

97-7910

United States Court of Appeals
for the
Second Circuit

MATTHEW BENDER & COMPANY, INC.,

Plaintiff.

HYPERLAW, INC.,

Intervenor-Plaintiff-Appellee.

— against —

WEST PUBLISHING CO. and WEST PUBLISHING CORPORATION,

Defendants-Appellants.

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

**PETITION FOR REHEARING WITH A SUGGESTION
FOR REHEARING EN BANC**

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PRELIMINARY STATEMENT

Defendants-appellants ("West" or "appellants") petition this Court to grant rehearing, with a suggestion for rehearing en banc, from the decision of a majority of the panel issued November 4, 1998. The majority opinion departs from the settled law of this Circuit with respect to the showing required to demonstrate "originality" under the Copyright Act. The questions raised on this petition are of central importance to copyright law and of paramount concern to authors, publishers, and users of copyrighted material. It is respectfully submitted that the majority opinion, if allowed to stand, would create confusion within this Circuit, and provide, contrary to statutory intent, underprotection for compilations and derivative works, thereby creating a strong disincentive for the creation of these works.

Appellants request rehearing of the majority's decision that West's selective revision, expansion, and updating of public domain decisions issued by the United States Supreme Court and the United States Court of Appeals never involve sufficient "originality" to entitle West to protection from verbatim wholesale copying of its editorial enhancements. As strongly set forth in the dissent, this decision relies on unsound tests for "originality." Indeed, the majority opinion erects barriers to copyright protection not authorized by - and explicitly warned against - in Feist Publications, Inc. v. Rural Telephone Service,

Inc., 499 U.S. 340, 111 S.Ct. 1282 (1991), and in this Court's post-Feist decisions. Moreover, the majority's decision conflicts with the established law of this Circuit, before and after Feist, that extends protection, in derivative works, to distinguishable, non-trivial additions and revisions.

Important questions, worthy of en banc review, are also raised by (i) the majority's erroneous affirmance of a sweeping declaratory judgment based on speculation and an improper allocation of the burden of proof; and (ii) the majority's erroneous application of the "clearly erroneous" standard of review to a question of statutory interpretation involving undisputed facts.

POINT I

THE MAJORITY DECISION IS IN CLEAR CONFLICT WITH FEIST AND THE WELL-SETTLED LAW OF THIS CIRCUIT

A. UNTIL NOW THE INTERPRETATION OF FEIST IN THIS CIRCUIT HAS BEEN WELL-SETTLED

In assessing the "originality" of West's work for Copyright Act purposes, the majority acknowledges Feist as the primary authority. It adopts the language -- a "modicum of creativity" or "minimal creativity" - used by the Feist Court in denying protection to compilations produced merely by "sweat of the brow," with no exercise of independent choice or judgment.

Yet, unlike other post-Feist decisions of this Court,

notably the unanimous opinion in CCC Information Services, Inc. v. Maclean Hunter Market Reports, Inc., 44 F.3d 61 (2d Cir. 1994), cert. denied, 116 S.Ct. 72 (1995), the majority opinion ignores the clear guidance in Feist as to the proper interpretation and application of the "modicum" test.

In CCC, Judge Leval analyzed Feist, emphasizing the dangers of reading the decision as anything more than a rejection of protection based solely on "sweat of the brow." In words equally applicable to this case, he wrote:

The Court repeatedly stressed that the required level of originality is minimal, and that most compilations, merely by exercising some independent choice in the coordination, selection, or arrangement of data, will pass the test. The telephone directory failed because it was found to be *completely* devoid of originality...

The thrust of the Supreme Court's ruling in Feist was not to erect a high barrier of originality requirement. It was rather to specify, rejecting the strain of lower court rulings that sought to base protection on the "sweat of the brow," that *some* originality is essential to protection of authorship, and that the protection afforded extends only to those original elements.¹ Because the protection is so limited, there is no reason under the policies of the copyright law to demand a high degree of originality. To the contrary, such a requirement would be

¹See also 1 Patry, Copyright Law and Practice (1994) ("The key factor is the exercise of some editorial judgment in the selection of data.") (emphasis added).

counterproductive. The policy embodied into law is to encourage authors to publish innovations for the common good - not to threaten them with loss of their livelihood if their works of authorship are found insufficiently imaginative.

