UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

LOUIS K. SMITH,	Case No. 1:12-cv-04374-ALC-GWG
Plaintiff,	Oral Argument Requested
- against -	
BARNESANDNOBLE.COM LLC,	
Defendant.	

MEMORANDUM OF LAW IN SUPPORT OF BARNESANDNOBLE.COM LLC'S MOTION FOR SUMMARY JUDGMENT

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PRELIMINARY STATEMENT

Defendant barnesandnoble.com llc (now called Nook Digital, LLC), together with its ultimate corporate parent through affiliated companies, Barnes & Noble, Inc., (collectively "Barnes & Noble") seeks summary judgment on Plaintiff Cheryl Smith's ("Plaintiff") claims for copyright and contributory copyright infringement.

The facts are not in dispute. At issue is *The Hardscrabble Zone* ("*Hardscrabble*" or "the eBook"), a book written by Plaintiff's husband Louis K. Smith ("Smith"). Years ago, Smith entered into a rights agreement that authorized Barnes & Noble to disseminate physical and digital samples of *Hardscrabble*. Barnes & Noble did so. Smith subsequently terminated that rights agreement. Post-termination, a lone Barnes & Noble customer continued to be able to read a *Hardscrabble* sample that Barnes & Noble had provided when the rights agreement was in force. Plaintiff claims that last fact constitutes copyright infringement.

To be clear: there is no allegation that Barnes & Nobles has withheld money from Plaintiff or otherwise commercially benefited from *Hardscrabble*. Not a single copy of *Hardscrabble* was purchased through Barnes & Noble. The entirety of Plaintiff's complaint is that (1) a *Hardscrabble* sample that Barnes & Noble provided to a customer during the pendency of a valid rights agreement (2) was re-read by *that same customer* after the rights agreement was terminated. That is it. That is what Plaintiff believes entitles her and her lawyer to hundreds of thousands of dollars. Plaintiff is wrong.

Summary judgment should be entered against Plaintiff, for four reasons. Most importantly, the rights agreements at issue permitted Barnes & Noble to do exactly what it did. Barnes & Noble was authorized to disseminate the sample in question, including in electronic form, and was not required in letter or spirit to "take back" such samples post-agreement.

Plaintiff's claims also fail on alternative grounds. First, because Smith intentionally made vast sections of *Hardscrabble* widely available for free, any copyright he may have held in the small sample offered by Barnes & Noble was abandoned. Second, even absent abandonment, Barnes & Noble's conduct qualifies as fair use. Third, given the absence of any actual or even theoretical harm, and limited nature of the alleged infringement, Plaintiff's claims are barred by the doctrine of *de minimis non curat lex*.

STATEMENT OF THE FACTS

A. Smith Authorizes Smashwords to Sell and Sample His Book

In 2006, Smith authored the book *Hardscrabble*. SUMF ¶ 1. In September of 2009, Smith created an online user account with online e-book distributor Smashwords, Inc. ("Smashwords"). SUMF ¶ 2. Smashwords allows authors to make their books available for sale and sampling both on the Smashwords site and on the sites of Smashwords' retail partners. SUMF ¶ 3. For these services, Smashwords receives a small fee for each book sold. SUMF ¶ 4.

On December 11, 2009, Smith uploaded his book for distribution, sale, and sampling by Smashwords and its retail partners. SUMF ¶ 5. To upload *Hardscrabble*, Smith necessarily did three things. SUMF ¶ 6. First, Smith must have been logged into his Smashwords account. SUMF ¶ 7. Second, he must have entered certain information concerning his book into a page entitled "Publish." SUMF ¶ 8. Third, he needed to have clicked the "Publish" button on that page—both to transmit his information and consent to the terms of Smashwords' publication rights agreement. SUMF ¶ 9.

