

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division

CASE NO. 97-3924-CIV-SIMONTON

NIGHT

JERRY GREENBERG, individually,

Plaintiff,

CLERK, U.S.D.C.
CLERK, U.S.D.C.

vs.

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

Defendants.

**PLAINTIFF'S MEMORANDUM IN OPPOSITION TO
DEFENDANTS' MOTION FOR JUDGMENT AS A MATTER OF LAW,
MOTION FOR NEW TRIAL AND MOTION FOR REMITTITUR**

Plaintiff JERRY GREENBERG ("Greenberg"), submits this memorandum in opposition to the post-verdict motions under Rule 50 and Rule 59 to set aside the jury's willfulness finding verdict served by Defendants, NATIONAL GEOGRAPHIC SOCIETY, NATIONAL GEOGRAPHIC ENTERPRISES, INC., and MINDSCAPE, INC. (together "the Society").

I. Introduction

In its 60 page memorandum, the Society argues that its Rule 50 or Rule 59 motions should be granted solely because they believe the jury's finding of willfulness was unsupported. Willfulness is out of the question, they contend, because the evidence showed that (a) Greenberg did not put on even a prima facie case of willfulness, and (b) even if he did so, the Society

reasonably relied on the guidance of outside legal counsel and (c) they had an "absolute" right to republish the Greenberg photographs because of a contract or license with him. But Greenberg put on abundant evidence of willfulness, and the two defenses of the defendants were faulty in major ways that the jury could readily discern.

A reading of the Society's voluminous memorandum leaves a sense that we have heard all of this before. Indeed we have, because the lengthy recitation of evidence in the record cited by the Society closely mirrors the closing argument made at trial by the Society's counsel. The jury was presented at closing with the very same rendition of the evidence, with all the inferences in *the Society's* favor, that the Court is being presented now. The jury, however, based upon the verdict that awarded Greenberg the maximum award legally permissible under the Court's instructions, flatly and overwhelmingly rejected the Society's justification for its continued infringement of Greenberg's copyrights. The jury's verdict upheld quite forcefully the principle that no one can cavalierly infringe copyrights, not even an institution with the reputation the National Geographic boasted about in its closing argument and throughout the trial.

But the time for arguing the case before the factfinder has now passed. The Society's memorandum reads as if this Court now sits as a ninth juror in this case, who is empowered to review all of the evidence again, listen to the arguments once more, and reach its own conclusion as to the factual findings reached by the eight persons who sat as jurors through the seven-day trial. Relying again on their reputation and the reputation of their lawyers, the Society apparently believes that it can rehash its closing argument before the trial judge in the hope that the trial judge will reach a different conclusion and save the day.

As this Court knows, however, a trial judge in a jury trial does not sit as a final super-juror. A trial judge cannot substitute his or her own assessment of the facts for that of the jury. After the jury has rendered its decision as factfinder, the trial judge's power is restricted by the Seventh Amendment to the U.S. Constitution and the Federal Rules of Civil Procedure. The trial judge's only responsibility is to ensure that there is some competent substantial evidence in the record to sustain the jury's findings. Even if the judge as a juror would have reached a different conclusion, Rule 50 does not permit the judge to set aside the jury's verdict so long as there is evidence in the trial record that supports the non-movant's position. And in making that limited and narrow determination, the trial judge must draw all reasonable inferences in favor of *the non-moving party*, here Greenberg, precisely so that the court does not make the mistake of substituting its own judgment for that of the jury. After reading the Society's memorandum, and specifically its summary of the evidence in the record, one reaches the conclusion that the Society believes otherwise, because all the evidence recited is dripping with inferences in the Society's favor. Using the correct standard of review, this Court will reach the conclusion that there is more than sufficient substantive evidence in the record to sustain the jury's verdict and deny the Society's motion for judgment as a matter of law.

And for purposes of Rule 59 and its motion for new trial, the Society also has it wrong. A trial judge cannot set aside a verdict and order a new trial simply because the weight of the evidence, in the judge's view, tilts to the losing party. Rather, for a new trial to be ordered the overwhelming amount of evidence must be in the losing party's favor such that the trial judge believes a gross injustice has resulted from the jury's verdict. Here, as the court indicated during the trial, the answer to the willfulness issue is a close call. Forceful arguments were made by both sides. The jury reached a decision after hearing all the evidence, analyzing the arguments,

and weighing the credibility of witnesses. New trials are not granted in cases where credibility makes it a close call. Close calls are reserved for the jury as factfinder. New trials are granted in cases where the evidence is obvious and unmistakable, and where the jury reached an opposite conclusion. That is clearly not what happened in this trial.

The jury members have spoken -- not the customary six jurors, but eight independent minds. They clearly do not condone the type of gamesmanship represented in launching and marketing the CD-108 product for some six years, where business people and marketers came up with an idea, decided to go forward with that idea knowing that Greenberg owned 64 copyrights, and then after-the-fact hunted for legal opinions to clothe their decision with validity. And, even worse, when a federal appellate court labeled them infringers as a matter of law, the Society lined up its lawyers once again to rationalize a defiance of that decision.

The Society's memorandum says it is inappropriate to speculate on why the jury did what it did, but in many different places the Society proceeds to speculate that sympathy for Greenberg could have been at play based on emotion. What emotion? The trial was sapped of any emotion and was prosecuted in a very formal and professional manner. The Society's speculation is totally unfounded and does not provide any basis to set aside this jury's verdict. The Court should, therefore, deny the Society's motions for judgment as a matter of law and for new trial.

II. Statement Of Evidence In The Trial Record

The Society has the temerity to claim that there was not a scintilla, not a shred, of evidence showing that the Society willfully infringed Greenberg's copyrights. Defs. Memo. at 4. Moreover, the Society now claims that it had the "right" to use at least three of the works on whatever terms it deemed appropriate. This is now alleged even though the Eleventh Circuit

Court of Appeals ruled, based upon the Society's own "undisputed facts." that "[i]n 1985, at Greenberg's request, the Society reassigned its copyrights in the pictures from these three jobs back to Greenberg." *Greenberg v. National Geographic Society*, 244 F.3d 1267, 1269 (11th Cir. 2001). That became the law of this case.

In any event, let us examine what the trial record discloses as the evidence that the jurors had before them before reaching their decision. And, unlike the facts set forth in the Society's memorandum, the following summary of the evidence is written in the light most favorable to Greenberg as non-moving party, as this Court must do under the principles that bind its post-verdict review.

Four different sets of facts supported a finding of willfulness. The jury could have based its finding on any one set of facts or any combination of the four:

- (1) The Society was committed to proceed with the CD-ROM product by the time they began to seek and receive relevant legal guidance from outside counsel. It was too late.
- (2) The legal guidance obtained from outside counsel was incompetent and unreliable in light of the information not provided by the Society.
- (3) When the Eleventh Circuit held that the Society had infringed the Greenberg copyrights, the Society knowingly continued the infringement and was at the time of trial planning new infringements.
- (4) The Society otherwise acted in reckless disregard of Greenberg's rights.

A. The Society Was Committed to Proceed With An Infringing Product to Infringe Before Obtaining Relevant Legal Guidance

A licensing agreement was entered into between the Society and NGV, Inc. on December 16, 1996, which provided for an effective date of January 1, 1996. TE 323.¹ NGV obtained a worldwide license for 10 years to distribute, exhibit, publicize and license to others use of the

¹ "TE" refers to the Trial Exhibits entered into evidence, followed by the exhibit number.

monthly magazines, and to contract with third parties for such use. *Id.* A distribution agreement was executed by NGE, Inc. and Mindscape, Inc., effective September 13, 1996, that conveyed exclusive rights to distribute and sell the Complete National Geographic and other products. TE 332. John Fahey, then the Chief Operating Officer of the Society, testified that those documents committed the Society to going forward with the CD-ROM project, at least on a contractual basis. Tr.4.236-37.² The Society could have altered that, he said, but would have been in breach of the contract if it had done so. *Id.*

Fahey also said the Society received an advance payment from Mindscape of several million dollars before the "beta" version of the CD-ROM product was prepared early in 1997, and another payment when the beta version was ready. Tr.4.232-33. Asked when the copying of the monthly magazines was accomplished, Fahey said "through the rest of 1996 and into 1997." Tr.4.230. The jury understood from the Society's former general counsel, Suzanne Dupre, that the right to copy a work is a right reserved to a copyright holder. Tr.5.162.

The Society then prepared and implemented a CD-ROM Marketing Plan targeted to "consumers throughout the world." TE 51. Elements of the plan included the following:

- * Media campaigns regarding the Complete National Geographic starting in January 1997
- * Contests and promotions to begin in early 1997
- * Special tours for select editors, regarding the Complete National Geographic, starting in January and February 1997
- * List of 60 different media outlets to be contacted about the Complete National Geographic
- * Teaser mailings, starting in April 1997, featuring the Complete National Geographic

² "Tr." refers to the Trial Transcript, followed by the volume number and page.

* CD-ROM product to be featured at the E3 trade show
in June 1997

Id. An internal memo dated February 4, 1997 said “we are shopping around [an advertising program] to a targeted list of advertisers.” TE 52. This marketing program cost a great deal of money to the Society. Indeed, Fahey testified that he was not surprised that a marketing program started at the beginning of 1997 cost several hundred thousand dollars. Tr.4.239.