44 F.3d at 65, 66 (emphasis in original).²

Until now, the interpretation of Feist set forth in CCC has reflected this Court's consistent view. In Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc., 945 F.2d 509 (2d Cir. 1991), the Court described the minimal level of editorial judgment required by Feist as "de minimis thought." Id. at 514. In Kregos v. Associated Press, 937 F.2d 700 (2d Cir. 1991), the Court emphasized that the Supreme Court defined the "narrow category" of insufficiently original works as those in which the "selection and arrangement of facts [is] so mechanical or routine as to require no creativity whatsoever." Id. at 704 (emphasis added), quoting Feist, 111 S.Ct. at 1296.

Indeed, this Court has only once before interpreted

²To reinforce this point, Judge Leval provided extended excerpts, including the following, from the Feist opinion:

To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be.

111 S.Ct. at 1287 (citations omitted), quoted at 44 F.3d at 65.

Feist to deny copyright protection to a textual work of any kind, and that case, Victor Lalli Enterprises, Inc. v. Big Red Apple, Inc., 936 F.2d 671 (2d Cir. 1991), exemplifies the rare situation in which "the creative spark is so utterly lacking as to be 'virtually nonexistent.'" CCC, 44 F.3d at 67, citing Feist, 111 S.Ct. at 1295. In Victor Lalli, the plaintiff chart publisher was found to have made no independent selection or arrangement at all, since he adopted "the exact same format" as every other publisher and arranged data according to "purely functional grids that offer no opportunity for variation." Id. at 672-73.³

B. THE MAJORITY IMPOSED AN "ORIGINALITY" STANDARD THAT DEMANDS FAR MORE THAN FEIST OR ANY PRIOR DECISION OF THIS COURT

The majority does not hold that West, like the publishers in Feist or Victor Lalli, exercises no independent choice at all, or makes exactly the same choices made by virtually all other publishers, or makes only "mechanical" choices. No such finding is conceivable in this case, given the undisputed evidence that (i) West's case reports differ in numerous substantive ways from public domain opinions and reports of other publishers; and (ii) the expression in West's case

³ See also Financial Information, Inc. v. Moody's Investors Service, Inc., 808 F.2d 204 (2d Cir. 1986), cert. denied, 484 U.S. 820 (1987) (no protection for selection of five categories of bond call facts when precisely the same grouping was already used almost universally throughout the industry).

reports is the result of dozens of different, independent editorial choices.⁴

Instead, the majority subjects West's independent editorial judgments to a series of tests, all of which are inconsistent with Feist and prior decisions of this Court and undermine Congress' longstanding decision to extend copyright protection to compilations and derivative works. Moreover, the majority's analysis errs in focusing on editorial choices as ideas rather than on the protectible expression that is the product of editorial choice.

1. The Majority's Two-Part Threshold Test Must Be Rejected

The majority opinion's analysis is premised on its general ruling that independent choices are insufficiently "original" unless they *both* (i) involve more than three options, and (ii) are "non-obvious."⁵ Each of these tests, particularly as applied by the majority, imposes a more demanding standard than that found in Feist and CCC. To require that editorial choices meet both tests is to erect a high hurdle -- one that is

⁴As Judge Sweet emphasizes throughout his dissent, West's editorial additions and revisions in the case reports at issue involve "substantive, editorial choices" that "express thought and are not inevitable." Dissent at 4-5.

⁵See, e.g., Maj. Op. at 18-19 (requiring "non-obvious choices from among more than a few options" and stating, "Selection from among two or three options" is "insufficient") (emphasis added).

a complete barrier to even extremely thin copyright protection --
that is dramatically at odds with Feist's "extremely low"
threshold.

The provenance of this test is difficult to discern from the opinion. Feist and Victor Lalli, the cited authorities, provide no basis for the requirement that each choice made in a compilation or derivative work must involve more than three options. On the contrary, those cases involved no independent selection -- i.e., no options at all.⁶

Nor do Feist or Victor Lalli support the use of the term "obvious" - which the majority gives a broad, elastic interpretation - to negate originality. Indeed, Feist cautions that even "crude, humble or obvious" expressions of independent thought will "make the grade quite easily." 111 S.Ct. at 1287 (emphasis added). Feist and Victor Lalli stand for the narrow proposition that choices do not show the "slightest trace of

