

15-3508-CV

United States Court of Appeals
for the
Second Circuit

CHERYL SMITH,

Plaintiff-Appellant,

– v. –

NOOK DIGITAL, LLC, as successor-in-interest to
BARNESANDNOBLE.COM LLC, and BARNES & NOBLE, INC.,

Defendants-Appellees.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

BRIEF FOR DEFENDANTS-APPELLEES

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CORPORATE DISCLOSURE STATEMENT

Defendant-Appellee Nook Digital, LLC, by its undersigned counsel, hereby states, pursuant to Rule 26.1 of the Federal Rules of Appellate Procedure, that its ultimate corporate parent (through affiliated companies) is Defendant-Appellee Barnes & Noble, Inc., which is a publicly held corporation and the only such corporation that owns 10% or more of its stock. Defendant-Appellee Barnes & Noble, Inc., by its undersigned counsel, hereby states that it has no parent corporation and that there is no publicly held corporation that owns 10% or more of its stock.

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COUNTERSTATEMENT WITH RESPECT TO ORAL ARGUMENT

Defendants-Appellees submit that oral argument is not required because summary affirmation is warranted. Should this Court have any hesitation about that result based upon the opinion and order below or the alternative grounds set forth in this brief (which are unnecessary to reach but also fully support the judgment), Defendants-Appellees respectfully request the opportunity to be heard.

COUNTERSTATEMENT OF THE ISSUES

Whether the district court's correct determination of no copyright liability should be affirmed for lack of volition and under the *Sony-Betamax* rule or on any number of independent alternative grounds.

INTRODUCTION

Plaintiff-Appellant Cheryl Smith ("Ms. Smith") seeks to hold Defendants-Appellees Nook Digital, LLC and Barnes & Noble, Inc. (together "Barnes & Noble" or "B&N") liable for copyright infringement in a case involving no sales, and a free sample of a small portion of an ebook provided under license to one customer through Barnes & Noble's automated system. As the district court correctly found, nothing actionable happened.

The digital sample is of an ebook authored by Ms. Smith's late husband, Louis K. Smith ("Mr. Smith"). Mr. Smith originally licensed Barnes & Noble, through its relationship with a third party, Smashwords, Inc. ("Smashwords"), to provide free samples of his book. During a period in which everyone agrees the license was operable, a single customer acquired a digital sample of Mr. Smith's book. That sample was stored through Barnes & Noble's digital locker system, an automated cloud-based system through which customers can electronically access their digital content, including books they have purchased and samples they have acquired.

After this one customer's acquisition of the sample, Mr. Smith terminated his agreement with Smashwords. That had no effect on the customer's sample. To be clear: the relevant agreements authorized the customer to keep the sample in perpetuity and duplicate it for non-commercial purposes. Nothing in letter or spirit required Barnes & Noble or Smashwords to recall or "take back" this customer's sample. Moreover, the same sample (and more) was widely available (for free) elsewhere online for years; indeed, this Court can likely download it even now. Nonetheless, Ms. Smith accuses Barnes & Noble of copyright infringement—all because, on two occasions after Mr. Smith terminated his relationship with Smashwords, the sample was re-downloaded through the company's system to NOOK devices of the one customer who had validly previously acquired it. That is what Appellant complains of: (1) two re-downloads (2) though an automated system (3) of a free sample widely available elsewhere (4) that are covered here by a license.

The district court sensibly granted summary judgment to Barnes & Noble. Before doing so, the district court gave the plaintiff every opportunity to prove something—anything—actionable. After two rounds of discovery and three rounds of dispositive briefing, however, the district court correctly found no liability. This Court should affirm.

COUNTERSTATEMENT OF THE CASE

A. Factual Background

Barnes & Noble, Inc. is the ultimate corporate parent of Nook Digital, LLC, the successor in interest to barnesandnoble.com llc, (together “Barnes & Noble” or “B&N”) and a well-known bookseller. Barnes & Noble sells electronic books on its website, bn.com. A now-deceased author, Louis K. Smith (“Mr. Smith”), asserts, through his widow Cheryl Smith (“Ms. Smith” or “Appellant”), claims of direct and contributory copyright infringement against Barnes & Noble, and appeals from the district court’s grant of summary judgment in the company’s favor. A.09-25.

Mr. Smith authored an ebook. A.01, 10. In 2009, he entered into a commercial relationship with non-party Smashwords, Inc. (“Smashwords”) and uploaded his book to the smashwords.com website. A.11, 26-32; SA.192-94 (¶¶ 5-20) (Mr. Smith’s uploading and acceptance of Smashwords’ Terms of Service); SA.216-17 (Appellant’s admission). With Mr. Smith’s permission, Smashwords then provided the book to Barnes & Noble to market, sell, and sample to retail customers. A.11, 33-38; SA.195-96 (¶¶ 27-33); SA.216-17 (Appellant’s admission). Barnes & Noble listed the book for sale on bn.com and made free samples available, as it was contractually authorized to do. A.11; SA.197 (¶¶ 35-37); SA.217 (Appellant’s admission). Nothing required Smashwords or Barnes & Noble to recall samples under any circumstances. A.26-38.

Appellant misreads the contracts to claim otherwise. In the first of several attempts to adjust the facts, Appellant cites only the first paragraph and the termination clause of Mr. Smith's contract with Smashwords, and contends that Mr. Smith granted no other rights to the company. Br. 35. This is demonstrably false.

There is a clear and dispositive grant of additional rights that Appellant ignores. Specifically, Mr. Smith's written agreement with Smashwords expressly authorized the distribution of samples of his book, and also the non-commercial duplication of such samples post-distribution:

6d. Promotional Rights. *Smashwords shall have the right to distribute samples of the Work in any form of media, including printed media, in order to promote (a) the author or author's Work and/or (b) the Smashwords service. These samples will be licensed for free, non-commercial use, duplication and sharing, and will comply with the sample percentage authorized by the Author.*

A.28 (emphasis added). Nothing in the terms of the written agreement required, or even suggested, that samples distributed with authorization would lose this license if the written agreement was later terminated. A.26-32. It is undisputed that Smashwords granted to Barnes & Noble all rights that Mr. Smith conveyed to Smashwords. Mem. Supp. Pl.'s Mot. Summ. J., ECF No. 72, 16 (Appellant's admission that "the grant paragraph [of the agreement between Smashwords and Barnes & Noble] . . . mimics the grant that Smith provided Smashwords."); A.34-35 (¶¶ 2(b)-(c), 5(c)).

