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No. 05-16964-JJ

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**In the United States Court of Appeals  
for the Eleventh Circuit**

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JERRY GREENBERG, INDIVIDUALLY

*Plaintiff-Appellee,*

IDAZ GREENBERG, INDIVIDUALLY

*Plaintiff,*

v.

NATIONAL GEOGRAPHIC SOCIETY, A DISTRICT OF COLUMBIA CORPORATION,  
NATIONAL GEOGRAPHIC ENTERPRISES, INC., A CORPORATION,  
MINDSCAPE, INC., A CALIFORNIA CORPORATION

*Defendants-Appellants.*

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**On Appeal From The United States District  
Court For The Southern District of Florida**

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## CERTIFICATE OF INTERESTED PERSONS

Pursuant to Fed. R. App. P. 26.1 and 11th Cir. R. 26.1-1 to 3 and 28-1(b), counsel for Defendants-Appellants National Geographic Society, National Geographic Enterprises, Inc., and Mindscape, Inc. hereby furnishes this Certificate of Interested Persons and Corporate Disclosure Statement:

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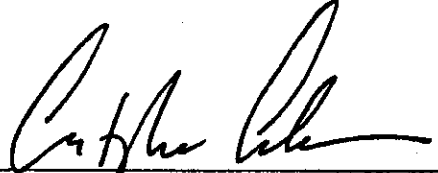
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## STATEMENT REGARDING ORAL ARGUMENT

Pursuant to Fed. R. App. P. 34(a) and Circuit Rules 28-1(c) and 34-3(c), appellants respectfully request oral argument because the issues in this significant copyright case are sufficiently complex that oral argument will materially aid the decisional process. At issue here is whether the federal copyright laws authorize the publishers of paperbound collective works (such as magazines, newspapers, and encyclopedias) to create digital archives of such works. In particular, this appeal presents the question whether this Court's previous published decision in this case, *Greenberg v. National Geographic Soc'y*, 244 F.3d 1267 (11th Cir. 2001), remains good law in light of the Supreme Court's subsequent decision in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001). Given the substantial implications of that question, as well as the other issues presented in this appeal, appellants respectfully submit that oral argument is warranted.

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## INTRODUCTION

This case is about the preservation and diffusion of collective works (including magazines, newspapers, and encyclopedias) for the education and entertainment of future generations. The Copyright Act grants freelance authors the copyrights in their individual contributions to collective works, but grants the publishers of such works a privilege to reproduce such contributions “as part of ... any revision of that collective work.” 17 U.S.C. § 201(c). That provision, as the Supreme Court has recognized, strikes a balance between the rights of authors and publishers: in the absence of a contract to the contrary, a publisher may not exploit an individual freelance contribution outside the context of the original collective work, but may revise and reproduce the original collective work itself in a new medium. *See New York Times Co. v. Tasini*, 533 U.S. 483, 497 (2001).

This Court upset that balance in *Greenberg I*, its original (pre-*Tasini*) decision in this case. At issue here is “The Complete National Geographic,” (CNG), a thirty-disc CD-ROM set that reproduces each monthly issue of *National Geographic* magazine from 1888 through the late twentieth century. Like microfilm or microfiche, the CNG presents an exact electronic image of the original bound magazines, with pages presented two at a time in the very same sequence as in the original paper format. The *Greenberg I* panel, however, held that this digital archive did not qualify as a “revision” within the meaning of

§ 201(c) because it added additional copyrightable material—a 25-second introductory sequence and a computer program—and thereby became a “new” collective work. According to *Greenberg I*, the creation of a “new” collective work is inherently inconsistent with the creation of a “revision.”

Under *Tasini*, however, the critical inquiry is not whether a “new” collective work has been created, but whether the disputed freelance contribution has been presented in its original context. A revised encyclopedia, for example, will often include new (and independently copyrightable) entries—indeed, that is the whole purpose of a revision—but that does not mean that the revised encyclopedia is any less of a privileged “revision” within the meaning of § 201(c). For just this reason, the Second Circuit squarely rejected *Greenberg I* in a post-*Tasini* case involving the CNG, explaining that this digital archive is privileged under § 201(c) because it “presents the underlying works to users in the same context as they were presented to the users in the original versions of the Magazine.” *Faulkner v. National Geographic Enters., Inc.*, 409 F.3d 26, 38 (2d Cir. 2005).

Given that, as the Second Circuit recognized, *Greenberg I* is “contrary to” the Supreme Court’s subsequent decision in *Tasini, id.*, defendants-appellants National Geographic Society, National Geographic Enterprises, Inc., and Mindscape, Inc. (collectively “National Geographic”) respectfully request this Court to reconsider that decision. Neither the prior panel precedent rule nor the

law of the case doctrine compels application of a prior panel precedent inconsistent with subsequent Supreme Court authority. Because *Greenberg I*'s analytical framework cannot be squared with *Tasini*'s controlling analytical framework, this Court now should reconsider *Greenberg I* in light of *Tasini*. In particular, this Court should not create a post-*Tasini* conflict with the Second Circuit about the application of the *same* provision of the federal copyright laws to the *same* work.

And even if this Court were to disagree with the Second Circuit, it should still reverse the judgment. The district court interpreted *Greenberg I* to require the entry of judgment in favor of plaintiff-appellee Jerry Greenberg, and therefore precluded National Geographic from presenting any additional defenses to liability on remand. *Greenberg I*, however, required nothing of the sort: it simply rejected National Geographic's threshold § 201(c) defense without in any way addressing or precluding any other defenses. Indeed, after National Geographic filed a petition for rehearing, this Court expressly *amended* its original opinion to remove any suggestion that Greenberg was entitled to judgment on liability. Because the district court erroneously barred National Geographic from defending itself on grounds other than § 201(c)—including the basic ground that Greenberg authorized the challenged use of his works by contract—this Court should reverse the judgment.



Finally, at the very least, this Court should reverse the judgment to the extent it awards the maximum statutory damages for *willful* infringement (\$100,000 per violation, for a total of \$400,000 in damages in this case). It is undisputed that National Geographic consulted experienced copyright counsel on whether a digital archive would infringe freelancers' copyrights in light of § 201(c) before creating such an archive, and again after *Greenberg I*, and was advised that it would not. That advice was at the very least reasonable—indeed, as the Second Circuit held, that advice was entirely correct in light of *Tasini*. By no stretch, then, can any infringement here—if there even was any infringement—be deemed “willful” as a matter of law. Accordingly, the magistrate judge erred by submitting the issue of willfulness to the jury, and at the very least the damages should be remitted accordingly.

The bottom line here is that the copyright laws allow publishers like National Geographic to use new technology like CD-ROM to preserve their collective works in electronic or digital format for the benefit of future generations. *Greenberg I*, however, thwarts this stewardship responsibility by effectively denying publishers control over their own history and giving freelancers veto power over the publishers' creation of their own archives. Because no less is at stake than the preservation and diffusion of collective works, this Court should

reverse the judgment, and reaffirm copyright's constitutional goal of "promot[ing] the Progress of Science and useful Arts." U.S. Const. art. II, § 8, cl. 8.

### STATEMENT OF JURISDICTION

The district court had subject-matter jurisdiction over this case under 28 U.S.C. § 1338, because the case arises under the federal copyright laws.

This Court has jurisdiction over this appeal under 28 U.S.C. § 1291. The district court entered final judgment in Greenberg's favor on November 16, 2005. RE160. Greenberg filed a motion to amend the judgment (seeking an award of prejudgment interest) under Fed. R. Civ. P. 59(e) on November 23, 2005. National Geographic filed a notice of appeal from the final judgment on December 13, 2005. RE162. The district court denied Greenberg's post-judgment motion (thereby bringing the previously filed appeal to life, *see* Fed. R. App. P. 4(a)(4)(B)), on April 14, 2006. RE164-67.

### STATEMENT OF THE ISSUES

1. Whether, in light of the Supreme Court's subsequent decision in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), this Court should reconsider its previous decision in this case that National Geographic is not entitled to the privilege of 17 U.S.C. § 201(c).

2. Whether, even assuming that this Court reaffirms its previous decision in this case, the district court erred by striking National Geographic's answer on

remand, and thereby precluding National Geographic from defending itself against liability for copyright infringement on grounds other than § 201(c).

3. Whether, even assuming that the district court properly held National Geographic liable for copyright infringement, the magistrate judge erred as a matter of law by allowing the jury to award damages for “willful” infringement.

### STATEMENT OF THE CASE AND THE FACTS

Defendant-appellant National Geographic Society is one of the world’s largest nonprofit scientific and educational organizations, with a historic mission “to increase and diffuse geographic knowledge.” Since its founding in 1888, the Society has endeavored to advance that mission by publishing a monthly official journal, *National Geographic* magazine.

Plaintiff-appellee Jerry Greenberg is a freelance photographer whose pictures were published in the January 1962, February 1968, May 1971, and July 1990 issues of *National Geographic* magazine. RE78. There is no dispute that Greenberg authorized this use of his photographs.

For decades, the Society has reproduced back issues of the magazine in bound volumes, microfiche, and microfilm. With the advent of CD-ROM technology in recent years, the Society in 1997 produced “The Complete National Geographic” (CNG), a thirty-disc CD-ROM set containing each monthly issue of the magazine for the 108 years from 1888 through 1996. RE79. The CNG is an

exact, image-based reproduction of the magazine; every page of every issue remains as it was in the original paper version, including all page arrangements, articles, photographs, graphics, advertising, and attributions. RE73-74, 80. The CNG does not provide a means for the user to separate the photographs from the text or otherwise to edit the pages in any way.

