UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

JERRY GREENBERG, individually and IDAZ GREENBERG, individually,

Plaintiffs,

v.

NATIONAL GEOGRAPHIC SOCIETY, a District of Columbia corporation, et al.,

Defendants.

Case No. 96-3924 Civ-Lenard

Magistrate Judge William Turnoff

REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF DEFENDANTS' MOTION FOR AN ADDITIONAL ORDER OF REFERENCE AND CROSS-MOTION FOR ENLARGEMENT OF TIME

Defendants National Geographic Society (the "Society"), National Geographic Enterprises ("Enterprises"),[1] and Mindscape, Inc.,[2] by their attorneys, Weil, Gotshal & Manges LLP, submit this reply memorandum in further support of their motions (1) to refer all matters in this case to United States Magistrate Judge William C. Turnoff and (2) for an enlargement of time.

ARGUMENT

I. SIGNIFICANT LIABILITY ISSUES REMAIN TO BE ADDRESSED NOTWITHSTANDING THE ELEVENTH CIRCUIT'S OPINION.

The Eleventh Circuit's opinion was strictly limited to "the extent of the privilege afforded to the owner of a copyright in a collective work to reproduce and distribute the individual contributions to the collective work 'as part of that particular collective work, any revision of that collective work, and any later collective work in the same series' under 17 U.S.C.

[1] National Geographic Enterprises is incorporated under the name National Geographic Holdings, Inc.

[2] Mindscape is incorporated under the name Broderbund LLC.

§ 201(c)." Significant additional liability issues remain to be resolved, including (1) the impact of the U.S. Supreme Court's subsequent opinion in New York Times v. Tasini on the viability of the Eleventh Circuit's opinion; (2) whether Plaintiff may recover with respect to images created prior to January 1, 1978, ownership of which is governed by the Copyright Act of 1909 (the "1909 Act"); and (3) whether the Society had a contractual right to reproduce Plaintiffs' images in "The Complete National Geographic." Each of these issues is plainly beyond the scope of what was briefed, litigated and decided before the Eleventh Circuit, and Defendants are entitled to litigate them in the District Court.

A. The Eleventh Circuit Addressed Only Copyright, Not Contract, Issues.

The Eleventh Circuit opinion did not address any contract issues. Plaintiffs, in an effort to suggest that the court resolved any pertinent contract claims, make a stretch of Gargantuan proportions in claiming that the Eleventh Circuit "found the 1985 transfer valid." (Pl. Mem. p. 4). The court did not address the implications, from a contractual licensing standpoint, of the transfer. Indeed, it made no findings based upon the transfer at all; the only reference it made to the transfer was briefly in its statement of facts. The court did not even have the opportunity to examine the full context of the transfer, including Plaintiff's own contemporaneous statement of his understanding of the implications of the transfer. Tellingly, when Plaintiff requested the transfer, he indicated to the Society that "[t]his re-assignment would have no effect on the Society's reuse of this material as this provision was covered in the original contracts for each assignment." (Gray Aff. Exh. A). The Court did not examine whether this contemporaneous assertion by Plaintiff, in conjunction with his original contracts with the Society and the assignment document, established a license permitting the Society to reuse the works at issue in other products.

B. The Eleventh Circuit's Opinion is not viable in light of the Supreme Court's Opinion in Tasini

Plaintiff argues that Harper v. Virginia, 509 U.S. 86 (1993), does not apply to the instant case because "[i]n Tasini, no new 'rule' was created. The Supreme Court applied Section 201(c) to one set of facts, and the Eleventh Circuit applied it to a different set of facts." (Pl. Mem. p. 4). Plaintiff has misconstrued Harper. There, the Court held that "[w]hen this Court applies a rule of federal law to the parties before it, that rule is the controlling interpretation of federal law and must be given full retroactive effect in all cases still open on direct review and as to all events, regardless of whether such events predate or postdate our announcement of the rule." Harper, 509 U.S. at 96. In Tasini, the Supreme Court held that, in determining whether individual works have been reproduced "as part of" a collective work or a revision of that collective work, the appropriate focus is on the individual works "as presented to, and perceptible by, the user of the" revision or particular collective work. Tasini, 121 S.Ct. 2381, 2389 (2001). The Court contrasted the infringing Tasini products with microfilm, which:

> reproduces that same Article on film in the very same position, within a film reproduction of the entire Magazine, in turn within a reproduction of the entire September 23, 1990 edition. True, the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on the Article, to the exclusion of surrounding material. Nonetheless, the user first encounters the Article in context.

