credits, which are identical to those shown by IAVC.

5. The Taiwan TV logo appears periodically at identical points in the action in both versions in the upper right hand corner of the screen.

6. The end of the first episode on the IAVC tape is followed by a picture of bamboo with the message "please watch the next episode" in Chinese. This does not appear on the Dang's UE tape. The end of the first episode of the Dang's/UE version is followed by 2-1/2 minutes of end credits and highlights from prior and future episodes.

7. The second episode in the IAVC version is preceded only by a short title (the name of the program in raised stone [*17] letters with falling leaves) and a brief replay of the last scene in the first IAVC episode. The second episode of the Dang's/UE tape is preceded by 2-1/2 minutes of opening credits (identical to episode one in the IAVC and Dang's/UE versions).

8. The end of the second IAVC episode is followed by

the "please watch the next episode" message; the end of the second episode on the Dang's/UE tape is followed by 2-1/2 minutes of end credits and highlights from prior and future episodes; a time-of-day display appears periodically during the end credits.

9. With the exception of the beginning of episode one, the beginnings and endings of each episode occur at different points in the action in the two versions. Episode one of the Dang's/UE version ends at a point approximately five minutes further into the story than the IAVC version; episode two of the Dang's/UE version ends approximately ten minutes further into the story than the IAVC version. n14

n13 The presentation of these tapes to the court was somewhat confused. I received two IAVC tapes containing two episodes each. I received one Dang's/UE tape, which defense counsel represented contained four episodes. In fact, the Dang's/UE tape contains only two episodes, which cover the program content of IAVC episodes one and two, and approximately ten minutes of IAVC episode three. Accordingly, my comparison is limited to the first two episodes of each version. I find, however, that this is a sufficient sample for purposes of determining the derivative work issue raised by defendants.

[*18]

n14 Defendants incorrectly assert that the Dang's/UE tapes contains dialogue not found in the IAVC version and that the Dang's/UE tapes contain certain parts of scenes that are not present on the IAVC tapes. UE Letter, October 26, 1988, p.2, para. 3; Affidavit of Po Yuen dated July 12, 1988 at para. 12. The program content is in fact identical.

Although defendants refer to a number of the differences detailed above, the only original or creative effort identified by defendants is the "creative selection of dramatic endpoints." Defendants argue that this creative effort is "beyond the bare minimum necessary to constitute a derivative work." UE October 26, 1988 Letter at 2. I find this argument meritless, if not frivolous.

I find that the mere relocation of a few minutes of the program from the end of one to the beginning of the next does not constitute the kind of creative effort and originality required to qualify the IAVC version as an independent derivative work. Rather, I find that IAVC's episode divisions and other additions or deletions of previews and credits are trivial non-programmatic "packaging" changes. See *Rohauer v. Killiam Shows Inc.*, 551 F.2d 484, 494-495 n.12 [*19] (videotape of silent film "The Son of the Shiek" starring Rudolph Valentino with addition of a few new subtitles and newly incorporated



music not sufficient to make it a new work). Under defendants' theory of the necessary quantum of creative effort, the mere serialization of a motion picture preceded by previews of future motion pictures would be independently copyrightable as a derivative work. Such a result would render the "modest" originality requirement meaningless. Accordingly, I find that the defendants have copied and distributed registered works.

COPYRIGHT PROTECTION FOR TAIWANESE WORKS

The parties agree that there are no disputed material issues of fact with respect to this issue and that it may be decided as a matter of law. The submissions of the parties on this question, including Local Rule 3(g) statements, have therefore been considered by me as a motion by defendants for summary judgment dismissing the complaint.

Section 104(b) of the Copyright Act of 1978 governs whether videotapes of the Taiwanese broadcasts at issue here enjoy copyright protection. Section 104(b)(1) grants copyright protection to works authored by citizens or domiciliaries of a "foreign nation [*20] that is a party to a copyright treaty to which the United States is also a party." Section 104(b)(2) grants copyright protection if "the work is first published in the United States or in a foreign nation that, on the date of first publication, is a party to the Universal Copyright Convention."

Plaintiff offers two alternative grounds for copyright protection. First, plaintiff argues that its works were "first published" in the United States and are therefore protected under § 104(b)(2). n15 See, e.g., Reply Memorandum of Law in Support of Plaintiff's Motion for a Preliminary Injunction ("Plaintiff's Reply Memo"), at 16-18. Second, plaintiff contends that, even assuming arguendo that Taiwan is the place of first publication, the works are protected under § 104(b)(1) because Taiwan is a party to a copyright treaty with the United States, i.e., the FCN Treaty signed by the United States and the Republic of China ("ROC") in 1946 and entered into force on November 30, 1948. n16 Article IX of the FCN Treaty provides that each country shall make copyright privileges available to the nationals of the other country on the same basis as to its own citizens. Following the derecognition [*21] of the ROC, the FCN Treaty was extended to Taiwan pursuant to the TRA, which continued in force all treaties "entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979 and in force between them on December 31, 1978 ***." 22 U.S.C. § 3303(c) (Supplement 1988).

n15 It is conceded that neither the People's Republic of China nor the governing authorities on Taiwan has ever been a party to the U.C.C. See treaty/convention table following 17 U.S.C.A. § 104 (Supp. 1988).

n16 A copy of the FCN Treaty is annexed to Plaintiff's Reply Memo as Exhibit B.

Defendants concede that the FCN Treaty is a "copyright treaty" within the meaning of the copyright laws. n17 Defendants contend, however, that plaintiff does not hold valid United States copyrights on the Programs because the works were first published in Taiwan and because the TRA does not and cannot constitutionally be interpreted to extend copyright protection under the FCN Treaty to Taiwanese nationals.

n17 The FCN Treaty is listed on the treaty/convention table following 17 U.S.C. § 104 (Supplement 1988).

For the reasons set [*22] forth below, I find that the TRA does and may constitutionally be interpreted to provide copyright protection to Taiwanese nationals. I therefore find that the Programs are protected under 17 U.S.C. § 104(b)(1), and do not reach the issue of whether the works were first published in Taiwan or the United States.

Historical Context

In order to understand defendants' statutory and constitutional claims, it is necessary to provide a brief historical overview of the United States' changing relationship with the ROC and the People's Republic of China ("PRC"), as well as the facts surrounding the FCN Treaty, the derecognition of the ROC, and the enactment of the TRA.

Japan assumed control of the island of Taiwan following Japan's victory over China in 1895 in the first Sino-Japanese war, and pursuant to the Treaty of Shimonoseki. The ROC renounced the Treaty of Shimonoseki on December 9, 1941, when the ROC formally declared war on Japan. Taiwan remained in Japanese control until it was restored to the ROC following Japan's surrender and acceptance of the Potsdam Declaration on September 2, 1945.

The ROC entered into the FCN Treaty with the United States in 1946, ensuring reciprocal protection [*23] for intellectual property, and solidifying important trade relations. Within two years of the signing of the FCN Treaty, however, the leaders of the ROC, including Chiang Kai-Shek, had relocated on Taiwan, following their overthrow by the Communists and the establishment of the PRC.



The United States continued to honor all commitments it had made with the ROC before relocation, but simply confined the scope of the agreements to the island of Taiwan. The United States did not have any formal relations with the PRC, and asserted that the ROC, temporarily exiled on Taiwan, was the legitimate ruler of all of China.

The passage of several decades eventually led to an opening of relations with the PRC. Visits to the mainland by Secretary of State Henry Kissinger (the so-called "secret trip to Peking") in 1971, followed by President Nixon's trip in early 1972, and the pledge in the Shanghai Communique to normalize relations, culminated in President Carter's Memorandum of December 30, 1978, terminating diplomatic relations with the ROC and recognizing the PRC as "the sole legal government of China." Memorandum of December 30, 1978, ("Memorandum") reprinted in U. S. Code Cong. & Ad. News (96th [*24] Cong. 1st session 1979) at p. 75. n18

n18 This Memorandum was issued pursuant to the President's constitutional authority to recognize and derecognize nations. See *National Petrochemical Co. of Iran v. The M/T Stolt Sheaf*, 860 F.2d 551 (2d Cir. 1988); *Chang v. Northwestern Memorial Hospital*, 506 F. Supp. 975, 977 (N.D. Ill. 1980).

