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FACSIMILE COVER SHEET

Date: 05/05/03 Matter No. 2093.002
From: Jennifer G. Altman, Esquire
To: Norman Davis, Esquire
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RE: National Geographic Society
No. of pages: 65 (including this page)

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No. 97-3924 CIV-LENARD
Magistrate Judge Simonton

JERRY GREENBERG, individually
and IDAZ GREENBERG, individually,

Plaintiffs,

v.

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

Defendants.

Defendants' Motion For New Trial

Defendants, NATIONAL GEOGRAPHIC SOCIETY (the "Society") and NATIONAL GEOGRAPHIC ENTERPRISES, INC. (collectively the "Geographic Defendants") and MINDSCAPE, INC. ("Mindscape"), move this Court for a new trial pursuant to Rule 59 of the Federal Rules of Civil Procedure, and further state:

1. Rule 59, F.R.Civ.P., provides in pertinent part:
 - (a) Grounds. A new trial may be granted to all or any of the parties and on all or part of the issues (1) in an action in which there has been a trial by jury, for any of the reasons for which new trials have heretofore been granted in actions at law in the courts of the United States...
2. As more fully set forth in the accompanying Combined Supplemental Memorandum Of Law in Support Of Their Motion For Judgment As A Matter Of Law, Motion For New Trial And Motion for

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Remittitur, a verdict should be set aside and a new trial granted where the verdict is against the weight of the evidence. *Montgomery Ward & Co. v. Duncan*, 311 U.S. 243, 251, 61 S.Ct. 189, 85 L.Ed. 147 (1940)), or the damage award is excessive. *J.A. Jones Constr. Co. v. Steel Erectors, Inc.*, 901 F.2d 943, 944 (11th Cir. 1990).

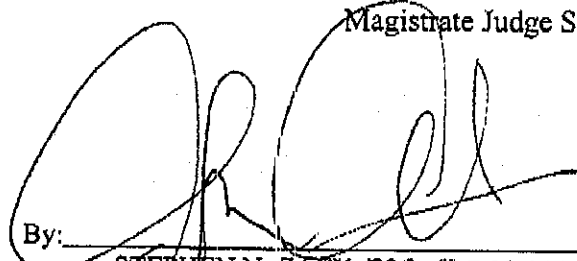
3. In the case at hand, Plaintiff failed to introduce any evidence that Defendants willfully infringed his copyrights in the four works and failed to meet his burden of proof on the issue of willfulness. This notwithstanding, the jury returned a verdict finding that Defendants acted willfully and awarded damages in the amount of Four Hundred Thousand Dollars (\$400,000), the maximum that could have been awarded. Given the absence of proof, the verdict is clearly predicated on something other than the evidence and, if this Court does not set the verdict aside, it will create a manifest injustice to Defendants.

4. Moreover, the amount of the verdict was itself excessive. There was not competent substantial evidence introduced to justify the award, which must have been based upon sympathy or emotion for Plaintiff. For these reasons, the verdict should be set aside and Defendants are entitled to a new trial.

WHEREFORE, Defendants NATIONAL GEOGRAPHIC SOCIETY and NATIONAL GEOGRAPHIC ENTERPRISES, INC. and MINDSCAPE, INC. respectfully request that they be granted a new trial pursuant to Rule 59 of the Federal Rules of Civil Procedure and that the verdict rendered on March 5, 2003 be set aside.

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Dated: Miami, Florida
May 5, 2003



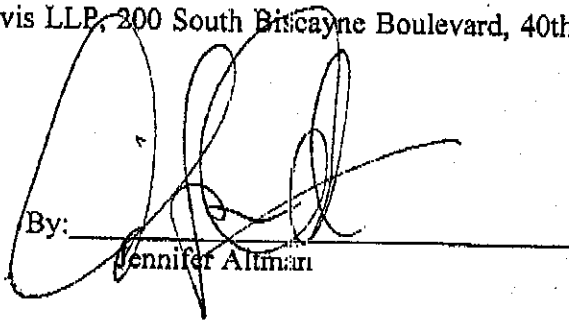
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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that the foregoing has been sent via facsimile and U.S. Mail this 5th day of May, 2003 to Norman Davis, Esq., Steel Hector & Davis LLP, 200 South Biscayne Boulevard, 40th Floor, Miami, Florida 33131-2398, attorneys for Plaintiffs.



By: Jennifer Altman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
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Magistrate Judge Simonton

JERRY GREENBERG, individually
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District of Columbia corporation, NATIONAL
GEOGRAPHIC ENTERPRISES, INC., a
corporation, and MINDSCAPE, INC., a
California corporation,

Defendants.

Defendants' Motion For Reduction In
Jury Award Or. In The Alternative,
For Remittitur

Defendants, NATIONAL GEOGRAPHIC SOCIETY (the "Society") and NATIONAL GEOGRAPHIC ENTERPRISES, INC. (collectively the "Geographic Defendants"), and MINDSCAPE, INC. ("Mindscape"), move this Court for a reduction in the jury award or, alternatively, for remittitur, and further state:

1. The verdict entered against Defendants is contrary to the law and the evidence and the damages assessed are beyond the scope of the proof. To that end, Defendants are contemporaneously submitted their Combined Supplemental Memorandum Of Law in Support Of Their Motion For Judgment As A Matter Of Law, Motion For New Trial And Motion for Remittitur, which more fully articulates the basis for this motion.

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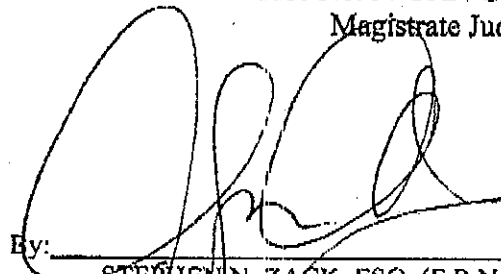
2. Here, Defendants are entitled to have the damages awarded reduced in connection with the granting of their motion for judgment as a matter of law as there was no evidence submitted by Plaintiff that would support, directly or indirectly, the verdict rendered by the jury. Specifically, in blatant contravention of the evidence, the jury returned a verdict finding that Defendants acted willfully and awarded damages in the amount of Four Hundred Thousand Dollars (\$400,000), the maximum that could have been awarded. Given the absence of proof, the verdict is clearly predicated on something other than the evidence and, if this Court does not set the verdict aside, it will create a manifest injustice to Defendants.

3. Moreover, the amount of the verdict was itself excessive and was beyond the scope of the proof. As more fully set forth in the memorandum of law, there was simply no evidence submitted that would justify a damage award of that nature, particularly where, as here, the evidence showed that, at worst, Defendants' infringements were neither willful, nor innocent. For these reasons, the verdict should be reduced or otherwise remitted to no more than Eighty Thousand Dollars (\$80,000).

WHEREFORE, Defendants NATIONAL GEOGRAPHIC SOCIETY and NATIONAL GEOGRAPHIC ENTERPRISES, INC. and MINDSCAPE, INC. respectfully request that the jury award be reduced or remitted to no more than Eighty Thousand Dollars (\$80,000) for infringement of all four works.

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Dated: Miami, Florida
May 5, 2003



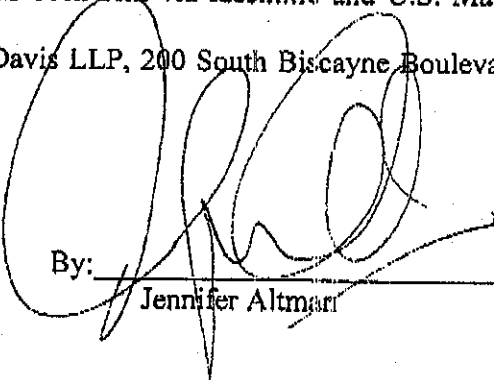
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By: Jennifer Altman

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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Magistrate Judge Simonton

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

Defendants.

Defendants' Combined Supplemental
Memorandum In Support Of Their
Motion For Judgment As A Matter Of
Law, Motion For New Trial And
Motion For Remittitur

Defendants, NATIONAL GEOGRAPHIC SOCIETY (the "Society") and NATIONAL GEOGRAPHIC ENTERPRISES, INC. (collectively the "Geographic Defendants"), and MINDSCAPE, INC. ("Mindscape"), file their combined supplemental memorandum in support of their Motion For Directed Verdict And/Or For Judgment As A Matter Of Law¹ pursuant to Rule 50(a) of the Federal Rules of Civil Procedure, their Motion For New Trial and Motion For Remittitur, and further state:

¹ On February 28, 2003, Defendants filed their Motion for Directed Verdict And Memorandum Of Law In Support Thereof (the "Motion"), which was argued at the close of Plaintiff Jerry Greenberg's ("Greenberg") case in chief and renewed orally after the close of the evidence. Although this Court denied the Motion made after Greenberg rested, it reserved ruling when the issue was raised again at the end of Defendants' case. This combined memorandum is intended to supplement the arguments raised and evidence submitted in connection with the Motion pursuant to this Court's Order Setting Supplemental Briefing Schedule and Hearing dated April 11, 2003 (the "Order"); this will also serve as Defendants memorandum of law in support of their Motion for New Trial and Motion for Remittitur being filed contemporaneously herewith.

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I. Introduction

"Truth is the secret of eloquence and of virtue, the basis of moral authority; it is the highest summit of art and of life."²

In the trial on damages conducted before this Court, Greenberg told the truth about the Society's absolute right to use at least three of the four copyrighted works in any manner they deemed appropriate and to pay (or not pay) Greenberg in their sole discretion. That is what the evidence showed and this evidence was uncontroverted. Because Defendants had the unfettered right to use the copyrighted works of Greenberg, their state of mind could not have been that of a "willful infringer" when they published the Complete National Geographic on CD-Rom ("CNG"), which product included Greenberg's works. Accordingly, judgment as a matter of law should be entered in their favor.

This conclusion is legally warranted for other reasons as well. In the case of Mindscape, there was no evidence—none—introduced by either party regarding the intent of Mindscape, much less evidence that showed that it acted willfully in distributing the CNG. In light of the complete absence of evidence and Greenberg's failure to meet his burden of proof, no reasonable jury could have returned a willfulness verdict against Mindscape. Likewise, the undisputed evidence introduced by Defendants was that in publishing Greenberg's photographs in the CNG, they believed that: (1) they had a license to publish the copyrighted photographs contained in three of the works by virtue of Greenberg's November 14, 1985 letter to Bill Garrett³ (TE 18); (2) the parties' course of dealing over their more than thirty year relationship, including Defendants' belief that Greenberg authorized them to publish all four of the works based upon the parties' past practices, permitted such uses; and, (3) they were legally entitled to republish

² Henri-Frédéric Amiel, *Journal Intime*, 1883.

³ Citation to exhibits introduced during the trial of this cause will be "TE", followed by the exhibit number. References to testimony from the trial will be identified as "Tr.", followed by the transcript volume number and then the page number(s), e.g., Tr.2.5, would refer to the trial transcript, Volume 2, page 5.

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all four of the works under §201(c) of the Copyright Act because the Society holds the copyright in each of the collective works.

Evidence of this last basis is particularly important as the credible evidence showed that the Society obtained legal advice from highly sophisticated lawyers in the area of copyright law, all of whom affirmed the correctness of Defendants' position. Thus, even if the Society did not have the right to "reuse" three of the copyrighted works by virtue of the November 1985 letter, it still had the right to use all four of the works because it owns the copyrights in the "collective work". That means that the Society, independent of any copyrights owned by individual contributors of a particular picture or article, owns a separate copyright in each issue of The National Geographic Magazine (the "Magazine"), which copyrights grant it a privilege to republish the collective work at its discretion and unencumbered by the rights of any individual copyright owner, like Greenberg here. The overwhelming evidence introduced at trial was that the Society thoroughly analyzed its rights under applicable copyright law and, most particularly, under Section 201(c) of the Copyright Act, and determined that because it was the owner of the copyrights in the collective works, it had the legal right to republish each of its magazines—including the ones where Greenberg's photographs appeared—in the CNG.

The uncontradicted evidence introduced by Defendants was that they obtained legal advice from several high-caliber attorneys who specialize in copyright law and that they relied upon their opinions in proceeding with the CNG. Greenberg did not introduce any opposing evidence, expert witnesses opining that Defendants' reliance was unreasonable or that Defendant failed to consider material information in evaluating the issue. Taken individually or collectively, the evidence introduced by the parties was undisputed and susceptible to only one meaning: Defendants did not act willfully when they published and continued to publish Greenberg's works in the CNG. That being the case, Defendants are entitled to judgment as a matter of law and a reduction of the damage award to no more than Eighty Thousand

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Dollars (\$80,000) for all four works. Alternatively, Defendants are entitled to a new trial as the verdict was against the greater weight of the evidence.

II. Evidence Presented At Trial

There was not a scintilla, not a single shred, of evidence introduced in Greenberg's case in chief that the infringement of his four copyrighted works was willful, period. This Court, in fact, observed, after argument on the Motion, that the evidence of willfulness was "very, very weak". Tr.4.139. Despite the palpable void in competent evidence and this Court's recognition of this weakness of proof, this Court declined to remove the issue of willful infringement from the jury at that time. Tr.4.140-41. Regardless, whether this Court examines the evidence introduced by Greenberg or that submitted by Defendants, the result is the same: Greenberg failed to meet his burden of proof on the issue of willfulness. No evidence—none—was introduced that tended to show, much less proved, that the Geographic Defendants' or Mindscape's state of mind was to willfully infringe Greenberg's copyrights. As such, a judgment as a matter of law should have been entered in favor of Defendants after the close of Greenberg's case. This fact is not changed, in any way, by the jury verdict rendered on March 5, 2003, as no reasonable jury—considering the evidence presented and unswayed by personal sympathy and emotion for Greenberg—could have found that Defendants' state of mind was willful.

A. Evidence Introduced In Greenberg's Case In Chief⁶

i. Jerry Greenberg.