No one purchased Mr. Smith's book from Barnes & Noble, and only one person ever acquired a sample. A.02, 04, 09. On June 12, 2010, a single Barnes & Noble account holder (the "customer") acquired a free sample.¹ A.12; SA.197 (¶¶ 38-39); SA.208 (¶ 13). There is no dispute that Barnes & Noble was authorized to provide the sample at this time. Pl.'s Opp. B&N's Second Mot. Summ. J., ECF No. 76, 1 (Appellant's admission that the customer "did acquire an authorized copy").

When Barnes & Noble customers download a free sample or acquire other digital content (*e.g.*, purchase an ebook) the content is stored through a digital locker associated with their account. A.03-04; SA.88-89 (¶ 53); SA.94 (¶ 9). The system is effectively a bookshelf for digital products a user owns. SA.198 (¶ 53); SA.208-09 (¶ 9). It is cloud-based. A.12; SA.198 (¶ 45); SA.208-09 (¶¶ 14-15).

In brief, here is how it works: 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 their account. A.12; SA.89 (¶ 54); SA.94 (¶ 10). Only one user account may be associated with a given NOOK device or application at any time. SA.89 (¶ 55); SA.94 (¶ 11). Although customers can store

¹ To access the entire book, the customer would have had to purchase the title. SA.199 (¶ 52); SA.209 (¶ 22). That undisputedly never happened here, nor did any other Barnes & Noble customer ever acquire a sample. A.02, 04, 09.

the content they have acquired locally on their devices, the digital locker ensures that they do not need to do so; in the case of an avid reader, that could exceed the storage capacity of the device. SA.89-90 (¶ 57); SA.95 (¶ 13). Instead, an icon representing the content—for example the book cover, which, in the case of a sample, is labeled “SAMPLE”—appears in the device library. SA.90 (¶ 58); SA.95 (¶ 13). 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. A.12; SA.90 (¶ 59); SA.95 (¶ 13). This may not be apparent to them. A.23, 23 n.5; SA.199 (¶¶ 49-50); SA.209 (¶¶ 19-20).

The single customer who acquired the sample of Mr. Smith’s book in 2010 downloaded it to a NOOK device associated with his or her account. A.12; SA.90 (¶ 60); SA.95 (¶ 14). On five occasions during Mr. Smith’s relationship with Smashwords (with which Appellant takes no issue), the sample fluctuated between the customer’s digital locker and NOOK devices associated with his or her account. SA.90 (¶ 60); SA.95 (¶ 14).

Then in October of 2011, a disgruntled Mr. Smith contacted Smashwords demanding that it immediately delete his author account. A.12; SA.200 (¶¶ 55-56); SA.213 (¶¶ 17-18); SA.48-53. Smashwords representatives (including its founder, Mark Coker) attempted to convince Mr. Smith to follow the account closure procedure from its Terms of Service. A.12; SA.200-01 (¶¶ 57-58); SA.214 (¶¶ 19-

20); SA.48-53. After Mr. Smith refused and threatened to sue, Smashwords complied with his demand to delete his author account immediately. A.12; SA.201 (¶¶ 59-63); SA.214 (¶¶ 21-25); SA.48-53 (warning that “I’ve successfully sought legal redress for unauthorized usage of this work” and “I HAVE INCONTROVERTIBLE EVIDENCE. GOODBYE FOR NOW!” and demanding that Smashwords “desist—effective immediately—from any further commercial involvement with this or any other of my works.”) (caps lock emphasis in original).

This accidentally deleted pending automated instructions that would have been sent to Barnes & Noble telling it to de-list the book on bn.com. A.12-13; SA.201 (¶¶ 63-64); SA.214 (¶ 26); SA.218 (¶ 64). Smashwords was not aware that this could occur. SA.202 (¶ 65); SA.214 (¶ 27). Had Mr. Smith followed the normal procedure or listened to Mr. Coker’s admonitions to let the automated systems do their work, this would not have happened because Smashwords’ automated systems would have alerted Barnes & Noble to remove the title. SA.201 (¶ 58); SA.214 (¶ 21). Instead, no one informed Barnes & Noble that Mr. Smith wanted Barnes & Noble to cease listing the book. A.01; SA.82 (¶ 12). Thus, as of October 2011, the book remained erroneously listed on bn.com. A.01, 12-13; SA.202 (¶ 66); SA.210 (¶ 24).

On April 3, 2012, approximately five months after cancelling his Smashwords' account, Mr. Smith learned that his book remained listed on bn.com.² SA.32 (¶ 13); SA.54. Rather than simply asking Barnes & Noble to remove his listing, he retained an attorney. On April 20, 2012, that attorney sent a purported notification of copyright infringement to Barnes & Noble, demanding \$50,000 for alleged "irreparable harm" to Mr. Smith. A.13; SA.33 (¶ 16); SA.55-56. The letter did not demand the recall of any previously distributed samples. SA.55-56.

That same day, Barnes & Noble removed the book from the bn.com website. A.13; SA.61. Barnes & Noble also informed Mr. Smith's counsel that it had sold zero copies, SA.61, which discovery later confirmed. A.02; SA.199 (¶ 53); SA.209 (¶ 23).

When Barnes & Noble de-listed the title on April 20, 2012, both the title and the sample were removed from bn.com. A.13; SA.202-03 (¶ 70); SA.210 (¶ 27). From that point forward no other customers were able to acquire them. A.13; SA.202-03 (¶ 70); SA.210 (¶ 27). The sample remained, however, in the digital locker of the customer who acquired it in 2010. A.13; SA.202-03 (¶ 70); SA.210

² Although Mr. Smith initially claimed he could be removed from Amazon.com's KDP Select program due to the erroneous listing, he never alleged nor came forth with any evidence that he was. SA.32 (¶ 13); SA.54. Moreover, the majority of Mr. Smith's book (including every page at issue in this case) was available *for free* from Google Books at that same time (and throughout this case). SA.75 (¶ 16); SA.91 (¶¶ 64-65); SA.203-04 (¶¶ 76-77); SA.220-21 (¶¶ 76-77) (Appellant's admission).

(¶ 27). Mr. Smith did not originally complain about this or demand a recall. His original theory of liability was based solely on the erroneous listing. SA.23 (¶ 23).