At the same time, however, President Carter took steps to assure the Taiwanese that they were not being abandoned by the United States. In a communique dated December 15, 1978, President Carter reserved the right to sell "defensive" arms to Taiwan in the event the PRC and Taiwan remained hostile to one another. See Senate Report No. 96-7 at p. 6, reprinted in U. S. Code Cong. & Ad. News (96th Cong. 1st session 1979) at p. 41 (hereinafter "Senate Report"). Congress explicitly adopted this policy in the TRA. 22 U.S.C. § 3302(a). President Carter also declared in his December 30 Memorandum that "the American people will maintain commercial, cultural and other relations with the people of Taiwan without official government representation and without diplomatic relations." Memorandum (first full paragraph). Specifically, President Carter directed [*25] that existing international agreements between the United States and Taiwan continue in force. Id. para.(B)

The Senate, and particularly the Senate Committee on Foreign Relations and the Senate Committee on Finance, became integrally involved in determining how to structure and conduct post-derecognition relations with Taiwan. The Senate passed a bill (S.245) establishing a detailed structure for the conduct of post-derecognition relations. The House of Representatives

also passed a bill to "promote extensive, close and friendly relations" with the people of Taiwan. See House Conference Report No. 96-71, reprinted in U. S. Code Cong. & Ad. News (96th Congress, 1st Session, 1979). The House bill (H.R. 2479) integrated much of the text of the Senate bill, and the House bill became the TRA (P.L. 96-8) when it was passed by both houses and approved by President Carter on April 10, 1979. The TRA was retroactively effective as of January 1, 1979, the date President Carter's Memorandum became effective. The TRA contains several provisions relevant to the disposition of this case.

First, the TRA provides that "[t]he absence of diplomatic relations or recognition shall not affect the [*26] application of the laws of the United States with respect to Taiwan, and the laws of the United States shall apply with respect to Taiwan in the manner that the laws of the United States applied with respect to Taiwan prior to January 1, 1979." 22 U.S.C. § 3303(a).

The TRA reiterates the provision of President Carter's Memorandum that "[w]herever the laws of the United States refer or relate to foreign countries * * * those laws shall apply with respect to Taiwan," 22 U.S.C. § 3303(b)(1), and provides that "[t]he absence of diplomatic relations and recognition with respect to Taiwan shall not abrogate, infringe, modify, deny, or otherwise affect in any way any rights or obligations * * * heretofore or hereafter acquired by or with respect to Taiwan." 22 U.S.C. § 3303 (b)(3)(A).

The TRA further provides that "[n]o requirement, whether expressed or implied, under the laws of the United States with respect to maintenance of diplomatic relations or recognition shall be applicable with respect to Taiwan." 22 U.S.C. § 3303(b)(8). Finally, and most importantly for purposes of this case, the TRA provides that "[f]or all purposes, including actions in any court in the United States, the Congress [*27] approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law." 22 U.S.C. § 3303(c).

The TRA defines Taiwan as "the islands of Taiwan and the Pescadores, the people on those islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and any successor governing authorities * * *



.” U.S.C. § 3314(2).

The FCN Treaty is listed as a treaty in force between the United States and "China (Taiwan)" in the State Department publication, "Treaties in Force: A List of Treaties and other International Agreements of the United States in Force on January 1, 1987" (excerpt annexed as Exhibit C to Plaintiff's Memorandum in Response to UE Supplementary Memorandum of Law) ("Pl. Resp. Memo")

Validity of the [*28] FCN Treaty Prior to 1979

Defendants initially asserted that at the time the FCN Treaty was negotiated and became effective, Taiwan was still under Japanese control and that the ROC governed only what is known as "mainland" China. Defendants therefore argued that because the FCN Treaty was made in the context of an "expressly territorial relationship between the United States and the mainland," the Nationalist Government did not succeed to the FCN Treaty following its defeat by Communist forces in 1949 and subsequent flight to Taiwan. See UE Supplementary Memorandum of Law ("UE Supp. Memo") at 13-16, 18-19. Defendants asserted that "[p]ursuant to the normal principles of international law, and absent special, affirmative action by the United States, the [People's Republic of China] would have succeeded to the treaties that were in force at the time the Nationalists were routed * * * ." *Id.* at 17-18.

Defendants substantially retreated from this position after amicus Wang and Wang demonstrated that Taiwan was in fact under ROC control when the FCN Treaty was signed and that references in that FCN Treaty to the "territories of the ROC" therefore included the territory of Taiwan. [*29] See Amicus Brief at 5-10. See also Declaration of Dr. Tao-Tai Hsia, (Amicus Brief, Exhibit A) at 1-3. In addition, the Government's Statement of Interest demonstrated that wholly apart from the question of the ROC's control of Taiwan in 1946, or its lack of control over the mainland after 1949, the determination that a government is a party to a treaty covering a particular territory is exclusively the function of the executive branch, pursuant to its power to recognize and derecognize governments. See Statement of Interest at 8-9.

In their reply brief defendants concede that

in determining who is a party to a particular treaty covering a certain territory, a court must first look to who the President recognizes as legitimate government of that territory, and it does not matter whether that government actually controls the territory. Thus, the FCN Treaty was perhaps preserved from 1949 to 1979, with the Republic

of China as the party to it, even though that government did not control the territory covered by the FCN Treaty--or at best * * * controlled only a small portion of it.

Memorandum of law in Reply to the Three Briefs Opposing its Supplementary Memorandum [*30] of Law ("UE Reply Memo") at 8 n.8.

Post-Derecognition Validity of FCN Treaty

Defendants now focus their argument on the asserted invalidity of the FCN Treaty following derecognition of the ROC in 1979. Defendants acknowledge that the TRA expressly approves "the continuation in force of all treaties and other international agreements * * * entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978 * * * ." 22 U.S.C. § 3303(c). They argue, however, that because the TRA refers to treaties entered into by the United States and "the governing authorities on Taiwan," the TRA applies only to treaties entered into with the Taiwan authorities while they were on Taiwan. UE Supp. Memo at 27; UE Reply Memo at 15. Defendants' theory is essentially that the words "on Taiwan" in § 3303(c) are meant to draw a distinction according to where the governing authorities were when the treaty was entered into--"on Taiwan" or "on the Chinese mainland." Because the FCN Treaty was entered into with the governing authorities while they were on the mainland [*31] in 1946, defendants conclude that the FCN Treaty is not covered by the TRA.

This interpretation of the TRA is contrary to both its language and legislative history, which demonstrate that Congress intended the TRA to apply to all treaties and international agreements that were in force between the United States and the Republic of China as of December 31, 1978, and not only those concluded after the governing authorities moved to Taiwan.

The language of the TRA makes clear that "governing authorities on Taiwan" refers to the government recognized by the United States as the Republic of China until January 1, 1979. Indeed, § 3304(c) makes the term "governing authorities on Taiwan" the functional equivalent of the term "Republic of China." The use of the qualifying phrase "recognized by the United States as the Republic of China prior to January 1, 1979" clearly indicates that the phrase "governing authorities on Taiwan" was meant to refer to the governing authorities formerly recognized as the Republic of China. n19

n19 These governing authorities are consistently referred to throughout the TRA as the "governing



authorities on Taiwan." See 22 U.S.C. §§ 3301(a), 3303(b)(3)(B), 3309(b), 3311(b)(1), 3314(2).

[*32]

The legislative history of § 3303(c) makes this even clearer:

This section was added by the Committee to remove any doubt concerning the validity of the international agreements in force between the United States and the entity recognized as the Republic of China prior to the normalization of relations with the People's Republic of China. Its effect is to make clear that these agreements have not "lapsed" and that they continue in effect between the United States and the people on Taiwan. The reference to all courts "in" the United States expresses the Committee's intent that this rule of substantive Federal law be applied by both Federal and State courts.

Senate Report at p. 30.

The Senate Report similarly describes the Senate version of this provision as:

added by the [Foreign Relations] Committee to remove any doubt concerning the validity of the international agreements in force between the United States and the entity recognized as the Republic of China prior to the normalization of relations with the People's Republic of China.

Senate Report at p. 25.

In addition, the legislative history specifically mentions the FCN Treaty as an example of a treaty covered by the TRA. [*33] The House Report states that the House version of the legislation is:

designed to make clear that all treaties and international agreements between the United States and the Republic of China which were in force before derecognition will continue to be in force. For example, the U.S. ROC Treaty of Friendship, Commerce and Navigation, which provides a legal foundation for commercial relations between the United States and Taiwan, will continue without interruption. No United States-Republic of China treaty or international agreement would be terminated except that which is terminated under its terms or otherwise, pursuant to U.S. law.

House Report, H.R. Rep. No. 26, "House Report together with Additional Views", accompanying H.R. 2479 (printed pamphlet) (96th Cong., 1st Sess. 1979) at pp. 10-11.