Greenberg's only attempt to introduce evidence of willfulness was his testimony that his counsel advised the Society by letter that if it used the copyrighted works in the CNG without his permission,

⁵ Defendants will not repeat all of the trial testimony and evidence referenced in the Motion as this memorandum is intended to merely supplement the earlier filed Motion.

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such use would be deemed a "willful" violation of the copyright laws, and the fact that Defendants did not provide a written response to that letter. Tr.3.138.⁶ Obviously, this evidence is wholly insufficient to show willfulness, particularly in light of the evidence that Defendants relied on the advice of counsel (discussed below).

While Greenberg's testimony was devoid of competent evidence establishing willfulness, it certainly went a long way toward showing a lack of willfulness. Greenberg's own belief as to Defendants' state of mind is clear:

Q. The Society itself, as far as you're concerned, has never done anything bad to Mr. Greenberg, is that correct?

A. I have a good relationship with them for 28, 30 years.

Q. You consider them family?

A. Yes. Little misstep here and there, but yes. Everyone has a chance to misstep, but always, yet, family. I agree with that.

* * *

Q. As a matter of fact, National Geographic has tried to help you whenever possible, isn't that correct?

A. And vice versa. Absolutely, yes. It's a two way street we had.

Tr.3.154.⁷ Clearly, if Defendants acted willfully in using the materials at issue, as counsel for Greenberg argued, Greenberg would have testified that Defendants acted improperly towards him; he did not.⁸

⁶ See Also TE 294. Greenberg, in his direct examination, acknowledged that he has "no proof that [the CNG] affected us commercially on our sales of our products. I can't prove that. I can't prove what's being used of our stuff overseas and elsewhere." Tr.2.126.

⁷ The transcript is replete with evidence that Defendants could not have acted willfully in using the copyrighted works. By example, Greenberg testified:

Q. And it's a good thing? It's a good thing for them to have the magic carpet ride?

A. To educate and entertain it certainly is good, yes.

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With respect to three of the four works, Greenberg's testimony established that not only did Defendants not act willfully or in reckless disregard with a high probability that their actions constituted infringement, but they were absolutely innocent. Greenberg conceded that the Society owned the images appearing in three of the four works at issue⁹, but conveyed the copyrights in those works to him at his request.¹⁰ Thereafter, he registered each of these works with the Copyright Office. Tr.3.93-4. Greenberg acknowledged that despite the Society's conveyance of its interest to him in the three works, it retained a

Q. You wouldn't want anything to happen to that, would you?

A. To the Society?

Q. Yes, sir.

A. No, never.

Tr.3.165. Hardly the sentiment of someone who believed that Defendants intentionally or willfully used his photographs in the CNG.

⁸ Mr. Davis' letter arrived at the Society and was seen by Mr. Fahey and Ms. Dupre at the same time that an overall debate was occurring internally at the Society regarding the legal issues involved in whether to publish the CNG. It contained nothing not already stated by a few select employees on the editorial staff regarding the CNG and whether the Society should pay the contributors if, for no other reason, to "keep the peace". It was in the context of that debate that the Society executives sought additional legal opinions from competent counsel and legally trained members of its Board of Trustees (the "Board"), like Judge Leon Higginbotham and Terry Adamson, regarding the Society's legal rights. The Society also monitored the developments in the *Tasini* case, which involved the same statutory provision of the copyright law. In the Spring of 1997, some six months before the product was launched, the Society developed and sent a letter to the freelance photography community setting forth in detail its legal analysis and position. TE 36. Greenberg testified that Fred Ward, a friend in the community, promptly provided him a copy of that letter. Tr.3.108. This was not a situation where the Society was surreptitiously trying to come to market, trading on the valuable copyrights of others. The Society was, from the outset, upfront on its position and encouraged a free-flow of information before making a final decision.

⁹ The four works were comprised of photographs and/or articles prepared by Greenberg that appeared in the 1962, 1968, 1971 and 1990 versions of the monthly magazine, *National Geographic Magazine*. Tr.2.120.; See Stipulated Facts.

¹⁰ The copyrights were conveyed by Suzanne Dupre in a letter specifically referencing Greenberg's prior letter (TE 18), wherein Greenberg expressly assured the Society that it had a continued license to use the works if it assigned its valuable copyrights to him. TE 19.

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continued license to use the photographs in its publications and other media, *i.e.*, nothing changed between the parties after the Society's assignment of its copyrights. Specifically, in discussing the import of the language used by him in his 1985 letter to the Society requesting assignment of its copyrights, Greenberg testified that:

A. Certainly. "This reassignment would have no affect on the Society's reuse of this material, as the provision was covered in the original contracts for each assignment."

Q. What did you mean by that sentence?

A. That meant that they could continue still to use it. The way they would do it before that is they would advise me that they were reusing it. And since that I owned the copyright at the time it was a letter a courtesy to let me know they're [reusing] it, and if there was payment to be made to me, if that was a policy at that time, they would pay it. If there was no payment as per policy, to be no payment. But that I owned the copyright at that time and they would let me know that they were using it.

Q. What did you intend the language to mean if they conveyed the copyrights to you?

A. Once they conveyed the copyrights to me, they would come to me, since I owned the copyright, let me know they'd like to use this material again, and I would go along with the same prices and usage. I'd keep the relationship in tact. I never meant to deny them this material. I wanted to keep—I wanted to keep—I wanted to still be part of the Geographic family.

Tr.3.91 (emphasis added). These words demonstrate that as to the three works referenced in the 1985 letter, Defendants had the continued right and authority to use them in whatever manner they deemed appropriate.¹¹ The consequence of Greenberg's testimony is that, by his own admission,

¹¹ Ironically, the Society was granting Greenberg a personal request by allowing him to capitalize on these works. Tr.5.122. Greenberg's request was granted at no cost to him, an act of kindness that Greenberg himself acknowledged would not have been reciprocated by him. Tr.3.163. Regardless, the evidence was remarkably consistent in that Defendants clearly believed that by Greenberg's 1985 letter, they had the right to continue to use these three works as they had in the past, *e.g.*, under the terms and

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notwithstanding the Society's transfer of its copyrights to him, the Society had the right to continue to use three of the four articles and to pay him (or not) for such use, at its sole discretion. Tr.3.171. His testimony in this regard is totally consistent with his November 15, 1985 letter to Bill Garrett, where he explicitly agreed that the Society's transfer to him of certain rights would have "no effect" on its right to "reuse" the copyrighted material. TE 18.

On cross examination, Greenberg repeatedly confirmed that Defendants had the right to use these of the four works:

A. Fine, I'll give it to you as it relates to the letter [referring to the November 15, 1985 assignment letter from Greenberg to Bill Garrett]. When they owned the copyrights on those three pieces they would come to me, tell me what they wanted to use it for, tell me what they would pay or not pay and do it. I would not have to say, yes or no, because they own the copyrights to use it.

Q. They could pay you or not pay you anything they wanted to, correct?

A. Whatever their policy was at the time.

Q. They could pay you or not pay you whatever they wanted?

A. Exactly whatever the policy was at the time.

Tr.3.170. And, again:

Q. November 1985, they can take these articles, use them any way they want, pay you or not pay you based upon whatever they think, whatever they want, and you're asking them to assign it to you and their rights would not be affected; isn't that correct?

A. That is correct.

Tr.3.171. And, again:

Q. We're saying the policy was one they set?

A. Absolutely. They own the copyrights.

conditions dictated by them. Compare Tr.3.91; Tr.3.170, Tr.3.171 and Tr.5.122-25; Tr.5.158; Tr.5.159; Tr.5.166-68.

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- Q. So they could pay you or not pay you what they think is appropriate, correct?
- A. Absolutely, yes.
- Q. So on November--we want to get this--and, again, we doing this in small bites.
- A. Sure.
- Q. November 1985, they can take these three articles, use them any way they want, pay you or not pay you based on what they think, what they want, and you're asking them to assign it to you and their rights would not be affected; isn't that correct, sir?
- A. That is correct.

* * *
Tr.3.171(emphasis added).

There can be no misunderstanding about the import of Greenberg's testimony, as his words leave no room for debate:

- Q. All right, sir. Let's—if we can go back for a second because we didn't get a chance to finish talking about exhibit—what's been previously identified as exhibit 18. You said in your testimony this morning that you were surprised that you received what you requested from National Geographic, is that correct?
- A. More than what I requested.
- Q. Well, tell us why you were surprised.
- A. Because what they said in their assignment—that's not the assignment. The assignment was worded when they gave me the works, returned the copyright to me with all right, title and interest including copyright. They had no other additional provisions in it.
- Q. But they were responding to your letter where you asked for the copyright, is that correct?
- A. Yes. And I put a notation in there as to what I would consider—consider—I would consider doing. Yes, that's correct.
- Q. And this would not affect the reuse of the material; is that correct?
- A. By them or by me?

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Q. Either one.

A. Yes.

Tr.3.207 (emphasis added). Greenberg simply left no doubt as to what rights Defendants retained:

* * *
A. No, that's not fair at all. That was—no. When they had the use and the copyright of this material they didn't have to pay me one cent. They would take it and use it and pay me or not pay me. It made no difference. I was part the system and it was their copyright. And they had the call.

When—let me try to—

Q. Sure, go ahead.

A. When they assigned that back to me I kept the door open so they continued to utilize this material. All they would have to do, as I always did is notify me first, let me know what the situation would be, and I would okay it, because I'm the owner of the copyright, and I would have control. I kept the relationship in tact. I always kept my word.

Q. And just like you accepted whatever they thought was reasonable, you would accept whatever they thought was reasonable?

A. Yes, on those—on the reuse of those items right there, absolutely, always.

Tr.3.209-10 (emphasis added). Greenberg testified repeatedly that Defendants had the right to use these three copyrighted works, a fact which completely negates his case on willfulness and requires entry of judgment in favor of Defendants.¹²

As to the fourth work, as noted above, Greenberg introduced no evidence of willfulness and, therefore, failed to meet the legal standard to support the verdict here.¹³ Even if Defendants did not have

¹² Judge Lenard's ruling obviously denied Defendants the opportunity to file an answer and affirmative defenses or to have the issue of liability determined under a contract theory, rather than under copyright law only. That ruling can only be remedied on appeal. This notwithstanding, Greenberg's testimony confirms that the Society was granted a license, which license permitted Defendants to use the three works assigned by the Society and was very much relevant to the Society's good faith belief regarding its right to use the photographs in reproductions of the original articles on CD-ROM.

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the right to use the photographs, Greenberg himself acknowledged that they had the right to rely on their lawyer's advice in deciding how to proceed:

Q. You told the jury about a lot of legal procedures as you understood them and the court system as you understood them, you understand what happened in this case. Did you ever consider asking the Court, you personally, to stop the sale of the CD Rom immediately when you bought it?

A. No, I relied upon the advice of counsel. I take his word on each and every step.

* * *

Q. And do you have a right to rely on that lawyer's advice?

A. If it's a good attorney that knows his copyright, yes, yes.

Tr.3.219-20. Greenberg acknowledges the appropriateness of relying upon the advice of counsel, but seems to now suggest that only he is entitled to do so. That is simply not the law. It is not appropriate to argue that his failure to prevent the distribution of CNG is justified because he relied on his lawyer's advice, but that Defendants' do not have that same privilege. As more fully set forth below, there can be no question that Defendants engaged highly competent and experienced attorneys to provide legal advice, which advice Defendants' indisputably relied upon.

As Greenberg himself admitted on cross-examination, infringements of copyrights can be unintentional. Tr.3.146-47. He also conceded that he had, on more than one occasion, unintentionally infringed on the Society's intellectual property rights. Tr.3.141-45. Not every infringement rises to the level of intentional or reckless conduct necessary to sustain a willfulness verdict and the infringements at issue would be a prime example of those that cannot.

¹³ Other than the testimony referenced herein, there was nothing in Greenberg's case in chief directed to Defendants' state of mind and, hence, nothing in this record regarding Defendants' publication of the fourth work. It is Greenberg who had the burden of proof, not Defendants. Having failed to introduce any evidence that Defendants were willful, the fact that the fourth work was not included in the 1985 assignment letter is of no moment. Moreover, the evidence of Defendants' reliance on the advice of counsel in proceeding with the publication of CNG affirmatively disproved any suggestion of willfulness.

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While there can be no ignoring the fact that the jury returned a verdict finding willfulness in connection with each of the infringements here, it did not do so based upon the record evidence or the application of the law to that evidence. Although one might be prone to speculate as to why the jury reached its conclusion, such conjecture is inappropriate. Perhaps it was because it felt sympathy for Greenberg, who was both likeable and sympathetic, or perhaps it simply believed that Defendants had the resources to pay that amount. The answers to these questions are irrelevant as it is beyond cavil that there was no record evidence to support the verdict. It is not surprising that a jury could reach a conclusion based on sympathy, but such a result is impermissible. It is clear that the jury chose to ignore the evidence or simply did not listen to the evidence, which is apparent from its question during deliberations. Given the absence of any probative evidence to support the verdict, a judgment should be entered in favor of Defendants on this point.

ii. Idaz Greenberg.

Mrs. Greenberg's testimony was not directed to—in any way—Defendants' state of mind in publishing her husband's photographs in CNG. Nary a word was uttered addressing this critical issue and on which Greenberg had the burden of proof. There was nothing, absolutely nothing, in her testimony that supports the jury's finding of willfulness. The lack of credible evidence that would support a verdict of willfulness, a fact which this Court recognized at the close of Greenberg's case, warrants the grant of the Motion.

The focus of Mrs. Greenberg's testimony was that she could use other software, like Photoshop, not included with the CNG, which software allows her to crop, alter or otherwise manipulate the photographs contained in the CNG. Tr.2.161 and Tr.2.180-81.¹⁵ She conceded the obvious, however,

¹⁵ Like her husband, Mrs. Greenberg is not aware of a single instance where someone has used the CNG to infringe Greenberg's copyrighted works. Tr. 2.175; Tr.2.126.

