No. _____

In The
Supreme Court of the United States

COMICMIX LLC, a Connecticut limited liability company; GLENN HAUMAN, an individual; DAVID JERROLD FRIEDMAN, AKA David Gerrold, an individual; TY TEMPLETON, an individual,

Petitioners,

v.

DR. SEUSS ENTERPRISES, L.P., a California limited partnership,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

(1) Section 106 of the Copyright Act, which sets forth the exclusive rights granted to authors, states that all exclusive rights are "subject to sections 107 through 122." 17 U.S.C. § 106. Therefore, the exclusive rights under Section 106 do not extend to Section 107, which states that "the fair use of a copyrighted work . . . is not an infringement of copyright." 17 U.S.C. § 107. The first question presented is:

Whether fair use is ***a right*** of authors, thus placing the burden on plaintiffs to prove that fair use does not apply on defendants who assert that they made fair use of the allegedly infringed works.

(2) Section 107 of the Copyright Act sets forth four nonexclusive factors to consider when determining whether the use made of a particular work is fair. Among those four factors is "the effect of the use upon the potential market for or value of the copyrighted work." The second question presented is:

Whether the copyright holder bears the burden of proving the effect of the use upon the potential market for the copyrighted work, as the Second, Fourth and Eleventh Circuits have held, or whether the alleged infringer bears the burden, as the Ninth Circuit, in the decision below, has held.

PARTIES TO THE PROCEEDINGS

Petitioners ComicMix LLC, Glenn Hauman, David Jerrold Friedman, and Ty Templeton were the defendants and respondents in the proceedings below.

Respondent Dr. Seuss Enterprises, L.P. was the plaintiff and the appellant in the proceedings below.

RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, petitioner ComicMix LLC states that it is a private non-governmental entity. It has no parent corporation and no publicly held corporation owns 10% or more of it.

RELATED CASES

Dr. Seuss Enterprises, L.P. v. ComicMix LLC, et al., No. 16-CV-2779 JLS (BGS), U.S. District Court for the Southern District of California. Order on Motion for Summary Judgment entered March 12, 2019.

Dr. Seuss Enterprises, L.P. v. ComicMix LLC, et al., No. 19-55348, U.S. Court of Appeals for the Ninth Circuit. Judgment entered December 18, 2020.

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The opinion of the court of appeals (App. 1) is reported at 983 F.3d 443. The order of the district court granting petitioner's motion for summary judgment and denying respondent's motion for summary judgment (App. 37) is reported at 372 F. Supp. 3d 1101.

JURISDICTION

The Ninth Circuit Court of Appeals entered its decision on December 18, 2020. Pursuant to this Court's March 19, 2020 order, all petitions for writs of certiorari are due within 150 days following the date of the lower court's order. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

STATEMENT OF THE CASE

The Ninth Circuit's decision ignores the plain text of the Copyright Act and deepens the division among the circuits concerning a question that arises when the fair use defense is raised in a copyright infringement lawsuit: whether fair use should be treated as an affirmative defense and, if the answer is no, which party bears the burden of production on the fourth fair use factor, the potential for market harm to plaintiff.

While many courts have assumed that fair use is an affirmative defense, a reading of the plain language of Section 106 makes clear that the exclusive rights

held by copyright holders are subject to Section 107, Limitations on Exclusive Rights: Fair Use. The language used in Section 107 is consistent with Section 106. 17 U.S.C. § 107 provides that "the fair use of a copyrighted work [] is not an infringement of copyright." The statutory text makes clear that fair use was intended to be a defense, not an affirmative defense.

Even if fair use is not an affirmative defense, the burden of production for the fourth factor should be placed on the plaintiff, not the defendant. This approach is consistent with the holdings made by the Second, Fourth, and Eleventh Circuit courts, but was flatly rejected by the Ninth Circuit in this case. Which party bears the burden of production for the Fourth Factor is of significant importance to copyright litigants. Pursuant to the Ninth Circuit's approach, the defendant must prove a negative, i.e., that there is no potential for market harm. This is especially problematic when the plaintiff holds its sales and licensing history as confidential and/or trade secret information. Plaintiffs are in the best (and possibly only) position to adduce such evidence.

Petitioner respectfully requests that the Court review the Ninth Circuit's fair use analysis *de novo* in light of these questions.

PROCEEDINGS BELOW

The District Court correctly put the burden of proving market harm on Dr. Seuss Enterprises and

concluded that Dr. Seuss had not established a likelihood of market harm. It found that because ComicMix's use of the underlying work was targeted to a different audience and that Dr. Seuss had failed to show a likelihood of harm to the traditional, reasonable, or likely markets.

REASONS FOR GRANTING THE PETITION

I. THE COURT SHOULD GRANT REVIEW TO RESOLVE A CONFLICT AMONG THE COURTS OF APPEALS ON A MATTER OF SIGNIFICANT IMPORTANCE TO THE FAIR USE INQUIRY

A. Is Fair Use an Affirmative Defense Even Though the Plain Text of Sections 106 and 107 Excludes Such Uses from the Exclusive Rights Granted to Authors?

"Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: (1) to reproduce [], (2) to prepare derivative works, (3) to distribute [], (4) to perform [] publicly [], (5) to display [] publicly, (6) [] to perform [] publicly by means of a digital audio transmission." 17 U.S.C. § 106. Consistent with Section 106, Section 107, expressly limits a copyright owner's exclusive rights under Section 106. Section 107 states, "[n]otwithstanding the provisions of Section[] 106 [], the fair use of a copyrighted work, including such use

by reproduction in copies of phonorecords or by any other means specified by that section [] is not an infringement of copyright." 17 U.S.C. § 107. The Ninth Circuit had previously held that "labeling [fair use] as an affirmative defense that excuses conduct is a misnomer." *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1152 (9th Cir. 2016).

