Defendant West Publishing Corporation's Memorandum of Law in Opposition to Plaintiff's Motion for Summary Judgment

October 23, 2012

ARGUMENT

In Point I, we demonstrate that West—not Plaintiff—is entitled to summary judgment on West's fair-use defense. In Point II.A, we show that West—not Plaintiff—is entitled to summary judgment on West's affirmative defenses directed at relief. In Point II.B, we address the other defenses that preclude summary judgment for Plaintiff.

I. West's Fair-Use Defense

West explained in its summary judgment motion why its use of Plaintiff's Motions is fair.[1] Nothing in Plaintiff's brief calls into question any of West's arguments. We discuss the errors in Plaintiff's analysis of the four statutory fair-use factors below.[2]

[1] *See* West Sum. J. Mem. 10-20.

[2] *See* 17 U.S.C. §107.

A. The Purpose and Character of West's Use of the Motions Weigh in Favor of Fair Use

1. The commercial nature of the use is of little significance. Plaintiff begins its discussion of the first fair-use factor by reciting the since-abandoned principle that "every commercial use of copyrighted material is presumptively an unfair exploitation."[3] From this erroneous premise, Plaintiff then points to the commercial benefit West derives from the "the sale of legal research materials" when it "charge[s] subscribers for access to databases containing legal briefs and pleadings, including the databases that included the Works," and contends that this fact weighs meaningfully against a finding of fair use.[4] It does not.

[3] Pl. Mem. 9 (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984)).

[4] Pl. Mem. 10.

Commercial uses of copyrighted material are not presumptively unfair.[5] The commercial or nonprofit educational purpose of a work "is only one element of the first factor enquiry into its purpose and character,"[6] and it is not necessarily an important one. As the Supreme Court has noted, "nearly all of the illustrative uses listed in the preamble paragraph of § 107. . . 'are generally conducted for profit.'"[7] As "many, if not most, secondary users seek at least some measure of commercial gain from their use, unduly emphasizing the commercial motivation of a copier will lead to an overly restrictive

[5] *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584 (1994).

[6] *Id.* at 584

[7] *Id.* (citation omitted).

view of fair use."[8] Rather, in assessing the impact of commercial use on a determination of whether copying is fair, courts apply "a more subtle, sophisticated approach."[9] Instead of presuming unfairness, courts consider factors such as whether the use is transformative, whether the defendant is seeking to capitalize on the expressive value of the plaintiff's works without paying a "customary price," and whether there is a public interest in the defendant's dissemination of information.[10] Each of these considerations weighs in favor of fair use here.

First, as explained in West's motion for summary judgment and as discussed in Point I.B below, West's use of the Motions is transformative. The commercial nature of its use therefore is "properly discounted."[11]

Second, although West is a for-profit entity, "'[t]he crux of the profit/non-profit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.'"[12] Here, there is no "customary price," Plaintiff concedes that anyone may copy the Motions without his consent at the courthouse or through PACER, and he has never attempted, or been asked by anyone, to license his work.[13]

Third, commerciality is given little weight and "courts are more willing to find a secondary use fair when it produces a value that benefits the broader public interest."[14] For example, the court in *Swatch Group Management Services, Ltd. v. Bloomberg L.P.* found the first factor weighed in favor of defendant Bloomberg's use of plaintiff's corporate earnings call on grounds that defendant's commercial use "advanced the public interest of furthering full, prompt and accurate dissemination of business and financial news."[15] Plaintiff does not dispute that West's enhancement of access to court filings serves a valuable public interest.

In short, the mere fact that West charges subscribers for access to its database is of little consequence to the overall fair-use assessment.