Only after realizing that the original theory held no water did Mr. Smith, through counsel, seek to impose liability on the basis of allegedly unauthorized sampling. At that point, through querying its systems, Barnes & Noble determined that on two occasions after Mr. Smith parted ways with Smashwords, May 28, 2012 and July 27, 2012, the sample was re-downloaded to NOOK devices associated with the sole customer's account. A.13; SA.203 (¶ 72); SA.210 (¶ 28); SA.219 (¶ 72). The customer did not necessarily intentionally cause the re-downloads or access or read the free sample on these occasions or at any time after October 11, 2012. A.23, 23 n.5; SA.203 (¶ 74); SA.210 (¶ 29).

Nevertheless, Appellant challenged below and contends on appeal that these two occasions were acts of unauthorized reproduction or distribution by Barnes & Noble. Appellant did not below and does not now contend that Barnes & Noble otherwise reproduced or distributed Mr. Smith's book during the period of alleged infringement. In addition, Appellant's statement that "it is unclear whether the sample . . . has ever been removed," Br. 4, is false. Although Barnes & Noble had every right to permit this customer to keep the sample, when it became clear that this was the basis for Appellant's federal copyright lawsuit seeking \$150,000 in statutory

damages, Barnes & Noble removed it from the customer's digital locker. SA.256 (¶ 4); SA.123-24 (35:21-3, 36:2-11).

B. The Proceedings Below

On June 5, 2012, Mr. Smith filed this lawsuit. SA.10. He did not purport to have suffered actual damages. SA.24; SA.27 (“in this case [damages] would be statutory”). Instead, he claimed entitlement to maximum statutory damages under the Copyright Act because Barnes & Noble supposedly committed willful copyright infringement by listing his book for sale on bn.com without permission. SA.24. The original complaint challenged only the erroneous listing, which is not actionable under well-settled law. SA.23 (¶ 23); Mem. and Order, ECF No. 17, 7.

Barnes & Noble's counsel immediately urged Mr. Smith's counsel to dismiss because the unauthorized listing theory would not survive a Rule 12(b)(6) motion. SA.272-74. In response, Mr. Smith amended his complaint to include conclusory allegations that Barnes & Noble had engaged in unauthorized sales or previews of his book. SA.36 (¶ 29). He also added an additional plaintiff, an unfair competition claim, and contributory copyright claim. SA.37-44 (¶¶ 33-56, 63-73).

On October 3, 2012, Barnes & Noble filed a motion to dismiss. B&N's Mot. Dismiss, ECF No. 13. That motion resulted in the dismissal of Mr. Smith's co-plaintiff and the district court's confirmation that the erroneous listing did not violate

copyright law. Mem. and Order, ECF No. 17. Appellant does not appeal this unassailably correct determination. *See, e.g.*, Br. 5-9.

Undeterred, Mr. Smith requested discovery. Pl.'s Opp. B&N's Mot. Summ. J., ECF No. 14. The district court authorized it on two subjects: (i) whether Barnes & Noble had "sold any copies of plaintiff's book"; and (ii) "whether any person had viewed or downloaded the plaintiff's book through a mechanism provided by defendant." Scheduling Order, ECF No. 25.

The subsequent discovery confirmed that Barnes & Noble sold no copies and acted responsibly to remove the book the day it first learned of the erroneous listing. A.02; Mem. and Order, ECF No. 17, 2. Discovery also revealed that one customer had acquired the digital sample in 2010 and that it had been re-downloaded, through the digital locker system, to this customer's NOOK devices on two occasions after Mr. Smith had withdrawn permission to sell new copies or distribute samples to anyone else. A.13; Pl.'s Opp. B&N's First Mot. Summ. J., ECF No. 31, 3.

Every single page of the customer's sample could be viewed for free on Amazon.com and Google Books at the same time as the two contested re-downloads. SA.203-04 (¶¶ 72-73, 76-77); SA.219-21 (¶¶ 72-73, 76-77) (Appellant's admission); SA.98-116 (the customer's digital locker sample); SA.127-46 (free Google Books sample that includes each page of the customer's digital locker sample); SA.148-169 (free Amazon.com sample that includes the same). Despite that, and

although he had never asked Barnes & Noble to recall previously distributed samples, Mr. Smith proceeded to litigate the case over this allegedly unauthorized sample. Pl.'s Opp. B&N's First Mot. Summ. J., ECF No. 31.

On October 31, 2013, Barnes & Noble filed its first summary judgment motion. B&N's First Mot. Summ. J., ECF No. 27. Among other things, Barnes & Noble argued that Mr. Smith could not possibly prove copyright infringement because the company did not engage in volitional conduct necessary to support such a claim. Mem. Supp. B&N's First Mot. Summ. J., ECF No. 28, 12 (citing and discussing *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008) and *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp. 2d 640 (S.D.N.Y. 2013)). Mr. Smith argued, as Appellant contends on appeal, that by not removing the sample in question from the customer's digital locker after Mr. Smith ended his Smashwords agreement, Barnes & Noble engaged in a volitional act of direct copyright infringement.³ Pl.'s Opp. B&N's First Mot. Summ. J., ECF No. 31, 4-6. The district court granted summary judgment dismissing the unfair competition claim—another correct determination that Appellant does not challenge⁴—but

³ While Barnes & Noble's first motion for summary judgment was pending, Mr. Smith passed away, Mem. Supp. Mot. Substitute, ECF No. 39, and Ms. Smith was substituted as the plaintiff. Order, ECF No. 41.

⁴ If she were to attempt belatedly to do so, this Court should affirm. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 32-33 (2003); *see also McCarthy*

denied without prejudice Barnes & Noble's motion as to Mr. Smith's claims for direct and contributory copyright infringement. A.06-08.

Thereafter, the district court authorized additional discovery, this time without subject matter restrictions. Scheduling Order, ECF No. 44. Ms. Smith served additional discovery on Barnes & Noble. The company responded, including by making a corporate witness available for a second deposition. Ms. Smith also served discovery on Barnes & Noble's vendor, Smashwords, and deposed its founder, Mark Coker.

At the close of discovery, the parties filed cross-motions for summary judgment on the two remaining counts of Ms. Smith's complaint. Barnes & Noble advanced multiple arguments:

- (i) that Mr. Smith had contractually authorized the two post-termination re-downloads, Mem. Supp. B&N's Second Mot. Summ. J., ECF No. 74, 10-13;
- (ii) that Mr. Smith had abandoned his rights in the sample, *id.* at 13-14;
- (iii) that application of the fair use doctrine barred a finding of copyright infringement, *id.* at 14-16;

v. SEC, 406 F.3d 179, 186 (2d Cir. 2005) (“[A]rguments not raised in an appellant’s opening brief . . . are not properly before an appellate court. . . .”) (citation omitted).