In the meantime, a number of mid and upper-level employees at the Society expressed serious misgivings about whether the Society possessed adequate rights to proceed, and whether contributors to the magazine were being treated fairly. Among those was Bob Poole, who wrote to Bill Allen, Editor-in-Chief of the magazine, that “we seem to be heading for a disaster.” TE 354. Kent Kobersteen outlined his deep concern in an e-mail to Bill Allen on March 20, 1997, and said that the potential liability in damages could be enormous. TE 301. Allen told John Fahey in an e-mail on March 18, 1997 that he was “terrified” about going ahead with the project. TE 314. “We are so far down the road at this point that we probably just have to keep smoothing as many bumps as possible and drive like hell with our fingers crossed.” *Id.* Such evidence vividly showed the Society’s commitment to the project at that point.

Murphy, then the President and CEO of the Society, testified that he had always opposed the project, and dreaded the prospect of lawsuits. Tr.2.233. “I doubt that I ever expressed anything other than opposition” to the Complete National Geographic product. Tr.2.234. “I was not convinced,” he testified, “by opinions from outside counsel that it was safe to proceed.” Tr.2.236-37. John Fahey, then the Chief Operating Officer of the Society, testified that “[l]ots of us were concerned, and I was concerned, as well, that we might be sued.” Tr.5.172. The jury could easily conclude from such evidence that the project was beyond recall by the time the Robert Sugarman legal opinion (which was never entered into evidence by the Society) came

along in early summer -- the only one that addressed copyright issues, as discussed below.

Indeed, the jury heard *no* evidence that the Society ever seriously considered stopping the project or taking other remedial measures, such as compensating the contributors.

On April 16, 1997, a memorandum from NGS public affairs to the Society's executives reported that "the magazine has been scanned in page by page in its entirety." TE 348. A memo from M. J. Jacobsen to NGS executives on May 12, 1997 informed them that "Larry Lux has already shown the CD-ROM to more than a dozen reviewers for long-lead publications." TE 431.

B. The Advice Obtained From Outside Counsel Was Incompetent and Unreliable

Throughout the trial, the defendants stressed relentlessly that they could not have acted willfully because they obtained go-ahead advice from outside legal counsel. The jury could easily conclude, however, that the guidance was not properly relevant to Greenberg, was not timely, and was based on incomplete information about the CD-ROM product.

The first written opinion was obtained from Paul Kilmer on February 3, 1996. TE 29. His four-page opinion was limited to the standard photographer's contract. He discussed no copyright issues. *Id.* The opinion had no relevance to copyrights such as those owned by Greenberg. Suzanne Dupre, however, testified that in the same time frame she obtained an oral opinion from Kilmer as to copyrights. Tr.5.167. Ms. Dupre's testimony in this regard, however, was not supported by any written documentation whatsoever. The Society did not introduce any note, contemporaneous memoranda, correspondence, or otherwise that would have verified that testimony. Nor did the Society introduce the testimony of Mr. Kilmer himself, even though he was and remains counsel for the Society and was identified on their witness list. The jurors could, of course, credit or discredit Ms. Dupre's testimony as they saw fit pursuant to the Court's

instructions. Moreover, the jury could note that Judge Leon Higginbotham, a member of the Board of Trustees of the Society, later would insist on getting legal opinions in writing. Tr.5.77.

Kilmer's second opinion, dated February 21, 1997, advised the Society that he had not been informed in 1996 that the primary market for the CD-ROM product would be consumers. TR 31. "The risks of the CD-ROM project have clearly increased since our February 3, 1996 correspondence," he wrote. *Id.* Kilmer did not see the Complete National Geographic product when he wrote his 1996 opinion, nor was he aware of the various elements the product would contain. Tr.5.184-85.

Even Suzanne Dupre, the in-house counsel, formulated her opinion that the Society had no legal problem with the CD-ROM product without having any idea what the product might contain other than magazines. Tr.5.185. "I don't think it even crossed my mind that there might be something at the beginning or the end. It didn't matter." Tr.5.185-86. (It did clearly matter to the Eleventh Circuit, however).

Dupre hired attorney Robert Sugarman shortly after April 24, 1997 to render another opinion as to the product. Tr.5.172. Sugarman's written opinion, which did deal with copyright issues, was prepared at some point after June 20, 1997. Tr.5.172-73. By that time, all of the contractual, licensing, marketing and promotional activity described above with respect to the Complete National Geographic had taken place. The Sugarman opinion was never shown to the jury, nor was Mr. Sugarman called as a witness. The Society did disclose to the jury, as Mr. Fahey conceded, that after rendering a favorable opinion for the Society, Sugarman and his law firm took on representation of the Society when Jerry Greenberg filed his lawsuit. Tr.5.85. And Sugarman is today representing the Society in various jurisdictions. *Id.* Again, what weight the

jury wished to give to an unseen opinion, by an unseen lawyer, who has been on the Society's payroll for years as a result of that opinion, was up to the jury.

Fahey ultimately understood that the Eleventh Circuit had found infringement in the CNG because of various additional features, but he did not know whether his outside counsel had been aware of those features. Tr.5.82-83. "They -- as far as I know, they probably were not available to view, but they may have known about them. I don't know." Tr.5.83.

C. The Greenberg Photographs Continued to be Used After the Eleventh Circuit Held that Their Use was Infringing

In 2001, the Eleventh Circuit Court of Appeals held that the defendants had infringed the Greenberg copyrights by including his photographs in the Complete National Geographic without his consent. Tr.3.121-22. The Society did not remove his photographs from the product, and did not remove the product from the market. Tr.3.122-23. In-house counsel Suzanne Dupre agreed that the Eleventh Circuit's decision is the law until some court changes it. "I certainly wouldn't dispute that." Tr.5.169. "Once a court has issued an opinion," she testified, it is the law in that jurisdiction. Absolutely." *Id.*

John Fahey agreed that the Society had not stopped its use of the Greenberg photographs. "And the number one reason we didn't is because the [appellate] court told us we shouldn't." Tr.5.92. "We didn't stop distributing the product because the court thought that that was not the thing that we should do." *Id.* Adamson, however, contradicted that, and conceded that the Eleventh Circuit said no such thing, proposing only that the lower court should consider alternatives to injunctive relief. Tr.6.55.

**D. In Other Ways the Society Acted
In Reckless Disregard of Greenberg's Rights**

On April 23, 1997, Greenberg's lawyer wrote to the National Geographic Society to caution against any "unauthorized use" of Greenberg's copyrighted photographs in the forthcoming Complete National Geographic. TE 35. The letter said in part: "The Society has no right -- under copyright, contract, or any other theory -- to use Mr. Greenberg's creative works" in the new product. *Id.* Although the Society's witnesses claimed over and over again at trial that they had a license or contractual agreement for the use of the photographs, they presented no evidence that they asserted any contract right by responding to the April 1997 letter from Greenberg's counsel.

The jury heard also that the Society had mailed, in May 1997, a letter to all contributors to the magazine explaining that the Society would not pay for the re-use of materials in the CD-ROM product. Tr.3.108-09. Inexplicably, the letter was not sent to Greenberg. *Id.* He obtained a copy from a fellow photographer who had received the letter. *Id.*

The jury also heard that the Society's infringements made it far more possible for other parties to also infringe on Greenberg's copyrights and make unauthorized copies of his pictures. When a Greenberg photograph is printed from a disk in the Complete National Geographic, each print across the bottom reads "(c) 1997 National Geographic Society." TE 1; Tr.2.180. A consumer who prints the photograph has no way of knowing that Greenberg has any copyright interest in the photograph. Tr.2.182. *Id.* Greenberg testified about the use of watermarks commonly used in the electronic storage of images that embeds an image or a name in a photograph which appears only when the image is copied. Tr.2.169-70. The CD-ROM product could have used, but did not, watermarks to protect images from copying. The testimony was

that printing copies from any disk in the product is very easy and fast, and the quality is excellent. Tr.2.142-43.

Idaz Greenberg also described for the jury how she easily e-mailed Jerry Greenberg photographs directly from the CD-ROM to her daughter. Tr.2.162. She explained how she easily modified and altered the photographs on the CD-ROM. She showed the jury samples of composite images she made using her husband's photographs on the disks. Tr.2.146-48.

Thus the CNG product infringed copyrights and made it unnecessarily simple for thousands of others to infringe by using the product.

E. The Conveyance of Copyright to Greenberg in 1985

The backdrop against which the Society argued the existence of a "license" derived from Greenberg's November 1985 letter was the December 1985 conveyance document. Drafted by Suzanne Dupre, the Society's chief legal officer for fourteen years, Tr.5.116, the conveyance was absolute with no re-use provision written in and no language incorporating anything. The jury could have seen that as an absolute, unconditional conveyance: "the National Geographic Society hereby assigns to you all right, title and interest, including copyright in your photographs."

The Society's memorandum strains mightily to twist Greenberg's testimony about what he intended by the "reuse" language in his November 1985 letter in which he asked that copyrights in his photographs be conveyed to him. Asked what he meant by that language, Greenberg testified:

- Q. What did you intend the language to mean if they conveyed the copyrights to you?
- A. Once they convey 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 intact.

Tr.3.91.

Q. After that copyright was conveyed to you, did they continue to use the photographs as they preferred?

A. Yes, *they would come to me and let me know* what they were interested in. They came to me because I own the copyrights. I would have certainly allowed the continued usage as I did before.

Q. And did you allow continued usage?

A. Yes, yes, *as long as they came to me and asked permission.*

Tr.3.92. Greenberg's testimony never varied from the text quoted above. At all times, on direct and cross examination, Greenberg maintained that his offer to let them reuse the copyrights was premised on his "control" of their reuse as holder of the copyright. Tr.3.209-10. The Society attempts to characterize his testimony as confirming an absolute right by the Society to re-use the photographs, but Greenberg never said that. "All they would have to do, since I owned the copyright, is to come back and ask me for permission." Tr.4.26.

