

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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:
LOUIS K. SMITH, :
:
Plaintiff, : 12 CV 4374 (ALC) (GWG)
:
- against - : ECF Case
:
BARNESANDNOBLE.COM LLC, : Oral Argument Requested
:
Defendant. :
:
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**MEMORANDUM OF LAW IN SUPPORT OF
BARNESANDNOBLE.COM LLC'S MOTION FOR SUMMARY JUDGMENT**

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PRELIMINARY STATEMENT

Defendant barnesandnoble.com llc (together with its ultimate corporate parent through affiliated companies, Barnes & Noble, Inc., “Barnes & Noble”) seeks summary judgment on Plaintiff Louis K. Smith’s (“Smith” or “Plaintiff”) claims for copyright infringement, secondary copyright infringement, and unfair competition.

Plaintiff is the author of an electronic book called *The Hardscrabble Zone* (the “eBook” or “*Hardscrabble*”). He asked a company named Smashwords to distribute it. Smashwords provided the eBook to Barnes & Noble. But Barnes & Noble never sold the eBook. Nor was it otherwise distributed by Barnes & Noble during the period of alleged infringement.

On October 3, 2012, Barnes & Noble moved to dismiss Smith’s claims and the claims of his co-plaintiff, Enrico Festa (“Festa”). Dkt. No. 13. The Court granted Barnes & Noble’s motion in part and dismissed Festa’s claims. It allowed Smith’s claims to survive, however, because “questions of fact remain[ed] regarding the book’s alleged display and distribution.” Dkt. No. 17 at 10. After a scheduling conference, the Court entered an order directing the parties to engage in discovery on two issues prior to the filing of this motion for summary judgment: “(1) whether defendant sold any copies of plaintiff’s book; [and] (2) whether any person viewed or downloaded the plaintiff’s book through a mechanism provided by defendant.” Dkt No. 25.

Barnes & Noble’s discovery responses and the deposition of its corporate representative confirmed that (1) Barnes & Noble sold zero copies of Smith’s eBook and (2) Barnes & Noble did not otherwise distribute *Hardscrabble* during the period of alleged infringement. Consequently, Barnes & Noble submits that it is entitled to summary judgment on each of Plaintiff’s claims.

STATEMENT OF FACTS

The facts necessary for this Court to decide this case on summary judgment are limited and not in dispute.

barnesandnoble.com llc and its ultimate majority parent through affiliated companies, Barnes & Noble, Inc., (collectively “Barnes & Noble”) is a well-known bookseller that sells electronic books on its website, barnesandnoble.com. barnesandnoble.com llc’s Statement of Uncontroverted Material Facts ¶ 1 (“SUMF”). Barnes & Noble contracts with other companies to sell eBooks on behalf of individual authors to the public. SUMF ¶ 2. Smashwords is one such vendor. SUMF ¶ 3.

In 2006, Plaintiff authored an eBook called *The Hardscrabble Zone* (“*Hardscrabble*”). SUMF ¶ 4. In September 2009, Plaintiff entered into a commercial relationship with Smashwords (who is a not a party to this case) for the sale of *Hardscrabble* and uploaded the eBook to the smashwords.com website. SUMF ¶ 5, 6. Smashwords provided *Hardscrabble* to Barnes & Noble to sell to retail customers. SUMF ¶ 7. In two years, only three people purchased *Hardscrabble* – all at Smashwords’ points of sale other than Barnes & Noble. SUMF ¶¶ 8-9. Not a single purchase occurred or was alleged to have occurred through barnesandnoble.com. SUMF ¶ 10.

Blaming Smashwords for the fact that only three people bought his book, Plaintiff terminated his relationship with Smashwords in October of 2011. SUMF ¶ 11. No one (including either Plaintiff or Smashwords) informed Barnes & Noble that Plaintiff had terminated his relationship with Smashwords and no longer wanted *Hardscrabble* listed on barnesandnoble.com. SUMF ¶ 12 (citing Amended Complaint, Exh. C (statements of plaintiff refusing to comply with account deactivation procedures that enable Smashwords’ take-down

notices to be automatically sent to its retail partners); Exh. J (statement of Mark Coker, Founder of Smashwords, explaining the automatic take-down process)).

