

IN THE
Supreme Court of the United States

ACI INFORMATION GROUP,

Petitioner,

v.

MIDLEVELU, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

This is a copyright infringement case. The questions presented are as follows:

1. A party who uses a copyrightable work with the implied license of a copyright owner is not liable for infringement. Such a license can arise from implied permission to use a work or a lack of objection. On the internet, the owners of potentially copyrightable publications (like blogs) can easily elect whether to continuously protect their work or, alternatively, to permit third parties (such as search engines) to use and redistribute their work. If an internet author chooses to make its work freely available on the internet, and to permit copying of the work, without making any effort to protect that work, does a party have an implied license to use and redistribute that content?

2. The express language of a statute enacted by Congress dictates that a district court “shall” seek input from the Copyright Office whenever there is an allegation that a copyright registration was procured by fraud. Is this directive a statutory mandate (as the Seventh and Ninth Circuits have held) or a waivable suggestion (as held by the Fifth Circuit and the court below)?

CORPORATE DISCLOSURE STATEMENT

Newstex, LLC d/b/a ACI Information Group has no parent company, and no publicly held company owns 10% or more of its stock.

RELATED CASES STATEMENT

- *MidlevelU, Inc. v. ACI Info. Grp. a/k/a Newstex LLC*, No. 18-80843, U.S. District Court for the Southern District of Florida. Judgment entered Oct. 2, 2019.
- *MidlevelU, Inc. v. ACI Info. Grp.*, No. 20-10856, U.S. Court of Appeals for the Eleventh Circuit. Judgment entered Mar. 3, 2021.

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Newstex, LLC d/b/a ACI Information Group respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Eleventh Circuit in this case.

OPINION BELOW

The opinion of the court of appeals is reported at 989 F.3d 1205 and reproduced in the appendix at App. A. The district court’s decisions granting judgment as a matter of law, App. D at 269, and addressing the statutory requirement of contacting the Copyright Office, App. E at 255, 296, are unreported.

JURISDICTION

The judgment of the court of appeals was entered on March 3, 2021. This petition for writ of certiorari is being filed within 90 days of that date. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Section 411(b) of Title 17 of the United States Code provides in relevant part:

Registration and civil infringement actions

(2) In any case in which inaccurate information . . . is alleged, the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.

The full text of Section 411 is reproduced in the appendix at App. G.

STATEMENT

If copyright in the digital age were taken to an extreme, internet users would “infringe potentially dozens of copyrighted works each day, often unknowingly.” *See* Brad A. Greenberg, *Copyright Trolls and Presumptively Fair Uses*, 85 U. Colo. L. Rev.

53, 82 (2014). This case presents two important issues regarding modern copyright law.

The first question is how the traditional implied-license defense should be applied in the digital age, in which communication concerning appropriate use of publicly available content is provided by computer code rather than by words, impressions, and human interactions. Specifically, on the internet, website owners communicate their approval (or disapproval) of content aggregation¹, scraping², and sharing by using HTML tags³ and other coding to permit copying and distribution of publicly displayed works. Not surprisingly, the lower courts have struggled with integrating that modern communication into the common-law defense and have developed inconsistent tests for doing so. Particularly with the proliferation of online content (which will only continue to increase), the lower courts need guidance on this issue.

The second question is whether district courts must follow the plain meaning of the legislature's express directive that they make an inquiry to the Copyright Office⁴ when there has been an allegation of fraud as to the registration of a particular copyrighted work. The lower courts are divided on this issue.

¹ "Aggregation" in this context refers to the process of collecting digital content, and an "aggregator" is an entity that collects such content. See *Barclays Capital Inc. v. Theflyonthewall.com, Inc.*, 650 F.3d 876, 882 (2d Cir. 2011).

² "Scraping" involves "extracting data from a website and copying it into a structured format, allowing for data manipulation or analysis." See *hiQ Labs, Inc. v. LinkedIn Corp.*, 938 F.3d 985, 991 n.3 (9th Cir. 2019), *petition for cert. filed*, No. 19-1116 (U.S. Mar. 9, 2020).

³ "HTML" refers to Hypertext Markup Language, the "instructions" for a website. See *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1155 (9th Cir. 2007).

⁴ The terms "Copyright Office" and "Register" are often used interchangeably, since the Register of Copyrights is the director of the Copyright Office of the Library of Congress. See 17 U.S.C. § 701(a).

A. Statutory Scheme

The Constitution empowers Congress “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. Const. art. I, § 8, cl. 8. Consequently, federal copyright protection is a matter of statute. *See Wheaton v. Peters*, 33 U.S. 591, 661-62 (1834). Congress enacted the nation’s first copyright statute in 1790 and has overhauled federal copyright law several times since; the most recent comprehensive revision occurred in 1976. *See Eldred v. Ashcroft*, 537 U.S. 186, 194-95 (2003).

The Copyright Act in its current form protects “original works of authorship fixed in any tangible medium of expression . . . from which they can be perceived, reproduced, or otherwise communicated.” 17 U.S.C. § 102(a). Under the Copyright Act, the owner of a copyright generally has the exclusive right to copy and use his or her work. *See id.* § 106.

This appeal concerns two critical limitations on that right. First, a user of a copyrighted work is not liable for infringement if it had a license – written, oral, or implied – to use the work. *See, e.g., Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir. 1990). Unlike an exclusive license, which must be in writing, a nonexclusive license can be implied by conduct and does not amount to a “transfer” of ownership. *See* 17 U.S.C. §§ 101, 204. For an implied license, “[t]he copyright owner simply permits the use of a copyrighted work in a particular manner.” *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 775 (7th Cir. 1996). Because the party has permission to use the work,

an implied license “creates an affirmative defense to a claim of copyright infringement.” *Id.*; *see also* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 10.03[A][7] (2019) (“When a nonexclusive license exists, it functions as a bar on suit by the copyright owner for copyright infringement.”).

Second, although original works need not be registered to be protected, a copyright owner can seek to register a work with the Copyright Office in order to obtain certain statutory benefits. *See* 17 U.S.C. §§ 408, 409; *see also* U.S. Copyright Office, *Compendium of U.S. Copyright Office Practices* § 101.3(a) (3d ed. 2021). The Copyright Office examines such applications and can either issue a certificate of registration (if the necessary elements are met) or refuse registration. 17 U.S.C. § 410.

Among the various benefits available, someone who has obtained a registration from the Copyright Office can bring an infringement action against a party who has impermissibly used the copyrighted work. *See id.* §§ 411(a), 501(b). Nevertheless, a copyright owner cannot rely on a copyright registration if the registration was procured by fraud. When a registering party intentionally provides inaccurate information, and accurate information would have caused the Copyright Office to refuse registration, then the registration is null and void. *Id.* § 411(b)(1). A party accused of infringement can challenge a copyright registration based on such misconduct as part of its defense. At that point, the procedure is expressly stated in the Copyright Act: Congress has directed that a district court in such an infringement action “**shall** request the Register of Copyrights to advise the court whether the

inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.” *Id.* § 411(b)(2) (emphasis added).

B. Factual Background

The dispute in this case involves an aggregator, Newstex, LLC, that collected and distributed content from various publicly available sources on the internet. In 2013, Newstex developed an educational product that aggregated (that is, collected) and then indexed and abstracted content from freely available materials. Included in the resulting compilation of indexed abstracts were summaries of selected content originally received from various Really Simple Syndication (“RSS”) feeds to which Newstex subscribed.⁵ Newstex’s product provided both searchable summaries as well as hyperlinks to the original internet webpages from which the information had been collected. Much like Google searches and other curations of internet content, Newstex’s product made it easier for its subscribers to find information about specific topics, all the while providing direct links to the original content sources. Various academic institutions subscribed to Newstex’s product, including the research library of this Court.

⁵ An RSS feed is a list of information about a website that allows a subscriber’s software to access updates to the website in a standardized, computer-readable format. “[O]n a high level it means you can get a list of all the recent ‘new stuff’ that a site or a user or a channel (or whatever) has published.” Dieter Bohn, *Why RSS Still Matters*, The Verge (Mar. 14, 2013, 5:11 PM), <http://theverge.com/2013/3/14/4105006/why-rss-still-matters>. By now, more than 29 million websites around the world use RSS feeds to publish information. *RSS Usage Statistics*, BuiltWith, <https://trends.builtwith.com/feeds/RSS> (last visited May 27, 2021).

MidlevelU, Inc. operated a blog for healthcare providers.⁶ MidlevelU made the full text of the blog articles available, without a charge, to anyone who subscribed to the blog's RSS feed. Although an RSS feed can have terms or limitations regarding use of the website's content, the MidLevelU blog had none. MidlevelU even specifically modified the default settings of the blog's RSS feed so that the full text of all blog articles (as opposed to merely titles or brief summaries) were freely disseminated through the feed.⁷ In addition, MidlevelU's website included automated instructions that allowed search engines' indexing software **to use and copy** the entire content of the blog.⁸ These were intentionally selected settings that MidlevelU applied to the public accessibility of the content of its website.

Newstex subscribed to MidlevelU's full-text RSS feed from 2015 to 2017. Newstex's software generated and indexed abstracts of each blog article, with full attribution to MidlevelU and a hyperlink to MidlevelU's website.

Meanwhile, MidlevelU registered approximately 50 blog articles with the Copyright Office. Some of these articles were republications of earlier works, yet MidlevelU improperly listed the date of creation as the republication date rather than

⁶ The blog was free; MidlevelU generated revenue through fee-based services such as job boards and continuing education offerings unrelated to the RSS feed. *See* App. A at 2.

⁷ MidlevelU used a content management system that, by default, would have limited the RSS feed to distributing only the titles and summaries of the ten most recent articles posted on the blog. MidlevelU deliberately changed the system's default settings so that it instead distributed the full text of all articles contained on the blog.

⁸ Website owners can create hidden files called "robots.txt" that provide specific automated instructions about what content the owners do or do not want indexed. *See hiQ Labs*, 938 F.3d at 990 & n.2. MidlevelU consistently included on its website a robots.txt file, through which it explicitly instructed the indexing software used by search engines to freely use and copy the blog articles.

the original date.⁹ Further, MidlevelU's registration applications failed to identify preexisting works created by third parties.

C. Procedural History

In 2018, Newstex discontinued its educational product because it was unprofitable. A few months later, MidlevelU brought a copyright infringement action against Newstex for its previous aggregation of some of the blog articles.

As part of its defense to the infringement suit, Newstex asserted that it had an implied license to use MidlevelU's blog articles based on the specific settings MidlevelU had made to its website and RSS feed indicating that it approved of copying of the publicly available content. Newstex also asserted a counterclaim for lack of effectual copyright registrations based on MidlevelU's having provided inaccurate information to the Copyright Office.

The district court denied Newstex's motion for summary judgment based on the implied-license defense and rejected Newstex's argument that the appropriate test for determining whether an implied license exists is a totality of the circumstances. Instead, the court applied a narrow, three-element test that the court believed was mandated by Eleventh Circuit precedents. App. F at 4-5. In addition, the district court did not seek the Copyright Office's position under Section 411(b)(2) as to the copyright registrations at issue based on Newstex's allegations of fraud.

⁹ The date of publication matters because statutory damages are not available for works that are registered more than three months after first publication. 17 U.S.C. § 412.

Those same two issues were raised at trial as well. The district court granted MidlevelU's motion for judgment as a matter of law on the implied-license defense, holding that the defense could not apply because the blog articles were not created at Newstex's request. App. D at 269 ("So even if someone you don't know was out looking around and taking stuff off your website, you granted them an implied license and unless or until the Eleventh Circuit tells me that's the law, I don't agree that's the law."). Thus, the district court precluded the jury from having an opportunity to evaluate Newstex's implied-license defense based on MidlevelU's specifically delineated settings on its website. *See* App. D at 273. As to the fraud issue, the district court conceded that it had not contacted the Copyright Office but declined to recognize the statute as being a congressional mandate to do so. App. E at 255, 295-96. Although it refused to inquire of the Copyright Office, the court concluded that there was sufficient evidence to submit the fraud issue to a jury. App. D at 268.

Having been precluded from deciding whether an implied license existed, and without any guidance from the Copyright Office as to the fraud issue, a jury found in favor of MidlevelU with respect to a subset of the blog articles. The district court entered judgment on the jury's determination. App. C. The court thereafter denied Newstex's renewed motion for judgment as a matter of law and motion for new trial – without any explanation or reasoning. App. B.

Newstex appealed the jury verdict and judgment, raising, among others, the two errors of law at issue here. The Eleventh Circuit affirmed.¹⁰ As to the implied-

¹⁰ The Eleventh Circuit had jurisdiction pursuant to 28 U.S.C. § 1291.

license question, the appellate court first held that the district court erred in its legal formulation of the defense. But rather than remanding the case to the district court to apply a different test to the facts of the case, the appellate court proceeded to apply its own, unarticulated standard and held that no reasonable jury could have concluded that MidlevelU granted an implied license to use the blog articles. App. A at 2, 13-17. According to the appellate court, “[t]he district court did not err by deciding as a matter of law that Newstex could not succeed on its implied-license defense.” App. A at 16. As to the fraud issue, the Eleventh Circuit held that the district court was not required to contact the Copyright Office because Newstex “never mentioned the requirement before trial.” App. A at 23.

Newstex petitions this Court to clarify the scope of the implied-license defense and the meaning of Section 411 of the Copyright Act.

REASONS FOR GRANTING THE PETITION

The decision below addresses two questions of federal law that have divided the lower courts.

First, this Court has never addressed the appropriate test for and scope of the implied-license defense. In particular, this case concerns the contours of the defense in the digital age. Some lower courts continue to apply a three-element test to determine whether an implied license exists, while other courts apply a totality-of-the-circumstances test. This case presents the Court with the opportunity to recognize the implied license granted by an internet publication like a free blog – and

specifically one that, like many others, is widely disseminated in full text without any restrictions or limitations.

