

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

American Institute of Physics and
John Wiley & Sons, Inc.,

Plaintiffs,

Civ. No. 12-528 (RHK/JJK)
**MEMORANDUM OPINION
AND ORDER**

v.

Schwegman Lundberg & Woessner, P.A.
and John Does Nos. 1-10,

Defendants.

Laura Scileppi, William I. Dunnegan, Dunnegan & Scileppi LLC, New York, New York,
Timothy J. Pramas, Manty & Associates, P.A., Minneapolis, Minnesota, for Plaintiffs.

Devan V. Padmanabhan, Sri K. Sankaran, Winthrop & Weinstine, P.A., Minneapolis,
Minnesota, Robert W. Clarida, Reitler Kailas & Rosenblatt, LLC, New York, New York,
for Defendants.

In this action, two publishers – Plaintiffs American Institute of Physics (“AIP”) and John Wiley & Sons, Inc. (“Wiley”) – allege that a Minnesota law firm, Defendant Schwegman Lundberg & Woessner, P.A. (“Schwegman”), and certain of its employees (sued as “John Does Nos. 1-10”) unlawfully copied and distributed certain of their journal articles. Defendants now move to dismiss. For the reasons that follow, their Motion will be denied.

BACKGROUND

The Complaint alleges the following facts: Plaintiffs publish scientific, technology, and medical journals, consisting “primarily of peer-reviewed articles, written

by one or more scholars, often based upon original research.” (Compl. ¶¶ 8-9.) Plaintiffs either own the copyrights in the articles they publish or, alternatively, exclusively license those copyrights from the articles’ authors. (Id. ¶ 17.) Schwegman is a Minnesota law firm specializing in intellectual-property law. (Id. ¶¶ 6, 13.) Among other things, it routinely files and prosecutes United States patent applications on behalf of its clients. (Id. ¶ 13.)

The Complaint alleges that in “connection with researching, filing and prosecuting certain patent applications, Schwegman made and/or distributed to the United States Patent and Trademark Office (‘PTO’), and perhaps others, unauthorized copies of copyrighted articles from plaintiffs’ journals, including but not limited to those identified on Schedule A.” (Id. ¶ 14.) Schedule A to the Complaint lists two articles:

AIP

McDonald S., et al., “Photoconductivity from PbS-nanocrystal/semiconducting polymer composites for solution-processible, quantum-size tunable infrared photodetectors,” *Applied Physics Letters*, vol. 85, No. 11, XP012062554, ISSN: 0003-6951, pp. 2089-2091, (Sep. 13, 2004), that is a subject of U.S. Certificate of Copyright Registration No. TX 6-053-544, registered on September 30, 2004.

Wiley

Greenwald, et al., “Polymer-Polymer Rectifying Heterojunction Based on Poly(3,4-dicyanothiophene) and MEH-PPV,” *J. Polym. Sci. A: Polym. Chem.*, vol. 36:17, pp. 3115-3120, (1998) that is a subject of U.S. Certificate of Copyright Registration No. TX 4-822-483, registered on January 8, 1999.

The Complaint further alleges, upon information and belief, that Schwegman and its “John Doe” employees made additional “internal” copies of these articles that were not

sent to the PTO. (Id. ¶ 15.) Plaintiffs allege that such conduct violates the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (Oct. 19, 1976) (codified as amended at 17 U.S.C. § 501 *et seq.*).

Defendants now move to dismiss, arguing that Plaintiffs have not sufficiently pleaded their claims.

STANDARD OF REVIEW

The Supreme Court set forth the standard for evaluating a motion to dismiss in Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007). To avoid dismissal, a complaint must include “enough facts to state a claim to relief that is plausible on its face.” Id. at 547. A “formulaic recitation of the elements of a cause of action” will not suffice. Id. at 555; accord Ashcroft v. Iqbal, 129 S. Ct. 1937, 1949 (2009). Rather, the complaint must set forth sufficient facts to “nudge[] the[] claim[] across the line from conceivable to plausible.” Twombly, 550 U.S. at 570. When reviewing a motion to dismiss, the Court “must accept [the] plaintiff’s specific factual allegations as true but [need] not . . . accept a plaintiff’s legal conclusions.” Brown v. Medtronic, Inc., 628 F.3d 451, 459 (8th Cir. 2010) (citing Twombly, 550 U.S. at 556). The complaint must be construed liberally, and any allegations or reasonable inferences arising therefrom must be interpreted in the light most favorable to the plaintiff. Twombly, 550 U.S. at 554–56.