The final bill, as described in the Conference Report,

combines both the general House provisions and the more specific Senate provisions without weakening or narrowing the applicability of any of the provisions adopted. * * * The conference substitute further provides that the Congress approves the continuation in force of all treaties and other international agreements, including multilateral [*34] conventions, between the United States and Taiwan which were in force prior to January 1, 1979, * * * with regard to the issue of conditioning the right to sue and be sued on reciprocity, the Committee of Conference noted that the Treaty of Friendship, Commerce, and Navigation between the United States and the Republic of China continues in force.

Conference Report, H.R. Report 7, reprinted in U. S. Code Cong. & Ad. News (96th Cong. 1st Sess. 1979) at p. 99.

Finally, consistent testimony by Executive Branch witnesses supports this reading of § 3303(c). See e.g., Implementation of Taiwan relations Act: Issues and Concerns, Hearings Before the Subcomm. on Asian and Pacific Affairs of the House Comm. on Foreign Affairs, 96th Cong., 1st Sess. 12 (1979) (statement of Assistant Secretary of State Richard Holbrooke, noting that international agreements with Taiwan remain in force, with specific mention of the FCN Treaty); Taiwan. Hearings Before the Senate Comm. on Foreign Relations, 96th Cong., 1st Sess. 74, 77 (1979) (State Department responses to questions by Senator Stone note that all international agreements (except the Mutual Defense Treaty and other related agreements), [*35] including the FCN Treaty, remain in force); id. at 106 (response by State Department Legal Adviser Hansell to question by Senator Percy notes that TRA provides for continuation in force of the FCN Treaty).

There can therefore be no doubt that Congress intended the TRA to continue the provisions of the FCN Treaty in force between the United States and Taiwan.
n20

n20 At least two other courts have reached this conclusion. See *Int'l Audio-Visual Audio-Visual Communications v. Chen*, supra, n.5; *Chang 506 F. Supp. at 978*.

Defendants next argue that if the TRA purports to extend the provisions of the FCN Treaty to Taiwan, as I find it does, Congress has unlawfully "amended" the FCN Treaty 1) by changing the other "High Contracting Party" from the ROC to "the governing authorities on Taiwan" and 2) by eliminating those provisions of the FCN Treaty that may be read to require the existence



of official diplomatic relations between the contracting parties. Such "amendments," defendants contend, are unconstitutional because under the Treaty Clause, only the President, with the advice and consent of the Senate, may make or amend a treaty. n21 See UE Supp. Memo at 25-26; UE [*36] Reply Memo at 11.

n21 Article II, § 2 cl. 2 provides: "He [the President] shall have Power, by and with the advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur * * *."

Plaintiff argues that the TRA does not constitute an "amendment" of the FCN Treaty because "the governing authorities on Taiwan" are the same "High Contracting Party" that entered into the FCN Treaty in 1948, i.e., the nationalist government that previously ruled the ROC. Moreover, as the Government also points out, a change in the name of one of the parties to a treaty, as a result of succession or modification of states, a government's renaming of a state, or changes in recognition, is not normally considered an "amendment" requiring further Senate action. Statement of Interest at 11 n.4. See, e.g., *Arnbjornsdottir-Mendler v. United States*, 721 F.2d 679 (9th Cir. 1983) (treaty between United States and Denmark remained in force vis-a-vis Iceland after Iceland declared its independence from Denmark). Rather, such matters fall within the recognition power of the Executive Branch. Accordingly, because the Executive Branch has consistently maintained [*37] since the derecognition of the ROC that the FCN Treaty remains in force with the governing authorities on Taiwan, and because Congress has concurred in that view, the FCN Treaty may constitutionally continue in force with Taiwan.

The Government also persuasively argues that even if the TRA were construed as an "amendment" of the FCN Treaty, or, for that matter, as an attempt to make an entirely new international agreement with Taiwan, there is no constitutional impediment to such action, because Congress and the President may constitutionally enter into "legislative-executive agreements" that are as binding in United States law as treaties. Statement of Interest at 11 n.4. See, e.g., *Weinberger v. Rossi*, 456 U.S. 25, 32 (1982) (equating Military Base Labor Agreement with the Republic of the Phillipines, authorized by statute, with "treaty" for purposes of United States law); *Star-Kist Foods Inc. v. United States*, 169 F. Supp. 268 (Cust. Ct. 1958), aff'd, 275 F.2d 472 (C.C.P.A. 1959) (Congress has authority to authorize the President to enter into executive agreements). See also *Treaties and Other International Agreements: The Role of the United States Senate*. [*38] A Study

Prepared for the Senate Comm. on Foreign Relations, 98th Cong., 2d Sess. 71-77 (1984); M. McDougal and A. Lans, "Treaties and Congressional-Executive Agreements: Interchangeable Instruments of National Policy", 54 Yale L.J. 181, 216-218 (1945); Restatement (Third) of the Foreign Relations Law of the United States §§ 302(2) and 303 (1987). Indeed, the author of defendants' brief on this issue, Professor Laurence Tribe, acknowledges in his treatise on American Constitutional law that such congressional-executive agreements are "coextensive with the treaty power." L. Tribe, *American Constitutional Law* (1979) at p. 170 n.18. Accord L. Henkin, *Foreign Affairs and the Constitution* (1972) at p. 173 n.1.

Defendants counter that even if a congressional-executive agreement had been created, it would not satisfy § 104(b)(1) of the copyright Act, which requires a treaty entered into pursuant to Article II. UE Reply Memo at 5 n.4, 17-18. I disagree. Nothing in the Copyright Act suggests such a rigid requirement and defendants cite no authority for this assertion. In any event, the TRA clearly eliminated any such requirement with respect to Taiwan.

Finally, as defendants [*39] concede, Congress could at any time constitutionally pass a law that would grant Taiwanese nationals copyright protection equivalent to that existing for the ROC prior to January 1, 1979. UE Reply Memo at 14, 19. Thus, the constitutional issues defendants seek to raise may properly be avoided by considering the TRA not as an amendment of a treaty or a "hybrid" international agreement, but as a domestic law extending to Taiwan the provisions of the FCN Treaty pertaining to copyright protection despite derecognition and the cessation of formal diplomatic relations. See Statement of Interest at 3, 10-14 (Congress, in the TRA, could constitutionally consider the FCN Treaty to be in force for purposes of the Copyright Act, irrespective of the TRA's effect on the international obligations of the United States). See also *Chang V Northwestern Memorial Hospital*, 506 F. Supp. 975 (N.D. Ill. 1980); *Int'l Audio-Visual Communications, Inc. V Chen*, No. CV 84-2328-DWW (MCX) (C.D. Cal. 1984) (opinion annexed as appendix A to Plaintiff's Reply Memo).

For all of the above reasons, I find that the TRA constitutionally continues in force those provisions of the FCN Treaty providing reciprocal [*40] copyright protection to Taiwanese nationals and deny defendants' motion to dismiss the complaint on this ground.

CHAMPERTY

Although defendants acknowledge that the question



of whether an agreement is champertous is normally a question of fact, see UE Memo at 12, defendants have restricted their challenge to the IAVC-- New York Chinese License Agreement to the face of the document, n22 which they argue is champertous as a matter of law, and therefore void. n23

n22 Because defendants have chosen to limit their attack to the face of the agreement, I do not address the assertions contained in their submissions regarding the subjective motives of plaintiff's President, Dick Ying.

n23 "Champerty is a bargain between a stranger and a party to a lawsuit by which the stranger pursues the party's claim in consideration of receiving part of any judgment proceeds. It is one type of 'maintenance,' the more general term, which refers to maintaining, supporting, or promoting another person's litigation." *Alexander v. Unification Church of America*, 634 F.2d 673, 677 n.5 (2d Cir. 1980). Champerty is a viable defense to another's claim to the extent it is outlawed by statute. Sedgwick against Stanton, 14 N.Y. 289, 294-95 (1856); see also *Irvin v. Curie*, 171 N.Y. 409, 411 (1902). A champertous assignment is null and void. See *Koro Co., Inc. v. Bristol-Myers Co.*, 568 F. Supp. 280, 288 (D.D.C. 1983) (applying New York's champerty law to invalidate a contract); *Lost Lots Associates. Ltd. v. Bruyn*, 415 N.Y.S.2d 99 (3rd Dep't 1979); see also *Alexander*, 634 F.2d at 677 n.6.

[*41]

In support of their argument that the Agreement is champertous on its face, defendants point to the following provisions:

1) As part of the "consideration" for the assignment, New York Chinese agrees to commence and maintain "such actions with respect to any infringements or imitations of the licensed tapes as it deems advisable for the protection of its rights * * * ." Agreement para. 10(a). n24

n24 The Agreement is annexed to the Amended Complaint as part of Exhibit C.

2) Plaintiff is not required to pay IAVC the yearly license fee of \$ 360,000 until 30 days after plaintiff obtains its first preliminary injunction in an infringement action. Agreement para. 3(a).

