Case 2:10-cv-01356-RLH -GWF Document 72 Filed (03/04/11 Page 1 of 3
LAURENCE F. PULGRAM (CA State Bar No. 115163) (prolpulgram@fenwick.com	o hac vice)
CLIFFORD C. WEBB (CA State Bar No. 260885) (pro hac	vice)
cwebb@fenwick.com FENWICK & WEST LLP	
555 California Street, 12th Floor San Francisco, California 94104	
Telephone: (415) 875-2300	
Facsimile: (415) 281-1350	
KURT OPSAHL (CA State Bar No. 191303) (pro hac vice) kurt@eff.org	
CORYNNE MCSHERRY (CA State Bar No. 221504) (pro h	hac vice)
ELECTRONIC FRONTIER FOUNDATION	
454 Shotwell Street San Francisco, California 94110	
Telephone: (415) 436-9333 Facsimile: (415) 436-9993	
CHAD BOWERS (NV State Bar No. 7283) bowers@lawyer.com	
CHAD A. BÓWERS, LTD 3202 West Charleston Boulevard	
Las Vegas, Nevada 89102	
Felephone: (702) 457-1001 Attorneys for Defendant and Counterclaimant	
DEMOCRATIC UNDERGROUND, LLC, and Defendant DAVID ALLEN	
UNITED STATES DISTRICT	COURT
FOR THE DISTRICT OF NE	EVADA
RIGHTHAVEN LLC, a Nevada limited liability company,	Case No. 10-01356-RLH (GWF)
Plaintiff,	
V.	MOTION FOR LEAVE TO FILE DEFENDANTS'
DEMOCRATIC UNDERGROUND, LLC, a District of Columbia limited-liability company; and DAVID ALLEN,	SUPPLEMENTAL
an individual,	MEMORANDUM ADDRESSING RECENTLY
Defendants.	PRODUCED EVIDENCE RELATING TO PENDING
DEMOCRATIC UNDERGROUND, LLC, a District of	MOTIONS AND THE
Columbia limited-liability company,	SUPPORTING DECLARATION OF
Counterclaimant, v.	LAURENCE PULGRAM
RIGHTHAVEN LLC, a Nevada limited liability company, and STEPHENS MEDIA LLC, a Nevada limited-liability company,	
Counterdefendants.	
MOTION FOR LEAVE	CASE NO 2:10-CV-01356-RLH (GWF

MOTION FOR LEAVE

Defendant and Counterclaimant Democratic Underground, LLC and Defendant David Allen (collectively, "Democratic Underground" or "Defendants") hereby respectfully request that the Court permit Defendants to file a Supplemental Memorandum Addressing Recently Produced Evidence Relating to Pending Motions ("Supplemental Memorandum") and the Supporting Declaration of Laurence Pulgram ("Pulgram Decl."), attached hereto as Exhibits 1 and 2 respectively. As fully explained by Defendants' Supplemental Memorandum, this briefing is necessary to address belatedly produced information highly relevant to the three currently pending motions. See Dkt. 36 (Righthaven's Motion to Dismiss); Dkt. 38-39 (Stephens Media's Motion to Dismiss and Joinder); and Dkt. 45 (Democratic Underground's Cross Motion for Summary Judgment). Specifically, on February 28, 2011, Cross-Defendant Stephens Media, LLC ("Stephens Media") produced a copy of See Declaration of Laurence Pulgram ("Pulgram Decl."), Exhibit A never before revealed to any Court in this District, on its face purports to *Id.* While Righthaven has previously represented to the Court it (and Stephens Media) has heretofore failed to provide provide substantial evidence relevant to the pending motions, including that:

1

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

Defendants request that the Court consider the Supplemental Memorandum and the supporting Declaration of Laurence Pulgram as they address this new evidence and provide a further basis upon which to deny the two Motions to Dismiss and to grant summary judgment on the issue of fair use. Given that this material was only recently and belatedly produced, Defendants could not have addressed it in any of the prior briefing. See, e.g., United States v. Maris, 2011 WL 468554, at *5 n.5 (D. Nev. Feb. 4, 2011) (granting leave to file supplemental materials even after the hearing on a motion for summary judgment); Mitchel v. Holder, 2010 WL 816761, at *1 n.1 (N.D. Cal. Mar. 9, 2010) (granting leave to file supplemental brief in support of motion for summary judgment addressing newly discovered evidence); Lumsden v. United States, 2010 WL 2232946, at *1 (E.D. N.C. June 3, 2010) (granting leave to submit additional newly discovered evidence in support of motion for summary judgment).