The CNG, like any other CD-ROM product, also contains a computer program, which compresses and decompresses the images and also allows the user to search an electronic index (just as a reader might search a paper index). RE80-81. And the CNG contains an introductory sequence triggered when the user inserts the disc into a drive; this sequence begins with a Kodak advertisement followed by a moving display of the Society's logo and theme song, and then a 25-second segment in which ten magazine covers (including Greenberg's January 1962 cover photograph) digitally fade into each other. RE79-80.

Greenberg filed this lawsuit in December 1997, alleging (among other things) that the CNG infringed his copyrights in his individual photographs. RE42-60. Before answering those allegations, the Society moved to dismiss those claims, or in the alternative for summary judgment. The district court (Lenard, J.) granted summary judgment in National Geographic's favor on the copyright claims involving the CNG. *See* 5/14/98 Order, RE67-75. As the district court explained, federal copyright law grants the publisher of a collective work (like National

Geographic) a copyright in the collective work as a whole, and the author of an individual contribution to a collective work (like Greenberg) a copyright in that individual contribution. RE70-71 (citing 17 U.S.C. § 201(c)). Because the CNG reproduced the entire collective work as a whole, not Greenberg's individual contribution isolated from the context of the entire collective work, the court held that the Society did not infringe Greenberg's copyrights in the individual photographs. *See* RE71-74.

Greenberg appealed, and this Court reversed. *See* 3/22/01 Opinion, RE76-97. The court held that § 201(c) did not apply to a "new" collective work (as opposed to a "revision" of the original collective work), and that the CNG was a "new" collective work because it included additional copyrightable material (the computer program and the introductory sequence). *See* RE87-90 & n.12. The court also held that the use of the January 1962 cover photograph in the introductory sequence violated Greenberg's copyright in that photograph. *See* RE90-94. In a concluding paragraph, the Court remanded the case, and stated that "[u]pon remand, the court below is directed to enter judgment on these copyright claims in favor of Greenberg." RE94-95.

National Geographic moved for rehearing, noting, among other things, that there was no basis for this Court to direct the entry of judgment in Greenberg's favor on liability for copyright infringement. As National Geographic explained,

the only issue on appeal was whether the district court erred in granting National Geographic summary judgment under § 201(c), and thus none of the Society's other defenses to copyright liability had been implicated or adjudicated. While that petition was pending, this Court issued a corrected opinion *deleting* the sentence directing the district court to enter judgment on the copyright claims in Greenberg's favor. See 3/22/01 (post-dated) Corrected Opinion, published at 244 F.3d 1267 (11th Cir. 2001). This Court subsequently denied rehearing, and National Geographic unsuccessfully sought review of the decision in the U.S. Supreme Court. See *National Geographic Soc'y v. Greenberg*, 534 U.S. 951 (2001) (denying certiorari in No. 01-186).

Shortly after this Court decided *Greenberg I* and denied National Geographic's petition for rehearing, the U.S. Supreme Court decided *New York Times Co. v. Tasini*, 533 U.S. 483 (2001). That case involved the use of individual freelance contributions in electronic databases (e.g., LEXIS/NEXIS) that removed the individual contributions from the context of the original collective work. The *Tasini* Court held that § 201(c) did not apply there *precisely because* the individual contributions were divorced from their original context. See *id.* at 499-502. The Court specifically distinguished the electronic databases at issue in *Tasini* from microfilm and microfiche, which present an individual freelance contribution in the context of the original collective work. See *id.* at 501-02.

On remand, defendants answered the claims in Greenberg's amended complaint relating to the CNG within twenty days after the issuance of the *Greenberg I* mandate. See RE101-08; RE109-19; RE99. The answers set forth defendants' defenses to liability § 201(c) for copyright infringement relating to the CNG, including authorization by contract, laches, and estoppel. RE107; RE117. Greenberg, however, moved to strike the answers as (1) inconsistent with the law of the case/Eleventh Circuit mandate, and (2) untimely. According to Greenberg, *Greenberg I* held defendants liable for copyright infringement, notwithstanding this Court's amendment of its original opinion to remove a statement to precisely that effect, and defendants should have filed their answers within five days of the Eleventh Circuit's mandate.

The district court granted Greenberg's motion to strike. See 1/11/02 Order, RE120-25. The court agreed with Greenberg that *Greenberg I* had ruled against defendants on liability, and that this ruling remained binding notwithstanding the Supreme Court's intervening decision in *Tasini*. RE123-24. In a concluding paragraph, the court stated not only that the answers were stricken as "contrary to the Eleventh Circuit mandate," but also (without any explanation) "as untimely, [and] filed without leave of Court." RE125. Defendants unsuccessfully moved both for reconsideration and for leave to appeal that order under 28 U.S.C. § 1292(b). See 2/19/02 Order, RE126-28; 5/29/02 Order, RE129-35.

Because liability for copyright infringement already had been determined as a matter of law, the case then proceeded to a jury trial on damages only. With the parties' consent, that trial was conducted by a magistrate judge (Simonton, M.J.), and took place from February 25 through March 5, 2003. Greenberg sought only statutory, not actual, damages. The main issue at trial, therefore, was whether the infringement was "willful"; under the law in effect at relevant time, a jury could award up to \$20,000 per act of non-willful infringement, but up to \$100,000 per act of willful infringement. Greenberg argued that the infringement was willful because, among other things, National Geographic did not withdraw the CNG after *Greenberg I*. At the close of Greenberg's case, National Geographic timely moved for judgment as a matter of law on willfulness. The magistrate judge stated that "this is a very close question," but denied the motion. RE143; *see also id.* ("I believe the evidence of willfulness is very, very weak, but I don't believe that it is, at this point, appropriate to take that issue away from the jury ...."); *id.* ("I will tell the parties candidly that I do believe the evidence of willfulness is not strong evidence."). National Geographic renewed its motion for judgment as a matter of law at the conclusion of all the evidence. Again, the magistrate judge stated that "I do believe that it is a very close question as to willfulness," RE145, but nonetheless allowed the issue to go to the jury.



The jury returned a verdict that National Geographic's infringement indeed had been "willful," and awarded the maximum statutory damages of \$100,000 for each of the four works at issue, for a total award of \$400,000. RE139. National Geographic filed timely post-trial motions, arguing, among other things, that any infringement was not willful as a matter of law, and thus the maximum statutory damages was \$20,000 for each of the four works at issue, for a total award of \$80,000.

In December 2003, while the post-trial motions were still pending, the U.S. District Court for the Southern District of New York granted summary judgment in National Geographic's favor in another copyright infringement case involving the exact same product at issue here, the CNG. *See Faulkner v. National Geographic Soc'y*, 294 F. Supp. 2d 523 (S.D.N.Y. 2003). The court explained that the Supreme Court in *Tasini* "took a different approach" to § 201(c) than this Court in *Greenberg I*, and therefore declined to follow this Court's approach. *See id.* at 537; *see also id.* ("[T]he difference in the Supreme Court's approach to the revision issue ... is striking."). Accordingly, the New York district court held that "the CNG is a revision of the individual print issues of the *Magazine*," and "respectfully disagree[d] with so much of *Greenberg* as held otherwise." *Id.* at 543. The New York plaintiffs appealed.

In March 2005, again while the post-trial motions in this case remained pending, the U.S. Court of Appeals for the Second Circuit affirmed the New York district court's ruling in National Geographic's favor. *See Faulkner v. National Geographic Soc'y*, 409 F.3d 26 (2d Cir. 2005). Of particular relevance here, the Second Circuit agreed with the New York district court that the CNG was a "revision" of the original collective works within the meaning of § 201(c), and that *Greenberg I* was not entitled to collateral estoppel effect on this score because it conflicted with the Supreme Court's subsequent ruling in *Tasini*. *See id.* at 37-39.

In September 2005 (after more than two years), the magistrate judge in this case denied National Geographic's post-trial motions. *See* 9/30/05 Order, RE146-56. In particular, the judge held that "[c]onstruing the evidence in a light most favorable to the non moving party ... a reasonable jury could find that Defendants were willful in their infringement of Plaintiff's copyright." RE150. The court stated that "[t]his conclusion is not altered by the fact that the Second Circuit Court of Appeals has disagreed with the decision of the Eleventh Circuit Court of Appeals. ... The Eleventh Circuit's decision is the law of this case, thus the [Second Circuit] decision is not persuasive." *Id.*

Greenberg thereafter moved for entry of judgment, and the magistrate judge granted that motion. *See* 11/16/05 Order, RE157-59; Judgment, RE160-61. The judge, however, *sua sponte* noted that Greenberg was free to file, under

Fed. R. Civ. P. 59(e), a motion to amend the judgment to request an award of prejudgment interest. *See* RE157-58. Greenberg filed such a motion, which the magistrate judge ultimately denied. *See* 4/14/06 Order, RE164-67.

This appeal follows.

### STANDARDS OF REVIEW

The extent to which *Greenberg I* remains binding precedent in light of the Supreme Court's subsequent decision in *Tasini* presents a question of law reviewed *de novo*. *See, e.g., Transamerica Leasing, Inc. v. Institute of London Underwriters*, 430 F.3d 1326, 1331 (11th Cir. 2005); *Alphamed, Inc. v. B. Braun Med., Inc.*, 367 F.3d 1280, 1285 (11th Cir. 2004). Application of the "mandate rule" also presents an issue of law reviewed *de novo*, as does the question whether the Federal Rules of Civil Procedure require a party to file an answer before moving to dismiss or, in the alternative, for summary judgment. *See, e.g., United States v. Lee*, 358 F.3d 315, 320 (5th Cir. 2004); *Vencor Hosps., Inc. v. Standard Life & Accident Ins. Co.*, 279 F.3d 1306, 1308 (11th Cir. 2002). Finally, the question whether Greenberg presented sufficient evidence to allow a reasonable jury to conclude that any infringement here was "willful" also presents a question of law subject to *de novo* review. *See, e.g., Gregg v. U.S. Indus., Inc.*, 887 F.2d 1462, 1468 (11th Cir. 1989).