More specifically, Smith consented to several important things when he clicked the Publish button:

- *Pricing*. The Publish page presented Smith with three mutually exclusive options: (1) to make his book available for free; (2) to allow readers to pay an amount they wished; or (3) to charge a specific price for the eBook. SUMF ¶ 10. Smith chose to charge a specific amount for *Hardscrabble*, and entered the amount $3.33 in the associated field. SUMF ¶ 11.
- *Sampling*. The Publish page gave Smith the choice to allow (or not allow) sampling of his work. SUMF ¶ 12. If Smith wanted to allow sampling of his book, he needed to enter a percentage of the book that could be sampled. SUMF ¶ 13. Smith authorized a 33% sample of *Hardscrabble*. SUMF ¶ 14.
- *Rights Agreement Terms*. The Publish page informed Smith that by clicking the Publish button at the bottom of the page, he was authorizing Smashwords and its retail partners to both (1) "publish and distribute" *Hardscrabble* and (2) disseminate without charge "limited samples of [*Hardscrabble*], per the sampling percentage you have specified above." SUMF ¶ 15. The Publish page also indicated that clicking the Publish button meant Smith was agreeing to Smashwords' Terms of Service, which expressly stated that the "TERMS OF SERVICE, AS AMENDED FROM TIME TO TIME . . . ARE A BINDING AGREEMENT," and instructed authors that "[i]f you do not agree with these terms, do not use the service."[1] SUMF ¶ 16. The Terms of Service further provided that Smith was assigning to "Smashwords the nonexclusive worldwide right to digitally publish, distribute, market and sell ('Publish'), and to license others to do so, the work identified on

[1] The phrase "Terms of Service," when used on the Publish page, hyperlinked to a webpage displaying Smashwords' Terms of Service. SUMF ¶ 17. The Terms of Service were also accessible through a hyperlink located in the footer of every page on the website. SUMF ¶ 18.

the front page of your submission (the 'Work')," SUMF ¶ 19, and that Smashwords was acquiring "the right to distribute samples of the Work in any form of media, including printed media . . . ," SUMF ¶ 20.[2]

After Smith clicked "Publish," Smashwords listed *Hardscrabble* for sale and sampling on its website. SUMF ¶ 22. At Smashwords.com, a customer could purchase Hardscrabble for $3.33. SUMF ¶ 23. A customer could also obtain a free sample of the first 33 percent of *Hardscrabble*. SUMF ¶ 24. The Smashwords free sample was available for online viewing (in HTML and JavaScript formats), as well as for downloading (in Kindle, Epub, LRF, or PDB formats). SUMF ¶ 25. Accordingly, the Smashwords free sample could be viewed in a web browser or downloaded from Smith's author page on Smashwords' website to a variety of mobile devices, such as Apple's iPhone, Amazon's Kindle, the Palm Reader, and Barnes & Noble's NOOK® reader. SUMF ¶ 26.

B. Smashwords Authorizes Barnes & Noble to Sell and Sample *Hardscrabble*

In addition to making *Hardscrabble* available on its website, Smashwords also furnished *Hardscrabble* to its retail partners, including Barnes & Noble, for sale and sampling. SUMF ¶ 27. Barnes & Noble is a well-known bookseller that sells print and electronic books at retail establishments and through barnesandnoble.com. SUMF ¶ 28. Through its distribution agreement with Barnes & Noble, Smashwords helps self-published authors have their books listed in Barnes & Noble's catalogue. SUMF ¶ 29. Smith was excited to become a part of that catalogue and to have Barnes & Noble handling the sale of his book. SUMF ¶ 30.

A written agreement governs the relationship between Barnes & Noble and Smashwords. SUMF ¶ 31. That agreement provides that for each eBook delivered, Smashwords "grant[ed] to

[2] Smith retained the right to unpublish his work at any time by "log[ing] in to the system, click[ing] on 'Dashboard' and then click[ing] 'unpublish.'" SUMF ¶ 21.

Barnes & Noble the non-exclusive, worldwide right during the Term to sell, market, display, distribute, license, and promote such eBooks as further set forth below." SUMF ¶ 32. The agreement conferred upon Barnes & Noble the express "right to distribute and display via download all front matter of an eBook and up to five percent (5%) of an eBook's content . . . free as a sampler." SUMF ¶ 33. In addition, Smashwords represented and warranted that any eBooks delivered under the agreement "may be sold, marketed, displayed, distributed, licensed and promoted as contemplated by this Agreement without violating or infringing the rights of any other person or entity, including, without limitation, infringing any copyright . . . ." SUMF ¶ 34.