3) IAVC may terminate the agreement at the end of one year if plaintiff has been unable to obtain a preliminary injunction. Agreement para. 11(a)(iv).

4) IAVC specifically conveys to New York Chinese the right to sue for infringements which occurred prior to

the Agreement and the right to retain "all monetary judgments obtained as a result of such actions." Agreement para. 10(b).

5) IAVC agrees to permit plaintiff's \$ 40,000 security deposit to be placed in escrow with plaintiff's attorneys, and to be applied to plaintiff's [*42] legal fees in prosecuting infringement actions. Agreement para. 10(c).

Defendants' assertion that the assignment of IAVC's copyright to plaintiff is champertous, and therefore invalid, rests upon Section 489 of the New York Judiciary Law (McKinney 1983 and Supplement 1989) n25 The landmark case interpreting the New York champerty statute is *Moses v. McDivitt*, 88 N.Y. 62 (1882). In *Moses* the court held that the statute "prohibits the purchase by attorneys * * * of choses in action 'with the intent and for the purpose' of bringing a suit thereon." *Moses*, 88 N.Y. at 65 (emphasis original) (quoting predecessor statute). The purpose of the statute is to prevent trafficking and speculation in lawsuits. *Koro Co., Inc. v. Bristol-Myers Co.*, 568 F. Supp. 280, 288 (D.D.C. 1983) (applying New York law); see also *Fairchild Hiller Corp. v. McDonnell Douglas Corp.*, 28 N.Y.2d 325, 321 N.Y.S.2d 857, 860 (1971) (section 489 is designed to prevent the "strife, discord, and harassment which could result from permitting attorneys and corporations to purchase claims for the purpose of bringing actions thereon")

n25 section 489 of the New York Judiciary Law provides in pertinent part as follows: No * * * corporation or association, directly or indirectly, itself or by or through its officers, agents or employees, shall solicit, buy or take an assignment of a * * * thing in action, or any claim or demand, with the intent and for the purpose of bringing an action or proceeding thereon; * * *. Any corporation or association violating the provisions of this section shall be liable to a fine of not more than five thousand dollars * * *.

[*43]

It is well-established that a violation of § 489 is established only when the purchase is made for the purpose of bringing a lawsuit, to the "exclusion of any other purpose," and that an assignment is lawful where the intent to bring a suit is merely "incidental and contingent" to other rights conveyed. *Moses*, 88 N.Y. at 65; see also *Syigma Photo News. Inc. v. Globe Int'l. Inc.*, 616 F. Supp. 1153, 1157 (S.D.N.Y. 1985); *Koro*, 568 F. Supp. at 286-287; *Welch v. Corp. Inc.*, 97 F. Supp. 185, 186 (S.D.N.Y. 1951); *Fairchild*, 28 N.Y.2d at 330, 321 N.Y.S. 860; *Sprung v. Jaffe*, 3 N.Y.2d 539, 544, 169 N.Y.S.2d 456, 460 (1959); *Realty Corp. v. USwiss Realty Holding, Inc.*, 492 N.Y.S.2d 754, 755-



756 (1st Dep't 1985); 1015 *Gerard Realty Corp. v. A & S Improvements Corp.*, 457 N.Y.S.2d 821 (1st Dep't 1983); *Prudential Oil Corp. v. Phillips Petroleum Co.*, 415 N.Y.S.2d 217, 218 (1st Dep't 1979); *American Express Co. v. Control Data Corp.*, 376 N.Y.S.2d 153, 154 (1st Dep't 1975) (per curiam).

Applying these legal principles to the facts of this case, I find that the License Agreement and Assignment between IAVC and New York Chinese is not champertous. The Assignment [*44] conveys actual and valuable rights, namely, the exclusive right to distribute the Mandarin language tapes in New Jersey and New York, as well as the right to enter into sub-license agreements with retailers. See License Agreement, § 3(b). The License Agreement spells out the details of the parties' ongoing business relationship, including, inter alia, the minimum number of program hours annually that plaintiff will receive from IAVC, how delivery of the tapes is to be effected, and the continuing advertising rights and obligations of IAVC. At the same time, IAVC and plaintiff were clearly aware that infringement of the Mandarin language tapes had taken place in the New York area, and that it would undoubtedly continue if not prosecuted. Accordingly, the provisions regarding prosecution of infringement reflect one of the realities of copyright ownership: the continuing battle to stem infringement that threatens to diminish the value of the copyright. Indeed, because of this reality, an assignee generally owes an affirmative duty to its assignor to sue for infringements the assignee learns of, and the failure to do so could potentially lead to an action for rescission, and possibly [*45] damages, against the assignee. See 3 M. and D. Nimmer, *Nimmer on Copyright* ("Nimmer") (1988) § 12.02, at 12-27 - 12-28.

I find that the "right to sue" provisions of the Assignment are not champertous, but "incidental and contingent" to the assignment of valuable distribution rights in New York and New Jersey, and that the license agreement and assignment are therefore fully enforceable. Defendants' motion to dismiss the complaint on this ground is therefore denied.

FRAUD ON THE COPYRIGHT OFFICE

Defendants contend that IAVC's copyright is invalid and unenforceable by plaintiff because IAVC knowingly misrepresented or failed to present to the U. S. Copyright Office material facts regarding the Programs. Defendants assert that if the correct information had been provided to the Copyright Office, IAVC's applications would have been rejected. See *Russ Berrie & Co., Inc. v. Jerry Elsner Co., Inc.*, 482 F. Supp. 980, 988 (S.D.N.Y. 1980) (court may declare a copyright invalid and deny enforcement on the ground of unclean hands if

it finds that the applicant knowingly failed to advise the Copyright Office of facts which might have occasioned a rejection of the application); see [*46] also 3 Nimmer § 13.09(b) at 13-142 - 13-148; 2 Nimmer § 7.20 at 7-147.

Following discovery, defendants waived an evidentiary hearing on this issue and agreed that the court could make findings of fact and conclusions of law on the merits of their claim of fraud on the Copyright Office based upon documentary evidence and the deposition testimony of Julia Baker Huff (a Copyright Examiner in 1984 and currently Head of the Performing Arts Section of the United States Copyright Office); Eva Young (the treasurer of IAVC); and Ronald L. Yin, Esq. (the attorney for IAVC who represented IAVC in connection with its applications to the Copyright Office for these Programs).

The following facts are undisputed: each of the Programs is broadcast once over the Taiwanese airways. Following this broadcast, a 3/4" "mastertape" is delivered to IAVC's office in Taipei, Taiwan, where the quality of the mastertape is reviewed. IAVC then sends the mastertape (uncopied and unedited) to its home office in Brisbane, California, where the Program is edited, copied onto a 1/2" videotape and distributed for rental to the public. The Taiwanese television stations are paid by IAVC's office in Taipei. For several [*47] years prior to 1984, IAVC submitted to the Copyright Office a registration application for each Program, accompanied by a 1/2" tape of the version edited by IAVC in California. IAVC did not submit the 3/4" mastertape and did not include in its applications any reference to the fact that the 3/4" tape had been sent to IAVC's Taipei office for review prior to shipment to the United States, or to the fact that the 1/2" tape is an edited version of the Program as broadcast in Taiwan. The applications did state, however, that the Programs were "first published" in Taiwan, because Mr. Yin mistakenly believed that the broadcast in Taiwan constituted publication under the Copyright Act. The Copyright Office at no time questioned the application of the Copyright Act to works first published in Taiwan.

On March 21, 1984, Mr. Yin was contacted by Copyright Examiner Julia Huff. Ms. Huff told Mr. Yin that she believed IAVC should be submitting the 3/4" mastertape as the "best edition" of the work as first published in Taiwan. Ms. Huff's memorandum to the file regarding this conversation reads as follows:

I questioned best edition as first published. He said that works first aired and then a [*48] 3/4 inch tape sent to U.S. where 1/2 inch tapes made and distributed. We discussed publication . . . definition in law and possibility

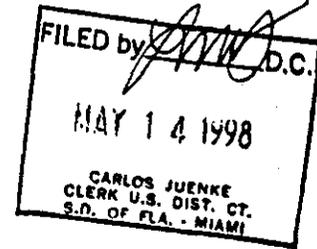


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 97-3924-CIV-LENARD

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,



vs.

ORDER GRANTING IN PART AND
DENYING IN PART DEFENDANTS'
MOTION FOR PARTIAL SUMMARY JUDGMENT

NATIONAL GEOGRAPHIC SOCIETY,
a District of Columbia corporation,
NATIONAL GEOGRAPHIC
ENTERPRISES, INC., a corporation,
and MINDSCAPE, INC., a California
corporation,

Defendants.