- (iv) that, in any event, the alleged infringement was trivial and thus barred under the doctrine of *de minimis non curat lex, id.* at 16-17; and
- (v) that Ms. Smith could not prove unauthorized copying “amount[ing] to improper and unlawful appropriation of Smith’s rights,” including for lack of volitional conduct, Mem. Opp. Pl.’s Cross-Mot. and in Further Supp. of B&N’s Mot. Summ. J., ECF No. 77, 12.

With respect to the final basis, Barnes & Noble expressly incorporated the volition argument from its earlier motion and also cited the controlling case law, namely *Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008), and *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp. 2d 640 (S.D.N.Y. 2013). Mem. Opp. Pl.’s Cross-Mot. and in Further Supp. of B&N’s Mot. Summ. J., ECF No. 77, 12.

The district court granted summary judgment of no liability. With respect to direct infringement, the district court correctly determined that there was “no evidence of volitional conduct.” A.18-20. The district court further correctly determined that under the *Sony-Betamax* rule, Barnes & Noble’s cloud-based digital locker system “is *capable* of substantial non-infringing uses” and therefore cannot support contributory liability. A.23-25 (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 442 (1984)) (emphasis in original).

The district court concluded that it was unnecessary to reach Barnes & Noble’s alternative arguments. A.19-20. Contrary to Appellant, Br. 10, the district

court expressly did not reject them or in any way acknowledge that “at least two (2) instances of *unlicensed* distributions” occurred. Rather, the court recognized that Barnes & Noble was licensed when the customer initially acquired the sample, and reached its volitional conduct determination even though “that license *may have expired* by the moment of the re-download request.” A.18 (emphasis added).

SUMMARY OF ARGUMENT

Barnes & Noble is not liable for copyright infringement. The district court’s reasoning is sound. The premise of the appeal is that Barnes & Noble purposely designed its system to provide unlicensed content, Br. 30, but there is simply no evidence of that. To the contrary, after giving Appellant every opportunity to establish a viable claim, the district court correctly determined that, as in *Cartoon Network*, there is no evidence of the volitional conduct necessary for direct infringement. Nor, under *Sony-Betamax*, can Barnes & Noble’s system, which is widely used to provide *licensed* content, support a finding of contributory liability.

Appellant identifies no material facts that call the district court’s judgment into question, and there are none. Nothing in the record suggests “systemic copyright infringement writ large,” Br. 9, or that Barnes & Noble routinely tramples on the rights of thousands of authors. These sweeping attacks stand in sharp contrast to the utter absence of anything in the record to support them. Appellant also lacks standing to pursue alleged violations for anyone but Mr. Smith.

There is no need to reach them, but this Court can also (and, if it reaches them, should) affirm on several alternative grounds. As an initial matter, Mr. Smith contractually authorized the sample in question. The customer who received it had the right to keep it, and to share and duplicate it for non-commercial purposes. Nothing in the relevant agreements required Barnes & Noble (or Smashwords) to “take back” the sample under any circumstance. Barnes & Noble was well within its rights to provide the system through which this customer stored the sample. But to the extent there is any doubt about the scope of the license (and there should not be), Barnes & Noble also cannot properly be held liable given what happened here, where one customer continued to have access to one sample—all while the very same sample (and more) was also widely available to download for free online. Fair use, abandonment, and the *de minimis* doctrine each also foreclose liability.

ARGUMENT

I. STANDARD OF REVIEW

This Court reviews the grant of summary judgment *de novo*. *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 93-94 (2d Cir. 2014). Under that well-established standard, “[t]he mere existence of a scintilla of evidence in support of the plaintiff’s position will be insufficient; there must be evidence on which the jury could *reasonably* find for the plaintiff.” *Jeffreys v. City of New York*, 426 F.3d 549, 554 (2d Cir. 2005) (citation and internal quotation marks omitted) (emphasis in

original). To defeat summary judgment, the non-moving party “may not rely on conclusory allegations or unsubstantiated speculation.” *Id.* (citation omitted). “[M]ere conclusory allegations . . . in legal memoranda or oral argument are not evidence and cannot by themselves create a genuine issue of material fact where none would otherwise exist.” *Fletcher v. AteX, Inc.*, 68 F.3d 1451, 1456 (2d Cir. 1995) (citations and internal quotation marks omitted).

This Court may also affirm the district court’s “award of summary judgment on any ground with adequate support in the record.” *VKK Corp. v. Nat’l Football League*, 244 F.3d 114, 118 (2d Cir. 2001). Here, those grounds include contractual authorization, which on this record is a question of law for the Court. *Revson v. Cinque & Cinque, P.C.*, 221 F.3d 59, 66 (2d Cir. 2000) (contract interpretation is a question of law where the language is unambiguous or the record lacks extrinsic evidence as to its meaning). The alternative grounds in this case also include the fair use, abandonment, and *de minimis* doctrines, which are amenable to summary disposition absent disputed material facts. *See, e.g., Authors Guild v. Google, Inc.*, 804 F.3d 202, 211-12 (2d Cir. 2015) (affirming grant of summary judgment based on fair use); *Capitol Records, Inc. v. Naxos of Am., Inc.*, 262 F. Supp. 2d 204, 211-16 (S.D.N.Y. 2003) (granting pre-discovery summary judgment motion on grounds of waiver and abandonment while providing plaintiff leave to submit additional factual material within 20 days); *Gottlieb Development LLC v. Paramount Pictures*

Corp., 590 F. Supp. 2d 625, 631-32 (S.D.N.Y. 2008) (granting motion to dismiss where alleged copyright infringement was *de minimis* and therefore not actionable).

II. THE DISTRICT COURT CORRECTLY HELD THAT THERE IS NO EVIDENCE OF VOLITIONAL CONDUCT.

“Direct liability requires ‘volitional conduct’ that ‘causes’ the reproduction or distribution to be made.” *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp. 2d 640, 656 (S.D.N.Y. 2013) (“*ReDigi*”) (quoting *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 131 (2d Cir. 2008) (“*Cartoon Network*”). *See also, e.g., Wolk v. Kodak Imaging Network, Inc.*, 840 F. Supp. 2d 724, 742 (S.D.N.Y. 2012) (applying *Cartoon Network* and finding no evidence of volitional conduct where the reproduction was accomplished automatically without intervention by the relevant defendants).