Approximately five months after cancelling his Smashwords' account, Plaintiff was informed that "Amazon had found the Book available for sale on BN.com." SUMF ¶ 13. Seventeen days later, Plaintiff emailed a purported "first notification of copyright infringement" to Barnes & Noble. SUMF ¶ 14. That very day, Barnes & Noble removed the *Hardscrabble* listing from BN.com's website. SUMF ¶ 15 (citing Interrogatory Responses at 5 ("This eBook was removed from sale on April 20, 2012. . . .")); Bock Dep. at 65 (confirming that the eBook was removed from sale on April 20, 2012); Responses to Requests for Production BN00039 ("2940000794609 2012-04-20 14:28:57.830 9999-12-31 23:59:59.997 N 7 Manually forced to 'not for sale'"); Amended Complaint, Exh. F (email response to Plaintiff from Barnes & Noble)). Barnes & Noble also informed Plaintiff that it had "sold zero (0) copies of the Book, in both print and eBook version." SUMF ¶ 16.

Nonetheless, Plaintiff demanded a \$50,000 payment from Barnes & Noble. SUMF ¶ 17. Thereafter, he filed this lawsuit seeking \$150,000 in statutory damages for alleged copyright infringement. SUMF ¶ 18.

On August 9, 2012, Plaintiff filed an amended complaint adding claims for contributory copyright infringement and unfair competition, and adding a second plaintiff, Enrico Festa ("Festa"). SUMF ¶ 19 (citing Dkt. No. 8). On October 3, 2012, Barnes & Noble moved to dismiss Smith and Festa's claims pursuant to Fed. R. Civ. P. 12(b)(6). SUMF ¶ 20 (citing Dkt. No. 13). The Court granted Barnes & Noble's motion in part, dismissing Festa. SUMF ¶ 21 (citing Dkt No. 17). It also held that merely listing *Hardscrabble* "for purchase, even with a picture of the cover, does not involve sufficient protected expression to trigger 17 U.S.C. § 106."

SUMF ¶ 22 (citing Dkt. No. 17 at 6-7). The Court denied Barnes & Noble's motion to dismiss Smith's claims, however, because "questions of fact remain[ed] regarding the book's alleged display and distribution." SUMF ¶ 23 (citing Dkt. No. 17 at 10). After a Rule 16(a) scheduling conference, the Court entered an order permitting Plaintiff to conduct discovery on two narrowly circumscribed issues: "(1) whether defendant sold any copies of plaintiff's book; [and] (2) whether any person viewed or downloaded the plaintiff's book through a mechanism provided by defendant." SUMF ¶ 24 (citing Dkt. No. 25). Additionally, the Court scheduled Barnes & Noble's contemplated motion for summary judgment to be filed on October 31, 2013. SUMF ¶ 25 (citing Dkt. No. 25).

Subsequently, the parties exchanged their Rule 26(a) initial disclosures. SUMF ¶ 26. Plaintiff propounded interrogatories and requests for production. SUMF ¶ 27. Barnes & Noble responded. SUMF ¶ 28. Plaintiff then took the deposition of Barnes & Noble's corporate representative, David Bock. SUMF ¶ 29.

Barnes & Noble's discovery responses confirmed the following: First, Barnes & Noble never sold a single copy of Hardscrabble. SUMF ¶ 30 (citing Bock Dep. 86-87 (confirming that Barnes & Noble did not sell any copies of the eBook by reviewing the relevant Barnes & Noble data report (BN000021) and responding to the question "Does this Report purport to show that there were no sales for the book, at any relevant period that appears on the Report itself" as follows: "Yes, it does."); Responses to Requests for Production BN000021 (showing the number "0" for all fields that track sales)). Second, Barnes & Noble did not otherwise distribute the eBook during the period of alleged infringement. SUMF ¶¶ 31-62.

Absent a sale, there are only four other ways by which a book offered for sale by Barnes & Noble, or a sample thereof, might be available for viewing on barnesandnoble.com or

downloading onto an eReader or tablet device. SUMF ¶ 31. First, a customer might be able to use Barnes & Noble's "See Inside" feature on the barnesandnoble.com website, which allows users to replicate the experience of browsing a book for which this feature is available by flipping through selected pages. SUMF ¶ 32.¹ Barnes & Noble records confirm, however, that the "See Inside" feature was never available for *Hardscrabble*. SUMF ¶ 34. Indeed, that feature is not available for any eBook. SUMF ¶ 35 (citing Interrogatory Responses at 4 ("The 'See Inside' feature is not done for eBooks"); Bock Dep. 48 (confirming that "See Inside" was never enabled for the eBook)).

