

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Miami Division

CASE NO. 97-3924-CIV-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.

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**PLAINTIFFS' MEMORANDUM IN OPPOSITION TO DEFENDANTS'  
MOTION IN LIMINE TO EXCLUDE EVIDENCE CONCERNING  
THE CORRECTNESS OF LEGAL OPINIONS PROVIDED TO DEFENDANTS**

Plaintiffs, JERRY GREENBERG and IDAZ GREENBERG (together "Greenberg"), submit this memorandum in opposition to Defendants' Motion in Limine for an Order Precluding Plaintiffs from Presenting any Evidence Concerning the Correctness of the Legal Opinions that Publication of Plaintiffs' Images in "The Complete National Geographic" did not Constitute Copyright Infringement or Violate Plaintiffs' Contractual Rights. The motion was filed by Defendants, NATIONAL GEOGRAPHIC SOCIETY, NATIONAL GEOGRAPHIC ENTERPRISES, INC. and MINDSCAPE, INC. (together "the Society").

It is true that whether or not the guidance provided by counsel was legally correct with respect to the inclusion of the Greenberg photographs in The Complete National Geographic on

CD-ROM ("CNG") is not relevant as such. It is also true as a matter of law that the relevant inquiry is into the Society's state of mind. "The focus of the [legal guidance] defense is the state of mind of the competitor-client and not the attorney's state of mind." Chiron Corp. v. Genentech, Inc., 179 F. Supp. 2d 1182, 1185 (E.D.Cal. 2001). "[T]he more sophisticated the client, the more stringent the duty of inquiry on the part of the client." Id. This client had a very stringent duty indeed.

Directly relevant, however, is evidence that tends to show that the Society did not ask the proper questions of Mr. Sugarman and did not provide him with sufficient, highly relevant information about the CNG product.

Willful infringement can be found despite the presence of an opinion of counsel in situations where the opinion was incompetent. Comark Communications, Inc. v. Harris Corporation, 156 F.3d 1182, 1191 (Fed.Cir. 1998). The court explained:

Obtaining an objective opinion letter from counsel also provides the basis for a defense against willful infringement. In order to provide such a prophylactic defense, however, counsel's opinion must be premised upon the best information known to the defendant. Otherwise, the opinion is likely to be inaccurate and will be ineffective to indicate the defendant's good faith intent.

Id. (Emphasis added.) The Society did not share with any of its outside counsel the central fact about Jerry Greenberg: all rights to his photographs had been conveyed to him by the National Geographic Society. As the court said in Comark, a counsel's opinion must be premised on the best information known to the defendant. A great deal of relevant information was not given to counsel.

That was also true in the only guidance to the Society from outside counsel that dealt with copyright -- an opinion provided by Robert Sugarman on July 21, 1997, approximately two

months prior to the first sales of the CNG.<sup>1</sup> The opinion was based on “the facts as I understand them,” Ex. D at 1, but the Society provided Sugarman with virtually no facts as to the CNG beyond telling him that every page in the magazines would be digitally replicated in the CNG. In the Ward case cited above, pending in the Southern District of New York, Sugarman in deposition testimony acknowledged that he was not given wideranging information as to the CNG before he prepared his legal opinion. See Exhibit A attached hereto. Sugarman never saw the CNG product itself. Moreover, he was not told:

- the CNG would include an opening visual montage with moving covers
- the CNG would include a Kodak advertisement with music
- the CNG would have a link to the Internet
- the CNG would include an animated globe with music
- the CNG would have a feature for saving search results
- the actual copying of the Greenberg photographs (and other material in the magazines) took place long before Sugarman’s opinion
- the CNG had been displayed and reviewed for outside parties, and for the Society’s board, before Sugarman’s opinion

Exhibit A, pages 98-103. In his opinion letter, Sugarman wrote: “As I understand the CD Rom Project, each issue of the magazine will be scanned, page-by-page, and placed on CD Rom.”

But the features listed above, and others, were added to each CD-ROM, turning the Complete National Geographic product into much more than mere copies of pages from the monthly magazines. Indeed, the Eleventh Circuit’s finding of infringement turned on precisely its finding that the CNG was a completely new product. 244 F.3d 1267, 1273 (11<sup>th</sup> Cir. 2001). The jury has a right to weigh that information to determine whether the Society provided Sugarman with adequate information, because that is directly relevant to the state of mind of the National

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<sup>1</sup> The Sugarman letter is Exhibit D to the Suzanne Dupre declaration, which is attached as Exhibit 3 to the Notice of Filing of Declaration of Terrence B. Adamson, John Fahey, and Suzanne Dupre in Support of Defendants’ Motion in Limine or for Summary Judgment to Limit the Scope of the Trial on Statutory Damages and to Preclude the Introduction of any Evidence Regarding Willfulness.