Second, this case presents the Court with the opportunity to direct lower courts to follow the plain, express meaning of Section 411(b) of the Copyright Act. That statute provides that whenever there is an allegation of fraud on the Copyright Office, the district court “**shall** request” the Copyright Office to advise whether the purportedly inaccurate information would have led to refusal of the copyright registration. Despite the mandatory language of the statute, the court below held that a district court is only required to make such an inquiry of the Copyright Office in response to a defendant’s express request before trial. Other courts have interpreted this statutory mandate based on its plain language – requiring the district court to make the inquiry even in the absence of any party’s request. This Court should now resolve the split and interpret the plain language of the statute.

A. This Court should delineate the scope of the implied-license defense as it applies to internet publications.

Nearly a century ago, this Court explained the concept of an implied license in the patent context: “No formal granting of a license is necessary in order to give it effect. Any language used by the owner of the patent or any conduct on his part exhibited to another, from which that other may properly infer that the owner consents to his use of the patent in making or using it, or selling it, upon which the other acts, constitutes a license, and a defense to an action for a tort.” *De Forest Radio Tel. & Tel. Co. v. United States*, 273 U.S. 236, 241 (1927).

Since that pronouncement in *De Forest Radio*, the Court has not elaborated on the implied-license defense. Rather, the Court has only noted in passing that the defense continues to be available in response to purported infringement of intellectual property rights. See, e.g., *Bowman v. Monsanto Co.*, 569 U.S. 278, 285 n.3 (2013); *Quanta Comput., Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 637 (2008); *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 187 (1980); *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 483-84 (1964); *Buck v. Jewell-La Salle Realty Co.*, 283 U.S. 191, 199 n.5 (1931). Meanwhile, mediums like the internet have transformed prior notions of “conduct” and “consent” into bits and bytes of data built into hidden code on the web.

Following this Court’s lead in the patent context, “[t]he case law dealing with copyrights accepts the possibility of implied licenses.” *Photographic Illustrators Corp. v. Orgill, Inc.*, 953 F.3d 56, 61 (1st Cir. 2020). In that regard, the consent for an implied license “may take the form of permission or lack of objection.” *Baisden v. I’m Ready Prods., Inc.*, 693 F.3d 491, 500 (5th Cir. 2012). This principle makes sense, since an author’s “consent to a reasonable use of his copyrighted works had always been implied by the courts as a necessary incident of the constitutional policy of promoting the progress of science and the useful arts.” *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 549 (1985).

But without additional guidance from this Court, the lower courts have created their own individualized and inconsistent tests for an implied-license defense. One scholar has described the status quo in this way: “If we try to put together the

various answers courts have given to these questions, the picture we get falls rather shy of coherence – much like a piece of special effects footage in which you can make out where certain bits of goo have landed, but can’t quite discern how they’re supposed to have gotten there.” Christopher M. Newman, “*What Exactly Are You Implying?*”: *The Elusive Nature of the Implied Copyright License*, 32 Cardozo Arts & Ent. L.J. 501, 502 (2014).

Typically, the lower courts’ analysis has centered on the objective intent of the copyright holder and what specific restrictions that person put in place for use of the copyrighted material. *See, e.g., Joseph v. Buffalo News, Inc.*, 792 F. App’x 60, 62-63 (2d Cir. 2019) (affirming dismissal of a claim of copyright infringement when the plaintiff sent an article to an editor and responded affirmatively to the editor’s statement of intent to publish because doing so constituted “a nonexclusive license authorizing publication”); *Marino v. Usher*, 673 F. App’x 125, 130 (3d Cir. 2016) (“The existence of an implied license is determined by an objective inquiry into the facts; the private hopes of the creator are not relevant.”); *Hunn v. Dan Wilson Homes, Inc.*, 789 F.3d 573, 587-88 (5th Cir. 2015) (holding that an implied license was granted when the plaintiff delivered plans without any written or orally communicated restrictions about limits on the recipient’s ability to use the plans); *Karlson v. Red Door Homes, LLC*, 611 F. App’x 566, 569 (11th Cir. 2015) (per curiam) (explaining that “a copyright owner may allow another to use the copyrighted material without transferring ownership in the material through the grant of a nonexclusive license”); *Murphy v. Lazarev*, 589 F. App’x 757, 765 (6th Cir. 2014) (“The key to finding an

implied license is in the intent of the copyright holder.”); *Estate of Hevia v. Portrio Corp.*, 602 F.3d 34, 41 (1st Cir. 2010) (“[T]he copyright owner’s intent is the touchstone for determining whether such an implied license has been granted.”).

Some courts have delineated a certain number of elements that must be satisfied to recognize an implied license. For example, the district court in this case ruled that an implied license is only granted when a person creates a work at another’s request, delivers the work, and intends that the recipient copy and distribute the work. App. F at 4; *see also Muhammad-Ali v. Final Call, Inc.*, 832 F.3d 755, 762 (7th Cir. 2016) (stating that a party “must show” these three elements to establish an implied license); *Bangkok Broad. & T.V. Co. v. IPTV Corp.*, 742 F. Supp. 2d 1101, 1111 (C.D. Cal. 2010) (explaining that this three-part test represents the “narrow circumstances” in which an implied license can be found); *Beholder Prods., Inc. v. Catona*, 629 F. Supp. 2d 490, 494 (E.D. Pa. 2009) (stating that this three-element test is used “to determine whether or not an implied license was granted”).

Other courts apply a totality-of-the-circumstances test.¹¹ *Bitmanagement Software GmbH v. United States*, 989 F.3d 938, 947 (Fed. Cir. 2021); *Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 784 F. App’x 253, 256 (5th Cir. 2019) (per curiam), *cert. denied*, 140 S. Ct. 2802 (2020).

¹¹ This Court has generally rejected the utilization of rigid tests in intellectual property disputes. *See, e.g., Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1497 (2020) (rejecting a party’s insistence on an “inflexible precondition to recovery” in a trademark infringement suit); *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1934 (2016) (eschewing a “rigid formula” for enhanced damages in a patent infringement suit); *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 553 (2014) (rejecting the circuit court’s “unduly rigid” test for attorney’s fees in patent litigation).

In the decision below, the Eleventh Circuit rejected the three-element test but failed to articulate what standard a court *should* apply. App. A at 11-17.

Problems with the undefined defense are especially acute when courts attempt to apply the traditional, common-law concept of an implied license to works on the internet. How does one determine the intent of a blog writer? What sort of restrictions can an internet author put in place? If content is freely available on the internet, what use may be made of it?

These questions are particularly important for websites, which can communicate assent and restrictions in ways both visible and not. Some websites choose to utilize terms-of-use policies, while many, if not most, make selections in the website code either prohibiting content scraping and copying or, as in this case, specifically permitting such conduct. The traditional view of an implied license does not account for these technological advancements. See Orit Fischman Afori, *Implied License: An Emerging New Standard in Copyright Law*, 25 Santa Clara Computer & High Tech. L.J. 275, 281 (2009) (explaining that the implied-license defense “failed to continue developing in response to the dynamic environment of the copyright world”). As one scholar has remarked, “[s]ome form of implied license for individual end users must be recognized to prevent the destruction of the open, public character of the Internet in the name of commerce.” Jane K. Winn, *Crafting a License to Know from a Privilege to Access*, 79 Wash. L. Rev. 285, 298 (2004).

In the decision below, the Eleventh Circuit recognized the possibility of an implied-license defense and explained that “an owner’s *grant of permission* to use the

material” is the essence of such a license. App. A at 11-12. But an implied license must arise from the various circumstances, including the non-visible website code. Based on its failure to recognize this principle, the court below improperly concluded, without any real substantive analysis, that “a jury could not have reasonably inferred that the blog impliedly granted the aggregator a license to copy and publish its content.” App. A at 2. The court compared a website existing in cyberspace to a brick-and-mortar business and quipped that “a person may not infer permission beyond the customary scope of the license, such as if the person sought to enter a business through a back window instead of the front door or for a nonbusiness purpose like throwing a party.” App. A at 14.

This interpretation of the implied-license defense runs counter to other courts’ understanding. Most relevant, a district court in Nevada concluded that Google had an implied license to reproduce and distribute copies of internet publications. *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006). The plaintiff in *Field* was aware of industry standard mechanisms and knew that his website could have instructed Google not to display links to his pages – yet he chose not to use such measures. *Id.* at 1116. The court explained that “with knowledge that he could prevent such use, [the plaintiff] instead made a conscious decision to permit it.” *Id.* The conduct could be “reasonably interpreted as the grant of a license to Google for that use.” *Id.*; see also *Parker v. Yahoo!, Inc.*, No. 07-2757, 2008 WL 4410095, at *3-4 (E.D. Pa. Sept. 25, 2008) (reaching a similar conclusion with respect to Yahoo and Microsoft).

Circuit courts have also applied the implied-license defense in a way that contradicts the Eleventh Circuit’s ruling in this case. For example, the Fifth Circuit affirmed summary judgment based on an implied-license defense under circumstances similar to those here. *Geophysical Serv.*, 784 F. App’x 253. There, a collector of seismic data brought a suit for copyright infringement. The court explained that an implied license “may take the form of permission or lack of objection.” *Id.* at 256. Because the data at issue was public information that the plaintiff should have known was being copied and aggregated, the Fifth Circuit held that the totality of the parties’ conduct demonstrated that an implied license had been granted. *Id.* at 256-58; *see also LimeCoral, Ltd. v. CareerBuilder, LLC*, 889 F.3d 847, 850-53 (7th Cir. 2018) (holding that a graphics design firm had granted an implied license to a job website because the firm conveyed the copyrighted works to the website with the understanding that they would be used on the website); *Reinicke v. Creative Empire, LLC*, 669 F. App’x 470, 470-71 (9th Cir. 2016) (holding that a developer of a foreign language course had granted an implied license to a provider of online language learning services because the developer submitted content intended for distribution).

The Court should grant the petition to articulate the scope of the implied-license defense, particularly as it applies to content that is available online. Although the lower courts have generally adopted the concept in principle, its contours remain largely undefined, and, therefore, its application breeds inconsistent results. *See also EF Cultural Travel BV v. Zefer Corp.*, 318 F.3d 58, 63 (1st Cir. 2003) (rejecting “a

‘presumption’ of open access to Internet information” but noting that “a public website provider can easily spell out explicitly what is forbidden”).

It is time to address this deficiency. “Courts are split on whether a failure to adequately protect data constitutes an implied license for scrapers.” Jeffrey Kenneth Hirschey, *Symbiotic Relationships: Pragmatic Acceptance of Data Scraping*, 29 Berkeley Tech. L.J. 897, 912-13 (2014). Guidance is needed for the lower courts to address the existence of an implied license in the context of the internet, “in which technological advances have created a new, more efficient means of delivery for copyrighted works, causing copyright owners and consumers to struggle to define appropriate boundaries of copyright protection in the new digital marketplace.” See *Cambridge Univ. Press v. Patton*, 769 F.3d 1232, 1237 (11th Cir. 2014). It is essential for the Court to “establish a legal framework that is more appropriate to the technological reality of the modern news [and research] industry.” Monika Isia Jasiewicz, Comment, *Copyright Protection in an Opt-Out World: Implied License Doctrine and News Aggregators*, 122 Yale L.J. 837, 839 (2012).

Notably, the implied-license defense is relevant not only to written blog articles but also to other types of internet content. See, e.g., Jie Lian, *Twitters Beware: The Display and Performance Rights*, 21 Yale J. L. & Tech. 227, 265-69 (2019); Caroline Russ, Comment, *Tweet Takers & Instagram Fakers: Social Media & Copyright Infringement*, 22 Tul. J. Tech. & Intell. Prop. 205, 220 (2020). Further, the scope of this defense is important not just to copyright disputes but also to those involving other intellectual property such as patents and trademarks. See, e.g.,

AntennaSys, Inc. v. AQYR Techs., Inc., 976 F.3d 1374, 1381 (Fed. Cir. 2020) (remanding for the district court to analyze a potential implied license in a patent infringement suit); *Wine & Canvas Dev., LLC v. Muylle*, 868 F.3d 534, 539-40 (7th Cir. 2017) (addressing whether there was implied consent in a trademark infringement suit).

B. The Court should address the split in the lower courts over the meaning of Section 411(b) of the Copyright Act.

This case also presents the Court with the opportunity to enforce the plain meaning of Section 411(b) of the Copyright Act and resolve an extant split among lower courts.

Exercising a constitutional grant of power, “Congress has crafted a comprehensive statutory scheme governing the existence and scope of ‘copyright protection’ for ‘original works of authorship fixed in any tangible medium of expression.’” *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 157 (2010) (quoting 17 U.S.C. § 102(a)). When infringement occurs, “a copyright owner ‘is entitled, *subject to the requirements of section 411*, to institute an action for copyright infringement.” *Id.* (quoting 17 U.S.C. § 501(b)).

