

United States District Court
Northern District of Indiana

Robert L. Miller, Jr.
Chief Judge

204 South Main Street
South Bend, Indiana
46601

RE: Pattern Copyright Jury Instructions

The proposed copyright pattern civil jury instructions for the Seventh Circuit are offered for public comment by the Seventh Circuit Pattern Jury Instruction Committee and Copyright Subcommittee. The committees, which include representatives of all significant perspectives, welcome comment before submission to the Circuit Council for approval and promulgation. Comments should be emailed to robert_miller@innd.uscourts.gov with a subject line of "Pattern Copyright Instruction Comment" or mailed to Chief Judge Robert L. Miller, Jr., United States District Court for the Northern District of Indiana, 204 S. Main Street, South Bend, IN 46601. Comments will be accepted through May 30, 2009.

The Pattern Jury Instruction Committee consisted of Chief District Judge Robert L. Miller, Jr. (N.D. Ind.)(Chair), Circuit Judge Terence T. Evans, District Judge Virginia Kendall (N.D. Ill.), District Judge Matthew F. Kennelly (N.D. Ill.), District Judge Jeanne E. Scott (C.D. Ill.), Michael Cleveland (Vedder Price, Chicago), Lory Barsdate Easton (Sidley Austin, Washington, D.C.), Max W. Hittle (Krieg Devault Alexander & Capehart, Indianapolis), Iain Johnston (Johnston Greene, Chicago), Dennis McBride (E.E.O.C., Milwaukee), Howard A. Pollack (Godfrey & Kahn, Milwaukee), Richard H. Schnadig (Vedder Price, Chicago), Thomas Walsh (United States Attorney's Office, Chicago), and Don Zoufal (Illinois Emergency Management Agency, Chicago). The reporter was Andrew R. Klein (Associate Dean for Academic Affairs and Paul E. Beam Professor of Law at Indiana University School of Law, Indianapolis).

The Copyright Subcommittee consisted of Carol Anne Been (Sonnenschein, Nath & Rosenthal, Chicago), Laurie Haynie (Husch, Blackwell, Sanders, Welsh & Katz, Chicago), Mark Partridge (Pattishall, McAuliffe, Newbury, Hilliard & Geraldson, Chicago), Monica Thompson (DLA Piper, Chicago), Joel Tragesser (Frost Brown Todd, Indianapolis), and James White (Husch, Blackwell, Sanders, Welsh & Katz, Chicago).

1.1 COPYRIGHT – ALLEGATION DEFINED

Plaintiff claims that Defendant has infringed Plaintiff's copyright in [*describe the work*] by [*describe the alleged infringement*].

Committee Comment

See 17 U.S.C. § 106.

2.1 COPYRIGHT INFRINGEMENT

To succeed on his claim, Plaintiff must prove the following things:

1. [Describe the work] is the subject of a valid copyright;
2. Plaintiff owns the copyright; and
3. Defendant copied protected expression in Plaintiff's copyrighted work.

I will explain what these terms mean.

If you find that Plaintiff has proved each of these things, then you must find for Plaintiff. However, if you find that Plaintiff did not prove each of these things, then you must find for Defendant.

Committee Comments

1. *Authority.* See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991); *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 548 (1985); *Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1011 (7th Cir. 2005). Any elements that are undisputed may be eliminated.

2. *Caveat regarding element 1.* It is not entirely clear in the Seventh Circuit whether the issue of validity is to be determined by a jury. For further discussion, see Instruction 3.1.

3. *Affirmative defenses.* If Defendant has raised an affirmative defense, a court may substitute the following for the final paragraph of the instruction:

If you find that Plaintiff did not prove each of these things by a preponderance of the evidence, then you must find for Defendant.

If, on the other hand, you find that Plaintiff has proved each of these things by a preponderance of the evidence, you must then consider Defendant's claim that [describe affirmative defense(s)]. If you find that Defendant has proved this by a preponderance of the evidence, then you must find for Defendant.

(Based on 7th Circuit Pattern Instruction No. 4.02, n.1.)

4. *Copied.* If the infringement consists of something other than copying (*i.e.*, publicly performing, publicly displaying, distributing copies of, preparing derivative works based upon), the instruction should be modified accordingly.

3.1 VALIDITY

To be eligible for copyright protection, a work must be original and in a form that can be seen, heard, reproduced, or communicated [either directly or with the aid of a machine or device].

A work is original if it was created independently, as opposed to being copied from another work. It must contain at least some minimal degree of creativity. The work need not be completely new. [A work can be original even if it incorporates elements that are not original to the author. However, only the original elements added by the author are protected by copyright.]