Dated: March 4, 2011

Respectfully submitted,

FENWICK & WEST LLP

17

20

22

23

24 25

26

27

28

By: /s/ Laurence F. Pulgram LAURENCE F. PULGRAM, ESO

Attorneys for Defendant and Counterclaimant DEMOCRATIC UNDERGROUND, LLC, and Defendant DAVID ALLEN

EXHIBIT 1

DEFENDANTS.' SUPPL. MEMO ADDRESSING RECENTLY PRODUCED EVIDENCE RELATING TO PENDING MOTIONS

28

Counterdefendants.

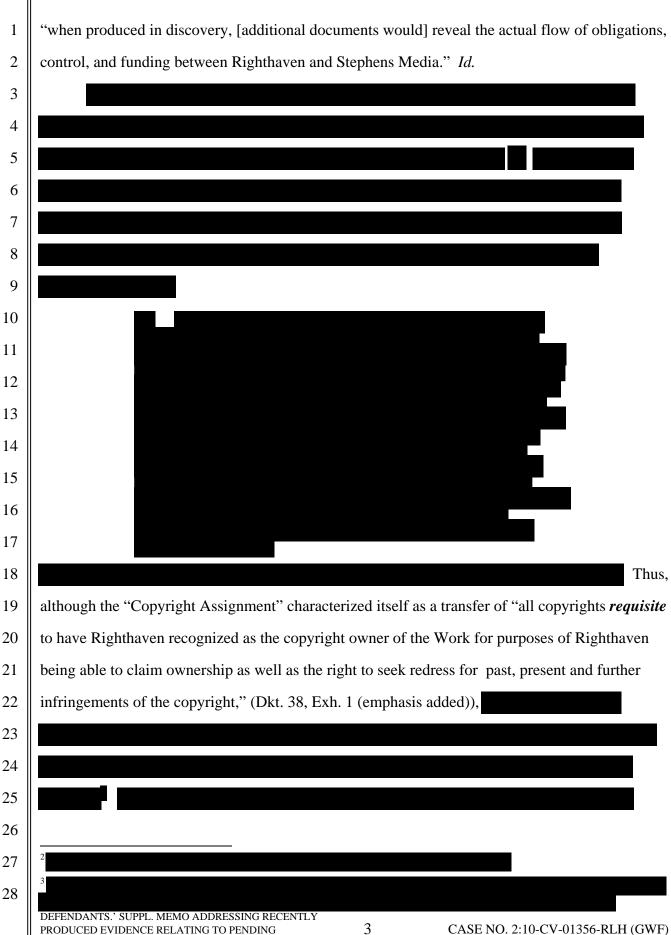
INTRODUCTION 1 Defendant / Counterclaimant Democratic Underground LLC and Defendant David Allen 2 (collectively "Democratic Underground" or "Defendants"), respectfully submit this Supplemental 3 Memorandum to bring to the Court's attention key evidence just produced in discovery that is 4 highly relevant to the three currently pending motions. Specifically, on February 28, 2011, 5 Cross-Defendant Stephens Media, LLC produced, belatedly, a copy of 6 ¹ See Declaration of Laurence Pulgram 7 ("Pulgram Decl."), Exhibit A never before 8 revealed to any Court in this District, on its face purports to 9 10 provide substantial evidence that: 11 12 13 14 15 16 17 18 Defendants request that the Court consider as a further basis upon which 19 to deny the two Motions to Dismiss filed by Righthaven and Stevens Media, and to grant 20 Defendants' Motion for Summary Judgment on the issue of fair use. Given that this material was 21 only recently and belatedly produced, Defendants could not have addressed it in any of the prior 22 briefing. See, e.g., United States v. Maris, 2011 WL 468554, at *5 n.5 (D. Nev. Feb. 4, 2011) 23 (granting leave to file supplemental materials even after the hearing on a motion for summary 24 judgment); Mitchel v. Holder, 2010 WL 816761, at *1 n.1 (N.D. Cal. Mar. 9, 2010) (granting 25 26 ¹ Stephens Media's responses to Defendants' First Requests For Production of Documents were due on January 18, 2011, ten days before Defendants' Reply in Support of their Cross-Motion. By failing to produce this evidence until 27 February 28, Stephens Media precluded its earlier submission. For its part, Righthaven has still not produced this, or