2. WEST USED THE WORKS FOR A NON-SUPERSEDING, TRANSFORMATIVE PURPOSE. Conceding that whether the use is transformative is most critical to the first-factor analysis, Plaintiff disputes the transformative nature of West's use.[16] But Plaintiff's assertion that West "simply made verbatim copies of the Works" that were "in no way transformative"[17] is not only counterfactual but contrary to its allegation that West "copied, digitized, *transformed*, and packaged [the Works] into databases that are sold for profit."[18]

More important, Plaintiff errs in contending that West's use of the Motions cannot be transformative because West assertedly "adds

[8] *Am. Geophysical Union*, 60 F.3d at 921.

[9] *Id.*

[10] *See Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609-12 (2d Cir. 2006); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818-20 (9th Cir. 2003); *Swatch Group Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 861 F. Supp. 2d 336, 340 (S.D.N.Y. 2012).

[11] *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 478 (2d Cir. 2004); *see also Campbell*, 510 U.S. at 584.

[12] *Bill Graham Archives*, 448 F.3d at 612 (quoting *Harper & Row, Publ'rs, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985)).

[13] *See* Gerba Decl. Ex. E, Nos. 2-3, 5-6 (admitted pursuant to Fed. R. Civ. P. 36(a)(3)); White Dep. 78:22-79:7, 128:11-129:4, 130:9- 18, 164:19-165:19, 202:21-203:18.

[14] *Am. Geophysical Union*, 60 F.3d at 922. *See* West Sum. J. Mem. 13-14.

[15] 861 F. Supp. 2d at 341.

[16] *See* Pl. Mem. 10-13.

[17] *Id.*

[18] Am. Compl. ¶ 23, ECF No. 37 (emphasis added).

nothing of value to the copyrighted expression owned by Plaintiff."[19] As the Fourth Circuit recently observed in *Vanderhye*: "This argument is clearly misguided. The use of a copyrighted work need not alter or augment the work to be transformative in nature. Rather, it can be transformative in function or purpose without altering or actually adding to the original work."[20] It found archiving of verbatim copies of student papers in a database used to detect plagiarism to be transformative and fair use.[21]

The Second Circuit and other courts are in accord. For example, in *See Bill Graham Archives*, the Second Circuit found transformative use of entire works where defendant's "purpose in using the copyrighted images at issue. . . [was] plainly different from the original purpose for which they were created."[22] The Ninth Circuit concluded in *Kelly* that because the secondary use did not supersede the copyright owner's use, but "rather. . . created a different purpose for the images," the secondary use was transformative.[23] Similarly, in *Calkins v. Playboy Enterprises International*,[24] the court found defendant's use transformative: "because [the defendant] used the Photograph in a new context to serve a different function (inform and entertain Playboy readers) than the original function (gifts for family and friends), [the defendant's] use did not supersede the function of the original Photograph."

Nimmer concludes that "if, regardless of medium, defendant's work performs a different function from plaintiff's, then notwithstanding its use of substantially similar material, the defense of fair use may prevail."[25] The dictum in *Infinity Broadcasting Corp. v. Kirkwood* that "difference in purpose is not quite the same thing as transformation,"[26] does not reflect the more recent evolution in how transformativeness is conceptualized in the Second Circuit in cases such as *Bill Graham Archives* and *Blanch v. Koons*[27] "A transformative use may be one that actually changes the original work. However, a transformative use can also be one that serves an entirely different purpose."[28]

Although West does add important transformative elements to the documents it includes in Litigator™, such as making them text-searchable and linking them to other documents in the database,[29] West's argument does not rely solely, or even primarily, on these physical transformations. Nor does West claim it has made a transformative use simply because it has made documents accessible in a different physical format, as Plaintiff wrongly suggests.[30] Rather, West contends that its use is transformative because it equipped the Motions to serve a completely different, non-superseding purpose than that for which they were created: the provision of legal services. It is in that sense like the secondary use in *Bill Graham Archives*,

[19] Pl. Mem. 12.

[20] 562 F.3d at 639.

[21] *Id.* at 640.

[22] 448 F.3d at 609.

[23] 336 F.3d at 819.

[24] 561 F. Supp. 2d 1136, 1141 (E.D. Cal. 2008).