THIS CAUSE comes before this Court upon Defendants' motion to dismiss and/or for summary judgment (D.E. 18), Plaintiff's cross-motion for summary judgment (D.E. 26), Plaintiff's motion for voluntary dismissal (D.E. 24), and Defendants' motion for oral argument (D.E. 28).

In 1990, Jerry Greenberg (Greenberg) provided National Geographic Society (Society) with a photograph he had taken of a sea fan, for publication in the July 1990 issue of Society's magazine. Without Greenberg's permission, in 1996 Society reprinted the photograph in a promotional brochure. In 1995 and 1996, also without Greenberg's authorization, Society supplied other photographs taken by Greenberg, including those of a redband parrotfish, a spotlight parrotfish, and a green moray, to Educational Insights, Inc. (Insights), which used them in one of its products.

In 1997, Society, through National Geographic Enterprises, Inc. (Enterprises) and Mindscape, Inc. (Mindscape), produced and began to sell a 30 disc CD-ROM set, entitled The Complete National Geographic, which contains every issue ever published of Society's magazine. A number of the magazines published by Society over the years apparently contain photographs taken by Greenberg. At the beginning of each of the 30 discs in the CD-ROM set is an introduction to The National Geographic which consists of a sequence of ten of the magazine's covers. On one of those covers, from the magazine's January 1962 issue, is a photograph, taken by Greenberg, of a woman scuba diving around a coral reef.

On December 5, 1997, Plaintiff Greenberg filed an action in this Court for

copyright infringement against Society, Enterprises and Mindscape. Greenberg alleges that Society infringed his copyright by providing his photographs of a redband parrotfish, a spotlight parrotfish and a green moray to Insights for use in its products (count I), and by reprinting his photograph of a sea fan in a 1996 promotional brochure (count II). Greenberg also alleges that Society, Enterprises and Mindscape infringed his copyright by reproducing a number of his photographs in The Complete National Geographic. On January 30, 1998, Defendants filed a motion to dismiss counts II through V of Greenberg's complaint and, in the alternative, a motion for summary judgment on counts III through V. As Greenberg and Defendants have supplemented their pleadings with evidence, the Court will treat both of these motions as requests for summary judgment.

A motion for summary judgment may be granted only if no genuine dispute exists as to any material fact. Fed. R. Civ. P. 56(c). In deciding whether there is a genuine issue of material fact, the Court must view the pleadings, affidavits and other evidence in the record "in the light most favorable to the non-moving party." Retina Associates, P.A. v. Southern Baptist Hosp. of Florida, Inc., 105 F.3d 1376, 1380 (11th Cir. 1997).

Defendants first contend that counts II through V of Greenberg's complaint

must be dismissed, pursuant to 17 U.S.C. §411(a), because there is no evidence that he registered his copyright in the photograph of the sea fan which Society printed in its 1996 promotional brochure, or in any of the photographs published in Society's magazines, including that of a woman scuba diving around a coral reef. Indeed, "[c]opyright registration is a pre-requisite to the institution of a copyright infringement lawsuit." Arthur Rutenberg Homes, Inc. v. Drew Homes, Inc., 29 F.3d 1529, 1532 (11th Cir. 1994). Greenberg has provided the Court with evidence, however, that on December 18, 1995 Society assigned to him the copyrights in these photographs, and that he subsequently renewed those copyrights prior to the time of their expiration. Exhibit B, 1-3, Plaintiff's Memorandum in Opposition to Defendants' Motion to Dismiss or for Summary Judgment.

Defendants next argue, pursuant to 17 U.S.C. §201(c), that counts III through V of Greenberg's complaint must be dismissed because Defendants are permitted to reproduce and distribute, in *The Complete National Geographic*, photographs taken by Greenberg, including his photograph of a woman scuba diving around a coral reef, which were previously published in Society's magazines. Under 17 U.S.C. §201(c):

Copyright in each separate contribution to a collective work is distinct from

copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as a part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

17 U.S.C. §201(c). Defendants concede that the previous issues of Society's magazines in which Greenberg's photographs were published are collective works in which Defendants were permitted to reproduce Greenberg's photographs. They submit, however, that The Complete National Geographic constitutes a 'revision' of that collective work within the meaning of 17 U.S.C. §201(c). Greenberg disagrees.

The Court has only been able to locate one published opinion, Tasini v. New York Times Co., 972 F. Supp. 804 (S.D.N.Y. 1997), in which a court has addressed the issue whether a collective work is a revision within the meaning of this statute. In that case, a number of freelance writers whose articles were published in several widely read periodicals sued those periodicals and two companies to which the periodicals sold the writers' articles, one of which provided its subscribers with the texts of the articles electronically and the other of which distributed the texts on CD-ROM, for copyright infringement. The defendants argued that the electronic databases and the CD-ROM's promulgating

the writers' articles were 'revisions' of the periodicals, collective works, within the meaning of 17 U.S.C. §201(c).

The court observed that:

If defendants change the original selection and arrangement of their newspapers or magazines, however, they are at risk of creating new works, works no longer recognizable as versions of the periodicals that are the source of their rights. Thus, in whatever ways they change their collective works, defendants must preserve some significant original aspect of those works -- whether an original selection or an original arrangement -- if they expect to satisfy the requirements of Section 201(c). Indeed, it is only if such a distinguishing original characteristic remains that the resulting creation can fairly be termed a revision of "that collective work" which preceded it.

Tasini, 972 F. Supp. at 821. In order to determine whether the electronic databases and CD-ROMs constituted a 'revision' of the periodicals, the court explained that a two-pronged inquiry is necessary. First, a court must identify any original selection or arrangement of materials in the collective work. Second, if the court concludes that the collective work possesses any such original selection or arrangement of materials, it must determine whether these characteristics are preserved electronically. Tasini, 972 F. Supp. at 821. The Tasini court then concluded that:

If the disputed periodicals manifest an original selection or arrangement of materials, and if that originality is preserved electronically, then the electronic reproductions can be deemed permissible revisions of the publisher defendants' collective works. If, on the other hand, the electronic

defendants do not preserve the originality of the disputed publications, but merely exploit the component parts of those works, then plaintiffs' rights in those component parts have been infringed.

Tasini, 972 F. Supp. at 822. This Court finds the Tasini Court's reasoning sound and therefore adopts the legal framework developed by that court to analyze the legal question currently before this Court.

Society indisputably selected and arranged the articles and photographs in each issue of its magazines. The question therefore arises whether this original selection and arrangement is preserved in The Complete National Geographic. In order to answer this question in the affirmative, the Tasini court noted that the electronic work "cannot differ in selection by more than a trivial degree from the work that preceded it." Tasini, 972 F. Supp. at 823.

As evidence that The Complete National Geographic does not differ by more than a trivial degree from Society's magazines, Defendants have supplied the Court with the declarations of Thomas Stanton, Society's Director of CD-ROM Product Management, who states that: (1) The Complete National Geographic contains an "exact image of each page as it appeared in the Magazine;" (2) The Complete National Geographic draws from the northeastern edition of Society's magazine; (3) the 30 to 40 regional editions of the magazine which Society publishes are identical except for the advertisements; and (4) at the

beginning of each CD-ROM in The Complete National Geographic, there is a short display of images from ten different magazine covers, including the January 1962 cover showing the picture taken by Greenberg of a woman scuba diving around a coral reef. Declaration of Thomas Stanton, ¶ 5 - 7; Reply Declaration of Thomas Stanton, ¶ 4. Greenberg has not adduced any evidence to contradict Stanton's statements.

He submits, however, that the image display and Society logo at the beginning of each disc, the credit display at the end of each disc, and Society's selection of one edition of the many editions of the magazine, render The Complete National Geographic more than trivially different from Society's magazines. This Court disagrees, and concludes that the evidence produced by Defendants indicates that the Complete National Geographic "retain[s] enough of [D]efendants' periodicals to be recognizable as versions of those periodicals." Tasini, 972 F. Supp. at 824. Consequently, The Complete National Geographic constitutes a 'revision' of Society's magazines within the meaning of 17 U.S.C. §201(c). Defendants therefore did not improperly reproduce or distribute, in The Complete National Geographic, Greenberg's photographs.

Accordingly, it is hereby ORDERED AND ADJUDGED that:

(1) Defendants' motion to dismiss and/or for summary judgment as to count

II, be DENIED;

(2) Defendants' motion for summary judgment as to counts III, IV and V, be GRANTED. Counts III, IV and V are therefore DISMISSED with prejudice.