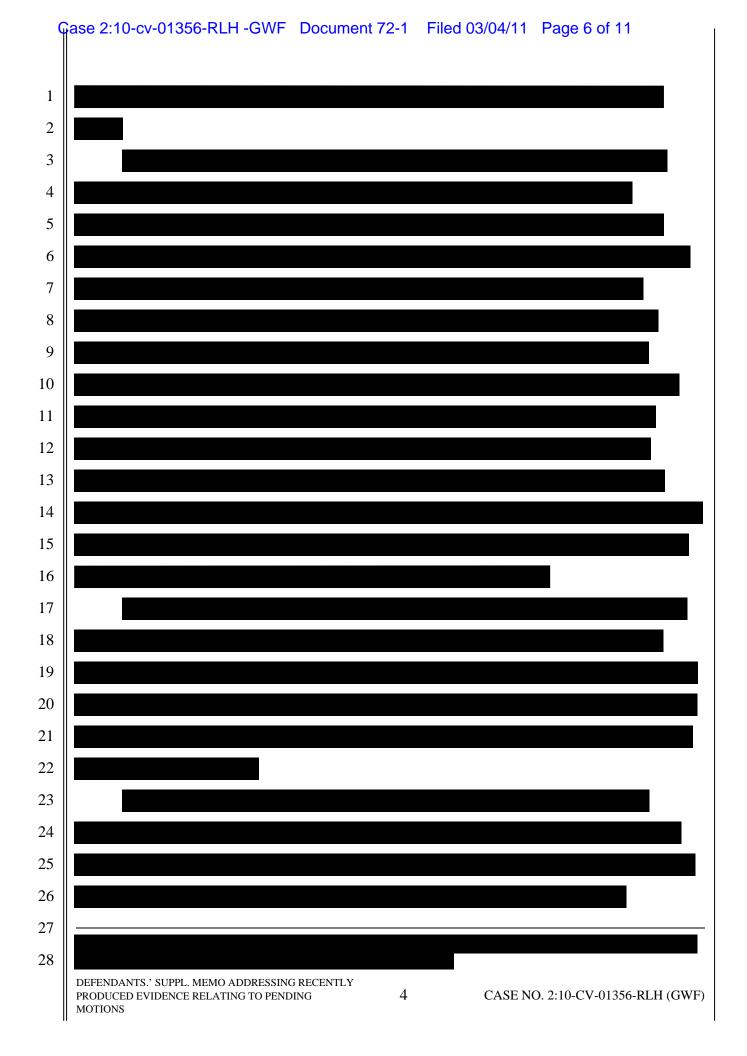
28

any other, document.