ANALYSIS

Defendants predicate their Motion on Twombly and Iqbal, the Supreme Court’s most recent pronouncements regarding how much detail a plaintiff must plead in order to state a claim. They point out that the elements of a copyright-infringement claim are

(1) ownership of a valid copyright and (2) copying of original elements of the copyrighted work, e.g., Warner Bros. Entm't, Inc. v. X One X Productions, 644 F.3d 584, 595 (8th Cir. 2011), and argue that Plaintiffs have not pleaded sufficient facts to establish either. (Def. Mem. at 3 (“The allegations necessary to state a claim of copyright infringement are either absent altogether, or are merely conclusory, ‘naked assertions devoid of further factual enhancements.’”)) The Court does not agree.¹

Ownership. Defendants argue that “Plaintiffs do not allege that they actually own rights in the supposedly copied works.” (Def. Mem. at 3.) This contention is curious, as paragraph 17 of the Complaint alleges that “Plaintiffs either own the copyrights in the articles contained in the journals they publish or, alternatively, exclusively license those

¹ Although Defendants have cited no case indicating that a plaintiff, at the pleading stage, must allege facts supporting each element of a claim, this is indeed the law in the Eighth Circuit. See Brown v. Simmons, 478 F.3d 922, 923 (8th Cir. 2007) (“To state a claim upon which relief can be granted, each element of [a] claim must be pled in the complaint.”). Nevertheless, this principle is not universally recognized – even post-Twombly and Iqbal, courts have held that a plaintiff is “not required . . . in his complaint [to] *match facts to every element of a legal theory.*” Rouse v. Berry, 680 F. Supp. 2d 233, 236 (D.D.C. 2010) (emphasis added); accord, e.g., Tamayo v. Blagojevich, 526 F.3d 1074, 1081-85 (7th Cir. 2008) (concluding that Twombly does not require plaintiffs to “allege all . . . of the facts logically entailed by [a] claim”); Callaghan v. Dept. of Veterans Affairs, No. 4:10CV01049, 2010 WL 4973731, at *1 (E.D. Ark. Dec. 2, 2010) (“A motion to dismiss should not be granted merely because the complaint does not state with precision all elements that give rise to a legal basis for recovery.”) (internal quotation marks omitted); Palacios v. Sure Sys., LLC, No. 2:08-cv-755, 2009 WL 5216854, at *6 (D. Utah Dec. 30, 2009) (plaintiff “not required to delineate in her Complaint the various elements identified by Defendant that are necessary to establish a claim”) (internal quotation marks omitted); Njaka v. Wright Cnty., 560 F. Supp. 2d 746, 752 (D. Minn. 2008) (Ericksen, J., adopting Report & Recommendation of Nelson, M.J.). But while this Court may not ignore Brown, that decision does *not* mean that a plaintiff must *expressly* plead facts to support the elements of a claim in the complaint. Rather, a plaintiff may rely upon plausible *inferences* from the well-pleaded facts to state a claim for relief. See, e.g., Hamilton v. Palm, 621 F.3d 816, 817 (8th Cir. 2010) (complaint suffices “when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged”) (quoting Iqbal, 129 S. Ct. at 1949); Cornerstone Consultants, Inc. v. Prod. Input Solutions, L.L.C., 789 F. Supp. 2d 1029, 1038-39 (N.D. Iowa 2011).