Section 411 governs the right of a copyright owner to bring a claim for infringement. As relevant here, the statute was amended as part of the Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. No. 110-403, 122 Stat. 4256. *See Gold Value Int’l Textile, Inc. v. Sanctuary Clothing, LLC*,

925 F.3d 1140, 1144 (9th Cir. 2019), *cert. denied*, 140 S. Ct. 1294 (2020).¹² The newly created Section 411(b) codifies the common-law defense of fraud on the Copyright Office. *See Roberts v. Gordy*, 877 F.3d 1024, 1029 (11th Cir. 2017). The purpose of this rule is clear: a purported copyright owner cannot create the right to bring an infringement action “by duping the Copyright Office into issuing a certificate of registration based on a false claim of copyright ownership.” *DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616, 622 (7th Cir. 2013). “To prevent plaintiffs from abusing the registration process in this way, the Copyright Act allows for the invalidation of registrations obtained by knowing misrepresentations of material facts.” *Id.*

Congress’ enactment of Section 411(b) puts an obligation on a district court whenever fraud is alleged in a copyright infringement action. *See* 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.20[B][2] (2019) (explaining that Congress addressed a prevailing “imbroglio in the PRO IP Act to amend the procedures applicable when parties to a case allege deliberate misstatement in the registration certificate”). When the fraud issue is raised, “the court **shall** request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.” 17 U.S.C. § 411(b)(2) (emphasis added); *see also* U.S. Copyright Office, *Annual Report of the Register of Copyrights* 34 (2009) (explaining that Section 411(b) “requires courts

¹² The directive to consult with the Copyright Office has been included in the Code of Federal Regulations as well. 37 C.F.R. § 205.14.

to seek the advice of the Copyright Office on issues that may involve fraud on the Copyright Office”).

To date, four courts of appeals have addressed the meaning of the statute, dividing evenly on the issue.

The Ninth Circuit has applied the plain language of the statute. *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 959 F.3d 1194 (9th Cir. 2020), *petition for cert. filed*, No. 20-915 (U.S. Jan. 4, 2021).¹³ In *Unicolors*, the appellate court explained that a district court is “required to submit a request to the Register of Copyrights” whenever a defendant alleges that a plaintiff knowingly included inaccurate information on an application for copyright registration. *Id.* at 1197. “In other words, courts may not consider in the first instance whether the Register of Copyrights would have refused registration due to the inclusion of known inaccuracies in a registration application.” *Id.* In effect, the Ninth Circuit reasoned that the statutory language is clear and unambiguous. Because the district court in that case “did not make the statutorily required request,” the appellate court remanded for the district court to “complete this requirement.” *Id.* at 1200.

The result in *Unicolors* accords with the result earlier reached by the Seventh Circuit (the first court of appeals to address the issue) in *DeliverMed Holdings*. There, the parties did not ask the district court to consult the Register. 734 F.3d at 624. Nevertheless, the appellate court recognized the “new procedure” in Section 411(b) and explained that “[i]nstead of relying solely on the court’s own assessment,”

¹³ As of the filing of this petition, the petition for writ of certiorari in *Unicolors* is still pending.

“the statute obligated courts to obtain an opinion from the Register on the matter.” *Id.* at 623. The “purpose of this mechanism” is to ensure that courts addressing allegations of fraud obtain “the input of the Register as to whether the application was properly filed.” *Id.*

It was irrelevant that the parties had not raised the issue earlier, because “ignoring a clear statutory directive due to the inadvertence of the parties would defeat the purpose of 17 U.S.C. § 411(b)(2) and deprive the Register of its right to weigh in on precisely this issue.” *Id.* at 624. The Seventh Circuit noted that under the plain language of the statute, “a court still must request a response from the Register before coming to a conclusion as to the materiality of a particular misrepresentation.” *Id.* Because the district court did not follow “the statutorily mandated procedure,” it erred. *Id.*

By contrast, in the decision below, the Eleventh Circuit held that the district court did not err in failing to contact the Copyright Office because Newstex “never mentioned the requirement before trial.” App. A at 23. The court opined that by failing to raise the issue earlier, Newstex “induced the district court to proceed to a verdict and a judgment without consulting the Register” and thus could not “challenge the purported error.” App. A at 23.

Similarly, the Fifth Circuit has held that Section 411(b) “does not require immediate referral to the Copyright Office to determine the materiality of alleged inaccuracies.” *Energy Intelligence Grp., Inc. v. Kayne Anderson Capital Advisors, L.P.*, 948 F.3d 261, 277 (5th Cir. 2020). Rather, in the Fifth Circuit, district court

judges “may, in their discretion, determine inaccuracy before making a referral to the Register.” *Id.* at 278.

District courts have likewise varied in their understanding of Congress’ intent in enacting Section 411(b). Some have taken Congress at its word in imposing an unqualified requirement. *See, e.g., Chambers v. Green-Stubbs*, No. 1:19-CV-093-GHD-DAS, 2021 WL 107252, at *4 (N.D. Miss. Jan. 12, 2021) (“In the case of an allegedly fraudulent application to the Copyright Office, a court must seek guidance from the Copyright Office, as discussed in 17 U.S.C. § 411(b)(1-2)”), *appeal docketed*, No. 21-60108 (5th Cir. Feb. 12, 2021); *Palmer/Kane LLC v. Rosen Book Works LLC*, 188 F. Supp. 3d 347, 348 (S.D.N.Y. 2016) (citing several decisions for the proposition that “courts are in agreement that the provision is mandatory in nature”); *Lennar Homes of Tex. Sales & Mktg., Ltd. v. Perry Homes, LLC*, 117 F. Supp. 3d 913, 926 (S.D. Tex. 2015) (stating that “referral of the issue does not appear to be discretionary”). Other district courts have taken a more permissive view of the statute. *See, e.g., Russell v. Walmart Inc.*, No. CV 19-5495-MWF (JCx), 2020 WL 9073046, at *5 (C.D. Cal. Oct. 16, 2020) (stating that the court should seek the Register’s opinion “[o]nly after determining that the moving party” has met certain requirements); *Bayoh v. Afropunk Fest 2015 LLC*, No. 18cv5820 (DLC), 2020 WL 229978, at *5 (S.D.N.Y. Jan. 15, 2020) (declining to refer a matter to the Copyright Office).

This petition provides an opportunity to resolve these divergent interpretations of Section 411(b). *See Copyright Issues under Prioritizing Resources*

and Organization for Intellectual Property Act of 2008, 29 A.L.R. Fed. 3d Art. 8 (2018) (“Some courts have held that 17 U.S.C.A. § 411(b) requires courts to refer queries to the Copyright Office, but others have held that it is within the authority of the courts to first determine the threshold questions before referring to the Copyright Office for advice.”). This split among the lower courts is entrenched and is unlikely to be resolved without action by this Court. Uncertainty regarding the statute abounds. Indeed, the district court in this case expressed confusion about the meaning of the statute. App. E at 255 (“I have looked at the statute on that, I still don’t understand how that procedure works, that I’m supposed to notify the Copyright Office of something and then they are supposed to do something and I’m not [quite] sure when I’m supposed to do that”); App. E at 295 (“I have tried to understand this procedure that Congress created, and I can’t figure it out.”).

C. The issues presented are important questions of federal law and warrant review.

This case is an ideal vehicle to resolve both of these issues, for several reasons. First, the issues were properly raised in Newstex’s pleadings. Second, both the trial court and the Eleventh Circuit directly addressed these issues. Third, both questions are cleanly presented by this case, and there are no “logically antecedent questions that could prevent [the Court] from reaching the question[s]” presented here. *See Unite Here Local 355 v. Mulhall*, 571 U.S. 83, 85 (2013) (Breyer, J., dissenting).

Further, these issues will continue to appear in future cases. The defenses of implied license and fraud on the Copyright Office arise frequently in copyright infringement cases, and that frequency will only increase as more and more content

is published online. There is no prospect that further litigation will resolve the conflicts among the lower courts. See Dylan J. Quinn, Note and Comment, *Associated Press v. Meltwater: Are Courts Being Fair to News Aggregators?*, 15 Minn. J. L. Sci. & Tech. 1189, 1199 (2014) (explaining that the implied-license defense “has been gaining traction,” particularly for aggregators).

Moreover, these issues are consequential and of significant practical importance. If the use of a copyrighted work is done under an implied license, the owner has no claim for infringement. *I.A.E., Inc.*, 74 F.3d at 775. Similarly, if a copyright registration is invalid due to fraud, the owner has no claim for infringement. *Unicolors*, 959 F.3d at 1200. Thus, resolving these questions is important for copyright litigation going forward.

D. The decision below is wrong.

Review is also appropriate because the Eleventh Circuit’s decision on these two issues is incorrect.

As to the implied-license defense, the court erred by focusing on Newstex’s product rather than MidlevelU’s intent. “As the internet has developed into more of an opt-out system, the argument has been made that only the act of sharing information from websites that actively choose to be removed from participating in the system is generally recognized as unacceptable” *Righthaven LLC v. Klerks*, No. 2:10-cv-00741-GMN-LRL, 2010 WL 3724897, at *4 n.1 (D. Nev. Sept. 17, 2010) (citing John S. Sieman, Comment, *Using the Implied License to Inject Common Sense into Digital Copyright*, 85 N.C. L. Rev. 885, 887-93 (2007)). MidlevelU’s affirmative

actions show that it did not “opt out” but rather opted in. See Alexander Weaver, Comment, *Aggravated With Aggregators: Can International Copyright Law Help Save the Newsroom?*, 26 Emory Int’l L. Rev. 1161, 1163 (2012) (arguing that “the onus of limiting aggregators’ access should be placed on the website owner through simple website tags and technological barriers”).

Further, by focusing solely on Newstex’s unique product, the courts below effectively held that only search engine web crawlers have an implied license to use internet content. App. A at 15 (“Newstex never presented evidence that *it* used a web crawler to collect content like Google does.”); see also App. F at 6 (“This Court declines to follow *Field* and *Parker* because it is not clear that the courts’ reasoning in those cases applies when the defendant is not a search engine.”). According to the Eleventh Circuit, “[i]mplied permission to enter through a front door (web crawler) does not also imply permission to enter through a back window (RSS feed).”¹⁴ App. A at 15.

But notably, Newstex proffered a witness at trial who would have testified that websites distributing content through RSS feeds encourage others to use and publish their content. Ironically, this is the same type of evidence that the court below recognized as proper when it comes to search engines. App. A at 14 (“*Field* recognized an industry practice where search engines using web crawlers construe permission to use material in a limited way and for a particular purpose.”). Further, the Eleventh

¹⁴ The Eleventh Circuit’s analogy has been described as “baffling.” Eric Goldman, *More Confirmation that RSS Feeds Aren’t Just “Really Simple Stealing”* – MidlevelU v. Newstex, Tech. & Marketing L. Blog (Mar. 7, 2021), <http://blog.ericgoldman.org/archives/2021/03/more-confirmation-that-rss-feeds-arent-just-really-simple-stealing-midlevelu-v-newstex.htm>. According to that author, “everyone knows” that RSS readers “will index RSS feeds and display the full text of blog posts if available.” *Id.*

Circuit even faulted Newstex for not presenting this evidence. App. A at 15 (“Newstex failed to present evidence of an industry practice that would allow a jury to infer that disseminating content – regardless of how much – through an RSS feed without restrictions implies permission to copy and publish that content on another website.”). Yet, it was the district court’s misunderstanding of the implied-license defense that prevented the jury from hearing Newstex’s evidence and deciding whether MidlevelU had granted an implied license to use its blog articles.

The Eleventh Circuit’s decision was doubly improper because the appellate court not only rejected the district court’s standard but also attempted to apply a new, unidentified standard. As a matter of appellate procedure, a reviewing court that announces a new legal standard will typically remand to the lower court for application of the standard. *See, e.g., Ayestas v. Davis*, 138 S. Ct. 1080, 1085 (2018) (“We hold that the lower courts applied the wrong legal standard, and we therefore vacate the judgment below and remand for further proceedings.”); *Maracich v. Spears*, 570 U.S. 48, 77 (2013) (“Because the Court of Appeals applied the wrong standard . . . the Court remands for application of the proper standard.”); *Malat v. Riddell*, 383 U.S. 569, 572 (1966) (per curiam) (“Since the courts below applied an incorrect legal standard, we do not consider whether the result would be supportable on the facts of this case had the correct one been applied. We believe, moreover, that the appropriate disposition is to remand the case to the District Court, for fresh fact-finders, addressed to the statute as we have now construed it.”).

Here, the Eleventh Circuit held that the district court “employed a too narrow understanding of an implied license,” App. A at 2, but rather than remand for application of a new standard, the court proceeded to apply an unspecified standard based on its own interpretation of the record. Particularly since an implied license should be analyzed under the totality of the circumstances, *Bitmanagement Software*, 989 F.3d at 947, that analysis was both premature and erroneous.

Regarding the Section 411(b) inquiry, the Eleventh Circuit erred because its decision conflicts with the Copyright Act’s plain text. As reiterated in *DeliverMed Holdings*, the congressional use of the word “shall” must mean something. 734 F.3d at 624 (citing *Lopez v. Davis*, 531 U.S. 230, 241 (2001)). But according to the court below, the directive “**shall** request” in Section 411(b) only means that the court *can* make a request *if* the parties ask it to. This interpretation runs directly contrary to the legislature’s intent to gather input from the Copyright Office *whenever* fraud has been alleged.

Further, the Eleventh Circuit’s decision puts the onus on a defendant to force the district court judge to make the request. In reality, the responsibility always lies with the judge. For example, in this case the district court was aware of the obligation to consult with the Copyright Office – but nevertheless failed to do so. Under the plain language of the statute, the defendant’s burden has been met when it has “alleged” fraud. 17 U.S.C. § 411(b)(2). Once fraud is alleged, it is the district court’s obligation to comply with the statute. The decision below erroneously attempts to reallocate the burdens that Congress has already allocated.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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APPENDIX A

[PUBLISH]

IN THE UNITED STATES COURT OF APPEALS

FOR THE ELEVENTH CIRCUIT

No. 20-10856

D.C. Docket No. 9:18-cv-80843-BER

MIDLEVELU, INC.,

Plaintiff-Appellee,

versus

ACI INFORMATION GROUP,

Defendant-Appellant.

Appeal from the United States District Court
for the Southern District of Florida

(March 3, 2021)

Before WILLIAM PRYOR, Chief Judge, JORDAN and MARCUS, Circuit Judges.