The district court correctly held that there is no evidence of volitional conduct sufficient to impose liability for direct copyright infringement on Barnes & Noble.⁵ The record contains no evidence of volitional conduct by anyone. But even if the two re-downloads were (incorrectly) considered unauthorized intentional conduct by the customer, no volitional act, and therefore no liability, can be attributed to Barnes

⁵ Appellant repeatedly suggests that Barnes & Noble abandoned its volition argument in the second round of summary judgment briefing. Br. 6 n.2, 19, 22. That is incorrect. Appellant bears the burden of proving this element, and Barnes & Noble incorporated its earlier briefing on this issue by reference and cited the governing cases. Mem. Opp. Pl.’s Cross-Mot. and in Further Supp. of B&N’s Mot. Summ. J., ECF No. 77, 12.

& Noble. Appellant's allegations of unauthorized reproduction and distribution necessarily fail, and this Court should affirm on the basis articulated below.

A. Appellant Introduced No Evidence of Volitional Conduct by Anyone.

Appellant had ample opportunity to take discovery in this case. Her counsel deposed Barnes & Noble's corporate representative twice. By the time of the second deposition, Barnes & Noble's summary judgment submissions made clear that the lack of volitional conduct was at issue. But Appellant made no attempt to establish any volitional acts. The resulting record contains no evidence of volitional conduct by anyone.

Appellant's opening brief concedes, and it was undisputed below, that Barnes & Noble did not consciously cause either of the two instances on which the sample was re-downloaded to the customer's NOOK devices. In fact, Appellant cannot even point to proof that the customer consciously or intentionally caused them. Before the district court, Appellant argued only, as she does on appeal, that Barnes & Noble is liable for designing its system. Apart from that, Appellant failed to raise even *one* purported issue of fact concerning volition. *See, e.g.*, A.18 ("there is no evidence of volition"); SA.203 (¶ 74) (customer did not necessarily access or read sample); SA.220 (¶ 74) (Appellant's admission of the same).

Barnes & Noble's summary judgment submissions established, to the contrary, that the two instances on which the sample was re-downloaded do not

necessarily even signify volitional conduct on the part of the customer. A.23, 23 n.5. Indeed, this customer may not have accessed or read the sample after Mr. Smith terminated his relationship with Smashwords. SA.203 (¶ 74); SA.211 (¶ 29). Below, Appellant called this point “nothing more than mere conjecture.” SA.220 (¶ 74). In actuality, this is evidence of her failure of proof. Below, Appellant also called this point inconsistent with Barnes & Noble’s testimony confirming that the two downloads happened. SA.220 (¶ 74) (citing SA.183-84 (126:13-133:1)). It is not. This testimony established that there *was a transmission* of the sample file on these two occasions. It says nothing about who or what *caused those transmissions to happen*. The record does not show that anyone intentionally did so, or that the customer ever accessed or viewed the sample after they occurred.

B. The District Court Correctly Concluded that *Cartoon Network* Is Controlling.

Even assuming the customer consciously and intentionally caused these two downloads, they did not entail volitional conduct by Barnes & Noble. The district court correctly determined that *Cartoon Network* is dispositive. A.14-20.

Appellant’s argument to the contrary is a *non sequitur* starting from the premise that Barnes & Noble designed and is responsible for its system. Appellant contends that the district court somehow misunderstood the system or analyzed it under the wrong legal framework. Br. 13. That is not so.

As an initial matter, the district court understood Barnes & Noble's system and recognized that system design is volitional conduct attributable to the company. A.16, 18. Nevertheless, the court concluded that as in *Cartoon Network*, this was insufficient to support a copyright infringement claim. A.18. Appellant contends that Barnes & Noble intentionally built its system "to do exactly what it did" and allow a customer "to 'push the button' *after* a nonexclusive license has been revoked." Br. 17, 19 (emphasis in original). So too, of course, did the defendant (Cablevision) in *Cartoon Network*. Appellant is simply wrong to suggest that the content Cablevision transmitted required no license. Br. 16.

Rather, the district court noted that, like Cablevision, Barnes & Noble had a license to distribute the sample to the customer when it initially did so. A.16, 18 (programs selected by a customer could "be saved to the portion of *Cablevision's hard drive allotted to that customer*," which the customer could request Cablevision to store and subsequently transmit to users without a license from the copyright owners) (emphasis added). Indeed, to the extent Barnes & Noble "*programmed its software to allow continued distribution and reproduction*" of the sample to the one customer who had previously acquired it after Mr. Smith terminated his agreement with Smashwords, Br. 21 (emphasis in original), Cablevision's behavior entailed more culpability—yet was still insufficient to support liability. Cablevision programmed its software knowing that viewers would likely request and initiate

transmission after the expiration of the requisite licenses. Barnes & Noble, in contrast, could not have anticipated that Mr. Smith would terminate his agreement with Smashwords and then demand (contrary to the relevant contractual provisions, or at a minimum to Barnes & Noble's reasonable understanding of them) the recall of prior samples.

The district court correctly concluded that—just as the design of Cablevision's system entailed insufficient volitional conduct—the same is true of Barnes & Noble's. A.18 (noting that even if the license had expired by the moment of the re-download request, as with Cablevision “the lack of a license at that later time does not mean Defendant engaged in volitional conduct sufficient to support a copyright infringement claim”). This is the right result. The evidence shows only (and at most) that Barnes & Noble provided the technical environment in which the customer was able to re-download the sample he or she previously acquired.

Relying on language from the district court's decision in *ReDigi*, Appellant suggests that Barnes & Noble's digital locker system “represents much more than a ‘machine used by others to make copies,’” Br. 12 (citing *ReDigi*, 934 F.Supp.2d at 657-58), and concludes that Barnes & Noble therefore has the necessary causal nexus to be held liable. But *ReDigi* was an unusual case in which the system was designed to transmit unlicensed content for commercial sale. *See* 934 F. Supp. 2d at 657. The district court considered *ReDigi* and determined correctly that Barnes &

Noble's system is not comparable. A.11. The fact that Barnes & Noble designed and is therefore responsible for its system does not entail the requisite volitional conduct to support a direct infringement claim in this case.