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when she acknowledged that you can accomplish this same feat by merely photocopying one of Greenberg's photographs from the magazine and then scanning the photograph into the computer, thus, the CNG does not allow viewers to do anything they could not already do from the magazine itself or from the microfilm or microfiche versions of the same. Tr.2.181-82. In short, there was not a sliver of evidence introduced through this witness on which a jury could predicate a willfulness finding.

iii. Other Relevant Evidence Introduced in Greenberg's case.

Even if one ignores the insurmountable testimony by Greenberg, which proves that Defendants did not act willfully when they included Greenberg's works in the CNG, the documentary evidence supported the same conclusion. Most compelling is Joint Exhibit 18, the November 15, 1985 letter from Greenberg to the Society. That letter states that the assignment of the Society's copyrights to Greenberg of three of the four works at issue "would not affect" the Society's right to "reuse" the copyrighted materials. TE18. This letter clearly evinces the intent of the parties: that if the Society assigned Greenberg its right, title and interest in the copyrighted works, it would be in the same position as it was before, *i.e.*, free to use the photographs when it saw fit and on terms that it dictated. What other reason would the Society have to assign its copyrighted works to Greenberg? In his own words, Greenberg recognized that no one in their right mind would simply assign their valuable copyrights to a third party without compensation. Tr.3.163. Instead, consistent with Greenberg's testimony and that of Defendants' witnesses, the Society relied upon Greenberg's assurances that it was entitled to reuse the copyrighted works.¹⁶

¹⁶ Candidly, given Greenberg's testimony, it is difficult to glean how he could have ever brought a claim for copyright infringement here. At best,—although his testimony suggests to the contrary—he may have a claim for breach of contract as to three of the four works that were the subject of the trial.

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As referenced in the Motion, Greenberg introduced the deposition testimony of then Society President John R. Murphy, wherein he testified that he was opposed to the CNG project, expressed his disapproval to John Fahey and others and stated that he was not convinced that the Society would not be sued. Tr.2.223. There was no evidence introduced, however, that Mr. Murphy did not have faith that the lawyers' opinions were reliable or correct; rather, he testified that he did not want to face the prospect of protracted litigation, which no legal opinion could prevent. Tr.2.223. Defendants introduced Mr. Murphy's deposition testimony that showed that he requested a legal opinion regarding whether the Society could proceed with the project and, thereafter, had discussions with Judge Leon Higginbotham, a distinguished former federal trial and appellate judge, who advised Mr. Murphy and the Society that he thought it was appropriate for the Society to move forward with the project. Again, this testimony is hardly evidence of willful behavior by Defendants. Tr.3.28-30.

Greenberg also introduced several internal memoranda from Society employees; these employees were neither lawyers nor did they receive any training in the law, but, nonetheless opined that the Society should not move forward with the project as they believed that doing so might infringe the copyrights of contributors. TE 313; 314; 301; 353 and 354. Defendants readily acknowledged that there were a small number of employees within the Society who believed that it should pay contributors for use of their work in the CNG. The fact that a few employees held this belief does not demonstrate that Defendants were "willful infringers", particularly since there was no evidence that they knew or understood copyright law, were in possession of all of the relevant facts concerning CNG¹⁷, or even aware of Greenberg's 1985 letter. The fact that there were a few employees who disagreed with the Society's position does not prove that the Society acted willfully or in reckless disregard of Greenberg's copyrights.

¹⁷ Indeed, the testimony of Kent Kobersteen affirmatively established that at the time he wrote his memo, TE 301, he was not aware of the precise nature of the CNG product and, once he understood the specifics of the product, his opinion changed. Tr.4.94.

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The fact that the Society allowed its employees to express their views openly speaks volumes about the Society's culture, a culture that permits even those with differing viewpoints a full opportunity to be heard. The Society did nothing to chill this dialogue and even went further to ensure that it had thoroughly analyzed the issues before publishing the product. The issue confronted by the Society was a legal issue, which necessarily required that it rely upon the advice of counsel, not its editorial employees untrained in the specialty of law. Tr.5.133-34. This is especially true given the complexities of copyright law. Indeed, if the Society was acting willfully, why would it get additional legal opinions after Ms. Dupre opined that it had the right to move forward? Or another after Mr. Kilmer advised the Society that it had the right to proceed. It defies logic that a "willful infringer" would continue to obtain legal opinions on the issue after it received just one that gave the "green light" to the project.

If the views of certain non-legal personnel at the Society is evidence of willful infringement, without more, any organization could be held hostage by the irrational or uninformed beliefs of a few errant, but well intended, individuals. In this case, the result would mean that anytime any employee voices an opinion that his company does not have the right to use certain copyrighted materials, the Society must accede to that advice or be found to have willfully infringed the copyrighted works. Such a conclusion simply does not make sense and is not the law. A difference of opinion, not based on the law, cannot, however, constitute willfulness, which is the gravamen of Greenberg's position. Absent some evidence that these employees had particular expertise in copyright law, that they considered facts or information ignored by Defendants or that Defendants engaged in some other unreasonable conduct, the evidence is insufficient as a matter of law and Greenberg failed to meet his burden of proof. There was, of course, no such evidence.

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B. Evidence Presented By Defendants

Defendants submit that Greenberg failed to prove, as was his burden, a willful infringement of his copyrights and, thus, the motion at the close of Greenberg's case should have been granted. Any question, however, was resolved after Defendants put on their defense. Defendants established that not only was there no evidence of willfulness, all of the evidence introduced proved that their state of mind was, at worst, that of a standard infringer, *i.e.*, neither willful, nor innocent.

i. John Fahey

Mr. Fahey, the President and Chief Executive Officer of the Society, made it patently clear from the outset that the Society took all reasonable steps to ensure that it had the right to distribute the CNG. Specifically, Mr. Fahey testified:

- Q. All right. Did there come a point in time that you learned that Ventures—and I'll use the word [sic] just Ventures to make it easy—was considering the Complete National Geographic, which I'll refer to as CNG, also. Okay?
- A. Yes, soon after I arrived.
- Q. And what did you learn when you came about the Complete National Geographic?
- A. Well, that it was—we wanted to be able to reproduce every issue of the magazine in our history for the 108 years at the time and make it available.¹⁸
- Q. And what—in the development chain, how far had it gone in the development chain when you on April—
- A. It was in its early planning stages.

¹⁸ Mr. Fahey also testified that the quality of the images on the CD Rom product was inferior to the pictures in the magazine or a scanned image of a photograph from the magazine, (Tr.4.184), and that the product was intentionally designed so that you could not cut, paste or crop photographs, but, rather, required users to print an entire page from the Magazine, exactly as it appears. Tr.4.185. Indeed, although it could have included software that allowed users to manipulate the photographs or other materials in the CNG, the Society made a conscious decision not to. Tr.4.185-86. Nor does the product contain any instructions or guidance for finding the page-image files, much less cutting, pasting or cropping photographs. TE 1.

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- Q. And what did that mean?
- A. That means they were building business plans, and they were looking at how to do it and how it might likely perform in the marketplace and how to put it together.
- Q. Was there any discussion of any legal issues at that time?
- A. Absolutely. Because I came from a publishing company, I was well aware of some of the legal issues. So it seemed like a huge undertaking, all those photographs, and stories and maps, on-page maps. And I wanted to find out if, in fact, they knew that they had the right to do that.
- Q. Was that important to you?
- A. It was very important to me.
- Q. Why?
- A. Well, it was very important to me because if you publish something particularly of that scale without having the right you can get into a lot of trouble. It was also important to me because National Geographic as an organization cares a great deal about its own rights, and we care, of course, about the rights of all our contributors, as well.

Tr.4.165-66. And, in discussing what he did to initially confirm the Society had the right to move forward with the project, Mr. Fahey stated:

- A. I talked to the staff working on the assignment, and they told me they had already checked, and that we were okay on the rights front. But then, of course, I wanted to check with our chief lawyer, our general counsel, a woman named Suzanne Dupre. I was pleased to see that Suzanne was very much up on the subject, and she, in fact, taught me a lot about copyright law and talked to me about the copyright law of 1978, which was very important to us at the time. And she also told me that before I had arrived she had sought outside legal opinion already [sic] and had an outside legal opinion saying that we could do this.

Tr.4.167; *see also* Tr.5.74("...we felt very strongly we had the right to do this. There was no question in our minds."); Tr.5.102 ("I absolutely firmly believe—we believed at the time we had the right, and I still believe we have the right [to publish the CNG]."). He further confirmed that the "outside" opinion that the Society received was from a lawyer specializing in copyright law and that this opinion was in

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writing.¹⁹ Tr.4.168. All these precautions were taken, despite the fact that he never believed the CNG would make a profit. Tr.4.171-72; *see also* TE 314.

As the project progressed, the Society repeatedly confirmed that it had the right to develop and distribute the CNG:

Q. And what did you do after you satisfied yourself with the legal opinions? Did you go to the board of trustees? *

A. Yes, we did.
* * *

Q. Now, by the time you went to talk to the trustees, you had Ms. Dupre's opinion sometime prior to your beginning in April of '96, and the letter from Mr. Kilmer, who the—the copyright lawyer, was also—do you recall the date?

A. It was February of 1996. I'm not sure of the exact date.

Q. And, again, that's 18 months before the publication of the Complete National Geographic, is that correct?

A. That's right.

Tr.4.173. The evidence was undisputed that if the Society determined that it did not have the right to move forward with the project, for any reason, it would have stopped immediately. Tr.4.168-69.²⁰

¹⁹ On cross-examination, Mr. Fahey testified that Mr. Kilmer first opined in February of 1996 when he opined in a written opinion about the Society's rights to publish the works under their freelance contracts with photographers, like Greenberg, but also opined orally in meetings with him and others about their rights to publish under 201(c) of the Copyright Act at different times during the product's development. Tr.5.53-54 and 66. Mr. Fahey stated that he first became aware of the 201(c) argument shortly after he joined the Society in 1996 and that both Ms. Dupre and Mr. Kilmer rendered opinions to him that the Society had the right to publish under this provision. Tr.5.68.

²⁰ Specifically, Mr. Fahey testified:

Q. Now, at any time between the time you came to National Geographic and the publication of the Complete National Geographic, could you or the board of trustees stopped its publication if you determined that you did not have the legal right to do so?

A. Absolutely.

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In discussing the Board meeting, Mr. Fahey testified:

- Q. And you mentioned that Judge Higginbotham had a question. Could you tell the jury what the question was?
- A. Yeah, Judge Higginbotham was not at the meeting, he was ill at the time. But he has this booming voice, and he was coming in over microphones in the ceiling of our boardroom. And he essentially—we, at the time, were talking about having talked to a new lawyer about this time. And he wanted to know if we had a written opinion from this new lawyer.
- Q. Okay. You had already had Mr. Kilmer's letter.
- A. Uh-huh.
- Q. And Mrs. Dupre's opinion.
- A. Correct.
- Q. By the way, had you personally met with Mr. Kilmer?
- A. Yes, I did.
- Q. And did he orally tell you the same thing that was in writing?
- A. Yes.
- Q. And did you question him about his opinion?
- A. Yes, I did.
- Q. And were you comfortable that his opinion was correct?
-
- Q. And did there ever come a point in time that you thought you should, based on any legal advice you got from anybody who was an attorney?
- A. It never came a point in time that I thought that we did not have the right to do this, that we should stop. I cared a great deal about it and worried about it, but all the attorney's advice internally and externally was in our—behind what we were doing.

Tr.4.168-69; *see also* Tr.4.187 (the Society could have stopped production of CNG if necessary and developed other products with Mindscape under the parties' agreement without a problem); Tr.4.236("...we could always go back to Mindscape and say we need to do something differently."); Tr.4.237("...we could have changed that if need be [referring to the agreement with Mindscape to distribute the CNG]").

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- A. Yes. As a layman, it made sense to me.
- Q. Was there any question that you should go ahead and publish or had the rights to publish the Complete National Geographic without infringing on any copyrights of freelance photographers like Mr. Greenberg?
- A. I did not have a question at that time, no.
- Q. And did he?
- A. No.
- Q. Did Suzanne Dupre?
- A. No.
- Q. Now, after Judge Higginbotham raised this question, what did you do?
- A. We talked to this new attorney who, by the way, we first started to talk to because he was involved directly in this case I mentioned before, the Tasini case. And we knew that he was very familiar with these issues, so we wanted to talk to him about it. And he was supportive of our position, as well. So we called him, and we asked him if he would do a written opinion, given that Judge Higginbotham wanted one.²¹

²¹ There is not and should not, of course, be any legal distinction between whether a given opinion of counsel was rendered orally or in writing. There is no dispute, nor any evidence refuting, the fact that the various legal opinions testified about at trial were actually rendered; nor was there evidence refuting the fact that the Society actually relied upon these opinions in deciding to publish the CNG, both before and after the Eleventh Circuit opinion. Mr. Sugarman was asked to put his opinion in writing, after extensive oral communications in which he stated his opinion, so that Judge Higginbotham could have an opportunity to review the opinion in more detail. The evidence showed that Judge Higginbotham then reviewed the written opinion and was satisfied that the Society had the rights to publish the CNG under Section 201(c) of the Copyright Act. *See, e.g.,* Tr.4.136.

Particularly troubling is the jury note asking whether Mr. Sugarman's opinions were in writing. Tr.7.132-33. Each of the witnesses testifying on behalf of the Society stated, sometimes more than once, that Mr. Sugarman's opinion was in writing. *See, e.g.,* Tr.4. 180-81; Tr.5.39-40; Tr.6.80-83. Although Defendants believe it is irrelevant whether the opinions were oral or in writing, the fact remains that the jury clearly was not paying attention to the evidence. Clearly, if the jury was paying attention to the evidence or understood its import, it would not have asked this question. A prime example of why a new trial, at the very least should be granted by this Court.