copyrights.”² Defendants point to paragraph 11 of the Complaint, in which Plaintiffs allege that they “*ordinarily* require[] authors to assign or exclusively license to [them] the copyright in each article” they publish (emphasis added), but this does not alter the Court’s analysis. Reading paragraphs 11 and 17 together, the Complaint asserts that Plaintiffs *typically* require assignment of the rights in, or an exclusive license to, a copyrighted article (paragraph 11) and further alleges that such an assignment or license *in fact occurred here* (paragraph 17). (See also Compl. ¶ 18 (“Defendants have infringed certain of *the Plaintiffs’* Copyrights.”) (emphasis added).)³

Defendants note that Plaintiffs have not attached to the Complaint the articles’ copyright registration certificates, which purportedly is how “[o]wnership of a valid copyright is traditionally shown.” (Def. Mem. at 3.) But even if Defendants were correct that ownership *typically* is shown through a registration certificate, they have cited no authority that it *must* be pleaded in that fashion. The Court perceives no reason to foist such a requirement onto plaintiffs as opposed to simply *pleading* ownership of the copyright, an allegation the Court “must accept” as true at the motion-to-dismiss stage. Brown, 628 F.3d at 459; see Imageline, Inc. v. CafePress.com, Inc., No. CV 10-9794, 2011 WL 1322525, at *3 (C.D. Cal. Apr. 6, 2011) (“Despite CafePress’s argument that Imageline must attach the ‘copyright registrations at issue’ or other information

² An exclusive licensee, like a copyright owner, may sue for infringement. See 17 U.S.C. §§ 101, 501(a)-(b); Gardner v. Nike, Inc., 279 F.3d 774, 778-79 (9th Cir. 2002) (“[A]n exclusive licensee . . . has the right to sue for infringement of the assigned right in his own name.”).

³ As the Complaint sufficiently pleads that Plaintiffs own (or exclusively license) the copyrights in question, the Court need not consider their beyond-the-pleadings representations regarding the manner in which they obtained those copyrights. (See Mem. in Opp’n at 4.)

identifying specific copyright registrations, the Court is unable to find any case requiring that a plaintiff produce that information or face dismissal under Rule 12(b)(6), and the Court is not willing to institute such a requirement.”⁴

Registration. Plaintiffs attached to their Memorandum in Opposition the registration certificates identified in Schedule A to the Complaint. Those certificates indicate that the journals *containing* the allegedly copied articles have been registered, rather than the articles *themselves*. As a result, Defendants now argue that Plaintiffs failed to satisfy the Copyright Act’s pre-suit registration requirement, 17 U.S.C. § 411(a). (Reply at 8-10.)⁵ The Court disagrees. The Complaint alleges that Plaintiffs (1) own (or exclusively license) the copyrights to the articles contained in the journals and (2) have registered the journals with the Copyright Office. This is sufficient to satisfy the pre-registration requirement vis-a-vis the articles. See, e.g., Xoom, Inc. v. Imageline, Inc., 323 F.3d 279, 283-84 (4th Cir. 2003) (“[W]here an owner of a collective work also owns the copyright for a constituent part of that work, registration of the collective work is sufficient to permit an infringement action of the constituent part.”), abrogated on other

⁴ Defendants also argue that the Complaint does not comply with the forms appended to the Federal Rules of Civil Procedure, which contain a model complaint for copyright infringement. (See Def. Mem. at 9.) But “compliance” with the forms is not required; “the Forms are not mandatory.” Fahs v. Merrill, 142 F.2d 651, 652 (5th Cir. 1944); accord, e.g., Rosen v. Tex. Co., 161 F. Supp. 55, 58 (S.D.N.Y. 1958) (“[T]he fact that an allegation is contained in one of the forms does not mean that it is essential.”); Beigel v. Balt. & Ohio R.R., 92 F. Supp. 77, 78 (S.D. Ohio 1950) (“[T]he Forms are intended for illustration only.”) (citation omitted). Indeed, this is implicit in Federal Rule of Civil Procedure 84, which provides that a complaint pleaded in accordance with the forms will “*suffice* under the[] rules.” (emphasis added).