Nor can *Am. Broad. Companies, Inc. v. Aereo, Inc.*, 134 S. Ct. 2498 (2014) ("*Aereo*"), save Appellant's direct infringement claim. (To the contrary, because the customer was licensed, *Aereo* is dispositive against Appellant's claims. *See infra* pp. 31-33.) Appellant likens Barnes & Noble's system to *Aereo*'s and contends that Barnes & Noble should be held liable because *Aereo* was held liable. Br. 22 n.12. That comparison fails. *Aereo* never acquired a license for any of its transmissions, which were to a much wider universe of recipients than Barnes & Noble's sole customer. And the Supreme Court expressly excluded from its decision cloud-based systems such as Barnes & Noble's. *Aereo*, 134 S. Ct. at 2511.

Justice Scalia's *Aereo* dissent also cannot save Appellant's claims. As the district court recognized, *Cartoon Network* remains good law. And in direct contrast with Appellant's argument that an entity must be on one side of the line or the other, Br. 19-20, Justice Scalia's dissenting opinion cited *Cartoon Network* and recognized that (as he found true of *Aereo*'s) a particular system may be neither a copy shop nor a video on demand service. *Aereo*, 134 S. Ct. at 2514 (Scalia, J., dissenting). The critical question, per Justice Scalia, is whose volitional conduct caused the acts at issue. *Id.* The answer here, based on Appellant's failure to introduce evidence, is

possibly no one. Even if, as Appellant urges, “curation” is one consideration, the answer under this proposed framework would not be Barnes & Noble.

Let us assume Appellant is correct that “the *selection and arrangement* of which books to sell and distribute, as well as how to distribute them, is completely under the control of Barnes & Noble.” Br. 14 (emphasis in original). The decision about which books to *buy* and which free samples to *acquire* is not. Barnes & Noble did not present the sample to *new and additional* prospective customers. Rather, the one customer who had already selected and acquired it continued to have access to something he or she was licensed to keep—in actuality, as argued below, but at a minimum to Barnes & Noble’s reasonable belief. There is no basis to suggest that Barnes & Noble curated unlicensed works.

For the same reason, *Usenet* and *Russ* do no work for Appellant. *Arista Records LLC v. Usenet.com, Inc.*, 633 F. Supp. 2d 124, 132 (S.D.N.Y. 2009) (“The record in this case is replete with instances of Defendants and their employees specifically engendering copyright infringement and targeting infringement-minded users to become subscribers. . . .”); *Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc.*, 982 F. Supp. 503, 513 (N.D. Ohio 1997) (finding that defendants actively encouraged and controlled the uploading of unlawful files and imposing liability based upon “policies of active participation in the infringing activities”). Even

assuming (incorrectly) that the license had expired, Barnes & Noble's system is much closer to Cablevision's than streaming video or ReDigi's.

This puts the lie to Appellant's dire warnings that affirming the judgment would allow all pirates potentially to "escape liability, because it is *always* the user that pushes the download button on the Internet. . . ." Br. 15 (emphasis in original). Nor will "doctrinal absurdities," Br. 19, result. To intentionally pirate or support pirates is actionable. What happened here is not.

C. Appellant's Remaining Arguments Lack Merit.

Appellant cries wolf, time and again, about abuse of thousands of Smashwords authors. Br. 9, 11, 11 n.5. Given all of this bluster, one would expect Appellant to cite some colorable support for the notion of widespread abuse. But she does not. The record is devoid of any such evidence. A.18.

To be sure, Appellant does cite the record, Br. 8-9 (citing A.26-32, 39-44; SA.218 (¶ 64)), but (as was the case below) the cited material does not even remotely support her claims. A. 18 n.4. Rather, this material reflects Smashwords experiencing an unusual technical issue affecting its automated deliveries (which, had the glitch not been remedied, would have resulted in Barnes & Noble delisting *too many* titles), and representatives of both companies working to resolve the issue promptly, which they did. A.44.

None of this shows that Barnes & Noble hosted unlicensed material—knowingly, intentionally, or otherwise. If anything, it reflects exemplary diligence and care. And regardless, Appellant lacks standing to pursue anyone’s rights but Mr. Smith’s. *See, e.g., Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 104 (2d Cir. 2014) (“The Authors are not entitled to make this argument on behalf of others. . . .”); *Warth v. Seldin*, 422 U.S. 490, 499 (1975) (“plaintiff generally must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties.”).

Appellant suggests that affirming would somehow render non-exclusive licenses null and void, because they supposedly all leave “no residual rights with the former licensee as a matter of law.” Br. 36. But, of course, the existence of residual rights depends on the contractual language. As explained below, *see infra* pp. 31-33, it is Appellant, not Barnes & Noble, who seeks to delete key language. Nor does the district court’s decision, which is predicated on the lack of volition, invite the intentional disregard of any license agreements. Affirmation of no direct infringement is warranted.

III. THE DISTRICT COURT CORRECTLY HELD THAT BARNES & NOBLE IS NOT LIABLE FOR CONTRIBUTORY INFRINGEMENT.

Appellant contends that the district court erred when it applied the *Sony-Betamax* rule to hold that Barnes & Noble is not liable for contributory infringement. Br. 30. As Appellant has it, because Barnes & Noble had an “ongoing relationship”

with the customer (presumably by providing a digital locker), this case necessarily falls outside of *Sony-Betamax* and Barnes & Noble should be held liable for contributory infringement. *Id.* That does not follow. The existence of *some* relationship is not enough to render *Sony-Betamax* inapplicable. There would need to be (and here there are not) control and authorization over the infringement. *Sony Corp. of Am.*, 464 U.S. at 437.

Moreover, even if *Sony-Betamax* did not apply, Appellant would still have to prove each element of contributory infringement but cannot do so. As an initial matter, contributory infringement requires proof of direct infringement by someone else. *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)). The district court was skeptical about whether Appellant could prove that the customer directly infringed, A.22-23, and she cannot.

Appellant now says the customer necessarily directly infringed, Br. 32, despite having expressly confirmed below that she did not complain of the customer’s behavior. Pl.’s Opp. B&N’s Second Mot. Summ. J., ECF No. 76, 1-2 (“the gravamen here is not that the Customer acquired unauthorized copies . . .”). That admission aside, the only event that correctly may be characterized as “reproduction, creation of derivative works, display, or distribution” occurred when

the customer acquired and first downloaded the sample in 2010. Thereafter, this customer was simply accessing his or her content through his or her digital locker. That is not copyright infringement. The fact that the sample was “shelved” in the cloud makes no difference. And even if the customer technically engaged in “reproduction” via the two subsequent downloads, the customer was licensed to use and duplicate the sample non-commercially. At a minimum, this customer’s use was unquestionably fair. *Cf.* A.23 (citing *ReDigi*, 934 F. Supp. 2d at 651); A.23 n. 5. To conclude otherwise would be beyond the pale.