What the jury heard at trial is that the Society never went to Greenberg to seek his permission, and consequently never offered to pay him for the use of his photographs. In December 2002, the Society mailed a check to Greenberg offering \$2,834 as payment for the use of his photographs. Tr.3.210. Greenberg refused the payment. Tr.4.30. The jury could consider that the offer came five years after Greenberg filed his lawsuit for copyright infringement, five-and-one-half years after the Society ignored a letter from Greenberg's counsel inviting the Society to negotiate with him, and more than one year after the Society had been legally declared an infringer. On the other hand, if the Society had to get his permission to begin with, as Greenberg repeatedly testified, then the Society did not have any absolute right to re-use as they

now claim. The jury obviously agreed with Greenberg's position on that point and rejected the Society's tortured interpretation of Greenberg's testimony.

**III. The Court Should Deny the Rule 50
Motion as There is Competent Substantial
Evidence in the Record to Sustain the Jury's Verdict**

The standard for determining willfulness under the copyright statute to award enhanced statutory damages is simply whether the defendant had knowledge that its conduct represented infringement or recklessly disregarded the possibility. *Hamil America, Inc. v. GFI*, 193 F.3d 92, 97 (2d Cir.1999), *cert. denied*, 528 U.S. 1160; *Twin Peaks Productions, Inc. v. Publications Int'l*, 996 F.2d 1366, 1382 (2d Cir. 1993) (citation omitted). *See also N.A.S. Import Corp. v. Chenson Entertainment, Inc.*, 968 F.2d 250, 252 (2d Cir. 1992) (reckless disregard of the copyright holder's rights suffices to warrant enhanced damages for willful infringement); *National Football League v. PrimeTime 24 Joint Venture*, 131 F.Supp. 2d 458, 475-76 (S.D.N.Y. 2001) ("willfulness' in the context of statutory damages for copyright infringement means that the infringer either had actual knowledge that it was infringing the plaintiffs' copyrights or else acted in reckless disregard of the high probability that it was infringing plaintiffs' copyrights") (quoting *UMG Recordings, Inc. v. MP3.Com. Inc.*, 00 Civ. 472, 2000 WL 1262568 at *4 (S.D.N.Y. Sept.6, 2000)); *Fitzgerald Publ'g Co. v. Baylor Publ'g Co.*, 807 F.2d 1110, 1115 (2d Cir.1986); 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 14.04[B][3] (2001 ed.); 2 William F. Patry, *Copyright Law & Practice* at 1173-74 (1994).

Accordingly, the Court properly instructed the jury on the standard for willfulness that had to be satisfied before the jury could enhance any statutory damage award to a maximum of \$100,000 per work infringed. The jury indeed awarded Greenberg the maximum award for each of the four works infringed, thereby requiring that the Court enter judgment in his favor in the

amount of \$400,000. The Society now claims, however, that the Court should enter judgment as a matter of law for the Society on the willfulness issue, leaving Greenberg with a maximum of \$20,000 per work infringed. Before this Court can grant such relief, however, this Court must follow a strict and narrow standard of review.

A. The Limited Standard of Review Under Rule 50

The burden on the Society to prove that no reasonable jury could have found for Greenberg on the willfulness issue is one of the most stringent burdens known to the law. The leading Eleventh Circuit cases of *Von Stein v. Brescher*, 904 F.2d 572, 578 (11th Cir. 1990), and *Miles v. Tennessee River Pulp & Paper Co.*, 862 F.2d 1525, 1528 (11th Cir. 1989), reinforced and cited with approval the standard for granting motions for judgment as a matter of law set forth in *Boeing Co. v. Shipman*, 411 F.2d 365, 374 (5th Cir. 1969) (*en banc*):

[T]he court should consider all of 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. *On the other hand, if there is substantial evidence opposed to the motions, that is, evidence of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment might reach different conclusions, the motions should be denied.*

This difficult standard has been consistently applied in the Eleventh Circuit. *See, e.g., Tidwell v. Carter Products*, 135 F.3d 1422, 1425 (11th Cir. 1998); *Isenbergh v. Knight-Ridder Newspapers Sales, Inc.*, 84 F.3d 1380, 1383 (11th Cir. 1996); *Carter v. City of Miami*, 870 F.2d 578, 581 (11th Cir. 1989). As the Eleventh Circuit in *Tidwell* explained, this standard “requires the consideration of ‘whether the evidence presents a *sufficient disagreement* to require submission to a jury or whether it is so one-sided that one party must prevail as a matter of law.’”

135 F.3d at 1425 (quoting *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 251-52 (1986) (emphasis added)).

An important facet of this restricted review is that the trial court “may not weigh the evidence or decide the credibility of witnesses.” *Isenbergh*, 84 F.3d at 1383. Accordingly, where there is “conflicting testimony on the crucial issues” in the case and the jury “is called upon to make credibility determinations and weigh the evidence . . . [it is] free to believe or disbelieve portions of testimony.” *Rosenfeld v. Wellington Leisure Products, Inc.*, 827 F.2d 1493, 1498 (11th Cir. 1987). “Whether the trial judge or [the appellate court] would have reached the same conclusion is irrelevant, so long as there is some support for the jury’s decision.” *Id.*

The reason why this limited standard of review must be strictly applied is that there are constitutional principles at stake. The Seventh Amendment to the United States Constitution requires great deference to be given to factual findings of a jury. As Justice Douglas explained, “it is the Seventh Amendment that fashions ‘the federal policy favoring jury decisions of disputed fact questions.’” *Atlantic & Gulf Stevedores, Inc. v. Ellerman Lines, Ltd.*, 369 U.S. 355, 360 (1962) (citing *Byrd v. Blue Ridge Rural Elec. Co-op, Inc.*, 356 U.S. 525, 538-39 (1958)). The Seventh Amendment imposes upon courts a constitutional obligation to search for a resolution of a case that respects the principle that “‘juries are not bound by what seems inescapable logic to judges.’” *Morissette v. United States*, 342 U.S. 246, 276 (1952).

These constitutional principles squarely apply to copyright cases involving the determination of statutory damages, as the Supreme Court recently held in *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340 (1998), in which the Court explained that because statutory damages in copyright actions involved two components that were traditionally decided

by juries at common law, i.e. monetary compensation and punishment, juries were required to make those determinations even under the modern copyright statute that does not expressly confer a right to jury trials. Specifically,

[t]he right to a jury trial includes the right to have a jury determine the amount of statutory damages, if any, awarded to the copyright owner. It has long been recognized that "by the law the jury are judges of the damages." *Lord Townshend v. Hughes*, 2 Mod. 150, 151, 86 Eng. Rep. 994, 994-995 (C.P. 1677). Thus in *Dimick v. Schiedt*, 293 U.S. 474, 55 S.Ct. 296, 79 L.Ed. 603 (1935), the Court stated that "the common law rule as it existed at the time of the adoption of the Constitution" was that "*in cases where the amount of damages was uncertain[,] their assessment was a matter so peculiarly within the province of the jury that the Court should not alter it.*" *Id.*, at 480, 55 S. Ct., at 298 (internal quotation marks and citations omitted).

Feltner, 523 U.S. 353 (emphasis added).

This is a case where statutory damages have been sought because the actual amount of damages that flow from the Society's infringements is uncertain. Thus, possibly more than other cases as *Feltner* explained, this is a case particularly within the province of a jury which must be respected unless the requirements of Rule 50 are strictly satisfied. They are not in this case.

B. There is Substantial Evidence and Disagreement in This Record That Supports the Jury's Willfulness Determination

Despite all the evidence, consisting of testimony and trial exhibits, that was introduced by Greenberg in this case that are identified in Section II above, the Society contends that the issues in this case are clear-cut; the Society was not willful as a matter of law because it had opinions of counsel saying they were privileged to use Greenberg's photographs in the CD-108, and that they had a "license" from Greenberg to infringe his copyrights. In short, the thrust of the Society's motion is that the evidence of their state of mind was overwhelmingly in their favor and that not a "scintilla" of evidence was introduced that showed that their state of mind was

willful, i.e., with actual knowledge or reckless disregard of Greenberg's copyrights. An examination of these arguments, however, shows that they are fatally flawed in several respects.

(1) The Jury Rejected The Advice of Counsel Defense

There is no factual dispute in this case that at the time of the sale of the CD-108 product, the Complete National Geographic, the Society (1) had actual knowledge that it was including copyrighted photographs in that product belonging to photographers like Greenberg; (2) knew that the photographers like Greenberg objected to inclusion of their photographs without being paid for them; (3) knew that persons within the Society objected to the refusal to pay the photographers based upon their copyrights; and (4) had received express notice from Greenberg in the form of a cease and desist letter that any sale or distribution of the CD-108 product would constitute willful infringement because the Society had no statutory, contractual or other right to utilize Greenberg's photographs without his permission.

Without any further evidence, what do these undisputed facts prove? They prove that Greenberg undoubtedly established a textbook case for willful infringement. The Society had actual knowledge that Greenberg's copyrights were being infringed (i.e. that copying, marketing and sale of the CD-108 product would include copyrighted photographs belonging to Greenberg). "The standard is simply whether the defendant had knowledge that its conduct represented infringement or perhaps recklessly disregarded the possibility." *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1382 (2d Cir.1993). "[A] court need not find that an infringer acted maliciously to find willful infringement." *Fitzgerald Pub. Co., Inc. v. Baylor Pub. Co., Inc.*, 807 F.2d 1110, 1115 (2d Cir.1986).

