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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

PEARSON EDUCATION, INC.,

Plaintiff,

-against-

CHEGG, INC.,

Defendant.

Civil Action No. 2:21-cv-16866
(EP-ESK)

**DEFENDANT CHEGG, INC.'S ANSWER TO PLAINTIFF'S COMPLAINT
FOR COPYRIGHT INFRINGEMENT AND AFFIRMATIVE DEFENSES**

Defendant Chegg, Inc. ("Chegg"), through its counsel, Cooley LLP, hereby answers the allegations in the First Amended Complaint ("FAC") of Plaintiff Pearson Education, Inc. ("Plaintiff" or "Pearson") in the above action as follows:

GENERAL RESPONSE

Chegg is an innovative, publicly held education technology company that has put students' needs first since its founding in 2005. Chegg strives to make academic support affordable and accessible to students of all economic means. To that end, it offers students on-demand, low-cost educational support to supplement and complement traditional, in-classroom learning. Chegg supports students with tools designed to help them learn course materials, succeed in their classes, save money on required materials, and realize the value of the courses for which they pay. Because Chegg's products are available anytime online, Chegg's products also assist students when they are in a remote environment without access to many traditional educational resources. One of its products, Chegg Study, does this by providing students with new learning tools and resources that include original, step-by-step solutions to textbook questions to help students better understand the concepts being taught in their coursework and apply those principles in other contexts. Chegg's solutions walk students through the process of solving problems incrementally, through structured analysis. Chegg Study teaches students how to solve not only individual end-of-chapter questions, but also how to approach solving other problems of the same type. A student accessing Chegg's solutions learns by using them, just as a student learns when a teacher or tutor guides the student through the steps of solving a problem. As discussed at www.chegg.com/about/, at a time when classes and homework have gone digital, Chegg provides the kind of learning assistance that students need and value.

Chegg Study has invested in providing original, step-by-step solutions to textbook questions, including from Pearson textbooks, since approximately 2010. And for over a decade, Pearson not only acquiesced in the lawfulness of this practice, Pearson endorsed it and profited from it. Pearson's FAC has obscured these facts. From April 2016 through May 2021, Pearson and Chegg had a Textbook Questions Distribution Agreement (the "License Agreement"), under

which Pearson went so far as to license to Chegg the verbatim text of end-of-chapter problems from many of Pearson's textbooks, authorizing Chegg to add the display of the problems' text next to the millions of solutions that Chegg had already independently developed and the millions more that Chegg continued to create. Before the License Agreement, Chegg identified its step-by-step solutions through a combination of publication title, chapter, and question numbers so that students could locate the solution corresponding to a given problem. For over five years (pursuant to the License Agreement), Chegg Study also displayed the full problem text for those Pearson textbooks next to the solution that Chegg experts had created. Both during the License Agreement, and without it, the parties fully and explicitly understood that Chegg had and has every right to operate a platform displaying the independent *solutions* that Chegg creates, and that Pearson's alleged copyrights in its questions do *not* cover Chegg's solutions. Indeed, the License Agreement acknowledged what Pearson and the market already knew: that even prior to the License Agreement, Chegg "has developed websites that provide online homework help questions and solutions to students."

Over the years, Pearson watched Chegg grow and succeed by providing students affordable and convenient access to a suite of new educational services, including step-by-step solutions. In February 2021, after years of endorsing and profiting from Chegg's textbook solutions platform, Pearson demanded for the first time that Chegg take down the original step-by-step solutions to Pearson textbook questions from Chegg Study, taking the position that a copyright in a textbook grants Pearson a monopoly over, and the ability to preclude anyone else from independently creating, solutions to the questions in textbooks. Pearson's position is legally flawed, and fundamentally contrary to students' interests in full and equal access to learning opportunities.

Pearson's textbook copyrights do not grant it a monopoly over the right to solve an end-of-chapter problem. The step-by-step solutions that Chegg has created and made available on Chegg's innovative platform do not infringe any Pearson copyrights. To the contrary, the fundamental purpose of copyright is to promote creativity and expand public knowledge and understanding in furtherance of the public interest. Pearson's assertions in this action seek to prohibit and deprive students of alternative learning resources, lock them in to paying for and using only Pearson services, and block innovation in and the accessibility of learning techniques that can help level the uneven playing field for access to educational success. Pearson's assertion also defies—and obscures from the Court—the parties' course of dealing for over a decade. As Pearson itself had long recognized, the mere fact that Pearson's textbooks contain "end-of-chapter questions" as alleged in the FAC does not preclude innovators like Chegg from providing independently created solutions to those questions, nor from providing them in a manner that students can find and use.

Chegg responds to the FAC's specific allegations further below.

RESPONSES TO FAC ALLEGATIONS

RESPONSES TO "NATURE OF THE CASE"

1. Chegg denies the allegations in Paragraph 1. Responding further, Chegg states that Pearson, through this lawsuit, is attempting to throttle lawful innovation by weaponizing Pearson's limited copyright interests and thereby reducing learning opportunities available to students.
2. Chegg denies the allegations in Paragraph 2, except that Chegg admits that Pearson textbooks can contain hundreds or thousands of end-of-chapter questions.
3. Chegg states that the allegations in Paragraph 3 are legal conclusions to which no response is required, but to the extent a response may be deemed required, Chegg lacks knowledge

or information sufficient to form a belief as to the truth of certain allegations in Paragraph 3 and denies other allegations. Chegg lacks knowledge or information sufficient to form a belief as to whether Pearson owns and/or controls the exclusive rights to the copyrights of the textbooks, and as to whether such copyright includes end-of-chapter questions typically contained within each textbook. Chegg denies that Pearson has the exclusive right to control the preparation and distribution of answer sets to the questions in Pearson's textbooks, and Chegg denies that the sale of a work that is based on, and copies from, the creative efforts of Pearson and its authors necessarily violates Pearson's exclusive rights under the Copyright Act. Chegg denies the remaining allegations in Paragraph 3.

4. Chegg admits in part the allegations in Paragraph 4. Chegg admits that Chegg experts prepare solutions to textbook questions. Chegg denies the remaining allegations in Paragraph 4.

5. Chegg states that the allegations contained in Paragraph 5 are legal conclusions to which no response is required, but to the extent a response may be deemed required, Chegg denies the allegations in Paragraph 5.

6. Chegg denies in part and admits in part the allegations in Paragraph 6 and lacks knowledge or information sufficient to form a belief as to the truth of other allegations in Paragraph 6. Chegg admits that, as a general proposition and from time to time, educators assign selected questions found in textbooks as homework and as study aids as part of the education process. Chegg lacks knowledge or information sufficient to form a belief as to the truth of Pearson's allegation that Pearson intends its textbook questions to be part of the learning progression. Chegg denies the remaining allegations in Paragraph 6.

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