

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
CASE NO. 97-3924-CIV-LENARD-SIMONTON

JERRY GREENBERG, individually,
and IDAZ GREENBERG, individually,

Plaintiffs,

vs.

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

Defendants.

MAY 14,
2002

**PLAINTIFFS' REPLY MEMORANDUM IN SUPPORT OF THEIR
MOTION FOR PARTIAL SUMMARY JUDGMENT, AND MEMORANDUM
IN OPPOSITION TO CROSS-MOTION FOR PARTIAL SUMMARY JUDGMENT**

Plaintiffs, JERRY GREENBERG and IDAZ GREENBERG ("Greenberg"), submit this reply memorandum in support of their motion for partial summary judgment and memorandum in opposition to the cross-motion for partial summary judgment served by Defendants, NATIONAL GEOGRAPHIC SOCIETY, NATIONAL GEOGRAPHIC ENTERPRISES, INC., and MINDSCAPE, INC. (collectively "the Society").

**The Society's Proposal that Four Works
Should be Designated for Statutory Damages
Purposes Has No Basis in Law**

Greenberg's initial memorandum outlines a basis for declaring that 64 photographs are to be used to calculate statutory damages. The Society proposes in its cross-motion that only four

works should be designated because the 64 Greenberg photographs¹ originally were published in four articles appearing in four monthly magazines (compilations) that were, and are, owned entirely by the Society. No court that has addressed the question has so held.

The Society makes much of its role in selecting and arranging photographs submitted by Greenberg and incorporating photographs into a particular magazine article. None of that is relevant. At the time, the Society owned all of the photographs as works for hire and could do with them whatever the Society wanted. Subsequently, in 1985 and 1989, the Society transferred to Greenberg ownership of all photographs published in the four articles. The Society did not transfer to Greenberg rights to the articles themselves or rights to each of the four monthly magazines.

Section 504(c)(1) provides for “an award of statutory damages for all infringements involved in the action, with respect to any one work For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.” (Emphasis added.) “The total number of ‘awards’ of statutory damages . . . that a plaintiff may recover in any given action depends on the number of works that are infringed” MCA Television Ltd. v. Feltner, 89 F. 3d 766, 770 (11th Cir. 1996) (emphasis added). The designation of works for damages is limited to works that were infringed.² In the circumstances here, where the four monthly magazines

¹ To simplify the issues for this memorandum, Greenberg uses the number 64. His motion seeks an additional award, that would raise the total to 65, because one photograph exists in a separate cause of action. That question is discussed separately below.

² At page 7, the Society says that “[c]opying a series that were originally published in one book is considered one infringement,” as though that were probative of something. But the proper emphasis, as explained in the text above, is not on infringements but on the number of works infringed.

concededly are compilations, no compilation or derivative work was infringed. It is absurd to contend that the “works” infringed, for the purpose of calculating statutory damages, were four monthly magazines or four magazine articles that Greenberg has never owned and that were never a part of his claim. Greenberg did not prepare those compilations, did not own them, and did not register them. Congress cannot possibly have intended that 64 works should be reduced to four simply because, before Greenberg owned the photographs, they appeared in a compilation created and owned by the infringer! No court has placed that construction on 17 U.S.C. § 504(c)(1).

Where the courts have concluded that only a compilation should be counted as a “work,” and that individual photographs or other creative elements within the compilation should not, the compilation and the creative elements were owned by the same person or entity and both had been infringed. That is definitely not the case here.

For example, in CoStar Group, Inc. v. LoopNet, Inc., 164 F. Supp. 2d 688 (D.Md. 2001), plaintiff CoStar contended that each of its 348 photographs constituted separate works, while LoopNet insisted that CoStar registered its photographs with the Copyright Office as 13 compilations and not as separate photographs. The court eventually held that 13 works had been infringed. The reality, however, is that the separate photographs and the 13 compilations were owned by CoStar and both the photographs and the compilations had been infringed.

Similarly, in XOOM, Inc. v. Imageline, Inc., 93 F. Supp. 2d 688, 692-93 (E.D.Va. 1999), Imageline counterclaimed for the infringement of its copyrights in some 2,966 clip art images. Those images were contained in a compilation and a derivative work. Imageline owned rights to all of the clip art images at issue and all rights to the compilation and the derivative work, and all

had been infringed. Imageline, however, registered only the compilation and derivative works, and the court made one award for the two registered “works” for the calculation of statutory damages. Those are not the facts here, where Greenberg owned no rights to the Society’s collective works, and where he registered only individual photographs.

In Phillips v. Kidsoft L.L.C., 52 U.S.P.Q. 2d 1102 (D.Md. 1999), the debate over statutory damages involved the infringement of five maze theme-books. Phillips, the plaintiff, owned all of the books and all of the mazes contained within the books. Id. at 1103. The court held that only the five books constituted “works” because only the books, as compilations, had been registered with the Copyright Office.³ Whether or not the court properly relied only on registration, the Greenberg facts are not the same in that he registered no compilations but did register photographs.