And the Society knew that it did not have Greenberg's permission to copy, market and sell his photographs in the product. The Society knew about the copyright infringements on its

own, through the warnings of its own President, editors and employees, and the Society also knew from Greenberg directly who gave written notice to the Society in April 1997 that his copyrighted photographs should not be included in the CD-108 product or the Society would be sued as a willful infringer. It is well recognized that willfulness may be inferred if notice of a valid copyright was given prior to infringement. *Chi-Boy Music v. Charlie Club, Inc.*, 930 F.2d 1224, 1227 (7th Cir.1991); *Malaco Inc. v. Cooper*, 2002 WL 1461927, at *4 (N.D. Tex. July 2, 2002) (awarding \$100,000 damages as a matter of law for willful copyright infringement where infringer ignored cease and desist letter).

Therefore, were it not for the Society's state of mind defense of reliance on advice of counsel the case for willfulness here would itself be cut and dried and Greenberg would be entitled to judgment in his favor as a matter of law from the outset.³ So let us now examine that state of mind defense that is based on the Society's defense of privilege under section 201(c) of the Copyright Act that purportedly gave it the right to use copyrighted materials for a collective work. That defense, which ultimately was rejected by the Eleventh Circuit in the *Greenberg* decision, was purportedly cited by counsel for the Geographic in endorsing the decision to go forward with the CD-108 project in the face of Greenberg's copyrights, which opinion was then relied upon by the Geographic in making that decision and in selling the product. This, according to the Society, proves as a matter of law that the Society may have infringed the copyrights at issue but they were not willful in doing so.

The court correctly instructed the jury on the law with respect to this issue as follows:

The Society is relying on advice from its legal counsel to show you that they were not willful. Good faith on the part of the Society is inconsistent with the existence

³ Greenberg has a pending motion that he is entitled to a willfulness determination as a matter of law in this case, but only based upon the Society's continued infringement of his photographs after the Eleventh Circuit's *Greenberg* decision became final.

of willfulness. So the Society would not be willfully infringing Greenberg's copyrights if, *before committing an infringement of Greenberg's copyrights*, the Society consulted in good faith an attorney whom the Society considered competent, *made a full and accurate report to that attorney of all material facts of which the Defendant had the means of knowledge, and then acted in accordance with the advice given by that attorney.*

Tr.7.117 (emphasis added).

Thus, the first question to ask is whether there is competent evidence in the record that shows that the Society was not acting in good faith because they were committed to the infringing product well before any relevant opinion of counsel told them they could do so. The evidence of that lack of good faith, which the jury was entitled to consider, is overwhelming.

The Jury Heard Competent Evidence of a Lack of Good Faith

The jury heard testimony that the Society had contractually committed itself for 10 years to distribute, exhibit, publicize and license to others use of the monthly magazines, and to contract with third parties for such use. A distribution agreement was executed by NGE, Inc. and Mindscape, Inc., effective September 13, 1996, that provided exclusive rights to distribute and sell the Complete National Geographic and other products. TE 332. John Fahey, then the Chief Operating Officer of the Society, testified that those documents committed the Society to going forward with the CD-ROM project, at least on a contractual basis, because they conveyed rights. Tr.4.236-37. The Society could have altered that, he said, but would have been in breach of the contract if it had done so. *Id.*

The jury also considered that the Society received an advance payment from Mindscape of several million dollars before the "beta" version of the CD-ROM product was prepared, and another payment when the beta version was ready. Tr.4.232-33. Asked when the copying of the monthly magazines was accomplished, Fahey said "through the rest of 1996 and into 1997."

Tr.4.230. The jury was entitled to weigh whether the Society would ever have abandoned the

project after having received so much money for the distribution rights and after having spent so much money to market the product. The jury heard and read evidence that the Society prepared and implemented a CD-ROM Marketing Plan, well before any opinion of counsel on the 201(c) privilege issue, that targeted “consumers throughout the world.” TE 51. An internal Society memo dated February 4, 1997 said “we are shopping around [an advertising program] to a targeted list of advertisers.” TE 52.

The jury could thus have easily concluded from such evidence that the project was beyond recall by the time the Robert Sugarman legal opinion (which was never entered into evidence by the Society) came along in early summer.⁴ Indeed, the jury heard *no* evidence that the Society ever actually and seriously considered stopping the project or taking other remedial measures, such as compensating the contributors, prior to or after any opinion of counsel was received. The jury heard much evidence to the contrary.

This all constitutes substantial evidence from which the jury could have found that the Society’s attempt to obtain an opinion of counsel on the legality of going forward with the CD-108 project was contrived from the start. There is more.

The jury was never shown *any* written opinion of counsel that was directed at Greenberg’s copyrights or at the 201(c) privilege itself. The jury only heard hearsay, double-hearsay, and even triple-hearsay testimony regarding opinions directed at the copyright issues in

⁴ On this point, the Society claims that it is “particularly troubling” that “the jury note asking whether Mr. Sugarman’s opinions were in writing.” The question indicates, they say, that the jury was not paying attention to the evidence. Defs. Mem. at 20 n.21. The Society here misrepresents what the jury asked, which was instead “[i]s there any correspondence from Mr. K. Starr or Mr. R. Sugarman?” Tr.7.127. The Court concluded that the meaning of the question was obscure. Tr.7.132-33. It is as easy to conclude that the jury was troubled by the failure of the Society to let the jury see the written opinion on which it claimed to have relied. It does not follow, however, that the jury was not paying attention. To the contrary, they clearly were paying attention to what was and was not in evidence.

this case. The only written document the jury ever reviewed from one of the Society's lawyers was the Paul Kilmer opinion dated February 3, 1996. TE 29. His four-page opinion, the first written legal opinion obtained by the Society in connection with the CD-108, was limited to the standard photographer's contract. He discussed no copyright issues. *Id.* The opinion had no relevance to copyrights such as those owned by Greenberg.

As there is no factual dispute that the decision to proceed with the project was made in the 1996 contracts, the jury was entitled to consider whether the Society relied in good faith on a relevant opinion of counsel that the jury had never seen in writing. Surely the jury could have been swayed by the fact the Society did not see it important enough to address the copyright issues directly through a tangible, objective opinion of counsel prior to the decision that committed to an infringement.

Moreover, the jury heard testimony from Ms. Dupre that she *did* receive an opinion from Mr. Kilmer that related to the copyright issues, but that opinion was only made orally. Tr.5.166-167. Wouldn't any reasonable juror ask herself why the Society would make a decision to go forward with such a serious and important project by relying on an oral opinion? The jury could have doubted Ms. Dupre's credibility in light of the fact Mr. Kilmer had prepared an extensive opinion letter on the contract issues. After all, why would the Society pay Mr. Kilmer's fees to obtain this opinion and never memorialize it in a way that it could one day be used? It is simply incredible that a sophisticated publishing house like the Society would leave such an important multi-million dollar issue outstanding in such a manner and rely on an opinion that was never committed to writing. As this Court instructed the jury, the factfinder has the responsibility of determining what evidence or testimony is to be believed and what testimony should be ignored. Clearly, the jury could have discounted Ms. Dupre's entire line of testimony because they simply

did not believe that she ever received an oral opinion from Mr. Kilmer regarding any copyright issues.⁵ And the Society never buttressed its theory by calling Mr. Kilmer as a witness at trial and confirming Ms. Dupre's story. He was on their witness list, he still works for the Society, yet the jury never heard from him. Again, another important consideration that the jury could have taken into account in determining that the Society had not acted in good faith.

There is even more substantial evidence in this record on this point. The jury could have also taken into account that Mr. Kilmer provided a second written opinion to the Society on February 21, 1997, where he summarized the potential damages at stake in a copyright action and backed away from his earlier position. TR 31. The jury could have found it quite significant that Mr. Kilmer's second letter *never made any mention* of an oral opinion relating to the copyright issues, nor any mention of any copyright issues at all. The jury was entitled to question whether any such oral opinion was ever made in light of the fact it was never even referenced in that second Kilmer letter. That is especially true considering the fact that in the second letter he warned "[t]he risks of the CD-ROM project have clearly increased since our February 3, 1996 correspondence." *Id.*

Accordingly, assuming the jurors discounted the veracity of Ms. Dupre's testimony as they were entitled to do as factfinders pursuant to the Court's instructions, and based on the fact there was no other written documentation of any counsel's opinion relating to the copyright issues in this case, the jury was well within its province to believe that the Society never in fact relied upon any relevant opinion of counsel prior to making the decision to go forward with the CD-108 project. In other words, the jury was entitled to believe that the Society was not in fact

⁵ The jury could have also disregarded Ms. Dupre's testimony on this subject in light of the fact they had seen evidence of other contemporaneous notes and memoranda Ms. Dupre made in connection with Mr. Sugarman's retention and oral opinion. The jury could have considered why there was no similar documentation in connection with Mr. Kilmer's alleged "oral" opinion.

relying in good faith on any such opinion and instead had decided to go forward with the project and only after-the-fact attempted to protect itself through rationalizations concocted by their lawyers. That is all evidence that the jury could have taken into account in reaching a willfulness finding. See Nimmer, *supra*, § 14.04[B][3] at 14-57 (one may not avoid a finding of willfulness by the assertion of a reasonable legal defense if such defense was determined only after the act of infringement occurred); see, e.g., *Hospital for Sick Children v. Melody Fare Dinner Theatre*, 516 F. Supp. 67 (E.D.Va. 1980) (justification discovered after commencement of lawsuit insufficient for a finding of good faith); *New York Chinese TV Programs, Inc. v. U.E. Enterprises, Inc.*, 1991 WL 113283, *14 (S.D.N.Y. June 14, 1991) (finding defendant willful infringer where advice of counsel defense based on novel legal issue never raised prior to commencement of infringement and lawsuit).