## SUMMARY OF ARGUMENT

This Court should reverse the judgment in *Greenberg*'s favor for three reasons:

- *First*, this Court should reconsider *Greenberg I*'s holding that National Geographic is not entitled to the privilege of § 201(c). Shortly after that holding, the Supreme Court interpreted that provision for the first time in *Tasini*, and the *Greenberg I* analysis cannot be squared with *Tasini*. In particular, *Tasini* makes clear that the key question under § 201(c) is whether a disputed freelance contribution remains in the context of the original collective work, whereas *Greenberg I* declared that the key question under § 201(c) is whether a disputed freelance contribution is presented in a "new" collective work, elements of which are independently copyrightable. This case highlights the lack of congruence between those two inquiries: because the CNG is an exact, image-based reproduction of the paperbound *National Geographic* magazine, it presents freelance contributions in precisely the same context as the original collective works (and is thus privileged under § 201(c)) *regardless* of whether the CNG itself is a "new" collective work with independently copyrightable elements. Because *Tasini* superseded the analytical framework applied in *Greenberg I*, neither the prior precedent rule nor the law of the case doctrine requires this Court to follow *Greenberg I*. Applying *Tasini*, this Court should conclude (as did the Second

Circuit) that the digital reproduction of past issues of *National Geographic* magazine in the CNG is privileged under § 201(c).

*Second*, above and beyond the § 201(c) issue, this Court should reverse the judgment because the district court stripped National Geographic of its other defenses to copyright liability with respect to the CNG by striking the answer. According to the district court, the *Greenberg I* panel not only reversed the grant of summary judgment in National Geographic's favor in light of § 201(c), but affirmatively directed the entry of a judgment of liability against National Geographic. That conclusion is manifestly incorrect: indeed, the *Greenberg I* panel expressly amended its original opinion to *delete* a sentence directing the entry of a judgment of liability against National Geographic. *Greenberg I* simply did not present the issue whether National Geographic was liable for copyright infringement; rather, it presented only the issue whether National Geographic was entitled to summary judgment under § 201(c). Thus, after *Greenberg I*, National Geographic was entitled to present its other defenses to copyright liability, and did so in its answer. The district court's alternative holding that National Geographic "waived" the right to file an answer by moving to dismiss or, in the alternative, for summary judgment, under § 201(c) is also manifestly incorrect: the Federal Rules of Civil Procedure authorize defendants to move to dismiss and/or for summary judgment before filing an answer.

*Third*, at the very least, this Court should reverse the magistrate judge's decision to allow the jury to award damages for "willful" copyright infringement. The relevant facts are undisputed: National Geographic consulted experienced counsel before the CNG was created, and again after *Greenberg I*, for advice on whether such digital archiving of past issues of *National Geographic* magazine would violate the freelancers' copyrights under § 201(c), and was told it would not. The question here, then, is whether that advice was reasonable as a matter of law, and the answer to that question is clear: the advice was reasonable (and indeed, at least in the Second Circuit, entirely correct). Accordingly, the issue of willfulness should never even have gone to the jury, and the award of damages for willful infringement cannot stand.

## ARGUMENT

### **I. This Court Should Reconsider *Greenberg I's* Holding That National Geographic Is Not Entitled To The Privilege of § 201(c).**

As a threshold matter, this Court should reconsider its holding in *Greenberg I* that National Geographic, as the publisher of *National Geographic* magazine, is not privileged under the Copyright Act to reproduce the paperbound editions of that collective work in a digital archive. That holding cannot be squared with the Supreme Court's subsequent decision in *Tasini*, and hence is no longer good (or binding) law.

**A. *Greenberg I* Is Inconsistent With *Tasini*.**

Section 201(c) of the Copyright Act grants the publishers of collective works a privilege to reproduce freelance contributions to those works as part of “any revision” of those works, and that is just what National Geographic has done here. The CNG provides an exact image-based reproduction of each issue of *National Geographic* magazine in CD-ROM format, so that (as the *Greenberg I* panel acknowledged) “[w]hat the user of the CNG sees on his computer screen ... is a reproduction of each page of the Magazine that differs from the original only in the size and resolution of the photographs and text.” 244 F.3d at 1269. Because “[e]very cover, article, advertisement, and photograph appears as it did in the original paper copy of the Magazine,” *id.*, the CNG simply reproduced freelance contributions in a “revision” of the original collective work in a new medium—or, in the alternative, as part of “that particular collective work” itself in a new medium. 17 U.S.C. § 201(c). National Geographic is not exploiting the freelancers’ contributions outside the context of the original collective work (*e.g.*, by putting a particular photograph on a coffee mug, or in a book or calendar), but is simply reproducing the original collective work itself in a new medium. That straightforward point negates Greenberg’s claim that the CNG infringes freelancers’ copyrights.

The *Greenberg I* panel, however, concluded that “[i]n layman’s terms, the [CNG] is in no sense a ‘revision.’” 244 F.3d at 1272. The panel based that conclusion not on “dictionaries or colloquial meanings,” *id.*, but instead on the following passage from the legislative history:

Under the language of [§ 201(c)] a publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; *the publisher could not* revise the contribution itself or *include it in* a new anthology or *an* entirely different magazine or *other collective work*.

244 F.3d at 1272-73 (quoting H.R. Rep. No. 94-1476, at 122-23 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5738; emphasis added in *Greenberg I*). By stringing together the italicized words from that passage, the *Greenberg I* panel created the following sentence: “[T]he publisher could not include [the contribution] in an other collective work.” The panel then interpreted that sentence to mean that the creation of a new (or “other”) collective work necessarily negates the existence of a “revision,” *see* 244 F.3d at 1273, even though the statute says nothing of the sort. Under this view, the CNG is an “other collective work”—as opposed to a “revision”—because it includes not only the original magazines, but also the independently copyrightable introductory sequence and computer program. *See id.*; *see also id.* at 1272 (“Assuming *arguendo*, but expressly not deciding, that 201(c)’s revision privilege embraces the entirety of the Replica portion of the CNG ..., we are unable to stretch the phrase ‘that particular collective work’ to



encompass the Sequence and Program elements as well.”) *id.* at 1273 (“[T]he Society ... has created a new product ... in a new medium, for a new market that far transcends any privilege of revision or other mere reproduction envisioned in § 201(c).”); *id.* at 1274 (“[I]n creating a new work the Society forfeited any privilege that it might have enjoyed with respect to only one component thereof, the Replica.”) (emphasis and footnote omitted).

That approach—under which the dispositive issue under § 201(c) is whether a “new” collective work has been created—cannot be squared with the Supreme Court’s subsequent decision in *Tasini*. At issue there was the reproduction of individual freelance contributions in three electronic databases: (1) LEXIS/NEXIS, (2) the New York Times OnDisc (NTYO), and (3) General Periodicals OnDisc (GPO). *See* 533 U.S. at 488-91. The Court held that such reproduction fell outside the scope of § 201(c) because in each database “each article is presented to, and retrievable by, the user in isolation, clear of the context the original print publication presented.” *Id.* at 487; *see also id.* at 488 (“The publishers are not sheltered by § 201(c), ... because the databases reproduce and distribute articles standing alone and not in context.”). With respect to LEXIS/NEXIS and NYTO, both of which store individual articles from collective works in text-only format, “an article appears to a user without the graphics, formatting, or other articles with which the article was initially published.” *Id.* at 500. And with respect to GPO,

which stores individual articles from collective works in image-based format, “the article appears with the other materials published on the same page or pages, but without any material published on other pages of the original periodical.” *Id.*

*Tasini* confirms, however, that with respect to a digital archive like the CNG, which includes an exact, image-based reproduction of every page of a collective work, the § 201(c) privilege applies. In this situation, each freelance contribution is “presented to, and perceptible by, the user” of the disputed work in its “original context” as “part of the collective work to which the author contributed.” *Id.* at 499-502. Indeed, the *Tasini* Court went out of its way to note that the reproduction of a collective work in microfilm or microfiche *does* qualify for the privilege. As the Court explained, “articles appear on the microforms, writ very small, in precisely the position in which the articles appeared in the newspaper.” *Id.* at 501. Although “the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on [an] Article to the exclusion of surrounding material,” the dispositive fact remains that the user “encounters the Article in context.” *Id.*

In this critical regard, as the Second Circuit has recognized, *Tasini* is “contrary to” *Greenberg I. Faulkner*, 409 F.3d at 38. Under *Tasini*, to determine whether underlying works have been reproduced as part of a “revision” of a collective work, a court must “focus on the [underlying works] as presented to,

and perceptible by, the user of the [CNG].” *Id.* (quoting *Tasini*, 533 U.S. at 499; brackets added by Second Circuit). Whether additional copyrightable material has been added is immaterial, as long as the “revision” presents the underlying work in its original context. *Id.* at 37-38. Contrary to *Greenberg I*, in other words, there is no necessary inconsistency between a “revision” and the creation of a new collective work: “a permissible revision may contain elements not found in the original.” *Id.* at 38. For example, a new edition of an encyclopedia may reproduce an unchanged freelance contribution about dinosaurs, even if the new edition adds a new (and independently copyrightable) contribution about thermodynamics. (Indeed, the legislative history of § 201(c) expressly states that “reprint[ing] an article from a 1980 edition of an encyclopedia in a 1990 revision of it” would be privileged, H.R. Rep. No. 94-1476, at 122 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5738, even though the 1990 revision obviously would contain new and independently copyrightable material.) As long as the additional elements “do not substantially alter the original context” of the disputed freelance contribution, *id.*, they do not negate the existence of a “revision” under § 201(c).