WILLIAM PRYOR, Chief Judge:

This appeal involves a blog operator that sued a content aggregator for copyright infringement after the aggregator copied and published the blog's content. A jury sided with the blog operator. The main issue for us is whether the

district court should have allowed the jury to decide whether the aggregator had an implied license to copy and publish the blog's content. Although the district court employed a too narrow understanding of an implied license, we conclude that a jury could not have reasonably inferred that the blog impliedly granted the aggregator a license to copy and publish its content. The aggregator also argues that the district court erred when it instructed the jury about statutory damages, permitted the jury to consider ineligible works in awarding damages, failed to consult with the Register of Copyrights about the blog operator's alleged fraud on her office, and denied the aggregator's motion for judgment as a matter of law based on its defense of fair use. Because no reversible error occurred, we affirm.

I. BACKGROUND

MidlevelU, Inc., formerly a limited liability company and currently doing business as ThriveAP, operates a website that provides resources for midlevel healthcare providers, such as nurse practitioners and physician assistants. Erin Tolbert, a nurse practitioner, founded MidlevelU in 2012. MidlevelU generates revenue through resources it offers, including various educational programs. It also publishes a free blog designed to attract potential customers to its revenue-generating resources.

MidlevelU makes the full text of its blog articles available in an RSS—or “really simple syndication”—feed. It has used the RSS feed since the blog's

inception to allow readers to easily read its articles. MidlevelU designed its blogging platform so that its RSS feed would distribute the full text of the blog instead of only headlines and summaries of recent articles. It also coded its website to instruct search engines that they may copy and archive every page on the site. MidlevelU included a copyright notice on its website and RSS feed, with a date range from 2012 to the present year, but it did not include a copyright notice for each article.

Newstex, LLC, doing business as ACI Information Group, is a wholesale aggregator of news publications. It primarily sells collections of licensed news content to companies. In 2013, it created the Scholarly Blog Index, a curated index of abstracts and full-text articles of academic blogs.

To create the Index, Newstex compiled a repository of bibliographic information for thousands of blogs. It copied into the repository full-text content from sources its news-aggregation business had licensed. It also subscribed to RSS feeds for thousands of blogs for which it did not have a license agreement to use full-text content. Through the RSS feeds, Newstex received new articles posted to the blogs. It ran the articles through software that generated summaries of the articles. The entries in the Index for these blog articles included bibliographic information about the author and the blog, the computer-generated summary of the article, and a link to the original post. Newstex also added a tab labeled “original”

to each entry, available only to subscribers. It embedded an “iFrame” in that tab so that clicking on the tab opened a window showing the original, fully browsable web page, including the full-text content of each article—a “live snapshot”—within the Index website.

It offered Index subscriptions to academic libraries, a few of which subscribed. From 2015 to 2017, Newstex subscribed to the MidlevelU blog’s RSS feed and included its content in the Index. In 2018, Newstex discontinued the Index because it was not profitable.

In early 2017, Tolbert found that excerpts of her blog articles were appearing on the Index website. To fully access the Index, Tolbert paid for a personal subscription. She searched for “MidlevelU” within the Index, which turned up 823 entries. It upset her that MidlevelU’s content appeared in the Index and that the computer-generated abstracts poorly represented its content. It also upset her that the use of iFrames kept readers on the Index website instead of directing them to MidlevelU’s website where they could purchase MidlevelU’s products.

Meanwhile, Tolbert registered the 50 most recent MidlevelU articles for copyright protection with the United States Copyright Office. MidlevelU often republished its own articles and deleted the original versions in the process. But Tolbert did not check to see if the articles she registered were republications.

On March 7, 2017, MidlevelU emailed Newstex a cease-and-desist letter demanding that it remove MidlevelU's content from the Index immediately. MidlevelU asserted that Newstex had posted "a lengthy portion," not merely "summaries," "abstracts," or "headlines," of more than 800 MidlevelU articles. And it complained that, for paying subscribers, Newstex posted a "snapshot" of each article. Newstex removed the content from the Index that same day. It also coded links to entries on the Index for MidlevelU articles so that they would now redirect to MidlevelU's website. On March 20, 2017, Newstex informed MidlevelU that the content had been removed.

A few months later, Tolbert again searched for MidlevelU's content online. Her search results revealed that although the content was no longer available on the Index website, entries for the content still appeared in website repositories of university libraries. These entries credited ACI as the source of the information. And at least one library also credited ACI as the content's publisher and directed visitors to view MidlevelU's full-text content in ACI's website—"[s]ubscribers only."

In June 2018, MidlevelU sued Newstex for copyright infringement. In response, Newstex asserted copyright-registration invalidity, implied license, and fair use as affirmative defenses. And it asserted two counterclaims seeking declaratory judgments against MidlevelU. Newstex asked the district court to

declare that MidlevelU was not entitled to statutory damages for 18 articles because they were registered more than three months after the original publication date. And it requested that the district court declare invalid the registrations of 16 of those articles on the ground that MidlevelU knew that the asserted publication dates for those articles were inaccurate when it applied for registration and so it committed fraud on the Copyright Office. MidlevelU elected to seek statutory damages, instead of actual damages, for all 50 registered articles at issue. 17 U.S.C. § 504.

Newstex moved *in limine* to bar MidlevelU from introducing evidence or presenting argument about MidlevelU's 773 unregistered articles on the Index. But during the final pretrial conference, Newstex conceded that evidence about the articles were admissible to provide context for the parties' history. The district court said it would allow the evidence, but it would instruct the jury that "there is no allegation in this case that anything other than the 50 articles that are at issue in this case were improperly utilized by Newstex." Later, the district court explained that evidence about these unregistered articles "goes to willfulness and potentially to statutory damages," and so it was admissible. Fed R. Evid. 404(b).

MidlevelU filed its own motion *in limine*. Because Newstex did not timely disclose him as an expert witness, the district court barred Christopher Moyer, Newstex's Chief Technology Officer, from testifying that it is widely understood

that websites distributing content through RSS feeds welcome others to redistribute that content. Moyer had made a statement to that effect in a sworn declaration in support of Newstex's motion for summary judgment based on its defense of implied license.

The district court held a four-day trial. MidlevelU asked the district court to remove two articles from the proposed verdict form; it conceded that those articles were ineligible for statutory damages because it did not timely register them. Newstex moved for judgment as a matter of law on several grounds: insufficient proof of copyright validity, that no statutory damages were available for articles that were untimely registered, its implied-license defense, and its fair-use defense. MidlevelU moved for judgment as a matter of law as to three of Newstex's affirmative defenses: fraud on the Copyright Office, fair use, and implied license. The district court granted MidlevelU's motion on implied license after considering two theories of the defense but denied the other motions.

In its jury charge, the district court explained that in determining the amount to award for a particular work, the jury could consider several factors. The district court reminded the jury that it heard testimony about approximately 800 articles, including articles other than those alleged to be infringed. It instructed the jury that it "may not award damages for any of those other works . . . [it] may only award damages for the works that . . . are the core of this case." "However," the district

court continued, the jury “may consider those other works and Newstex’s conduct with regard to the other works in deciding the amount of damages for any infringement that [it] find[s].” Newstex had objected to this instruction during the charge conference. The district court overruled the objection because it understood that the unregistered articles could be considered “to establish willfulness” as “the factors [for consideration of] the statutory damages [include] the circumstances of the infringement[and] the need to deter future infringement.”

The jury found that MidlevelU proved it owned a valid registered copyright in 43 out of 48 articles. And it found that Newstex willfully infringed those 43 articles. The jury found that Newstex did not prove its fair-use defense or fraud on the Copyright Office for any articles. Interrogatory number four asked the jury if 16 articles were ineligible for statutory damages because MidlevelU untimely registered them. The jury said yes to all 16. It awarded \$7,500 in statutory damages for each of the 27 eligible articles, for a total award of \$202,500. Newstex renewed its motion for judgment as a matter of law and moved for a new trial or for remittitur, all of which the district court summarily denied.

II. STANDARDS OF REVIEW

We review *de novo* a grant or denial of a judgment as a matter of law. *Thosteson v. United States*, 331 F.3d 1294, 1298 (11th Cir. 2003). “In considering the sufficiency of the evidence that supports the jury’s verdict, we review the

evidence in the light most favorable to, and with all reasonable inferences drawn in favor of, the nonmoving party.” *Montgomery v. Noga*, 168 F.3d 1282, 1289 (11th Cir. 1999) (internal quotation marks omitted). But the nonmovant “must put forth more than a mere scintilla of evidence suggesting that reasonable and fair-minded persons in the exercise of impartial judgment might reach different conclusions.” *Thosteson*, 331 F.3d at 1298 (internal quotation marks omitted). “Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge.” *Cleveland v. Home Shopping Network, Inc.*, 369 F.3d 1189, 1193 (11th Cir. 2004) (internal quotation marks omitted). We review *de novo* any questions of law raised by the motion. *Montgomery*, 168 F.3d at 1289.

“We review jury instructions *de novo* to determine whether they misstate the law or mislead the jury to the prejudice of the objecting party.” *Conroy v. Abraham Chevrolet–Tampa, Inc.*, 375 F.3d 1228, 1233 (11th Cir. 2004) (internal quotation marks omitted). If the instructions accurately reflect the law, the trial judge has “wide discretion as to the style and wording employed in the instruction.” *Johnson v. Barnes & Noble Booksellers, Inc.*, 437 F.3d 1112, 1115 (11th Cir. 2006). “Jury instructions are subject to harmless error review.” *Fid. Interior Constr., Inc. v. Se. Carpenters Reg’l Council*, 675 F.3d 1250, 1259 (11th Cir. 2012) (internal quotation marks omitted). We will reverse and order a new trial only when we are

“left with a substantial and ineradicable doubt as to whether the jury was properly guided in its deliberations.” *Broadus v. Fla. Power Corp.*, 145 F.3d 1283, 1288 (11th Cir. 1998) (internal quotation marks omitted).

We review for abuse of discretion the denial of a motion for a new trial. *Kerrivan v. R.J. Reynolds Tobacco Co.*, 953 F.3d 1196, 1204 (11th Cir. 2020). A district court should grant a motion for new trial on evidentiary grounds only when “the verdict is against the great, and not merely the greater, weight of the evidence.” *King v. Exxon Co., U.S.A.*, 618 F.2d 1111, 1116 (5th Cir. 1980). The deferential abuse-of-discretion standard “is particularly appropriate where a new trial is denied and the jury’s verdict is left undisturbed.” *Rosenfield v. Wellington Leisure Prods., Inc.*, 827 F.2d 1493, 1498 (11th Cir. 1987).

III. DISCUSSION

We divide our discussion in five parts. We first discuss whether the district court should have permitted the jury to consider whether MidlevelU granted Newstex an implied license. Second, we consider whether the district court erroneously instructed the jury on statutory damages. We then consider whether the district court permitted the jury to award statutory damages for ineligible works. Next, we address whether the district court erred by failing to consult the Register of Copyrights about possible fraud on her Office. Finally, we discuss

whether Newstex was entitled to judgment as a matter of law based on its defense of fair use.

A. The District Court Did Not Err by Granting Judgment as a Matter of Law Against Newstex on its Implied-License Defense.

A nonexclusive license to use copyrighted material “may be granted orally, or may even be implied from conduct.” *Jacob Maxwell, Inc. v. Veeck*, 110 F.3d 749, 752 (11th Cir. 1997) (internal quotation marks omitted); *see* 17 U.S.C. §§ 101, 204(a). An implied license is an affirmative defense to a claim of copyright infringement, so an alleged infringer bears the burden of proving that a copyright owner granted the alleged infringer an implied license. *Latimer v. Roaring Toyz, Inc.*, 601 F.3d 1224, 1235 (11th Cir. 2010).

In *Latimer*, we described one way to create an implied license. *Id.* We held that “[a]n implied license is created when one party (1) creates a work at another person’s request; (2) delivers the work to that person; and (3) intends that the person copy and distribute the work.” *Id.* The district court read this precedent to mean that Newstex could not succeed on its implied-license defense because it could not satisfy the first element of the *Latimer* test. But the district court misread *Latimer*.

Newstex argues, and we agree, that *Latimer* did not create an exclusive test. *Latimer* described the creation of an implied license in a work-for-hire relationship without addressing whether or how an implied license might be created in other

contexts. We have never held that the *Latimer* test provides the only avenue for proving that a copyright holder granted an implied license to an alleged infringer. And leading copyright authorities condemn “transmut[ing] [the] three [*Latimer*] factors into the only applicable test.” 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 10.03[A][7] & n.69.6a (rev. ed. 2018); accord 2 William F. Patry, *Patry on Copyright* § 5:131 (2007).

Circumstances outside a work-for-hire situation may also give rise to an implied license. *Baisden v. I’m Ready Prods., Inc.*, 693 F.3d 491, 501–02 (5th Cir. 2012); see also *Photographic Illustrators Corp. v. Orgill, Inc.*, 953 F.3d 56, 60–64 (1st Cir. 2020); *Oddo v. Ries*, 743 F.2d 630, 634 (9th Cir. 1984); *Falcon Enters., Inc. v. Publishers Serv., Inc.*, 438 F. App’x 579, 581 (9th Cir. 2011). But see *Muhammad-Ali v. Final Call, Inc.*, 832 F.3d 755, 762–63 (7th Cir. 2016); *SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharms., Inc.*, 211 F.3d 21, 25 (2d Cir. 2000). Creating material at another’s request is not the essence of a license; an owner’s *grant of permission* to use the material is.