DEFENDANTS.' SUPPL. MEMO ADDRESSING RECENTLY PRODUCED EVIDENCE RELATING TO PENDING MOTIONS

1	leave to file supplemental brief in support of motion for summary judgment addressing newly
2	discovered evidence); Lumsden v. United States, 2010 WL 2232946, at *1 (E.D. N.C. June 3,
3	2010) (granting leave to submit additional newly discovered evidence in support of motion for
4	summary judgment).
5	In particular, Defendants submit that demonstrates a compelling need for
6	the Court to adjudicate the issues raised by the Counterclaim as to
7	, as that issue may affect and dispose of hundreds of cases
8	now improperly pending in this District.
9	
10	In Support of its Motion to Dismiss, Stephens Media presented the Court with a purported
11	"Copyright Assignment," in the same form Righthaven has repeatedly presented in this District as
12	
13	purportedly creating its right to sue. See Stephens Media's Motion to Dismiss or Strike ("Dkt.
14	38"), Exh. 1. Stephens Media relied on this Copyright Assignment as the sole evidence from
15	which it claimed that: (1) "Righthaven, not Stephens Media, holds the exclusive right to seek
16	legal redress" for infringement (Dkt. 38. at 6); (2) "Stephens Media would be legally barred
17	from [suing]" Democratic Underground, even if it wanted to (id at 7); and (3) there was
18	"absolutely no evidence" to support Defendant's assertion that the assignment was a sham or that
19	Righthaven is acting as Stephens Media's agent. <i>Id</i> .
20	In response, Defendants pointed out that the "Copyright Assignment" did not identify any
21	actual rights under the Copyright Act assigned to Righthaven. See Defendants' Memorandum in
22	Opposition to Stephens Media LLC's Motion to Dismiss and Joinder ("Dkt. 46") at 6. Rather
23	the Assignment circularly defined the rights assigned to include "all copyrights requisite to have
24	Righthaven recognized as the copyright owner of the Work for purpose of Righthaven being able
25	to claim ownership." Dkt. 38, Exh. 1. Defendants also noted that, by its terms, the "Copyright
26	Assignment" provided that it was subject to an undefined "right of reversion" to Stephens Media
27	and also referred to unidentified "monetary commitments and commitment to services provided"
28	which had not been disclosed to the Court. See Dkt. 46 at 5-6. Defendants advised the Court that





Gase 2:10-cv-01356-RLH -GWF Document 72-1 Filed 03/04/11 Page 7 of 11

1	
2	
3	
4	
5	
6	
7	
8	In short, adds substantial additional evidence to the already extensive
9	factual allegations showing a live case and controversy against Stephens Media.
10 11	II. SUBSTANTIATES THE NEED TO RESOLVE THE COUNTERCLAIM'S ALLEGATIONS THAT THE ASSIGNMENT IS INVALID, SHAM, AND UNENFORCEABLE.
12	also further undermines the arguments of both Stephens Media and
13	Righthaven that this Court need not decide the Counterclaim's request for declaration of the
14	invalidity and unenforceability of the assignment. As Defendants have already argued, it is
15	precisely this sort of counterclaim, seeking resolution of the validity of the right assertedly
16	infringed, that the Supreme Court has held must survive a dismissal with prejudice of a claim for
17	infringement. Dkt. 46 at 13-14 (citing Cardinal Chem. Co. v. Morton Int'l, Inc., 508 U.S. 83
18	(1993)). This newly-produced evidence underscores the importance of addressing that question
19	now.
20	On the question of validity, the Counterdefendants have argued that other rulings on
21	motions to dismiss Righthaven's prior lawsuits supposedly "upheld the validity" of the form
22	"Copyright Assignment." See, e.g., Dkt. 56 at 4-5; and Righthaven's Motion for Voluntary
23	Dismissal ("Dkt. 36") at 20-21. But for each of those rulings (which came on motions to dismiss)
24	Righthaven had withheld from the Court
25	
26	
27	Defendants also note that
28	Stephens Media should have been listed in Righthaven's Certificate of Interested Parties. Dkt. 5.

