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District Court: Final Order on Remand (2016)

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JUL 27 2016

By *James M. Hatten, Clerk*
AmCauler Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

CAMBRIDGE UNIVERSITY PRESS,
OXFORD UNIVERSITY PRESS, INC.,
and SAGE PUBLICATIONS, INC.,

Plaintiffs

v.

CIVIL ACTION NO.
1:08-CV-1425-ODE

MARK P. BECKER, in his official capacity as President of Georgia State University; RISA PALM, in her official capacity as Senior Vice President for Academic Affairs and Provost of Georgia State University; J.L. ALBERT, in his official capacity as Georgia State University Associate Provost for Information Systems and Technology; NANCY SEAMANS, in her official capacity as Dean of Libraries at Georgia State University; ROBERT F. HATCHER, in his official capacity as Vice Chair of the Board of Regents of the University System of Georgia; KENNETH R. BERNARD, JR., LARRY R. ELLIS, W. MANSFIELD JENNINGS, JR., JAMES R. JOLLY, DONALD M. LEEBERN, JR., WILLIAM NESMITH, JR., DOREEN STILES POITEVINT, WILLIS J. POTTS, JR., C. DEAN ALFORD, KESSEL STELLING, JR., BENJAMIN J. TARBUTTON, III, RICHARD L. TUCKER, LARRY WALKER, RUTLEDGE A. GRIFFIN, JR., C. THOMAS HOPKINS, JR., NEIL L. PRUITT, JR., and PHILIP A. WILHEIT, SR., in their official capacities as members of the Board of Regents of the University System of Georgia,

Defendants

ORDER

This copyright infringement action comes before the Court on Plaintiffs' Motion for Reconsideration [Doc. 527], to which

Defendants have responded [Doc. 529], and Plaintiffs have replied [Doc. 530]; and for a Final Order, Judgment, and Declaratory Relief and a Permanent Injunction, for which the parties have each submitted proposed orders [Docs. 517-1, 524-1, 524-2]. Also pending before the Court is Defendants' Motion to Produce Billing Records and for a Hearing [Doc. 525] which Plaintiffs oppose [Doc. 526], and for which Defendants have filed a reply [Doc. 528].

For the reasons discussed below, Plaintiffs' Motion for Reconsideration [Doc. 527] is DENIED, and Defendants' Motion to Produce Billing Records and for a Hearing [Doc. 525] is DEFERRED.

I. Declaratory and Injunctive Relief

In an Order dated March 31, 2016, and clarified on April 14, 2016, this Court concluded that Plaintiffs proved 4 of their 99¹ total claims of infringement [Docs. 510 at 212, 514]. The Court invited the parties to file proposed orders for injunctive and declaratory relief [Doc. 510 at 212]. Plaintiffs respond requesting a declaratory judgment and a permanent injunction [Doc. 517 at 6].

¹Plaintiffs originally raised 126 claims of infringement [see Doc. 423 at 3]. At the summary judgment stage, this Court limited Plaintiffs' claims to those that post-dated Defendants' 2009 Copyright Policy, and Plaintiffs reduced their claims to 99 alleged infringements [see id. at 4, 5]. At trial, Plaintiffs abandoned 25 claims, and added one new claim, leaving 75 total infringement claims [see id. at 8 & n.7]. After trial, this Court found that Plaintiffs failed to establish a prima facie case of infringement for 26 claims, and 2 of Plaintiffs' remaining claims constituted only one purported infringement, leaving 48 total claims to be evaluated for fair use [see generally id., & n.89; Doc. 510 at 2 & n.3]. On remand, this Court revisited Plaintiffs' 48 infringement claims, and concluded that 4 of those allegations constituted an infringement of Plaintiffs' copyrights, while 44 were permitted under the fair use doctrine [Docs. 510, 514].

Further, they request additional fact-finding² reflecting Defendants' current unlicensed usage and the availability of digital licenses [Id.]. Plaintiffs include a detailed proposed Order for declaratory and injunctive relief [Doc. 517-1].

In response, Defendants argue that (1) Plaintiffs Cambridge and Oxford are not entitled to relief because Defendants did not infringe any of their works; (2) prospective and declaratory relief is not warranted because the violation is not ongoing or continuous and there is no reasonable expectation that infringement will continue in the future; and (3) the relief proposed by Plaintiffs is overly broad and without support [Doc. 524]. Additionally, Defendants oppose supplementation of the record as unnecessary and burdensome [Id. at 23]. Defendants include two alternative proposed orders, one announcing the judgment [Doc. 524-1], and one that includes a narrow award of declaratory and injunctive relief [Doc. 524-2].

