No. 08-103

IN THE
Supreme Court of the United States

REED ELSEVIER INC., THOMSON CORPORATION, DIALOG CORPORATION, GALE GROUP, INC., WEST PUBLISHING COMPANY, INC., DOW JONES & COMPANY, INC., DOW JONES REUTERS BUSINESS INTERACTIVE, LLC, KNIGHT RIDDER INC., KNIGHT RIDDER DIGITAL, MEDIASTREAM, INC., NEWSBANK, INC., PROQUEST COMPANY, UNION-TRIBUNE PUBLISHING COMPANY, NEW YORK TIMES COMPANY, COPLEY PRESS, INC., AND EBSCO INDUSTRIES, INC.,

Petitioners,

v.

LETTY COTTIN POGREBIN, E.L. DOCTOROW, TOM DUNKEL, ANDREA DWORKIN, JAY FELDMAN, JAMES GLEICK, RONALD HAYMAN, ROBERT LACEY, RUTH LANEY, PAULA MCDONALD, P/K ASSOCIATES, INC., GERALD POSNER, MIRIAM RAFTERY, RONALD M. SCHWARTZ, MARY SHERMAN, DONALD SPOTO, MICHAEL CASTLEMAN INC., ROBERT E. TREUHAFT AND JESSICA L. TREUHAFT TRUST, ROBIN VAUGHAN, ROBLEY WILSON, MARIE WINN, NATIONAL WRITERS UNION, THE AUTHORS GUILD, INC. AND AMERICAN SOCIETY OF JOURNALISTS AND AUTHORS,

Respondents,

IRVIN MUCHNICK, ABRAHAM ZALEZNIK, CHARLES SCHWARTZ, JACK SANDS, TODD PITOCK, JUDITH STACEY, JUDITH TROTSKY, CHRISTOPHER GOODRICH, KATHY GLICKEN AND ANITA BARTHOLOMEW,

Respondents.

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

BRIEF OF RESPONDENTS IN SUPPORT OF PETITIONERS

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QUESTIONS PRESENTED

Plaintiffs-Respondents (Letty Cottin Pogrebin *et al.*) support and incorporate the questions presented in the petition for writ of certiorari filed by Defendants-Petitioners (Reed Elsevier *et al.*).

RULE 29.6 STATEMENT

Pursuant to Rule 29.6 of the Rules of this Court, and to enable the Justices of the Court to evaluate possible disqualification or recusal, Plaintiffs-Respondents – Letty Cottin Pogrebin, E.L. Doctorow, Tom Dunkel, Andrea Dworkin, Jay Feldman, James Gleick, Ronald Hayman, Robert Lacey, Ruth Laney, Paula McDonald, P/K Associates, Inc., Gerald Posner, Miriam Raftery, Ronald M. Schwartz, Mary Sherman, Donald Spoto, Michael Castleman Inc., Robert E. Treuhaft and Jessica L. Treuhaft Trust, Robin Vaughan, Robley Wilson, Marie Winn, National Writers Union, The Authors Guild, Inc. and American Society of Journalists and Authors – certify that they have no corporate parents and no publicly held company owns 10% or more of any Respondents' stock.

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STATUTORY PROVISION INVOLVED

17 U.S.C. § 411(a) provides, in pertinent part:

> [N]o action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title.

STATEMENT OF THE CASE

This case is exceptionally important to the nation's freelance authors, newspaper and magazine publishers, archival databases, and reading public. If left in place, the Second Circuit's decision vacating the class action settlement in this case will bring about a result that is contrary to this Court's recognition in *New York Times Co. v. Tasini,* 533 U.S. 483, 505 (2001), that "the parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works," and would be detrimental to the public interest, for reasons Justice Stevens emphasized in his dissent. *See id.* at 520 (Stevens, J., dissenting).

This class action was brought by freelance authors in 2000 against defendants who infringed their copyrights by including their works, without permission or compensation, in online databases – including widely-used databases that are vital to a wide array of research – such as LexisNexis. The case was stayed pending the decision of this Court in *Tasini,* which was brought individually by six

freelance authors. In *Tasini*, this Court held that electronic publishers had infringed the copyrights of freelance authors, and stated:

> [T]he parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of Authors' works; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution.