The Society attempts to brush all this evidence aside in the Memorandum as being inconsequential. Yet, this substantive evidence was obviously quite consequential to the jury as well as under the law. A legal opinion that is relied upon as evidence of good faith "must be competent or it is of little value in showing the good faith belief of the infringer." *Comark Communications, Inc. v. Harris Corporation*, 156 F.3d 1182, 1191 (Fed.Cir. 1998). The jury was thus correct in considering whether the opinions relied upon by the Society prior to going forward with the project were competent or not. And since the most they had was a statement of an oral opinion, followed by a written letter from the same lawyer warning of increased risks to the Society, the jury could undoubtedly have questioned the competence of any such opinion. When one adds to that the fact the Society chose not to introduce any written opinion related to the copyright issues as evidence in the trial, then the explanation for the jury's verdict seems quite self-evident.

Whatever the case may be, at best the Society's purported good faith presents a jury question. There is a sharp disagreement in this record between the tangible facts and documentary evidence with the Society's contentions that it at all times proceeded with competent advice of counsel. The jury here chose to side with the tangible evidence in this record that demonstrates reckless indifference to Greenberg's copyrights, not good faith on the part of a sophisticated publisher. The jury was never presented with a relevant, competent, *objective* opinion of counsel that the Society in fact relied upon. And only "an objective opinion letter from counsel . . . provides the basis for a defense against willful infringement." *Comark*, 156 F.3d at 1191. Consequently, there is no basis to enter judgment as a matter of law for the Society here with all this conflicting evidence in the record. *Id.* at 1192-93 (affirming decision of trial court to deny Rule 50 motion on willfulness where substantial evidence existed questioning the reliability and competence of legal opinions).

***The Jury Heard Substantial Evidence
That the Society's Lawyers Lacked Material Information***

In *Comark Communications*, the Federal Circuit Court of Appeals addressed how an opinion of counsel could constitute competent evidence to rebut a claim of willful infringement:

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*. Whenever material information is intentionally withheld, or the best information is intentionally not made available to counsel during the preparation of the opinion, the opinion can no longer serve its prophylactic purpose of negating a finding of willful infringement.

156 F.3d at 1191 (emphasis added).

Accordingly, this Court properly instructed the jury that it could consider whether the Society made a full and accurate report to its counsel of all material facts known to them at the time. And the record evidence in this case discloses a substantial amount of evidence that the jury could have considered to conclude that the Society had in fact not made a full and accurate report of all material facts to its counsel.

First, we know already that Mr. Kilmer's second opinion in February 1997 expressly backed away from his earlier opinion due primarily to a lack of knowledge as to the scope of the CD-108 project. He had not been informed in 1996 that the primary market for the CD-ROM product would be consumers. TR 31. Kilmer did not see the Complete National Geographic product when he wrote his 1996 opinion, nor was he aware of the various elements the product would contain. Tr.5.184-85. Accordingly, the jury was entitled to question with respect to Mr. Kilmer whether or not his so-called "oral" opinion, never verified in writing, was based upon all the information then available to the Society. The record shows that at the very moment Mr. Kilmer was writing this second letter warning the Society of increased risk, the Society was actively marketing the product and planning for its dissemination to various third-parties, like advertisers and the press. Yet, the Society did not think it important enough to show the product to counsel whose opinion it now relies upon in support of their motion for judgment as a matter of law. The jury obviously questioned the reliability of this opinion in light of the non-disclosed information.

Second, with respect to the opinion of Suzanne Dupre, the in-house counsel who clearly was not an "objective" lawyer as *Comark* and other cases require, she acknowledged that she formulated her opinion that the Society had no legal problem with the CD-ROM product without having any idea what the product might contain other than magazines. Tr.5.185. "I don't think

it even crossed my mind that there might be something at the beginning or the end. It didn't matter." Tr.5.185-86.

We know, however, from the Eleventh Circuit's decision that it was the combination of the fully-copied magazines, together with the added elements of the computer program, the moving cover sequence, the music and advertising, which constituted the infringing product. Mr. Fahey acknowledged that the Eleventh Circuit had found infringement in the CNG because of the various additional features, but he did not know whether his outside counsel had been aware of those features. Tr.5.82-83. "They -- as far as I know, they probably were not available to view, but they may have known about them. I don't know." Tr.5.83. Therefore, the record discloses that neither Ms. Dupre nor anyone else whose opinion was supposedly relied upon ever actually examined and analyzed the copyright issue in light of the actual nature of the product itself. That is an uncontroverted fact in the evidence. The jury was, of course, entitled to consider that evidence in its consideration of the Court's instructions.

Third, Dupre hired attorney Robert Sugarman shortly after April 24, 1997 to render another opinion as to the product. Tr.5.172. By that time, all of the contractual, licensing, marketing and promotional activity described above with respect to the Complete National Geographic had taken place. Sugarman's written opinion, which did deal with copyright issues, was prepared at some point after June 20, 1997. Tr.5.172-73. The Sugarman opinion, however, was never shown to the jury, nor was Mr. Sugarman called as a witness. The jury thus did not have any evidence that Mr. Sugarman had reviewed the product in its actual form or ever considered what effect the additional elements cited by the Eleventh Circuit would have on his analysis that the Society had the right to use Greenberg's photographs under section 201(c).

What we do know, however, is that additional information available to the Society was never presented to Mr. Sugarman or anyone else during this period of time. Mr. Fahey testified that the memos and communications he was receiving from people within the organization, warning about the potential copyright infringements that would result from the CD-108 product and questioning whether the microfiche/microfilm analogy was valid or not, were *never provided to the Board or anyone else* prior to the final sale of the product. Tr.4.254-257. For instance, Bob Poole wrote to Bill Allen, Editor-in-Chief of the magazine, that "we seem to be heading for a disaster." TE 354. Kent Kobersteen outlined his deep concern in an e-mail to Bill Allen on March 20, 1997, and said that the potential liability in damages could be enormous. TE 301. Allen told John Fahey in an e-mail on March 18, 1997 that he was "terrified" about going ahead with the project. TE 314. "We are so far down the road at this point that we probably just have to keep smoothing as many bumps as possible and drive like hell with our fingers crossed." *Id.*

Specifically, Kent Kobersteen openly disagreed with the factual premise that the CD-Rom version of the entire magazine was the same as releasing the magazine on microfiche. Tr.4.254-257; TE 301 ("It seems to me that these two situations invite any judge -- and most certainly any jury -- to conclude that the CD ROM and microfiche are considerably different products."). As Director of Photography, Mr. Kobersteen's assessment of this factual question would have, or should have, been important for an objective lawyer to consider before arriving at a legal conclusion that relied on that question.

The jury could consider the fact that the Society's own factual analysis of this question was never shown to the Society's lawyers to consider prior to rendering their opinions. This was information known at the very highest levels of the organization, including Mr. Fahey himself, yet it somehow never made its way to the lawyers for their consideration. Clearly, the jury was

entitled to weigh whether the views expressed by persons with technical knowledge as to photography and the nature of the magazine itself should have been considered, and whether the Society's failure to provide this information to their lawyers constituted concealment of material information that negates a good faith defense of advice of counsel.

As this Court explained at the end of the case, the issue of willfulness is a close question.

I will say that one aspect that is somewhat troubling to me in terms of advice of counsel and whether all material facts were made known is the fact that . . . the infringement in this case was a complete product. And I think the Eleventh Circuit very clearly said that it was the moving cover sequence, program element and the replica, combined that made it an infringing product. And your initial attorneys were not aware of anything other than the replica portion. . . . [I]t does seem to me that information was not given to everyone in terms of what it would constitute . . .”

Tr.6.240-41.

The Court correctly allowed the case to proceed to the jury. The Court, for the same reasons and others, should not upset the jury's decision at this stage simply because the Society now does not like the outcome. *See Datascope Corp. v. SMEC, Inc.*, 879 F.2d 820, 828-29 (Fed. Cir. 1989) (reversing trial court's refusal to award enhanced damages in patent infringement action where willful infringement should have been found; advice of counsel defense was ineffective as a matter of law because opinion was conclusory and counsel failed to evaluate all material facts available at the time of the infringement; fact that one dissenting appellate judge would have ruled in defendant's favor on liability does not matter), *cert. denied*, 493 U.S. 1024.

**(2) The Jury Could Have Rejected the Advice of Counsel Defense
After the Eleventh Circuit Rejected the 201(c) Privilege Issue**

In 2001, the Eleventh Circuit ruled that the defendants had infringed Jerry Greenberg's copyrights. The Court held:

We conclude that the unauthorized use of the Greenberg photographs in the CNG compiled and authored by the Society constitutes copyright

infringement We also find that the unauthorized use of Greenberg's diver photograph in the derivative and collective work, the Sequence, compiled by the Society, constitutes copyright infringement Upon remand, the district court should ascertain the amount of damages and attorneys fees that are due, if any, as well as any injunctive relief that may be appropriate.

Greenberg v. National Geographic Society, 244 F.3d 1267, 1275-76 (11th Cir. 2001). The defendants petitioned the Supreme Court for a writ of certiorari and on October 9, 2001, the Court denied the petition. Tr.3.121-22.

The Society ignored the decision and consciously and deliberately continued to infringe the copyrights thereafter. *No stronger evidence of willful infringement could exist.* The Society, however, persists in relying on its lawyers to ignore the effect of the Eleventh Circuit's decision and continue infringing Greenberg's copyrights. And now, the Society takes the position that they were entitled to continue to do so *as a matter of law* and that the jury's willfulness finding should be set aside even though it may have been the direct result of a deliberate decision to continue infringing after the Eleventh Circuit labeled the Society as an infringer.