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- Q. All right. What was his name, again, sir?
- A. Bob Sugarman.
- * * *
- Q. And did—was his oral opinion rendered to you prior to that board meeting?
- A. Yes, yes it was.
- Q. And did you ask for a written opinion as requested by Judge Higginbotham?
- A. Yes, yes, we did. Suzanne Dupre did.
- Q. And did you have a chance to review that opinion?
- A. Yes, I did.
- Q. And what did that opinion say about your rights to go ahead and publishing [sic] the Complete National Geographic?
- A. Yeah, I thought it was a very thoughtful opinion. And essentially it said that we— from his point of view, we own the right in the collective work of a magazine issue, so we could reproduce that entire issues.
- Q. And did you share that opinion with Judge Higginbotham, particularly, and with the other board members?
- A. Yes.
- Q. And would you tell the jury about your conversation with Judge Higginbotham and his remarks to you?
- A. Essentially, he asked several questions. He was sent by Suzanne Dupre, I believe the opinion. And he said that he was satisfied, and he agreed with our point of view.
- Q. And what did you do next?
- A. Well, as I mentioned before, the National Geographic Ventures, this wholly-owned subsidiary of National Geographic, had its own board of directors. And one of the directors on that board was a lawyer, as well, a fellow named Terry Adamson. Terry was in the Justice Department for President Carter. And he continues today, even though he works at National Geographic, to be President and Mrs. Carter's personal attorney. So I talked to him and filled him in and gave him all the materials, as well, to see what he thought.

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Q. And what did he think?

A. He concurred with all the other lawyers we had talked to, and he said that he thought we had the right.

Tr.4.171-81; *see also* Tr.4.182 and 186(Fahey testified that he was completely satisfied that they had the right to move forward with the project prior to its launch in September of 1997 because of all of the various legal opinions obtained by the Society). After the launch of CNG, Greenberg filed the above-styled lawsuit. Tr.4.188.

On May 14, 1998, Judge Lenard granted a summary judgment in favor of Defendants. Tr.4.189. Surely, if Defendants' position in publishing the CNG was "willful" and unreasonable, a sitting federal judge would not have granted their motion for summary judgment in the face of reviewing the actual, completed product and having heard all of the arguments and evidence offered by Greenberg's counsel. Greenberg appealed Judge Lenard's ruling to the Eleventh Circuit, which, almost three years later, reversed the trial court on March 22, 2001. Tr.4.190-91. Just days after the Eleventh Circuit denied Defendants' rehearing motion, the United States Supreme Court issued its opinion and ruling in *Tasini*, which ruling Defendants' believe confirms their right to publish the CNG. Tr.4.193. The fact that *Tasini* was decided after the Eleventh Circuit reversal is particularly important given the features of the CNG that the Eleventh Circuit felt supported a finding of infringement against Defendants. Specifically, the U.S. Supreme Court's opinion in *Tasini* plainly states that microfilm and microfiche are text book examples of an allowable republication of a collective work within the meaning of Section 201(c).²² In light of the above, the Society consulted with its legal advisors to determine how to proceed:

²² Remarkably, even though the original *Greenberg* decision was issued before the oral argument before the Supreme Court in *Tasini*, and despite the fact that Greenberg was the only other judicial decision to consider that section of the Copyright Code central to the ruling in *Tasini*, none of the *Tasini* opinions cited the Eleventh Circuit's edict in this case.

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A. Yeah, it was very important when the Supreme Court came out with its decision, because it would give us better insight into how the Supreme Court was thinking any this [sic].

Our attorneys at the time were our general counsel, Terry Adamson, Bob Sugarman, who you've heard about before, and for this particular exercise we hired Ken Starr. We hired Judge Starr because he is in a—very familiar with appellate courts. And obviously he's well known. But he was solicitor general of the United States. He was the top attorney for the United States. So we wanted him to take a look at it because he was familiar with the Supreme Court.

Q. So you again talked to Bob Sugarman?

A. Yes.

Q. You talked to Terry Adamson?

A. Terry Adamson, who was our general counsel at the time.

Q. And you talked to Judge Starr?

A. Judge Starr, yes.

Q. You retained Judge Starr?

A. Yes.

Q. And were all three of their opinions about your right to continue selling the Complete National Geographic the same?²³

A. Yes, they all felt that—for a variety of reasons, but particularly reading what the Supreme Court said about the Tasini case, that we had the right to continue to publish this product.

Q. Do you know whether there was anything in the Eleventh Circuit opinion, the appellate opinion that reversed Judge Lenard, about their thoughts about your right—their suggestion that it might be appropriate to continue to sell the Complete National Geographic?

²³ Mr. Fahey also testified that the Register of Copyrights, the senior federal official whose expertise is specifically dedicated to copyright law, and the Library Association of America both advised the Society and stated publicly that the Eleventh Circuit's reversal of the Judge Lenard's ruling was incorrect. Tr.4.195-97. He also testified that the Library Association of America, which filed an amicus brief supporting Tasini in that case due to the nature of the products at issue, filed an amicus brief at the Supreme Court in favor of Defendants because the product at issue was and is a fully contextual image-based reproduction of the Magazine in CD-ROM. Tr.4.195.

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- A. Yes. Even though the Eleventh Circuit found against us, they thought that there was no reason to stop distributing the product. In fact, they said that they thought it was a valuable product and ought to continue to be distributed, that we ought to figure out how to resolve the issue with Mr. Greenberg at—some other way.

Tr.4.193-195. The opinions of counsel were important to the Society and the Society relied on them in deciding how to proceed. Tr.4.168-69; Tr.4.197-98; Tr.5.92 and 96. In addition to the legal advice obtained, the Society believed that the language of the Eleventh Circuit ruling itself supported that same conclusion. As this Court is well aware, the Eleventh Circuit expressly stated that alternatives other than an injunction should be considered so that the “educational and entertaining work” could continue to be distributed. *Greenberg v. National Geographic Society, et. al.*, 244 F.3d 1267, 1276 (11th Cir. 2001).

Mr. Fahey’s testimony clearly evidenced that the Geographic Defendants obtained competent outside counsel to advise them and that those lawyers provided opinions that the Geographic Defendants relied upon in determining how to proceed at all stages of production and distribution. The uncontroverted evidence showed that the Geographic Defendants relied on those opinions in deciding to initially proceed with the CNG and continuing to publish the product after Greenberg’s lawsuit and after the Eleventh Circuit reversed Judge Lenard’s grant of summary judgment. There was no evidence introduced through this witness (or any other witness) that would cause a reasonable jury to find that Defendants acted willfully and, in fact, the contrary is true.

ii. Suzanne Dupre

Ms. Dupre was formerly the Vice President of the Society, with general responsibility for legal issues; she held that position for approximately fourteen years. Tr.5.116. In that position, and in her previous position at the Smithsonian Institution, which she held for approximately 15 years, she had gained considerable experience and expertise in copyright law. Tr.5.117. Ms. Dupre testified that both the individual and collective work copyrights in three of the four works at issue—e.g., the January 1962,

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February 1968 and May 1971 articles—were in the Society's name (Tr.5.120-21), but that Greenberg requested that the Society assign its copyrights in the individual works to him. Tr.5.119-21. The Society owned and still owns the collective work copyright in all of the works. Tr.5.121-22.

In discussing what rights the Society gave to Greenberg and those it retained when it assigned copyright to Greenberg in three of the individual works, Ms. Dupre had the following to say:

- Q. Now, when Mr. Greenberg sent you this letter [referring to the November 15, 1985 letter], did he offer to pay anything for the assignment?
- A. No.
- Q. Was there any value that the National Geographic had in the copyrights for those three assignments, those three works?
- A. Oh, yes.
- Q. Was it something they could use at their own discretion, or did they need to ask him for permission?
- A. No, National Geographic continued to have the right to publish those images in National Geographic products. It was merely giving Mr. Greenberg the right to do his own commercial exploitation of these pictures.
- Q. What did the statement in the fourth paragraph—this reassignment would have no effect on the Society's reuse of the materials, as this provision was covered in the original contract for each assignment—what does that mean to you?
- A. That he was just reassuring the editor that although he, Mr. Greenberg, would be commercially exploiting these images, that that had nothing to do with the National Geographic's continuing right to put the images in National Geographic products.
- Q. Did you respond to this letter by what we have just talked about is Exhibit 19, it's on National Geographic letterhead, December 18, 1985? Is this your letter and is it your signature at the bottom?
- A. Yes. And I would have sent that on instruction or request of the editor.
- Q. What was it your understanding that you were doing by sending this letter?
- A. Giving Mr. Greenberg the right to commercially exploit these images. He could publish them on his own.

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Q. What was the right that you kept on behalf of National Geographic? I should say what were the rights?

A. Two separate ones. First of all, we continued to have a copyright in the collective works, the issues of the magazine in which these stories, these pictures appeared. And in addition, we had the right to republish these works in any other National Geographic product, like a book that we choose to put them in.

* * *

Q. What was your intent when you stated that the Society hereby assigns to you all right, title, and interest, including copyright in your photographs appearing in the National Geographic Magazine, and then you list the three?

A. Essentially that the Society, the National Geographic, was giving to Jerry Greenberg exactly what he requested in his letter of November 15th.

Q. Were you giving him any more or any less than in his request in the letter of November 15th?

A. No more, no less. We were turning over the copyright—copyrights in those images, and he could publish them on his own.

Q. Now, I want to be very clear. As your understanding as to the right of the Society to continue to use Mr. Greenberg's photographs after that assignment, do you have a clear understanding of the Society's rights?

A. Yes.

Q. Did you have any—

A. Mr. Greenberg so said in his incoming letter.

Q. Did you have any question whatsoever about it?

A. No. If I had, I would have gone back to the editor and said are you sure you really want to do this.

Q. Why would you do that?

A. Because the rights we were talking about are very valuable. Essentially we were sharing those rights with Mr. Greenberg, but we weren't giving up our own rights to those images.

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Tr.5.122-25; *see also* Tr.5.158. ("I would say no effect on the Society's reuse encompasses the idea of whether or not we'd have to pay for it, and would control that. In other words, no effect is no effect. And where suddenly you can do it, but I control how much you have to pay, that's a real change."); Tr.5.159("...National Geographic kept what it had before and gave him the right to commercially exploit the products."); Tr.5.161 ("And, in addition, Mr. Greenberg said—assured National Geographic in his incoming letter that this would have nothing to do with National Geographic's continuing rights."); Tr.5.182 ("And other continuing rights as spelled out in the correspondence."). Thus, from the Society's perspective, the record evidence showed that it always believed that it had the absolute right and authority, pursuant to Greenberg's explicit words in his November 1985 letter, to continue to use the three works, even though it transferred the individual copyrights in the individual photographs to Greenberg.²⁴ Not coincidentally, this was Greenberg's testimony as well.

Ms. Dupre, in discussing the CNG long before it was published or even a prototype developed, specifically advised those in charge of the project that if they scanned every page of every magazine to show an image of every page, in the exact context as the original, the resulting product was permissible because the Society held the copyright in the collective work. Tr.5.126. Further, she testified that she sought the advice of Paul Kilmer, a well known copyright lawyer, and that he advised the Society that it had the rights necessary to publish the CNG from a contractual perspective as to freelance photographers, like Greenberg, and because the Society held the rights in the collective work copyrights. Tr.5.127-29; *see also* Tr.5.166-68. Ms. Dupre conveyed Mr. Kilmer's opinions to Mr. Fahey, Tr.5.132, who also spoke directly and met with Mr. Kilmer to understand his advice. Tr.4.179. Tr.5.54.

²⁴ Ms. Dupre—as did each of Defendants' witnesses—testified that the Complete National Geographic series was available on microfilm and microfiche and had been available in those media for decades (Tr.5.130-31), and that it is the same as the CNG in the sense that it is a page by page reproduction of every page of the magazine, cover to cover, in a medium different than paper. *Id.*

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At the time the project was being developed, however, there was no judicial opinion interpreting §201(c) of the Copyright Act, the section she believed was dispositive of the Society's rights. Tr.5.135-37. Ms. Dupre took an interest in the *Tasini* case because the issues raised were "strikingly similar" and it was the first legal case to analyze issues surrounding electronic rights in republishing a collective work under 201(c). *Id.*; see also Tr.5.189 She contacted and then engaged Bob Sugarman, who represented the Atlantic Monthly Magazine in the *Tasini* litigation; Mr. Sugarman ultimately rendered an opinion that "National Geographic had the right to publish the issues of National Geographic Magazine in the CD Rom product." Tr.5.137. The legal position of the Society was explained to the Board of Trustees, as was the fact that there were some within the organization that thought that the Society should pay contributors for the use of their works. Tr.5.138.

Judge Higginbotham, a then member of the Board, wanted to review the opinion and requested that the Society obtain Mr. Sugarman's opinion in writing, which it then did. Tr.5.139-40.²⁵ After receiving the written opinion, Judge Higginbotham agreed that the Society had the legal right to proceed with the project. Tr.5.140. In the same time frame, the Society also sought and obtained the legal opinion of one of National Geographic Ventures' outside board members then in private law practice, Terry Adamson, who agreed that the Society had the legal right to publish the CNG. Tr.5.141. Adding further support for the Society's position, in August of 1997, prior to publication of the CNG, the federal trial judge²⁶ in the *Tasini* case ruled that the New York Times and other publishers had the right to republish articles and the like in electronic format on the Internet. Tr.5.142. Thus, prior to publication, the Society obtained the legal opinions of Paul Kilmer, Suzanne Dupre, Bob Sugarman, Terry Adamson, Judge Higginbotham and

²⁵ See Tr.180-85, for John Fahey's testimony on this point, which is totally consistent with that of Ms. Dupre.

²⁶ The trial judge in *Tasini* was Judge Sotomayor, who now sits on the United States Court of Appeals for the Second Circuit.

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relied upon the ruling of the trial judge in *Tasini*, all of which supported the Society's right to publish the CNG.