A license is “[a] permission . . . to commit some act that would otherwise be unlawful.” *License*, *Black’s Law Dictionary* (11th ed. 2019); see Robert W. Gomulkiewicz et al., *Licensing Intellectual Property: Law and Application* 4 (2d ed. 2011) (“A ‘license’ is a grant of permission.”); see generally Christopher M. Newman, *A License Is Not a “Contract Not To Sue”: Disentangling Property and*

Contract in the Law of Copyright Licenses, 98 Iowa L. Rev. 1101 (2013) (arguing that copyright licenses, like land licenses under common law, sound in property, and attributing the confusion that they sound only in contract to the pre-1976 Copyright Act doctrine of indivisibility). When an owner’s conduct “clearly” manifests “a consent to . . . use” of copyrighted material, the owner impliedly grants a nonexclusive license. *De Forest Radio Tel. Co. v. United States*, 273 U.S. 236, 241 (1927); *see also License*, 2 *Bouvier’s Law Dictionary* (14th ed. 1874) (“An *implied license* is one which is presumed to have been given from the acts of the party authorized to give it.”). A nonexclusive license is a “mere waiver of the right to sue” for infringement. *De Forest*, 273 U.S. at 242 (internal quotation marks omitted); *see also Jacob Maxwell*, 110 F.3d at 753.

Courts have recognized permission to use copyrighted material in web-based contexts vastly different from the facts in *Latimer. Field v. Google Inc.*, 412 F. Supp. 2d 1106, 1116 (D. Nev. 2006); *accord Parker v. Yahoo!, Inc.*, No. 07-2757, 2008 WL 4410095, at *3–4 (E.D. Pa. Sept. 25, 2008). In *Field*, a website owner sued Google for posting archived copies of the site’s pages, which included copyrighted content. *Field*, 412 F. Supp. 2d at 1109–10. Google presented evidence that it is well known within the Internet industry that websites can be coded to tell search-engine web crawlers—automated programs that “crawl” the web to locate, copy, and archive webpages for a search-engine index—not to copy

their webpages or display archived copies of the webpages on the search-engine index. *Id.* at 1110, 1112–13. Absent this affirmative instruction, a search engine like Google infers permission to copy and archive the webpages. *Id.* at 1116. Yet the plaintiff had coded his website to allow web crawlers to copy and archive all its pages, and even admitted that he knew about Google’s practices. *Id.* at 1113–14. Because Google could reasonably interpret the plaintiff’s conduct as the grant of a license for this use, Google succeeded on its implied-license defense. *Id.* at 1116.

Field recognized an industry practice where search engines using web crawlers construe permission to use material in a limited way and for a particular purpose. Christopher M. Newman, “*What Exactly Are You Implying?*”: *The Elusive Nature of the Implied Copyright License*, 32 Cardozo Arts & Ent. L.J. 501, 529–31 (2014). In this manner, a website is like a brick-and-mortar business that “licenses the general public to enter the premises for business purposes,” an entry that would otherwise constitute a trespass. Jon W. Bruce & James W. Ely, Jr., *The Law of Easements and Licenses in Land* § 11:2, at 807 (2020); see *Restatement (Second) of Torts* § 330(e) (Am. Law Inst. 1965). But as in the brick-and-mortar context, a person may not infer permission beyond the customary scope of the license, such as if the person sought to enter a business through a back window instead of the front door or for a nonbusiness purpose like throwing a party.

Newstex argues that it could succeed on its implied-license defense as Google did in *Field*. But regardless of whether *Field* was correct, the district court did not err in rejecting this theory. *Cf.* Monika Isia Jasiewicz, Comment, *Copyright Protection in an Opt-Out World: Implied License Doctrine and News Aggregators*, 122 Yale L.J. 837, 846 (2012) (explaining that because “an opt-out scheme for gaining copyright holders’ permission online represents a significant departure from the traditional framework of American copyright law, . . . some courts have been hesitant to extend *Field*’s reach beyond the narrow search engine context”). Newstex failed to present substantial evidence that MidlevelU impliedly granted permission to use its copyrighted content in the way Newstex did. Newstex presented testimony about search-engine web crawlers and the coding standards that tell crawlers what they may copy. And it introduced evidence that the code for the MidlevelU website allowed any web crawler to copy any of its pages. But Newstex never presented evidence that *it* used a web crawler to collect content like Google does. On the contrary, Newstex presented testimony that it collected content by “grab[bing] [it] through RSS feeds.” Implied permission to enter through a front door (web crawler) does not also imply permission to enter through a back window (RSS feed).

Newstex’s evidence about RSS feeds fares no better. Newstex stresses that MidlevelU took affirmative steps to disseminate the full text of its content—

instead of only summaries or headlines as many blogs did—through its RSS feed without any restrictions. But Newstex failed to present evidence of an industry practice that would allow a jury to infer that disseminating content—regardless of how much—through an RSS feed without restrictions implies permission to copy and publish that content on another website. *Cf. Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co.*, 784 F. App’x 253, 255–58 (5th Cir. 2019). Newstex introduced no evidence that any other websites republished content received from an RSS feed, much less that the practice was customarily accepted. Nor did Newstex present evidence that MidlevelU knew about the practice and permitted it. *Cf. De Forest*, 273 U.S. at 241; *Baisden*, 693 F.3d at 501–02; *Jacob Maxwell*, 110 F.3d at 753.

The district court did not err by deciding as a matter of law that Newstex could not succeed on its implied-license defense. The only evidence before the jury related to personal use of RSS-distributed content. Newstex presented testimony explaining that RSS is used as an alternative to a web browser to read content: an RSS feed stores the articles that it receives from a website, and a human then reads the articles through an RSS reader. This testimony aligns with Tolbert’s testimony that MidlevelU set up its RSS feed to make its content “easier for [its readers] to access.” Implied permission to enter the front door to shop (read the content through an RSS reader for personal purposes) does not imply permission to enter

and throw a party (sell computer-generated summaries paired with iFrames showing the full-text content). Newstex failed to present evidence that would have allowed the jury to infer that MidlevelU granted an implied license to copy and publish the content of its blog.

B. The District Court Did Not Err by Instructing the Jury That It Could Consider Unregistered Articles in its Calculation of Statutory Damages.

Newstex argues that the jury that should not have been allowed to consider evidence about MidlevelU articles that appeared on the Index but that MidlevelU did not register with the Copyright Office when the jury determined statutory damages. MidlevelU elected to pursue statutory damages. 17 U.S.C. § 504.

Newstex insists that permitting consideration of the unregistered works circumvented the few limits on statutory damages. *See id.* § 412(2). We disagree.

The district court gave the jury our pattern instruction, which lists several factors for a jury to consider in determining the appropriate amount of statutory damages to award: “the profits [the defendant] earned because of the infringement; the revenues that [the plaintiff] lost because of the infringement; the difficulty of proving [the plaintiff’s] actual damages; the circumstances of the infringement; whether [the defendant] intentionally infringed [the plaintiff’s] copyright; and deterrence of future infringement.” *Eleventh Circuit Pattern Jury Instructions (Civil Cases)* § 9.32 (2013); *see id.* cmt. 4 (citing *Cable/Home Commc’n Corp. v. Network Prods., Inc.*, 902 F.2d 829, 850 (11th Cir. 1990), and *F.W. Woolworth Co.*

v. Contemp. Arts, Inc., 344 U.S. 228, 233 (1952)). The district court explained to the jury that it admitted evidence about the unregistered works “for the limited purpose of helping [the jury] evaluate” these factors and determine an amount of statutory damages to award.

Newstex’s conduct with respect to the unregistered works was, at least, relevant to the willfulness of the infringement and the need to deter future violations. *Cable/Home Commc’n*, 902 F.2d at 851–52. We need not decide whether the unregistered works were relevant to any other factor because Newstex argues only that the jury could not consider the unregistered works *at all*. And Newstex cites no authority to support that argument.

To the extent that the instructions were overbroad, any error was harmless. *Fid. Interior Constr.*, 675 F.3d at 1259. The district court instructed the jury that it could not award damages for the unregistered works. And we presume that a jury follows its instructions. *United States v. Almanzar*, 634 F.3d 1214, 1223 (11th Cir. 2011). The completed verdict form also confirms that the jury understood it could award damages for only the registered works. The jury awarded damages for 27 infringed articles. It awarded \$7,500 per article—well within the available range of \$750 to \$150,000 per willfully infringed work. *See* 17 U.S.C. § 504(c)(1)–(2). And it correctly multiplied those numbers to arrive at its total award. Nothing suggests the jury was misled, especially when one considers that it could have awarded

\$750 to \$30,000 per work if it found that the infringement was not willful. *See id.* § 504(c)(1). Newstex makes no argument that multiplying the bottom of the range by a factor of 10 is unreasonable for the added factor of willfulness.

Newstex also complains about the admission of evidence about these unregistered works. But it fails to explain a specific objection to any evidentiary ruling, so it has abandoned that issue. *Sapuppo v. Allstate Floridian Ins. Co.*, 739 F.3d 678, 680–81 (11th Cir. 2014).

C. The District Court Did Not Abuse its Discretion by Denying Newstex’s Motion for a New Trial on the Basis of the Jury’s Statutory-Damages Award.

Newstex asks for a new trial because, in its view, the jury erroneously awarded statutory damages for works that were ineligible for such damages. Statutory damages are not available for “any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.” 17 U.S.C. § 412(2). Newstex challenges whether MidlevelU proved that it registered the 27 articles for which the jury awarded statutory damages within that three-month window.

We disagree with Newstex. None of its arguments merits a new trial. And the district court did not abuse its discretion in denying one.

A “certificate of a registration made before or within five years after first publication of the work” constitutes “prima facie evidence of the validity of the copyright *and of the facts stated in the certificate.*” *Id.* § 410(c) (emphasis added). The date of publication is a “fact[] stated in the certificate.” *Id.*; *see Gaste v. Kaiserman*, 863 F.2d 1061, 1064 (2d Cir. 1988). And the dates listed in the certificates are presumed to be true. *United Fabrics Int’l, Inc. v. C&J Wear, Inc.*, 630 F.3d 1255, 1258 (9th Cir. 2011). Newstex bore the burden of rebutting that presumption. *Id.* And the jury could have reasonably found that Newstex failed to do so. *Gaste*, 863 F.2d at 1064.

According to Newstex, the original publication dates listed in the certificates were not necessarily accurate because Tolbert testified both that she relied on the most recent publication date when she registered the works and that MidlevelU occasionally republished blog posts. But MidlevelU needed only to provide proof of its certificates of registration, which it did. Newstex had to persuade the jury that it should not presume the dates listed in those certificates were accurate. *United Fabrics*, 630 F.3d at 1258. Yet—with two exceptions—for every article that the jury awarded statutory damages, Newstex introduced evidence that *confirmed* that the original publication date listed on the certificates was correct or that the date was within the three-month window. Newstex succeeded in proving that the listed dates for 16 articles—those listed in jury interrogatory number

four—were incorrect and that those articles were untimely registered, so infringement of those articles could not support statutory damages.

Newstex argues that it provided evidence that two other articles also were published earlier than the purported publication dates and over three months before registration. But Newstex waived this argument. *United States v. Phillips*, 834 F.3d 1176, 1183 (11th Cir. 2016). Newstex agreed to a verdict form that did not give the jury the option to find that those two articles were published before the three-month window. The only articles that the jury could find were ineligible for statutory damages because MidlevelU failed to timely register them were the 16 articles listed in interrogatory number four. What's more, when Newstex presented testimony and argued to both the district court and the jury about this same issue, it did not include these two articles. Newstex argued that these two articles also could not support statutory damages for the first time in its motion for a new trial.

Finally, Newstex argues that the jury could not properly assess infringement because MidlevelU failed to present evidence of the certified deposit materials—the materials it deposited with the Register of Copyrights along with its applications for registration—or a history of its revisions to its articles. Newstex never explains how the jury's supposed inability to assess infringement establishes that the articles were registered too late to support statutory damages. But, in any event, the jury could assess infringement because MidlevelU presented evidence

about what materials it registered. Tolbert testified that exhibits of the text and screenshots of the articles—all admitted into evidence—matched the content of the materials MidlevelU submitted to the Copyright Office. And Newstex itself presented files showing the full text of the articles as it received them. It never argued or attempted to prove that there was any discrepancy between the full text of any of the articles as shown in MidlevelU’s text and screenshot exhibits or Newstex’s own files. The jury’s verdict is not against the great weight of the evidence, so Newstex is not entitled to a new trial. *King*, 618 F.2d at 1116.

D. The District Court Did Not Err by Failing to Consult with the Register of Copyrights about the Alleged Fraud on the Copyright Office.

Newstex faults the district court for failing to consult with the Register of Copyrights about the fraud it alleged MidlevelU perpetrated on the Copyright Office, a consultation Newstex contends was required by statute. 17 U.S.C. § 411(b)(2) (providing that the court shall consult with the Register regarding the materiality of inaccurate information on a copyright-registration application “[i]n any case” in which inaccurate information described in section 411(b)(1) is alleged); *see Roberts v. Gordy*, 877 F.3d 1024, 1029 (11th Cir. 2017) (explaining that section 411(b)(1) codifies the defense of fraud on the Copyright Office). And so, Newstex says, a new trial is warranted.

To the extent that the district court committed any error on this issue, Newstex invited it. *United States v. Brannan*, 562 F.3d 1300, 1306 (11th Cir.

2009). During trial, the district court asked Newstex about the statutory procedure for consulting the Register. Newstex asked the district court if it could bring an outline of the procedure the following morning. The district court agreed. But Newstex never followed up. So it induced the district court to proceed to a verdict and a judgment without consulting the Register. *Cf. Dear v. Q Club Hotel, LLC*, 933 F.3d 1286, 1299 & n.6 (11th Cir. 2019). It may not challenge the purported error now.