Committee Comments

1. *Caveat - issue of fact vs. issue of law.* In *Gaiman v. McFarlane*, 360 F. 3d 644, 648 (7th Cir. 2004), the Seventh Circuit discussed whether “copyrightability” is an issue for the court or for the jury. It noted a circuit split on the issue, identifying cases holding that copyrightability is a mixed question of law and fact, and is thus for the jury, when it depends on originality, but that other cases, including its earlier decision in *Pub’ns Int’l, Ltd. v. Meredith Corp.*, 88 F.3d 473, 478 (7th Cir. 1996), hold that the question is always an issue of law. The court stated that “[w]hether a particular work is copyrightable is fact-specific, which argues against treating the question as one of law, but tugging the other way is the concern that property rights not be placed at the mercy of the jury.” *Gaiman*, 360 F.3d at 648-49. The court concluded that though this was a “nice issue,” the case did not provide an appropriate occasion for reexamination of *Publ’ns Int’l. Id.* at 649. In *Publ’ns Int’l*, the court addressed whether copyright law afforded protection to constituent recipes in a cookbook protected by a compilation copyright. The court said that this concerned “an interpretation of statutory law” and dealt with the matter accordingly. *Publ’ns Int’l*, 88 F.3d at 478. It is unclear to the Committee whether the court in *Publ’ns Int’l* intended to make a definitive determination that copyrightability – or, as stated in the present instruction, copyright validity – is *always* a question of law. Because the matter is less than one hundred percent certain, the Committee has provided an instruction on copyright validity, with the *caveat* that this may not, in fact, be a matter to be determined by a jury.

2. *Requirements for valid copyright (paragraph 1 of instruction).* See, e.g., *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 914 (7th Cir. 2007).

3. *Originality (paragraph 2 of instruction).* See *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) (“Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.”); *Assessment Techs. of WI, LLC v. Wiredata, Inc.*, 350 F.3d 640, 640 (7th Cir. 2003) (A work “requires only enough originality to enable [it] to be distinguished from similar works that are in the public domain.”); *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003) (When a work is based on earlier work in the public domain, “the only originality required for the new work to be copyrightable ...

is enough expressive variation from public-domain or other existing works to enable the new work to be readily distinguished from its predecessors.”).

4.1 - OWNERSHIP

Plaintiff owns a copyright in [*describe the work at issue*], if he

- [created the work]
- [received the copyright from someone else who owned it]
- [created a joint work. A joint work is a work that two or more persons prepared with the intention that their contributions be merged into inseparable elements of a single work. To own a copyright in a joint work, a person must contribute original expression that, by itself, would be eligible for copyright protection as I have previously defined that term. [Contributions in the nature of research, comments or edits are not sufficient.] [Contributing direction or ideas is not enough.]]

Committee Comments

1. *See generally* 17 U.S.C. § 201(a) (“Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work.”); *id.* § 201(d) (acquisition of copyright via transfer). The Committee has avoided use of the term “author” to avoid jury confusion in cases in which the work at issue is something other than a textual work, and to avoid the need for further definition of that term. The terms “create” and “creator” are all-encompassing.
2. This instruction should not be used if the case involves only a work made for hire, a compilation or collective work, or a derivative work. In such a case, use the applicable instruction from Instructions 4.2 – 4.4.
3. *Creation of work. See Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989) (“[T]he author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection.”).
4. *Joint work. See* 17 U.S.C. § 101 (general definition); *Gaiman v. McFarlane*, 360 F.3d 644, 658-59 (7th Cir. 2004); *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1067, 1068 (7th Cir. 1994) (“To qualify as an author, one must supply more than mere direction or ideas.”). In *Gaiman*, the court noted that the general rule is that “each contributor to a joint work must make a contribution that if it stood alone would be copyrightable,” but indicated that an exception to this rule exists when the overall work is copyrightable but the contributions of each creator “*couldn’t* stand alone because of the nature of the particular creative process that had produced it.” *Gaiman*, 360 F.3d at 659. To illustrate, the court quoted the following example from Nimmer: “if authors *A* and *B* work in collaboration, but *A*’s contribution is limited to plot ideas that standing alone would not be copyrightable, and *B* weaves the ideas into a completed literary

expression, it would seem that *A* and *B* are joint authors of the resulting work.” *Id.* (quoting 1 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 6.07 at 6-23 (2003)). The instruction will require modification in a case in which ownership of this type of work is at issue.

4.2 OWNERSHIP - WORKS MADE FOR HIRE

Plaintiff owns a copyright in [*describe the work at issue*] if the work was

- [prepared by Plaintiff's employee within the scope of his employment.]
- [specially [ordered; commissioned] as [a contribution to a collective work; a part of a motion picture or other audiovisual work; a translation; a supplementary work; a compilation; an instructional text; a test; answer material for a test; an atlas], and there was a prior agreement, signed by [*names of necessary signators*] that the work would be a work made for hire.]
- [A supplementary work is a work prepared for publication as an accompaniment to someone else's work to [introduce; conclude; illustrate; explain; revise; comment upon; assist in the use of] that work [for example, a foreword; afterword; pictorial illustration; map; chart; table; editorial note; musical arrangement; answer material for a test; bibliography; appendix; index].]
- [An instructional text is a literary, pictorial, or graphic work prepared for publication for use in systematic instructional activities.]

Committee Comments

1. *Ownership of work made for hire.* See 17 U.S.C. § 201(b) ("In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.").