But even making that precarious assumption for argument’s sake, Appellant would still then have to show that Barnes & Noble knew about, induced or encouraged, and profited from the customer’s infringement. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster*, 545 U.S. 913, 930-31 (2005) (“*Grokster*”); *Island Software & Computer Serv., Inc. v. Microsoft Corp.*, 413 F.3d 257, 260 (2d Cir. 2005); *Wolk v. Kodak Imaging Network, Inc.*, 840 F. Supp. 2d 724, 750 (S.D.N.Y. 2012); *Arista Records LLC v. Lime Group LLC*, 784 F. Supp. 2d 398, 423 (S.D.N.Y. 2011). Appellant introduced no evidence, though, that Barnes & Noble encouraged copyright infringement or promoted its services as a means of circumventing copyright. Leaving the sample on the customer’s digital shelf, Br. 33—where Barnes & Noble believed it rightfully belonged—cannot amount to that. This case is entirely unlike *Grokster*, which involved allegations that a product’s design

encouraged activities known to infringe. 545 U.S. at 922. And while Appellant says Barnes & Noble profited from its *system*, there is absolutely no basis to conclude that Barnes & Noble profited from the two re-downloads of this *free* sample.

The district court correctly concluded that in light of all of the facts, Barnes & Noble's digital locker system could not serve as the basis for contributory liability. A.23-25 (concluding that the allegations are of two infringing downloads out of two million books, and that "[w]hile Defendant did own the web service through which the alleged infringement took place, that does not suffice to establish contributory liability, given the rest of the facts" (citation omitted)). Under *Sony-Betamax* or otherwise, the decision of no contributory liability should stand.

IV. MULTIPLE ALTERNATIVE BASES SUPPORT THE JUDGMENT.

Like the district court, this Court will probably find it unnecessary to reach alternative grounds, but there are several that fully and independently support the judgment. As an initial matter, Mr. Smith authorized distribution of the digital sample "in any form of media" for the customer to keep forever and duplicate for non-commercial purposes. To the extent there is any doubt about whether the license had lapsed or expired by the time of the subsequent downloads (it had not), the doctrines of fair use, abandonment, and *de minimis non curat lex* also foreclose any direct or contributory liability. The Court may affirm on any of these alternative grounds. *See VKK Corp.*, 244 F.3d at 118.

A. Contractual Authorization

Appellant contends that “Barnes & Noble’s argument, like the District Court’s, renders copyright license agreements null and void.” Br. 19. But it is she who ignores controlling contractual language. Neither Barnes & Noble nor the customer engaged in any unauthorized acts of reproduction or distribution because Mr. Smith contractually authorized the two re-downloads at issue. Specifically, he authorized the provision of samples of his book in “any form of media,” and licensed them for “free, non-commercial use, duplication and sharing.” A.35. As a result, Appellant’s statement that “it is undisputed that Barnes & Noble had *no residual rights*” in the sample, Br. 17 (emphasis in original), could not be further from correct. The customer had every right to continue accessing the sample through his or her digital locker, and Barnes & Noble had every right to make its system available for that purpose, even after Mr. Smith terminated his publishing agreement.

Below, Appellant did not dispute that Smashwords granted Barnes & Noble all of the rights that Mr. Smith granted Smashwords. Pl.’s Mem. Supp. Pl.’s Mot. Summ. J., ECF No. 72, 16 (“the grant paragraph [of the Smashwords-Barnes & Noble agreement] . . . mimics the grant that Smith provided Smashwords.”); SA.196 (¶¶ 31-33); SA.216-17 (Appellant’s admission). Appellant did not dispute that the phrase “any form of media” necessarily includes the cloud-based system used by Barnes & Noble. *See* Pl.’s Reply Supp. Pl.’s Mot. Summ. J., ECF No. 80, 3-4

(quoting the relevant language but arguing only that it lacked the words “in perpetuity”). And Appellant did not dispute that the sample in question was authorized for “free, non-commercial use, duplication and sharing.” SA.258-59 (¶¶ 7-9) (identifying facts admitted by Appellant in discovery). Instead, Appellant took the untenable position (as she does again in this appeal) that Barnes & Noble needed to remove the sample from the customer’s digital locker after Mr. Smith terminated his relationship with Smashwords because it held no “residual rights.” Br. 17-18; Pl.’s Reply Supp. Pl.’s Mot. Summ. J., ECF No. 80, 4.

Appellant’s argument is directly contrary to the relevant agreements. Regardless of Mr. Smith’s termination of his agreement with Smashwords, he had already licensed the sample for “duplication” (reproduction) and “sharing” (distribution) on a “free, non-commercial” basis. Nothing in the agreements indicates that the sample would lose this license under any circumstances. Indeed, the contract language tips lopsidedly in the other direction; one section, for example, confirms the parties’ mutual understanding that “leveraging the viral nature of *uninhibited sampling and sharing* . . . can dramatically increase your total audience and sales opportunities.” A.30 (emphasis added). Put simply, the broad and unqualified nature of the language of Mr. Smith’s publishing agreement was unambiguously intended to enable, not restrict, commercial efforts to generate book sales. *Cf. Gibbs-Alfano v. Burton*, 281 F.3d 12, 19 (2d Cir. 2002).

What is more, because the contested issue here is the scope of Mr. Smith's license, not whether the license ever existed, it is Appellant who bears the burden of proving that any copying was unauthorized. *See Graham v. James*, 144 F.3d 229, 236 (2d Cir. 1998). She cannot do so. The sample was licensed without limitation for non-commercial use and duplication. The relevant agreements do not suggest that the customer would ever have to surrender the sample or that Barnes & Noble (or Smashwords) would ever have to take it away. Thus, Barnes & Noble cannot possibly have committed direct or contributory infringement based on the mere re-downloading of the sample to this customer's devices through its cloud-based system. *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 486-87 (2d Cir. 1998) (recognizing that "the licensee may properly pursue any uses that may reasonably be said to fall within the medium as described in the license").