Tasini, 121 S.Ct. at 2391. Pursuant to Harper, this holding is the "controlling interpretation" of § 201(c), and "no court may 'refuse to apply [that] rule . . . retroactively.'" Harper, 509 U.S. at 96 (citations omitted). Because "The Complete National Geographic" products at issue here, like microfilm, present Plaintiffs' works to the user in the precise context in which they originally appeared, the Supreme Court has undermined the Eleventh Circuit's holding that "The Complete National Geographic" is outside the ambit of §201(c).

The Olson and Hogan cases cited by Plaintiffs are inapplicable here. As an initial matter, both were decided prior to Harper. Moreover, in Olson, the Seventh Circuit was asked to reject a doctrine established by the United States Supreme Court that was "reaffirmed in at least a hundred, and perhaps many more, court of appeals cases since the Supreme Court last considered it. . ." Olson v. Paine, Webber, Jackson & Curtis, Inc., 806 F.2d 731, 741 (7th Cir. 1986). The court noted that this would create a "situation in which some courts deem a Supreme Court doctrine binding and others do not [which] is an unseemly one that the [Supreme] Court is not likely to think tolerable." Id. This clearly has no relevance to the circumstances here, where, on the heels of the Eleventh Circuit's opinion, the Supreme Court decided Tasini in such a way as to render the Eleventh Circuit's opinion erroneous. With respect to Hogan, the very passage cited by Plaintiff notes that a succeeding panel is not bound by an earlier decision if it has been overruled by the Supreme Court, which is precisely what Defendants are alleging occurred here. United States v. Hogan, 986 F.2d 1364, 1369 (11th Cir. 1993).[3]

Plaintiff also infers that because the Eleventh Circuit knew of Tasini's pendency before the Supreme Court at the time it decided Greenberg, it must have "understood Tasini to be a different case." There is no basis for such an inference, nor does Plaintiff cite any authority in support of one. Finally, Plaintiffs observe that the Supreme Court denied Defendants' petition for a writ of *certiorari*. Such a denial has no substantive effect, as it does not constitute a decision on the merits. Brown v. Texas, 522 U.S. 940, 118 S.Ct. 355, 356-57 (1997); Singleton

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[3] Plaintiff also asserts that "the defendants did not bother to address the [Eleventh Circuit] opinion, or the mandate, or the mandate rule that governs." As demonstrated above, the opinion has effectively been overruled by the Supreme Court. With respect to "the mandate rule that governs," Fed. R. App. P. 41 merely provides, in pertinent part, that the mandate shall issue "immediately when a copy of a Supreme Court order denying the petition for writ of certiorari is filed." The rule does not address the circumstances here, where a subsequent Supreme Court opinion undermines the opinion pursuant to which the mandate issues.

v. C.I.R., 439 U.S. 940, 945, 99 S.Ct. 335, 338-39.

C. Plaintiffs' Works Created Before January 1, 1978 Are Governed By The Copyright Act of 1909.

Finally, Plaintiffs erroneously claim that "[t]he 1909 Act has no relevance to this case" (emphasis in original). To the contrary, works created and published prior to January 1, 1978 are governed by the 1909 Act; the 1976 Act has no retroactive effect. Playboy Enters., Inc. v. Dumas, 53 F.3d 549, 553 (2d Cir. 1995); Roth v. Pritikin, 710 F.2d 934, 939 (2d Cir. 1983); Philadelphia Orchestra Ass'n v. Walt Disney Co., 821 F. Supp. 341, 348 n. 7 (E.D. Pa. 1993); see also Estate of Martin Luther King, Jr., Inc. v. CBS, Inc., 194 F.3d 1211 (11th Cir. 1999); Brown v. Tabb, 714 F.2d 1088 (11th Cir. 1983); Neva, Inc. v. Christian Duplications Int'l, Inc., 743 F. Supp. 1533, 1544 (M.D. Fla. 1990); Silverman v. CBS Inc., 632 F. Supp. 1344, 1349 (S.D.N.Y 1986); Harvey Cartoons v. Columbia Pictures Indus., Inc., 645 F. Supp. 1564, 1569 (S.D.N.Y. 1986). Indeed, courts have noted that retroactive application of the 1976 Act would raise serious issues concerning the Act's constitutionality, since retroactive application of the 1976 Act, with its differing rules governing copyright ownership, could result in the taking of a property right (copyright) without due process or just compensation. See, e.g., Roth, 710 F.2d at 939.