2. *Definition of work made for hire.* See 17 U.S.C. § 101; *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 737-40 (1989); *Billy-Bob Teeth, Inc. v. Novelty, Inc.*, 329 F. 3d 586, 591 (7th Cir. 2003); *Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410, 413 (7th Cir. 1992) (requirement of prior agreement).

4.3 OWNERSHIP - COMPILATION OR COLLECTIVE WORK

Plaintiff owns a copyright in [*describe compilation/collective work*] if he selected and arranged the separate [works; materials; data] in an original way. [Plaintiff does not need to own a copyright in the separate [works; materials; data] themselves.] [By assembling the separate [works; materials], a person does not acquire a copyright in any of the separate [works; materials].] [A person who owns a copyright in one of the separate [works; materials; data] does not acquire a copyright in the collective work.]

Committee Comment

See 17 U.S.C. §§ 101, 201(c); *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 359 (1991); *Gaiman v. McFarlane*, 360 F.3d 644, 653-54 (7th Cir. 2004).

4.4 OWNERSHIP - DERIVATIVE WORK

Plaintiff owns a copyright in [*describe derivative work at issue*] if he [recast; transformed; adapted] it from an earlier work. Plaintiff owns a copyright only in the original expression that he adds to the earlier work. He does not own a copyright in the expression taken from the earlier work.

[The earlier work may include work that is protected by copyright and used with the copyright owner's permission. [The earlier work [also] may include work that is in the public domain.]]

Committee Comments

1. *Definition of derivative work. See 17 U.S.C. § 101.*
2. *Ownership of derivative work. See 17 U.S.C. § 103(b)* (“The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.”); *Stewart v. Abend*, 495 U.S. 207, 223 (1990) (aspects of a derivative work added by the derivative author are that author's property, but the element drawn from the pre-existing work remains “on grant from the owner of the pre-existing work”); *Pickett v. Prince*, 207 F.3d 402, 405, 406 (7th Cir. 2000) (elements added by derivative author must be original).
3. *Derivative work must be distinct from earlier work. Gaiman v. McFarlane*, 360 F.3d 644, 661 (7th Cir. 2004) (to be copyrightable, derivative work must be significantly different from copyrighted original).
4. *Derivative work based on copyrighted material or material in public domain. See Pickett v. Prince*, 207 F.3d 402, 406-07 (7th Cir. 2000) (derivative author must have permission from owner of copyrighted work); *Gracen v. Bradford Exchange*, 698 F.2d 300, 302 (7th Cir. 1983) (derivative work may be based on material in public domain); 1 M. Nimmer & D. Nimmer, *Nimmer on Copyright*, § 3.04[A] (2005) (discussing subject matter in the public domain).

5.1 COPYING

As I stated, Plaintiff must prove that Defendant copied protected expression in his work.

[You may infer that Defendant copied Plaintiff's work if Defendant had a reasonable opportunity to [view; read; hear] it before creating his own work and the two works are so similar that a reasonable person would conclude Defendant took protected expression from Plaintiff's work.]

[You may infer that Defendant copied Plaintiff's work if the similarities between the two works can be explained only by copying, rather than by [coincidence; independent creation; the existence of a common source for both works.]]

[In determining whether Plaintiff has proved copying, you may consider evidence that Defendant's work was created independently of Plaintiff's copyrighted work [or that Defendant had authority from Plaintiff to copy Plaintiff's work.]]

Committee Comments

1. *Usage.* This instruction should be used only when the plaintiff seeks to prove copying inferentially. If the plaintiff offers only direct evidence of copying, then this instruction is unnecessary.
2. *Inference of copying from access plus substantial similarity.* *Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1011 (7th Cir. 2005).
3. *Striking similarity may permit inference of copying without proof of access.* *Ty, Inc. v. GMA Accessories, Inc.*, 132 F.3d 1167, 1170 (7th Cir. 1997); *Bucklew v. Hawkins, Ash, Baptie & Co., LLP*, 329 F.3d 923, 926 (7th Cir. 2003); *Selle v. Gibb*, 741 F.2d 896, 901 (7th Cir. 1984).
4. *Evidence of independent creation can rebut inference of copying.* *JCW Investments, Inc. v. Novelty, Inc.*, 482 F.3d 910, 915 (7th Cir. 2007); *Susan Wakeen Doll Co. v. Ashton Drake Galleries*, 272 F.3d 441, 450 (7th Cir. 2001). The burden of proving copying remains at all times on the party alleging infringement. Some cases suggest that evidence of access plus substantial similarity gives rise to a "presumption" of copying, but the Committee has concluded that the Seventh Circuit actually is speaking about a permissible inference from circumstantial evidence, not the type of presumption that shifts the burden of proof to the party claimed to have infringed. In other words, a jury presented with evidence of access plus substantial similarity may, but need not, infer copying. Consistent with this analysis, the instruction does not impose upon the defendant the burden of "proving" independent creation or "rebutting" a "presumption" of copying. Rather, the Committee's understanding of the law is that if evidence of independent creation is offered by the defendant, the jury is to consider that evidence, together with all other

evidence relevant to the issue of copying, in determining whether the plaintiff has proved copying. The bracketed sentence regarding consideration of evidence of independent creation should be used only if the defendant has offered evidence of independent creation or of authorization to copy.

