JULY/AUGUST 2020

VOLUME 26 NUMBER 4

DEVOTED TO INTELLECTUAL PROPERTY LITIGATION & ENFORCEMENT

Edited by Gregory J. Battersby and Charles W. Grimes

IP *Litigator*®

Wolters Kluwer

Supreme Court Report

Peter Brody, Evan Gourvitz, Samuel Brenner, Marta Belcher, Cassandra B. Roth, and Kathryn C. Thornton

Annotated State Codes Are Unprotectable by Copyright

On April 27, in *Georgia v. Public. Resource.Org*, the Supreme Court of the United States ruled that, under the "government edicts doctrine," just as judges cannot claim copyright rights in their opinions, legislatures cannot claim copyright rights in state code annotations prepared on their behalf.

Justice Roberts authored the 5-4 opinion of the Court, with Justices Sotomayor, Kagan, Gorsuch, and Kavanaugh joining the majority opinion, and Justices Ginsburg, Breyer, Thomas, and Alito dissenting.

The "animating principle behind" the decision, Justice Roberts wrote, "is that no one can own the law." (Op. at 2.)

The Official Code of Georgia Annotated (OCGA)—the official version of Georgia state law—includes annotations prepared by LexisNexis Group pursuant to a work-for-hire agreement between Lexis and Georgia's Code Revision Commission. Georgia's legislature has tasked the Commission with consolidating Georgia's law into a single code, and the Commission is made up in part by members of the Georgia legislature. The annotations "provide commentary and resources that the legislature has deemed relevant to understanding its laws," such as collecting court cases that have interpreted the statutes. (Op. at 11.) The State of Georgia had claimed copyright rights in these annotations and had given Lexis the exclusive right to publish and sell the OCGA.

Public.Resource.Org, a nonprofit organization that facilitates public access to the law, posted a digital version of the OCGA on the Internet without permission, and Georgia sued the organization for copyright infringement. The district court held that the annotations were protectable by copyright, and the Eleventh Circuit reversed.

The Court affirmed the Eleventh Circuit's decision. The Court held that the OCGA is not protectable by copyright under the government edicts doctrine, which "bars the officials responsible for creating the law from being considered the 'author[s]' of 'whatever work they perform in their capacity' as lawmakers." (Op. at 8.)

The Court emphasized the "practical significance" of the annotations, writing that "a Georgia citizen interested in learning his legal rights and duties" who "reads the economy-class version of the Georgia Code" (without the annotations) will see laws that have been held unconstitutional "with no hint that important aspects of those laws have been held unconstitutional." (Op. at 17.) "Meanwhile, first-class readers with access to the annotations will be assured that these laws are, in crucial respects, unenforceable relics that the legislature has not bothered to narrow or repeal." (*Id.*) The Court also noted that, under Georgia's interpretation of copyright law, a state would be able to "monetize its entire suite of legislative history" or "launch a subscription or pay-per-law service." (*Id.*)

The Court rejected Georgia's argument that the relevant question under the government edicts doctrine is whether the material carries the force of law, holding instead that the relevant question is "whether the author of the work is a judge or a legislator. If so, then whatever work that judge or legislator produces in the course of his judicial or legislative duties is not copyrightable." (Op. at 18.)

Some have noted that the decision featured unusual alliances that broke down on age lines, with the five youngest justices joining the majority opinion and the four oldest justices dissenting.

Ropes & Gray submitted an amicus brief in the case on behalf of the Center for Democracy & Technology and the Cato Institute in support of Public.Resource.Org, arguing that the government does not need copyright incentives to write the law, that the law should not be behind a paywall, and that allowing private parties to monitor citizens' searches of the law presents privacy concerns.

Court Rejects Willfulness Requirement for Recovery of Defendant's Profits in Trademark Cases

In *Romag Fasteners, Inc. v. Fossil, Inc.*, 590 U.S. __ (2020), the Supreme Court rejected the categorical rule followed by some federal circuits in trademark cases that a plaintiff can recover a defendant's ill-gotten profits only after a showing of *willful* infringement of the plaintiff's mark. According to the Court, a bright-line willfulness requirement has no support in the text of the Lanham Act or the history of U.S. trademark law.