D. Plaintiff's Own Conduct Demonstrates That He Believes There Are Still Liability Issues To Be Tried.

Plaintiff himself, by his recent conduct, has shown that he believes that liability issues remain to be tried. On November 27, 2001, he served extensive document requests on the Society and Enterprises seeking documents clearly pertaining exclusively to liability, as opposed to simply damages, issues. For example, those document requests seek, *inter alia*:

> All documents referring or related to the Society's plans for, and decision to, create CD-ROM 108.

> All contracts and agreements entered into between the Society and any other entity with respect to the promotional use of CD-ROM 108, in whole or in part.
>
> All documents referring or relating to any license or transfer of rights to National Geographic Enterprises regarding CD-ROM 108.
>
> All documents referring or relating to any decision to place, at the bottom of each page printed from CD-ROM 108, the Society's copyright notice and year of notice.
>
> Any and all business plans created with respect to the CD-ROM 108 product.

(Gray Aff. Exhs. B, C). Moreover, on December 14, 2001, Plaintiffs served yet more document requests on the Society and Enterprises, and also served document requests on Mindscape. (Gray Aff. Exhs. D – F). Like his November 27 document requests, these requests are extensive and address issues of liability as well as damages. (Gray Aff. Exhs. D – F).

If, indeed, the only issue remaining to be decided were Plaintiff's damages, then the only documents that would be relevant would be documents reflecting the gross revenues and deductible costs attributable to the alleged infringement, or attempting to demonstrate that the Society acted willfully. None of the above-referenced categories include such documents. Clearly, Plaintiff is prepared to litigate whatever liability issues remain, and will not be prejudiced by doing so.

* * *

Before damages issues can be resolved, the liability issues discussed above must be addressed. Since damages issues have been referred to Magistrate Judge Turnoff, Defendants submit that it would promote efficiency for him to hear the remaining liability issues first. Defendants thus respectfully request that all remaining issues be referred to the Magistrate Judge.

II. THE COURT SHOULD GRANT DEFENDANTS' MOTION FOR AN ENLARGEMENT OF TIME.

Plaintiffs have not demonstrated that they will suffer any prejudice if Defendants' motion for an enlargement of time is granted. Defendants, however, will be precluded from raising any additional defenses to liability, which will prejudice them significantly and irreparably.

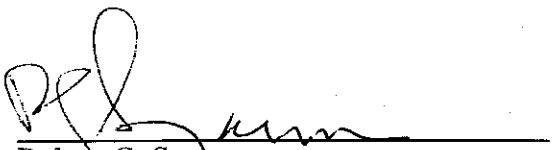
Indeed, Plaintiffs' only grounds for opposing the enlargement is "the size and sophistication of the three defendants, and the four-year lifespan of this action to date. . ." As an initial matter, the action has been on appeal for a significant portion of its four-year lifespan, and Defendants promptly sought to answer the Amended Complaint after the Eleventh Circuit issued its mandate.

Moreover, the only support that Plaintiff provides for his assertion that a reversal by an appeals court of a district court's grant of a Rule 56 motion is "equivalent to a denial under Rule 12" is a 1954 case that bears no factual resemblance to the instant case. Quite simply, Rule 12(a)(4), by its plain terms, applies when a court denies a motion to dismiss. Here, the Court granted a motion for summary judgment. The rule does not speak to the appropriate time period in the event of a reversal by an appeals court of a grant of a summary judgment motion. Nor does the case law – if it did, Plaintiffs would surely have cited it. As a result, Defendants followed the standard rule allowing 20 days for an answer to be served. To the extent this interpretation of the rules is incorrect, the complete lack of authority on the subject surely renders the error "excusable neglect." At most, the answers were served only a few days after the appropriate deadline, causing no prejudice whatsoever to Plaintiffs. Defendants therefore respectfully request that the Court exercise its discretion and grant an enlargement of time.

CONCLUSION

For the reasons set forth above, Defendants respectfully request that the Court refer all matters to Magistrate Judge Turnoff and grant an enlargement of time.

Dated: New York, New York
December 19, 2001



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