5.2 COPYING – DEFINITION OF “PROTECTED EXPRESSION

“Protected expression” means expression in Plaintiff’s work that was created independently, involving some creativity.

Copyright law protects only original expression in the work. This includes the way that [facts; ideas; procedures; processes; systems; methods of operation; concepts; principles; discoveries; devices] are expressed in the work. It does not include the [facts; ideas; procedures; processes; systems; methods of operation; concepts; principles; discoveries; devices] themselves. [For example, the idea or concept of a secret agent who saves the world from impending disaster is not protected by copyright; but a particular expression of that idea – such as a James Bond movie – may be protected by copyright.]

[Protected expression does not include settings, poses, or characters that are indispensable or at least standard in the treatment of a particular subject. [In this case, protected expression [may] include[s] *fill in*]. Protected expression does not include *fill in*.]

[The design of a useful item is considered protected expression only if it includes [pictorial; graphic; sculptural] features that can be identified separately from the item itself. The feature must be capable of existing independently of the item’s useful aspects. [For example, a statue of a dancing figure may be protected expression even if it is used as the base of a lamp. The lamp itself is a useful item and is not protected.]]

Committee Comments

1. *What copyright protects. See Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345, 348-49, 354-55 (1991); *Pivot Point Int’l, Inc. v. Charlene Prods., Inc.*, 372 F.3d 913, 929 (7th Cir. 2004); *JCW Investments, Inc. v. Novelty, Inc.*, 42 F.3d 910, 917 (7th Cir. 2007) (copyright does not protect facts or ideas, but only original expression); *Mid America Title Co. v. Kirk*, 59 F.3d 719, 720 (7th Cir. 1995) (amount of time and effort spent creating work is irrelevant to copyrightability). The bracketed language in the first paragraph is included to account both for cases in which the expression was created by the plaintiff and those in which the plaintiff has the rights to the material via assignment or otherwise. The example at the end of the second paragraph is provided for illustrative purposes and may be substituted with a different example depending on the type of work at issue in the case.

2. *Scènes à faire doctrine (standardized elements). See Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1011-12 (7th Cir. 2005); *Atari, Inc. v. N. Amer. Philips Consumer Elecs. Corp.*, 672 F.2d 607, 616 (7th Cir. 1982).

3. *Unprotected elements:* In some cases, the court will determine before or during trial that some aspects or elements of the plaintiff’s work do not constitute protected expression. Protected

expression does not include, for example, titles, names, short phrases, slogans, listings of ingredients, labels, formulas, or familiar symbols or designs. Such elements can be inserted into the place provided in the instruction.

4. *Unprotected material.* See “Material not subject to copyright,” 37 C.F.R. § 202.1 (2007). The Copyright Office Circular lists those works which, standing alone, would not be entitled to registration. Some works, such as words, phrases and slogans that generally are not copyrightable standing alone, may be protectable when included in a larger work. If the defendant is asserting that he only copied words, slogans or short phrases, the issue may not be whether the work is protectable, but whether the copying was *de minimis* and not infringing. See 2 M. Nimmer and D. Nimmer, *Nimmer on Copyright* § 8.01[G]. (“The legal maxim of *de minimis non curat lex* applies to copyright actions no less than to other branches of the law. Accordingly . . . , for similarity to be substantial, and hence actionable, it must apply to more than simply a *de minimis* fragment.”). In such cases, the court should consider whether Instruction 7.1 (“Defenses - Fair Use”) adequately addresses the issue or whether an instruction that *de minimis* copying is not an infringement is appropriate.

5. *Useful articles / functional elements.* See *Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1012 (7th Cir. 2005); *Pivot Point Int’l, Inc. v. Charlene Prods., Inc.*, 372 F.3d 913 (7th Cir. 2004); *American Dental Ass’n v. Delta Dental Plans Ass’n*, 126 F.3d 977 (7th Cir. 1997). Under the Copyright Act, “useful articles” are excluded from copyright protection. See *Incredible Techs.*, 400 F.3d at 1012. A useful article is one that has “an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. § 101. The design of a useful article is copyrightable only to the extent that it “incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Id.* “Functional elements” or features of an item are excluded from copyright protection. See *Incredible Techs.*, 400 F.3d at 1012.

6.1 DERIVATIVE LIABILITY – VICARIOUS INFRINGEMENT

Plaintiff claims that Defendant is liable for [*Direct infringer's name*]'s infringement of Plaintiff's copyright. To succeed on this claim, Plaintiff must prove the following things:

1. [*Direct infringer's name*] infringed Plaintiff's copyright, as defined in instructions I have already given you;
2. Defendant profited from the infringement by [*Direct infringer's name*]; and
3. Defendant had the right and ability to stop or limit the infringement by [*Direct infringer's name*] but failed to do so.