Pursuant to that agreement, and with Smith's permission, Smashwords uploaded *Hardscrabble* to Barnes & Noble so that it could be sold and sampled. SUMF ¶ 35. When Barnes & Noble ingested the book, a sample file of five percent or less was created. SUMF ¶ 36. Subsequently, Barnes & Noble listed *Hardscrabble* for sale and free sampling on its website, barnesandnoble.com. SUMF ¶ 37.

C. One Barnes & Noble Customer Acquires a Free Sample of *Hardscrabble*

Only one Barnes & Noble customer (the "Customer") ever acquired a free sample of *Hardscrabble* from Barnes & Noble. SUMF ¶ 38. It happened on June 12, 2010, when Barnes & Noble was undisputedly authorized to provide such samples.[3] SUMF ¶ 39.

[3] There were two other ways a customer potentially could have sampled a Book during the relevant period, but neither of them happened here. SUMF ¶ 40. First, Barnes & Noble has a feature called "Read in Store," which could have allowed someone using a NOOK to browse *Hardscrabble* while in a Barnes & Noble retail store. SUMF ¶ 41. No customer ever sampled Hardscrabble using this feature. SUMF ¶ 42. Second, a feature called "See Inside" was available for certain books on Barnes & Noble's bn.com website and allowed users to browse selected pages. SUMF ¶ 43. But early discovery in this case revealed that the "See Inside" feature was never available for eBooks such as *Hardscrabble*. SUMF ¶ 43.

This Customer acquired the electronic sample of *Hardscrabble* using his or her Barnes & Noble account, which functions as a "digital locker." SUMF ¶ 44. Barnes & Noble's digital locker system is a cloud-based[4] inventory system that allows customers to access their digital content—*e.g.*, electronic books purchased or free samples they have acquired—through a NOOK device or software application associated with the account, or by logging into their account on bn.com. SUMF ¶ 45.

When a customer acquires digital content, an icon for the content, typically in the form of a book cover, appears in the library of the customer's NOOK device.[5] SUMF ¶ 46. To read a title, the customer selects the icon, which will open the file if it is stored locally on the NOOK. SUMF ¶ 48. Under certain circumstances, such as when the device is running out of space, the NOOK may automatically release the stored digital file in order to conserve disk space. SUMF ¶ 49. If that has occurred, clicking the icon will refresh the file from the cloud if the device is connected to the internet. SUMF ¶ 50. Customers who have previously acquired a book or sample can generally re-access the content again in the future. SUMF ¶ 51. To access an entire book for which only a sample has been obtained, however, the customer would need to purchase the title. SUMF ¶ 52. No customer ever purchased *Hardscrabble* from Barnes & Noble. SUMF ¶ 53.

D. Smith Terminates His Relationship with Smashwords

Hardscrabble did not sell well. By October of 2011, only three copies had been sold (and none, incidentally, through a Barnes & Noble point of sale). SUMF ¶ 54. On October 27, 2011,

[4] Cloud computing uses remote servers and networks for data storage which may be accessed using web-enabled devices. SUMF ¶ 45.

[5] Customers can also access the content in their digital lockers using by logging into their accounts on barnesandnoble.com or NOOK application software, such as NOOK for Android devices. SUMF ¶ 47.

apparently unhappy with his lack of sales, Smith wrote Smashwords demanding the deletion of his Smashwords account. SUMF ¶ 55.

Smith threatened that any failure by Smashwords to "desist [] immediately [] from any further commercial involvement with [Hardscrabble]" would carry legal consequences. SUMF ¶ 56. The CEO of Smashwords, Mark Coker, personally replied to Smith. SUMF ¶ 57. Coker encouraged Smith to reconsider deleting his account to ensure that any unreported sales would be properly credited to Smith. SUMF ¶ 58. Smith rejected that advice. SUMF ¶ 59. Coker asked for final confirmation that Smith wanted his account deleted. SUMF ¶ 60. He warned Smith: "Once we delete your account, everything about you is permanently purged from our system as if you never existed." SUMF ¶ 61. Smith responded ominously: "I HAVE INCONTROVERTIBLE EVIDENCE. GOODBYE FOR NOW!" SUMF ¶ 62. Taking that as confirmation, Coker deleted Smith's account, removing nearly every reference to Smith and *Hardscrabble* from Smashwords' systems. SUMF ¶ 63.