For just this reason, the Second Circuit in *Faulkner* declined to follow *Greenberg I* in light of *Tasini* in the specific context of the CNG. As the *Faulkner* Court explained, “reexamination of a legal issue is appropriate where there has been a change in the legal landscape after the decision claimed to have preclusive

effect.” 409 F.3d at 37 (citing Restatement (Second) of Judgments § 28 (cmt. c) (1982)). That is precisely the case here:

*Greenberg* held that if a subsequent work contains independently copyrightable elements not present in the original collective work, it cannot be a revision privileged by Section 201(c). Several months later, however, the Supreme Court held in *Tasini* that the critical analysis focused on whether the underlying works were presented by the particular database in the context of the original works. For example, in a straightforward application of that analysis, it also strongly implied, by contrasting the database to microfilm, that microfilm would constitute a privileged revision. 533 U.S. at 501. In our view, the *Tasini* approach so substantially departs from the *Greenberg* analysis that it represents an intervening change in law rendering application of collateral estoppel inappropriate.

*Id.* The fact that the Supreme Court denied certiorari in *Greenberg* several months after *Tasini*, the Second Circuit noted, is legally irrelevant. “Our analysis is, of course, not affected by the Supreme Court’s declination of certiorari in *Greenberg*. See *United States v. Carver*, 260 U.S. 482, 490 (1923) (denial of certiorari ‘imports no expression of opinion upon the merits’ of any given case).” *Id.* at 37-38.

*Greenberg I* also conflicts with *Tasini* to the extent that *Greenberg I* relied on the fact that § 201(c) grants the publisher of a collective work “only a privilege, not a right.” 244 F.3d at 1272 (internal quotation omitted). In the *Greenberg I* panel’s view, “[t]his is an important distinction that militates in favor of narrowly construing the publisher’s privilege when balancing it against the constitutionally-secured rights of the author/contributor.” *Id.* *Tasini*, however, attached no weight whatsoever to this distinction. Indeed, *Tasini* makes clear that *both* the author and

the publisher have “constitutionally secured rights” at issue: the author has a copyright in his individual contribution, whereas the publisher has a copyright in the collective work as a whole. 533 U.S. at 493-97. Whether a publisher can rely on § 201(c) in any particular case depends on whether the individual contribution remains in the context of the collective work, not on any right/privilege distinction. Especially given that the Supreme Court has backed away from the right/privilege distinction in constitutional law, *see, e.g., Board of Regents v. Roth*, 408 U.S. 564, 571 (1972); *see generally* William Van Alstyne, *The Demise of the Right-Privilege Distinction in Constitutional Law*, 81 Harv. L. Rev. 1439 (1968), this Court should be loath to imbue any such distinction with talismanic significance in copyright law.

In addition, *Greenberg I* conflicts with *Tasini* to the extent it relied on the fact that the CNG reproduced the original collective work “in a new medium.” 244 F.3d at 1273. *Tasini* reaffirmed the bedrock principle that the Copyright Act is medium-neutral, and “the transfer of a work between media does not alter the character of that work for copyright purposes.” 533 U.S. at 502 (internal quotation and brackets omitted); *see also Faulkner*, 409 F.3d at 40 (“The transfer of a work from one medium to another generally does not alter its character for copyright purposes.”). Thus, a publisher is entitled to reproduce collective works in new media, as long as it reproduces “intact periodicals,” not “individual articles.”

*Tasini*, 533 U.S. at 502. That is why the “crucial fact” in *Tasini* was that “the [challenged] Databases ... store and retrieve articles *separately* within a vast domain of diverse texts,” rather than leaving the articles within the context of the particular collective works to which the authors contributed. *Id.* at 503 (emphasis added). Contrary to the *Greenberg I* analysis, the privilege turns on the preservation of the integrity of the original collective work, not on the technology of the medium of reproduction. See, e.g., Jennifer L. Livingston, Casenote, *Digital “Revision”*: *Greenberg v. National Geographic Society*, 70 U. Cin. L. Rev. 1419, 1434 (2002) (“[*Greenberg I*] takes a position squarely in conflict with copyright law’s established principle of media neutrality.”).<sup>1</sup>

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<sup>1</sup> The *Greenberg I* panel asserted in a footnote that its decision was consistent with the principle of medium-neutrality because CD-ROMs (like the CNG) include computer programs, which “are themselves the subject matter of copyright, and may constitute original works of authorship.” 244 F.3d at 1273 n.12. That assertion is a *non sequitur*. As long as an individual freelance contribution remains in the context of the original collective work, it is immaterial whether the transformation of the original collective work from one medium to another involves the addition of independently copyrightable material. It is not “medium-neutral,” in other words, to say that the addition of independently copyrightable material necessarily destroys the § 201(c) privilege, because the transition from one medium to another may often involve the addition of independently copyrightable material. Indeed, *Greenberg I* would prevent a publisher like National Geographic from reproducing a collective work even in “old” media (such as microfilm and microfiche) because these media too at least potentially include independently copyrightable elements, such as an introductory page and a subject, title, and author-based index.

Moreover, as the district court in *Faulkner* noted, the *Greenberg I* analysis contradicts not only the statutory text as interpreted in *Tasini*, but also the very passage of the legislative history on which *Greenberg I* relied. See 294 F. Supp. 2d 523, 539. The legislative history, after all, says that the § 201(c) privilege does not apply to an “entirely different” collective work. *Greenberg I*, 244 F.3d at 1272-73 (quoting H.R. Rep. No. 94-1476, at 122-23 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5738). A “new” collective work, however, is not invariably an “entirely different” collective work. Thus, the *Greenberg I* panel erred by focusing only on whether a “new” (or “other”) collective work was created, as opposed to whether such a new collective work is “entirely different” from the original. See *id.* As the *Faulkner* district court explained,

A revised edition of an encyclopedia ... would contain some articles that have been revised to take account of new learning and some entirely new articles, as well as some articles in precisely their original forms. Each revised and new article would be copyrightable independently. Hence, *Greenberg's* holding—that the presence of independently copyrightable material is inconsistent with a conclusion that the CNG is a “revision” of the print versions of the Magazine—cannot be reconciled with the legislative history. *Indeed, it defies the very legislative history upon which the Eleventh Circuit relied.*

294 F. Supp. 2d at 539 (emphasis added; internal quotation omitted); see also *Livingston, supra*, at 1430 (“[T]he court’s interpretation of section 201(c) is in conflict with a natural reading of the very legislative history the court cites in its support.”); *id.* at 1431 (“[T]hroughout the legislative history, it is clear that

Congress intended (and publishers and freelancers agreed) that publishers would maintain a presumptive privilege to publish revisions of their collective works.”).

Similarly, the *Greenberg I* panel erred by attaching any weight to the proposition that the CNG was “created ... for a new market.” 244 F.3d at 1273. Nothing in the text or legislative history of § 201(c) suggests that the existence of a “revision” of an original collective work turns on the “market” for such a product. The statute does not allocate rights in different “markets”; rather, it gives authors a copyright in their individual work and publishers a copyright in the collective work as a whole. Whether a revised collective work is sold in a different “market” than the original has no bearing whatsoever on whether the revision alters the original context. Thus, bound volumes of National Geographic magazine or rolls of microfilm or sheets of microfiche may serve a different “market” (e.g., libraries) than individual issues of the magazine, but no one would suggest that respondents are not entitled to publish past issues in these other media.

**B. This Court Is Not Bound By *Greenberg I* In Light Of *Tasini*.**

Neither of the two doctrines that ordinarily require one panel of this Court to follow a decision by a previous panel—the prior panel precedent rule and the law of the case doctrine—compels fealty to *Greenberg I* in light of *Tasini*. “Under the well-established prior panel precedent rule of this Circuit, the holding of the first panel to address an issue is the law of this Circuit, thereby binding all subsequent



panels unless and until the first panel's holding is overruled by the Court sitting en banc or by the Supreme Court." *Schiavo ex rel. Schindler v. Schiavo*, 403 F.3d 1289, 1292 (11th Cir. 2005) (*per curiam*) (internal quotation omitted). Similarly, "[u]nder the law-of-the-case doctrine, the resolution of an issue decided at one stage of a case is binding at later stages of the same case." *Id.* at 1291 (internal quotation and brackets omitted). Where, as here, a particular case reaches this Court for the second time, and the first appeal resulted in a published decision, both doctrines are implicated. *See id.* at 1292.

Neither doctrine, however, applies where the prior panel decision conflicts with a subsequent Supreme Court decision. Under these circumstances, this Court is "not only ... authorized but also required" to follow the Supreme Court, not its own prior precedent. *In re Provenzano*, 215 F.3d 1233, 1235 (11th Cir. 2000); *see also Davis v. Singletary*, 119 F.3d 1471, 1482 (11th Cir. 1997) ("To the extent of any inconsistency between our [circuit precedents] and the Supreme Court's supervening ones, of course, we are required to heed those of the Supreme Court."); *Cottrell v. Caldwell*, 85 F.3d 1480, 1485 (11th Cir. 1996) ("Where prior panel precedent conflicts with a subsequent Supreme Court decision, we follow the Supreme Court decision."); *cf. Schiavo*, 403 F.3d at 1292 (law of the case doctrine inapplicable where "controlling authority has been rendered that is contrary to the previous decision").