Romag and Fossil entered into an agreement for Fossil to use Romag's magnetic snap fasteners in Fossil's leather products. After discovering that Fossil was using counterfeit Romag fasteners, Romag sued Fossil for trademark infringement and for falsely representing that the fasteners came from Romag. At trial, the jury determined that Fossil had infringed Romag's trademark, but that while it had acted "in callous disregard" of Romag's rights, it had not acted "willfully." Accordingly, relying on Second Circuit precedent requiring that a plaintiff prove willful infringement to recover lost profits for false or misleading use of trademarks, the district court refused to award Romag the profits resulting from Fossil's infringement. Although other circuits similarly have required willfulness for disgorgement of a defendant's profits, some have declined to adopt that requirement, leading to a split in the circuits.

Based on the language of the Lanham Act and the history of U.S. trademark law, the Supreme Court rejected the categorical rule that willfulness is a prerequisite to an award of defendant's profits for trademark infringement.

In an opinion authored by Justice Gorsuch and joined by seven other justices, the Supreme Court carefully considered the Lanham Act's language concerning the mental state required for awards of damages, profits, increased damages or profits, and attorneys' fees. In particular, the Court placed great weight on language that allowed for the recovery of profits for "a violation" in the case of infringement, but only for "a willful violation" in the case of dilution. The Court also noted that the Lanham Act allows for increased profits or damages and attorney's fees for certain acts done "*intentionally* and with specified *knowledge*," and for increasing the statutory damages cap for "certain *willful* violations," which made the absence of similar language concerning willfulness or intent for an award of profits for trademark infringement "all the more telling."

The Supreme Court rejected Fossil's contention that section 1117(a)'s language stating that an award of profits is "subject to the principles of equity" implicitly established a requirement of willfulness. The Supreme Court also found persuasive that the Trademark Act of 1905—the Lanham Act's statutory predecessor—did not require willfulness, though *mens rea* was an important factor in awarding profits for trademark violations in pre-Lanham Act cases.

Though the Supreme Court rejected any *requirement* of willfulness to award profits for trademark infringement, it recognized that "a trademark defendant's mental state is a highly important consideration in determining whether an award of profits is appropriate." The Court accordingly remanded the case for further consideration of the issue of Romag's entitlement to Fossil's profits in light of the high court's decision, and whether Fossil's "callous disregard" of Romag's rights merits such an award.

The majority opinion did not provide any specific guidance on what mental states or circumstances short of willfulness or an otherwise culpable mental state, if any, might justify disgorgement. Both concurrences, however, attempted to do so. Justice Alito, joined by Justice Breyer and Justice Kagan, explained that "willfulness is a highly important consideration in awarding profits under § 1117(a), but not an absolute precondition," suggesting that the bar for awarding profits should still be quite high. Likewise, Justice Sotomayor emphasized that "the weight of authority…indicates that profits were hardly, if ever, awarded for innocent infringement." These concurrences suggest that the new standard for an award of profits will still be high and require some amount of culpability beyond innocent infringement. Accordingly, plaintiffs still may find it quite difficult to receive an award of profits in the case of a more-or-less routine case of infringement.

Peter Brody is a partner in Ropes & Gray's IP litigation practice in Washington, D.C.

Evan Gourvitz is counsel in Ropes & Gray's IP litigation practice in New York.

Samuel Brenner, Ph.D., is counsel in Ropes & Gray's IP litigation practice in Boston.

Marta Belcher is an emerging technology attorney at Ropes & Gray in Silicon Valley.

Cassandra B. Roth is an associate in Ropes & Gray's IP litigation practice in New York.

Kathryn C. Thornton is an associate in Ropes & Gray's IP litigation practice in Washington, D.C.