When Smith's Smashwords account was deleted, so too were any pending unpublication instructions regarding *Hardscrabble* that would have been automatically transmitted to Barnes & Noble. SUMF ¶ 64. Coker was not aware that the account deletion would have this result. SUMF ¶ 65. Thus, from October 27, 2011 through April 20, 2012, *Hardscrabble* remained listed (erroneously) on Barnes & Noble's website for sale and sampling. SUMF ¶ 66. During that period, however, no customer purchased *Hardscrabble* or newly acquired the associated free sample. SUMF ¶ 67.

On April 20, 2012, Barnes & Noble finally received notice that Smith had terminated his relationship with Smashwords when Smith's lawyer emailed a purported "first notification of copyright infringement." SUMF ¶ 68. That very day, Barnes & Noble "agreed to remove the

[*Hardscrabble*] listing from BN.com's website." SUMF ¶ 69. It thereafter became impossible for anyone new to purchase *Hardscrabble* or acquire a free sample; only customers who had *already* validly acquired a *Hardscrabble* sample during the pendency of the rights agreement could re-access the sample. SUMF ¶ 70.

Exactly one customer—the Customer who had received in June 2010 an authorized sample of *Hardscrabble*—reread the sample (on his or her NOOK device) after the termination of the relevant rights agreements.[6] SUMF ¶ 71. Importantly, Barnes & Noble's records show that the Customer (the sole individual to have engaged in alleged infringing conduct) refreshed access to that authorized sample on a NOOK device two times after Smith terminated his agreement with Smashwords. SUMF ¶ 72. During that period, larger samples of *Hardscrabble* could be viewed for free by the public through Google Books and Amazon.com. SUMF ¶ 73.

STANDARD OF REVIEW

Summary judgment is appropriate where "there is no genuine issue as to any material fact and . . . the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). Whether a fact is "material" is determined by the substantive law defining the claims. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). "Where parties on a summary judgment motion do not dispute a dispositive material fact, and merely disagree as to the consequence of that undisputed fact under the law, a question of law is presented for the court's interpretation and the court could not be on firmer ground in granting summary judgment as a matter of law." *MSF Holding Ltd. v. Fiduciary Trust Co. Int'l*, 435 F. Supp. 2d 285, 305 (S.D.N.Y. 2006). "In moving for summary judgment against a party who will bear the ultimate burden of proof at trial, the movant may satisfy

[6] For purposes of this motion, Barnes & Noble does not dispute that the Customer actually accessed and reread the sample; however, that is not necessarily the case. SUMF ¶ 74.

this burden by pointing to an absence of evidence to support an essential element of the nonmoving party's claim." *Gummo v. Village of Depew*, 75 F.3d 98, 107 (2d Cir. 1996).

ARGUMENT

The sole remaining issue in this case is whether Barnes & Noble engaged in direct or contributory copyright infringement by virtue of unauthorized "preview[ing]" or sampling of Plaintiff's book. ECF No. 17 at 6.[7] It did not as a matter of law. The governing agreements authorized Barnes & Noble to disseminate the sample in question, including in electronic form. They did not require Barnes & Noble to take the sample back upon termination. That should be the end of Plaintiff's claim.[8]

To the extent there is any doubt about contractual authorization—and there should be no doubt—Smith also abandoned his copyrights in the sample and, in any event, the fair use doctrine should bar Plaintiff's claims. Finally, because any violation of copyright here is trivial at best, Barnes & Noble asks the Court to enter summary judgment in its favor under the doctrine of *de*

[7] In the Complaint, Plaintiff alleges that Barnes & Noble violated Smith's copyright protections under 17 U.S.C. § 106 by selling or "preview[ing]" *Hardscrabble*. Amended Complaint, Dkt. No. 8, ¶ 60. Specifically, Plaintiff claims that Barnes & Noble violated Smith's rights pertaining to reproduction, creation of derivative works, display, and distribution. *See* 17 U.S.C. § 106; Amended Complaint ¶ 60. This Court previously held that merely offering Plaintiff's book for sale or preview did not constitute infringement of Plaintiff's copyright. ECF No. 17 at 6-7. Moreover, there was unquestionably no infringement of Smith's vending right because Barnes & Noble never sold *Hardscrabble*. SUMF ¶ 54. *See also* ECF No. 17 at 7.