Because, as the Second Circuit recognized in *Faulkner*, *Tasini* is “contrary to” *Greenberg I*, 409 F.3d at 38, it is neither necessary nor appropriate for this Court to follow *Greenberg I* in light of *Tasini*. Under *Greenberg I*, the critical analysis is whether a publisher has created a “new” collective work, *i.e.*, a collective work that adds independently copyrightable elements to the original collective work. 244 F.3d at 1272-73. Under *Tasini*, in contrast, the critical analysis is whether an individual freelance contribution is presented in the context of the original collective work. 533 U.S. at 487-88, 499-500, 501-02. Accordingly, *Greenberg I* erred by focusing on whether the CNG itself is a “new” collective work rather than on focusing whether the CNG exploits any individual freelance contribution outside the context of the original collective work. Because *Greenberg I* asked the wrong question, it reached the wrong answer. Given that *Greenberg I* did not apply the *Tasini* analysis, this Court need not and should not follow *Greenberg I* here. See *Faulkner*, 294 F. Supp. 2d at 537 (“[T]he difference in the Supreme Court’s approach [and *Greenberg I*’s approach] to the revision issue is striking.”), *aff’d*, 409 F.3d 26. Rather, applying the *Tasini* analysis to the CNG, this Court should conclude (as did both the district court and the Second Circuit in *Faulkner*) that the CNG is a privileged “revision” within the meaning of § 201(c). See 409 F.3d at 38 (“[W]e hold that, because the original context of the Magazines is omnipresent in the CNG and because it is a new version of the

Magazine, the CNG is a privileged revision.”); 294 F. Supp. 2d at 543 (“[T]he Court holds that the CNG is a revision of the individual print issues of the *Magazine*, [and] respectfully disagrees with so much of *Greenberg* as held otherwise.”).<sup>2</sup>

It is immaterial, in this regard, that *Tasini* did not expressly overrule *Greenberg I*. There was no occasion for *Tasini* to do so, because the CNG was not at issue in *Tasini*. The key point here is that *Tasini* applied an *analysis* inconsistent

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<sup>2</sup> The *Greenberg I* panel asserted in a footnote that “[t]here is no evidence in the record that would support the theory that National Geographic Enterprises or Mindscape, neither of which has a copyright interest in the original issues of the Magazine, somehow are privy to the privilege in § 201(c) enjoyed by the Society.” 244 F.3d at 1271 n.5. That assertion misses the point. Because defendant National Geographic Society was privileged to reproduce Greenberg’s individual freelance contributions in the context of the CNG, defendants National Geographic Enterprises and Mindscape violated no legally cognizable right of Greenberg’s by assisting the Society with that project. In other words, Greenberg cannot evade the Society’s privilege by simply suing other entities that cooperated with the Society in producing a privileged revision. See *Faulkner*, 409 F.3d at 39 (holding that the publisher of a collective work can transfer the § 201(c) privilege to other entities); cf. *Tasini*, 533 U.S. at 509 n.4 (Stevens, J., dissenting) (“Publishers obviously cannot assign their publication privilege to another publisher such that the author’s work appears in a wholly different collective work, but nothing in § 201(c) clearly prohibits a publisher from merely farming out the mundane task of printing or distributing its collective work or its revision of that collective work.”). Indeed, the *Greenberg I* panel recognized in the very next footnote that Greenberg’s claim against National Geographic Enterprises and Mindscape rests on “an allegation of contributory copyright infringement,” and “there can be no contributory infringement without a finding that there was direct copyright infringement by another party.” 244 F.3d at 1271 n.6. If the Society was privileged under § 201(c), it necessarily follows that National Geographic Enterprises and Mindscape cannot be held liable for copyright infringement.

with *Greenberg I*. Neither the prior panel precedent rule nor the law of the case doctrine require this Court to apply the *Greenberg I* analysis in the aftermath of *Tasini* just because the Supreme Court did not specifically overrule (or even mention) *Greenberg I*. To the contrary, “[a] panel of this Court may decline to follow a decision of a prior panel if such action is necessary in order to give *full effect* to an intervening decision of the Supreme Court of the United States.” *Lufkin v. McCallum*, 956 F.2d 1104, 1107 (11th Cir. 1992) (emphasis added); see also *Footman v. Singletary*, 978 F.2d 1207, 1211 (11th Cir. 1992) (same). Needless to say, this Court’s duty to give *Tasini* “full effect” encompasses the duty to follow *Tasini*’s analytical framework. “[T]his panel may not overlook decisions by the Supreme Court which implicitly overrule a binding circuit decision, *or undercut its rationale*.” *Leach v. Pan Am. World Airways*, 842 F.2d 285, 286 (11th Cir. 1988) (emphasis added).

There can be no question that, to say the least, *Tasini* “undercut [the] rationale” of *Greenberg I*. *Id.* As the Second Circuit explained in *Faulkner*, “*Greenberg* did not utilize the *Tasini* analysis in determining whether the CNG was a ‘revision’ under Section 201(c),” and in particular “did not discuss whether the articles were presented in the context of the previous collective works.” 409 F.3d at 36; see also *id.* at 37 (*Tasini* “so substantially departs from the *Greenberg*

analysis that it represents an intervening change in law”); *id.* (*Tasini* “change[d] ... the legal landscape” after *Greenberg I*). Indeed, as one commentator has observed:

One cannot avoid observing that [*Greenberg I*s] holding that the addition of some separately copyrightable element defeats the publisher’s section 201(c) privilege would seem to render superfluous the bulk of the majority’s opinion in *Tasini*. Indeed, all of the databases at issue in *Tasini* necessarily included independently copyrightable computer programs. If that alone were dispositive of the section 201(c) issue, the main thrust of Justice Ginsburg’s opinion—her contextual argument—would be utterly unnecessary.

Livingston, *supra*, at 1437 (footnotes omitted). Given that *Tasini* undercut the rationale of *Greenberg I*, this Court need not and may not continue to apply that rationale. See *Leach*, 842 F.2d at 287 (declining to apply prior panel precedent where subsequent “Supreme Court cases have eroded the rationale on which the panel constructed its decision”); *id.* at 286 (subsequent Supreme Court decision “undermined the reasoning” of prior panel precedent). That is why the Second Circuit declined to follow *Greenberg I* in light of *Tasini*, and this Court should now do likewise.

Finally, to the extent that this panel were to believe that, notwithstanding *Tasini*, it remained bound by *Greenberg I*, the Court should take the case *en banc* to promote the uniformity of federal copyright law and avoid creating a post-*Tasini* conflict with the Second Circuit on the specific question whether the CNG is a privileged revision under § 201(c). This Court has the power to take a case *en banc* at its own initiative; indeed, perhaps this Court’s most often-cited precedent

was a *sua sponte en banc* hearing. See *Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981) (*en banc*); Fed. R. App. P. 35; see also *Garcia v. Department of Homeland Security*, 412 F.3d 1330, 1331 (Fed. Cir. 2005) (*per curiam*) (granting *sua sponte en banc* hearing); *Hollinger v. Titan Capital Corp.*, 914 F.2d 1564, 1566 (9th Cir. 1990) (same); *United States v. Staggs*, 881 F.2d 1546, 1547 (10th Cir. 1989) (same); *Oman v. Johns-Manville Corp.*, 764 F.2d 224, 226 (4th Cir. 1985) (same); *Banzhaf v. Smith*, 737 F.2d 1167, 1167-68 (D.C. Cir. 1984) (*per curiam*) (same). For the reasons noted above, National Geographic does not believe that this extraordinary step is necessary, but certainly if this panel were to feel compelled to follow *Greenberg I*, then it would be most efficient for the appeal to be heard and decided *en banc* in the first instance.

The bottom line here is that this Court now has both the power and the duty to follow *Tasini* rather than *Greenberg I*. And that is a good thing for copyright law and the dissemination of knowledge and culture in the digital age. *Greenberg I* essentially wrote the “revision” privilege out of the law by holding that there can be no “revision” if new material is added or old material changed, because by definition there can be no “revision” *unless* new material is added or old material changed—that is the whole point of a revision. *Greenberg I* thus made it impossible for publishers to create digital archives of their collective works in CD-ROM format, because the inevitable addition of independently

copyrightable material (such as a computer program) would defeat the § 201(c) privilege. Given that it is impossible, as a practical matter, for those publishers (like National Geographic) that have already created CD-ROM archives of their collective works to reach retroactive license agreements with their many thousands of past freelance contributors, the only solution for such publishers is to withdraw their CD-ROM products (as National Geographic did with the CNG after the jury verdict in this case). Needless to say, the elimination of a valuable archive like the CNG, which has allowed countless persons easy, quick, and inexpensive access to collective works, harms not only National Geographic, but also unknown generations of individuals, students, and scholars. “Taking from publishers the privilege to create electronic archives like The Complete National Geographic most certainly deprives society of the sort of fast, efficient, and inexpensive access to collective works that such a medium is uniquely positioned to offer.” Livingston, *supra*, at 1436.<sup>3</sup>

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<sup>3</sup> Reconsideration of *Greenberg I*'s narrow interpretation of § 201(c), of course, would not necessarily entail reconsideration of *Greenberg I*'s separate conclusion that the use of Greenberg's January 1962 cover photograph out of context in the CNG's introductory montage violated his asserted copyright in that photograph. National Geographic argued in the first round of this lawsuit that this use was permissible under the *de minimis* and/or fair use doctrines, but the *Greenberg I* panel rejected those arguments. See 244 F.3d at 1274-75. Nothing in *Tasini* addressed those distinct doctrines, so *Greenberg I* remains binding on this score.

(Continued...)

## II. The District Court Erred By Striking National Geographic's Answer On Remand, And Thereby Precluding National Geographic From Defending Itself Against Liability For Copyright Infringement.