A great deal of time was spent and evidence was introduced that dealt with the Society's decision to ignore the Eleventh Circuit's decision. The Court allowed the Society, over Greenberg's objections, to introduce double and triple hearsay from everyone from deceased Judge Leon Higgonbotham to Independent Counsel Kenneth Starr to the Registrar of Copyrights that criticized the Eleventh Circuit's decision. The jury heard all of that and counsel for the Society made much of the reputations of these sources to shield the Society from a willfulness finding in light of a binding decision of law to the contrary. The jury could flatly reject this so-called evidence and in effect uphold the principle that no one is above the law and that once a court of law makes a ruling it must be obeyed even if other lawyers or retired judges disagree

with the court's decision. The jury also could consider that legal guidance to be suspect as coming from second and third-hand sources.

Indeed it is well settled that when an infringer continues to infringe after the legal defenses it raised were rejected by a court of law, then the infringer by definition commits willful infringement, *even in cases where an injunction has not yet been entered*, then the infringer commits willful infringement as a matter of law. For instance, in *Kepner-Tregoe, Inc. v. Vroom*, 186 F.3d 283, 288 (2d Cir. 1999), the court affirmed a finding by the district court of willfulness and enhanced damages because the defendant "continued to use the MPO program even after a Texas district court and the Fifth Circuit found that the MPO program infringed K-T's copyrights" In *New York Chinese TV Programs, Inc. v. U.E. Enterprises, Inc.*, 1991 WL 113283, *14 (S.D.N.Y. June 14, 1991), the district court found that defendants have willfully violated plaintiff's copyrights even though the defendant had raised a novel issue and advice of counsel defense to willfulness. The court took note of the fact that the legal defenses raised by the defendants had previously been rejected by courts in two separate actions, thus making it impossible for the defendants to have relied in good faith on opinions of counsel to the contrary.

An even more directly relevant decision is found in *National Football League v. PrimeTime 24 Joint Venture*, 131 F. Supp. 2d 458 (S.D.N.Y. 2001), where the defendant had been accused of sending, during a two-month period in 1999, unauthorized broadcasts of NFL games to subscribers in Canada. In a discussion quite relevant to this matter, the court explained:

(1) PrimeTime knew the NFL game telecasts were copyrighted by the NFL, (2) PrimeTime is a sophisticated corporation and was represented by experienced copyright counsel, and (3) PrimeTime continued to infringe after not only the NFL's cease and desist letters but also after a judicial decision denying PrimeTime's motion to dismiss that completely rejected PrimeTime's legal defense, and further after the Court's summary judgment decision.

Id. at 480. The court found such conduct to be willful infringement and awarded the maximum statutory damages for each broadcast infringed. *Id.* The court reasoned further:

While PrimeTime obviously had the right to continue the litigation and appeal to the Second Circuit . . . it knew or recklessly disregarded that Judge McKenna's decision *on the motion to dismiss* sounded the death knell for PrimeTime's legal defense. PrimeTime was obliged to adjust its business conduct accordingly (i.e., stop transmissions to Canada) or pay the price. *PrimeTime's conduct in this time period clearly was willful.*

Id. at 479 (emphasis added).

Of course, actual knowledge of an infringement in itself supports a finding of willful infringement, without regard to whether a court has ruled. *See, e.g., Castle Rock Entertainment v. Carol Publishing Group*, 955 F.Supp. 260, 267 (S.D.N.Y. 1997), *aff'd*, 150 F.3d 132 (1998) (defendants had notice that they were using copyrighted matter, defendants were sophisticated as to copyright, and they continued to publish infringing work after receiving letter demanding that publication cease). But where, as in *Primetime* and as what happened here, a sophisticated publisher and copyright holder knows that it is utilizing copyrighted material from a third party, has received a cease and desist letter expressly warning against use of that material, and then continues to infringe even after its legal defense has been rejected by a court of law (in *Primetime* after denial of a motion to dismiss and here after an appellate court decision finding infringement as a matter of law), then under no circumstance can an infringer be anything but willful.

The Society has tried to distinguish *Primetime* from this case by suggesting that the court there found willfulness only after it had entered an injunction against further infringement. Thus, the Society argues, it can rest easy until such time as its infringement has been directly and expressly enjoined. And, since the Eleventh Circuit did not order an injunction be entered, and

indeed suggested that relief other than an injunction should be considered, the Society argued to the jury that it was off the hook. The Society went as far as to suggest that it could ignore the Eleventh Circuit's decision because Greenberg himself did not move for an injunction until last year – an argument that is not supported by any authority whatsoever and one that obviously rang hollow with this jury, possibly because even after Greenberg filed his motion for injunction *the Society still continued to infringe his copyrights.*

In any event, the fact remains that the court in *Primetime* did not just limit its decision to a post-injunction violation of copyright. The court specifically cited the defendant's use of copyrighted material *after* a denial of a motion to dismiss that occurred well *before* an injunction was entered in that case following a summary judgment order. *Primetime*, 131 F. Supp. at 479-80. The court expressly found that several acts of infringement occurred during that period and held that those infringements had to be deemed willful and awarded the maximum damages possible under the statute, \$100,000, for each of those infringements. It is true that a later summary judgment order and injunction were entered in that case, after which the defendant still continued violating the copyrights. The court thus found that those infringements were also willful and awarded the same maximum amount for the infringements post-injunction. *Id.* at 480. But there is no doubt that pre-injunction infringements were also found to be willful to the maximum extent of the law.

The Society's explanation for its continued infringement following the Eleventh Circuit's decision also centered around reliance on the *Tasini v. New York Times* decision from the Supreme Court, a decision where the rights of the copyright holder were also upheld and the whole microfiche/microfilm analogy was rejected. Yet, even if it were somehow relevant to this case, the fact is that the Society did not introduce a single written opinion from any counsel that

justified continued violations of Greenberg's copyrights based on that decision. The jury did not see or hear any evidence from any outside counsel for the Society that supported the decision to continue to infringe. The most that they heard was the testimony of General Counsel for the Society, Terry Adamson, who testified that his lawyers and others gave him assurances that the Eleventh Circuit's decision was wrong and that *Tasini* somehow gave the Society a green light to continue its infringing conduct.

On its face, this testimony and argument should be rejected as a matter of law. There is not a single case involving copyrights, patents, or trademarks that Greenberg has found where such an "in-your-face" rejection of a binding court decision was *ever* upheld as a valid defense to a willfulness claim. Indeed, it appears that the Society, ironically enough, is the first copyright infringer to have taken so bold a position, despite the fact that the Society's lifeblood is protected by the very copyright law it now seeks to undermine. The Court should thus uphold the jury's verdict and also grant Greenberg's motion under Rule 50 to deem the Society a willful infringer based upon their continued infringement of Greenberg's copyrights after the Eleventh Circuit's decision became final. Federal court decisions must be upheld and respected. Once a binding decision is rendered in a case that deems a party to be an infringer as a matter of law, that decision cannot be ignored simply because a party disagrees with the result. And that is true even if one or more lawyers have an opinion to the contrary that the party tries to rely upon.

Whether a particular opinion of counsel can be relied upon by an infringer depends upon whether it is reasonable as a matter of law. *See Princeton Univ. Press v. Michigan Document Svcs., Inc.*, 99 F.3d 1381, 1392 (6th Cir. 1996) ("Reasonableness" in the present context [willfulness for statutory damages in a copyright action] is essentially a question of law" which the appellate court will review *de novo*), *cert. denied*, 520 U.S. 1156. Only if a legal opinion is

reasonable as a matter of law will the factfinder then be asked to consider whether that opinion was in fact competent, timely, based upon all material facts, etc. Here, an opinion of counsel that advised the Society to proceed to infringe in the face of the Eleventh Circuit's binding and final decision that this conduct constituted copyright infringement cannot be deemed "reasonable" as a matter of law. Therefore, the infringing activity that followed thereafter must be deemed to have been willful.

That is especially true here where the Society raised its *Tasini* argument in a petition for certiorari with the Supreme Court, which petition was denied. The Supreme Court could have chosen to review that issue immediately but chose not to. The Supreme Court also could have granted certiorari and immediately remanded the case back to the Eleventh Circuit, as it often does in cases where an intervening Supreme Court decision is cited as a basis for certiorari review. The Supreme Court chose not to do that either. Thus, this case presents a situation where the law of the case squarely and expressly deems the Society an infringer under the copyright law. And surely the Society had no doubt of that fact after Judge Lenard refused to set aside the effect of the Eleventh Circuit's decision after considering the Society's arguments regarding *Tasini*. After all these court decisions, how can it be possible for the Society to deem itself, and for the Court to agree, that it was anything but a willful infringer?

But even if this advice of counsel theory were not to be rejected as a matter of law, the jury clearly had more than ample competent evidence with which to reject the defense. First, there were no written opinions supporting this position introduced. Second, the jury heard that the Society petitioned the Supreme Court for review of the Eleventh Circuit's decision based upon the *Tasini* decision and the Supreme Court refused to consider their appeal. Third, the jury also heard that the Society had raised their *Tasini* argument with the district court following

remand and that the district court had rejected that argument as well and found, pursuant to the Eleventh Circuit's mandate, that the Society was an infringer as a matter of law. Fourth, the jury heard that following even that second court decision the Society continued to engage in infringing activity. And, fifth and possibly most disturbing to the jury, they heard that as the case was being tried the Society was in the process of releasing the next edition of the CD-Rom product, the CD-114, in June of this year. The jury was, therefore, free to consider all these facts as competent substantial evidence that once and for all destroyed whatever "defense" the Society believed it had.