Even if Newstex had not invited any error, it forfeited the issue. *Access Now, Inc. v. Sw. Airlines Co.*, 385 F.3d 1324, 1331 (11th Cir. 2004). Newstex never mentioned the requirement before trial. When the parties and the district court discussed fraud on the Copyright Office, Newstex told the district court that the factual questions underlying its argument should go to the jury and then the district court could decide whether the findings were sufficient to invalidate the registrations—without any mention that the district court must first consult with the Register at any point. *Cf. Dear*, 933 F.3d at 1299. Later, when MidlevelU moved for judgment as a matter of law, Newstex again said nothing about the requirement. And Newstex did not include this issue in its motion for post-trial relief. Newstex never argued to the district court that it must consult with the Register before either it or the jury considered any issue relating to fraud on the

Copyright Office. So we will not consider any argument that the district court erred on that basis. *Id.*

E. Newstex Is Not Entitled to Judgment as a Matter of Law on its Fair-Use Defense.

Newstex argues that it established that its use of MidlevelU’s copyrighted articles in the Index was fair use as a matter of law. But as the district court stated when ruling on Newstex’s Rule 50(a) motion, fair use is a “quintessential issue of fact” best left to the jury. Newstex fails to persuade us that no reasonable juror could have found for MidlevelU on fair use.

“From the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright’s very purpose, ‘to promote the Progress of Science and useful Arts.’” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (alterations adopted) (quoting U.S. Const. art. I, § 8, cl. 8)). Congress eventually codified the fair-use doctrine. 17 U.S.C. § 107; *see Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 96 (2d Cir. 2014). And that codified rule governs our review.

To determine whether a particular use is fair, a factfinder considers four nonexclusive factors:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107. The inquiry is a “flexible” one that requires weighing the four factors in the light of the facts of the case. *Cambridge Univ. Press v. Patton*, 769 F.3d 1232, 1259 (11th Cir. 2014). We consider each factor in turn.

1. The Purpose and Character of the Use

The first factor focuses on “(1) the extent to which the use is a ‘transformative’ rather than merely superseding use of the original work and (2) whether the use is for a nonprofit educational purpose, as opposed to a commercial purpose.” *Id.* at 1261. Determining whether a use is transformative requires asking “whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Campbell*, 510 U.S. at 579 (alterations adopted) (internal quotation marks and citations omitted). Although “transformative use is not absolutely necessary for a finding of fair use,” transformative works “lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright.” *Id.* So “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.” *Id.*

Newstex insists that the Index constituted a transformative use because it was a search engine. Whether or not the Index was a search engine, that label “is not a talismanic term that serves as an on-off switch as to fair use.” *VHT, Inc. v. Zillow Grp., Inc.*, 918 F.3d 723, 742 (9th Cir. 2019). Instead of “resorting to labels,” we consider “the reality of what is happening.” *Id.* at 740. The Index had some features of a search engine, in that it “enable[d] information retrieval by helping users find information through the use of keyword queries.” *Id.* at 742. But making copyrighted material searchable does not alone change the original purpose of the material. *Id.*

The jury could have reasonably found that the Index was not a transformative use based on the Index’s inclusion of iFrames showing the full-text content of MidlevelU’s articles. A reasonable juror could have found that the iFrames obviated any need for an Index subscriber to visit MidlevelU’s website directly, so the Index superseded the use of the originals. *See id.*; *cf. Authors Guild v. Google, Inc.*, 804 F.3d 202, 206, 214–25 (2d Cir. 2015) (explaining that the Google Books database, which “tests the boundaries of fair use,” provided only “snippets” of copyrighted works).

The commercial purpose of the Index also provided evidence for the jury to find that this factor did not weigh in Newstex’s favor. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985). Newstex does not deny this

commercial purpose, but instead asserts that the articles had no commercial value for MidlevelU because it made them available at no cost. But this argument confuses the inquiry, which asks whether the *alleged infringer's* use of the material was commercial. *See Cambridge Univ. Press*, 769 F.3d at 1263. And the articles served, in part, to attract potential customers to MidlevelU's revenue sources. That MidlevelU did not charge readers for access to the articles does not mean that MidlevelU would not have charged Newstex to republish them. With evidence before it that Newstex sold the Index including MidlevelU's content and that Newstex paid other content providers for full-text licenses, the jury could have reasonably found that Newstex "st[ood] to profit from exploitation of the copyrighted material without paying the customary price." *Harper & Row*, 471 U.S. at 562. Because a jury could have reasonably found that the Index did not constitute a transformative use and that its purpose was commercial, this factor weighs in MidlevelU's favor.

2. The Nature of the Copyrighted Work

This factor "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." *Cambridge Univ. Press*, 769 F.3d at 1268 (internal quotation marks omitted). Creative works that contain "the most originality and inventiveness" are afforded "maximal

protection,” while “it is more likely that the use of a factual or informational work will be fair use.” *Id.*

Newstex argues that this factor should weigh in its favor because MidlevelU’s articles were factual. To be sure, the articles are not like a fictional film that squarely falls on the creative side of the spectrum. *Cf. Stewart v. Abend*, 495 U.S. 207, 237–38 (1990). But none of the articles is a “bare factual compilation[.]” on the opposite side of the spectrum either. *Campbell*, 510 U.S. at 586. The articles present advice for midlevel healthcare providers on healthcare- and career-related issues. Some are more informational; some are more creative and speak from the author’s personal experience. At most, this factor is neutral. But the jury could have found that the articles were sufficiently creative to weigh against a finding of fair use. *See Cambridge Univ. Press*, 769 F.3d at 1270 (“Where [the defendant’s use of the plaintiffs’ academic works] contained evaluative, analytical, or subjectively descriptive material that surpasses the bare facts necessary to communicate information, or derives from the author’s experiences or opinions, . . . the second factor [is] neutral, or even weigh[s] against fair use [where the works were] dominated by such material.”).

3. The Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole

To evaluate the third factor, we ask “whether [the] defendant[has] helped [itself] overmuch of the copyrighted work in [the] light of the purpose and

character of the use.” *Id.* at 1271 (internal quotation marks omitted). In conclusory fashion, Newstex says this factor weighs in favor of fair use because it “provided users with access to summaries of MidlevelU’s work, full attribution to MidlevelU, and a direct link to MidlevelU’s website.” Newstex omits that it also provided its subscribers access to the full-text content through the iFrames. “Copying an entire work militates against a finding of fair use.” *VHT*, 918 F.3d at 744 (alteration adopted) (internal quotation marks omitted). And in MidlevelU’s eyes, Newstex’s summaries were “short-form copies” that included “a substantial portion of each article.” Even disregarding the iFrames, reasonable minds can differ as to whether Newstex used more of MidlevelU’s content than necessary for the purpose and character of the Index.

4. The Effect of the Use on the Potential Market For or Value of the Copyrighted Work

Finally, we consider “(1) the extent of the market harm caused by the particular actions of the alleged infringer, and (2) whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market.” *Cambridge Univ. Press*, 769 F.3d at 1275 (alteration adopted) (internal quotation marks omitted). Market harm is “a matter of degree,” and so the importance of this factor varies with the relative strength of the other factors. *Id.* (internal quotation marks omitted). We mostly concern ourselves with the adverse impact of market substitution. *Id.* “The central

question . . . is not whether [the defendant's] use of [the plaintiff's] works caused [the plaintiff] to lose *some* potential revenue,” but instead “whether [the defendant's] use—taking into account the damage that might occur if ‘everybody did it’—would cause *substantial* economic harm.” *Id.* at 1276. In other words, is the marketability of the copied work materially impaired by the copying?

Because there is evidence on both sides for this factor, we cannot conclude that no reasonable juror could have found that it favored MidlevelU. Newstex asserts that MidlevelU “implicitly admitted” that the Index did not impact MidlevelU’s market for blog articles because MidlevelU did not seek any injunctive relief and continued to make its articles available for free. But MidlevelU sent Newstex a cease-and-desist letter, so it did seek to halt Newstex’s use of its content. And that MidlevelU still wanted its readers to access its content for free is not conclusive evidence that Newstex’s use did not affect the market for MidlevelU’s content.

Although MidlevelU offered no evidence that it lost readership because of the Index, *cf. id.*, Tolbert testified that she felt that the Index was a “threat” because readers might find MidlevelU’s content on the Index instead of MidlevelU’s website or think MidlevelU’s content is low quality because of the poorly constructed abstracts on the Index. Weighing this evidence is a task left to the jury. *Cleveland*, 369 F.3d at 1193. Moreover, the jury could have reasonably found that

because of the Index's iFrames, the Index could serve as a market substitute for the articles and so substantially impact the market for them.

In sum, reasonable minds could differ as to all four factors and the weight to afford each factor, so we cannot overturn the verdict. The jury had before it all the evidence that Newstex points to now and heard its arguments. Because the jury could have reasonably found that Newstex did not establish its fair-use defense, Newstex is not entitled to judgment as a matter of law for any article.

IV. CONCLUSION

We **AFFIRM** the judgment against Newstex.

APPENDIX B

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 18-80843-BER

MIDLEVELU, LLC

Plaintiff,

v.

ACI INFORMATION GROUP

a/k/a NEWSTEX, LLC

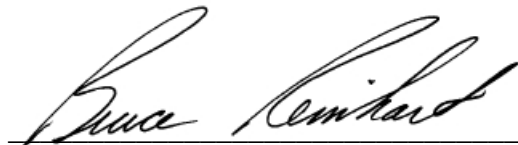
Defendant.

**ORDER ON RENEWED MOTION FOR JUDGMENT AS A MATTER OF LAW OR A
NEW TRIAL AND MOTION FOR REMITTITURS OR A NEW TRIAL [DE 148]**

Defendant ACI Information Group a/k/a Newstex, LLC moves, in the alternative, for judgment as a matter of law notwithstanding the jury verdict, a new trial, or a remittitur of the jury's damages award. DE 148. I have reviewed the Motion, Plaintiff's Response (DE 149), and the Reply (DE 153). I am fully advised and this matter is ripe for decision.

It is ORDERED and ADJUDGED that Defendant's Motion is DENIED.

DONE AND ORDERED in chambers at West Palm Beach, Florida, this 30th day of January, 2020.



BRUCE E. REINHART
UNITED STATES MAGISTRATE JUDGE

APPENDIX C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 9:18-80843-CIV-BER

MIDLEVELU INC.,

Plaintiff,

v.

ACI INFORMATION GROUP

a/k/a NEWSTEX LLC,

Defendant.

_____ /

FINAL JUDGMENT

THIS CAUSE comes before the Court upon the jury trial which concluded on September 27, 2019. In accordance with the verdict herein, it is hereby ORDERED and ADJUDGED:

That Final Judgment be and hereby is entered in favor of the Plaintiff, MIDLEVELU INC., and against the Defendant, ACI INFORMATION GROUP a/k/a NEWSTEX LLC, in the amount of TWO HUNDRED TWO THOUSAND FIVE HUNDRED DOLLARS (\$202,500.00).

The Court retains jurisdiction to consider all post trial motions.

The Clerk shall **CLOSE** this case.

DONE AND ORDERED in Chambers in West Palm Beach, Florida this 2nd day of October, 2019.



BRUCE REINHART
UNITED STATES MAGISTRATE JUDGE

APPENDIX D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 18-80843-CIV-REINHART

MIDLEVELU, INC.,

Plaintiff,

WEST PALM BEACH, FLORIDA

VS.

SEPTEMBER 26, 2019

ACI INFORMATION GROUP a/k/a
NEWSTEX, LLC,

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Defendant. /

TRANSCRIPT OF JURY TRIAL PROCEEDINGS

BEFORE THE HONORABLE BRUCE REINHART

UNITED STATES MAGISTRATE JUDGE

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1 individually coming to the RSS feed.

2 So the fact that there is a tool by which you can see
3 all of the articles published at once doesn't make them a
4 compilation. It is still independently registered, they are
5 still independently produced, they are still independently
6 creative, and I would submit, again, the prototypical example
7 of the Yellow Pages, like the *Yellow Pages* case is what
8 compilations are for, encyclopedias, that sort of thing, not
9 this.

10 Thank you, Your Honor.

11 THE COURT: Thank you.

12 Okay. Taking them in order, so as to fraud on the
13 Copyright Office, again, if I were the jury, I don't think
14 there is evidence of fraud here, but the Eleventh Circuit has
15 said in the criminal context that if a party testifies, the
16 jury can disbelieve the testimony beyond a reasonable doubt and
17 infer intent.

18 So given that Ms. Tolbert testified, I think I'm
19 bound by that to allow that to go to the jury. I think the
20 jury theoretically could determine that Ms. Tolbert wasn't
21 truthful and they could infer an intent to deceive the
22 Copyright Office.

23 Like I said, if I were the jury, I wouldn't find
24 that, but that's not my decision to make. I think there is
25 sufficient evidence to go to the jury on that question.

Wednesday, September 25, 2019.

1 In terms of the implied license and the theory about
2 the search engine, I just think that the Defendant's theory
3 goes too far, and I'll grant the motion as to the implied
4 licenses because I think while I understand the argument that
5 there is evidence that the web designer or whoever was the
6 agent didn't block robots and made certain choices, in essence,
7 what that theory -- if I were to allow that defense, what it
8 would get to is a rule that says, Any website that doesn't
9 affirmatively block everybody from coming to the website is
10 granting an implied license to the world.

11 So even if someone you don't know was out looking
12 around and taking stuff off your website, you granted them an
13 implied license and unless or until the Eleventh Circuit tells
14 me that's the law, I don't agree that's the law. Maybe this
15 will be the case the Eleventh Circuit will tell me it's the
16 law, but I'm going to grant the motion as to the implied
17 license affirmative defense.

18 I'll deny the motion as to fair use, I'll deny the
19 motion as to fraud.

20 As to copyright estoppel, I'll grant the motion. I
21 don't believe there is any evidence here, as required by the
22 Eleventh Circuit, that MidlevelU knew the facts of Newstex's
23 infringing conduct.

24 The evidence before me is this was a two hour shotgun
25 marriage. Basically, you know, Mr. Warth sent a nasty gram,

Wednesday, September 25, 2019.