Second, customers can now use Barnes & Noble's "webReader," which allows a customer to preview selected pages of eBook titles on the barnesandnoble.com website. SUMF ¶ 36. Barnes & Noble first launched the webReader in July of 2012. SUMF ¶ 37 (citing Interrogatory Responses at 5 ("The webReader "preview" functionality on bn.com that became available after "See Inside" was not launched until July of 2012. BN000022-25."); Bock Dep. at 65 (confirming that the eBook was removed from sale on April 20, 2012 prior to the launch of the webReader in July of 2012)). The eBook was removed from sale on April 20, 2012, prior to the launch of that functionality. SUMF ¶ 38. Thus, with the exception of a single user who acquired a sample in 2010, discussed in greater detail below, *Hardscrabble* could not have been read or sampled using the webReader. SUMF ¶ 39.

Third, a customer with a NOOK[®] device can use Barnes & Noble's "Read in Store" feature. SUMF ¶ 40. The "Read in Store" feature allows a user to browse an eBook title using a NOOK[®] reader or tablet for up to an hour while in a Barnes & Noble retail store. SUMF ¶ 41. Barnes and Noble records make clear, however, that no customer ever sampled *Hardscrabble*

¹ To be clear: Barnes & Noble generally uses the term "customer" for someone who interacts with its website – a potential customer – regardless of whether the person has purchased a product. SUMF ¶ 33.

using this feature. SUMF ¶ 42 (citing Interrogatory Responses at 9 (“This title was eligible for Read In Store from January 14, 2010 until April 20, 2012; however, no one ever accessed it using this feature. BN000026-27, BN000034-37.”)).

Finally, a customer can obtain a sample of an eBook if a sample file has been created for the eBook in question. SUMF ¶ 43. The vendor – in this case Smashwords – determines whether a sample will be offered for its titles. SUMF ¶ 44. If so, Barnes & Noble creates a sample file for the title at the time the eBook is ingested into Barnes & Noble’s system. SUMF ¶ 45 (citing Bock Decl. ¶ 3; Bock Dep. 42 (“[W]hen the book is ingested, a sample is created.”)). One such sample file was created for *Hardscrabble* (the “*Hardscrabble* sample”). SUMF ¶ 46 (citing Bock Decl. ¶ 6; Bock Dep. at 73 (identifying Bates-stamped documents BN000001 to BN000020 as “a printout of the sample file that was created when the book, the Hard-Scrabble Zone, was ingested.”)).

Where a sample file exists for an eBook offered for sale by Barnes & Noble, customers with a Barnes & Noble account can use a NOOK[®] device or a tablet device offered by other manufacturers onto which NOOK[®] application software has been downloaded to obtain the sample file. SUMF ¶ 47. Customers who have previously obtained a sample can generally access the sample again in the future without limitation. SUMF ¶ 48. To access the entire eBook for which a sample has been obtained, however, they would of course have to purchase the title. SUMF ¶ 49.

A single Barnes & Noble account holder (the “User”) acquired the sample of *Hardscrabble* on June 12 2010, roughly a year and a half before Smith terminated his relationship with Smashwords. SUMF ¶ 50 (citing Bock Decl. ¶ 6; Interrogatory Responses at 11 (“One sample was acquired into the digital locker of a user in 2010. BN000001-20,

BN000030-33”); Responses to Requests for Production at BN000032 (showing that the first download event occurred on June 12, 2010)). No other customer ever acquired a sample of *Hardscrabble*. SUMF ¶ 51. When the title was delisted from Barnes & Noble’s website on April 20, 2012, both the title and the sample were removed, and from that point forward no other customers were able to acquire them. SUMF ¶ 52.

Through querying its systems, Barnes & Noble determined that the User who acquired the sample in 2010 renewed access to it on future occasions. The relevant technical mechanics are as follows:

When a customer acquires digital content from Barnes & Noble – for example by purchasing an eBook or downloading a sample – the content is stored through a digital locker associated with the customer’s account. SUMF ¶ 53. Customers can access their digital locker content by logging in on the barnesandnoble.com website or by using NOOK[®] devices or client application software associated with the account.² SUMF ¶ 54.