Id. at 505.

The settlement in this case, reached after nearly four years of intense mediation and approved by the district court, is a comprehensive, industry-wide agreement among authors, publishers, and electronic databases allowing continued electronic reproduction and display of the class members' works.

The district court granted final approval of the settlement, and some objectors took an appeal. Shortly before oral argument, the Second Circuit Court of Appeals *sua sponte* raised the issue whether the district court had subject matter jurisdiction over claims based on unregistered copyrights – an issue neither raised nor briefed in the district court.

A divided panel vacated the district court final approval order, reasoning that the district court "lacked jurisdiction to certify the class and approve the settlement agreement" because the settlement class included class members with claims based on

unregistered copyrights. Pet. App. 27a.[1] Judge John M. Walker dissented on the ground that copyright registration under 17 U.S.C. § 411(a) is not a jurisdictional, but rather a claims processing, requirement. Pet. App. 27a-45a.

The Second Circuit's decision dismantled a comprehensive settlement of this copyright infringement action designed to ensure that the nation's archival digital databases will remain intact. The impact of the decision is far reaching. Most freelance authors (*i.e.*, the vast majority of the class) whose copyrights were infringed on a widespread basis will go without any redress. Most will not spend $35 or $45 (see 37 C.F.R. § 201.3) to register a year's worth of works to bring an actual damages infringement claim for articles they sold years ago for $50 or $100.

With no comprehensive settlement in place, the publishers and databases will have no choice but to search for and delete whole swaths of freelance works from their digital archives, or risk repetitive litigation over the same dispute the parties sought to settle in this case.

Such gaps in the digital archives will compromise the interests of the reading public, ironically leading to the very result that Justice Stevens warned about in his dissent in *Tasini*:

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[1] Citations to "Pet." refer to the Petition for a Writ of Certiorari filed by Defendants-Petitioners Reed-Elsevier, Inc. *et al.*, No. 08-103, and citations to "Pet. App" refer to the appendix thereto.

> The majority discounts the effect its decision will have on the availability of comprehensive digital databases, but I am not as confident. As petitioners' *amici* have persuasively argued, the difficulties of locating individual freelance authors and the potential of exposure to statutory damages may well have the effect of forcing electronic archives to purge freelance pieces from their databases. "The omission of these materials from electronic collections, for any reason on a large scale or even an occasional basis, undermines the principal benefits that electronic archives offer historians – efficiency, accuracy and comprehensiveness." Brief for Ken Burns et al. as *Amici Curiae* 13.

533 U.S. at 520 (Stevens, J., dissenting) (citation omitted).

REASONS FOR GRANTING THE WRIT

I. The District Court had Jurisdiction to Approve the Settlement.

The district court had subject matter jurisdiction in this civil action under 28 U.S.C. §§ 1331 and 1338. Each named plaintiff met the requirements of 17 U.S.C. § 411(a), by registering his or her United States works with the Copyright Office

before instituting this lawsuit.[2] *See Grupo Dataflux v. Atlas Global Group, L.P.*, 541 U.S. 567, 570-71 (2004) (jurisdiction is determined at the time of filing).

As a result, the district court had the jurisdiction and power to approve the class action settlement agreement, even though the settlement included the release of claims by class members based on unregistered copyrights that could not have been actually adjudicated in the class action. *Matsushita Elec. Ind. Co. v. Epstein*, 516 U.S. 367, 369 (1996) (federal court must give Full Faith and Credit to state court judgment approving a class action settlement that released claims within the exclusive jurisdiction of the federal courts); *Wal-Mart Stores, Inc. v. Visa U.S.A.*, 396 F.3d 96, 108-09 (2d Cir. 2005) (class action settlement can release claim against non-parties); *TBK Partners Ltd. v. Western Union Corp.*, 675 F.2d 456, 460-61 (2d Cir. 1982) (because of the strong public policy favoring settlements, a court may permit the release of claims it might not have had the power to adjudicate); *Abramson v. Pennwood Investment Corp.*, 392 F.2d 759, 762 (2d Cir. 1968) (state court could approve derivative suit settlement that included the release of federal securities claims that could not have been adjudicated in state court).