If you find that Plaintiff has proved each of these things, then you must find for Plaintiff. However, if you find that Plaintiff did not prove each of these things, then you must find for Defendant.

Committee Comments

1. *Authority.* *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930-31 (2005) (A party infringes vicariously by profiting from direct infringement while declining to exercise a right to stop or limit it). *MGM Studios* also states that vicarious infringement cannot be inferred merely from the design or distribution of a product. *Id.* at 934. A defendant can be held liable for both vicarious and contributory infringement. *Sony Corp. v. Universal City Studios*, 464 U.S. 417, 437-38 (1984).

2. *Cross reference.* The first element of this instruction contains a cross-reference to earlier instructions regarding direct infringement. This assumes that the direct infringer is on trial along with the alleged vicarious infringer. If the alleged direct infringer is not on trial, the instructions regarding direct infringement still must be given but may require modification for purposes of clarity.

3. *Affirmative defenses.* If the defendant has raised an affirmative defense, a court may substitute the following for the final paragraph of the instruction:

If you find that Plaintiff did not prove each of these things, then you must find for Defendant.

If, on the other hand, you find that Plaintiff has proved each of these things, you must then consider Defendant's claim that [*describe affirmative defense(s)*]. If you find that Defendant has proved this by a preponderance of the evidence, then you must find for Defendant.

(Based on 7th Circuit Pattern Instruction No. 4.02, n.1.)

6.2 DERIVATIVE LIABILITY – CONTRIBUTORY INFRINGEMENT

Plaintiff claims that Defendant [induced [*direct infringer's name*] to infringe Plaintiff's copyright] [contributed to [*direct infringer's name*]'s infringement of Plaintiff's copyright]. To succeed on this claim, Plaintiff must prove each of the following things:

1. [*Direct infringer's name*] infringed Plaintiff's copyright, as defined in the instructions I have already given you;
2. Defendant [[induced; caused; encouraged] [*direct infringer's name*] to infringe Plaintiff's copyright] [contributed in a significant way to [*direct infringer's name*]'s infringement of Plaintiff's copyright]; and
3. Defendant [knew of the infringing activity] [strongly suspected or should have known of the infringing activity but took steps to avoid knowing about the infringing activity].

If you find that Plaintiff has proved each of these things, then you must find for Plaintiff. However, if you find that Plaintiff did not prove each of these things, then you must find for Defendant.

Committee Comments

1. *Inducement. See MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936 (2005) (“The rule on inducement of infringement as developed in the early cases is no different today. Evidence of ‘active steps . . . taken to encourage direct infringement’ . . . such as advertising an infringing use or instructing how to engage in an infringing use, show an affirmative intent that the product be used to infringe”); *Gershwin Publishing Corp. v. Columbia Artists Management, Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971) (“[O]ne who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a ‘contributory’ infringer.”) (cited with approval in *MGM Studios*, 545 U.S. at 929).
2. *Deliberate avoidance of knowledge. In Re Aimster Copyright Litigation*, 334 F.3d 643, 650, 655 (7th Cir. 2003) (“Willful blindness is knowledge, in copyright law (where indeed it may be enough that the defendant *should* have known of the direct infringement) . . . as it is in the law generally. . . . One who, knowing or strongly suspecting that he is involved in shady dealings, takes steps to make sure that he does not acquire full or exact knowledge of the nature and extent of those dealings is held to have a criminal intent, . . . because a deliberate effort to avoid guilty knowledge is all that the law requires to establish a guilty state of mind.” . . . [Defendant’s] ostrich-like refusal to discover the extent to which its system was being used to infringe copyright is merely another piece of evidence that it was a contributory infringer.”).

3. *Factors to Consider.* The case law discusses various factors that may be considered in deciding whether a defendant engaged in contributory infringement, including whether the defendant sold or distributed a product or service that has been used to infringe copyrights, or whether the defendant promoted or gave instructions for use of a product or service to infringe copyrights. See *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936, 940 n.13 (2005). The Committee elected not to include these in the instruction, deciding that they are better left for argument by counsel.

4. *Substantial Noninfringing Uses.* If the case involves the issue as to whether the defendant’s product or service is capable of substantial noninfringing uses, the jury may need additional instructions based on *Grokster*, for example:

[If [Defendant’s; *direct infringer’s*] [product; service] has substantial non-infringing uses, you may not hold Defendant liable unless Defendant promoted [the; *direct infringer’s*] use of its [product; service] in a way that infringed Plaintiff’s copyrights.]

MGM Studios, Inc. v. Grokster, Ltd., 545 U.S. at 937 (“mere knowledge of infringing potential or of actual infringing uses would not be enough here to subject a distributor to liability. Nor would ordinary acts incident to product distribution The inducement rule, instead, premises liability on purposeful, culpable expression and conduct, and thus does nothing to compromise legitimate commerce or discourage innovation having a lawful promise.”).