⁵ Section 411(a) provides that “no civil action for infringement . . . shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.” The Supreme Court recently clarified that this requirement is not jurisdictional. Reed Elsevier, Inc. v. Muchnick, ___ U.S. ___, 130 S. Ct. 1237, 1245 (2010).

grounds by Reed Elsevier, Inc. v. Muchnick, ___ U.S. ___, 130 S. Ct. 1237 (2010); Morris v. Bus. Concepts, Inc., 283 F.3d 502, 505 (2d Cir. 2002); Masterfile Corp. v. Gale, No. 2:09-cv-966, 2011 WL 4702862, at *2 (D. Utah Oct. 4, 2011) (“Registration of a collection extends copyright protection to each copyrightable element in the collection.”) (quoting King Records, Inc. v. Bennett, 438 F. Supp. 2d 812, 841 (M.D. Tenn. 2006)).⁶

Copying. Defendants next argue that Plaintiffs have failed to adequately plead that they copied Plaintiffs’ works. They acknowledge that the Complaint alleges, “in connection with researching, filing and prosecuting certain patent applications,” that they “made and/or distributed to the United States Patent and Trademark Office . . . unauthorized copies of copyrighted articles from [P]laintiffs’ journals, including but not limited to those identified in Schedule A.” (Def. Mem. at 5 (quoting Compl. ¶ 14).) They argue, however, that “[t]here are ***no*** factual allegations . . . to support these conclusory assertions,” such as “when, or in connection with what specific patent application,” Defendants allegedly infringed. (Id. (emphasis in original).)

This argument misapprehends the nature of Plaintiffs’ pleading obligations. A plaintiff asserting *fraud* must plead “the who, what, when, where, and how” of its claim, Pub. Pension Fund Grp. v. KV Pharm. Co., 679 F.3d 972, 980 (8th Cir. 2012), because Federal Rule of Civil Procedure 9(b) subjects such a claim to a heightened-pleading requirement. But no similar requirement exists for copyright plaintiffs, who are

⁶ Regardless, whether registration of the journals extends to each article contained therein cannot be resolved at this juncture. See CafePress.com, 2011 WL 1322525, at *3 n.2 (noting that court could not conclude on a motion to dismiss that “the registration for a compilation does not satisfy the pre-suit registration requirement”).

constrained only by Federal Rule of Civil Procedure 8(a)(2), requiring “a short and plain statement of the claim showing that the pleader is entitled to relief.” Here, Plaintiffs have alleged that Defendants copied their protected works; they need not suffuse their Complaint with details regarding when, or the precise manner in which, such copying occurred. See, e.g., Robert Kubicek Architects & Assocs., Inc. v. Bosley, No. CV 09-00145, 2009 WL 3188391, at *2 (D. Ariz. Sept. 29, 2009) (complaint stated a claim for copyright infringement despite failing to allege when or how copying had taken place); Klein & Heuchan, Inc. v. Costar Realty Info., Inc., No. 8:08-cv-1227, 2009 WL 963130, at *2 (M.D. Fla. Apr. 8, 2009) (denying motion to dismiss arguing that plaintiff had failed to allege when infringement occurred, as “[c]opyright infringement does not require a heightened standard of pleading”); Kingsbury Int’l, Ltd. V. Trade The News, Inc., No. 08 C 3110, 2008 WL 4853615, at *1 (N.D. Ill. Oct. 28, 2008) (“Plaintiffs are not required to plead a copyright action with the particularity required under [Rule] 9(b).”).

Pointing to the Copyright Act’s statute of limitations, 17 U.S.C. § 507, Defendants also argue that Plaintiffs have failed to allege whether “any of the supposed acts of infringement took place within three years of filing.” (Def. Mem. at 7.) But the statute of limitations is an affirmative defense that a *defendant* must plead and prove. See Fed. R. Civ. P. 8(c); Jessie v. Potter, 516 F.3d 709, 713 n.2 (8th Cir. 2008). Hence, Plaintiffs were not required to expressly allege that the (so-called) infringement occurred within three years of filing the Complaint. E.g., Peterson v. McGladrey & Pullen, LLP, 676 F.3d 594, 600 (7th Cir. 2012) (“Complaints need not anticipate and plead around defenses.”) (citing Gomez v. Toledo, 446 U.S. 635 (1980)).