Separately, there is no basis to hold Barnes & Noble liable for unauthorized distribution because the customer was clearly the owner of the sample in question. As the Supreme Court has recently explained, a distribution is not "to 'the public'" if recipients receive it "in their capacities as owners or possessors of the underlying works." *Aereo*, 134 S. Ct. at 2510. Here, the customer continued to access her previously acquired sample in her capacity as its owner or possessor. Accordingly, there was no unauthorized distribution to "the public." *Id.*

B. Fair Use

Appellant's claims are also barred by the doctrine of fair use. *See* 17 U.S.C. § 107. Fair use is an "equitable rule of reason" that should prevent imposing liability on Barnes & Noble under these circumstances. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 448, 448 n.31 (1984) (citing H.R. Rep. No. 94-1476 at 65-66 for the proposition that "courts must be free to adapt the doctrine to particular situations on a case-by-case basis"). It would 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 Mr. Smith's ability to market, sell, or profit from his book. In addition, the customer could have accessed the same sample (and more) for free on Google Books and Amazon.com. SA.204 (¶ 76-77). Even without such widespread availability *plaintiffs* have recognized that uploading and downloading digital files to a defendant's cloud locker system for storage and personal use is fair use. *ReDigi*, 934 F. Supp. 2d at 657 ("Capitol asserts only that uploading to and downloading from the Cloud Locker *incident to sale* fall outside the ambit of fair use. The Court agrees.").

The same result obtains under the traditional four-factor test. 17 U.S.C. § 107. The first (purpose and character), third (amount used), and fourth (effect on potential market) factors show that Barnes & Noble's "use"—allowing the single customer to

continue accessing the previously acquired sample through the company's cloud-based system—is fair use as a matter of law.

The character of this use was non-commercial. Neither Barnes & Noble nor the customer acquired or attempted to acquire any revenue from the sample. The customer was merely accessing what he or she had previously acquired and could have accessed and downloaded elsewhere online for free. Any reproduction or “distribution” was merely incidental to that. Although Barnes & Noble may have benefitted from its system in general, this is not a case involving a defendant who unjustly benefitted from an author's work.

The sample is also small compared to the total copyrighted work, and the alleged unauthorized reproduction and “distribution” to one customer had zero effect on the potential market. The sample consisted of fewer than five chapters of the book, which has at least 44 chapters. SA.204-05 (¶ 78). Taken on their own, these chapters effectively lack commercial value. That is particularly clear because the author made every page and more widely available to anyone (including this customer) for free on the internet. SA.204 (¶¶ 76-77). The fair use doctrine permits the allegedly unauthorized use of the sample, even without the author's express consent.

C. Abandonment

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 (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). 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). So too here.

Smith made each page of the sample—and more—freely available online. Significant portions remained available at the time of Barnes & Noble’s answer and summary judgment briefing, and Appellant conceded below that Mr. Smith intentionally made vast sections—larger than the sample the customer acquired from Barnes & Noble—widely available for free on the internet through Google Books and Amazon.com. SA.203-04 (¶¶ 73, 76, 77); SA.220-21 (¶ 73) (Appellant’s admission). Indeed, the public can view numerous chapters of Mr. Smith’s book (including the five that make up the sample in question) online without signing in to

this day. *See, e.g.*, <https://books.google.com/books?id=vrNN0mpoaLkC&pg=PT1&dq=hard+scrabble+zone+1&hl=en&sa=X&ei=Plb9Ubi0IIKw2AXWuYG4Ag&ved=0CC8Q6AEwAA#v=onepage&q=hard%20scrabble%20zone%201&f=false> (last visited February 4, 2016).

The applicable terms and conditions do not purport to proscribe or limit the conduct at issue. At least in the case of Google Books, the terms and conditions expressly permit unlimited downloads of multiple copies to users' devices. SA.267-70 ("Google gives you the non-exclusive right to download . . . copies of the applicable Digital Content to your Devices, and to view, use, and display such Digital Content an unlimited number of times on your Devices . . .").

Mr. Smith's widespread "distribution [is] strong evidence that the author did not endeavor to protect a commercial property" and has thus abandoned his interest in the sample. *Bell*, 397 F. Supp. at 1249. As a result, Barnes & Noble cannot be held liable for having allowed a single customer to continue to access and re-download a subset of these pages through its digital locker system. It would be impossible to police alleged copyright violations associated with downloading and viewing the sample of Mr. Smith's book on their devices, whether locally or through cloud storage. As in *Stuff* and *Bell*, this warrants a finding of abandonment with respect to the sample. *Stuff*, 342 F.2d at 144-45; *Bell*, 397 F. Supp. at 1247.

D. *De Minimis*

Under the age-old 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 this Court has observed:

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.

Here, Appellant seeks to hold Barnes & Noble liable based on a trivial use. The sample in question is small in comparison to the work as a whole and to the publicly available samples, but more to the point, the use of *entire works* is *de minimis* when the accused behavior is too trivial to be actionable.

In *Straus v. DVC Worldwide, Inc.*, for example, 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).

As in these cases, the accusation with respect to one customer on two occasions is too trivial to be actionable. Indeed, the allegedly improper conduct is more trivial than examples provided by this Court, 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 makes no difference that the trivial use here happened digitally.

The fact pattern presented involves “questions that [should] never need to be answered.” *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 74 (2d Cir. 1997). The appeal requires an answer, though, and Barnes & Noble respectfully

asks the Court, should it reach this ground, to hold that any technical violation is so trivial that the law will not impose liability.

CONCLUSION

For the foregoing reasons, Barnes & Noble respectfully requests affirmation of the judgment below.

February 4, 2016

Respectfully submitted,

/s/ Elizabeth Rogers Brannen

Elizabeth Rogers Brannen

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Nook Digital, LLC and Barnes &
Noble, Inc.*

CERTIFICATE OF COMPLIANCE

Pursuant to Fed. R. App. P. 32(a)(7)(C), the undersigned hereby certifies that this brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because, exclusive of the exempted portions of the brief, as provided in Fed. R. App. P. 32(a)(7)(B), the brief contains 9,067 words. As permitted by Fed. R. App. P. 32(a)(7)(C), the undersigned has relied on the word count feature of the word processing system used to prepare this brief.

The brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 2013 in 14-point Times New Roman font.

/s/ Elizabeth Rogers Brannen
Elizabeth Rogers Brannen

CERTIFICATE OF SERVICE

I hereby certify that on February 4, 2016, I electronically filed the foregoing with the Clerk of the Court for the United States Court of Appeals for the Second Circuit by using the appellate CM/ECF system.

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/s/ Elizabeth Rogers Brannen
Elizabeth Rogers Brannen