

[PUBLISH]

IN THE UNITED STATES COURT OF APPEALS
FOR THE ELEVENTH CIRCUIT

Nos. 12-14676 & 12-15147

D.C. Docket No. 1:08-cv-01425-ODE

CAMBRIDGE UNIVERSITY PRESS,
OXFORD UNIVERSITY PRESS, INC.,
SAGE PUBLICATIONS, INC.,

Plaintiffs - Appellants,

versus

CARL V. PATTON, et al.,

Defendants,

J. L. ALBERT,
in his official capacity as Georgia State
University Associate Provost for Information
System and Technology,
MARK P. BECKER,
in his official capacity as President of Georgia State University,
KENNETH R. BERNARD, JR.,
in his official capacity as member of the
Board of Regents of the University System of Georgia.,
ROBERT F. HATCHER, in his official capacity as
Vice Chair of the Board of Regents of the
University System of Georgia,
W. MANSFIELD JENNINGS, JR.,
in his official capacity as member of the
Board of Regents of the University System of Georgia,
JAMES R. JOLLY,

in his official capacity as member of the Board of Regents
of the University System of Georgia, et al.,

Defendants - Appellees.

Appeals from the United States District Court
for the Northern District of Georgia

(October 17, 2014)

Before TJOFLAT and MARCUS, Circuit Judges, and VINSON,^{*} District Judge.

TJOFLAT, Circuit Judge:

Three publishing houses, Cambridge University Press, Oxford University Press, and Sage Publications, Inc. (collectively, “Plaintiffs”) allege that members of the Board of Regents of the University System of Georgia and officials at Georgia State University (“GSU”) (collectively, “Defendants”) infringed Plaintiffs’ copyrights by maintaining a policy which allows GSU professors to make digital copies of excerpts of Plaintiffs’ books available to students without paying Plaintiffs. Plaintiffs alleged seventy-four individual instances of infringement, which took place during three academic terms in 2009. The District Court issued an order finding that Plaintiffs failed to establish a prima facie case of

^{*} Honorable C. Roger Vinson, United States District Judge for the Northern District of Florida, sitting by designation.

infringement in twenty-six instances, that the fair use defense applied in forty-three instances, and that Defendants had infringed Plaintiffs' copyrights in the remaining five instances.

Finding that GSU's policy caused the five instances of infringement, the District Court granted declaratory and injunctive relief to Plaintiffs. Nevertheless, the District Court found that Defendants were the prevailing party and awarded them costs and attorneys' fees. Because we find that the District Court's fair use analysis was in part erroneous, we reverse the District Court's judgment; vacate the injunction, declaratory relief, and award of costs and fees; and remand for further proceedings consistent with this opinion.

I.

A.

Like many recent issues in copyright law, this is a case in which technological advances have created a new, more efficient means of delivery for copyrighted works, causing copyright owners and consumers to struggle to define the appropriate boundaries of copyright protection in the new digital marketplace. These boundaries must be drawn carefully in order to assure that copyright law serves its intended purpose, which is to promote the creation of new works for the public good by providing authors and other creators with an economic incentive to

create. See Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156, 95 S. Ct. 2040, 2044, 45 L. Ed. 2d 84 (1975). If copyright's utilitarian goal is to be met, we must be careful not to place overbroad restrictions on the use of copyrighted works, because to do so would prevent would-be authors from effectively building on the ideas of others. Some unpaid use of copyrighted materials must be allowed in order to prevent copyright from functioning as a straightjacket that stifles the very creative activity it seeks to foster. If we allow too much unpaid copying, however, we risk extinguishing the economic incentive to create that copyright is intended to provide.

The fair use doctrine provides a means by which a court may ascertain the appropriate balance in a given case if the market actors cannot do so on their own. Fair use is a defense that can excuse what would otherwise be an infringing use of copyrighted material. See 17 U.S.C. § 107 (“[T]he fair use of a copyrighted work . . . is not an infringement of copyright.”). To prevail on a claim of fair use, a defendant must convince the court that allowing his or her unpaid use of copyrighted material would be equitable and consonant with the purposes of copyright. In order to make this determination, the court must carefully evaluate the facts of the case at hand in light of four considerations, which are codified in the Copyright Act of 1976: (1) the purpose of the allegedly infringing use, (2) the

nature of the original work, (3) the size and significance of the portion of the original work that was copied, and (4) the effect of the allegedly infringing use on the potential market for or value of the original. Id. These factors establish the contours within which a court may investigate whether, in a given case, a finding of fair use would serve the objectives of copyright. Here, we are called upon to determine whether the unpaid copying of scholarly works by a university for use by students—facilitated by the development of systems for digital delivery over the Internet—should be excused under the doctrine of fair use.

Plaintiffs are three publishing houses that specialize in academic works. Plaintiff Cambridge University Press (“Cambridge”) is the not-for-profit publishing house of the University of Cambridge in England, having an American branch headquartered in New York City. Plaintiff Oxford University Press, Inc. (“Oxford”) is a not-for-profit United States corporation associated with Oxford University in England and headquartered in New York City. Plaintiff Sage Publications, Inc. (“Sage”) is a for-profit Delaware corporation, headquartered in Sherman Oaks, California.

Plaintiffs do not publish the large, general textbooks commonly used in entry-level university courses. Rather, Plaintiffs publish advanced scholarly works, which might be used in upper-level undergraduate and graduate courses.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.