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DATE: 6/12/03

TIME: _____

NUMBER OF PAGES INCLUDING COVER PAGE: 11

COMMENTS:
Silverstein v. Penguin Putnam

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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STUART Y. SILVERSTEIN, :
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 Plaintiff, :
 :
 -against- :
 :
 PENGUIN PUTNAM, INC., :
 :
 Defendant. :
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01 Civ. 309 (JFK)
OPINION AND ORDER

APPEARANCES:

For Plaintiff:
PIPER RUDNICK LLP
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New York, New York 10020-1104
Of Counsel: Monica Petraglia McCabe
Christine Jaskiewiez

For Defendant:
COWAN LIEBOWITZ & LATMAN, P.C.
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New York, New York 10036-6799
Of Counsel: Richard Dannay
Thomas Kjellberg

JOHN F. KEENAN, United States District Judge:

This Court issued an Opinion and Order on April 4, 2003, granting summary judgment to plaintiff and issuing an injunction against the sale and production of defendant's book *Dorothy Parker: Complete Poems* ("Complete Poems") and a recall of same finding that it infringed upon plaintiff's work *Not Much Fun: The Lost Poems of Dorothy Parker* ("Not Much Fun"). Silverstein v. Penguin Putnam, Inc., 2003 WL 1797848 (S.D.N.Y. Apr. 4, 2003). Defendant filed a notice of appeal under 28 U.S.C. § 1292(a)(1). This section grants the courts of appeals jurisdiction over certain interlocutory orders of the district courts, including

those granting injunctions. Defendant has moved to stay the injunction pursuant to Federal Rule of Civil Procedure 62(c) while the case is pending appeal. For the reasons set forth below, defendant's motion is denied.

Under Federal Rule of Civil Procedure 62(c), the Court must apply a four prong test to determine whether a stay is appropriate: (1) whether defendant has made a strong showing that he is likely to succeed on the merits; (2) whether defendant will be irreparably injured absent a stay; (3) whether issuance of the stay will substantially injure plaintiff; and (4) where the public interest lies. Hilton v. Braunskill, 481 U.S. 770, 776 (1987). "These standards are well-established and uncontested by the parties." Sailor v. Scully, 666 F. Supp. 50, 51 (S.D.N.Y. 1987). Flexibility is essential when considering those factors. Cayuga Indian Nation of New York v. Pataki, 188 F. Supp. 2d 223, 251 (N.D.N.Y. 2002) (citing Morgan Guar. Trust Co. v. Republic of Palau, 702 F. Supp. 60, 65 (S.D.N.Y.1988), vacated on other grounds, 924 F.2d 1237 (2d Cir.1991)). Defendant argues that it has met all these factors and the stay should be granted. The Court will review each factor in turn.

(1) Likelihood of defendant's success on the merits of its appeal. In its summary judgment motion, defendant argued that plaintiff's compilation was not copyrightable. Plaintiff correctly notes that defendant repeats in this application the

arguments made in its summary judgment motion. Those arguments failed previously and defendant has offered no new evidence or authority to show their likely appellate success since the case was briefed and argued. See Doe v. Lee, No. 99 Civ. 314, 2001 WL 536730, at *1 (D. Conn. May 18, 2001). The application for a stay is not meant as a tool to reargue the merits of the underlying case. See Marshak v. Reed, 199 F.R.D. 110, 111 (E.D.N.Y. 2001) (denying stay application).

This is not a preliminary injunction, but a permanent injunction entered after cross motions for summary judgment through which the parties had full opportunity to brief the matter and to be heard. The motion was carefully considered by the court. Both sides presented extensive arguments on the motion. They also wrote extensive letters subsequent to my decision issuing the injunction. The decision was not arbitrary nor did the court abuse its discretion in entering the injunction. The Court did not misapprehend the law or the facts; defendant is simply displeased with the result.