Defendants also argue that Plaintiffs have failed to adequately allege they made “internal” copies of the protected articles, including any allegations “indicat[ing] what article was copied by what act of Defendants, or when the supposed copying occurred.” (Def. Mem. at 6.) True, the Complaint alleges the “internal” copying “[u]pon information and belief,” but the Court does not agree that “Plaintiffs are merely speculating that internal . . . copies were made.” (*Id.*) It can reasonably be inferred that Defendants internally copied the articles in question before submitting them to the PTO as part of the challenged patent applications – indeed, the Court finds it particularly *implausible* that a law firm would fail to make at least one copy of a patent application before filing it. Further, it can hardly be expected for Plaintiffs to know precisely when, where, and how Defendants copied Plaintiffs’ articles before filing the applications. *See, e.g., Gerzof v. Coons*, No. 90-CV-1421, 1990 WL 129976, at *4 (E.D.N.Y. Aug. 7, 1990) (“It would . . . be unduly harsh to require plaintiff, prior to discovery, to allege the dates and the particular circumstances of activities which would be expected to be known solely by the defendants. There is no requirement that plaintiffs plead the unknowable.”). Simply put, the fact that Defendants “would like more information about exactly” how and when they purportedly infringed Plaintiffs’ copyrights “does not affect th[e] [C]omplaint’s sufficiency under Rule 12(b)(6).” *Kingsbury*, 2008 WL 4853615, at *2; *see also Bosley*, 2009 WL 3188391, at *2 (“The many questions Defendants identify in their motion as unanswered by the Complaint are questions that should be addressed during discovery, and are not a sufficient basis” for dismissal.).

Publication. Finally, Defendants argue that Plaintiffs have failed to adequately plead a public-distribution claim. One of the “bundle of rights” granted under the Copyright Act is the right to “distribute copies . . . of the copyrighted work *to the public* by sale or other transfer of ownership, or by rental, lease, or lending.” 17 U.S.C. § 106(3) (emphasis added). The Complaint alleges that Defendants “distribut[ed]” copies of their works “outside of Schwegman” (Compl. ¶ 18), but the only identified recipient of such “distribution” is the PTO. According to Defendants, the PTO is not “the public” under the Copyright Act and, hence, any claim based on their “distribution” to the PTO must fail. (Reply at 6-7.)⁷

There may be merit to this argument. Some courts have held that a limited distribution to a government agency does not constitute “publication” under the copyright laws, *see, e.g., Epcon Grp., Inc. v. Danbury Farms, Inc.*, 28 F. App’x 127, 129-30 (3d Cir. 2002) (filing architectural drawings with city council for plan approval was not “publication”); *CSM Investors, Inc. v. Everest Dev., Ltd.*, 840 F. Supp. 1304, 1313 (D. Minn. 1994) (Doty, J.) (same), and “[p]ublication’ and the exclusive right protected by section 106(3) . . . are for all practical purposes [] synonymous,” *Ford Motor Co. v. Summit Motor Prods., Inc.*, 930 F.2d 277, 299 (3d Cir. 1991); *accord, e.g., Jalbert v. Grautski*, 554 F. Supp. 2d 57, 68 (D. Mass. 2008); *In re Napster, Inc. Copyright Litig.*,

⁷ Defendants also argue that “even if Plaintiffs had properly alleged a [public] distribution of the articles, they have not pled specific facts that support an inference that the distribution to the PTO was unauthorized.” (Reply at 7.) This argument ignores paragraph 22 of the Complaint, in which Plaintiffs allege that Defendants “have not acquired any of the licenses necessary to make their copying and distribution of [P]laintiffs’ copyrighted articles lawful.”

377 F. Supp. 2d 796, 803 (N.D. Cal. 2005); but see Capitol Records, Inc. v. Thomas, 579 F. Supp. 2d 1210, 1219-20 (D. Minn. 2008) (Davis, C.J.).