In short, it is fair to say that the question of whether the Society was a willful infringer prior to the Eleventh Circuit's decision is a "close call" as the Court described it and reasonable people could reach different conclusions (thereby precluding entry of judgment as a matter of law on that basis). The question whether the Society was a willful infringer after the Eleventh Circuit's decision is not a close call. They are without question willful infringers and the only issue is how willful, in monetary terms under the appropriate statutory range. The jury's verdict loudly and clearly answered that question. That conclusion as well cannot be disturbed by the Court and the Society's motion for judgment as a matter of law should be denied.

(3) The Jury Correctly Could Have Rejected the Society's Contractual "License" Defense to Willfulness

Unfortunately for the Society, a great deal of its motion is devoted to its contractual "license" theory stemming from Greenberg's 1985 letter requesting transfer of his copyrights. The Society's memorandum deliberately distorts Greenberg's testimony about what he intended by the "reuse" language in that November 1985 letter in which he asked that copyrights in his photographs be conveyed to him. An objective examination of their theory reveals that it is all smoke and no fire.

During his testimony at trial, Greenberg was repeatedly asked what he meant by that language and he repeatedly explained his intent:

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

A. Once they convey 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 intact.

Tr.3.91.

Q. After that copyright was conveyed to you, did they continue to use the photographs as they preferred?

A. Yes, *they would come to me and let me know* what they were interested in. They came to me because I own the copyrights. I would have certainly allowed the continued usage as I did before.

Q. And did you allow continued usage?

A. Yes, yes, *as long as they came to me and asked permission*.

Tr.3.92. Greenberg's testimony never varied from the text quoted above. At all times, on direct and cross examination, Greenberg maintained that his offer to let them reuse the copyrights was premised on his "*control*" of their reuse as holder of the copyrights. Tr.3.209-10.

The Society attempts to characterize his testimony as confirming an "absolute" right by the Society to re-use the photographs. This absolute right or "shared copyright" supposedly gave the Society the right to use his photographs, without permission, without attribution, and without any payment of any price. That on its face is ridiculous, and the jury agreed. Moreover, Greenberg's testimony does not say what the Society wishes it would say. To the contrary, Greenberg always maintained that he had always intended to cooperate with them, but under his terms. "All they would have to do, since I owned the copyright, is to come back and ask me for permission." Tr.4.26. And, they would have to pay him for that use.

What the jury heard at trial is that the Society never went to Greenberg to seek his permission, and consequently never offered to pay him for the use of his photographs. The jury heard evidence instead that after Greenberg learned on his own that the Society intended to usurp his photographs without his "permission" as he testified, he informed the Society through his lawyer that he intended to enforce his rights and would regard any use of his pictures as willful infringements of his copyrights. On April 23, 1997, Greenberg's lawyer wrote to the National Geographic Society to caution against any "unauthorized use" of Greenberg's copyrighted photographs in the forthcoming Complete National Geographic. TE 35. The letter said in part: "The Society has no right -- *under copyright, contract, or any other theory* -- to use Mr. Greenberg's creative works" in the new product. *Id.*

The jury also considered the fact that although the Society's witnesses claimed over and over again at trial that they had a license or contractual agreement for the use of the photographs, they presented zero evidence -- none -- that the Society ever challenged the "contract" statement in the April 1997 letter from Greenberg's counsel at any time prior to the sale of the CD-108 product. Indeed, the jury heard evidence that after the April 1997 letter was delivered to the Society, the Society responded to Greenberg's counsel with absolute silence, either on the copyright issues or the so-called "contract" that they had with Greenberg.

Moreover, the jury was also able to weigh the fact that none of the written legal opinions that the Society obtained in this case *ever* mentioned anything about any unique contractual right to use the photographs. Mr. Kilmer was asked to opine about the Society's contractual rights with its photographers in terms of a standard photographer's contract, however, he never provided any opinion as to the validity or enforceability of any so-called "contract" with only Jerry Greenberg. TE 29. Nor was there any evidence presented that Mr. Sugarman's opinion or

that of any other lawyer ever ratified this "contract" theory as regards Jerry Greenberg prior to the sale of the CD-108 product.

The only evidence the jury heard as to the consideration of this contract theory *prior to* the date when the infringing sales began was from in-house counsel Ms. Dupre who testified that she considered the 1985 conveyance of the first three copyrights limited by the Society's right to continue to use the photographs. Tr.5.158-160. Yet, despite the fact that the Society seemed to rely so heavily on this issue at trial, prior to the infringement there was no documentation from Ms. Dupre to others in the Society that this particular "license" authorized them to use Greenberg's copyrights. There is zero evidence that this issue was considered by either Ms. Dupre, Mr. Sugarman, Judge Higginbotham, or anyone else prior to the sale of the CD-108 product. The jury was, of course, entitled to weigh the lack of any such evidence against the unequivocal and express terms of the 1985 conveyance to Greenberg which mentions nothing about any reservation of any license for future use. TE 19. When asked about the unequivocal language used in the conveyance, the best Ms. Dupre could do was to say that she did not think it necessary to add any language because the conveyance was responding to the Greenberg request. Tr.5.160.

It was not so obvious to the jury sitting as factfinder. The jury, of course, was entitled to credit or discredit this testimony in light of the surrounding circumstances, the clear language of Society's conveyance that made no reservations of any rights to the Society, and the contrary testimony from Greenberg. Nor was it obvious to anyone at the Society at the time the CD-108 was being prepared because at no time was this so-called "license" from Greenberg raised as a justification for using Greenberg's copyrights. And neither was it obvious enough at the time to obtain an opinion of competent objective outside counsel to support Ms. Dupre's contention.

The fact is that had it been an issue that the Society really relied upon at the time of Greenberg's 1997 cease and desist letter, counsel for the Society would have responded and reminded Greenberg of his "contract" with the Society. That never happened, and the jury certainly had the right to consider whether the contract issue ever played any role in the Society's thinking prior to the infringement.

Contrary to what the Society's memorandum now claims, the fact is that the evidence of the parties' understanding of who controlled the right to publish following the 1985 conveyance is overwhelmingly in Greenberg's favor. Greenberg has maintained consistently that following the conveyance he at all times maintained the right to control his copyrights, by granting or not granting permission to use his photographs and by setting the price for their use. Greenberg clearly explained that prior to the conveyance he was authorized to use the photographs that the Society had copyrighted but only after seeking the Society's permission. That all changed after the conveyance of his copyrights. And, additionally, there is zero evidence in the record of any dealings between the Society and Greenberg where the Society invoked any "license" or contract to use Greenberg's photographs following the copyright conveyance without seeking his permission and paying Greenberg the price he set.

The record in this case shows that the contract issue the Society now relies upon was never on its radar screen until after the Eleventh Circuit found that the Society was a copyright infringer as a matter of law. The jury correctly could have disregarded their last-ditch contract defense in the face of the overwhelming evidence to the contrary.

IV. The Court Should Deny the Rule 59 Motion for New Trial and Motion for Remittitur

In addition to their Rule 50 motion, the Society has also requested in the alternative that the Court grant the Society a new trial on the willfulness issue. The Society argues that the jury's verdict was "against the weight of the evidence" or otherwise excessive and thus the Court should remit the damages to the maximum non-willful amount, \$20,000 per work infringed, or otherwise order a new trial. (Motion for New Trial at 2).

The Society does not understand that this Court has no power to order a new trial or remit any damages simply because "the weight of the evidence" runs in the Society's favor. A trial court may only grant a request for new trial when the court finds that the verdict was "contrary to the great, and not merely the greater weight of the evidence." *Williams v. City of Valdosta*, 689 F.2d 964, 973 (11th Cir. 1982); *U.S. v. Sullivan*, 1 F.3d 1191, 1196 (11th Cir. 1993) (new trial should not be granted on evidentiary grounds unless, at a minimum, the verdict is against the great – not merely the greater – weight of the evidence). The trial court examining a motion for new trial does not have to assume all reasonable inferences in the evidence in favor of the non-moving party, as is the case with a Rule 50 motion. But that does not mean that the court can simply second-guess the jury's factual findings. As Judge Anderson explained in *City of Valdosta*,

There are statements in the cases that, in ruling on the motion, the trial judge acts as a 13th juror. Properly understood and applied, no fault can be found with them for the judge does not act to evaluate and weigh the evidence. But while he has a responsibility for the result no less than the jury, he should not set the verdict aside as against the weight of the evidence merely because, if he had acted as trier of fact, he would have reached a different result; and in that sense he does not act as a 13th juror in approving or disapproving the verdict. *And since the credibility of witnesses is peculiarly for the jury, it is an invasion of the jury's province to grant a new trial merely because the evidence was sharply in conflict.* In our view, the authorities suggest that the trial judge should not substitute his own

credibility choices and inferences for the reasonable credibility choices and inferences made by the jury.