Geographic Society, particularly in view of its sophistication and experience in the copyright realm. Mr. Sugarman may very well testify that the additional information would have made no difference in formulating his opinion, but the jury can decide that for itself.

Asked at his deposition whether he ever considered whether the Society had the right to use copyrights or other rights that it didn't own, Sugarman replied "I don't recall considering it in those terms." Exhibit A, at page 157.

Completely apart from legal correctness, of course, is Greenberg's contention that the Sugarman opinion was untimely sought. Greenberg will produce evidence that the CNG product was committed, and various infringements already had taken place, prior to the Society's solicitation to Mr. Sugarman.

Thus if the Court grants the motion, it should limit the exclusion only to the correctness of the legal advice, leaving open for jury deliberation the other aspects of the advice discussed herein.

STEEL HECTOR & DAVIS LLP  
Attorneys for Plaintiffs

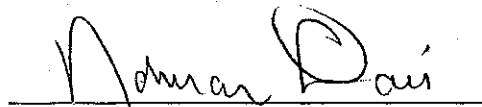


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Certificate of Service

I hereby certify that a copy of the foregoing memorandum was served by mail on Edward Soto, Esq., Weil, Gotshal & Manges LLP, 701 Brickell Avenue, Suite 2100, Miami, FL 33131; and on Stephen N. Zack, Boies, Schiller & Flexner LLP, 2800 Bank of America Tower, 100 Southeast Second Street, Miami, FL 33131; and by facsimile and mail on Robert G. Sugarman, Esq., Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York NY 10153 this 10th day of January, 2003.

  
Norman Davis

# EXHIBIT A

1  
2 Q. Would you know what it means to  
3 digitize a picture?  
4 Let me withdraw that question.  
5 At the time you gave your opinion did  
6 you know what it means to digitize a picture?  
7 A. I don't recall.  
8 Q. You don't know whether you knew that?  
9 MS. GRAY: Objection.  
10 Asked and answered.  
11 THE WITNESS: I don't recall whether  
12 I knew that.  
13 BY MR. SCHADEN:  
14 Q. Did you ever discuss with any of the  
15 defendants or their representatives what it  
16 means to digitize a picture, as compared to  
17 copy it on film?  
18 A. No.  
19 Q. Did you understand at that time what  
20 digitizing means?  
21 A. I don't recall.  
22 Q. Do you understand the concept of  
23 binary code?  
24 MS. GRAY: Are you asking him about  
25 his opinion today?

1  
2 MR. SCHADEN: No, I just -  
3 BY MR. SCHADEN:  
4 Q. At the time you gave your opinion did  
5 you understand the concept of binary code?  
6 A. I don't believe I had any information  
7 about that.  
8 Q. Did anyone discuss with you at  
9 National Geographic, before you gave your  
10 opinion, the difference between something  
11 that is in binary code as compared to  
12 something that's on film?  
13 A. No.  
14 Q. And nobody discussed with you then I  
15 assume the different capabilities?  
16 MS. GRAY: Objection to form.  
17 BY MR. SCHADEN:  
18 Q. That is, binary code versus film.  
19 MS. GRAY: Same objection.  
20 Objection to form.  
21 You can answer.  
22 THE WITNESS: Not in those terms, no.  
23 BY MR. SCHADEN:  
24 Q. Did you examine the logos of other  
25 defendants in the National Geographic product

1  
2 before you gave your opinion?  
3 A. No.  
4 Q. Did you know that Kodak was involved,  
5 one of your other defendants, that is, in the  
6 product?  
7 A. No.  
8 Q. When you gave your opinion, did you  
9 know that Kodak was going to have a display  
10 in the product?  
11 A. No.  
12 Q. Do you know today?  
13 MS. GRAY: Objection.  
14 I instruct the witness not to answer.  
15 (Insurrection Not to Answer.)  
16 BY MR. SCHADEN:  
17 Q. Did you know that the product was  
18 going to contain music?  
19 A. I don't recall.  
20 Q. Did anybody in National Geographic  
21 tell you that they had information on the  
22 difference between a digital product as  
23 compared - the capabilities of a digital  
24 product compared to a film product?  
25 A. No.