[8] For the reasons set forth above, because Plaintiff cannot prove that *anyone* infringed Smith's copyrights through unauthorized copying, there can be no finding of direct or contributory infringement. Contributory liability is barred for the further reason that Barnes & Noble lacked the requisite actual or constructive knowledge. To conclude otherwise based upon the design and operation of Barnes & Noble's automated digital locker system would leave no "breathing room for innovation and a vigorous commerce." *Arista Records LLC v. Lime Grp. LLC*, 784 F. Supp. 2d 398, 432 (S.D.N.Y. 2011) (quoting *Sony Corp. v. Universal City Studios*, 464 U.S. 417, 442 (1984)).

minimis non curat lex. It simply would not be equitable to hold Barnes & Noble liable under the circumstances.

I. Smith Authorized Barnes & Noble to Sample *Hardscrabble*.

Plaintiff must but cannot prove, among other things, "the defendant's infringement by unauthorized copying." *Laureyssens v. Idea Grp., Inc.*, 964 F.2d 131, 139 (2d Cir. 1992). Plaintiff's claim fails, because Barnes & Noble was unquestionably authorized to provide the digital sample to the single Customer in question initially, and not required to take it back or revoke that Customer's access to the sample after Smith terminated his relationship with Smashwords.[9]

Smith entered into an agreement that licensed Smashwords to "digitally publish, distribute, market and sell [*Hardscrabble*], and to license others to do so." SUMF ¶ 19. The agreement expressly conferred "the right to distribute samples of [*Hardscrabble*] in any form of media, including printed media . . . ." SUMF ¶ 20. It contained no provision requiring Smashwords or its licensees to retrieve previously disseminated digital content, whether samples or otherwise, upon termination.

Smashwords, in turn, licensed Barnes & Noble to distribute samples, including electronic samples such as the one in question. And just as the agreement between Smith and Smashwords did not require retrieval upon termination, the Smashwords-Barnes & Noble agreement did not require Barnes & Noble to retrieve or prevent a customer's further access to digital content the company was authorized (and indeed expected) at one time to provide.

Plaintiff does not dispute that Barnes & Noble was authorized initially to provide the free sample to a single Customer, which happened on June 12, 2010. Plaintiff also does not challenge

[9] For the purposes of this motion, Barnes & Noble does not dispute Plaintiff's ownership of a valid copyright.

instances on which this Customer refreshed access to the sample between that time and October 27, 2011, when Smith ended his relationship with Smashwords. Rather, Plaintiff's complaint is based upon the fact that after Smith revoked authorization for Smashwords to sell and sample *Hardscrabble*, the single Customer to whom Barnes & Noble was unquestionably authorized to provide the digital sample in the first instance re-accessed his or her sample through Barnes & Noble's digital locker system. Plaintiff's Letter, ECF No. 64.

Barnes & Noble's system allowed this Customer to continue viewing the sample on his or her NOOK device after October 27, 2011. But Plaintiff's efforts to hold Barnes & Noble liable for copyright infringement, whether direct or contributory, on this basis must fail because Barnes & Noble was authorized to provide this customer with the sample and not required to take it back.

Importantly, where "the contested issue is the scope of a license, rather than the existence of one, the copyright owner bears the burden of proving that the defendant's copying was unauthorized under the license . . . ." *See Graham v. James*, 144 F.3d 229, 236 (2d Cir. 1998). Such is exactly the case here, and Plaintiff cannot carry this burden, because nothing in the agreements at issue required Barnes & Noble to revoke or cut off the Customer's access to the free sample after October 27, 2011.