To access content stored in their digital locker, users must be logged into their Barnes & Noble accounts and, unless webReader is used, the content must also be downloaded to be viewed on the device they are using. SUMF ¶ 56 (citing Bock Decl. ¶ 12; Bock Dep. 37 (“Q: A user needs to be logged into their account? . . . A: Yes” “Q: And then once they’re logged into the account, they can get access to their Digital Locker. A. Correct.”)). Although customers can store the content they have acquired locally on their devices, the digital locker ensures that they do not need to do so permanently, which could take up too much space and in the case of an avid reader, could exceed the storage capacity of the device. SUMF ¶ 57. Instead, an icon representing the content – for example the book cover, which, in the case of a sample, is labeled

² Only one user account may be associated with a given NOOK[®] device or software application at any time. SUMF ¶ 55.

“SAMPLE,” appears in the device library. SUMF ¶ 58. If the content has not been accessed on the device for a period of time, it is stored on remote servers and users can re-download it by pressing the icon. SUMF ¶ 59.

The User who initially acquired the *Hardscrabble* sample to his or her digital locker on June 12, 2010 subsequently downloaded the sample seven times. SUMF ¶ 60 (citing Bock Decl. ¶ 14; Responses to Requests for Production BN000001-20 (showing that the sample file was downloaded to the User’s device on 6/12/2010, 7/2/2010, 7/17/2010, 7/19/2011, 7/22/2011, 5/28/2012, and 7/27/2012); Bock Dep. 54 (“downloads from the Digital Locker are tracked in the system that manages the Digital Locker.”), 62 (“The EDS database tracks when a user downloads a book or a sample.”), 127 (testimony of David Bock explaining the phrase “Licensed Processor: License Retrieved Successfully” . . . “[e]ncapsulat[es] the event to setup the download for [the *Hardscrabble* sample] file.”). After Barnes & Noble launched webReader in July of 2012, it would also have been technically possible for this User to have accessed the sample by logging into his or her account on barnesandnoble.com and reading the sample via webReader through the digital locker. SUMF ¶ 61. Barnes & Noble does not track whether this occurred. SUMF ¶ 62.

ARGUMENT

Summary judgment is appropriate where “the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that 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). See also *U.S. Underwriters Ins. Co. v. Zeugma Corp.*, No. 97-Civ-8031, 1998 WL 633679, at *2 (S.D.N.Y. Sept. 15, 1998) ("Summary judgment is appropriate where all facts are undisputed and only questions of law remain to be decided.").

"In moving for summary judgment against a party who will bear the ultimate burden of proof at trial, the movant may satisfy this burden by pointing to an absence of evidence to support an essential element of the nonmoving party's claim." *Emerson Enters., LLC v. Kenneth Crosby New York, LLC*, No. 03-Civ-6530, 2009 WL 3190445, at *7 (W.D.N.Y. Apr. 21, 2009) (quoting *Gummo v. Village of Depew*, 75 F.3d 98, 107 (2d Cir. 1996)). See also *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986). Barnes & Noble is entitled to summary judgment because each of Plaintiff's claims fail based on the undisputed facts of this case.

I. BARNES & NOBLE IS ENTITLED TO SUMMARY JUDGMENT ON SMITH'S CLAIM FOR DIRECT COPYRIGHT INFRINGEMENT.

To prevail on a direct infringement theory, Plaintiff must prove "ownership of a valid copyright and the defendant's infringement by unauthorized copying." *Laureyssens v. Idea Grp., Inc.*, 964 F.2d 131, 139 (2d Cir. 1992) ("*Laureyssens*") (citing *Rogers v. Koons*, 960 F.2d 301, 306 (2d Cir. 1992); *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759, 763 (2d Cir. 1991); *Weissmann v. Freeman*, 868 F.2d 1313, 1320 (2d Cir. 1989)). Such unauthorized copying must amount to "improper" or "unlawful" appropriation. *Laureyssens*, 964 F.2d at 140 (citing *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946)). In addition, Plaintiff must prove that Barnes & Noble "engaged in some volitional conduct sufficient to show that [it] actively" violated one of Plaintiff's exclusive rights. *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp.