On a motion for a stay, "[t]he probability of success that must be demonstrated is inversely proportional to the amount of irreparable injury plaintiff will suffer absent the stay. Simply stated, more of one excuses less of the other." Mohammed v. Reno, 309 F.3d 95 (2d Cir. 2002) (quoting Michigan Coalition of Radioactive Material Users, Inc. v. Griepentrog, 945 F.2d 150,

153 (6th Cir. 1991)). As discussed infra, plaintiff will suffer significant irreparable harm absent a stay. Therefore, defendant must show a strong possibility of success on its appeal. The Court finds that Penguin has not demonstrated a strong likelihood or even substantial possibility of success on appeal based on this Court's discussion and analysis of the claims and arguments in the April 4, 2003 Opinion.

(2) Defendant will not be irreparably injured absent a stay. Removing *Complete Poems* from the marketplace and ceasing its sales undeniably causes injury to defendant. However, Defendant is a major book publisher who will not be gravely injured by this order. This factor weighs in favor of denying the motion for a stay.

(3) Issuance of the stay will substantially injure plaintiff. If a stay issues, plaintiff will suffer irreparable harm because a competitive infringing work will continue to be in the marketplace taking away from the prominence and profitability of plaintiff's work. There is no precise way to measure plaintiff's loss of sales during this time. Admittedly, the two works have been competing for the past four years. *Not Much Fun* was published in the summer of 1996. Defendant's work, *Complete Poems*, was published on April 1, 1999. Defendant argues that because the issuance of a stay will not upset the status quo of these parties the motion should be granted. Nevertheless, the

Court finds that the status quo has been and will continue to be harmful to plaintiff and should cease.

Defendant argues that plaintiff's delay in filing suit should weigh against the issuance of an injunction. *Complete Poems* was published in the spring of 1999; plaintiff filed his original complaint in January 2001. "Normally, when a copyright is infringed, irreparable harm is presumed; this is because the confusion created in the marketplace will damage the copyright holder in incalculable and incurable ways." Fisher-Price, Inc. v. Well-Made Toy Mfg. Corp., 25 F.3d 119, 124 (2d Cir. 1994). This presumption vanishes if the copyright holder "unreasonably delays prosecuting his infringement claim." Id. (emphasis added). "[D]elay caused by a plaintiff's good faith efforts to investigate an infringement should not rebut the presumption." Id. (finding a six month delay in prosecuting a copyright infringement action was reasonable). Plaintiff claims that he did not become aware of the existence of *Complete Poems* until late 1999 and then began researching his potential infringement claim. Plaintiff then through counsel sent cease and desist letters to defendant which were rejected. Based on the investigative and early legal efforts, the Court finds that the delay here does not warrant the denial of the injunction nor a stay of entry of the injunction pending appeal.

Defendant argues that plaintiff's injury could be redressed

through money damages should plaintiff ultimately prevail after appellate review. Defendant claims that such damages are more appropriate here than injunctive relief because only a portion of *Complete Poems* infringes on *Not Much Fun*. Removing defendant's entire work from the marketplace defendant argues goes too far. However, "in a case in which it is shown that, absent an injunction, the infringer will continue to infringe, the failure to issue a final injunction will ordinarily be tantamount to the creation of a compulsory license, future damages then becoming a sort of royalty." Nat'l Football League v. PrimeTime 2 Joint Venture, 52 U.S.P.Q.2d 1615, 1619 (S.D.N.Y. 1999); Paramount Pictures Corp. v. Carol Publ'g Corp., 11 F. Supp. 2d 329, 338 (S.D.N.Y. 1998) ("Allowing this argument to prevail would, in effect, make any copyright holder an involuntary licensor of the copyright to any entity that could be relied on to pay damages."). While plaintiff would be compensated monetarily, the payment of damages does not redress the willful infringement conducted by defendant. To allow defendant to continue to profit and benefit from its infringing work would violate the spirit and function of the copyright law.