To interpret the agreements otherwise would be unreasonable and unsupportable. Consider the circumstances. First, Smith granted a sweeping license, authorizing the "publishing," "distribution," and "marketing" of *Hardscrabble*. Such broad, all-encompassing language was clearly intended to *enable*, not restrict, commercial endeavors undertaken to generate book sales, such as those that occurred here. *Cf. Gibbs-Alfano v. Burton*, 281 F.3d 12, 19 (2d Cir. 2002). Second, Smashwords gave Smith the option to sample or not, and he *chose* to enable sampling pursuant to a sweeping agreement. Smith expressly conferred "the right to distribute samples of

the [*Hardscrabble*] in any form of media, including printed media . . . ." Third, no language in the agreement requires Smashwords or its licensees to prevent further access to samples by customers who previously acquired them, and to read the agreement that way would make no sense.

Consider: had Barnes & Noble handed out paper copies, Smith unquestionably could not seek to impose liability for failing to take them back. SUMF ¶ 20 (contract authorized distribution of paper samples). Similarly, had the Customer navigated to Smith's author page on smashwords.com, downloaded the Epub file available there for free, and loaded it onto his or her NOOK device, the Customer's access to the sample in perpetuity (on the same NOOK device no less) would have been *completely* uncontroversial. SUMF ¶ 25, 26 (contract authorized distribution of digital samples). And had a customer purchased the eBook for $3.33 when Barnes & Noble made the free sample available, there would be no question that the governing agreements authorize Barnes & Noble, through its digital locker system, to allow access to that content.[10] The interpretation of the agreements and the outcome must be the same for the free digital sample in question. The agreements do not distinguish or create special obligations with respect to free content or samples of digital as opposed to print content.

To be clear: nothing in the relevant agreements even remotely suggests an obligation to cut off access to customers who acquired samples of *Hardscrabble* at a time when Barnes & Noble was authorized to provide them. At no time prior to commencement of this lawsuit and the

[10] Indeed, because the parties' agreements unquestionably encompass zero-dollar purchases, the following language from the 2010 Smashwords-Barnes & Noble agreement, which applies to eContent, not merely eBooks, is also dispositive in Barnes & Noble's favor: "Section 5(a) . . . Any eContent Store shall be permitted (without any payment to eContent Provider or any third party) to allow its customers from time to time to upload and download eContent previously purchased by such customers from such eContent store even if the content is no longer available for sale in such eContent Store"; and "Section 7 . . . in the event Barnes & Noble withdraws a particular item of eContent as provided herein, Barnes & Noble shall be able to continue to distribute such item of eContent to past purchasers of that item of eContent." SUMF ¶ 75.

disposition of most claims in connection with Barnes & Noble's motion to dismiss did Smith ever communicate such a desire to Barnes & Noble.

II. Smith Abandoned His Rights in the *Hardscrabble* Sample.

A copyright holder abandons his rights in a work if he manifests: "(1) an intent . . . to surrender rights in the work; and (2) an overt act evidencing that intent." *Capitol Records, Inc. v. Naxos of Am., Inc.*, 262 F. Supp. 2d 204, 211 (S.D.N.Y. 2003). In *Stuff v. E.C. Publ'ns, Inc.*, this Court found abandonment where the copyrighted work "had appeared over a long period of time and . . . plaintiff's husband had been most derelict in preventing others from infringing his copyright." 342 F.2d 143, 144-45 (2d Cir. 1965). Similarly, in *Fashion Originators Guild of Am., Inc. v. FTC*, this Court explained that offering clothing containing a design for general sale placed the design in the public domain to be freely copied by third parties. 114 F.2d 80, 84 (2d Cir. 1940), *aff'd*, 312 U.S. 457 (1941). Likewise, in *Bell v. Combined Registry Co.*, the plaintiff abandoned his copyright interest in his poem by not objecting to a psychiatrist's dissemination of thousands of copies of the poem to his patients and by affirmatively stating that he would not object. 397 F.Supp. 1241, 1247 (N.D. Ill. 1975), *aff'd*, 536 F.2d 164 (7th Cir. 1976). The circumstances here similarly constitute abandonment.