5. *Cross reference.* The first element of this instruction contains a cross-reference to earlier instructions regarding direct infringement. This assumes that the direct infringer is on trial along with the alleged contributory infringer. If the alleged direct infringer is not on trial, the instructions regarding direct infringement still must be given but may require modification for purposes of clarity.

6. *Affirmative defenses.* If the defendant has raised an affirmative defense, a court may substitute the following for the final paragraph of the instruction:

If you find that Plaintiff did not prove each of these things, then you must find for Defendant.

If, on the other hand, you find that Plaintiff has proved each of these things, you must then consider Defendant’s claim that [*describe affirmative defense(s)*]. If you find that Defendant has proved this by a preponderance of the evidence, then you must find for Defendant.

(Based on 7th Circuit Pattern Instruction No. 4.02, n.1.)

7.1 DEFENSES – FAIR USE

Defendant contends that [even if he copied protected expression in Plaintiff’s work,] his copying is allowed under what the law calls “fair use.” To succeed on this defense, Defendant must prove that he made fair use of Plaintiff’s work for the purpose[s] of [criticism; parody; comment; news reporting; teaching; scholarship; research; *insert additional types of fair uses at issue*].

In deciding this, you should consider the following:

- the purpose and character of Defendant’s use, including whether Defendant’s use [is of a commercial nature] [is for non-profit educational purposes] [transforms Plaintiff’s work into something of a different character];
 - the degree of creativity involved in Plaintiff’s work;
 - whether Plaintiff’s work was published or unpublished;
 - the amount of Plaintiff’s work that Defendant copied, and the significance of the portion copied in relation to Plaintiff’s work as a whole; [and]
 - how Defendant’s use affected the [value of; potential market for] Plaintiff’s work; [and]
- [*- insert any other factors that bear on the issue of fair use.*]

It is up to you to decide how much weight to give each factor.

Committee Comments

1. *Requirements for fair use.* The listed factors are derived from 17 U.S.C. § 107. The Supreme Court has stated that determination of whether a particular use qualifies as fair use is not subject to a bright-line test but rather requires “a sensitive balancing of interests,” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 583-84 (1994) (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n.40 (1984)), and must be “tailored to the individual case.” *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 551-52 (1985). *See also, Chicago Bd. of Educ. v. Substance, Inc.*, 354 F. 3d 624, 629 (7th Cir. 2003) (“the four factors that Congress listed when it wrote a fair use defense (a judicial creation) into the Copyright Act in 1976 are not exhaustive and do not constitute an algorithm that enables decisions to be ground out mechanically.”). The statutory factors are illustrative, not comprehensive. *See Campbell*, 510 U.S. at 577-78; *Ty, Inc. v. Publ’ns Int’l, Inc.*, 292 F.3d 512, 522 (7th Cir. 2002).

2. *Particular factors.* See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578-79, 584 (1994) (significance of educational / not-for-profit use; transformative nature of use weighs heavily in favor of finding of fair use; adverse effect on value of plaintiff's work is significant factor in fair use analysis); *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 553-43 (1985) (fact that plaintiff's work is highly creative weighs against finding of fair use; fact that plaintiff's work is unpublished weighs against finding of fair use); *Chicago Bd. of Educ. v. Substance, Inc.*, 354 F.3d 624, 629 (7th Cir. 2003) ("the fair use copier must copy no more than is reasonably necessary . . . to enable him to pursue an aim that the law recognizes as proper"). Because the four factors listed in 17 U.S.C. § 107 are not exhaustive (*Chicago Bd. of Educ.*, 354 F.3d at 629), additional relevant factors may be inserted in the place provided in the instruction. For example, in cases involving unpublished works, the jury may consider whether the work is unpublished for purposes of determining fair use. See, e.g., *Harper & Row Publishers*, 471 U.S. at 554 (fact that plaintiff's work is unpublished weighs against finding of fair use).

The factors listed in this instruction are based on the four factors contained in 17 U.S.C. § 107. The Committee decided to express the second statutory fair use factor ("the nature of the copyrighted work") in terms of "the degree of creativity involved in Plaintiff's work" because most cases involve this type of inquiry under the second fair use factor. See *Campbell*, 510 U.S. at 586 and examples cited therein. The Committee did not list "whether the work was unpublished" as an element to be considered in every case because courts do not traditionally consider the published or unpublished nature of a work as a fair use factor in cases where the work is published. Because this factor generally comes into play when a work is unpublished, the instruction may be modified accordingly in such cases.

The Committee decided that the instruction should not describe how each of the listed factors "cuts" on the ground that the matter is better left to attorney argument. The Committee also decided against a proposal to place an alternative instruction in this Comment that included a description of how each factor cuts. If a court chooses to give such an instruction, the Committee believes it is important for the court to specifically address each factor individually.

3. *Allocation of burden of proof.* See *Chicago Bd. of Educ. v. Substance, Inc.*, 354 F.3d 624, 629 (7th Cir. 2003).