2d 640, 657 (S.D.N.Y. 2013) (“*ReDigi Inc.*”) (citing *Arista Records LLC v. Usenet.com, Inc.*, 633 F. Supp. 2d 124, 148 (S.D.N.Y. 2009)). See also *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 131 (2d Cir. 2008) (“*Cartoon Network*”).

In this case, Plaintiff alleges that Barnes & Noble violated his copyright protections under 17 U.S.C. § 106 by selling or “preview[ing]” copies of his eBook. Amended Complaint, Dkt. No. 8 ¶ 60. Specifically, Plaintiff claims that Barnes & Noble violated his 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 eBook for sale or preview did not constitute infringement of Plaintiff’s copyright. Dkt. No 17 at 6-7. Moreover, there was unquestionably no infringement of Smith’s vending right because *Hardscrabble* was never sold by Barnes & Noble. SUMF ¶ 31. See also Dkt. No. 17 at 7 (citing *Encyclopedia Britannica Educational Corp. v. Crooks*, 558 F.Supp. 1247, 1253 (W.D.N.Y. 1983); *Arista Records, Inc. v. Mp3Board, Inc.*, No. 00-CV-4660, 2002 WL 1997918, at *4 (S.D.N.Y. Aug. 29, 2002) (making a copy available is copyright infringement only in cases where proof of actual infringement is impossible to produce because the infringer has not kept records of public use). Accordingly, the only remaining issue is whether any unauthorized “preview” of Plaintiff’s book occurred. Dkt. No. 17 at 6 (observing that “[a]t the motion to dismiss stage, Smith could be construed to state a cognizable claim for the infringement of Smith’s copyright within the meaning of the statute based on defendant’s ‘preview’ feature of his book.”). For four reasons, that issue must be summarily resolved against Smith and in favor of Barnes & Noble.

1. The only event that arguably could be characterized as “reproduction, creation of derivative works, display, or distribution” occurred when the User acquired and first downloaded

the *Hardscrabble* sample on June 12, 2010. *See supra* pp. 4-8. *See also* SUMF ¶ 50. Such acquisition did not violate Plaintiff's copyright protections, however, because Plaintiff engaged Smashwords to sell his eBook and "[Barnes & Noble] is a Smashwords' retailer." SUMF ¶¶ 2, 5-7. The *Hardscrabble* sample was limited to a small number of pages of the eBook. SUMF ¶ 46. And it was provided to the User for the purpose of promoting the eBook on Plaintiff's behalf and for his profit. SUMF ¶¶ 2, 5-7.

Moreover, Barnes & Noble did not violate any of Plaintiff's copyright protections by permitting the User to re-download the *Hardscrabble* sample to the User's devices after he or she acquired it. SUMF ¶ 55 (identifying each download event, five of which occurred prior to Smith's termination of his relationship with Smashwords, and two of which occurred after Smith's termination of his relationship with Smashwords). Nor did Barnes & Noble commit a violation by providing a technical environment after July 2012 in which it was possible for this User to log into his or her account on barnesandnoble.com and access the sample through his or her digital locker using webReader—which may or may not have happened. The reason is straightforward: Barnes & Noble's digital locker system acts as a repository for all of the eBooks a user has purchased or acquired. SUMF ¶ 53 (citing Bock Decl. ¶ 9; Bock Dep. 26 (explaining that the digital locker is "a repository of where the digital products, that a customer buys or has access to, are stored."), 29-30 ("a Digital Locker is a place that someone who has an account on BarnesandNoble.com, who has purchased or acquired a product, where that digital product would be stored." "[E]veryone who has an account on BarnesandNoble.com has a Digital Locker. There may not be anything in it, but there is a Digital Locker for you."), 31 ("[E]very account on Barnes & Noble has an associated Digital Locker."), 35-36 ("Q: Where does [the digital locker] reside? A: It's on a database server.")). It is effectively a bookshelf for digital

products a user owns. SUMF ¶ 53. The fact that a user's copy is "shelved" in the digital locker does not change the nature of a user's relationship with such goods. Had the User acquired a single authorized printed sample and stored it on a home or office bookshelf, the User would be free to remove it from the shelf ad infinitum without issue. So too here. Because Barnes & Noble permissibly allowed the User to acquire a *Hardscrabble* sample, it did not violate Plaintiff's rights by permitting this User to subsequently download the *Hardscrabble* sample or view it via webReader. SUMF ¶ 60-61.