(3) Plaintiff Greenberg's cross-motion for summary judgment as to count III, be DENIED;

(4) Plaintiff Greenberg's motion to voluntarily dismiss count IV, be DENIED as MOOT; and

(5) Defendants' request for oral argument, be DENIED.

DONE AND ORDERED in Chambers, at Miami, Florida on this 14 day of May, 1998.


Joan A. Leonard
United States District Judge

cc: Valerie Itkoff, Esq.
Norman Davis, Esq.

Defendants also contend that counts III through V should be dismissed because their use in the image display at the beginning of each disc of The Complete National Geographic of Greenberg's 1962 cover photograph of a woman scuba diving around a coral reef is: (1) de minimus; and (2) fair use within the meaning of 17 U.S.C. §107. In light of its conclusion that Defendants are permitted to use the cover photograph at issue pursuant to 17 U.S.C. §201(c), the Court need not entertain these arguments.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually
and IDAZ GREENBERG, individually,

Plaintiffs,

v.

NATIONAL GEOGRAPHIC SOCIETY, a
District of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES,
INC., a corporation, and MINDSCAPE, INC., a
California Corporation,

Defendants.

Case No. 97-3924 CIV-LENARD

**Memorandum of Law in Opposition to Plaintiffs' Motion to Vacate Order
Granting in Part Defendants' Motion for Partial Summary Judgment,
and for Other Relief**

OF COUNSEL:

- Robert G. Sugarman, Esq.
- Naomi Jane Green, Esq.
- Joanne M. [Name obscured] (not admitted
in the Southern District of Florida)
- Edward S. [Name obscured]
- Terrence B. [Name obscured], Esq.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually
and IDAZ GREENBERG, individually,

Plaintiffs,

v.

NATIONAL GEOGRAPHIC SOCIETY, a
District of Columbia corporation,
NATIONAL GEOGRAPHIC ENTERPRISES,
INC., a corporation, and MINDSCAPE, INC., a
California Corporation,

Defendants.

Case No. 96-3924 Civ-Lenard

**Memorandum of Law in Opposition to Plaintiffs' Motion to Vacate Order
Granting in Part Defendants' Motion for Partial Summary Judgment,
and for Other Relief**

Defendants National Geographic Society (the "Society"), National Geographic Enterprises, Inc. and Mindscape, Inc. ("Mindscape") submit this Memorandum of Law in opposition to Plaintiffs' Motion to Vacate Order Granting in Part Defendants' Motion for Partial Summary Judgment, and for Other Relief ("Motion to Vacate").

PRELIMINARY STATEMENT

Eighteen months ago, this Court, upon careful consideration of the law and the facts in this case, granted partial summary judgment to Defendants, holding that Defendants were permitted by Section 201(c) of the Copyright Act to republish National Geographic Magazine (the "Magazine") in CD-ROM format under the title "The Complete National Geographic" ("CD-ROM 108"). In its opinion, the Court adopted the legal framework set out in the district court opinion in Tasini v. New York Times, 972 F. Supp. 804 (S.D.N.Y. 1997), applied it to the unique facts and circumstances of this case and determined that, in this case, Defendants should prevail. Plaintiffs have never sought to finalize that judgment or to appeal it to the Eleventh Circuit. Instead, a year and a half later, Plaintiffs seek vacatur and modification

of the judgment solely because the Second Circuit has ruled that Section 201(c) does not apply to the totally different facts that the Second Circuit found determinative in Tasini.

Such drastic action simply is not warranted. As an initial matter, Second Circuit precedent is not binding on this Court. Moreover, in light of the totally different facts in Tasini on which the Second Circuit relied, its opinion does not provide any basis for a modification of this Court's decision in this case. Significantly, Plaintiffs make no mention of the facts involved in Tasini and no attempt to analyze the opinion of the Second Circuit in light of those facts. As demonstrated below, such an analysis compels the conclusion that the decision of this Court was correct and should not be disturbed.

ARGUMENT

I. PLAINTIFFS CANNOT AVAIL THEMSELVES OF RULE 60(B) BECAUSE THERE HAS BEEN NO CHANGE IN CONTROLLING LAW.

A. Grant of relief under Rule 60(b) is a drastic measure warranted only by extraordinary circumstances.

Plaintiffs have moved under Federal Rule of Civil Procedure 60(b)(6). The Supreme Court has indicated that relief under Rule 60(b) is a drastic measure, which should be granted only in extraordinary circumstances, Ackerman v. United States, 340 U.S. 193 (1950), a message which the Eleventh Circuit has heeded. See High v. Zant, 916 F.2d 1507, 1509 (11th Cir. 1990). Furthermore, "parties cannot use Rule 60(b) as a vehicle to relitigate a case." Zahran v. Frankenmuth Mut. Ins. Co., 114 F.3d 1192, at *2 (7th Cir. 1997) (citing Donovan v. Sovereign Sec., Ltd., 726 F.2d 55, 60 (2d Cir. 1984)).

This reluctance to vacate judgments stems from a fundamental need for finality. See Kansas Public Employees Retirement System v. Reimer & Koger Assocs., Inc., 1999 WL 809552, at *2 (8th Cir. Oct. 5, 1999) ("Society's powerful countervailing interest in the finality of judgments simply requires that each case have an end, though the law continues to evolve."); Biggins v. Hazen Paper Co., 111 F.3d 205, 212 (1st Cir. 1997) ("[T]he common law could not safely develop if the latest evolution in doctrine became the standard for measuring previously resolved claims.")

B. There has been no change in controlling law in this case.

Courts have recognized three main grounds which may justify reconsideration under Rule 60(b), none of which are present here: 1) an intervening change in controlling law; 2) the availability of new evidence; and 3) the need to correct clear error or manifest injustice. See Cover v. Wal-Mart Stores, Inc., 148 F.R.D. 294, 295 (M.D. Fla. 1993) (emphasis supplied). These grounds only sometimes justify reconsideration. See Scott v. Singletary, 870 F. Supp. 328, 330 (S.D. Fla. 1994) (supervening change in law “can, but need not always, constitute sufficiently extraordinary circumstances to warrant relief under Rule 60(b)(6)”); see also Hall v. Warden, 364 F.2d 495 (4th Cir. 1966) (supervening contrary Supreme Court decision, rendering appeals court decision clearly erroneous, did not suffice to warrant reconsideration of grant of *habeas corpus*). Plaintiffs have based their argument on the first of the grounds enunciated in Cover, a change in controlling law, which is simply unavailable to them. The change in law they cite, Tasini v. New York Times Co., 1999 WL 753966 (2d Cir. Sept. 24, 1999), is not controlling in this district.

Only a change in controlling law may provide the basis for a Rule 60(b) motion. See, e.g., Cover, 148 F.R.D. 294, 295 (M.D. Fla. 1993) (movant must demonstrate some reason why court should reconsider its initial decision, and set forth facts or law of “strongly convincing nature,” such as change in controlling law, to persuade court to reverse itself); Zahran, 114 F.3d, at *2 (summarily affirming denial of 60(b) motion absent change in controlling law); Matura v. United States, 1999 WL 771385, at *3 (S.D.N.Y. Sept. 28, 1999) (refusing to entertain petitioner’s Rule 60(b) motion absent intervening change in controlling law, and observing that petitioner was “offering nothing more than arguments that this Court has already carefully analyzed and justifiably disposed”); United States v. City of San Diego, 18 F. Supp. 2d 1090, 1106 (S.D. Cal. 1998); see also Ritter v. Smith, 811 F.2d 1398 (11th Cir. 1987) (affirming grant of Rule 60(b) motion pursuant to change in controlling law enunciated by the United States Supreme Court); Scott, 870 F. Supp. 328 (S.D. Fla. 1994) (Eleventh Circuit decision could only be overruled by the en banc court or the Supreme Court, therefore subsequent three-judge panel’s decision did not effect final and definitive change in Eleventh Circuit law).

Thus, Plaintiffs’ argument fails because the controlling law in the Southern District of Florida has not changed. Congress has not modified Section 201(c) of the Copyright

Act, nor has the Supreme Court or the Eleventh Circuit rendered any decision construing that section since the Court granted summary judgment to Defendants.

Plaintiffs imply that there has been a change in the law because “the decision of the district court for the Southern District of New York in Tasini was clearly and definitively reversed by a higher court – the Second Circuit Court of Appeals. . .” This is simply irrelevant to Rule 60(b) because this Court is not bound by the decisions of the Second Circuit. This Court, upon careful consideration, correctly adopted the reasoning of a decision of a judge of the Southern District of New York and applied it to the unique facts involved in this case – facts which, as detailed below, differ in substantial ways from those on which the Second Circuit expressly relied in its decision in Tasini.¹ The Second Circuit’s disagreement with the reasoning of the judge of the Southern District of New York, on the Tasini facts, has no bearing on this Court’s decision in this case, which involves materially different facts.