(4) The public interest. The public has an interest in the dissemination of creative works. Allowing the entry of a stay will permit the public access to two literary works for a longer period of time. The public also has an interest in the copyright

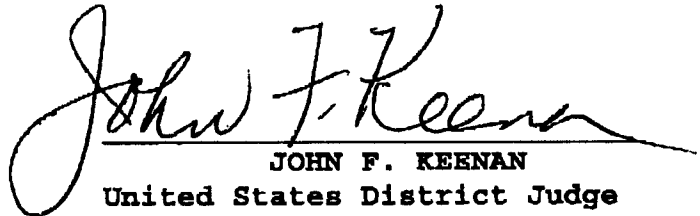
laws being properly enforced. The Court finds that this factor does not weigh strongly in favor of either party.

CONCLUSION

Having considered the four factors, on balance, the Court finds that a stay of the injunction pending appeal is not warranted. The motion to stay the injunction pending appellate review is denied.

SO ORDERED.

Dated: New York, New York
June 11, 2003


JOHN F. KEENAN
United States District Judge

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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STUART Y. SILVERSTEIN,      :
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                Plaintiff,   :
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                -against-    :
                             :
PENGUIN PUTNAM, INC.,      :
                             :
                Defendant.   :
-----X

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01 Civ. 309 (JFK)
ORDER

JOHN F. KEENAN, United States District Judge:

This matter having come before the Court on cross-motions for summary judgment in this copyright infringement and Lanham Act case, and whereby the Court having considered the Motions, and having granted summary judgment to plaintiff on the issue of liability of copyright infringement, on the Lanham Act, and on all state claims, and the Court having denied Defendant's cross-motion to dismiss the complaint, it is hereby:

ORDERED that Defendant is permanently enjoined from further infringement, in any manner, of Plaintiff's copyright in and to his book *Not Much Fun: The Lost Poems of Dorothy Parker*, and it is further

ORDERED that Defendant is permanently enjoined from publishing, selling, marketing or otherwise exploiting any copies of the book *Dorothy Parker: Complete Poems* that contain the 122 poems and verses compiled by plaintiff in *Not Much Fun*, as well as all plates, masters, galleys and other articles by means of which such copies may be reproduced, and it is further

ORDERED that Defendant shall cause all copies of *Complete*

Poems in Defendant's possession, custody or control, and all plates, molds, matrices, tapes, film negatives, or other articles by means of which such copies may be reproduced, to be retained by Defendant under secure conditions that will prevent the printing of, or the sale or other distribution of, *Complete Poems*; and it is further

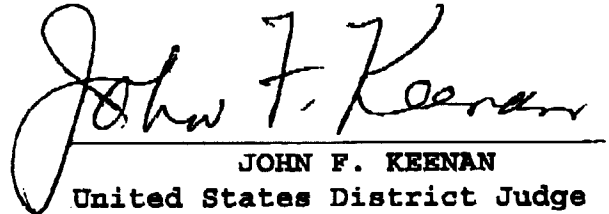
ORDERED that Defendant shall make a full and complete recall of all copies of *Complete Poems* already distributed so that the infringing portion may be removed; and it is further

ORDERED that within twenty (20) days of the date of this Order, Defendant shall (1) notify each customer to which it has sold or distributed *Complete Poems* that *Complete Poems* has been recalled pursuant to the order of this Court, (2) request the customer immediately to cease the sale or distribution of *Complete Poems* and to return to Defendant all copies of *Complete Poems* in the customer's possession, custody or control, and (3) provide the customer with a reimbursement or credit for the reasonable costs incurred in making such return. In addition, Defendant shall publish a notification in the trade publication *Publishers Weekly* so notifying its customers of the foregoing recall and requesting the return of *Complete Poems* for reimbursement or credit. Defendant shall cause all copies of *Complete Poems* returned to Defendant's possession pursuant to this recall order to be retained in Defendant's warehouse under secure conditions that will prevent either their sale or other

distribution. Defendant is to submit to the Court within sixty (60) days of the date of this Order a sworn statement (1) containing a detailed list of the quantity of books in its possession; (2) averring that defendant is storing all books in a secure location and providing the address of that location; and (3) averring that all such books are carefully segregated from any other books that defendant might store in that location.

SO ORDERED.

Dated: New York, New York
June 11, 2003


JOHN F. KEENAN
United States District Judge