[25] 4 Melville B. & David Nimmer, *Nimmer on Copyright* § 13.05[B][1] at 13-212 (2011).

[26] 150 F.3d 104, 108 (2d Cir. 1998)

[27] 467 F.3d 244, 252-53 (2d Cir. 2006).

[28] *Authors Guild, Inc. v. Hathitrust*, No. 11 CV 63551 (HB), 2012 WL 4808939, at *11 (S.D.N.Y. Oct. 10, 2012).

[29] *See* Leighton Decl. ¶¶ 6-7.

[30] *See* Pl. Mem. 12-13.

which the Second Circuit found transformative because it served a "separate and distinct" purpose from the original.[31]

There is no dispute that the purpose of West's use of the Motions as part of its database of public court filings is entirely "separate and distinct" from Plaintiff's original purpose in creating them, which was to provide legal representation to its clients.[32] West's database does not use the Motions to substitute for Plaintiff's legal advocacy or for any potential market into which Plaintiff might sell copies of its briefs; rather, it offers an entirely new, transformative product.[33] In *Blanch v. Koons*, the Second Circuit found that the "sharply different objectives that Koons had in using, and Blanch had in creating, [the copyrighted work] confirms the transformative nature of the use."[34] No differently, the distinct objectives that West has in using, and White had in creating, the Motions confirm the transformative nature of West's use.

Plaintiff's reliance on cases such as *American Geophysical Union* and *Mp3.com* is unavailing. Plaintiff argues that *American Geophysical Union* is "particularly instructive on the issue of 'transformative' use,"[35] but, unlike this case, the copies at issue in *American Geophysical Union* were made by the defendant "for the same basic purpose that one would normally seek to obtain the original."[36] The court observed that the defendant's copying was "part of a systematic process of encouraging employee researchers to copy articles so as to multiply available copies while avoiding payment."[37] Because an untransformed copy of plaintiff's work by the defendant in that case was "likely to be used simply for the same intrinsic purpose as the original," there was "limited justification for a finding of fair use."[38] By contrast, West's copies were offered to an entirely different audience, and for an entirely different purpose, than were the originals. There is, moreover, no avoidance of payment to Plaintiff. As noted above, anyone can copy the Motions from PACER without Plaintiff's consent and without compensation to him.

This case is likewise easily distinguished from *Mp3.com*: West's enhancement of the Motions and their inclusion in West's text-searchable, hyperlinked research database is not mere retransmission in another medium; it is transformative use for an entirely different audience and entirely different purposes.[39] Moreover, unlike the plaintiffs in *MP3.com*, White concedes he has made no effort to license its Motions or to develop a potential market for them.[40]

In sum, the purpose and character of West's use of Plaintiff's Motions strongly favors fair use.

[31] 448 F.3d at 610.

[32] *See* White Dep. 69:14-24, 76:13-77:21, 202:12-20.

[33] *See* Leighton Decl. ¶¶ 3, 6-7, 11; Blackburn Decl. ¶¶ 4-6, 8.

[34] 467 F.3d 244, 252 (2d Cir. 2006) (citation omitted).

[35] *See* Pl. Mem. 11.

[36] 60 F.3d at 918.

[37] *Id.* at 920.

[38] *Id.* at 923.

[39] *See Authors Guild*, 2012 WL 4808939, at *11-*12 & n.24.

[40] *See* Gerba Decl. Ex. E, Nos. 2-3 (admitted pursuant to Fed. R. Civ. P. 36(a)(3)); White Dep. 78:22-79:7, 202:21-203:18.