WPOW, Inc. v. MRLJ Enterprises, 584 F. Supp. 132 (D.D.C. 1984), is instructive. There, the plaintiff owned a radio station and filed an application with the Federal Communications Commission (FCC) to change the location of its broadcast facilities and transmitting antenna. Attached to its application was a copyrighted engineering report, which the defendant later copied when submitting its own FCC application. The plaintiff sued for infringement, and in analyzing that claim the court had to determine whether the plaintiff had “published” its engineering report. (This is because publication without the copyright notice “©” would have rendered the work unprotectable.) WPOW held that the “filing of [the copyrighted work] with the FCC, and the action of the FCC in allowing public access to the [work] for inspection[,] *do not constitute publication.*” Id. at 136 (emphasis added); see also Grundberg v. Upjohn Co., 137 F.R.D. 372, 388 (D. Utah 1991) (“[The] placement of documents in court files and offering documents into evidence, even though this may provide access to the public, does not constitute publication under the copyright laws.”).

The problem, however, is that Defendants only casually mentioned this issue in their opening brief, arguing in one sentence – in the midst of the Twombly argument, and without citation to any authority – that “Plaintiffs fail to allege that [the] . . . so-called distributions were made ‘to the public,’ and only public distributions fall within . . . Section 106(3).” (Def. Mem. at 5.) Not until their Reply did Defendants flesh out this argument (over nearly two pages), citing several cases ostensibly supporting it. By not

squarely raising this issue in their opening memorandum, the Court believes Plaintiffs did not have an adequate opportunity to address it. See, e.g., Castro v. United States, 540 U.S. 375, 386 (2003) (“Our adversary system is designed around the premise that the parties know what is best for them, and are responsible for advancing the facts and arguments entitling them to relief.”); see also Beveridge v. Nw. Airlines, Inc., 259 F. Supp. 2d 838, 845-46 (D. Minn. 2003) (Erickson, M.J.) (“[I]t is improper to withhold information . . . from initial moving papers [] in order to gain advantage.”) (quoting D. Minn. LR 7.1, Advisory Committee Note to 1999 Amendment). Moreover, none of the cases now cited by Defendants expressly held that the PTO is not “the public” under § 106(3); indeed, the issue was not raised in any of those cases. Nor has the Court’s own research uncovered any case so holding. And notwithstanding the cases cited above, some courts have concluded that submission of a copyrighted work to a public agency may constitute “publication,” depending on the circumstances surrounding the submission. See, e.g., Progressive Corp. v. Integon P&C Corp., 947 F.2d 942 (Table), 1991 WL 218010, at *2-3 (4th Cir. 1991) (*per curiam*) (unpublished) (rejecting the argument that “filing materials pursuant to a statutory requirement . . . does not constitute a ‘publication’ within the meaning of the Copyright Act”); Certified Eng’g, Inc. v. First Fidelity Bank, N.A., 849 F. Supp. 318, 323-24 (D.N.J. 1994).

For these reasons, the Court cannot determine, at this juncture, that Plaintiffs' public-distribution claim fails as a matter of law. Defendants may renew this argument, with appropriate support, at a later stage of this case.⁸

CONCLUSION

Based on the foregoing, and all the files, records, and proceedings herein, **IT IS ORDERED** that Defendants' Motion to Dismiss (Doc. No. 11) is **DENIED**.

Dated: July 2, 2012

s/ Richard H. Kyle
RICHARD H. KYLE
United States District Judge

⁸ Defendants also argue in their Reply that even if the PTO were the "public," the alleged misconduct here is not actionable because it was, at most, "distribution to a limited class, for a limited purpose, without the right to reproduce, distribute or sell the work." (Reply at 6.) Yet, the line between a non-actionable "limited publication" and an actionable "general publication" is a hazy one, bound up in the facts of each case. See, e.g., Technicon Med. Info. Sys. Corp. v. Green Bay Packaging Inc., 687 F.2d 1032, 1038 & n.11 (7th Cir. 1982); Burke v. Nat'l Broad. Co., 598 F.2d 688, 692 (1st Cir. 1979). Hence, resolution of this issue at the motion-to-dismiss stage would be inappropriate.