2. Barnes & Noble's digital locker system is automated. SUMF ¶ 66. Barnes & Noble did not engage in volitional conduct to provide the sample to the User on subsequent occasions after the User initially acquired the authorized sample file in 2010. SUMF ¶ 66. The subsequent User downloads and any access by this User that may have taken place using webReader are not violations; however, if they were, the situation would be akin to *Cartoon Network*, in which the Second Circuit explained that where there are only two instances of volitional conduct – one, the defendant's conduct "in designing, housing, and maintaining a system that exists only to produce a copy" and another, the customer's conduct "in ordering that system to produce a copy of a specific program" – the customer "supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine." 536 F.3d at 131. Because Barnes & Noble did not "engage[] in some volitional conduct" in transmitting the *Hardscrabble* copy to the User during the alleged period of copyright infringement, it cannot possibly have violated Plaintiff's copyright protections. *Cartoon Network*, 536 F.3d at 131; *ReDigi Inc.*, 934 F. Supp. 2d at 657.

3. Plaintiff's claims are barred by the fair use doctrine. *See* 17 U.S.C. § 107. Section 107 provides a four-factor test for determining whether the use of a copyrighted work is

not an infringement of copyright. The four 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 of these factors militate in favor of a finding of noninfringement.

First, the *Hardscrabble* sample was distributed only once and under the authorization of Plaintiff. SUMF ¶¶ 2, 5-7, 50. Such distribution was for the purpose of attracting a sale. SUMF ¶¶ 2, 5-7. The proceeds of such a sale would have inured to the benefit of Plaintiff. SUMF ¶¶ 2, 5-7. This is not a case involving a defendant who sought to unjustly benefit from the efforts of the plaintiff.

Second, the amount and substantiality of the *Hardscrabble* sample is small in comparison to the total eBook. The *Hardscrabble* sample was comprised of under five chapters of the eBook, which has at least 34 chapters. SUMF ¶¶ 46, 65. Taken on their own, these chapters effectively lack commercial value. Indeed, the full eBook was listed by Barnes & Noble for \$3.33, SUMF ¶ 68, and not one person purchased it for that price, SUMF ¶ 30.

Finally, and most importantly, the effect of Barnes & Noble’s use on the potential market for or value of the copyrighted work is zero. The *Hardscrabble* sample was distributed to only one potential customer. SUMF ¶ 50. This is not a case where the defendant has misappropriated the plaintiff’s work and diminished its value in some way. Indeed, such an argument would be completely meritless because any individual (including the User discussed above) can view every page of the *Hardscrabble* sample for free on both Google Books and Amazon.com. SUMF ¶¶ 63, 64. And the samples of *Hardscrabble* currently offered by Google Books and

Amazon.com display much more of *Hardscrabble* than Barnes & Noble ever did – a total of 34 and 11 chapters respectively. SUMF ¶ 65.

4. 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.* (“*Stuff*”), 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* (“*Fashion Originators*”), 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.* (“*Bell*”), the plaintiff was found to have 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).

Plaintiff made each page of the *Hardscrabble* sample freely available to be viewed by the entire world. SUMF ¶ 63-65. As such, it is impossible for Plaintiff to police copyright violations associated with these pages of his 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.

Moreover, Plaintiff did not adequately restrict the ability to sample these pages of his title. For example, on Amazon.com a user can view 34 chapters of the eBook (including the five

that make up the *Hardscrabble* sample) without even signing in. SUMF ¶¶ 63-65. 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. Because Plaintiff placed the relevant pages of his work 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.

II. BARNES & NOBLE IS ENTITLED TO SUMMARY JUDGMENT ON SMITH’S CLAIM FOR CONTRIBUTORY COPYRIGHT INFRINGEMENT.

To prevail on a secondary liability theory, Plaintiff must prove direct infringement by specific third parties. *Arista Records LLC v. Lime Group LLC*, 784 F. Supp. 2d 398, 423 (S.D.N.Y. 2011) (“*Lime Group*”) (citing *Island Software & Computer Serv., Inc. v. Microsoft Corp.*, 413 F.3d 257, 260 (2d Cir. 2005)). Plaintiff must prove that Barnes & Noble “induc[ed] or encourage[ed]” such direct infringement. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster*, 545 U.S. 913, 930 (2005) (“*Grokster*”) (“One infringes contributorily by intentionally inducing or encouraging direct infringement. . . .”). Plaintiff must prove that Barnes & Noble “[p]rofit[ed] from [the] direct infringement.” *Grokster*, 545 U.S. at 931. And Plaintiff must prove that Barnes & Noble had “knowledge [of] the infringing activity.” *Wolk v. Kodak Imaging Network, Inc.*, 840 F. Supp. 2d 724, 750 (S.D.N.Y. 2012) (internal quotation marks omitted). Plaintiff cannot establish the elements to prevail on a contributory copyright theory.

