

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

INFOGROUP INC., Delaware corporation;

Plaintiff,

vs.

OFFICE DEPOT, INC., a Delaware
corporation;

Defendant.

8:20CV109

MEMORANDUM AND ORDER

This matter is before the Court on defendant Office Depot, Inc.'s ("Office Depot") motion to dismiss and to compel arbitration/mediation, [Filing No. 14](#).¹ This is an action for copyright infringement under the Federal Copyright Act, [17 U.S.C. § 501](#). Office Depot moves to dismiss Infogroup's complaint for lack of subject matter jurisdiction, under [Federal Rules of Civil Procedure 12\(b\)\(1\)](#), for lack of personal jurisdiction under [Federal Rule of Civil Procedure 12\(b\)\(2\)](#), for improper venue under [Federal Rule of Civil Procedure 12\(b\)\(3\)](#), and for failure to state a claim for which relief may be granted under [Federal Rule of Civil Procedure 12\(b\)\(6\)](#), or, alternatively, to compel mediation pursuant to a contract between the parties.

I. BACKGROUND

In its complaint, Infogroup, a business intelligence company, alleges that Office Depot misappropriated its copyrighted information database. Infogroup first describes its copyright ownership interest in the "Infogroup U.S. Business Database" and attaches three copyright registrations. [Filing No. 1](#), Complaint at 2, Ex. A, 2017 Copyright

¹ Also pending is a motion for a hearing, [Filing No. 37](#). The Court finds the matter can be resolved without a hearing and the motion will be denied.

Registration, Ex. B, 2018 Copyright Registration, and Ex. C, 2019 Copyright Registration. Infogroup alleges it sold the copyrighted database—containing addresses, email addresses, other contact information collected from publicly available sources over the years, and some of the data that was not obtained from outside sources, including predicted market preferences, resolution of conflicting data, and proprietary modelling of unavailable business information—data to Office Depot. *Id.* at 3. It alleges Office Depot obtained full electronic copies of Infogroup’s Business Database between February 22, 2018 and April 3, 2019 via transfers from Infogroup to Office Depot. *Id.* It contends Office Depot infringed its copyrights by using the U.S. Business Database “to supply business data for use in Office Depot’s mapping program, which is designed with multiple functions, including functions that allow Office Depot to understand small and medium business opportunities near its current business locations and identify new potential business locations.” *Id.* It alleges that “Office Depot used Infogroup’s Business Database in its Mapping Program without Infogroup’s knowledge, consent, or authorization.” *Id.* Infogroup seeks monetary damages under [17 U.S.C. § 504](#), an accounting of Office Depot’s use of Infogroup’s Business Database, and of the benefits (financial and otherwise) that accrued to Office Depot from such use; and injunctive relief under [17 U.S.C. § 503](#) (including impounding and destruction of all portions of the Infogroup’s Business Database incorporated into Office Depot’s mapping program); costs and attorney fees; as well as such other relief as the Court deems proper. *Id.* at 6-7.

Office Depot contends that Infogroup granted it an express license to use the database. In support of its motion, Office Depot submits the declarations of Makund

Padmanabhan, Office Depot's Senior Director of Market Research, and Damon Lewis, Counsel for Office Depot, and attached exhibits, including series of written contracts known collectively as the Master Client Services Agreement ("MCSA") together with amendments known as "Statements of Services" ("SOS")(collectively, "the Agreement") that Office Depot and Infogroup executed over the span of a decade for use of a copy of components of Infogroup's database. Filing No. 25, Declaration of Makund Padmanabhan ("Padmanabhan Decl."); Filing No. 26, Declaration of Damon Lewis, ("Lewis Decl."), Filing No. 16, Index of Evid., Filing Nos. 18-24, Exhibits. Evidence submitted by Office Depot shows that the parties entered into the Agreement in 2009, it lapsed in 2016, but was renegotiated in 2017 to provide for location information including longitude and latitude for a term of three years. Filing No. 25, Padmanabhan Decl. at 1-3.