(A) Declaratory Relief

Considering the record and the parties' arguments, the Court orders the following declaratory relief. Defendants infringed Sage's copyrights by copying and distributing excerpts of the following works, as described in this Court's March 31 [Doc. 510] and April 14 Orders [Doc. 514]:

- *The Sage Handbook of Qualitative Research* (Third Edition) (SAGE 2005) (copied and distributed for Professor Kaufmann's EPRS 8500 Qualitative/Interpretive Research in Education I in Maymester 2009);

²Plaintiffs' specifically refer this Court back to their Motion to Reopen the Record on Remand, which this Court initially denied as premature.

- *The Sage Handbook of Qualitative Research* (Second Edition) (SAGE 2000) (copied and distributed for Professor Kaufmann's EPRS 8510 Qualitative/Interpretive Research in Education II - Data Collection in Summer 2009);
- *The Sage Handbook of Qualitative Research* (Third Edition) (SAGE 2005) (copied and distributed for Professor Kaufmann's EPRS 8500 Qualitative/Interpretive Research in Education II in Fall 2009); and
- *Utilization-Focused Evaluation* (Third Edition) (SAGE 1997) (copied and distributed for Professor Ohmer's SW 8200 Evaluation and Technology in Fall 2009).

(B) Injunctive Relief

The Copyright Act permits a court to grant a final injunction "on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). Typically, a plaintiff is entitled to such an award when liability is established and there is a threat of continuing violations. See Morley Music Co. v. Café Cont'l, Inc., 777 F. Supp. 1579, 1583 (S.D. Fla. 1991).

Plaintiffs ask the Court to reopen the record to include (1) evidence concerning unlicensed use of their works at Georgia State during recent semesters; and (2) evidence of digital licenses for works currently being used without permission at Georgia State, including works to which this Court has concluded that no such licenses were available in 2009 [Doc. 517 at 3-4, 8].

Plaintiffs' request for additional fact-finding is DENIED. The additional fact-finding that Plaintiffs request is overly burdensome and not relevant to fashioning appropriate injunctive relief. Plaintiffs contemplate a further detailed analysis of new alleged instances of copyright infringement. This could take months or years of litigation. Assuming that all of the Plaintiffs now make digital permissions available (the Court assumes that is probably the case),

the Court still has little confidence that the analysis of new allegations of infringement will yield overall different results. Plaintiffs have frequently exaggerated their position, and the Court has been provided with no details which suggest a different outcome this time around.

There is some possibility of future violations because the fair use doctrine involves an extremely fact intensive inquiry. Moreover, in this case, future inquiries will be conducted by a number of different people, who will inevitably have different levels of familiarity with the process, and different qualitative benchmarks. As such, there is some risk of future violations.

However, the level of risk is not substantial. Cf. Pac. & S. Co. v. Duncan, 744 F.2d 1490, 1499 & n.15 (11th Cir. 1984) (finding district court abused its discretion in denying permanent injunction even though it found that future violations were "a virtual certainty"). Importantly, Defendants intended to comply and made efforts to comply with the copyright laws. Indeed, out of the 48 claimed infringements for which Plaintiff made a prima facie showing, this Court determined that all but four were permissible uses under the fair use doctrine. Additionally, Defendants are state officials. This is significant because they are responsible for making policy decisions and not for individually applying the fair-use analysis, and also because they work at taxpayers' expense.

In light of these factors, the Court declines to impose the rigid and burdensome injunction that Plaintiffs request³. The Court

³Plaintiffs' request for an injunction applies to Defendants, their employees and agents, and Georgia State students, and it includes, inter alia, requirements that Defendants maintain records

instead issues the following injunctive relief: Defendants are ORDERED AND DIRECTED to maintain copyright policies for Georgia State University that are not inconsistent with the Court's March 31, 2016 Order and this Order. Defendants are also ORDERED AND DIRECTED to disseminate to faculty and relevant staff at Georgia State the essential points of this Court's rulings. The Court will retain jurisdiction for the sole purpose of enforcing these Orders.

II. Plaintiffs' Motion for Reconsideration

Next, Plaintiffs ask this Court to reconsider its previous determination that Defendants were entitled to costs and attorneys fees because they were "the prevailing side" in light of the United States Supreme Court's intervening ruling in Kirtsaeng v. John Wiley & Sons, Inc., 136 S. Ct. 1979 (June 16, 2016) [Doc. 527]. Defendants have responded [Doc. 529], and Plaintiffs have replied [Doc. 530].