B. The Factual Nature of the Copyrighted Works Weighs in Favor of Fair Use

Plaintiff implicitly concedes that the Motions are factual in nature, which tips factor two in favor of fair use.[41] Plaintiff's sole argument as to this factor is that the Motions remain unpublished (which West does not dispute).[42] Although the unpublished nature of the Motions is relevant to Plaintiff's eligibility for statutory damages and attorneys' fees,[43] it does not bear on West's fair-use defense because Plaintiff had already filed the Motions and made them available to the public without restriction prior to any act of copying by West.[44]

Courts have disfavored unauthorized use of unpublished works for one of two reasons, neither of which applies here. First, courts have recognized that the use of unpublished works is less likely to be fair use if it interferes with the author's right to control and profit from the first public appearance of the work.[45] In *Harper & Row*, the Court determined that a pre-publication "scoop" of President Ford's memoirs by *The Nation* magazine was not a fair use of the copyrighted material in part because it interfered with the right of President Ford publisher to control the "first public appearance" of the newsworthy material and resulted in a cancelled contract for a similar (but licensed) use of excerpts by another magazine.[46] Second, some courts have recognized, at least implicitly, a privacy interest in unpublished materials that were never intended for publication at all, such as diaries and personal letters.[47]

The logic of these cases does not apply to Plaintiff's Motions.[48] Although the Motions are unpublished, there has been no interference by West with Plaintiff's right to control the first public appearance of them, and no privacy interest is implicated. The Motions already had made their "first public appearance" and were widely available to any member of the public at the courthouse and through PACER.[49] In marked contrast to the copying at issue in *Harper & Row*, West's copying had neither the "intended purpose" nor even the "incidental effect" of supplanting Plaintiff's right to control the first public appearance of the Motions.[50]

Accordingly, the second factor favors fair use.

C. Use of the Entire Work Does Not Weigh Against Fair Use in This Context

Plaintiff contends erroneously that West's "copying of the entirety of the Works weighs very heavily against a finding of fair use."[51] Plaintiff simply ignores the many cases in which courts have held that copying the entire work does not weigh against a finding of fair use if the copying is necessary to achieve the transformative purpose

[41] *See* West Sum. J. Mem. 17.

[42] *See* Pl. Mem. 13-17.

[43] *See* West Sum. J. Mem. 21-23.

[44] *See, e.g., Rotbart v. J.R. O'Dwyer Co, Inc.*, No. 94 Civ. 2091 (JSM), 1995 WL 46625, at *4 (S.D.N.Y. Feb. 7, 1995).

[45] *See, e.g., Harper & Row, Publ'rs, Inc. v. Nation Enters.*, 471 U.S. 539, 555, 564 (1985); *see also, e.g., Calkins*, 561 F. Supp. 2d at 1142.

[46] 471 U.S. at 564.

[47] *See, e.g., Salinger v. Random House, Inc.*, 811 F.2d 90 (2d Cir. 1987) (unpublished letters).

[48] *See Nunez v. Caribbean Int'l News Corp.*, 235 F.3d 18, 24 (1st Cir. 2000).

[49] *See* Gerba Decl. Ex. E, Nos. 5-6 (admitted pursuant to Fed. R. Civ. P. 36(a)(3)); White Dep. 71:3-72:3, 76:24-77:11.

[50] *Harper & Row*, 471 U.S. at 562; *see also Vanderhye*, 562 F.3d at 641.

[51] Pl. Mem. 18.

of the use.[52] West explained in its moving brief why copying the Motions in their entirety is necessary to fulfill West's transformative purpose,[53] and refers the Court to those arguments.

The third factor is neutral.

D. The Absence of Actual or Potential Market Harm Confirms That the Use Is Fair

In its moving brief, West discussed the absence of any secondary market for Plaintiff's works. West explained that Plaintiff's inability to articulate any way in which a market for, or the value of, its works has been adversely affected by West's conduct demonstrates an absence of market harm.[54] Tellingly, Plaintiff does not cite a single case or shred of evidence to support its discussion of market harm.