7.2 DEFENSES – ABANDONMENT

Defendant contends that Plaintiff abandoned its copyright in [*identify work*]. To succeed on this defense, Defendant must prove that Plaintiff [made a statement; performed an action] that demonstrated its intention to give up its copyright interest in the work.

Committee Comment

See Seshadri v. Kasraian, 130 F.3d 798, 805 (7th Cir. 1997).

7.3 DEFENSES – UNCLEAN HANDS / ESTOPPEL

The Committee has not included an instruction defining the defenses of unclean hands and estoppel because they are issues for the court, not the jury. *Cf. Hot Wax, Inc. v. S/S Car Care*, No. 97 C 6879, 1999 WL 966094, at *5 (N.D. Ill. Oct. 14, 1999) (laches is ordinarily an issue for the court).

8.1 DAMAGES – GENERAL

If you find that Plaintiff has proved that Defendant has infringed Plaintiff's copyright, then you must determine the amount of damages, if any, Plaintiff is entitled to recover. If you find that Plaintiff has failed to prove the claim, then you will not consider the question of damages.

Plaintiff must prove damages by a preponderance of evidence.

Alternative 1: if plaintiff seeks to recover only actual damages plus profits:

Plaintiff may recover for any actual losses he suffered because of the infringement, plus any profits that Defendant made from the infringement. I will define these terms in the following instructions.

Alternative 2: if plaintiff seeks to recover only statutory damages:

[I will define in the next instruction how you are to determine the amount of damages, if any, to award to Plaintiff.]

Alternative 3: if plaintiff seeks to have the jury make findings on both actual damages/profits and statutory damages:

Plaintiff may recover for any actual losses he suffered because of the infringement, plus any profits that Defendant made from the infringement. Alternatively, Plaintiff may recover an amount called "statutory damages." I will define these terms in the following instructions.

Committee Comment

A prevailing plaintiff is entitled to recover his actual damages plus the defendant's profits, or "statutory" damages. *See* 17 U.S.C. § 504(a & b) (actual damages and profits); *id.* § 504(c) (statutory damages). Though plaintiffs typically elect between these two forms of recovery before the jury is instructed, the statute permits a plaintiff to elect statutory damages "at any time before final judgment is rendered." *Id.* § 504(c). To cover all the possible permutations, the instruction provides three alternatives.

8.2 DAMAGES - ACTUAL DAMAGES

Examples of actual losses from copyright infringement include:

- A decrease in the market value of the copyrighted work caused by the infringement.
- Profits that Plaintiff proves he would have made without the infringement. Profits are the revenue Plaintiff would have made on sales he would have made without the infringement, less any additional expenses he would have incurred in making the sales.
- What a willing buyer reasonably would have paid Plaintiff to obtain a license to [copy; display; use; sell; etc.] Plaintiff's copyrighted work.
- [*Other examples*]

Committee Comment

See, e.g., In Design v. K-Mart Apparel Corp., 13 F.3d 559, 563 (2d Cir. 1994) (decrease in market value); *Davis v. The Gap, Inc.*, 246 F.3d 152, 161, 167 (2d Cir. 2001) (cost of hypothetical license; lost profits); *Sid & Marty Krofft Television Products, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1174 (9th Cir. 1977) (cost of hypothetical license); *McRoberts Software, Inc. v. Media 100, Inc.*, 329 F.3d 557, 569 (7th Cir. 2003) (same). To recover lost profits, the copyright owner must prove the quantity of sales he would have made absent the infringement, as well as the profits he would have earned on those sales, which consists of the revenue the copyright owner would have made, less any the additional expenses he would have incurred in making the sales. *Taylor v. Meirick*, 712 F.2d 1112, 1120-1121 (7th Cir. 1983).

8.3 DAMAGES – DEFENDANT’S PROFITS

[In addition to recovering for his actual losses,] Plaintiff is entitled to recover the profits that Defendant made because of the infringement. [Defendant’s profits are recoverable, however, only to the extent that you have not taken them into account in determining Plaintiff’s actual losses.]

Defendant’s profits are revenues that Defendant made because of the infringement, minus Defendant’s expenses in [producing; distributing; marketing; selling] the [*insert description of infringing material, e.g. product, advertisement, book, song, etc.*]. Plaintiff need only prove Defendant’s revenues. Defendant must prove his own expenses [and any portion of his profits that resulted from factors other than infringement of Plaintiff’s copyright].

Committee Comments

1. *General authority.* See 17 U.S.C. §504(b). The rationale for allowing the copyright owner to recover the infringer’s profits in addition to the owner’s actual losses is that it prevents the infringer from keeping “windfall” profits that he made from his decision to infringe the copyright rather than to negotiate with the copyright owner for a license. See *Taylor v. Meirick*, 712 F.2d 1112, 1120 (7th Cir. 1983); *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 931 (7th Cir. 2003).
2. *Standard.* See, e.g., *Hamil America Inc. v. GFI*, 193 F.3d 92, 108 n. 7 (2d Cir. 1999); *Robert R. Jones Assocs., Inc. v. Nino Homes*, 858 F.2d 274, 281 (6th Cir. 1988).
3. *Actual Losses and Profits.* The bracketed language in the instruction’s first paragraph should be used only in cases where the plaintiff seeks to recover both actual losses and the defendant’s profits.