The original MCSA provided the "[t]his Agreement shall be construed and governed in accordance with the laws of the State of Florida," and also waived rights to a jury trial. The Agreement also included a dispute resolution clause providing that

in the event a dispute should arise under this Agreement or relating in any manner hereto, the parties agree to attempt to mediate their dispute prior to the commencement of formal litigation (i.e., the filing of a lawsuit or other legal proceeding), using a third party mediator. Any mediation shall take place in Palm Beach County, Florida, unless otherwise agreed to by the parties

Filing No. 26, Lewis Decl. at 1, Filing No. 19, Ex. 3, MCSA at 4. That provision is limited by the following language: "In the event a party seeks equitable relief (such as injunctive relief or specific performance) . . . then there shall be no requirement that such party utilize the mediation process referred to herein." *Id.* at 4-5. In his declaration, Padmanabhan states that the parties understood that the data Infogroup would provide

would be used for internal research and analytics. [Filing No. 25](#), Padmanabhan Decl. at 2-3. He also states that Office Depot informed Infogroup that it would not renew its contracts in or around March 2019 and the data Office Depot received from Infogroup was destroyed shortly thereafter, before the overall contract expired on May 8, 2020. *Id.* at 3.

Office Depot's motions to dismiss for lack of subject matter and personal jurisdiction, improper venue and failure to state a claim are inter-related.² Office Depot's motion to dismiss for lack of subject matter jurisdiction is based on the arguments that 1) the matter is not ripe for adjudication because mediation is a condition precedent to suit, and 2) that there is no federal question jurisdiction because the complaint refers on its face to a license agreement, meaning the action is based on contract. Office Depot essentially argues that Infogroup carefully crafted its complaint to avoid what is essentially a breach of contract action in order to manufacture jurisdiction where there is none. It next contends that this court lacks personal jurisdiction over Office Depot because there are insufficient minimum contacts with Nebraska. Then, it contends venue is improper because: first, the Court lacks jurisdiction; and second, because Office Depot does not reside in Nebraska, Office Depot cannot be found in Nebraska, and none of Office Depot's purported actions giving rise to Plaintiff's claims actually occurred in Nebraska. It further argues that Infogroup has not alleged a

² In its reply brief, Office Depot states:

Office Depot seeks dismissal and an order compelling Infogroup to mediate this matter. (Brief at 1.) If the Court finds no subject matter jurisdiction and no personal jurisdiction, it must dismiss. (*Id.* at 12). If the Court finds there is federal subject matter jurisdiction but no personal jurisdiction, the Court should transfer the case to the Southern District of Florida. (*Id.* at 28).

[Filing No. 38](#), Reply Brief at 6 n.3.

potential violation of at least one exclusive right under the Copyright Act because it alleges only that it gave Office Depot the copyrighted material (arguably under an express or implied license) and Office Depot used it, which does not state a claim for relief under the Copyright Act.

In response, Infogroup argues the Court has subject matter jurisdiction because its complaint plainly details a copyright claim, which creates federal question jurisdiction. Infogroup argues that its copyright claim arises out of Office Depot's unauthorized, infringing use of Infogroup's U.S. Business Database and is not based on any contract with Infogroup. It argues it is entitled to choose its remedy, contending the dispute resolution clause of the Agreement is not applicable to its copyright cause of action. Also, it contends Office Depot's use of Infogroup's U.S. Business Database to create the store locator mapping program is not a permitted use under the license. Infogroup also contends that this Court has personal jurisdiction over Office Depot because Office Depot has consented to general personal jurisdiction in Nebraska, and the Court has specific jurisdiction because Office Depot aimed its tortious conduct at Nebraska and the effects of the tortious conduct were felt in Nebraska. It states it adequately alleges a claim for relief under the Copyright Act and argues that the licensing issue is an affirmative defense. Further, it argues that venue is proper because the Court has personal jurisdiction over the defendant. Infogroup submits the declaration of Terri Gibbons and attached documents showing that Office Depot does business in Nebraska and has a resident agent in Nebraska. [Filing No. 32](#), Index of Evid.

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