

FedEx Can Keep On Copying for Creative Commons Licensee

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FedEx Office and Print Services recently scored a victory in *Great Minds v. FedEx Office and Print Services, Inc.*, securing dismissal of a copyright infringement action based on the copying of educational materials for school districts. The case provides a useful reminder about the extent to which licensees with broad grants

can utilize third parties to help them exercise their licensed rights, and clarifies the scope of permissible activities attendant to a widely-used Creative Commons license.

The plaintiff is a nonprofit organization called Great Minds that produces educational materials that are licensed to school districts in the United States through a Creative Commons license (BY-NC-SA 4.0). That license permits the school districts “to provide material to the public by any means or process . . . such as reproduction” At least two school districts paid FedEx to make copies of a Great Minds mathematics curriculum called Eureka Math.

Upon learning about this copying—and after complaining to FedEx to no avail—Great Minds sued for copyright infringement, claiming that FedEx exceeded the scope of the license because the copying of Eureka Math was for its commercial benefit. Great Minds did not name the school districts as defendants, nor did it claim that, by enlisting FedEx, the school districts had engaged in any commercial use of Eureka Math in violation of the Creative Commons license.

The district court disagreed and granted FedEx’s motion to dismiss, finding that FedEx was merely assisting the school districts in exercising their rights under the Creative Commons license. In doing so, the district court relied upon certain foundational

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principles relating to the construction and application of copyright licenses, including:

- claims for copyright infringement fail when the challenged use of the work is authorized by license;
- the language of the license is the primary factor in determining the scope of licensed rights;
- copyright licenses are to be construed in accordance with principles of contract law; and
- unless prohibited by the terms of the license or other circumstantial factors, copyright licensees may enlist others to help them perform licensed activities.

Applying these principles, the district court held that Great Minds failed to state a claim for copyright infringement because the unambiguous terms of the Creative Commons license did not limit the school districts' ability to delegate the printing of the Eureka Math materials to FedEx. Without such a limitation, it was entirely permissible for the school districts to hire FedEx to assist them in exercising the licensed rights. In reaching this conclusion, the district court relied upon two cases from the early 20th century standing for the basic proposition that a licensee "may employ, procure, or contract with as many persons as he chooses to supply him with that which he may lawfully use, provided such conduct does not change his relation to the licensor." See *Marconi Wireless Telegraph Co. of Am. v. Simon*, 227 F. 906, 910 (S.D.N.Y. 1915) (citing *Foster Hose Supporter Co. v. Taylor Co.*, 191 Fed. 1003, 1004 (2d Cir. 1913)). It did not matter that FedEx profited from the copying because the school districts—not FedEx—were exercising the licensed right to reproduce Eureka Math. And because the school districts were not using Eureka Math for commercial purposes, they did not exceed the scope of the license.

Although *Great Minds* affirms the rights of licensees to enlist third parties to assist them in exercising the licensed rights, and offers a modicum of protection to those third parties for claims of infringement, caution is still warranted outside the context of the Creative Commons license. First, the decision was based primarily on the fact that the Creative Commons license did not prohibit delegation of the right to reproduce the Eureka Math materials, and that by employing FedEx, the school districts were not themselves exceeding the license by engaging in a commercial use. Further, there are other circumstances under which delegation still may be improper, even in the absence of an express contractual prohibition. For example, the delegation cannot constitute a *de facto* assignment of the license (which would require permission from the licensor), nor can it undermine a licensor if the sole use by the licensee was significant to the particular license. See Raymond T. Nimmer and Jeff C. Dodd, *Modern Licensing Law*, § 6.21 (Dec. 2016 Update).

In the end, it all comes down to the scope of the license. To that end, Creative Commons was pleased with the result, stating on their website that "[t]his is the very result [Creative Commons] advocated for in its motion for leave to file an amicus brief, and we're delighted with the outcome, the ruling, and the court's analysis."