8.4 DAMAGES - STATUTORY DAMAGES

You may award as [statutory] damages an amount that you find to be fair under the circumstances. The amount must be between \$750 and \$30,000 for each copyrighted work that you found to be infringed.

In determining the appropriate amount to award, you may consider the following factors:

- [- the expenses that Defendant saved and the profits that he earned because of the infringement;
- the revenues that Plaintiff lost because of the infringement;
- the difficulty of proving Plaintiff's actual damages;
- the circumstances of the infringement;
- whether Defendant intentionally infringed Plaintiff's copyright; and
- deterrence of future infringement.]

[If Plaintiff proves that Defendant willfully infringed Plaintiff's copyright, then you may, but are not required to, increase the statutory damage award to a sum as high as \$150,000 per copyrighted work. Infringement is considered willful if Plaintiff proves that Defendant knew that his actions constituted infringement of Plaintiff's copyright [or acted with reckless disregard of Plaintiff's copyright].]

[If Defendant proves that he innocently infringed Plaintiff's copyright, then you may, but are not required to, reduce the statutory damage award to a sum as low as \$200 per copyrighted work. Infringement is considered innocent if Defendant proves that he did not know, and had no reason to know, that his acts constituted infringement.]

[You may not find that Defendant was an innocent infringer if a notice of copyright appeared in the correct form and position on the published [copy; copies] of Plaintiff's work to which Defendant had access. A notice is in correct form if it includes [the symbol © (the letter C in a circle); the word "Copyright"; the abbreviation "Copr."], [the name of the copyright owner; an abbreviation by which the copyright owner's name can be recognized; a generally known designation of the copyright's owner]; and the year of first publication of the work.] A notice is in the correct position if it appears in a manner and location that gives reasonable notice of the claim of copyright.]

Committee Comments

1. *Authority.* Under 17 U.S.C. § 504(c), a plaintiff may obtain statutory damages in lieu of actual damages and profits. Even though the statute suggests that statutory damages are awarded by the court, the Seventh Amendment requires that the determination be made by the jury. *See Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 353 (1998). The word “statutory” in the first paragraph is bracketed; it need not be used if the damages instructions include only statutory damages, and not actual damages and profits.
2. *Factors to be considered.* *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233 (1952) (deterrence of future infringement); *Chi-Boy Music v. Charlie Club, Inc.*, 930 F.2d 1224, 1229 (7th Cir. 1991) (difficulty or impossibility of proving actual damages; circumstances of infringement; efficacy of the damages as a deterrent to future infringement); *N.A.S. Import Corp. v. Chenson Enters., Inc.*, 968 F.2d 250, 252 (2d Cir. 1992) (expenses saved and profits gained by infringer; revenue lost by copyright holder; state of mind of infringer; citing 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 14.04[B], at 14-41 (1991)).
3. *Increase for willful infringement; decrease for innocent infringement.* *See Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1020 (7th Cir. 1991) (infringement is willful if infringer knew its conduct was an infringement or acted in reckless disregard of copyright owner’s right); 17 U.S.C. § 504(c)(2) (if infringer proves it was unaware and had no reason to believe its acts constituted copyright infringement, award may be reduced to \$200). These paragraphs are bracketed because some cases may not involve claims of either willful or innocent infringement.
4. *Unavailability of innocent infringement defense in certain cases.* The final bracketed paragraph of the instruction describes a category of cases in which the defense of innocent infringement is unavailable. *See* 17 U.S.C. § 401.
 - a. *“Proper form.”* Under section 401, for the notice to be in proper form, three requirements typically must be met – the proper symbol or word, the year of first publication, and identification of the copyright owner. The year of first publication may be omitted “where a pictorial, graphic, or sculptural work, with accompanying text matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful articles,” *see id.* § 401(b)(2), and for that reason this particular element is bracketed. The symbol/word and identification requirements each may be met by one of several alternatives. Because only one such alternative is likely to apply in a particular case, the alternative methods of satisfying the exception are bracketed.
 - b. *Compilations / derivative works.* Under section 401(b)(2), in a case involving a compilation or derivative work incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. In such a case, the instruction should be modified accordingly.
 - c. *Unavailability of exception.* Section 401’s limitation on the availability of

the defense of innocent infringement does not apply in a case in which:

an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use . . . , if the infringer was: (I) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in subsection (g) of section 118) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

See 17 U.S.C. §§ 401(d) & 504(c)(2). In a case in which this exception-to-the-exception applies, the instruction should be modified accordingly.

5. *Availability of statutory damages for pre-registration infringement.* Under 17 U.S.C. § 412, statutory damages are unavailable for copyright infringement that commenced prior to registration of an unpublished work or for infringement that commenced before registration of a published work unless the work was registered within three months of its publication. In a case in which the issue of when infringement commenced presents a jury question, the instruction should be modified accordingly.