Thus, although there has been a change in decisional law in the Second Circuit, it does not govern this Court and therefore Plaintiffs cannot obtain Rule 60(b) relief. Plaintiffs’ motion should be denied, as they are offering “nothing more than arguments that this Court has already carefully analyzed and justifiably disposed.” City of San Diego, 18 F. Supp.2d at 1106.

II. EVEN IF RULE 60(B) APPLIED, THE FACTORS GOVERNING THE GRANT OF RELIEF WEIGH HEAVILY AGAINST VACATING THE COURT’S PRIOR RULING.

The factors relevant in deciding whether a court should grant relief under Rule 60(b) because of new precedent are: 1) whether the change in the law is final and definitive; 2) whether the judgment has been executed; 3) whether the motion for relief was filed soon after judgment was rendered; 4) whether the intervening decision is closely related to the instant case; and 5) considerations of comity. See Scott, 870 F. Supp. at 330 (S.D. Fla. 1994). A balancing of these factors in this case weighs heavily against disturbing the decision this Court has already rendered because the change in the law is not final and definitive; the judgment, although unexecuted, is not improper; and the intervening decision is not related closely enough to this

¹ See infra pp. 8-11.

case.² Indeed, as established below, the facts of this case are entirely different from those on which the Second Circuit expressly relied in Tasini.

A. The decision in Tasini is neither final nor definitive

The first factor, whether the change in the law is final and definitive, is “obviously the most important factor” in a Rule 60(b)(6) analysis. Scott, 870 F. Supp. at 330. Significantly, the Second Circuit’s decision in Tasini is neither final nor definitive, as the defendants’ petition for rehearing is still pending (see Exhibit A to the Affirmation of Robert G. Sugarman (“Sugarman Aff.”)) and other possible appeals have not been exhausted. Moreover, as noted above, Tasini is not binding on this Court, and is thus not dispositive of this case irrespective of the Second Circuit’s ultimate ruling. This factor alone warrants denial of Plaintiffs’ motion. Scott, 870 F. Supp. at 336.

Plaintiffs themselves concede the point in analyzing Scott v. Singletary, 870 F. Supp. 328 (S.D. Fla. 1994). Motion to Vacate at pp. 4-5. In Scott, the petitioner argued that there had been a change in the law due to a subsequent decision by a three-judge panel of the Eleventh Circuit. However, because a prior decision of a panel of the Eleventh Circuit “may only be overruled by the en banc court or the Supreme Court,” there had been no final and definitive change in the law warranting Rule 60(b) relief. Likewise, because this Court’s decision cannot be overruled by the Second Circuit, there has not been, and, indeed, cannot be, a final and definitive change in the law.

Moreover, in the 18 months since this Court rendered its decision, Plaintiffs have taken no steps to seek a final and definitive determination from the Court which can make such a determination – the United States Court of Appeals for the Eleventh Circuit. Having failed to move for this opportunity, Plaintiffs cannot seek relief based on a decision which is neither final nor definitive.

² Because Plaintiffs filed their Rule 60(b)(6) motion less than a month after the Second Circuit's decision in Tasini, the third Scott factor is not at issue. Furthermore, because Plaintiffs' motion for reconsideration is addressed to the same court which has already ruled against them, considerations of comity are not implicated.

B. The Court's grant of summary judgment is not improper.

Although courts are generally more willing to vacate unexecuted judgments than executed judgments, Ritter v. Smith, 811 F.2d 1398, 1402 (11th Cir. 1987), this principle cannot be stretched to imply that any unexecuted judgment is susceptible to being vacated. Rather, only an improper unexecuted judgment should be vacated. Id. Examples of "improper" judgments cited by the Ritter court lend no support for the proposition that a mere change in non-controlling authority renders a judgment improper. See Roberts v. St. Regis Paper, 653 F.2d 166 (5th Cir. Unit B 1981) (acknowledging possibility of future modification of consent decree in light of recent Supreme Court decision); Marshall v. Board of Educ., 575 F.2d 417 (3d Cir. 1978) (partially modifying judgment pursuant to intervening Supreme Court decision). Here, since no intervening controlling law has rendered the Court's opinion improper and Plaintiffs advance no other argument why the Court's opinion was improper, there is no reason for the Court to "undo the past," see Ritter, 811 F.2d at 1402, and vacate its prior judgment.

C. Tasini is not sufficiently related to this case to warrant Rule 60(b) relief.

Cases have been held to be sufficiently related when, for example, two cases arise out of the exact same transaction or when the Supreme Court grants certiorari expressly to resolve a conflict between two cases. Ritter, 811 F.2d at 1402-1403. Neither situation presents itself here. Moreover, even two cases arising out of exactly the same transaction but yielding different outcomes at trial do not provide a sufficient basis for a Rule 60(b) motion where there has been no change in the law. See High v. Zant, 916 F.2d 1507, 1510 (petitioner's argument that his conviction arose out of same criminal transaction as another case was futile where there had been no change in law on which to premise Rule 60(b) motion for reconsideration). Moreover, as established below, although Tasini involves the same statutory provision as this case, it is not closely related as a factual matter and vacatur of the Court's grant of summary judgment is not warranted. Indeed, the factual differences are so significant that the Second Circuit decision in Tasini cannot be authority for vacating this Court's decision in this case. (see *infra* pp.8-11).

Case law under Rule 60(b)(5), which provides for relief from judgment where "a prior judgment upon which it is based has been reversed or otherwise vacated," is also instructive

on this point. See, e.g., Lubben v. Selective Serv. Sys. Local Bd. No. 27, 453 F.2d 645, 650 (1st Cir. 1972). In Lubben, the district judge had relied heavily on a colleague's opinion in a similar case.³ When the colleague's opinion was reversed, the Selective Service moved to vacate the Lubben injunction. The court refused, noting that:

"while 60(b)(5) authorizes relief from a judgment on the ground that the prior judgment on which it is based has been reversed or otherwise vacated, it does not authorize relief from a judgment on the ground that the law applied by the court in making its adjudication has been subsequently overruled or declared erroneous in another and unrelated proceeding."

Lubben, 453 F.2d at 650 (citing 7 Moore's Federal Practice ¶60.26[3] at 325). Reversal of precedent on which it had forcefully relied was insufficient to persuade the Lubben court to reverse itself. Likewise, reversal of Tasini is insufficient basis to prompt this Court to vacate its holding in the present case.

Because there has been no change in the controlling law applicable to this case, and because, even if there were, the Ritter factors weigh in Defendants' favor, this Court should deny Plaintiff's Motion to Vacate.

III. THE SECOND CIRCUIT'S OPINION IN TASINI IS NOT APPLICABLE TO THE FACTS AT ISSUE HERE AND DOES NOT, THEREFORE, PROVIDE ANY BASIS FOR VACATING THIS COURT'S DECISION.

A. CD-ROM 108 is merely a republication, not a revision, of the Magazine.

The Second Circuit's opinion addressed only the question whether the electronic databases at issue in Tasini were revisions of the periodicals in question since that was the only argument advanced by the defendants in that case. Tasini, 1999 WL 753966 at *2. In this case, however, as Plaintiffs concede, Defendants have maintained that since CD-ROM 108, unlike the publications in Tasini, reproduces each issue of the Magazine *exactly* as it appeared on paper from cover to cover, CD-ROM 108 is a "straightforward reprint" of each issue. Sugarman Aff. Exh. B at p. 6; Sugarman Aff. Exh. C at pp. 2-4.

Section 201(c) permits the owner of a collective work to reproduce contributions to the collective work as part of "that particular collective work, any revision of that collective

³ "Because of the very close similarity between this case and the Lane case, and in the interest of having judges of this court make the same ruling on substantially similar legal issues whenever it is possible to do so, this decision will be in accord with that of Judge Garrity in Lane." Lubben v. Selective Serv. Sys. Local Bd. No. 27, 316 F. Supp. 230, 232 (D. Mass. 1970).

work, and any later collective work in the same series." 17 U.S.C.A. §201(c). The clause permitting republication of contributions in "that particular collective work" clearly permits Defendants to republish each issue of the Magazine. That CD-ROM 108 is republishing "specific issues" of the Magazine on CD-ROM, not on paper, is immaterial because the Copyright Act was deliberately written to be medium-neutral.⁴ The Society, like every other major publisher, has republished for many years collections of issues of the Magazine just as it appeared on paper month after month, in bound volumes, microfilm and microfiche, all without objection and as permitted by Section 201(c). These serve prodigious research, archival and historical needs at libraries, schools, homes and universities throughout the world. CD-ROM 108 is nothing more than a collection of issues of the Magazine in a different medium and is, therefore, permitted by Section 201(c).