Ms. Dupre testified that if at any time prior to or after publication her opinion changed regarding the Geographic Defendants' right to publish the CNG, she would have immediately notified Mr. Fahey and the Board of Trustees of this fact. Tr.5.143. She felt then and still feels today that the Geographic Defendants have the right to use the work of its contributors in the CNG because it is an exact reproduction of each magazine, page by page. This is true notwithstanding the inclusion of the moving cover sequence or the Kodak commercial, as she viewed there as merely the trailers or bookends, as in a movie on DVD or video, but the substance and full context of the Magazines remains the same. Tr.5.142-43; Tr.5.168-69.²⁷ Ms. Dupre's testimony, was consistent with Mr. Fahey: at all times, Defendants' acted in good faith and reasonably relied on the advice of counsel. In sum, Ms. Dupre's testimony flatly negated any suggestion of willfulness.

iii. Terry Adamson

Mr. Adamson is the Executive Vice President of the Society since January of 1998. Tr.6.31-2.²⁸ Prior to that, Mr. Adamson was a member of the Board of Directors for National Geographic Ventures ("NGV") and still sits on that board today. *Id.* He testified that he first became aware of the proposed CNG in early 1996 while attending board meetings, but that neither a prototype nor the product itself existed at the time. Tr.6.33-34. From the outset, the board of NGV was told that the Society had obtained legal opinions supporting the Society's use of the contributors' works in the CNG, which

²⁷ Ms. Dupre testified that a final or even a prototype of the CNG was not available at the time she and Mr. Kilmer originally formulated their opinions, but that it did not matter based upon their understanding that they were republishing each magazine, page by page, from the first magazine published to the last. Tr.5.184-85.

²⁸ The March 4, 2003 transcript is marked as Volume 5, but is, in fact, Volume 6. All reference will be as Volume 6.

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opinions were predicated upon, among other things, the Society's ownership of the copyright in the collective works. Tr.6.36-7. Later in time, Mr. Fahey asked Mr. Adamson to personally evaluate this issue:

Q. Was there a point in time, sir, when Mr. Fahey asked you for your own legal opinion as to whether or not the Society had the rights to move forward with the product?

A. Yes. It was considerably later in point in time. I had become aware, like I think everybody else in the world, that there had been no judicial decision at all concerning this provision of the Copyright Code, 201C and suddenly a case again in 1997 in New York concerning electronic rights issue. It was different products, but the issues were the same, the *Tasini* case.

So I was following that, and I was having regular conversations with both Mr. Fahey and others at the Society in my capacity as a board member about following this case and what was going on.

Mr. Fahey at some point in July told me that—where things were, that they had obtained another legal opinion, that Judge Higginbotham, whom I happened to know personally because he was appointed to the Third Circuit when I was at the Justice Department. I was involved in that, had got involved in the case. And John asked me if I would take my own look at it and make sure that there was no question in my mind that we had the legal right to publish the Complete National Geographic. So I did.

Q. At the time Mr. Fahey asked you to look at the issue and give him your own opinion, do you know how many legal opinions the Society had?

A. I haven't counted them. They have a hunch. They had—and the chief counsel, Suzanne Dupre. They had Mr. Kilmer I knew. I was provided a copy of his written legal opinion. I knew they had Mr. Sugarman. And they had Judge Higginbotham's at that time. That was late July that I was asked to give an opinion about my views on it.

Q. At the time you were asked to render an opinion as to what you thought the Society's rights were with regard to the CD ROM product, was the product on the market?

A. No, it was not.

Q. Did you render any opinion to anyone about whether or not you thought the Society had the right to use all the magazines in the CD ROM Product?

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A. I did. I talked to both Mr. Fahey and Suzanne Dupre.

Q. And what did you tell them?

A. I had read all the briefs in the Tasini case, as well, especially the Plaintiff's briefs. That was the ones I was most interested in, to see if there was anything they had in my judgment that contravenes the interpretation of the statute that I had. And I told them that they should—that they had the right to publish this product under Section 201C of the Copyright Code.

Tr.6.38-9.

After becoming employed by the Society in January of 1998, Mr. Adamson became aware of the lawsuit filed by Greenberg and that the trial court in Miami agreed with the Society and granted summary judgment in favor of Defendants, finding that they had the right to publish the CNG under Section 201 (c) of the Copyright Act, Tr.6.40-2. The next thing of import in the Greenberg litigation was not until almost three years later, when the Eleventh Circuit reversed the Judge Lenard's grant of summary judgment.

Tr.6.42. In talking about the Society's next steps, Mr. Adamson testified that:

A. Well, we did a number of things. And it may be useful to—it's a little bit confusing, because there was a continuum of time here. The first person [sic][opinion] of the Eleventh Circuit came out from Judge Birch came from—in April, I think it was, or late March of 2001. We filed papers for reconsideration.

And then there was a new opinion put out sometime later that corrected some mistakes that we had pointed out to them in the case. But his opinion was essentially the same but made some corrections. So there was a second opinion.

But we also had filed and asked the Court to reconsider the final decision denying the motion for reconsideration, which took place in June of 2001. So there was several things that took place within that same time period.

Within four days of that final decision in June of 2001, the Supreme Court of the United States decided and gave its opinion the Tasini case. We had known that the Court had agreed to hear Tasini. That was very important, of course, because the Supreme Court is the highest court in the land. And this was going to be the first time that the Supreme Court of the United States had ever talked about this section of the Copyright Code.

And what they had to say was very important to us, because they held that the particular products at issue in Tasini were [sic] pieces of newspaper articles were

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put on an electronic database but not an exact image base reproduction. That was not proper under 201C.

But Justice Ginsberg's opinion in *Tasini* explicitly said that if you show the prior collective work, the prior magazine, exactly in the same context in which it appeared originally, so you could tell if it was a newspaper above the fold or below the fold of the front page, or if you can see the articles that surrounded it, that that was appropriate. And Justice Ginsberg's opinion for the Court said that microfilm and microfiche were perfectly appropriate under 201C, and it didn't matter that the microfilm instrument compressed the photo or that the images were on film. Those things didn't matter to Justice Ginsberg.

And that was directly contradicting the Eleventh Circuit's opinion that had come down four days before the Supreme Court ruled.

So we thought that was highly significant, the *Tasini* case.

We also wanted to consult other experts. Obviously I asked Mr. Sugarman for his opinion.

Q. What did he tell you?

A. He said the Eleventh Circuit was wrong and got it wrong.

We also retained specialized appellate counsel to help us with the case, since we were obviously in an appeals context, not a trial context. And we hired Judge Kenneth Starr. Judge Starr had clerked here in Miami for Judge David Dyer. He had clerked for the Chief Justice of the United States. He was a senior official at the Justice Department. He had been appointed by Ronald Reagan as a judge on the U.S. Court of Appeals for the District of Columbia, where he served for five years. And he served under George Bush, 41, as Solicitor General of the United States, which is the highest legal officer that appears before the courts in the country.

And Judge Starr gave us an opinion, as well, that the Eleventh Circuit was wrong, and that it was perfectly appropriate at this stage of the proceeding, since it was hardly a final judgment in the case, for us to continue manufacturing the product.

In addition, the Registrar of Copyrights of the United States, which is who is [sic] the highest federal official that deals with copyright law in the federal government, Mary Beth Peters, she had filed an opinion—a letter in the *Tasini* case. And that—she had supported the Plaintiffs in that case because of the nature of the products.

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But what she said suggested to us, that if you show the product, the prior collective work, like we did, an image base exact reproduction page by page, the whole magazine page by page, that they would that would [sic] be permissible under 201C.

So we had a meeting Judge Starr, myself, had the Registrar of Copyrights talk about her views. In fact, we had two meetings in her office. And she told us that the Eleventh Circuit had it dead wrong, that she strongly disagreed.

And then later she made those same comments published in forums to various legal seminars.

So that was very, very important to us.

In addition of the process of appealing this decision and seeking the Supreme Court to hear the case, which we did after the Eleventh Circuit opinion, another group that came—got in contact with us. It was a group of four library associations, the American Library Association, the American Historical Research Library Association, the American Law Libraries Association, the American Medical School, Law [sic] Libraries Association.

They, too, had filed a brief in the Tasini case favoring the Plaintiffs in that case because of the nature of those products where you disassembled the prior collective work.

But they indicated to us that your product is exactly what 201C contemplates. And they filed a brief with the Supreme Court supporting our product under Section 201(c) of the copyright law.

We also had the—we, of course, looked at the specific contracts with respect to Jerry Greenberg. And we knew as to three of the works we had given those copyrights of the individual photos back to him based on his representation to us that we had all rights to further use, which is what he told us in the letter seeking the representation.

And we knew that as to the fourth work, the one that was in 1990, that he retained the—that will have the copyrights reverted to him by the contract, that we had the right to do that under Section 201(c) as all of our lawyers and all of the opinions told us at that particular point in time.

Q. Sir, if the Eleventh Circuit told you to stop publishing the product, would you have?

A. Oh, of course.

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Q. If this Court, the court where are in today, had told you, the National Geographic, to stop publishing the product, would you have continued to publish it?

A. No, we would not have.

Q. Did you continue, you, the Society, did the Society continue publishing the product based upon advice it received from its lawyers?

A. From all the things I just mentioned. There are eight different factors that I counted last night that I tried to touch. Those were all important factors discussed at length that went into our decision to continue, including the fact, of course, that the litigation process is a continuum. This Order, this ruling by the Eleventh Circuit, was not the final judgment in the case.

We knew that it was going to continue. It's continuing here today, and perhaps it will continue tomorrow. But until there's a final ruling in the case, I mean, this is a novel cutting edge area of the law. There was only the Tasini case by the Supreme Court of the United States. There's this ruling in the Eleventh Circuit, and we believed we were proceeding under the best view of the law, the best advice that we could possibly get that we are correct.

We may end up being wrong, but it's going to ultimately be the Supreme court of the United States that's going to sort this out.

Q. Sir, did the Society try and follow the law, or what it believed the law was?

A. We have a 114-year reputation, and none of us—Gil Grosvenor brought me here, entrusting me with that reputation. He brought me there, entrusting me with that reputation. He brought John Fahey there, entrusting us with that reputation. That is the most significant thing to us is not to blemish the quality of that product and what the mission of the organization is, or to blemish that reputation. That is everything to us. That's why I made the move from what I was doing before in January to what I'm doing now.

Tr.6.46-52 (emphasis added); Tr.6.62 ("We believe that we have a right in good faith under the law to do it, yes sir."); Tr.6.68-9.²⁹ Mr. Adamson testified that, without a doubt, had the trial court or the Eleventh

²⁹ Mr. Adamson testified that at the time he rendered his initial opinion in late July or August, 1997, no final versions of the product were in existence, only a beta version, which he saw demonstrated at a board meeting. Tr.6.52-3. The beta version contained certain issues of the magazines, showed how each page was exactly portrayed by a picture of that page, then a picture of the next page, and so on, and included search capabilities. *Id.*

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Circuit ruled that Greenberg's photographs should be blacked out or otherwise removed from the CNG, the Society would have done that. Tr.6.67-8.

Thus, as with the other Society witnesses, no evidence was introduced that would show, directly or indirectly, that the Society acted willfully in connection with manufacturing or distributing the CNG. Rather, all of the evidence introduced demonstrates that the Society relied upon the advice of its counsel, all of whom agreed that the Society had the right to initially distribute the product in the fall of 1997, an opinion that was decidedly confirmed by Judge Lenard when she granted summary judgment in favor of Defendants. This ruling remained the law of the case for almost three years. Thereafter, after the Eleventh Circuit reversed that decision, which prompted the Society to, in good faith, consult with competent counsel to determine how to proceed; in reliance upon their advice and other factors, including the United States Supreme Court's decision in *Tasini*, the fact that Greenberg had never sought injunctive relief, the opinion of the Register of Copyrights and the language of the Eleventh Circuit opinion, Defendants continued to distribute the product. Although the decision may turn out to be incorrect, it was reasonable based upon the information available to Defendants at the time, and made in good faith. Simply stated, there was no evidence introduced through this witness—or any other witness—that would support a willfulness finding and the jury's verdict clearly creates a manifest injustice that should be rectified by this Court.³⁰

iv. Michael Collins

The final witness introduced by Defendants was Michael Collins, a former astronaut who was part of the first lunar-landing mission and a former Director of the Air and Space Museum. Tr.6.79. He has been a member of the Board of Trustees of the Society for more than twenty years. Tr.6.79. Mr. Collins

³⁰ On the day of the jury verdict in this case where it was determined that Defendants were "willful infringers", Defendants decided to cease publication of the CNG and discontinue all sales of the product until there is a clear ruling from the Eleventh Circuit or the Supreme Court of the United States that the Society has the right to reproduce exact images of its prior Magazines as a collective work in this fashion.

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testified that he was told about the product at Board meetings and was also told about the legal opinions obtained by counsel, which provided that the Society had the right to publish the CNG. Tr.6.80-1.³¹ He further testified that they believed that they had the right to move forward with the project, but that if any of the legal opinions stated to the contrary, he and the other Board members would have spoken out. Tr.6.82.

With regard to the litigation, Mr. Collins testified that Mr. Fahey and Mr. Adamson kept the Board apprised of the status of the Greenberg lawsuit including the rulings by the trial court and the Eleventh Circuit. Tr.6.85-6. He testified that after the Eleventh Circuit opinion, the Society received advice from its lawyers, all of whom were of the opinion that the Society had the rights to publish the CNG and that they could continue to do so. Tr.6.85-7. Mr. Collins testified that:

- Q. Following the Eleventh Circuit decision that you mentioned a moment ago, did you do anything to satisfy yourself, or did you learn of anything while a member of the board to satisfy yourself as to whether or not the Society should continue to publish the product?
- A. We had additional legal opinions addressing that point specifically, and they said it was and we said it was fine.
- Q. Did you rely on those legal opinions as a member of the board?
- A. Oh, yes. Oh, absolutely. We didn't do anything without getting some lawyer to tell us it was okay all the way through this.

Tr.6.88.

³¹ In response to questions regarding whether, based upon the outside lawyers, the Society had to pay contributors, Mr. Collins testified:

I don't think we had to. I mean, we had paid them once for that photograph on page 34, upper left, and it didn't seem reasonable to pay them a second time. When we made a microfilm or microfiche of that same photograph, we didn't have to pay them. We had been doing that for, I don't know, 30 or 40 years on microfilm.