⁶The majority also refers to Kregos, in which the choice of nine factors from "scores of available statistics" was held to involve sufficient originality. Nothing in Kregos, however, remotely suggests that a decision involving less than four options is necessarily devoid of originality. Moreover, unlike Kregos, in which the originality of the entire work consisted of a single decision, West's original expression in any one case report may reflect dozens of different decisions, each involving several options. Overall, then, there are hundreds of different combinations of choices -- innumerable options, in fact -- that can be made in publishing a case report. See infra at 12-13.

creativity" (which is all that is required) when they are so "garden variety" and "entirely typical" -- i.e., virtually identical to those dictated by some essentially universal practice - as to be "practically inevitable." Id. at 1296-97 (emphasis added).

The majority, on the other hand, loosely uses the terms "garden variety," "typical," and "obvious" to negate the originality of the expression that results from numerous decisions that are simply (i) consistent with general principles of legal reference⁷ (but undeniably subjective in their particulars), or (ii) logically responsive to the preferences, as evaluated by West, of its readers.⁸ In CCC, this Court warned that originality is not negated by logical choices that respond to the "needs of the market."⁹ Some of the majority's improper

⁷ The majority certainly does not suggest that other publishers make the same citation-revision choices as West. Nor does the Court find that the Bluebook prescribes West's revision choices. At the most the majority merely finds that a few of West's choices seem somewhat common or familiar. As the dissent notes (at 9-10), this impression may well be the result of West's longtime success and the familiarity of its works to legal researchers - neither of which is a basis for evisceration of copyright.

⁸ One indicator of the majority's loosely expansive approach is its use of the term "typical," rather than Feist's term, "entirely typical." See, e.g., Maj. Op. at 4, 19, 23, 28, 32, 33.

⁹ "To the contrary, the use of logic to solve the problems of how best to present the information being compiled is independent

extrapolations from Feist go even further, finding an absence of originality merely because the Court shares West's subjective opinion of what constitutes the best choice.¹⁰

In sum, the majority negates the clear originality of West's work by misreading Feist and ignoring, in relevant part, CCC. Indeed, as the dissent notes, "all of West's basic choices involve subjective judgment," and many of them - particularly those involving the evaluation of the relative usefulness of dozens of citation sources - plainly display as much originality as the decisions in Key Publications. See Dissent at 4-5, 7-8.¹¹

creation." 44 F.3d at 67.

¹⁰ For example, the majority finds that West's selective updating of citations is devoid of originality because "West's decision to insert a citation to the denial of certiorari only when the denial pre-dated the opinion is necessary to avoid anachronism..." Maj. Op. at 30-31. In fact, of course, the decision is only "necessary" if one shares the highly subjective opinion that it is more important to avoid anachronism than to provide the most up-to-date information. Moreover, other publishers provide no updating at all, a third option which is also completely viable. Nothing "dictates" West's choice among these options; the choice is plainly anything but "inevitable."

¹¹ For example, West subjectively evaluates 30 specific publications as being either (i) not useful enough to be retained if a West bound-volume citation can be substituted, or (ii) so useful that they are always retained, even if a West bound-volume citation is available. The majority acknowledges that some but not all of the citations replaced by West are from daily or weekly journals. The majority suggests no reason, other than highly subjective evaluation, why West would delete certain permanent-book citations and not delete others. Maj. Op. at 28.

Furthermore, it is plain -- and the majority does not find otherwise -- that West could make dozens of different choices, in a single case report, without departing from some "industry standard," breaking the law, or even looking foolish, leading to entirely different expressive content. As Judge Sweet concludes, "there is no evidence that any of West's choices are commonplace, 'practically inevitable,' dictated by law, or that they follow any external guidelines." Dissent at 4.

2. The Majority's De Facto Application of the Merger Doctrine Misconstrues the Law of this Circuit and Conflicts with CCC

The majority also holds that West's independent selection, revision, and arrangement of citations should be denied protection because "a competitor would have difficulty creating a useful case report without using many of the same citations." Maj. Op. at 33.¹² The majority's concern has no factual basis in the record.¹³ More important, the majority's

¹² Similarly, the majority asserts that affording protection to West's selection and arrangement of attorney data in *Supreme Court Reporter* -- which is different from the selection and arrangement in at least two other Supreme Court reporters -- might prevent competitors from publishing a "substantially similar" arrangement. Maj. Op. at 23-24.