This Court had previously stated in dicta that "anyone who . . . makes a fair use of the work is not an infringer of the copyright with respect to such use." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 433, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984). This Court has also labeled fair use as an affirmative defense. *See Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 591 (1994). This writ should be granted because Circuit courts need guidance on this question and as to which party bears the burden of proof. *See, e.g., Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1542, n.22 (11th Cir. 1996) ("Originally, as a judicial doctrine without any statutory basis, fair use was an infringement that was excused—this is presumably why it was treated as a defense. As a statutory doctrine, however, fair use is not an infringement. Thus, since the passage of the 1976 Act, fair use should no longer be considered an infringement to be excused; instead, it is logical to view fair use as a right. Regardless of how fair use is viewed, it is clear that the burden of proving fair use is always on the putative infringer").

B. Notwithstanding Whether Fair Use Is an Affirmative Defense or Not, Should the Defendant Bear the Burden of Production on the Fourth Fair Use Factor?

Even if the burden of persuasion for fair use remains with the defendant, the burden of production should shift to the plaintiff with respect to the fourth factor. In *Cambridge Uni. Press v. Patton*, 769 F.3d 1232, 1279 (11th Cir. 2014), the court acknowledged that it is sometimes "reasonable to place on Plaintiffs the burden of going forward with evidence" as to the fourth factor. In that case, the Eleventh Circuit found it reasonable to place the burden on the plaintiff publishers to provide evidence of the availability of licenses for their own works. *Id.* at 1279. Under the Eleventh Circuit's approach, there is a presumption that no market harm exists, thus requiring the plaintiff rebut that presumption. In that case, the plaintiff was required to come forward with evidence of license availability. After that, the defendant, having the burden of persuasion, would have to demonstrate that its use does not materially impair the existing or potential market to prevail. *Id.* at 1279-80.

Shifting the burden of production is consistent with this Court's *dictum* regarding the fourth factor. In *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994), this Court explained that "[a fair use] proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence of relevant markets." Other Circuits have followed suit. *See, e.g., Maxtone-Graham v. Burtchaell*, 803 F.3d 1253,

1264 (2d Cir. 1986) (the plaintiff was "unable to point to a single piece of evidence portending future harm"); *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 116-17 n.6 (2d Cir. 1998) ("In this case, Leibovitz has not identified any market for a derivative work that might be harmed by the Paramount ad. In these circumstances, the defendant had no obligation to present evidence showing lack of market harm in a market for derivative works."); *Bouchat v. Baltimore Ravens Ltd.*, 619 F.3d 301, 315 (4th Cir. 2010) (finding the fourth factor weighed in favor of fair use for a transformative and noncommercial work where the plaintiff "offered no evidence of market harm").

The Ninth Circuit deviated from the authority cited herein by ruling that a defendant bears the burden of production on the fourth Fair Use factor. It put the burden on Petitioner ComicMix because "as the proponent of the affirmative defense of fair use, [it] 'must bring forward favorable evidence about the relevant markets.'" *Comicmix*, citing *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1399 (9th Cir. 1997) (App. 28). But as this Court has noted, that approach means that defendants will "have difficulty carrying the burden of demonstrating fair use without favorable evidence of relevant markets." *Campbell*, 510 U.S. at 590.

C. The Ninth Circuit's Fair Use Analysis Should Be Reviewed *De Novo*

The Ninth Circuit's fair use analysis was flawed in many respects. In addition to using the wrong legal standard for fair use, the Ninth Circuit erred when it held that *Boldly* is not transformative because of "its repackaging, copying, and lack of critique of Seuss, coupled with its commercial use of *Go!*" (App. 19.) In doing so, the Court ignored the new meaning and message of *Boldly*. *Castle Rock Entm't, Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 141 (2d Cir. 1998) (*quoting* Pierre N. Leval, Toward a Fair Use Standard, 103 Harv. L. Rev. 1105, 1111 (1990)) ("If 'the secondary use adds value to the original—if [the original work] is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings—this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society.' ") The Ninth Circuit also failed to ask whether the transformative nature of the use could "reasonably be perceived," and instead used benchmarks from other cases without applying a case-by-case analysis as is required. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577, 582 (1994). Moreover, the Ninth Circuit erred because it decided that Petitioners used the "expressive core" of the Seuss books without providing an analysis on how the portions used were qualitatively significant to the plaintiff's works. (App. 24; *see Google v. Oracle*, 141 S.Ct. 1183, 1205 (2021) ("copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the

material's creative expression or is central to a copier's valid purpose").) The Ninth Circuit also erred when it assumed market harm because of potential lost license fee. (App. 30-31; *see Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 614 (2d Cir. 2006) (*quoting* 4 Nimmer on Copyright § 13.05, "danger of circularity posed" by considering unrealized licensing opportunities because "it is a given in every fair use case that plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar").) Therefore, the entire fair use analysis should be reviewed *de novo*.

II. THIS CASE PROVIDES AN APPROPRIATE VEHICLE FOR RESOLUTION OF THE QUESTIONS PRESENTED

This case is the ideal vehicle in which to resolve the issue presented. The issue of which party bears the burden of proving market harm was squarely raised below.

CONCLUSION

Petitioners respectfully request that this petition for a writ of certiorari be granted.

Respectfully submitted,

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