Tr.6.84.

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This testimony, as with the testimony all of the other witnesses, both for Greenberg and Defendants, was completely devoid of any conduct sufficient to rise to the level of willfulness. Rather, the testimony, taken together or alone, demonstrates without exception that Defendants acted reasonably in obtaining legal advice and relying upon that advice in an area of the law that was uncharted; the advice obtained was reasonable and obtained in a timely manner. The witnesses were the principal players at the Society. None was impeached or contradicted. All told the truth. Indeed, even Greenberg agreed, as noted above, that the Society had the right to use three of the four works at its own discretion. And, as to all of the works, the undisputed record evidence is that the Society owns the copyrights in the collective works of each magazine and, under Section 201(c), at all time believed (and still believes) that it had the right to publish the CNG. That is what the evidence showed and none of the evidence supports a willfulness verdict.

III. Defendants' Reliance On Counsel Was Reasonable

The Society took meticulous steps to ensure that it obtained advice in a timely manner and that it sought experienced legal counsel in the area of copyright law given the unique nature of the issue presented and its recognition that there was no case law interpreting the section of the Copyright Code that it believed supported its right to publish the CNG. The qualifications of the lawyers who rendered advice is impressive and demonstrated the lack of willfulness of Defendants and the Society's attempts to ensure it did not infringe the rights of its contributors:

Suzanne Dupre: Ms. Dupre received her law degree from Georgetown University and had almost thirty years of experience in dealing with copyright issues due to her work at the Smithsonian Institute (approximately 14 years) and the Society (almost 13 years). She is currently a lawyer with the Office of the General Counsel for the Corporation for National and Community Service.

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Paul Kilmer: Paul Kilmer is currently a member of the law firm of Holland & Knight in its Washington, D.C. office. Mr. Kilmer practices in the area of intellectual property and has authored many articles and publications on copyright and trademark issues during his practice. He has acted as the Society's outside counsel on copyright issues for many years and still does today.

Terry Adamson: Mr. Adamson is a lawyer with thirty years of experience practicing law. He was a long time partner in a large law firm and has specialized in media law. He was a law clerk for Fifth Circuit United States Appeals Court Judge Griffin Bell following his graduation with honors from Emory Law School. He served as a principal assistant of the U.S. Attorney General at the Department of Justice and the Department's Chief Spokesman during the Carter Administration. He has personally represented former President Carter since he left the White House and serves on the Board and Executive Committee of the Carter Center. He has served on the Board of National Geographic Ventures since early 1996 and as Executive Vice President of the Society since January, 1998.

Robert Sugarman: Mr. Sugarman is a long time partner of Weil Gotshal & Manges, who specializes in copyright and other intellectual property matters. He founded and chaired for over ten years the Practicing Law Institute program on Litigating Copyright, Trademark and Unfair Competition Cases, chaired the Communications and Media Law Committee of the Association of the Bar of the City of New York and is a Fellow of the American College of Trial Lawyers.

Judge A. Leon Higginbotham, Jr.: Judge Higginbotham was chief judge emeritus of the U.S. Third Circuit Court of Appeals, public service professor of jurisprudence at Harvard's Kennedy School of Government and was previously a judge of the U.S. District Court for the Eastern District of Pennsylvania. Over his career he was bestowed with many awards including the nation's highest civilian honor, the Presidential Medal of Freedom (1995) and the Spirit of Raoul Wallenberg Humanitarian

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Award (1994). Judge Higginbotham sat on the Board of Trustees of the Society as well as the board for the New York Times.

Kenneth Starr: Kenneth Star was a law clerk to Judge David Dyer on the U.S. Court of Appeals for the Fifth Circuit and for Chief Justice Warren Burger on the United States Supreme Court. He was Counselor to U.S. Attorney General William French Smith and was nominated and confirmed for the U.S. Court of Appeals for the District of Columbia. He served as the Solicitor General of the United States for four years and presented is a partner in the law firm of Kirkland & Ellis.

IV. Standards of Review

Whether this Court applies the standard for entry of judgment applicable to Rule 50(a) motions or the more lenient standard for a motion for new trial, Defendants have met their burden and are entitled to appropriate relief. Defendants recognize that Greenberg was a sympathetic plaintiff, but empathy or emotion is insufficient to support the jury verdict where, as here, Greenberg failed to introduce *any* evidence of willfulness. That being said, Defendants are entitled to have their Rule 50(a) motion granted and the jury award reduced to a maximum of Eighty Thousand Dollars (\$80,000). Alternatively, this Court should grant their motion for new trial.

A. Standard For Granting Rule 50(a) Motion For Judgment As A Matter Of Law.

The record evidence introduced at trial demonstrates, without equivocation, that judgment as a matter of law should be entered in favor of the Geographic Defendants and Mindscape. Rule 50(a), F.R.Civ.P., provides:

If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue.

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See Rule 50(a)(1), F.R.Civ.P.; see also *Berman v. Orkin Exterminating Co.*, 160 F.3d 697 (11th Cir. 1999)(more than a scintilla of evidence is necessary to defeat Rule 50 motion and nonmoving party must demonstrate that a substantial conflict in the evidence exists); *Buchanan v. City of San Antonio*, 85 F.3d 96 (5th Cir. 1996)(where inferences strongly favor one party such that reasonable jury could not have arrived at a different conclusion, judgment as a matter of law should be entered); *Walter v. Holiday Inns, Inc.*, 985 F.2d 1232 (3d Cir. 1993)(more than a scintilla of evidence is necessary to defeat motion for judgment as a matter of law, rather there must be evidence upon which a jury could properly find a verdict for the nonmoving party); *U.S. Real Property Known as 77 East 3rd Street, New York, N.Y.*, 869 F. Supp. 1042 (S.D.N.Y. 1994)(party opposing motion for judgment as a matter of law must offer concrete evidence from which a reasonable juror could return verdict in his favor); *Jones by Jones v. Lederle Laboratories*, 785 F. Supp. 1123 (E.D.N.Y. 1992)(motion for judgment as a matter of law should be granted where the evidence, when viewed in favor of the nonmoving party, was insufficient to support the verdict).³²

As the Court may recall, Greenberg introduced no evidence—none whatsoever—that the Geographic Defendants or Mindscape acted willfully when they infringed Greenberg's copyrights in the four works at issue. Indeed, all of the evidence introduced by Greenberg, as well as that introduced by the Geographic Defendants and Mindscape conclusively established that, at worst, Greenberg's

³² Notwithstanding the fact that this standard is higher than that for a new trial, Defendants have convincingly shown that a plain reading of the evidence supports but only one conclusion: Defendants did not act willfully. In *Rebun v. Kimberly-Clark Corp.*, 678 F.2d 1053, 1057 (11th Cir. 1982), the Eleventh Circuit provided guidance for implementing Rule 50:

“Simply stated, it is whether the evidence is such that, without weighing the credibility of the witnesses or otherwise considering the weight of the evidence, there can be but one conclusion as to the verdict that reasonable men could have reached.”

(quoting Charles A. Wright & Arthur R. Miller, 9 *Federal Practice and Procedure: Civil* §2524 at 545-546 (1981)).

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copyrights were infringed in a standard manner, *i.e.*, not innocently, nor willfully. Because there was an absence of any *willful* infringement by the Geographic Defendants and Mindscape, the higher standard applied to Rule 50(a) motions has been met, which would not require this Court to weigh the evidence or measure the credibility of witnesses, and judgment as a matter of law should be entered in favor of Defendants.

B. Standard For Granting Motion For New Trial.

Rule 59, F.R.Civ.P., creates the broad parameters for filing a motion for new trial:

(a) Grounds. A new trial may be granted to all or any of the parties and on all or part of the issues (1) in an action in which there has been a trial by jury, for any of the reasons for which new trials have heretofore been granted in actions at law in the courts of the United States...

When considering new trial motions, the Court may set aside the verdict even if there is substantial evidence to support the verdict as the Court "is not required to take that view of the evidence most favorable to the verdict-winner" and "is free to weigh the evidence." 11 Charles A. Wright, Arthur R. Miller & Mary K. Kane, Federal Practice and Procedure § 2806, at 65-66. "The court has the power and duty to order a new trial whenever in its judgment, this action is required in order to prevent injustice." *Id.* § 2805. "Although a trial judge cannot weigh the evidence when confronted with a motion notwithstanding the verdict, in a motion for a new trial the judge is free to weigh the evidence." *King v. Exxon Co., U.S.A.*, 618 F.2d 1111, 1115 (5th Cir. 1980)³³ (citing *Bazile v. Bisso Marine Co.*, 606 F.2d 101, 105 (5th Cir. 1979)).

Motions for a new trial may be grounded on the claim that, *inter alia*, the "verdict is against the weight of the evidence," *King, id.* (citing, *Montgomery Ward & Co. v. Duncan*, 311 U.S. 243, 251, 61 S.Ct. 189, 85 L.Ed. 147 (1940)), or the damage award is excessive. *J.A. Jones Constr. Co. v. Steel*

³³ In *Bonner v. City of Prichard*, 661 F.2d 1206, 1209 (11th Cir. 1981) (*en banc*), the Eleventh Circuit adopted as binding precedent all decisions of the former Fifth Circuit handed down prior to October 1, 1981.

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Erectors, Inc., 901 F.2d 943, 944 (11th Cir. 1990) (one of multiple factors).³⁴ Thus, even if Defendants have not established the higher burden imposed by Rule 50, F.R.Civ.P., --and they have--there can be no reasonable debate that they have met the test required to obtain a new trial. As this Court itself noted, the evidence of willfulness is "very, very weak"; the jury's verdict was clearly against the greater weight of the evidence and, logically, resulted from their desire to reward a plaintiff for whom they felt sympathetic. Sympathy, however, cannot support a jury verdict and to not grant Defendants, at a minimum, a new trial would be a grave injustice.

C. Standard for Remittitur.

Finally, assuming this Court enters judgment as a matter of law in favor of Defendants, Defendants are entitled to remittitur as the maximum verdict that can be returned for either an innocent or not innocent, not willful determination is Twenty Thousand Dollars (\$20,000) per work, or at most Eighty Thousand Dollars (\$80,000) in total. "Remittitur" is the procedural process by which an excessive verdict of the jury is reduced. Black's Law Dictionary 1295 (6th ed. 1990). When considering a motion for remittitur, the standard for determining the appropriateness of the award is whether it "exceeds the amount established by the evidence." *Goldstein v. Manhattan Indus., Inc.*, 758 F.2d 1435, 1448 (11th Cir.), cert. denied, 474 U.S. 1005, 106 S.Ct. 525, 88 L.Ed.2d 457 (1985); see also *Linn v. United Plant Guard Workers of America*, 383 U.S. 53, 65-66, 86 S.Ct. 657, 15 L.Ed.2d 582 (1966) (where damage award is excessive, it is duty of trial judge to require remittitur or new trial); *Edwards v. Sears, Roebuck & Co.*, 512 F.2d 276, 282 (5th Cir. 1975) (jury's liability finding can be binding even though remittitur

³⁴ The standard has been explained as:

"[T]he general grounds for a new trial are that the verdict is against the weight of the evidence, that the damages are excessive, or that for other reasons the trial was not fair, and that the motion may also raise questions of law arising out of substantial errors in the admission or rejection of evidence or the giving or refusal of instructions."

Charles A. Wright & Arthur R. Miller, 11 *Federal Practice and Procedure: Civil* §2805 at 37-38 (1973).

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required for excessive damage award). If the Court finds that the jury award did exceed the amount supported by the evidence, the Court is bound to allow Greenberg the maximum possible recovery. That is, the award should be reduced to the "outer limit of the proof," which in the case at hand would be a total award of no more than Eighty Thousand Dollars (\$80,000). *Goldstein*, 758 F.2d at 1448.

Given that the amount that can be awarded per work is "quantifiable, it is 'apparent as a matter of law that certain identifiable sums included in the verdict should not have been there.'" *See Holmes v. West Palm Beach Housing Authority*, 309 F.3d 752, 758 (11th Cir. 2002). While Defendants believe that they are innocent infringers, arguably a reasonable jury could have found the Geographic Defendants to be neither innocent, nor willful and entered a verdict within the "standard" range. There was no evidence in the record, however, to support a willfulness verdict and the verdict must now be corrected through the grant of Defendants' Rule 50 motion and then remitting the damage award, or by granting Defendants' motion for new trial.

V. Memorandum Of Law

The clear and un rebutted evidence showed that Defendants were, at worst, neither willful, or innocent infringers. As noted above, Greenberg conceded not once, but many times, over and over that Defendants had the right to use at least three of the works at its own discretion and on whatever terms it deemed appropriate. Greenberg's testimony was consistent with his own words, more than fifteen years earlier, when he assured the Society that if it assigned its valuable copyrights in the works to him so that he could commercially exploit the photographs (and he has), the transfer of its copyrights would have "no effect" on the Society's right to reuse the materials. There is no mistaking Greenberg's testimony, although it is likely that there will be many after the fact explanations for what Greenberg *really* meant. The words in his letter, and his testimony at trial, are neither ambiguous nor subject to multiple interpretations. Given that the Society had the right to use at least three of the works, Defendants could

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not be liable for infringement of his works as a matter of law, much less a willful infringement of those works.

Further, the uncontroverted evidence showed that the Society owned and owns the copyright in the collective work in each of the four works at issue and that the Society retained competent counsel, who advised that because it owned the copyright in the collective works, the Society had the right to republish all four of the collective works in the CNG pursuant to Section 201(c) of the Copyright Act. The Society did not merely rely on the advice of one lawyer, as it could have, but, instead, obtained the advice of its in-house attorney, Ms. Dupre, as well as the advice of Paul Kilmer, Robert Sugarman, Terry Adamson and Judge Higginbotham. This advice was obtained in a timely manner and was clearly reasonable based upon all of the information available at the time. The Society's reliance was clearly reasonable given that at the time the initial opinions were obtained, the legal issues were wholly novel, and there was not a single a case interpreting that particular section of the Copyright Act. As the renowned and highly respected Chief Justice of the Florida Sup. Ct., Justice William Terrell, stated "When the law and common sense come in conflict, the law must yield." Nothing is more obvious then if the Society had intended to be willful; it would have stopped seeking opinions after it obtained the first one in its favor. Instead, it continually tested the accuracy of the opinions it received by conferring with additional highly qualified attorneys to make absolutely certain that it was acting appropriately and in a non-willful manner.