¹³ Indeed, the record amply demonstrates that the citation choices in other "useful" publications are consistently different. As the dissent notes, "opinions can be, and are written, with a variety of citation combinations and other facts either included or not." Dissent at 9.

reasoning is in clear conflict with CCC, which explained that, under Feist, the way to prevent the monopolization of factual data is not to create barriers to copyrightability but to limit the extent of protection strictly. 44 F.3d at 66.¹⁴ See also Continental Casualty Company v. Beardsley, 253 F.2d 702 (2d Cir. 1958), in which this Court found insurance forms (whose content was largely dictated by statute) copyrightable but, to ensure free use of ideas, declined to find infringement in the absence of verbatim or near-verbatim copying.

This case concerns only the verbatim, wholesale copying of West's case reports, through computer scanning.¹⁵ West seeks protection in this case against nothing except the aggregate, verbatim copying of West's cumulative original expression in case reports. West does not contend, and no court will ever be asked to find, that West's copyright is infringed by the publication of

¹⁴ The majority holds that, in accordance with CCC, the merger doctrine is inapplicable because of the nature of West's expression (Maj. Op. at 35-36). Yet the denial of protection based on unfounded fears of "monopolization" constitutes a de facto misapplication of the merger doctrine and a serious misapprehension of the idea/expression dichotomy. See dissent at 9. One does not give West a monopoly in any ideas by protecting the highly specific, subjectively determined expression in West's case reports.

¹⁵ HyperLaw asserts that, prior to scanning, it will redact West's synopses, headnotes, and keynotes, none of which is at issue in this case.

independently created, substantially similar case reports.¹⁶

"The copyright granted West is thin, but it is sufficient to protect against the verbatim digital copying proposed by Hyperlaw." Dissent at 8.¹⁷

3. The Majority Mistakenly Adopts an "Atomizing" Approach That Is Inconsistent with the Law of this Circuit

Although HyperLaw seeks to copy, verbatim, all of the different kinds of expression (selected and revised citations, subsequent case history, selected and arranged attorney information, revised captions) in each case report, the majority declines to assess the overall or cumulative originality contained in a single case report. Instead, the majority scrutinizes many of West's individual choices on an isolated basis; finds most of them to be insufficiently original (when reviewed under the faulty standards discussed above); and

¹⁶ The warning in Key Publications cited by the majority (Maj. Op. at 33) does not refer to any risk of exposure faced by independent creators of substantially similar works. The warning is clearly limited to verbatim copiers who attempt to conceal their verbatim copying (and can be proven to have done so).

¹⁷ Indeed, the majority itself, in its companion decision, approvingly cites the observation that "under Feist, nothing 'short of extensive verbatim copying' will amount to infringement of a compilation." Maj. Op. in 97-7430 at 27, citing J. Ginsburg, No "Sweat"? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone, 92 Colum. L. Rev. 338, 349 (1992).

apparently concludes, without further analysis, that no combination of choices in a case report conceivably could involve sufficient originality.¹⁸

As justification for this "atomizing" approach, the majority states that since "each editorial choice is independent of the others," the "whole does not disclose or express an overall creative insight or purpose...." Maj. Op. at 34. Thus, the majority erects yet another barrier to copyrightability that is inconsistent with the law of this Circuit.¹⁹ In Key Publications (as to compilations) and in Weissmann v. Freeman, 868 F.2d 1313 (2d Cir.), cert. denied, 493 U.S. 883 (1989) (as to derivative works), this Court confirmed that the analysis of originality requires consideration of selection, arrangement, and annotation in the aggregate.²⁰ No prior decision of this Court has suggested that the aggregate should be ignored because the

¹⁸ See Maj. Op. at 34. In fact, the majority opinion's ruling as to the absence of cumulative originality refers only to citation decisions. The majority never explicitly addresses the cumulative originality of all the editorial decisions expressed in a West report but would presumably reach, as the dissent suggests, the same dismissive conclusion. Dissent at 5.

¹⁹ The barrier is surely a high one, since it is apparently not satisfied by West's overall purpose: providing revisions and annotations suited to the needs and preferences of its readers.

²⁰ See also dissent at 5-6, citing 17 U.S.C. § 101 and Softel, Inc. v. Dragon Medical & Scientific Communications, Inc., 118 F.3d 955, 964 (2d Cir. 1997).