The Copyright Act provides:

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

17 U.S.C. § 505. In Kirtsaeng, the United States Supreme Court held that the objective reasonableness of a non-prevailing party's position should be a substantial factor--but not the only factor--in determining whether to award costs under Section 505. 136 S. Ct. at 1983, 1988. Other relevant factors in channeling the district court's discretion are frivolousness, motivation, and the need in

supporting a fair use assessment for each work for three years, modify their website and click through the injunction prior to uploading a work, and reproduce or identify the injunction in all university-wide handbooks or codes [Doc. 517-1].

particular circumstances to advance considerations of compensation and deterrence. Id. at 1985 (citing Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 & n.19 (1994)). Courts may also consider litigation misconduct, and the need to deter repeated instances of copyright infringement or over-aggressive assertions of copyright claims. Id. at 1989.

Applying Section 505 as interpreted by Kirtsaeng, the Court deems reasonable Plaintiffs' argument that the fair use doctrine should be given very narrow construction so as to allow only a minuscule amount of a work's copyrighted educational material to be used by a nonprofit educational institution for the purpose of teaching students. The Court deems this argument reasonable because publishers have a legitimate economic interest in curtailing unpaid use of their copyrighted materials and this area of the law is unsettled. On the other hand, this is test case litigation organized by the Copyright Clearance Center ("CCC") and the American Association of Publishers ("AAP") who recruited the three Plaintiffs to serve as plaintiffs. CCC and AAP are each paying one-half of Plaintiffs' litigation expenses including attorneys' fees. The Court doubts that any of Plaintiffs knew anything about Defendants or their copyright practices before being contacted by CCC and AAP. It is just for CCC and AAP to pay Defendants' litigation expenses because only 4 of 99 claims were successful. Of the initial 99 claims, Plaintiffs dropped 25 claims as the trial began and failed to establish a prima facie case for 26 of the remaining claims. Furthermore, there was no evidence of digital permissions availability in 2009, and thus no market effect caused by Defendants'

use, for 15 of Plaintiffs' claims⁴. Accordingly, the Court, in its discretion, determines that an award of fees to Defendants is appropriate in this case. For these reasons, Plaintiffs' Motion for Reconsideration [Doc. 527] is DENIED.

III. Attorneys' Fees and Final Order


While the Court has determined that an award of attorneys' fees is appropriate, the amount of fees shall be determined at a later date. Thus, the Court DEFERS ruling on Defendants' Motion to Produce Billing Records and for a Hearing [Doc. 525].

The delay in assessing attorneys' fees and costs does not affect the finality or appealability of the merits of this final Order, as attorneys' fees and costs are collateral to the merits. Budinich v. Becton Dickinson & Co., 486 U.S. 196, 201-02 (1988); Ray Haluch Gravel Co. v. Cent. Pension Fund of Int'l Union of Operating Eng'rs & Participating Emp'rs, 134 S. Ct. 773, 777 (2014) ("Whether the claim for attorney's fees is based on a statute, a contract, or both, the pendency of a ruling on an award for fees and costs does not prevent, as a general rule, the merits judgment from becoming final for purposes of appeal."). Accordingly, the Clerk is DIRECTED to

⁴There was no evidence before the Court of digital permissions availability for the following works, as numbered by this Court's March 31 Order: 19 (Kruger - *Understanding Trauma*), 20 (Orr - *Liszt: Sonata in B Minor*), 21 (Orr - *Cambridge Companion to Mendelssohn*), 22 (Orr - *Cambridge Companion to Schumann*), 23 (Orr - *The Music of Berlioz*), 24 (Orr - *The Organ as a Mirror of Its Time*), 30 (Kim - *Fundamental Considerations in Language Testing*), 31 (Kim - *Assessing Speaking*), 32 (Kim - *Learning Vocabulary in Another Language*), 33 (McCombie - *International Health Organisations and Movements 1918-1939*), 34 (McCombie - *Evolution of Infectious Disease*), 37 (Davis - *The Unpredictable Past*), 38 (Freeman - *Living Ethics*), 41 (Lasner - *The Politics of Public Housing*), 44 (McCoy - *Regimes and Democracy in Latin America*) [see Doc. 510].

ENTER JUDGMENT in accordance with this Court's Orders of March 31, 2016 [Doc. 510], and April 14, 2016 [Doc. 514].

SO ORDERED, this 27 day of July, 2016.



ORINDA D. EVANS
UNITED STATES DISTRICT JUDGE