Thereafter, immediately following the Eleventh Circuit's ruling, the Society again sought the advice of counsel in determining how to proceed. Its counsel concluded and advised that it was entitled to continue to publish the CNG. In rendering that decision, counsel considered the fact that the United States Supreme Court held in *Tasini*, just days after the Eleventh Circuit's final decision, that exact image based reproductions, like microfilm and mircofiche, and other reproductions of prior collective works that

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showed their prior collective works in the context in which they originally were published, are permitted under Section 201(c) of the Copyright Act. The Society did not seek the advice of merely one lawyer on this point; rather, Terry Adamson, Robert Sugarman and Kenneth Starr all gave the same advice. This advice, coupled with the views expressed by the Register of Copyrights, the Library Association of America and the fact that the Eleventh Circuit expressly stated that the trial court should consider alternatives in order to keep the product on the market, and that Greenberg had not moved for any injunction, demonstrates that Defendants had a good faith belief that they were legally entitled to continue publication of the CNG. That is what the evidence showed and that evidence was undisputed.

A. Standard for Willful Infringement.

It was Greenberg's burden to show willfulness by a preponderance of the evidence. *Wow & Flutter Music v. Len's Tom Jones Tavern, Inc.*, 606 F. Supp. 554, 556 (W.D.N.Y. 1985). An infringement is considered willful if the defendants knew that they were infringing the Greenberg's copyrights, or acted with reckless disregard of the high probability that their actions constituted infringement. *Id.*; 17 U.S.C. 504(c)(2). There can be no doubt on this record that Greenberg failed to prove willfulness as Defendants at all times believed that they were acting lawfully and that they had the right to proceed with and, thereafter, continue publishing the CNG. While that belief may turn out to be incorrect, the fact remains that there was no evidence introduced that Defendants acted intentionally or in reckless disregard with a high probability that they were infringing on Greenberg's copyrights.

B. Defendants Are Entitled To Judgment As A Matter Of Law.

The granting of a judgment as a matter of law "need not be reserved for situations where there is a complete absence of facts to support a jury verdict," but are equally as appropriate where there is no "substantial conflict in evidence to support a jury question." *Carter v. City of Miami*, 870 F.2d 578, 581 (11th Cir. 1989). The Eleventh Circuit has repeatedly noted the applicable standard to be applied:

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On motions for directed verdict and for judgment notwithstanding the verdict, the Court should consider all the evidence—not just that evidence which supports the non-mover's case—but in the light and with all reasonable inferences most favorable to the party opposed to the motion. If the facts and inferences point so strongly and overwhelmingly in favor of one party that the Court believes that reasonable men could not arrive at a contrary verdict, granting of the motion is proper.

Watts v. Great Atlantic and Pacific Tea Co., 842 F.2d 307 (11th Cir. 1988)(citing *Boeing Co. v. Shipman*, 411 F.2d 365, 374-75 (5th Cir. 1969). Without weighing the evidence in any way, it is clear that the motion should be granted as the evidence, facts and inferences point overwhelmingly against a verdict that Defendants acted willfully.

i. No reasonable jury could find that Defendants willfully infringed any of the four works.

*"Every great mistake has a halfway moment, a split second when it can be recalled and perhaps remedied."*³⁵

This is the halfway moment for these proceedings and, given the record, a judgment as a matter of law is the appropriate remedy. This result is warranted by the evidence, which proved that Defendants were not willful when they included each of the four works at issue in the CNG. The unrefuted evidence introduced by Defendants was that the Society obtained competent and reasonable legal advice and that it relied upon that advice in initially publishing the work and, thereafter, continuing to publish the CNG after the Eleventh Circuit's ruling. As to each of Greenberg's four copyrighted works, the evidence was the same: the Society relied upon the advice of its highly qualified lawyers, each of whom opined that it had the right to republish the collective works in each of the magazines comprising the 108 year history of the magazine, including the four works at issue, under Section 201(c) of the Copyright Act. Greenberg did not offer any contrary evidence nor was any introduced by his cross-examination of Defendants' witnesses. Indeed, Mr. Fahey, Ms. Dupre, Ms. Adamson and Mr. Collins all testified that that the Society

³⁵ Pearl S. Buck, *What America Means To Me*, ch.1 (1942).

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obtained multiple legal opinions, all of which concluded that the Society had the right to publish the CNG, which would include Greenberg's four copyrighted works.

Given the dearth of evidence showing that the advice obtained by Defendants was unreasonable, that they did not rely upon this advice or that their reliance was unreasonable, no reasonable jury could find that Defendants' acted willfully in publishing Greenberg's works in the CNG. As summarized above, the record evidence clearly shows that Defendants' believed that they had the lawful right to publish the Greenberg works, as Judge Lenard also reasonably affirmed, that they had this right even after the Eleventh Circuit opinion. In addition to the plain language of the statute that authorizes republication of the collective works, Mr. Fahey's, Ms. Dupre's, Mr. Adamson's testimony is indicative of the painstaking steps the Society took to ensure that it had the legal clearance to use the works at issue. *See, e.g.,* Tr.4.166-86; Tr.5.127-144, Tr.6.46-52. No reasonable jury, having heard the evidence introduced at trial, could conclude that Defendants acted willfully in publishing any of the four works at issue here. This Court has an opportunity to remedy the insupportable verdict by entering a judgment as a matter of law in favor of Defendants. To do otherwise would be contrary to the undisputed record evidence.

ii. The record evidence demonstrated that the Society had the right to use Greenberg's works and, therefore, its state of mind could not have been that of a willful infringer.

Greenberg admitted that, pursuant to his November 15, 1985 letter to the Society and the parties' course of conduct, the Society had the right to continue to use at least three of the four works and that it could pay him—or not—at its discretion. Specifically, just one example of Greenberg's testimony on this point is illustrative:

- A. When they assigned that back to me I kept the door open so they continued to utilize this material. All they would have to do, as I always did is notify me first, let me know what the situation would be, and I would okay it, because I'm the owner of the copyright, and I would have control. I kept the relationship in tact. I always kept my word.

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Q. And just like you accepted whatever they thought was reasonably, you would accept whatever they thought was reasonable?

A. Yes, on those—on the reuse of those items right there, absolutely, always.

Tr.3.209-10 (emphasis added). Even if there were some debate as to whether the Society was required to contact or to pay Greenberg--and Defendants do not believe that there is because Greenberg's own words in his letter say nothing about contacting him--the Society still had the immutable right to use these works.³⁶ There are no qualifying words in his November 1985 letter; nor are there any additional requirements or conditions imposed on the Society, a fact which is obvious from a plain reading of Greenberg's letter to Bill Garrett. TE 18. Greenberg's testimony was totally consistent with that of Defendants' witnesses, each of whom reiterated their belief that the Society had the absolute right to use the three works in the same manner as if it had not assigned the copyrights to Greenberg, at his request.

In light of the incontestable evidence presented at trial, the Society could not have willfully violated Greenberg's copyrights, as it believed it had the right to use them and, apparently, Greenberg agrees that it did. *Effects Assoc., Inc. v. Cohen*, 90 F.2d 555, 558 (9th cir. 1990)(nonexclusive licenses can be granted explicitly through an oral grant or impliedly through conduct); *Jacob Maxwell, Inc.*, 110 F.3d 753 (quoting *De Forest Radio Telephone & Telegraph Co. v. United States*, 273 U.S.236, 242 (1927)).³⁷ Greenberg, by his own testimony, corroborated the fact that the Society had the right to use the

³⁶ Because the Society believed it had the right to use the three works at issue, at best Greenberg would have a claim for breach of contract if he contends that the Society was required to pay him for the use of these works. See *Jacob Maxwell, Inc. v. Veeck*, 110 F.3d 749, 753 (11th Cir. 1997)(where defendant was authorized to use copyrighted works, there is no claim for copyright infringement); *Fantastic Fakes, Inc. v. Pickwick Int'l, Inc.*, 661 F.2d 479 (5th Cir. 1981)(same); see also *RT ComputerGraphics, Inc. v. United States*, 44 Fed.Cl. 747 (1999).

³⁷ A nonexclusive license conveys only a personal interest in the copyrighted material, not a property interest. See *In re CFLC, Inc.*, 89 F.3d 673, 679 (9th Cir. 1996)(quoting *Gilson v. Republic of Ireland*, 787 F.2d 6555, 658 (D.C. Cir. 1986)). Essentially, a nonexclusive license is an agreement not to sue the user or licensee for copyright infringement, *Jacob Maxwell, Inc.*, 110 F.3d 753 (quoting *De Forest Radio Telephone & Telegraph Co. v. United States*, 273 U.S.236, 242 (1927)), and the existence of such license

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three works identified in the November 1985 letter and that such right was never terminated by him.³⁸ The state of mind of Defendants was, thus, not one of a willful infringer, but that of innocent infringer, *i.e.*, using the three works because the parties agreed that it could do so pursuant to the 1985 letter from Greenberg, its earlier agreements with Greenberg as well as the parties' course of dealing.

In *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, *reh'g. denied*, 465 U.S. 1112 (1984), the United States Supreme Court recognized that a copyright infringement claim cannot lie where the user was authorized to use the copyrighted work. The primary issue in *Sony* was whether the manufacturer of home video recorders ("VCRs") could be held liable for infringement or contributory infringement because it knew that owners of such equipment were using it to record copyrighted materials, including television programs, movies and other works. In reaching the ultimate issue presented, the Supreme Court acknowledged that, at least as to the copyright holders that authorized the practice of "time-shifting" or recording their works for viewing at a later time, there can be no actionable infringement. *Sony*, 464 U.S. at 446; *see also* §106 of the Copyright Act (owner of copyright can authorize the right to reproduce the copyrighted works and prepare derivative works, among other things).

creates an affirmative defense to a claim of copy right infringement. *RT Computer Graphic v. United States*, 44 Fed.Cl. 747 (1999).

³⁸ *Peer International Corp. v. Pausa Records, Inc.*, 909 F.2d 1332 (9th Cir. 1990)(copyright holder can terminate right to use work by notice of revocation of right to use copyrighted material). Here, there was no evidence introduced by Greenberg that such notice was given as Greenberg himself testified that the Society had the right to use the works at its own discretion. Even if there was such evidence—and there was not—there would be a legal dispute as to whether Greenberg could lawfully revoke the Society's right to reuse the materials given that it assigned or transferred its copyrighted materials to Greenberg in reliance upon its right to reuse the materials. Thus, if that were Greenberg's position—and it was not—the question would arise as to whether the Society had materially changed its position in reliance upon Greenberg's assurances, that revocation would be inequitable. That, however, was not an issue raised by Greenberg's testimony as he testified that the Society had the continued right to use the three works identified in the November 1985 letter as it chose.

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Likewise, in *Jacob Maxwell, Inc.*, the District Court considered whether a nonexclusive license was impliedly granted to a licensee notwithstanding any subsequent actions by the parties to the contrary. In particular, the Miracle Baseball Club ("MBC") sought the composition of a promotion song for the baseball team. James Albion agreed to do so; his sole compensation was to be his out-of-pocket expenses and public authorship credit whenever MBC played the song or distributed the same. *Jacob Maxwell, Inc.*, 110 F.3d at 751. Albion verbally agreed to give MBC the Digital Audio Tape master and an exclusive license. *Id.* After Albion wrote and produced the song, he assigned ownership to Jacob Maxwell, Inc. ("Maxwell"). He then gave the master tape to MBC along with an invoice for the total production costs. Despite the fact that MBC advised that it could not pay the costs right away, Albion allowed the song to be used at a game the next day. *Id.*

MBC played the song numerous times throughout the summer baseball season without paying Albion as agreed or giving the appropriate attribution. *Id.* Albion continued to request payment and that MBC publicly give authorship credit. *Id.* Albion, however, never revoked or otherwise terminated MBC's right to continue to use the song. *Id.* Although partial payment was ultimately received, Maxwell registered the copyright and brought suit against MBC for infringement. *Id.* Judge Campbell held that because Albion permitted MBC to play the song, he implicitly agreed not to sue for copyright infringement. *Jacob Maxwell, Inc.*, 110 F.3d at 753. In short, Albion waived his right to assert a copyright violation regardless of whether an exclusive or nonexclusive license was granted by his own conduct. *Id.* This is true even though MBC was in breach of the parties' agreement by the failure to pay or include appropriate attribution. *Id.* This case is on all fours and dictates the conclusion that must be reached at least as to the three works covered by the November 1985 letter.

Similarly, in *Graham v. James*, 144 F.3d 229, 236 (2d Cir. 1998), the court held that an independent contractor plaintiff who granted the defendant a nonexclusive license to use his copyrighted

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material, consisting of a file-retrieval program for a CD-ROM product, waived his right to sue the nonexclusive licensee defendant producer of the CD-ROM for copyright infringement. The court stated that, "[a] copyright owner who grants a nonexclusive license to use his copyrighted material waives his right to sue the licensee for copyright infringement." *Id.* (citing *Jacob Maxwell, Inc.*, 110 F.3d at 753); *see also* 3 Melville B. Nimmer and David Nimmer, Nimmer on Copyright § 10.15 at 10-114.

The testimony on this point is unmistakable: Greenberg authorized the Society to continue to use the materials in the three copyrighted works assigned to him by his November 1985 letter, by the parties' subsequent conduct and by his own admission. His testimony, as well as that of the witnesses introduced in the defense, goes directly to the Society's state of mind, which could not, under the circumstances here, be willful. As such, judgment as a matter of law should be entered in favor of Defendants on the issue of willfulness on the first three works identified in the November 1985 letter and, as set forth below, the jury verdict should be remitted to Twenty Thousand Dollars (\$20,000) for each of these works.

iii. There is no evidence in the record that Mindscape acted willfully.