Smith made each page of the *Hardscrabble* sample—and more—freely available to be viewed by the entire world online, without restriction. Significant portions of *Hardscrabble* remained so at the time of Barnes & Noble's answer, SUMF ¶ 73, and remain so to this day, SUMF ¶ 76. Indeed, today there is no restriction on the ability to sample these pages. For example, on Amazon.com and Google Books a user can view numerous chapters of the eBook (including the five that make up the *Hardscrabble* sample) without even signing in. SUMF ¶ 77.

As such, Smith, and now Plaintiff, have made clear that they take no issue with the viewing public accessing these pages of *Hardscrabble* for free without restriction. To the extent Plaintiff now seeks to contend otherwise with respect to Barnes & Noble, it is impossible to police alleged copyright violations against anyone else associated with these pages of Smith's work. As in *Stuff*, this warrants a finding of abandonment with respect to the sample. *Stuff*, 342 F.2d at 144-45. Indeed, such widespread "distribution [is] strong evidence that the author did not endeavor to protect a commercial property" and has thus abandoned his interest in a work. *Bell*, 397 F.Supp. at 1249.

Courts require copyright holders to place "careful protections" on the use of their copyrighted material. *See, e.g.*, *Capitol Records, Inc. v. MP3tunes, LLC*, 821 F. Supp. 2d 627, 648 (S.D.N.Y. 2011) ("the record reveals that EMI placed careful restrictions on the use of its promotional songs and required consumers to visit certain websites or provide valuable marketing information before downloading a song."). Plaintiff did not. By virtue of long placing the relevant pages into the public sphere, a determination of abandonment is warranted. *See Stuff*, 342 F.2d at 144-45; *Fashion Originators*, 114 F.2d at 84; *Bell*, 397 F.Supp. at 1247. And whether referred to as abandonment or another doctrine, equity simply would not permit holding Barnes & Noble liable for allowing one Customer to continue to access through the company's digital locker system what he or she just as easily could have accessed at any time for free online.

III. Fair Use Warrants Summary Judgment in Barnes & Noble's Favor.

Plaintiff's claims are also barred by fair use. *See* 17 U.S.C. § 107. Section 107 provides a four-factor test for determining whether the use of a copyrighted work is a non-infringing fair use. The factors are: "(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 first, third, and fourth factors show that Barnes & Noble's use—allowing the single Customer to re-access a sample acquired when the company was unquestionably authorized to distribute it—is fair use as a matter of law.

First, Barnes & Noble initially distributed the *Hardscrabble* sample to a single Customer with Smith's undisputed authorization. SUMF ¶ 39. Such distribution was for the purpose of attracting a sale, which would have inured to the benefit of Plaintiff. SUMF ¶¶ 35, 37. The additional instances in which the Customer refreshed access to the sample after Smith had terminated his relationship with Smashwords did not change the character of this use; the Customer was merely accessing through Barnes & Noble's digital locker system what she had acquired the right to access and could have accessed elsewhere online for free without restriction. This is not a case involving a defendant who sought to unjustly benefit from the plaintiff's efforts.

Second, the relevant sample is small in comparison to the total eBook. The *Hardscrabble* sample consisted of fewer than five chapters of the eBook, which has at least 44 chapters. SUMF ¶ 78. Taken on their own, these chapters effectively lack commercial value. Indeed, Barnes & Noble listed the full eBook with Smith's authorization for $3.33, SUMF ¶¶ 11, 35, 37, and not one person purchased it from Barnes & Noble for that price, SUMF ¶ 54. Smith made the sample and more widely available for free on the internet. SUMF ¶¶ 76, 77.

Finally, the effect of Barnes & Noble's alleged use on the potential market for or value of the copyrighted work is zero. Barnes & Noble distributed the sample to only one potential customer. SUMF ¶ 39. This is not a case where the defendant has misappropriated the plaintiff's work and diminished its value in some way. Any individual (including the Customer discussed

above) can view every page that would have been in the *Hardscrabble* sample for free on both Google Books and Amazon.com. SUMF ¶¶ 76, 77. And the samples of *Hardscrabble* currently offered by Google Books and Amazon.com display much more of *Hardscrabble* than Barnes & Noble ever did. SUMF ¶ 77.