In UMG Recordings, Inc. v. MP3.Com, Inc., 109 F. Supp. 2d 223 (S.D.N.Y. 2000), a number of large recording companies sought statutory damages for infringement of songs they owned that were distributed and sold on CDs they owned. The court said only the CDs themselves, which were compilations, would be counted as “works” for calculating damages. The same outcome occurred in Stokes Seeds Limited v. Park Seed Co., 783 F. Supp. 104 (W.D.N.Y. 1991), where the court said that Stokes had assembled its own photographs of seeds into a collective whole in one book, and that only the book would be counted as a “work.” The

³ A number of courts, including the Phillips court, mistakenly conclude that copyright protection exists only if a creative work is registered with the Copyright Office. See 52 U.S.P.Q. 2d at 1106. That is not true under the 1976 Copyright Act, which says that copyright exists at the moment when an original work is “fixed in any tangible medium of expression,” 17 U.S.C. § 102(a), without regard to registration which serves other purposes.

operative fact is that the compilation of the photographs in a book was an act by Stokes, not by the competing seed company that was the infringer.⁴

If Greenberg had brought an action for infringement of his photographs, compiled in his own book, we would have a different outcome. That scenario would be like those decided by the courts in the cases discussed above. But that is not the scenario.

In each of the cases discussed above, a compilation or a derivative work had been infringed; otherwise, the designation of those works for damages would be meaningless. The Society's compilations were not infringed. To accept the Society's argument that only four "works" should be designated because the Society had previously published four magazine articles would provide a huge windfall for the infringers and would severely penalize Greenberg as the victim of the infringements.

Greenberg Registered Only Photographs as Separate Works

At page 6, the Society suggests alternatively that Greenberg's filing of registration forms on four occasions supports its contention that only four works should be designated. The Society then undermines that contention by acknowledging that one registration form may be utilized to register separate works (in this case photographs) for damages purposes, as explained in 37 C.F.R. § 202.3(b)(3)(A). The memorandum then states that "[w]orks like the stories at issue here

⁴ At page 9, the Society contends that Greenberg's 64 photographs (the defendants use 64 instead of the 64 claimed by Greenberg) "were not produced 'independently' from each other in 64 separate assignments." But "produced" has no meaning in copyright terms. "Courts have recognized repeatedly that the creative decision involved in producing a photograph may render it sufficiently original to be copyrightable and 'have carefully delineated subject, posture, background, lighting and perhaps even perspective alone as protectable elements of a photographer's work.'" ETS-Hokin v. Skyy Spirits, Inc., 225 F.3d 1068, 1076 (9th Cir. 2000)(internal citations omitted). Greenberg made such creative decisions for each and every photograph, and each stands alone as a protected "work."

each constitute a compilation regardless of the nomenclature utilized on the copyright registration or renewal form.” The argument makes no sense. The articles clearly are compilations, but Greenberg did not register the articles. The “nomenclature utilized” on the forms says nothing about the registration of a compilation. The Copyright Act says: “In any judicial proceeding the certificate of a registration . . . shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate.” 17 U.S.C. § 410(c). (Emphasis added.) The Society has advanced nothing that effectively challenges the facts stated in Greenberg’s certificates.

The cases cited, starting at page 6 of the memorandum, entirely miss the point developed in the discussion above. In each of the cases cited, the plaintiff had registered either a compilation alone, or a compilation along with individual photographs or other elements, but in every case the plaintiff owned both.

A review of what Greenberg registered, with examples, is helpful. The 1985 transfer document prepared by the Society conveyed to Greenberg “all right, title and interest, including copyright, in your photographs appearing” (Emphasis added.) Ex. A.⁵ The transfer document then identified the photographs, as “Photos on cover and pages 58 through 89” and so forth. See Ex. A. No compilation was conveyed, no magazine article, no magazine issue. When Greenberg recorded his interest with the Copyright Office, he filed a copy of the transfer document. Ex. B. In doing so, he gave public notice that he claimed copyright only in photographs. When Greenberg later filed a Certificate of Renewal Registration for those

⁵ The exhibits referenced in this memorandum are attachments to the Affidavit of Jerry Greenberg submitted with the plaintiffs’ original memorandum.

particular photographs, the “renewable matter” he registered was “photographs appearing on cover and pages 58 thru 89.” Ex. E. That pattern is consistent through the other exhibits, reflecting steps in registration, that support the Greenberg affidavit.

The Society attempts to attach significance to Greenberg’s uncertainty, in registering photographs from the 1990 magazine article, as to whether an underwater panorama included in that registration was a derivative work. In an extraordinary leap of logic, the Society concludes that Greenberg’s confusion on that point means that his registration forms “are not facially dispositive of the classification of a work.” Mem. at 7. A number of the courts referenced in the discussion above, however, did consider the registration forms to be facially dispositive, and the Society has advanced nothing to challenge the words Greenberg used in the forms.

Sixty-four photographs -- all separate works registered only as photographs -- should be counted as “works” for statutory damages.