Plaintiffs argue, as they did in opposing Defendants' summary judgment motion, that CD-ROM 108 is an entirely new collective work, and is thus beyond the reach of Section 201(c). Motion to Vacate at p. 7. The Court rejected that argument once before, Order Granting in Part and Denying in Part Defendants' Motion for Partial Summary Judgment at p. 8, and nothing has changed which justifies any departure from that view. The fact that there is a simple introductory title feature in CD-ROM 108 featuring a short segment of actual covers of National Geographic Magazine from the 108 years, digitally cascading from one into another, only serves to underscore the complete nature of the collective work of the complete Magazine from its beginning in 1898. It no more creates a new collective work than the descriptive new material on a box of microfilm or the titles, credits or instructions contained as an introduction on the film itself.⁵

⁴ Plaintiffs themselves have conceded that "the issue...is not the medium used." Plaintiffs' Memorandum in Response to Defendants' Motion to Dismiss Count II and to Dismiss or for Summary Judgment on Counts III-V of Plaintiffs' Amended Complaint at p. 8 n. 4.

⁵ In any event, as demonstrated in Defendants' summary judgment papers, the Moving Cover Sequence is permitted by the doctrines of fair use and de minimis use. Sugarman Aff. Exh. B at pp. 7-16; Sugarman Aff. Exh. C at pp. 6-10.

B. Even if CD-ROM 108 were a revision, it would be permitted under Section 201(c) notwithstanding the Second Circuit's opinion in Tasini

Plaintiffs erroneously state that "even if the Court . . . believed 'revision' to be an operative legal basis for its May 14, 1998 order, that basis has been overturned by the Second Circuit in Tasini." See Motion to Vacate at p. 7. First, as pointed out above, the Second Circuit cannot overturn any decision of this Court.⁶ In any event, the facts in Tasini are so different from those in this case that the Second Circuit opinion does not provide any basis for this Court to revisit its earlier grant of summary judgment.

Tasini involved three different electronic publications: (1) NEXIS, which the Second Circuit described as a "database comprising thousands or millions of individually retrievable articles taken from hundreds or thousands of periodicals," Tasini, 1999 WL 753966 at *7; (2) New York Times OnDisc ("NYTO"), a CD-ROM containing only the text of some articles that had been published in The New York Times, but not the entirety of the newspaper, Tasini, 1999 WL 753966 at *2; and (3) General Periodicals OnDisc ("GPO"), a CD-ROM containing both texts, abstracts and images of some of the articles from numerous periodicals. Tasini, 1999 WL 753966 at *8. Unlike CD-ROM 108, in each of these electronic publications the articles contributed by the plaintiffs appear in a totally different form and context than that in which they appeared in the original publication. Unlike CD-ROM 108, in each of these electronic publications the search engines allow end users to retrieve articles individually and completely out of the context in which they appeared in the original publications. For example, the Second Circuit first

describe[d] the process by which any issue of a periodical is made available to Mead for inclusion in NEXIS. First, an individual issue of the paper is stripped, electronically, into separate files representing individual articles. In the process, a substantial portion of what appears in that particular issue of the periodical is not made a part of a file transmitted to Mead, including, among other things, formatting decisions, pictures, maps and tables, and obituaries.

⁶ Plaintiffs go so far as to state that "the Second Circuit says the following about the right of the Society, as a collective-work author, to use the Greenberg photographs. . ." Motion to Vacate at p. 8. Neither the Society nor the Greenbergs were parties to the Tasini case, and the Second Circuit's opinion does not address the Society or CD-ROM 108.

Tasini, 1999 WL 753966 at *1 The Court went on to observe that

... NEXIS does almost nothing to preserve the copyrightable aspects of the Publishers' collective works, 'as distinguished from the preexisting material employed in the work,' 17 U.S.C. § 103(b). The aspects of a collective work that make it 'an original work of authorship' are the selection, coordination and arrangement of the preexisting materials. Id. § 101 (citations omitted). However, as described above, in placing an edition of a periodical such as the August 16, 1999 New York Times in NEXIS, some of the paper's content, and perhaps most of its arrangement are lost. Even if a NEXIS user so desired, he or she would have a hard time recapturing much of "the material contributed by the author of such [collective] work," 17 U.S.C. § 103(b). In this context, it is significant that neither the Publishers nor NEXIS evince any intent to compel or even permit, an end user to retrieve an individual work only in connection with other works from the edition in which it ran. Quite the contrary, The New York Times actually forbids NEXIS from producing 'facsimile reproductions' of particular editions. Citation omitted. What the end user can easily access, of course, are the preexisting materials that belong to the individual author under Sections 201(c) and 103(b).

Tasini, 1999 WL 753966 at *7. Based on these facts, the Second Circuit found that the electronic publications at issue did not constitute "revisions" of the original collective works.⁷

None of the factors which led the Second Circuit to rule against the Tasini defendants is present in CD-ROM 108. Indeed, the differences are material and profound. Unlike NEXIS, NYTO and GPO, CD-ROM 108 contains images of the entirety of only one periodical – National Geographic Magazine. Unlike NEXIS, NYTO and GPO, the only image a user can view is the exact image in the exact manner in which it appeared in the original issue of the Magazine, including all text, all photographs and all advertisements exactly as they originally appeared on paper. Unlike NEXIS, NYTO or GPO, CD-ROM 108 preserves every copyrightable aspect of every issue of the Magazine – "selection, coordination and arrangement" – and provides no tools to the user to cut, paste or alter any of its digital pages. See Sugarman Aff. Exh. D at ¶ 5. Unlike NEXIS, NYTO and GPO, none of the content is lost: CD-ROM 108

⁷ Given that Plaintiffs have relied on the Second Circuit's decision in Tasini as the basis for their Rule 60(b) application, it is surprising – to say the least – that they do not discuss the Second Circuit's reasoning or the facts upon which it relied in deciding the revision issue. Although Plaintiffs allude to the Second Circuit's discussion of the subclasses relating to "that particular collective work" and a "later collective work in the same series," the Motion to Vacate is completely devoid of any reference to the revision analysis – which is supposedly the basis upon which Plaintiffs seek relief.

is an exact archival reproduction of the original print version of the Magazine. CD-ROM 108 contains exact reproductions of every page of every issue, displayed in two-page spreads exactly as one would view and read the original print version of the Magazine, as well as the cover of each issue and all of the advertising pages of each issue (even though they do not contain any articles or editorial content). Moreover, unlike NEXIS, NYTO and GPO, a user of CD-ROM 108 cannot retrieve articles, photographs or any other content individually or out of the context in which it originally appeared. See Sugarman Aff. Exh. D and Exh. A thereto. The text, photographs and other context of each volume are presented, page after page, as in the print version. Thus, a user of CD-ROM 108 cannot use its search engine to directly access one of Plaintiff's photographs. The user must retrieve the issue of the Magazine in which the photograph appeared, then physically (albeit electronically) page through the Magazine to find the photographs. And, when that photograph is found, it will appear, not individually, but in the same form and context, i.e., in the same spot on the same page in the same issue as it appeared in the print copy of the Magazine. Finally, unlike NEXIS, NYTO or GPO, CD-ROM 108 searches the Magazine by the same subject-matter index issued for the paper Magazine and causes the viewer to go back to a particular issue to review an article just as it appeared on paper. If the viewer turns the page, whether electronically by clicking a mouse or by turning a page on paper, the viewer will find everything on the next page just as it appears on paper in the original publication on paper, whether it is the continued story, an advertisement or the next article. From the perspective of the Copyright Act, this is no different than viewing the photograph on microfilm or in a bound volume containing all issues of the Magazine from a particular year.

The Second Circuit analysis in Tasini is based on facts so different from those at issue in this case, that, even if it were binding, it would not provide a basis for any change in this court's decision granting summary judgment to defendants on Counts III and IV.

C. Tasini provides no grounds for revisiting Count V.

Plaintiffs themselves acknowledge that Count V of the Amended Complaint, which has to do with the Moving Cover Sequence, "never had the slightest relevance to Tasini." Motion to Vacate at p. 11. If Tasini is totally irrelevant to Count V, then the Second Circuit's opinion cannot provide a basis for Plaintiffs to seek to vacate this Court's prior grant of summary judgment on this Count.

CONCLUSION

For the foregoing reasons, Plaintiffs' Motion to Vacate should be denied in its entirety.

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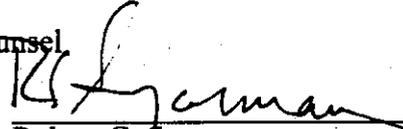
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