1  
2 Q. Did anyone at National Geographic  
3 tell you there was going to be music in the  
4 product?  
5 A. I don't recall.  
6 MS. GRAY: You're talking about  
7 before he gave his opinion, is that right?  
8 MR. SCHADEN: Yes.  
9 BY MR. SCHADEN:  
10 Q. Did anyone at National Geographic  
11 tell you that the Kodak logo and there was  
12 going to be a Kodak picture in the product?  
13 MS. GRAY: Objection to form.  
14 THE WITNESS: No.  
15 BY MR. SCHADEN:  
16 Q. Did you compare the product CD-108,  
17 the CD-RDM, to the magazines from which it  
18 was represented to be taken from?  
19 A. No.  
20 Q. Did Suzanne Dupre or anyone else at  
21 National Geographic explain to you the  
22 differences in this product as compared to  
23 the magazine - or magazines I guess would be  
24 the appropriate word?  
25 A. We discussed the - what would be put

1  
2 onto the CD-ROM vis-a-vis what was on the  
3 magazines.  
4 So if that's your question, yes,  
5 Q. But did they discuss with you the  
6 things that were going to be in the CD  
7 product that weren't in the magazine?  
8 A. In the CD product, no.  
9 Q. Such as music, Kodak, et cetera?  
10 A. I - as I said, I had no discussions  
11 about Kodak.  
12 I don't recall any discussions about  
13 music.  
14 Q. Did they express to you the  
15 capability of printing portions of the  
16 magazine, that is, the capability by the user  
17 of the CD?  
18 A. I believe there was some discussion  
19 of that, yes.  
20 Q. And you gave your opinion in light of  
21 that discussion?  
22 MS. GRAY: Objection to form.  
23 THE WITNESS: I gave my opinion  
24 having had the information that was given  
25 to me on that subject.

1  
2 BY MR. SCHADEN:  
3 Q. Did anybody show you or display to  
4 you the print capabilities?  
5 A. No.  
6 Q. Did anybody make a demonstration for  
7 you of the print quality?  
8 A. No.  
9 Q. Did anybody show you the word search  
10 capability in the CD product - CD-108?  
11 MS. GRAY: This whole line of  
12 questioning is before he gave his opinion,  
13 is that right, his initial opinion?  
14 I just want to be clear.  
15 MR. SCHADEN: Yes, or contiguous  
16 with - or, you know, contemporaneous with  
17 his opinions.  
18 MS. GRAY: Well, yes, if you could  
19 just be really clear about what the time  
20 frame is.  
21 MR. SCHADEN: I'm not talking about  
22 today.  
23 I'm talking about in the spring and  
24 the summer of '97.  
25 MS. GRAY: Okay.

1  
2 THE WITNESS: No.  
3 BY MR. SCHADEN:  
4 Q. Did anybody explain to you the  
5 capability of an interactive link with the  
6 National Geographic website?  
7 A. No.  
8 Q. And, again, it's in that same period  
9 of time.  
10 A. I'm assuming that all your questions  
11 now are based on that period.  
12 Q. Okay. Did you see or was it  
13 displayed to you the search capability that  
14 people who understood Boolean algebra or  
15 Boolean analytical methods could use?  
16 MS. GRAY: Objection to form.  
17 THE WITNESS: No.  
18 BY MR. SCHADEN:  
19 Q. At that time that you gave your  
20 opinion did you understand the concept of  
21 Boolean algebra?  
22 A. I don't recall.  
23 MS. GRAY: Objection to form.  
24 BY MR. SCHADEN:  
25 Q. At the time you gave your opinion did

1  
2 you understand the concept of binary code?  
3 A. I don't believe I was familiar with  
4 the term.  
5 Q. And so I assume that you didn't know  
6 what the capabilities of binary code were  
7 compared to film or analog code?  
8 A. I think I've said before that I did  
9 not.  
10 Q. Do you understand the relationship  
11 between binary code - strike that.  
12 Did you at that time understand the  
13 relationship between binary code and the  
14 concept digitizing?  
15 A. No.  
16 Q. Before you gave opinions to National  
17 Geographic or any of the other defendants did  
18 you ask any experts about that relationship  
19 between binary code and digitizing?  
20 A. No.  
21 Q. Did you seek any expert opinion  
22 before giving advice to National Geographic  
23 about the capability of a product that  
24 contained binary code?  
25 A. No.