1 two hours later, Newstex took it off the website, nobody knew
2 anybody before that and nobody heard from anybody else until 15
3 months after that. That does not, in my view, rise to the
4 level of copyright estoppel. There is no reliance by Newstex
5 on anything that MidlevelU did, so I'll grant the motion as to
6 copyright estoppel.

7 As to copyright misuse, again, I grant the motion as
8 to copyright misuse. I don't see this rising to the level of
9 some abuse of Ms. Tolbert's copyright. I don't see how it is
10 contrary to public policy for her to enforce registrations that
11 she believes are valid registrations, so I'll grant the motion
12 as to copyright misuse.

13 Again, if the Eleventh Circuit want to use this case
14 as a vehicle to tell me that I'm wrong, they can tell me I'm
15 wrong, but they haven't said that yet and I'm not going to be
16 the first one out of the box on that because I don't agree that
17 the facts of this case would support it.

18 Finally, as to compilation and collective use, I'll
19 deny the motion. I think under the statutory definition of
20 what a compilation is, it is the assembling of preexisting
21 materials or of data that are selected, coordinated or arranged
22 in such a way that the resulting work, as a whole, constitutes
23 an original work of authorship.

24 I believe a jury -- a reasonable jury, viewing the
25 evidence in the light most favorable to the Defendant, could

Wednesday, September 25, 2019.

1 conclude that the website and the blog that is hosted on the --
2 the blog content that is hosted through the website is data
3 selected, coordinated or arranged in such a way that the
4 resulting work, as a whole, constitutes an original work of
5 authorship. That's an issue for the jury to resolve, not for
6 me to resolve as an issue of law, so I'll deny the motion as to
7 compilation.

8 Because really what is at issue here is not
9 necessarily what came out of the RSS feed, it's what is sitting
10 on the blog. The argument is, There's stuff sitting on our
11 blog, you took it, so I think a jury could fairly look to the
12 blog as the corpus of the target of the infringement, if you
13 will, and could conclude that the blog, as was resident on the
14 website, is a single constituent item, so I will deny the
15 motion for a judgment as a matter of law as to the affirmative
16 defense of compilation.

17 Okay. Again, Mr. Warth, without waiving any
18 objections and reserving all of the arguments you have already
19 made, is there any issue that I haven't ruled on that you
20 raised?

21 MR. WARTH: I don't believe so. Your Honor.

22 THE COURT: Okay, great.

23 MR. WARTH: Thank you.

24 THE COURT: And Mr. Kinkade, to the extent that I
25 have ruled against you, I'll preserve your objection in the

1 record.

2 Now, having dealt with that, let's go back to the
3 jury instructions and the verdict form and see if what I just
4 did changes anything.

5 Do you all have court draft number three of the jury
6 instructions?

7 MR. BELL: I don't believe so.

8 THE COURT: Did you hand that out to them?

9 I think we may have just given it to you right before
10 the Rule 50 arguments.

11 MR. BELL: Drew was hoarding them.

12 THE COURT: Ms. Lovelady looks like she has a copy.

13 Mr. Kinkade, Ms. Flanagan, do you have three?

14 MR. KINKADE: We have --

15 THE COURT: I'm not sure if we gave you one copy or
16 two. I think I stole one back from somebody, so you may only
17 have two.

18 Everyone has three, according to my clerk.

19 In any event, let's look at court draft number three
20 and let's go to page four, folding over to page five.

21 I know Ms. Lovelady is in charge over here anyway, so
22 page four, rolling over to page five, I'm going to take out the
23 language about a witness who is paid, whose testimony is given
24 with regularity.

25 I think you all can argue Ms. Riley is a hired gun,

1 it goes to her credibility, but I don't think I need to
2 instruct on that. I don't think the evidence supported that.
3 Expert witness testimony represents a significant portion of
4 her income, so I will not give that instruction.

5 On the bottom of page five, so I will cross out
6 implied license because I granted the Rule 50 as to that, I
7 will cross out copyright misuse and I will cross out estoppel
8 and leave in fair use and fraud on the Copyright Office.

9 Going over to page nine, what are the parties'
10 thoughts on the first sentence of the first paragraph?

11 Ms. Lovelady.

12 MS. LOVELADY: Are you looking at page nine?

13 THE COURT: I am on page nine.

14 MS. LOVELADY: I agree, I think it doesn't apply.

15 THE COURT: Doesn't apply.

16 Ms. Flanagan, Mr. Kinkade or Mr. Carroll, any
17 objection to striking that first sentence that talks about
18 1977?

19 MR. KINKADE: No objection, Your Honor.

20 THE COURT: Okay. Maybe I'm the only one in the room
21 who has personal recollection and knowledge of 1977, but we
22 will strike that.

23 Any objection to including the last sentence --
24 turning to Plaintiff now, Ms. Lovelady, any objection to the
25 last sentence that I have included that simply clarifies that

APPENDIX E

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 18-80843-CIV-REINHART

MIDLEVELU, INC.,

Plaintiff,

WEST PALM BEACH, FLORIDA

VS.

SEPTEMBER 25, 2019

ACI INFORMATION GROUP a/k/a
NEWSTEX, LLC,

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Defendant. /

TRANSCRIPT OF JURY TRIAL PROCEEDINGS

BEFORE THE HONORABLE BRUCE REINHART

UNITED STATES MAGISTRATE JUDGE

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1 MR. KINKADE: Your Honor, the five I think Your Honor
2 has called out in the proposed instructions; implied license,
3 misuse, the estoppel, fair use, and the fraud/invalidity, I'll
4 combine those, those are the ones that we are sticking with, so
5 we are fine with that.

6 THE COURT: Just to blanket the record, then, so as
7 to any other affirmative defenses that were originally asserted
8 in the answer, you are not pursuing those at this juncture.

9 MR. KINKADE: Correct, Your Honor. I believe there
10 were a few others that were impacted by the election of
11 statutory damages. For example, the lack of confusion, perhaps
12 that was more toward the reputational arm that had previously
13 been asserted.

14 THE COURT: No problem, I just wanted -- again, if
15 you were persisting with them, I wanted to make sure we had an
16 instruction.

17 I want to go through the instructions and then at the
18 end, you are going to try to explain to me how this
19 counterclaim thing works. I have looked at the statute on
20 that, I still don't understand how that procedure works, that
21 I'm supposed to notify the Copyright Office of something and
22 then they are supposed to do something and I'm not quite sure
23 when I'm supposed to do that, so whoever is the expert on that
24 can educate me when we are done.

25 Let's just go through the instructions, if we could.

1 I tried to number these, you should have pages one through 42
2 so we can work off page numbers rather than others.

3 So pages one through the bottom of four are the
4 pattern instructions you all had proposed and I just mashed
5 them together, so anybody have any issues so far, until we get
6 to the bottom of page four?

7 MS. LOVELADY: None from us, Your Honor.

8 THE COURT: I don't know who the expert on the jury
9 instructions is on this team.

10 MR. KINKADE: We are all experts, Your Honor.

11 So to the bottom of page four, Your Honor?

12 THE COURT: Before we get to the bottom of page four,
13 on the first three and a half pages, I assume that's all
14 pattern. I think I just gave what you were asking for, but any
15 issues?

16 MR. KINKADE: No issues, Your Honor.

17 THE COURT: As to bottom of four, top of five, the
18 reason I bolded that was -- first of all, I don't know, I have
19 to wait for the testimony, I guess, of Ms. Riley to see whether
20 there is even a factual basis for it.

21 My general -- I will tell you my general inclination
22 is that's something you can argue, but I'm not -- it is not in
23 the pattern instruction and I'm not inclined to give it, but I
24 want to wait until I hear if there is even a factual basis for
25 it when her testimony is over, because if she doesn't testify

1 closings.

2 THE COURT: Okay. Think about it, talk to each
3 other. I always liked that, but it is up to you.

4 All right. So now, somebody on the Defense team
5 explain to me how I deal with your counterclaims. I have tried
6 to understand this procedure that Congress created, and I can't
7 figure it out.

8 What am I doing here, do I call the Copyright Office
9 tonight so I can know whether I have to grant judgment tomorrow
10 as a matter of law, do I let the verdict go all the way through
11 and suspend the judgment, what do I do?

12 MR. KINKADE: I don't think the Copyright Office is
13 going to respond to your call tonight, it is hard to get them
14 on the phone.

15 THE COURT: This is a new procedure statutorily and
16 for me, so just help me out.

17 MR. KINKADE: Can we outline it in the morning?

18 THE COURT: Yes. I will tell you my thoughts and
19 then you can tell me.

20 As my clerk and I were looking at it, I mean, I think
21 the limited case law says that I have to hear all of the
22 evidence and if I determine I have heard evidence that calls
23 into question the continuing validity of any of the
24 registrations, it is mandatory that I notify the Registrar of
25 Copyrights, okay, but then I don't know what happens after

1 that.

2 You know, do they write back to me and tell me -- I
3 mean one is I do that, the case goes to the jury, the jury
4 returns a plaintiff's verdict, do I enter judgment, do I have
5 to wait for the Copyright Office to tell me whether the
6 judgment is no good because their copyrights were invalid or
7 not, or they enter a Defense verdict and do I enter judgment,
8 do I have to wait before they decide whether to appeal? I
9 mean, I'm lost.

10 MR. KINKADE: Your Honor, we will try to --

11 THE COURT: Figure it out.

12 MR. KINKADE: -- address that in the morning.

13 I will tell you I have seen cases where a request has
14 been made during the pendency of the action and feedback has
15 been obtained. Obviously, we don't have that option here.

16 THE COURT: All right. We will all figure it out.
17 The main thing I want to be sure is if there is anything we
18 need to do while we still have a jury or anything that I need
19 to do before entering a final judgment in this case so that
20 everybody's legal rights are preserved and, you know, we don't
21 have to bring a new jury back or anything like that. I just
22 want to make sure we do what we need to do now.

23 All right. Anything further, Mr. Warth?

24 MR. WARTH: No. Thank you, Your Honor.

25 THE COURT: You all want to get dinner, I'm sure

1 Mr. Kinkade is.

2 MR. KINKADE: Nothing further, Your Honor.

3 THE COURT: Thank you all very much, see you at
4 9:00 o'clock tomorrow.

5 (PROCEEDINGS ADJOURNED AT 6:01 p.m.)
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Wednesday, September 25, 2019.

APPENDIX F

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 18-80843-CIV-REINHART

MIDLEVELU, INC.,

Plaintiff,

v.

ACI INFORMATION GROUP
a/k/a NEWSTEX LLC,

Defendant.

**ORDER ON DEFENDANT NEWSTEX, LLC'S MOTION FOR SUMMARY
JUDGMENT [DE 44]**

Before the Court for decision is Defendant's Motion for Summary Judgment ("Motion"). The Court has reviewed the Motion (DE 44), the Defendant's Statement of Undisputed Facts ("DSOF") (DE 43), the exhibits in support of the Motion, the Response to the Motion (DE 48), its exhibits, the Plaintiff's Statement of Undisputed Facts ("PSOF") (DE 47), and the Defendant's Reply (DE 61) and its exhibits. This matter is now ripe for decision. For the reasons discussed below, the Motion is DENIED.

UNDISPUTED FACTS

Plaintiff MidlevelU, Inc. ("MidlevelU") was formed in 2012 as a resource for nurse practitioners and physician assistants. DSOF ¶ 7. MidlevelU's website includes a blog and RSS feed.¹ *Id.* at ¶¶ 8-9. Posted on the blog are articles written by Erin Tolbert, Amanda Richards, and Leigh Ann O'Neill. *Id.* at ¶¶ 26, 41. MidlevelU puts links to the

¹ RSS stands for "Really Simple Syndication." DSOF at ¶ 10.

articles on social media and networking sites. *Id.* at ¶ 9. MidlevelU also makes the full text of its articles available through its RSS feed. *Id.* MidlevelU does not charge readers a fee to view the articles on its blog or RSS feed. *Id.*

Defendant Newstex, LLC (“Newstex”) is “a leading wholesale aggregator of news publications that provides private and retail distributors with content from media companies, press wires, corporate websites, investigative journalism organizations, non-profits, and online newspapers/magazines.” *Id.* at ¶ 1. Newstex subscribed to MidlevelU’s RSS feed from 2015 to 2017. *Id.* at ¶¶ 50-51. Newstex, under the trade name ACI Information Group, used content that it received from MidlevelU’s RSS feed on its Scholarly Blog Index (“SBI”). *Id.* at ¶ 51. Prior to being terminated in 2018 for lack of profitability, the SBI was “a subscription service consisting of an index of curated blog abstracts and licensed full-text blogs written by scholars in their field.” *Id.* at ¶ 4. On March 7, 2017, counsel for MidlevelU contacted Newstex and demanded that Newstex remove MidlevelU content from the SBI. *Id.* at ¶ 15.

PROCEDURAL HISTORY

On June 27, 2018, MidlevelU commenced this action against Newstex for copyright infringement. DE 1. MidlevelU’s Complaint alleges that Newstex copied 50 of its registered articles and posted them to its subscriber-only website in order to earn a profit. *Id.* The Complaint further alleges that Newstex appropriated the articles without MidlevelU’s permission. *Id.* Newstex responded to the Complaint by raising eleven affirmative defenses and a counterclaim for declaratory judgment. DE 8. Newstex now moves for summary judgment on MidlevelU’s infringement claim and its implied license affirmative defense. DE 44. Specifically, Newstex argues that it is entitled to summary

judgment on the following grounds: (1) MidlevelU's claims are barred by the doctrine of implied license; (2) Newstex's use of "i-Frames" on the SBI to display MidlevelU's website does not constitute infringement; (3) eighteen of MidlevelU's articles are ineligible for statutory damages; (4) MidlevelU lacks standing and damages for three articles it did not own at the time of filing suit; and (5) MidlevelU lacks standing and damages for one article it has never owned. *Id.*

LEGAL STANDARD

The legal standard for summary judgment is well-settled:

A party may obtain summary judgment "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). The parties may support their positions by citation to the record, including *inter alia*, depositions, documents, affidavits, or declarations. Fed. R. Civ. P. 56(c). An issue is genuine if "a reasonable trier of fact could return judgment for the non-moving party." A fact is material if it "might affect the outcome of the suit under the governing law." The Court views the facts in the light most favorable to the non-moving party and draws all reasonable inferences in its favor.