689 F.2d at 973 n.7 (internal citations omitted; emphasis added).

Accordingly, the trial judge must be careful not to undermine the non-moving party's Seventh Amendment rights to a jury trial. Thus, even though there is a certain amount of discretion afforded a trial judge under Rule 59, that discretion is "smaller . . . when . . . the district court orders a new trial because the jury verdict was 'contrary to the great weight of the evidence.'" *Hardin v. Hayes*, 52 F.3d 934, 938 (11th Cir. 1995) (quoting *City of Valdosta*, 689 F.2d at 974). A trial judge must thus particularly avoid granting a new trial when "the trial involves simple issues, highly disputed facts, and there is an absence of pernicious occurrences." *Id.*; see also *Redd v. City of Phoenix City*, 934 F.2d 1211, 1215 (11th Cir. 1991). The trial judge's discretion is broader in cases involving such things as counsel or jury misconduct or other prejudicial trial events that contaminate the case. *Id.*

Here, the Society has not argued that there was any pernicious event that contaminated the jury's proper deliberative process. The Society has only argued that a new trial is warranted based upon the sufficiency of the evidence supporting the willfulness finding. Thus, this Court must give due deference to Greenberg's right to a jury trial. *E.g.*, *Hardin*, 52 F.3d at 938-40 (reversing trial court's order of new trial where issue at trial – reasonableness – was straightforward and evidence conflicted); *Redd*, 934 F.2d at 1215 ("Where there is some support for a jury's verdict, it is irrelevant what the [appellate court] or the district judge would have concluded" and grant of new trial was improper). The trial court's discretion here is very narrow; it should grant this motion only if it is convinced that the jury's verdict was seriously erroneous and that only a new trial will prevent a clear miscarriage of justice. *Hewitt v. The B.F. Goodrich Co.*, 732 F.2d 1554, 1556 (11th Cir. 1984) (reversing trial court's order of new trial

where evidence was in conflict and trial judge substituted his credibility findings in place of the jury's).

For the Court's benefit, Greenberg will not restate the summary of the evidence adequately set forth above in this memorandum. The facts set forth in Section II amply provide a summary of the record evidence that may have convinced the jury that the Society were willful infringers and should compensate Greenberg to the maximum extent of the copyright law. We do not know if any particular set of facts was more compelling, or whether the jury combined all those sets of facts together to arrive at a willfulness finding. Regardless, there is no question that there were ample ways in which the jury could have viewed this case in the way that it did.

In many respects this was a simple case. What was the state of mind of the Society at the time that it engaged in the infringing activity, and what was its state of mind at the time its legal defense for that activity was eviscerated by the Eleventh Circuit? The jury heard a great deal of evidence on both sides of these issues. Thus, following the Eleventh Circuit's benchmarks found in *City of Valdosta* and other cases, the present case involves a situation that is *not* ripe for a trial court's reconsideration on a motion for new trial. The issues were straightforward, the jury was properly instructed on the law, the evidence was highly debatable, and there were no pernicious circumstances that tainted the jury's verdict.

Ultimately, issues involving state of mind largely involve credibility assessments. Here, the testimony of people like Suzanne Dupre and John Fahey squarely conflicted with the documentary evidence presented at trial. For instance, Ms. Dupre testified that she obtained an opinion from Mr. Kilmer regarding the copyright issues. Yet, all the documentation from Mr. Kilmer shows that he never gave or referenced any such oral opinion, and indeed warned the Society in early 1997, well before the product was sold, that the risks to the Society were clearly

increasing after Mr. Kilmer learned more about the scope of the product and the market the product was targeting. Furthermore, unlike Ms. Dupre's conversations with Mr. Sugarman regarding the 201(c) privilege, which were fully documented, there was not a single piece of paper evidencing any conversations with Mr. Kilmer about those or any other copyright issues. To sustain its argument, the Society had to have the jury believe Ms. Dupre. More likely than not, the jury did not believe her testimony on this point. They had the right to make that assessment.

Also, the documents show that the product was always on a fast-track for sale after the decision was made to proceed in 1996 and that the Society was spending a great deal of time, money and effort to get the product out to market. Mr. Fahey, however, testified that he would have considered pulling it if his lawyers had told him to do so. Clearly, the jury had to determine whether the paper record in this case should have been believed over Mr. Fahey's explanations.

Another example of the credibility issues in conflict involves the Society's decision to proceed with the infringing activity after the Eleventh Circuit's decision. There is no written documentation of any opinion from counsel justifying that decision, and yet the Society claims that its lawyers were advising it that it could ignore the Court's decision and continue infringing. They cited, allegedly, the fact the Eleventh Circuit did not know about *Tasini*. Yet, when the district court was asked to ignore the mandate of the Eleventh Circuit the district court refused after taking into account whether *Tasini* changed anything. Then, the jury heard, the Society still continued to infringe. That is clearly evidence that the jury could consider that the Society never cared about what the law dictated or what the courts required. That is evidence of willfulness. The jury was entitled to credit the record evidence in the case and disregard the rationalizations offered by the Society's witnesses.

Thus, this case depends heavily on credibility. As such it is practically impossible for a trial judge to determine that the jury reached the wrong result without second-guessing the credibility determinations that only the jury can make. "When a jury is assembled to decide issues of fact they also decide credibility questions. The most traditional role performed by a jury is determining the weight to be given to each witness' testimony. . . . When the resolution of the case boils down to credibility, the trial judge must allow the jury to function. In this case, the usual deference to the factfinder on issues of credibility requires us to defer to the jury and not the judge. No undesirable event occurred at trial. The issue was very simple although the technical testimony may have been complex and the evidence was certainly contested. Thus, it is appropriate to defer to the jury as factfinder. The right to trial by jury would be substantially impaired if a jury's verdict could be set aside because it is based on evidence that the trial judge weighed differently." This analysis perfectly fits the circumstances in this case. Yet, it actually is quoted from a decision authored by Judge Fay in *Hewitt v. B.F. Goodrich* in which the trial court's decision to grant a new trial in a product liability action was reversed. 732 F.2d at 1559.

Accordingly, the Court should deny the Society's motion for new trial. This case involves a straightforward issue of state of mind that juries are particularly equipped to decide. The case comes down to credibility assessments, as well as an assessment of what weight to give a binding court decision versus the opinions of interested lawyers and retired judges like Adamson, Dupre, Sugarman, Higginbotham, Starr, etc. The jury chose to believe Greenberg and the documentary evidence in the case, and the common sense response to a binding court decision, over the after-the-fact rationalizations of the Society and its lawyers. That is within the jury's province and it should not be set aside.

Moreover, the Society's suggestion that emotion or sympathy played a part in the verdict is totally speculative and without any foundation. Simply because the jury disagreed with the Society does not mean that they were somehow affected by unbridled emotion. This case was tried, at the Court's direction, in a very formal, non-emotional and professional manner. The only time Mr. Greenberg became upset was when he was reading a letter he received from a personal friend, who would succumb to cancer shortly afterwards, and the trial judge immediately removed the jury from the courtroom and asked Mr. Greenberg to avoid any displays of emotion. He complied. How the Society can argue that emotion or sympathy overwhelmed the jury's deliberative process is incomprehensible.

Finally, the Society suggests that the amount of the jury's award is itself excessive, although the Society's motion formally asks only for a remittitur to \$80,000, the maximum amount permitted under the copyright statute for non-willful infringement. The Society thus seems to correctly acknowledge that this Court's power to order a new trial or, if accepted, offer a remitted award, is limited to the determination of whether any willfulness finding is supported by the evidence. Because the willfulness finding should be permitted to stand, the Court's work would be done.

Under *Feltner*, only the jury is responsible for determining an award of statutory damages for copyright infringement, precisely because such an award does not have a determinable measurement; it is based upon the jury's sense of what amount compensates the injured party and what amount is necessary to punish the wrongdoer and promote deterrence in the future. 340 U.S. at 353 ("the common law rule as it existed at the time of the adoption of the Constitution was that in cases where the amount of damages was uncertain, their assessment was

a matter so peculiarly within the province of the jury that the Court should not alter it”) (quoting *Dimick v. Schiedt*, 293 U.S. 474, 480 (1935)).

Thus, caselaw in this area, even before *Feltner* was decided, unanimously holds that the trier of fact in a statutory damages case, here a jury, has “wide discretion in determining the amount of statutory damages to be awarded, constrained only by the specified maxima and minima.” *Los Angeles News Serv. v. Reuters Television Int’l Ltd.*, 149 F.3d 987, 996 (9th Cir. 1998) (quoting *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984)). The trier of fact is only guided by “what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like.” *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952). And because awards of statutory damages serve both compensatory and punitive purposes, a plaintiff may recover statutory damages “whether or not there is adequate evidence of the actual damages suffered by plaintiff or of the profits reaped by defendant.” *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1337 (9th Cir. 1990); *Harris*, 734 F.2d at 1335; *Los Angeles News*, 149 F.3d at 996 (rejecting defendant’s argument that maximum award of statutory damages was excessive).

Therefore, there is no basis to remit this award by this jury as it is within the statutory range expressly provided by the statute, because there was evidence that Greenberg introduced as to what he could have received for these photographs, because, more importantly, there was evidence that Greenberg cannot know the extent of his injury, and because the jury must have intended some or a great portion of its award as an amount to deter the Society and others from engaging in this type of indifference to the copyright law and to the courts interpreting those laws. Accordingly, the Society’s motion for new trial and/or remittitur of the award should be denied.

Conclusion

For the foregoing reasons, Greenberg requests that the Court deny the Society's Rule 50 Motion for Judgment as a Matter of Law and Rule 59 Motions for New Trial and/or Remittitur.

Dated: May 19, 2003

Respectfully Submitted,

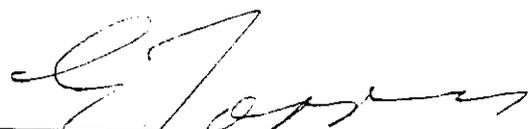
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Certificate of Service

I hereby certify that a copy of the foregoing motion was served by mail on Edward Soto, Esq., Weil, Gotshal & Manges LLP, 701 Brickell Avenue, Suite 2100, Miami, FL 33131; by electronic means on Stephen N. Zack, Boies, Schiller & Flexner LLP, 2800 Bank of America Tower, 100 Southeast Second Street, Miami, FL 33131; and by mail on Robert G. Sugarman, Esq., Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York NY 10153 this 19th day of May 2003.


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