1. Plaintiff cannot prove direct infringement by any specific third party. Only one Barnes & Noble user ever acquired a sample of *Hardscrabble*. SUMF ¶ 50. The User acquired that sample during the time that Smith had entered into a commercial relationship with

Smashwords for the sale of *Hardscrabble*. SUMF ¶ 2, 5-7, 50. It was not a violation for that User subsequently to download that sample of *Hardscrabble* from his or her digital locker.

2. To the extent that there was any direct infringement by a third party – and there is no evidence of any such direct infringement – Barnes & Noble did not induce or encourage it. *Grokster*, 545 U.S. at 930 (2005). This case is entirely unlike secondary liability cases such as *Grokster* and *Arista*. *Grokster*, 545 U.S. 913; *Lime Group*, 784 F. Supp. 2d 398. Those cases involved allegations that a product’s design encouraged infringing activities. *Grokster*, 545 U.S. at 922; *Arista*, 784 F. Supp. 2d at 409. There is and can be no such allegation here.

3. Plaintiff cannot prove that Barnes & Noble profited from any direct infringement. As this Court has noted, “[s]elling infringing materials to third parties is frequently the basis for secondary liability claims.” Dkt. No. 17 at 10 (citing *Kalem Co. v. Harper Bros.*, 222 U.S. 55, 62-63 (1911) (finding secondary liability for advertising infringing films with the expectation that third parties would reproduce them); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 420, 435 (1984) (addressing claim of secondary liability on the merits where petitioner had not sued downstream users of allegedly infringing product)). No one, including the User, ever purchased the eBook from Barnes & Noble. SUMF ¶ 31.

4. Plaintiff cannot prove that Barnes & Noble had knowledge of any infringing conduct because there was no infringing conduct.

III. BARNES & NOBLE IS ENTITLED TO SUMMARY JUDGMENT ON SMITH’S CLAIM FOR UNFAIR COMPETITION.

Plaintiff’s unfair competition claim is nothing more than a repackaged copyright claim and is thus barred under controlling Supreme Court precedent. Moreover, Plaintiff lacks standing to maintain his claim for unfair competition. And Plaintiff cannot even prevail under the plain language of the statute. Summary judgment is warranted.

1. The Lanham Act § 43(a)(1) imposes liability for “any false designation of origin, false or misleading description of fact, or false or misleading representation of fact” that:

(A) is likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services or commercial activities.

15 U.S.C. § 1125(a)(1)(A)-(B). “Claims under section 43(a) are styled as either false representation under subsection (A) or false advertising under subsection (B).” *Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 307 (S.D.N.Y. 2011) (“*Morel*”). Section 43(a) targets “actions like trademark infringement that deceive consumers and impair a producer’s goodwill.” *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 32 (2003).

“In *Dastar*, the Supreme Court admonished that section 43(a) of the Lanham Act—which governs trademarks—cannot be invoked as an end run around the copyright laws or to add another layer of protection to copyright holders.” *Morel*, 769 F. Supp. 2d at 307 (quoting *Dastar*, 539 U.S. at 33-34 (“[I]n construing the Lanham Act, we have been careful to caution against the misuse or over-extension of trademark and related protections into areas traditionally occupied by patent or copyright.” (quotation marks and citation omitted))). Plaintiff’s attempt to style his Copyright Act claim as a Lanham Act claim contravenes this rule.