Above and beyond the basic point that this Court should reconsider *Greenberg I* in light of *Tasini*, this Court should still reverse the judgment because the district court erred on remand by striking National Geographic's answer. The upshot of that error is that the district court precluded National Geographic from ever raising, in any court, any defense to copyright liability other than § 201(c),

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That being said, however, the judgment cannot be affirmed either in whole or in part based on the introductory montage. As explained in Part II below, National Geographic has several other defenses (including a basic contract defense) to liability for the use of Greenberg's January 1962 cover photograph in the CNG's introductory montage. Because the district court erroneously struck National Geographic's answer, those defenses have never been adjudicated. Moreover, at the trial on damages, Greenberg made no effort to distinguish between the use of the January 1962 cover photograph in the body of the CNG and in the introductory montage (which was barely mentioned at trial), so in no event could a damages award be sustained here based solely on the latter use. *See, e.g., Concord Boat Corp. v. Brunswick*, 207 F.3d 1039, 1053-55 (8th Cir. 2000); *Broussard v. Meineke Discount Muffler Shops, Inc.*, 155 F.3d 331, 334 (4th Cir. 1998); *Annis v. County of Westchester*, 136 F.3d 239, 248 (2d Cir. 1998); *In re Air Crash Disaster at New Orleans*, 795 F.2d 1230, 1235-36 (5th Cir. 1986). For present purposes, the key point is that whether the introductory montage is ultimately determined to be infringing has nothing to do with the broader question whether the use of freelance contributions in context in the body of the CNG is privileged under § 201(c). *See, e.g., Livingston, supra*, at 1432-33 (rejecting the suggestion "that the publishers' privilege under section 201(c) must be an 'all or nothing' scheme under which a collective work is either entirely infringing or entirely privileged").



including the basic defense that Greenberg contractually authorized the disputed use of his photographs by National Geographic.<sup>4</sup>

The district court gave two reasons for striking National Geographic's answer: (1) this Court's mandate in *Greenberg I* "does not permit reopening of the liability issues in this case," RE124, RE127, RE133-34, and (2) the answer was "untimely" because National Geographic had "waived the right to file an answer" by first moving to dismiss or, in the alternative, for summary judgment under

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<sup>4</sup> In a letter dated November 15, 1985, Greenberg asked National Geographic for "a re-assignment of copyright from the Society" with respect to the 1962, 1968, and 1971 photographs. Joint Trial Ex. 18, RE136. "This re-assignment," he continued, "would have no effect on the Society's reuse of this material as this provision was covered in the original contracts for each assignment." *Id.* At the very least, this request for a "re-assignment" strongly supports National Geographic's view that Greenberg assigned the Society the copyrights in the first place. To be sure, Greenberg can be expected to respond that National Geographic's December 18, 1985 reply to his letter, which (for no monetary consideration, and no motive other than good will) voluntarily "assign[ed] to [Greenberg] all right, title and interest, including copyright, in [his] photographs appearing in *National Geographic Magazine*," Joint Trial Ex. 19, RE137, overrode any previous contracts or understandings. But that letter must be understood, in context and by express reference to Greenberg's letter, to grant him no more than what he had specifically requested. Indeed, at trial, Greenberg admitted that the Society retained a continued license to use the photographs in its publications and other media whenever and however it wanted; in his view, the only thing that was required was notification and payment if National Geographic had a policy of paying for reuse. *See* 2/27/03 Tr. 91, 159-71 (Greenberg). In any event, the point here is not to debate about which side might ultimately prevail on the contract defense, but to underscore that the defense is, to say the least, quite substantial, so that National Geographic was greatly prejudiced by the district court's decision to strike its answer.

§ 201(c), RE125, RE134-35. Both reasons are erroneous as a matter of law. Because the district court erred by striking National Geographic's answer, this Court should reverse the judgment in Greenberg's favor wholly apart from the § 201(c) issue.

**A. The District Court Erred By Holding That *Greenberg I* Dictated The Entry Of Judgment In Greenberg's Favor On Liability for Copyright Infringement.**

As a threshold matter, the district court erred in characterizing the scope of this Court's decision in *Greenberg I*. According to the district court, that decision "h[eld] Defendants *liable for copyright infringement* and reject[ed] Defendants' proffered defenses." RE133 (emphasis added). Thus, the court concluded, to allow National Geographic to raise additional defenses in the aftermath of that decision would run "contrary to the Eleventh Circuit mandate" by improperly "reopening ... the liability issues in this case." RE124-25; *see also* RE134 ("The Eleventh Circuit has clearly held that Defendants are liable for copyright infringement.").

*Greenberg I*, however, held nothing of the sort. Rather, the only issue in *Greenberg I* was whether the district court had erred by granting National Geographic summary judgment. *See* 244 F.3d at 1268. As a result, the *Greenberg I* panel did not have the occasion to address any defenses not previously addressed by the district court.

To be sure, in the concluding paragraph of its original opinion, the *Greenberg I* panel not only held that the CNG was not privileged under § 201(c), but also directed the district court on remand “to enter judgment on these copyright claims in favor of Greenberg” and to award Greenberg attorney’s fees. RE94-95. In its petition for rehearing, however, National Geographic noted that this disposition was inappropriate precisely because the original appeal was limited to the defenses addressed by the district court in its summary judgment order, and did not involve the validity *vel non* of any additional defenses. After that petition was filed, the *Greenberg I* panel issued a corrected opinion *deleting* the following sentences from the opinion:

Upon remand, the court below is directed to enter judgment on these copyright claims in favor of Greenberg. Counsel for the appellant should submit its documented claims for attorneys fees relative to this appeal to the district court for review and approval. We find the appellant to be the prevailing party on this appeal and, therefore, is [*sic*] entitled to an award of costs and attorneys fees.

*Compare* RE94-95 with 244 F.3d at 1275-76. The panel also amended the next sentence by adding the words italicized below to clarify that its decision did not necessarily entitle Greenberg to any relief: “Upon remand, the district court should ascertain the amount of damages and attorneys fees that are due, *if any*, as well as any injunctive relief that may be appropriate.” 244 F.3d at 1276 (emphasis added).

On remand, however, the district court missed the import of these amendments. Indeed, in its original order granting Greenberg’s motion to strike

National Geographic's answer, the district court quoted from the original (pre-correction) *Greenberg I* opinion:

In the instant case, the appellate court issued the following mandate:

Upon remand, the district court should ascertain the amount of damages and attorneys fees that are due, as well as any injunctive relief that may be appropriate.

RE123 (quoting RE95). Based on that perceived "mandate," the district court concluded that *Greenberg I* precluded National Geographic from raising any additional defenses to copyright liability. See RE124 ("[T]he appellate mandate does not permit reopening of the liability issues in this case.").

National Geographic promptly moved for reconsideration and/or interlocutory appeal, noting that the district court had mischaracterized the scope of *Greenberg I* and misquoted this Court's ultimate opinion. In response to the motion for reconsideration, the district court acknowledged that "two words from the Eleventh Circuit's mandate, which incorporated the Corrected Opinion of March 22, 2001, were omitted in the January 11, 2002 Order," but held that this omission "was merely an inadvertent typographical order" that did not warrant reconsideration. RE127. Accordingly, the court simply amended its order granting the motion to strike, and added the words "if any" to its quotation of the *Greenberg I* opinion. See RE128d. The court subsequently denied National Geographic's motion for interlocutory appeal, insisting that "the clear language of

the Eleventh Circuit opinion h[eld] Defendants liable for copyright infringement and reject[ed] Defendants' proffered defenses." RE133; *see also id.* at RE133-34 ("[T]he Court finds that the words 'if any' were not intended to reopen the case for a fresh determination of liability."). In addition, the court asserted; "Defendants' proffered interpretation would render superfluous the Eleventh Circuit's instructions to this court to consider the amount of damages and the alternative of injunctive relief." RE134.

The key point, however, is that the corrected opinion in *Greenberg I* did not "instruct[]" the district court to award damages or consider injunctive relief. Rather, by deleting the sentences directing the district court to enter judgment on liability, and by clarifying that any eventual monetary or injunctive relief was contingent and conditional, the *Greenberg I* panel expressly declined to reach the ultimate issue of liability. Accordingly, by filing an answer on remand from *Greenberg I*, National Geographic was not asking the district court to "reopen[]," RE124, any issue that had ever been closed in the first place.

The district court thus manifestly over-read the *Greenberg I* mandate by holding that it precluded National Geographic from contesting liability on any ground. It goes without saying that the so-called "mandate rule," which requires district courts to implement an appellate court's mandate on remand, applies only to issues "decided expressly or by necessary implication; it does not extend to

issues the appellate court did not address.” *Piambino v. Bailey*, 757 F.2d 1112, 1119 (11th Cir. 1985); *see also Hester v. International Union of Operating Eng’rs, AFL-CIO*, 941 F.2d 1574, 1581 n.9 (11th Cir. 1991); *Luckey v. Miller*, 929 F.2d 618, 621-22 (11th Cir. 1991). Because *Greenberg I* had no occasion to, and did not, decide the ultimate question whether National Geographic was liable for copyright infringement, that decision did not preclude National Geographic from contesting such liability on remand.

**B. The District Court Erred By Holding That National Geographic’s Answer Was Untimely.**

The district court also erred by holding in the alternative that National Geographic’s answer was “untimely [and] filed without leave of Court.” RE125; RE128f. The court gave no rationale whatsoever for that holding in its original and amended orders striking the answer; rather, it was not until the order denying an interlocutory appeal that the court provided any reasoning. The court then asserted (without any citation) that “Defendants waived the right to file an answer” by moving in the alternative for summary judgment in their original motion to dismiss. RE134. That assertion has no basis in principle or precedent.