IV. Summary Judgment in Barnes & Noble's Favor Is Warranted by the Doctrine of *De Minimis Non Curat Lex*.

Under the doctrine of *de minimis non curat lex*, "trivial" unauthorized copying is not a violation of the law. *On Davis v. The Gap, Inc.*, 246 F.3d 152, 173 (2d Cir. 2001), *as amended* (May 15, 2001). As the Second Circuit has explained:

> The *de minimis* doctrine is rarely discussed in copyright opinions because suits are rarely brought over trivial instances of copying. Nonetheless, it is an important aspect of the law of copyright. Trivial copying is a significant part of modern life. . . . Because of the *de minimis* doctrine, in trivial instances of copying, we are in fact not breaking the law. If a copyright owner were to sue the makers of trivial copies, judgment would be for the defendants. The case would be dismissed because trivial copying is not an infringement.

Id.

Although the *de minimis* doctrine is uncommon, its application to the rare suit like this is not. In *Straus v. DVC Worldwide, Inc.*, a photographer sued for copyright infringement when, after a nationwide advertising campaign, one photograph was left up in a store for about a month without authorization. 484 F. Supp. 2d 620, 639-40 (S.D. Tex. 2007). The photographer also alleged that the defendant had without authorization displayed his photo in a television commercial. *Id.* at 640-41. The court held that the allegedly unauthorized uses fell below the threshold of actionable copying. *Id*. (citing *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215 (2d Cir. 1998) and discussing its rationale for holding that unauthorized use of copyrighted photos in film was *de minimis*); *see also Eng v. Reichardt*, No. 14-CV-1502 ENV LB, 2014 WL 2600321, at *4 (E.D.N.Y.

June 9, 2014) (applying *de minimis* doctrine in copyright suit against former professor who allegedly gave unauthorized copies of the student's screenplay to other educational supervisors); *Swisher Mower & Mach. Co. v. Haban Mfg., Inc.*, 931 F. Supp. 645, 648 (W.D. Mo. 1996).

Here, Plaintiff has alleged that Barnes & Noble exceeded the scope of Smith and Smashwords' agreement when it allowed one Barnes & Noble Customer—who was inarguably permitted to acquire the sample initially—to re-access his or her sample after Smith and Smashwords parted ways. As in these cases, such behavior, even if unauthorized, is too trivial to be actionable. Indeed, the allegedly improper conduct here was more trivial than examples provided by the Second Circuit itself, such as "mak[ing] a photocopy of a letter from a friend to show to another friend, or of a favorite cartoon to post on the refrigerator;" photographing one's "children perched on José de Creeft's Alice in Wonderland sculpture"; and "record[ing] television programs aired while we are out, so as to watch them at a more convenient hour." *On Davis*, 246 F.3d at 173.

It would it be inequitable to hold Barnes & Noble liable on the facts of this case: Barnes & Noble acted in good faith at all times, gained absolutely no benefit from the alleged misconduct, and did not in any way hurt Smith's ability to market, sell, or profit from *Hardscrabble*. In addition, much more of *Hardscrabble* than the sample accessed by the Customer could be viewed for free on Google Books and Amazon.com at the same time. SUMF ¶¶ 76, 77. Summary judgment in Barnes & Noble's favor is thus appropriate on both claims in this case.

CONCLUSION

For the foregoing reasons, Barnes & Noble respectfully requests that the Court grant its motion for summary judgment.

Respectfully submitted,

Dated: May 11, 2015

/s/ Peter K. Stris
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CERTIFICATE OF SERVICE

I hereby certify that on May 11, 2015, I caused the foregoing MEMORANDUM OF LAW IN SUPPORT OF BARNESANDNOBLE.COM LLC'S MOTION FOR SUMMARY JUDGMENT to be served via ECF on all counsel of record.

Dated: May 11, 2015

/s/ Peter K. Stris
Peter K. Stris