On two separate occasions, this Court has expressly held that a plaintiff’s claim for “false representation of ‘affiliation’ between the author and a distributor of communicative products” is an improper repackaging of a copyright claim and barred under the Supreme Court’s decision in *Dastar*. *Morel*, 769 F. Supp. 2d at 307 (“While *Dastar* concerned a misrepresentation of origin claim, courts have recognized that its reasoning applies with equal force to bar claims, also brought under section 43(a)(1)(A), for false representation of “affiliation” between the author

and a distributor of communicative products. . . . This Court agrees with that line of authority.” (citation omitted)); *Antidote Int’l Films, Inc. v. Bloomsbury Publ’g, PLC*, 467 F.Supp.2d 394, 399 (S.D.N.Y. 2006) (“*Antidote Films*”) (finding that *Dastar* applies to affiliation claims “where, as here, one person is the publisher of a novel and the other is the author of the novel, because the holding of *Dastar* would be meaningless if a false authorship claim could be recast in this manner.”). *Dastar*, *Morel*, and *Antidote Films* unquestionably bar Plaintiff’s repackaged copyright claim. Indeed, Plaintiff’s theory of false affiliation (discussed immediately below) is nothing more than a recasting of his “make available” copyright infringement theory, which this Court previously rejected. Dkt. No. 17 at 7 (“The simple listing of the book on the website fails to state a claim.”).

2. Plaintiff lacks standing to proceed under the theory of unfair competition he unveiled in opposing Barnes & Noble’s motion to dismiss. Initially, it seemed that Plaintiff’s theory of unfair competition was predicated on Barnes & Noble’s alleged misrepresentation “that it had a license or permission to offer *Hardscrabble* for sale when it did not.” Dkt. No. 13 at 10. But Plaintiff has expressly disavowed that theory. Dkt. No. 14 at 12 (expressly disavowing that his claim is related to any “licensing dispute”). Instead, Plaintiff’s theory is entirely predicated on alleged “confusion [that] is a result of misdirected search engine results.” Dkt. No. 14 at 13.

“[T]o have standing for a [Lanham Act] false advertising claim, the plaintiff must be a competitor of the defendant and allege a competitive injury.” *Telecom Int’l Am., Ltd. v. AT & T Corp.*, 280 F.3d 175, 197 (2d Cir. 2001) (quoting *Stanfield v. Osborne Indus., Inc.*, 52 F.3d 867, 873 (10th Cir. 1995) and citing *L.S. Heath & Son, Inc. v. AT & T Info. Sys., Inc.*, 9 F.3d 561, 575 (7th Cir. 1993); *Waits v. Frito–Lay, Inc.*, 978 F.2d 1093, 1109 (9th Cir. 1992)). Plaintiff is not a competing bookseller and has not alleged a competitive injury. SUMF ¶ 4. Indeed, as an author,

he benefitted from Barnes & Noble's listing of his eBook because one User acquired a *Hardscrabble* sample and thus was more likely to purchase the eBook. SUMF ¶¶ 2, 5-7, 50. If Smith's eBook had sold any copies, he would have made money; his interests were directly aligned with those of Barnes & Noble. SUMF ¶¶ 2, 5-7. He therefore lacks standing to maintain this claim.

3. In any event, Plaintiff cannot even satisfy the rule from *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446, 485 (S.D.N.Y. 2008) ("*Burck*") that he urged in opposing Barnes & Noble's motion to dismiss. Dkt. No. 14 at 12. In his opposition, Plaintiff argued that a false endorsement claim may lie if he proves that Barnes & Noble, "(1) in commerce, (2) made a false or misleading representation of fact (3) in connection with goods or services (4) that is likely to cause consumer confusion as to the origin, sponsorship, or approval of the goods or services." Dkt No. 14 at 12 (quoting *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446, 485 (S.D.N.Y. 2008)). This case does not involve any false or misleading representation of fact. Indeed, Plaintiff does not allege that Barnes & Noble inaccurately described his eBook at all. Nor could the mere listing of *Hardscrabble* possibly cause consumer confusion in any way relevant to trademark law. The only potentially relevant "good" is Plaintiff's eBook. Authorship was clearly attributed to him, SUMF ¶ 67, and nothing about Barnes & Noble's conduct suggested that it sponsored or approved of the eBook. The only potentially relevant "service" is Barnes & Noble's bookselling service. Nothing about Barnes & Noble's conduct suggested that Smith originated, sponsored, or approved of that service.

CONCLUSION

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

Dated: October 31, 2013

/s/ Peter K. Stris

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CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2013, 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.

/s/ Peter K. Stris

Peter K. Stris