Plaintiff first contends that because West and Lexis offer databases that contain legal briefs and pleadings, there must be a market for such works and asserts that West and Lexis have foreclosed the development of a licensing market.[55] But Plaintiff's invocation of an imagined "competing service" that would pay for its motions cannot support a finding of potential market harm. The market-harm inquiry is limited to possible impacts on "traditional, reasonable, or likely to be developed markets."[56] The purely hypothetical market to which Plaintiff alludes is none of those. Plaintiff's suggestion that, in the absence of West and Lexis, erstwhile competitors and a licensing regime would emerge is rank speculation.[57] The only evidence on this point indicates that no such licensing regime would emerge.[58]

Plaintiff has no right to interfere with West's exploitation of a transformative market, and the imagined loss of prospective revenues from a hypothetical future competitor in that same transformative market is not cognizable market harm. As the Court of Appeals has observed:

> Were a court automatically to conclude in every case that potential licensing revenues were impermissibly impaired simply because the secondary user did not pay a fee for the right to engage in the use, the fourth factor would *always* favor the copyright owner. . . . [C]opyright owners may not preempt exploitation of transformative markets. . .[59]

Plaintiff is left to contend that, by making the Motions "readily available to competing attorneys, those competing attorneys have the ability to obtain Plaintiff's work and offer Plaintiff's work product and expertise to their own clients."[60] This is no more than a complaint about public access to court filings. Copyright law does not prevent other attorneys from using legal theories and ideas gleaned from Plaintiff's filings; ideas, as opposed to the author's particular expression of them, are not protected by copyright.[61] Nor does this

[52] *See* West Sum. Mem. 18 (citing *Bill Graham Archives*, 448 F.3d at 613; *Kelly*, 336 F.3d at 821; *Nunez*, 235 F.3d at 24; *Swatch*, 861 F. Supp. 2d at 342); *see also, e.g., Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1167-68 (9th Cir. 2007); *Authors Guild*, 2012 WL 4808939, at *12; *Sedgwick Claims Mgmt. Servs., Inc. v. Delsman*, No. C 09-1468 SBA, 2009 WL 2157573, at *6 (N.D. Cal. 2009); *Calkins*, 561 F. Supp. 2d at 1142-43; *Haberman v. Hustler Magazine, Inc.*, 626 F. Supp. 201, 212 (D. Mass. 1986).

[53] *See* West Sum. J. Mem. 18-19.

[54] *See* West Sum. J. Mem. 16-17.

[55] *See* Pl. Mem. 19.

[56] *Am. Geophysical Union*, 60 F.3d at 930.

[57] *See Authors Guild*, 2012 WL 4808939, at *13.

[58] Blackburn Decl. ¶¶ 7, 9; Leighton Decl. ¶ 14.

[59] *Bill Graham Archives*, 448 F.3d at 614-15 (citation and quotation omitted); *see also Authors Guild*, 2012 WL 4808939, at *13.

[60] Pl. Mem. 20.

[61] *See* 17 U.S.C. § 102(b); *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003).

purported prospective harm flow from West's conduct. Any attorney interested in competing with White could simply log onto PACER or visit a courthouse to obtain copies of Plaintiff's works. And even this harm is speculative: White cannot identify a single instance in which a competing attorney used West to obtain copies of the Motions (or any other filing) in order to compete with him.

The complete absence of harm to any actual or potential market for the Motions weighs heavily in favor of fair use.[62]

[62] *See, e.g., Blanch*, 467 F.3d at 258.

E. Balance of Factors

Three of the four statutory fair use factors weigh heavily in favor of fair use, and the remaining factor (the third) is neutral. Plaintiff does not allude to any other equitable consideration that weighs against fair use, nor could it credibly do so. For example, some courts have considered factors such as whether: (i) the works were fairly acquired by the defendant (they were); (ii) the defendant attempted to palm off the plaintiff's work as its own (West did not); and (iii) the defendant acted in bad faith (West did not).[63] In light of the foregoing, Plaintiff's motion for summary judgment should be denied, and West's motion for summary judgment on its fair-use defense should be granted.

[63] *See, e.g., Haberman*, 626 F. Supp. at 214.