...

The moving party shoulders the initial burden of showing the absence of a genuine issue of material fact. Once this burden is satisfied, "the nonmoving party 'must make a sufficient showing on each essential element of the case for which he has the burden of proof.'" Accordingly, the non-moving party must produce evidence, going beyond the pleadings, and by its own affidavits, or by depositions, answers to interrogatories, and admissions on file, designating specific facts to suggest that a reasonable jury could find in his favor.

Rubenstein v. Fla. Bar, 72 F. Supp. 3d 1298, 1307–08 (S.D. Fla. 2014) (J. Bloom) (citations omitted).

DISCUSSION

To establish copyright infringement, "two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original."

Oravec v. Sunny Isles Luxury Ventures, L.C., 527 F.3d 1218, 1223 (11th Cir. 2008) (citing *Feist Publ'ns, Inc. v. Rural Television Serv. Co.*, 499 U.S. 340, 361 (1991)). With respect to the first element, a certificate of registration “constitute[s] prima facie evidence of the validity of the copyright and of the facts stated in the certificate.” 17 U.S.C. § 410(c). “Once a plaintiff produces a valid registration, the burden shifts to the defendant to establish that the work in which the copyright claimed is unprotectable.” *Latimer v. Roaring Toyz, Inc.*, 601 F.3d 1224, 1233 (11th Cir. 2010).

Implied License

In moving for summary judgment, Newstex first argues that MidlevelU’s copyright infringement claim fails as a matter of law based on the implied license defense. In the Eleventh Circuit, “[a]n implied license is created when one party (1) creates a work at another person’s request; (2) delivers the work to that person; and (3) intends that the person copy and distribute the work.” *Latimer*, 601 F.3d at 1235 (citing *Jacob Maxwell, Inc. v. Veeck*, 110 F.3d 749, 752 (11th Cir. 1997)); *see also Wilchombe v. TeeVee Toons, Inc.*, 555 F.3d 949, 956 (11th Cir. 2009) (“An implied nonexclusive license is created when one party creates a work at another party’s request and hands it over, intending the other party copy and distribute it.”). “Because an implied license is an affirmative defense to a claim of copyright infringement, the alleged infringers have the burden of establishing an implied license.” *Latimer*, 601 F.3d at 1235. “In determining whether an implied license exists, a court should look at objective factors evincing the party’s intent, including deposition testimony and whether the copyrighted material was delivered without warning that its further use would constitute copyright infringement.” *Wilchombe*, 555 F.3d at 956. “Implied licenses may be limited and a defendant who exceeds the scope of an implied

license commits copyright infringement.” *Latimer*, 601 F.3d at 1235; *see also Odom v. Navarro*, No. 09-214809-CIV, 2010 WL 11505459, at *4 (S.D. Fla. Mar. 11, 2010) (J. Ungaro) (“Implied licenses are terminable at will and a party may revoke or rescind an implied license upon a breach”).

Newstex argues that MidlevelU’s copyright infringement claim fails as a matter because MidlevelU’s practice of distributing the full-text of its blog posts for free to the public via its RSS feed gave Newstex an implied license to index the blog posts on the SBI. Newstex does not dispute that it cannot satisfy the Eleventh Circuit’s test for finding an implied license, conceding that Newstex did not commission MidlevelU to write the articles. Instead, Newstex asks the Court to find that an implied license exists based on the courts’ reasoning in *Field v. Google*, 412 F. Supp. 2d 1106, 1109 (D. Nev. 2006) and *Parker v. Yahoo!*, No. 07-2757, 2008 WL 4410095, at *1 (E.D. Pa. Sept. 25, 2008). These cases, however, are distinguishable.

The *Field* and *Parker* cases held that Google and Yahoo! had implied licenses to use content from the plaintiffs’ websites, reasoning that the plaintiffs had manufactured copyright infringement claims because they knew that the search engines would display their works unless they coded them with a “no-archive” meta-tag. *Id.* In reaching that holding, the *Field* court explained that “[a]n implied license can be found where the copyright holder engages in conduct from which [the] other [party] may properly infer that the owner consents to his use.” 412 F. Supp. 2d at 1117.

Applying *Field* and *Parker*, Newstex argues that MidlevelU’s conduct in disseminating the full text of its articles to the public for free, coupled with its failure to code its work to prevent further distribution, gave Newstex an implied license to use that

content. This Court declines to follow *Field* and *Parker* because it is not clear that the courts' reasoning in those cases applies when the defendant is not a search engine. Moreover, Newstex does not cite to any cases suggesting that *Field* and *Parker* control the analysis with respect to a RSS feed. Notably, the District Court of Nevada, which decided *Field*, subsequently held in another case that it could not "conclude, as a matter of law, that the presence of an RSS feed unequivocally absolves a defendant from any and all liability for potential copyright infringement." *Righthaven LLC v. Choudhry*, No. 2:10-CV-2155, 2011 WL 2976800, at *2 (D. Nev. July 21, 2011). In that case, the district court distinguished *Field*, explaining that "[h]ere, the issue is with respect to the function and use of an RSS feed, not a search engine," and "[b]ecause this court lacks the required technical expertise . . . the court cannot rule, as a matter of law, that the defendant is not liable at this juncture." *Id.* Accordingly, Newstex is not entitled to entry of summary judgment in its favor on its implied license affirmative defense.

In-line Linking and Framing

In its Motion, Newstex contends that its display of the full text of MidlevelU's articles does not constitute infringement based on the Ninth Circuit Court of Appeals' decision in *Perfect 10, Inc. v. Amazon.com*, 508 F.3d 1146 (9th Cir. 2007). In *Perfect 10*, the Ninth Circuit held that Google did not commit copyright infringement when it used "in-line linking" and "framing" to display otherwise infringing content. *Id.* The Ninth Circuit rejected the plaintiff's argument that Google facilitated infringement by merely providing HTML instructions that, when clicked, caused an image to appear on a user's computer. *Id.* at 1161. The court explained that "[p]roviding these HTML instructions is not equivalent to showing a copy" because "the HTML merely gives the address of the

image to the user's browser.” *Id.* Because Google did not store any full-size images on its computer servers, it did not have a “copy” of the image to communicate and display in violation of Perfect 10's copyrights. *Id.*

In analogizing to *Perfect 10*, Newstex overlooks the crucial distinction between that case and this one. The Ninth Circuit did not hold in *Perfect 10* that as a matter of law “in-line linking” and “framing” do not violate the Copyright Act. Rather, the court held that based on the specific facts of that case, Google's “in-line linking” and “framing” did not violate the Copyright Act because Google did not actually store the infringing work on its own server. Here, the parties dispute whether Newstex stored MidlevelU's full content on its server. Newstex maintains that the link it provides for the full-text article directs the user's computer to MidlevelU's site. A factual question exists regarding whether Newstex stored the full-text of MidlevelU's articles on its servers. For example, Mr. Moyer testified at his deposition that Newstex still had access to the articles and could restore them after they had been taken down. DE 46-3 at 5-6. Given the parties' dispute regarding the technology behind “in-line linking” and “framing,” and whether Newstex even used these processes, the Court cannot enter judgment in favor of Newstex at this time.

Standing

“Under the Copyright Act, only the ‘legal or beneficial owner of an exclusive right under a copyright’ may ‘institute an action for any infringement of that particular right while he or she is the owner of it.’” *Optima Tobacco Corp. v. US Flue-Cured Tobacco Growers*, 171 F. Supp. 3d 1303, 1308 (S.D. Fla. 2016) (J. Moore) (quoting 17 U.S.C. § 501(b)). “The copyright owner must have such status at the time of the alleged infringement to have standing to sue.” *Id.* “Subject to certain exceptions, the Copyright

Act [] requires copyright holders to register their works before suing for copyright infringement.” *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 157 (2010).

If a work is “made for hire,” the “employer or other person for whom the work was prepared is considered the author . . . and, unless the parties have expressly agreed otherwise in a written agreement signed by them, owns all of the rights comprised in the copyright.” 17 U.S.C. § 201(b). A work is “made for hire” if it is a work prepared by the employee within the scope of his or her employment. 17 U.S.C. § 101.

“To determine whether a work is for hire under the Act, a court should first ascertain, using principles of general common law of agency, whether the work was prepared by an employee or an independent contractor.” *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989). Where the author of the work is an independent contractor, the work is “for hire” if it was “specially ordered or commissioned for use as a contribution to a collective work” and “the parties expressly agree[d] in a written instrument signed by them that the work shall be considered a work made for hire.” *Id.*

Newstex asserts that 3 of the articles at issue were authored, and owned, by Amanda Richards, who did not assign the copyright to MidlevelU until December 2018. DE 42 at 20. Because the parties dispute whether Ms. Richards was an employee or an independent contractor, summary judgment cannot be granted.

Statutory Damages

Section 504 of the Copyright Act provides that a copyright owner may elect to recover (a) actual damages and the infringer’s profits, or (b) statutory damages. 17 U.S.C. § 504(a). “No award of statutory damages is permitted where any infringement of a copyright commenced after first publication of the work and before the date of its

registration, unless such registration is made within three months after the first publication of the work.” *Pronman v. Styles*, 676 Fed. Appx. 846, 848 (11th Cir. 2017) (citing 17 U.S.C. § 412). A certification of registration from the Copyright Office is *prima facie* evidence of the copyrightability of a work if it is timely made. *S. Bell Tel. & Tel. Co. v. Assoc. Tel. Directory Publishers*, 756 F.2d 801, 811 (11th Cir. 1985); 17 U.S.C. § 401(c) (providing that a certification of registration made “before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright”).

Newstex contends that MidlevelU is not entitled to statutory damages for 18 articles that were registered with the Copyright Office more than 3 months after the first publication of the article to its site. DE 42 at 19. However, the date of MidlevelU’s publication is in dispute because Tolbert often edited and/or rewrote portions of the articles after posting them on MidlevelU’s blog. Given the undisputed facts that MidlevelU distributed all of its articles via the RSS feed and that Newstex automatically generated abstracts of each article upon receipt from the feed, the Court cannot conclude that the date Newstex first received an article is dispositive of the first publication date for the version of the 18 articles that was registered.

Finally, Newstex asserts that MidlevelU did not own the copyright to one of the articles, which had been written by Leigh Ann O’Neill. DE 42 at 23. As with Ms. Richards, genuine issues of material fact preclude the Court from deciding this issue. DSOF at ¶ 40; PSOF at ¶ 130.

DONE AND ORDERED in Chambers this 10th day of September, 2019, at
West Palm Beach in the Southern District of Florida.

A handwritten signature in black ink, appearing to read "Bruce Reinhart". The signature is fluid and cursive, with the first name "Bruce" and last name "Reinhart" clearly distinguishable.

BRUCE REINHART
UNITED STATES MAGISTRATE JUDGE

APPENDIX G

United States Code Annotated

Title 17. Copyrights (Refs & Annos)

Chapter 4. Copyright Notice, Deposit, and Registration (Refs & Annos)

17 U.S.C.A. § 411

§ 411. Registration and civil infringement actions

Effective: October 13, 2008

[Currentness](#)

(a) Except for an action brought for a violation of the rights of the author under [section 106A\(a\)](#), and subject to the provisions of subsection (b), no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

(b)(1) A certificate of registration satisfies the requirements of this section and [section 412](#), regardless of whether the certificate contains any inaccurate information, unless--

(A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; and

(B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.

(2) In any case in which inaccurate information described under paragraph (1) is alleged, the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.

(3) Nothing in this subsection shall affect any rights, obligations, or requirements of a person related to information contained in a registration certificate, except for the institution of and remedies in infringement actions under this section and [section 412](#).

(c) In the case of a work consisting of sounds, images, or both, the first fixation of which is made simultaneously with its transmission, the copyright owner may, either before or after such fixation takes place, institute an action for infringement under [section 501](#), fully subject to the remedies provided by [sections 502](#) through [505](#) and [section 510](#), if, in accordance with requirements that the Register of Copyrights shall prescribe by regulation, the copyright owner--

(1) serves notice upon the infringer, not less than 48 hours before such fixation, identifying the work and the specific time and source of its first transmission, and declaring an intention to secure copyright in the work; and

(2) makes registration for the work, if required by subsection (a), within three months after its first transmission.

CREDIT(S)

(Pub.L. 94-553, Title I, § 101, Oct. 19, 1976, 90 Stat. 2583; Pub.L. 100-568, § 9(b)(1), Oct. 31, 1988, 102 Stat. 2859; Pub.L. 101-650, Title VI, § 606(c)(1), Dec. 1, 1990, 104 Stat. 5131; Pub.L. 105-80, § 6, Nov. 13, 1997, 111 Stat. 1532; Pub.L. 105-304, Title I, § 102(d), Oct. 28, 1998, 112 Stat. 2863; Pub.L. 109-9, Title I, § 104(b), Apr. 27, 2005, 119 Stat. 222; Pub.L. 110-403, Title I, § 101(a), Title II, § 209(a)(6), Oct. 13, 2008, 122 Stat. 4257, 4264.)

17 U.S.C.A. § 411, 17 USCA § 411

Current through PL 117-11 with the exception of PL 116-283. Incorporation of changes from PL 116-283 are in progress. Some statute sections may be more current, see credits for details.

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