As to Mindscape, there was no evidence introduced—by Greenberg or Defendants—about Mindscape's state of mind, much less that it acted willfully in distributing the CNG. Rather, the only evidence introduced was that Mindscape distributed the CNG pursuant to a Distribution Agreement. TE 332. The Distribution Agreement merely provides that Mindscape will manufacture, market and distribute the CNG and that the Geographic Defendants represented that they had the right to republish the magazines at issue. See TE 332. In the presentation of their defense, it was demonstrated that the Society believed that, if it found out that it did not have the rights to publish the CNG, Mindscape would merely manufacture and distribute other products for the Society, as the Distribution Agreement encompassed at least ten other products, not just the CNG. TE 332 (Schedule F). Moreover, CNG was not even forecasted to be one of the most successful products distributed by Mindscape. TE 332

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(Schedule E). This was the only evidence introduced regarding Mindscape and it is clear that this evidence does not go to its state of mind.

On its face, this evidence is insufficient as matter of law to demonstrate that Mindscape knew that it was infringing the copyrights of Greenberg; in fact, the plain language of the Distribution Agreement confirms that it had no reason to now that the Society did not have the rights to move forward with the CNG—assuming it did not—as the Society expressly represented that it did. Given the absence of any record evidence of willfulness by Mindscape, it is beyond cavil that a judgment as a matter of law should be entered in favor of Mindscape on the willfulness issue.

C. Defendants are entitled to a new trial because the verdict is against the greater weight of the evidence.

The power of the trial court to grant a new trial is broad. See 6A Moore's Federal Practice ¶50.05[2], pp.59-44 to 59-46 (2d ed. 1996) ("The power of the English common law trial courts to grant a new trial for a variety of reasons with a view to the attainment of justice was well established prior to the establishment of our Government."); see also *Aetna Casualty & Surety Co. Yeatts*, 122 F.2d 350, 353 (4th Cir. 1941) ("The exercise of [the trial court's power to set aside the jury's verdict and grant a new trial] is not derogation of the right of trial by jury but is one of the historic safeguards of that right."). The standard for granting a motion for new trial is lower than that necessary for a judgment as a matter of law; thus, a motion for new trial can be granted where there are insufficient grounds under Rule 50, F.R.Civ.P., but the verdict is against the great weight of the evidence. *Dudley v. Wal-Mart Stores*, 166 F.3d 1317, 1320 n.3 (11th Cir. 1999).

A new trial should be granted when "the verdict is against the clear weight of the evidence...or will result in a miscarriage of justice, even though there may be substantial evidence which would prevent the direction of a verdict." *Hewitt v. B.F. Goodrich Co.*, 732 F.2d 1554, 1556 (11th Cir. 1984)(citations omitted). To that end, this Court is permitted to weigh the evidence and to grant the motion where the

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verdict is against the greater weight of the evidence.

Uncontroverted evidence on a key element of a claim appears to be one of the most frequently encountered bases for the grant of a motion for new trial. *See, e.g., Ard v. Southwest Forest Indus.*, 849 F.2d 517, 520-21 (11th Cir. 1988) (“[P]laintiffs did not meaningfully dispute [defendant’s] evidence.... The first explanation ... is uncontradicted. Although the plaintiffs introduced some evidence ..., that evidence is so attenuated and weak that we cannot say the district court abused its discretion in concluding that the first jury verdict was against the great weight of the evidence.”); *Bazile v. Bisso Marine Co., supra*, at 105 (In granting the motion for new trial, “the trial judge could have placed great weight on the witnesses presented by defendant ... and little or no weight upon [plaintiff’s] testimony.”). Where there are multiple grounds for new trial, the trial court is given even more latitude. *J.A. Jones Constr. Co., supra*, 901 F.2d at 944 (affirmed grant of new trial based on the following trial court findings: prejudice by failure to direct verdict on one claim; verdict was against greater weight of evidence; damage award was excessive and against greater weight of evidence; jury disregarded court’s instructions; jury was influenced by sympathy and prejudice; and complexity of the case made it likely that jury misapprehended the issues).

In one of the most widely cited cases for the standards applicable to a motion for a new trial, the former Fifth Circuit was confronted with a simple yet uncontroverted fact: defendant Exxon failed to give written notice of its intention to terminate plaintiff’s gas station franchise. *King v. Exxon Co., U.S.A.*, 618 F.2d 1111, 1114 (5th Cir. 1980). Either the jury ignored this crucial fact or misapprehended the insignificance of an unsigned document entitled “Mutual Cancellation and Termination Agreement”. *See id.* at 1114 n.4. Regardless of the reason for the jury’s verdict, when it returned a verdict that was contrary to the greater weight of the evidence, the district court was required to grant the motion for new

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trial. The Fifth Circuit correctly affirmed. *Id.* at 1116.³⁹

MacPherson v. Univ. of Montevallo, 922 F.2d 766 (11th Cir. 1991), is illustrative. In *MacPherson*, a group of professors brought age discrimination claims against their former employer (the University) under the ADEA. The jury returned a verdict (including damages) in favor of the professors. Thereafter, the trial court granted the University's motions for a directed verdict, or in the alternative, a new trial. In affirming the lower court's ruling, the Eleventh Circuit gave much weight to the lower court's concerns over the verdict, including the fact that the jury appeared to be confused over the significance and meaning of various key terms and the potential strong influence of sympathy and bias on the jury, which resulted in the lower court's ruling that a new trial was appropriate. This case is instructive because, as here, the professors in *MacPherson* failed to prove required elements of their case; rather, the jury verdict was likely predicated on evidence that in actuality had little to do with their substantive claims.⁴⁰

In this case, we have both uncontroverted evidence that the Society at all times believed it had the lawful right to use Greenberg's copyrighted works in the CNG, and an excessive jury award predicated upon a finding of willfulness, which was not supported by the evidence. Both of the factors, taken

³⁹ See Also *Farrior v Waterford Bd of Education*, 277 F.3d 633 (2d Cir. 2001)(affirming trial court's grant of a new trial and finding that the same is appropriate where "...the verdict was against the weight of the evidence is appropriate if 'the jury has reached a seriously erroneous result or . . . the verdict is a miscarriage of justice.'" Quoting *DLC Mgmt. Corp. v. Town of Hyde Park*); and *Sanford v. Crittenden Memorial Hospital*, 141 F.3d 882 (8th Cir. 1998)(appellate court upheld lower court's grant of motion for new trial in medical malpractice action because very little evidence had been presented with regard to future medical costs or other financial burdens the family may experience as a result of the child's deafness (including further medical treatment and equipment) and determined that the jury verdict on both liability and damages was most likely derived from sympathy).

⁴⁰ Examples of evidence that was introduced by Greenberg that has no relationship whatsoever to Defendants' state of mind was Greenberg's testimony (and, ultimately, breakdown) regarding his long standing relationships with the old guard at the Society, many of whom may no longer be employed there, his lengthy testimony about his professional background and qualifications, and Mrs. Greenberg's testimony about cutting, manipulating and cropping photographs. None of this evidence had any relationship to Defendants' state of mind, but, rather, was introduced to engender sympathy from the jury towards Greenberg.

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individually or collectively, warrant that a new trial be granted. Unlike in the judgment as a matter of law context, this Court is free to consider the testimony of witnesses and their demeanor in determining whether the verdict is appropriate. As described above, the necessary evidence that Defendants acted with reckless disregard of a high probability that their conduct would result in an infringement of Greenberg's copyrights was nonexistent. Only a perfunctory review of the transcript will prove that the jury's verdict here cannot stand and that the motion for new trial should be granted.

D. Defendants are entitled to remittitur and/or to otherwise have the verdict reduced as it was beyond the scope of the evidence.

There are two separate bases for remittitur or a reduction in the jury award: (1) the verdict should be reduced in connection with the granting of the Motion; and, alternatively, (2) the award was excessive and not supported by the evidence. First, assuming *arguendo* that this Court grants the motion for judgment as a matter of law, it must also reduce the award per work to no more than Twenty Thousand Dollars (\$20,000), or a total verdict that should not exceed Eighty Thousand Dollars (\$80,000). *Accord Linn*, 383 U.S. at 65-66; *Edwards*, 512 F.2d at 282. Based upon the evidence discussed at length above, there is no dispute that if Greenberg did not prove willfulness,—and he did not—he is not entitled to recover damages in excess of the Twenty Thousand Dollars (\$20,000) per work under the damages provision of the Copyright Act. *See* §504 of the Copyright Act, 17 U.S.C. §504.

Under federal law, when a plaintiff has elected statutory damages, the amount that can be awarded per work is directly proportional to the intent of the infringing party. For a non-willful infringement, the most that can be awarded is Twenty Thousand Dollars (\$20,000) per work, but the damages allowable can fall anywhere within a range from \$200 per work for an innocent infringement or \$500 per work for a "standard" infringement. These ranges are not suggestions from which a jury or a court is entitled to deviate. Rather, if the evidence supports only an award of non-willful behavior, whether the conduct is

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innocent or "standard" is irrelevant. The most a jury can award on these circumstances is the upper limit of these categories, which is the same regardless of whether Defendants' conduct is deemed innocent or "standard", i.e., Twenty Thousand Dollars (\$20,000) per work. In the case at hand, as more fully set forth above, there was simply no evidence from which a jury could conclude that Defendants acted willfully, requiring that Defendants' Motion be granted. In so doing, this Court must also reduce the jury award consistent with the allowable damages under Section 504 of the Copyright Act.

Second, the record evidence plainly established that Defendants were not willful infringers. Even if that were not true, however, the verdict had no relationship to the facts or evidence. By example, Greenberg testified that he received \$3500 for the use of thirteen (13) of his images in an article for Audubon Magazine in 1997 (Tr.3.201; Tr.3.195), and \$3,500 for the use of his works in an article in Boys Life Magazine in 2001. *Id*; see also TE 753. These were editorial uses akin to the use of Greenberg's photographs in the Geographic Magazine and, thus, would be a key benchmark for the value of the articles at issue. *Id*; see also Tr.3.197. And, although not analogous, the most Greenberg ever received for a commercial use of the product was \$9,900 from Citibank when it used one of his images in an ad campaign. Tr.3.195-96.⁴¹ Greenberg received considerably less than \$3,500 for most of his other works over the years, with most ranging between several hundred dollars and just over one thousand dollars. Thus, even using the higher commercial rate, and by Greenberg's admission this was an editorial not a commercial use, the jury awarded Greenberg ten times the highest commercial rate Greenberg ever received for one of his photographs.

Quite simply, there was no evidential support for the amount of the jury award and it is obvious that the verdict was the result of sympathy for Greenberg, not an adherence to the law or the facts. In *Simon v. Shearson Lehman Brothers, Inc.*, 895 F.2d 1304 (11th Cir. 1990), a former employee brought

⁴¹ Greenberg testified that commercial uses pay significantly more than editorial uses, the later of which include the Geographic Magazine or Audubon. Tr.3.1945-95

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suit against his employer for slander under California law. The jury found for the plaintiff and awarded a total amount of \$10,040,997 in damages. The district court granted the defendant's motion for JNOV or, in the alternative, a new trial because 'the jury verdict [was] against the great weight of the evidence,' the damages award excessive and the special damages award unsupported by the evidence. *Id.* at 1310. On review, the Eleventh Circuit reiterated the well established standard for the grant of a new trial: "...a grossly excessive award may warrant a finding that the jury's verdict was swayed by passion and prejudice . . . thus necessitate[ing] a new trial..." 895 F.2d at 1310, quoting *Goldstien v. Manhattan Industries, Inc.*, 758 F.2d 1435, 1447 (11th Cir. 1985). After a lengthy discussion of the evidence presented at trial, the Eleventh Circuit determined that while a new trial was precluded, the \$1 million dollar award for general damages could not stand and utilized its power to "direct the entry of an appropriate judgment by way of remittitur." *Id.* at 1319. The court also, after assessing the evidence of the actual effect of the slanderous comments made, determined that the evidence was insufficient in that the plaintiff failed to show that he suffered from any physical ailments or medical expenses that would justify the jury's award. Noting this, the court concluded that \$250,000 as the maximum the plaintiff could recover based upon the evidence presented. As for the sizable punitive damage award of six million dollars (\$6,000,000), it was reduced to a maximum of one million dollars (\$1,000,000), which was to be fashioned using state law concepts of reasonableness as the guidepost.

As in *Simon*, the jury's verdict here was unmistakably based upon emotion, not the evidence, as Greenberg never received anywhere close to \$100,000 per work for any commercial use of his photographs, much less any editorial use of his works. Moreover, given the significant evidence introduced by Defendants of the painstaking steps taken to ensure that they had the right to publish and Greenberg's glaring admission that Defendants had the right to use at least three, if not all four, of the works, the verdict clearly "exceed[ed] the amount established by the evidence." *Goldstein*, 758 F.2d at

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1448. Even giving Greenberg the benefit of the doubt and applying a commercial standard to the four editorial works, the evidence could at best support an award of \$10,000 per work, or \$40,000 for all four works. This amount was the "outer limit of the proof" and the award should be remitted to that amount. *Goldstein*, 758 F.2d at 1448.

VI. Conclusion

Based upon the foregoing, this Court should grant the motion for judgment as a matter of law and reduce the jury award to no more than Eighty Thousand Dollars (\$80,000). Alternatively, because the jury verdict here was clearly against the greater weight of the evidence, Defendants are entitled to a new trial. At a minimum, Defendants are entitled to remittitur as there was no evidential basis for the award, which was excessive and insupportable.

Dated: Miami, Florida
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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that the foregoing has been sent via facsimile and U.S. Mail this 5th day of May, 2003 to Norman Davis, Esq., Steel Hector & Davis LLP, 200 South Biscayne Boulevard, 40th Floor, Miami, Florida 33131-2398, attorneys for Plaintiffs.

By: 

Jennifer Altman