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[2] Foreign works are covered by the Berne Convention for the Protection of Literary and Artistic Works, which is not at issue here.

The district court was not required to have subject matter jurisdiction over every claim of every class member in order to have subject matter jurisdiction over this copyright class action. This Court has rejected the argument, implicit in the Second Circuit's opinion here, that jurisdiction must exist over every claim in a case for the court to possess jurisdiction over a civil action. This Court stated that it could "not accept the view, urged by some of the parties, commentators, and Courts of Appeals, that a district court lacks original jurisdiction over a civil action unless the court has original jurisdiction over every claim in the complaint." *Exxon Mobil Corp. v. Allapattah Servs.*, 545 U.S. 546, 560 (2005).

II. Compliance With Section 411(a) of the Copyright Act by all Class Members is not Required for the District Court to Have Subject Matter Jurisdiction to Approve Settlements.

Congress has expressly vested the federal courts with exclusive subject matter jurisdiction over copyright actions. *See* 28 U.S.C. § 1338(a). Notwithstanding this express grant of jurisdiction, the Second Circuit vacated the class action settlement and held that Section 411(a) of the Copyright Act provides an additional mandatory registration requirement for subject matter jurisdiction. In so doing, the Second Circuit ignored settled law permitting the release of claims that cannot actually be adjudicated in a class action. *See* Section I, *supra*; Pet. at 13-25. In addition, Section 411(a) is not a source of or limitation on subject

matter jurisdiction, but instead constitutes a claims-processing rule or element of a copyright claim.

This Court has urged that courts more carefully distinguish between true jurisdictional bars and claim-processing rules that may be waived and to revisit the use of the "jurisdiction" label in that light. *Eberhart v. United States*, 546 U.S. 12, 13, 16 (2005) (per curiam); *see also Kontrick v. Ryan*, 540 U.S. 443, 455 (2004) ("Clarity would be facilitated if courts and litigants used the label 'jurisdictional' not for claim-processing rules, but only for prescriptions delineating the classes of cases (subject-matter jurisdiction) and the persons (personal jurisdiction) falling within a court's adjudicatory authority.").

This distinction is essential, as claims-processing rules are subject to waiver by adverse parties, whereas limitations that go to a court's subject matter jurisdiction are not waivable and may be raised by courts *sua sponte*. *See Eberhart*, 546 U.S. at 19.

In *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 515-16 and n.11 (2006), this Court stated that statutes should not be considered jurisdictional unless they "clearly" state an intention to limit jurisdiction. That case lists statutes that by their express terms confer or limit the subject matter jurisdiction of the court, rather than imposing an obligation on a party:

> Certain statutes confer subject-matter jurisdiction only for actions brought by specific plaintiffs, *e.g.*, 28 U.S.C. § 1345 (United States and its agencies and

officers),[3] 49 U.S.C. § 24301(l)(2) (Amtrak),[4] or for claims against particular defendants, *e.g.*, 7 U.S.C. § 2707(e)(3) (persons subject to orders of the Egg Board);[5] 28 U.S.C. § 1348 (national banking associations),[6] or for actions in which the amount in controversy exceeds, *e.g.*, 16 U.S.C. § 814,[7] or falls below, *e.g.*, 22 U.S.C. § 713(a)(1)(B),[8] 28 U.S.C. § 1346(a)(2),[9] a stated amount. Other jurisdiction-conferring provisions

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[3] "Except as otherwise provided by Act of Congress, *the district courts shall have original jurisdiction of all civil actions* . . . ." (emphasis added).

[4] "The *district courts of the United States have original jurisdiction over a civil action* Amtrak brings . . . ." (emphasis added).

[5] ". . . and *the several district courts of the United States are hereby vested with jurisdiction to entertain such suits* regardless of the amount in controversy." (emphasis added).

[6] "*The district courts shall have original jurisdiction of any civil action* commenced by the United States . . . ." (emphasis added).

[7] ". . . Provided, That *United States district courts shall only have jurisdiction of cases* when the amount claimed by the owner of the property to be condemned exceeds $ 3,000 . . . ." (emphasis added).