To the contrary, under the Federal Rules of Civil Procedure, a defendant has no obligation to plead its affirmative defenses unless and until it files an answer. *See Fed. R. Civ. P. 8(c), 12(b); Tahoe-Sierra Pres. Council, Inc. v. Tahoe Reg’l Planning Agency*, 216 F.3d 764, 788 (9th Cir. 2000), *aff’d*, 535 U.S. 302 (2002);

*Perry v. Sullivan*, 207 F.3d 379, 382-83 (7th Cir. 2000); *Hiatt v. United States*, 910 F.2d 737, 747 (11th Cir. 1990); *Chilivis v. SEC*, 673 F.2d 1205, 1209 (11th Cir. 1982); *cf.* Fed. R. Civ. P. 7(a) (confirming that “pleadings” under Rules 8(c) and 12(b) include answers but not motions to dismiss or for summary judgment). Prior to filing an answer, a defendant may move to dismiss the complaint under Rule 12(b), for summary judgment under Rule 56 (if it wishes the court to consider matters outside the pleadings), or (as here) both. *See* Fed. R. Civ. P. 12(b) (“A motion making any of [the defenses specified in Rule 12(b), including failure to state a claim upon which relief can be granted] shall be made before pleading ...”); *id.* (“If, on a motion [to dismiss under Rule 12(b)(6)], matters outside the [complaint] are presented to and not excluded by the court, the motion shall be treated as one for summary judgment ....”); Fed. R. Civ. P. 56(b) (summary judgment motion may be filed “at any time”); *Pruitt v. Chow*, 742 F.2d 1104, 1109 n.5 (7th Cir. 1984) (summary judgment motion may be filed before answer); *Hubicki v. ACF Indus., Inc.*, 484 F.2d 519, 522 (3d Cir. 1973) (same); *Gifford v. Travelers Protective Ass’n*, 153 F.2d 209, 210-11 (9th Cir. 1946) (same). But a defendant need not include all affirmative defenses in such a pre-answer motion; indeed, many defenses will not be susceptible to resolution as a matter of law in such a pre-answer motion. *See, e.g., Tahoe-Sierra*, 216 F.3d at 789 n.45. Thus, under settled law, a defendant does not “waive” any affirmative defenses by failing

to raise them in a pre-answer motion. *See, e.g., id.* at 788-89; *Perry*, 207 F.3d at 382-83; *Hiatt*, 910 F.2d at 747; *Chilivis*, 673 F.2d at 1209; *Santos v. District Council of New York City*, 619 F.2d 963, 967 (2d Cir. 1980).<sup>5</sup>

Here, National Geographic played strictly by the rules. It moved to dismiss the complaint, or in the alternative for summary judgment, based on § 201(c). The district court granted National Geographic summary judgment, but this Court reversed. At that point, National Geographic filed an answer (its first responsive *pleading* in the case, *see* Fed. R. Civ. P. 7(a), 8(c); *Tahoe-Sierra*, 216 F.3d at 788) setting forth all its affirmative defenses. While it may be “understandable” that the district court was surprised to see new defenses raised after the litigation had been pending for several years (and had already traveled up to this Court and back), *Tahoe-Sierra*, 216 F.3d at 788 n.44, it was neither necessary nor appropriate for National Geographic to have raised all of its affirmative defenses before then, *see id.* (holding that defendant was entitled to raise affirmative defenses in answer

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<sup>5</sup> Indeed, in *Arrington v. City of Fairfield*, 414 F.2d 687 (5th Cir. 1969), the pre-split Fifth Circuit, far from *precluding* defendants from filing a post-summary judgment answer, *required* them to do so. There, as here, the defendants moved to dismiss for failure to state a claim and for summary judgment before filing an answer. *See id.* at 689. There, as here, the district court granted defendants summary judgment, *see id.*, and the appellate court reversed, *see id.* at 693-94. The Fifth Circuit’s mandate was clear: “Defendants should be *required to file answers* and the parties allowed to undertake discovery pursuant to the Federal Rules of Civil Procedure.” *Id.* at 693 (emphasis added).



even though litigation had been pending for ten years); *Perry*, 207 F.3d at 382 (holding that defendant was entitled to raise affirmative defenses in answer even though litigation had been pending for five years). The district court's contrary holding in effect penalized National Geographic for its initial success in obtaining summary judgment under § 201(c) by precluding National Geographic from subsequently raising any other defenses.<sup>6</sup>

Because the district court erroneously entered a judgment of liability against National Geographic without allowing National Geographic to answer the complaint, at a minimum the judgment must be reversed, and the case remanded to give National Geographic the opportunity to plead affirmative defenses to liability for copyright infringement.

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<sup>6</sup> The Federal Rules of Civil Procedure do not specify any time period for filing an answer where, as here, a district court grants a pre-answer dispositive motion, but an appellate court subsequently reverses. Certainly, there can be no argument that the answer is untimely if filed within 20 days after the appellate court's ruling, given that defendants have 20 days after service of the complaint to file an answer. See Fed. R. Civ. P. 12(a)(1)(A). Thus, the district court's unsupported assertion that National Geographic's answer was "untimely [and] filed without leave of Court," RE125; RE128f, is inexplicable: the answer was perfectly timely, and litigants have no need to obtain leave of court before filing a timely answer. Indeed, even if the answer had been untimely, there would have been no basis for striking it (and thereby imposing the civil "death penalty") without any showing of bad faith by the defendant or prejudice to the plaintiff. See, e.g., *Connell v. City of New York*, 230 F. Supp. 2d 432, 439 (S.D.N.Y. 2002); *McMillen v. J.C. Penney Co.*, 205 F.R.D. 557, 558 (D. Nev. 2002).

### III. The Magistrate Judge Erred As A Matter Of Law By Allowing The Jury To Award Damages For "Willful" Copyright Infringement.

Finally, even assuming *arguendo* that there were some basis for holding National Geographic liable here, the magistrate judge erred by allowing the jury to impose statutory damages for *willful* copyright infringement. Based on the undisputed evidence, at a minimum National Geographic reasonably believed that its ownership of the copyright in *National Geographic* magazine, a collective work, authorized the creation of a digital archive of the magazine's past issues under § 201(c). Legal advisors and copyright experts inside and outside National Geographic confirmed this belief both before and after *Greenberg I*, and the district court and Second Circuit subsequently held in *Faulkner* that this belief was not only reasonable, but entirely correct. Accordingly, at the very least, the magistrate judge erred by allowing the jury to impose damages for willful infringement, and this Court should remit the jury's award of the maximum statutory damages for willful infringement (\$100,000 per violation) to the maximum statutory damages for non-willful infringement (\$20,000 per violation).

The Copyright Act allows a copyright holder to elect to recover either actual damages and profits or statutory damages for infringement. *See* 17 U.S.C. § 504(a). Greenberg here elected to pursue statutory damages. *See* 2/26/03 Tr. 31. Under the statute in effect at the relevant time, therefore, he was entitled to recover a maximum of \$100,000 per willful violation of the Act or \$20,000 per non-willful

violation of the Act. See 17 U.S.C. § 504(c) (1988) (The amounts were raised in 1999 to \$150,000 and \$30,000 respectively. See 17 U.S.C. § 504(c).) Over National Geographic's objection, the magistrate judge submitted the issue of willfulness to the jury, which awarded Greenberg the statutory maximum of \$100,000 for each of the four ostensible acts of infringement here. RE139.

Although the Copyright Act does not define the term "willful," this Court has held that "it seems clear that as here used [in § 504(c)] "willfully" means with knowledge that the defendant's conduct constitutes copyright infringement." *MCA Television Ltd. v. Feltner*, 89 F.3d 766, 768 (11th Cir. 1996) (quoting 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.04[B], 14-58-60 (1990)). As Professor Nimmer has explained:

In other contexts ["willfulness"] might simply mean an intent to copy, without necessarily an intent to infringe. It seems clear that as here used, 'willfully' means with knowledge that the defendant's conduct constitutes copyright infringement. Otherwise, there would be no point in providing specially for the reduction of minimum awards in the case of innocent infringement, because any infringement that was nonwillful would necessarily be innocent. This seems to mean, then, that one who has been notified that his conduct constitutes copyright infringement, but who reasonably and in good faith believes the contrary, is not "willful" for these purposes.

3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.04[B][3] (1996) (emphasis added); see also *Princeton Univ. Press v. Michigan Document Servs., Inc.*, 99 F.3d 1381, 1392 (6th Cir. 1996) (*en banc*) (adopting this approach).

The key question here, then, is the reasonableness of National Geographic's belief

that its creation of a digital archive of its own collective works did not violate the freelancers' copyrights in their individual contributions to those works. Because the reasonableness of that belief depends on an evaluation of the law, as the Sixth Circuit has explained, "[r]easonableness,' in the present context, is essentially a question of law." *Princeton*, 99 F.3d at 1392.