**The 65th Work Proposed by Greenberg
Has Not Been Successfully Challenged**

In his initial memorandum Greenberg noted that one photograph among the 64 addressed in this discussion should be counted a second time to raise the total to 65. He noted that section 504(c)(1) provides damages for each work infringed “in the action,” and contends that the claim of infringement based on the inclusion of a Greenberg photograph in the Moving Cover Sequence is a separate claim and a separate cause of action. Nothing in the Society’s memorandum undermines that contention, and Greenberg relies on his initial argument.

**There is No Material Fact Issue in Dispute
and Discovery is Not Required to
Determine the Number of Works**

In argument on its cross-motion for summary judgment, in which the Society seeks a determination that four “works” are to be used by the jury in calculating damages, the Society says “there is no genuine issue of material fact as to the number of works available for statutory damages -- it should be declared to be four as a matter of law.” Mem. at 8. At page 11 of the memorandum, however, the Society states that Greenberg’s motion, which seeks a determination of 64 “works,” should be denied because “there are genuine issues of material fact.” The hypocrisy in the two positions is remarkable.

Exactly the same 64 photographs are at issue in Greenberg’s motion and the Society’s cross-motion. The Society merely wants them grouped, and Greenberg does not. The Society complains that Greenberg has not met a burden of demonstrating that each photograph has independent economic value. But the Society, in argument for its own motion, made no showing whatever regarding independent economic value for the same Greenberg photographs. Such a double standard is self-serving and totally unwarranted. Indeed, as will be shown, economic value does not have to be demonstrated.

Discovery clearly is appropriate for all parties on the amount of damages to be awarded, and on the issue of willful infringement, which are jury questions. Discovery is not warranted on the number of works infringed, which is predominantly a question of law, but that is what the Society seeks here.

The Eleventh Circuit, in Feltner, adopted the Gamma Audio standard that separate copyrights are not distinct “works” unless they can “live their own copyright life.” 89 F. 3d at

769, quoting from 11 F. 3d at 1116. The Court said that the test “focuses on whether each [photograph] has an independent economic value and is, in itself, viable.” *Id.* The Eleventh Circuit did not discuss how that value or viability should be determined.⁶ In *Feltner*, the Court noted that, although Gamma sold only complete sets of the video series at issue to video stores, patrons of the stores “may never watch or rent all of the episodes.” *Id.* There may be circumstances where the commercial viability of photographs may be in doubt, but not here.

- The Greenberg photographs are not unpublished works appearing publicly in the Complete National Geographic product for the first time.
- The Greenberg photographs are not stock photos out of a storage bin in some photo warehouse.
- The present value of the photographs, whatever that may be, is no indication of the future value of the photographs. Environmental issues affecting coral reefs, for example, may suddenly enhance the value of particular photographs, as other societal trends and changes may affect demand. Because markets and interests change, the present value of Greenberg’s undersea photographs cannot be the standard.
- The photographs were published originally in what is regarded by many, surely including the Society, as the world’s preeminent photography magazine. The selection and use of the Greenberg photographs by the Society in itself gives the photographs a commercial cachet and value far beyond other photographs of undersea life.
- Any reasonable observer, by simply viewing the photographs at issue, in Exhibits F, G, H and J to the Greenberg affidavit, can see the quality and unique artistic character of the photographs and their inherent value.

⁶ The Court said that “the decision of a distributor of television programs to sell television series as a block, rather than as individual shows, in no way indicates that each episode in a series is unable to stand alone. Each episode was produced independently from the other episodes” 89 F. 3d at 769. The Court thus did not pin its holding as to the number of “works” in that case to some showing of economic value for every work. Each of Greenberg’s photographs, of course, was “produced” independently from the others.

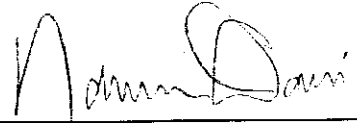
- The Society originally published the Greenberg photographs in a magazine published and distributed solely by a nonprofit entity. The Society arranged for re-publication of the photographs, in the Complete National Geographic product, by profit-making entities for commercial purposes. Even the Society recognized that the photographs have inherent economic value.

The jury will determine the amount of statutory damages to be awarded, but the jury must first be told by the Court the number of "works" infringed which the jury must use as a multiplier. That is a question predominantly of law that must be determined by the Court.

No court has ever held, or even said, that economic "viability" must be quantified. The Society cannot refute any of the indicia of value listed above. There may be disputed facts as to a present dollar value for any of the Greenberg photographs, but such a dispute is not material to the determination of the number of works to be counted. If the Society contends that discovery is essential to such a determination, why did the Society file its cross-motion, without discovery, seeking a declaration on the number of works?

The defendants have just mailed wide-ranging requests for such economic discovery, which can serve only to bleed the plaintiffs still more, after four-and-one-half years, for no real and material purpose. The Court should give notice that such discovery is not needed, and grant Greenberg's motion. The cross-motion should be denied.

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Certificate of Service

I hereby certify that a copy of the foregoing reply memorandum was served by mail on Edward Soto, Esq., Weil, Gotshal & Manges LLP, 701 Brickell Avenue, Suite 2100, Miami, FL 33131 and on Robert G. Sugarman, Esq., Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York NY 10153 this 14th day of May, 2002.



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MIA2001/105808-1