[8] "*The district courts of the United States shall have original jurisdiction*, concurrent with the United States Court of Federal Claims . . . ." (emphasis added).

[9] "(a) *The district courts shall have original jurisdiction*, concurrent with the United States Claims Court . . . ." (emphasis added).

> describe particular types of claims. *See, e.g.*, [28 U.S.C.] § 1339 ("any civil action arising under any Act of Congress relating to the postal service"); [28 U.S.C.] § 1347 ("any civil action commenced by any tenant in common or joint tenant for the partition of lands where the United States is one of the tenants in common or joint tenants"). In a few instances, Congress has enacted a separate provision that expressly restricts application of a jurisdiction-conferring statute. *See, e.g., Weinberger v. Salfi*, 422 U.S. 749, 756-761 (1975) (42 U.S.C. § 405(h) bars § 1331 jurisdiction over suits to recover Social Security benefits).

That Section 411(a) does not limit subject matter jurisdiction in connection with settlements of properly instituted claims is confirmed by its purpose. "[R]egistration is not a condition of copyright protection," 17 U.S.C. § 408(a), and its purpose is unrelated to the creation or vesting of a substantive right. Rather, "[r]egistration furthers the important policy behind copyright of disclosing works and making them part of the public domain." Pet. App. at 35a. To this end, the Copyright Act creates an incentive for registration by providing the additional remedies of statutory damages and attorney's fees for those holding registered copyrights. *See id.* (citing H.R. No. 94-1476 at 158).

In addition, courts have applied Section 411 in a manner fundamentally inconsistent with its being

jurisdictional in connection with settlement approval. Under this Court's precedent, requirements that are truly jurisdictional are not subject to waiver or equitable exceptions. *See Bowles v. Russell,* 127 S. Ct. 2360, 2362 (2007) (petitioner's untimely notice of appeal – although filed in reliance upon district court's order – deprived court of appeals of jurisdiction). Section 411(a), however, is "riddled with jurisdictionally recognized exceptions." Pet. App. at 35a. For instance, a plaintiff's failure to register his or her copyright before commencing suit may be cured after commencement by registration and the filing of a supplemental pleading. *See, e.g., Positive Black Talk Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 366 (5th Cir. 2004).

Even while referring to registration as a jurisdictional matter, the Second Circuit Court of Appeals in *Morris v. Business Concepts, Inc.*, 259 F.3d 65, 68 n.1 (2d Cir. 2001), acknowledged that the plaintiff "could have cured the jurisdictional defect here [failure to register] by registering those of her articles that were not time-barred by 17 U.S.C. § 507(b)." This ability to cure is inconsistent with the holding in *Grupo,* 541 U.S. at 570-71, that subject matter jurisdiction is unalterably determined at the time of filing.

Copyright registration is also akin to, and less stringent than, exhaustion requirements found *not* to be jurisdictional. *See* Pet. App. at 34a n.1. Registration is a relatively simple and inexpensive process, *i.e.*, the submission of (1) a deposit (photocopy) of the work, (2) an application for

registration, and (3) a fee. *See* 17 U.S.C. §§ 408(b), 409(1)-(11), 708. Regardless of whether the Register of Copyrights registers the claim (and issues a certificate of registration) or refuses registration, 17 U.S.C. § 410, this action on the part of the Register of Copyrights is not required for purposes of commencing suit. *See* Pet. App. at 34a n.1.

In this regard, copyright registration is analogous to a filing fee for a civil action, which plainly need not be filed by each absent class member in order for the district court to obtain jurisdiction. *See* 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright §* 7.16(B)(1)(b)(3) (2007) ("Section 411(a) can be viewed as a court filing requirement, much like the fees that must be paid to file a complaint in a United States district court.")

Accordingly, Section 411(a) does not limit a court's subject matter jurisdiction to approve a settlement releasing claims that could not have been adjudicated in the class action.

CONCLUSION

For the foregoing reasons, and those set forth in Defendants-Petitioners' petition for writ of certiorari, Plaintiffs-Respondents respectfully submit that the petition of Defendants-Petitioners should be granted.

Dated: August 11, 2008

Respectfully submitted,

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