The magistrate judge in this case allowed the jury to consider the issue of willfulness, and denied National Geographic's repeated motions for judgment as a matter of law on this score. *See* RE143; RE145; RE146-56. Before submitting the case to the jury, the magistrate judge opined that "the evidence of willfulness is very, very weak." RE143. Nonetheless, out of an abundance of caution, the judge allowed the jury to consider the issue. *See id.*; *see also* RE145. After the jury verdict, the judge took more than two years to resolve National Geographic's post-trial motion on willfulness, and then summarily declared (without explanation or elaboration) that "[c]onstruing the evidence in a light most favorable to [Greenberg], including the advice of counsel defense and the actions of the Geographic defendants after the Eleventh Circuit's decision, this Court finds that a reasonable jury could find that Defendants were willful in their infringement of Plaintiff's copyright." RE150. The magistrate judge dismissed National Geographic's argument that the Second Circuit's *Faulkner* decision confirmed the lack of willfulness by stating that "[t]he Eleventh Circuit previously ruled that

Defendants had, in fact, infringed Plaintiff's copyright," and "[t]he Eleventh Circuit's decision is the law of this case, thus the *Faulkner* decision is not persuasive." *Id.* In addition, the magistrate judge declared, "the *Faulkner* decision was obviously not presented to the jury, and therefore could not serve as a basis to support the ruling on a motion for judgment as a matter of law at the close of the evidence." *Id.*<sup>7</sup>

The magistrate judge thereby erred. The undisputed evidence here established that at all relevant times National Geographic carefully considered the legal question whether the CNG would infringe the freelancers' copyrights in individual works in light of § 201(c), and reasonably concluded that it would not. Before creating the CNG, National Geographic sought and relied on the legal advice of inside and outside legal experts, who opined that the work would not infringe. *See* 2/28/03 Tr. 179-82 (Fahey); 3/3/03 Tr. 135-36, 139-41 (Dupre). At that point, of course, there was no authoritative legal guidance on the scope of § 201(c); as Justice Stevens noted in *Tasini*, "[t]his case raises *an issue of first impression* concerning the meaning of the word 'revision' as used in § 201(c) of the 1976 revision of the Copyright Act of 1909." 533 U.S. at 506 (emphasis

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<sup>7</sup> The magistrate judge granted the motion for judgment as a matter of law on willfulness with respect to defendant Mindscape only, noting that Greenberg acknowledged that the only basis for holding Mindscape liable for willful infringement was the intent of the other defendants. *See* RE150-52.

added) (dissenting opinion); see also *Greenberg I*, 244 F.3d at 1268 (“This appeal requires us, as a matter of first impression in this circuit, to construe the extent of the privilege afforded to the owner of a copyright in a collective work ... under 17 U.S.C. § 201(c).”) (emphasis added).<sup>8</sup> It goes without saying, of course, that reasonable reliance on the reasonable advice of counsel negates “willful” copyright infringement. See, e.g., *RCA/Ariola Int’l, Inc. v. Thomas & Grayston Co.*, 845 F.2d 773, 779 (8th Cir. 1988); cf. *Ortho Pharmaceutical Corp. v. Smith*, 959 F.2d 936, 944 (Fed. Cir. 1992) (same in patent context). Indeed, the district court in this very case originally granted summary judgment in National Geographic’s favor, RE67-75—erroneously, according to *Greenberg I*, but by no means unreasonably.

Not surprisingly, then, Greenberg did not focus his “willfulness” case at trial on alleged acts or omissions prior to the creation of the CNG; rather, he focused

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<sup>8</sup> Indeed, as far as National Geographic is aware, only three published decisions had addressed the scope of the § 201(c) privilege to reproduce a collective work before Greenberg filed this lawsuit: *Quinto v. Legal Times of Wash., Inc.*, 506 F. Supp. 554 (D.D.C. 1981), *Oddo v. Ries*, 743 F.2d 630 (9th Cir. 1984), and *Tasini v. New York Times Co.*, 972 F. Supp. 804 (S.D.N.Y. 1997) (Sotomayor, J.), *rev’d*, 206 F.3d 161 (2d Cir. 2000), *aff’d*, 533 U.S. 483 (2001). The first two had nothing to do with a publisher’s right to create a digital archive of a collective work; rather, both cases involved standard questions about the inclusion of copyrighted articles in reprints of magazines and books. And the third decision, the district court ruling in *Tasini*, held that LEXIS/NEXIS databases were “revisions” within the meaning of § 201(c). Although that decision was later reversed by the Second Circuit (which in turn was affirmed by the Supreme Court), at the very least it underscores the substantial uncertainty regarding the scope of § 201(c) prior to the Supreme Court’s decision in *Tasini*.

his case on the period after *Greenberg I*. According to Greenberg, National Geographic engaged in “willful” infringement by not immediately withdrawing the CNG after this Court’s initial adverse ruling. *See, e.g.*, 2/28/03 Tr. 123-25; 3/4/03 Tr. 193-94; 3/5/03 Tr. 46-47. That tack, however, is equally unavailing as a matter of law. As an initial matter, copyright infringement is not necessarily “willful” even where a court has previously decided that the very act in question was infringing, as long as the court’s decision was subject to reasonable debate. *See, e.g., Princeton*, 99 F.3d at 1384, 1392 (holding that infringement was not “willful” as a matter of law, even where defendant had acted with undisputed knowledge that a court had previously held the very acts in question to be infringing).

This case, however, does not even present that issue, because (as noted above) *Greenberg I* did not even hold National Geographic liable for copyright infringement, and did not order National Geographic to withdraw the CNG. To the contrary, *Greenberg I* strongly suggested that the district court on remand should not force National Geographic to withdraw the CNG *even if* the work were ultimately found to be infringing. *See* 244 F.3d at 1275-76 (“In assessing the appropriateness of any injunctive relief, we urge the court to consider alternatives, such as mandatory license fees, in lieu of foreclosing the public’s computer-aided access to this educational and entertaining work.”). Indeed, Greenberg himself did not even move for an injunction until November 2002, on the eve of trial and more

than a year after *Greenberg I*. To say that National Geographic acted “willfully” by not withdrawing a work that was never adjudicated by any court to be infringing, before the plaintiff himself even sought an injunction, would be to drain the word “willful” of any meaning whatsoever.

Moreover, even *Greenberg I*'s limited holding that National Geographic could not invoke the § 201(c) privilege was itself cast into doubt by the Supreme Court's subsequent decision in *Tasini*, which (at the very least) reasonably could have been construed to have “change[d] ... the legal landscape” immediately after *Greenberg I*. *Faulkner*, 409 F.3d at 37; *see also id.* at 37 (*Tasini* “substantially departs from the *Greenberg* analysis that it represents an intervening change in law”). Again, National Geographic sought the advice of inside and outside legal experts in the wake of *Greenberg I* and *Tasini*, and those experts reasonably (and, at least in the Second Circuit, correctly) concluded that *Greenberg I* conflicted with *Tasini* with respect to the scope of § 201(c), so that the CNG did not infringe in light of *Tasini*. 3/4/03 Tr. 47-48 (Adamson); 3/4/03 Tr. 86-87 (Collins). Indeed, in light of *Greenberg I*, National Geographic consulted with the Register of Copyrights (the head of the U.S. Copyright Office), who similarly opined that *Greenberg I* was “dead wrong” in light of *Tasini*, and that an image-based page-by-page reproduction of a collective work on CD-ROM “would be permissible under [§ 201(c)].” 3/4/03 Tr. 48-49 (Adamson). The bottom line is that, both



before and after *Greenberg I*, it was at the very least reasonable for National Geographic to conclude that the CNG did not infringe Greenberg's copyrights. Accordingly, there could have been no "willful" infringement as a matter of law.<sup>9</sup>

The Sixth Circuit's *en banc* decision in *Princeton* is instructive on this score. The question there, as here, was whether a particular infringement was "willful." The defendant there argued that its disputed use was protected under the copyright laws as "fair use." 99 F.3d at 1385-91. The Sixth Circuit rejected that defense on the merits, but held that the defendants' contrary belief, although erroneous and inconsistent with a decision by the U.S. District Court for the Southern District of New York, was not unreasonable (and hence capable of establishing "willful" infringement). *Id.* at 1392. As the court explained, "[f]air use is one of the most unsettled areas of the law." *Id.* In light of the prevailing uncertainty about the legal parameters of the defense, as illustrated by the sharp division within the Sixth

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<sup>9</sup> The magistrate judge missed the point by insisting that the Second Circuit's interpretation of § 201(c) in *Faulkner* conflicted with this Court's interpretation of § 201(c) in *Greenberg I*. RE150. The issue here is whether National Geographic's belief that it was not infringing was *reasonable*, not whether it was *correct*. At the very least, the Second Circuit's decision in *Faulkner* (not to mention the district court's decision in that case, and the original district court decision in this case) underscores that the belief was reasonable, even if not correct. And the fact that the jury was not informed about *Faulkner* (which had not yet been decided at the time of the jury trial here), RE150, is immaterial, because *Faulkner* simply confirms what the evidence presented to the jury already showed: that, at a minimum, National Geographic's belief in the legality of its conduct was reasonable.

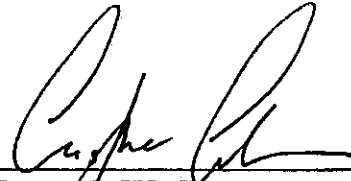
Circuit in that very case, the infringement could not be deemed willful as a matter of law. “The potential for reasonable disagreement here is illustrated by the forcefully argued dissents and the now-vacated panel opinion.” *Id.* “In the circumstances of this case, we cannot say that the defendants’ belief that their copying constituted fair use was so unreasonable as to bespeak willfulness.” *Id.*

Needless to say, the Second Circuit’s *Faulkner* decision proves the same point here: this case at most involves a good faith, reasonable disagreement about the law. Given that reasonable jurists can at least disagree about the application of § 201(c) in this context, any infringement here was not “willful” as a matter of law. Accordingly, at the very least, this Court should remit the award of statutory damages from \$400,000 to \$80,000.

### CONCLUSION

For the foregoing reasons, the judgment should be reversed.

Respectfully submitted,



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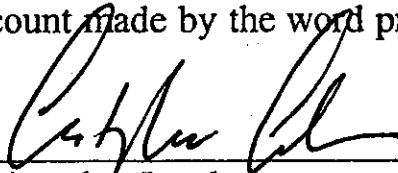
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## CERTIFICATE OF BRIEF LENGTH

Pursuant to Fed. R. App. P. 32(a)(7)(B) and (C), I hereby certify that this brief contains 13,493 words, on the basis of a count made by the word processing system used to prepare the brief.

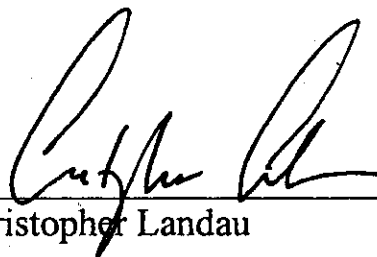


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## CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of May 2006, I served two true and correct copies of the foregoing Brief of Appellant by Federal Express on the following counsel:

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