DEFENDANTS.' SUPPL. MEMO ADDRESSING RECENTLY PRODUCED EVIDENCE RELATING TO PENDING MOTIONS

1 2 As a result, this is the first case in which any 3 Court will have Rather than dismiss the Counterclaim as "unnecessary," this Court will need to determine 4 5 the settled requirement that "only whether 6 owners of an exclusive right in a copyright may sue" for infringement. Silvers v. Sony Pictures 7 Entm't, Inc., 402 F.3d 881, 884 (9th Cir. 2005). In Silvers, the en banc Ninth Circuit held that an 8 assigned "right to sue for an accrued claim for infringement is not [one of the] exclusive 9 right[s]" in copyright that can provide standing to sue. Such exclusive rights are limited to those specified in Section 106 of the Copyright Act, such as the right to copy, distribute, perform, etc. 10 11 See id. at 884. Thus, in Silvers, the author of a work made for hire, who subsequently had been 12 granted by her employer (the copyright holder) "all right, title and interest in and to any claims 13 and causes of action against [specified infringers]," had no legal or beneficial interest in the 14 underlying copyright itself, and thus could not initiate suit, because none of the individual 15 exclusive rights under § 106 had been granted to her. See id. at 883. In support of its 16 Counterclaim, Democratic Underground asserts that the same rule applies here. 17 18 19 20 makes the Counterclaim all the more important. 21 22 23 may effectively dispose of hundreds of Righthaven cases. 24 25 For example, in Righthaven LLC v. Dr. Shezad Malik Law Firm P.C., (D. Nev.) 2:10-cv-0636-RLH-RJJ (cited in RH's motion (Dkt. 36) at 21), Righthaven incorrectly stated that"[i]n the present action, there is no division of 26 copyright ownership as was the case in Silvers; Righthaven is the owner of both the exclusive rights in and to the Work and the owner of all accrued causes of action." 2:10-cv-0636, Dkt. 11 at 13: 2-3 and Dkt. 13 at 12:24-26. 27 This is incorrect because 28 DEFENDANTS.' SUPPL. MEMO ADDRESSING RECENTLY 7

1 III. SUBSTANTIATES THE OBJECTIVE UNREASONABLENESS OF PLAINTIFF'S CLAIMS AND THE PROPRIETY OF AN ATTORNEYS' FEE AWARD. 2 Righthaven argued in its Motion that it should be allowed to voluntarily dismiss without 3 paying attorneys' fees because the "objective reasonableness" of its claims had purportedly been 4 validated by the courts' refusal to dismiss its prior claims for lack of standing. Dkt. 36. at 20-22. 5 As just explained, however, those prior rulings resulted from Righthaven's withholding 6 from the Court. With now on record, 7 rendering Righthaven's 8 claim objectively unreasonable. 9 IV. 10 11 further substantiates the impossibility of harm to Righthaven's Finally, 12 market for the work, as relevant to the fourth factor of the fair use analysis. Under 13 14 15 16 17 18 See generally Defendants' Reply Memorandum in Support of Cross Motion for 19 Summary Judgment ("Dkt. 62") at 13-14 (discussing lack of market harm). 20 /// 21 /// 22 /// 23 /// 24 /// 25 /// 26 /// 27 /// 28 DEFENDANTS.' SUPPL. MEMO ADDRESSING RECENTLY

CONCLUSION For these reasons, Defendants respectfully request that the Court consider in its adjudication of the three motions now pending before it. Dated: March 4, 2011 FENWICK & WEST LLP /s/ Laurence F. Pulgram
LAURENCE F. PULGRAM, ESQ By: _ Attorneys for Defendant and Counterclaimant DEMOCRATIC UNDERGROUND, LLC, and Defendant DAVID ALLEN

EXHIBIT 2

CASE NO. 2:10-CV-01356-RLH (GWF)

ADDRESSING RECENTLY PRODUCED EVIDENCE

RELATING TO PENDING MOTIONS

	Case 2:10-cv-01356-RLH -GWF Document 72-2 Filed 03/04/11 Page 5 of 6
1	Paragraph 19 of the Stipulated Protective Order, we have requested, in writing, that Stephens
2	Paragraph 19 of the Stipulated Protective Order, we have requested, in writing, that Stephens Media and Righthaven agree within five days that Exhibit A may be filed not under seal, in whole or in part. In the event that we are able to reach agreement with Stephens Media and Righthaven,
3	or in part. In the event that we are able to reach agreement with Stephens Media and Righthaven,
4	it is our intention to file a stipulation as to which portions of Exhibit A, if any, are to remain
5	under seal.

foregoing is true and correct. Executed on March 4, 2011, in San Francisco, California.

I declare under penalty of perjury under the laws of the United States that the

/s/ Laurence F. Pulgram

Laurence F. Pulgram Fenwick & West, LLP

PULGRAM DECL. ISO DEFS.' SUPPL. MEMO ADDRESSING RECENTLY PRODUCED EVIDENCE RELATING TO PENDING MOTIONS

12.

EXHIBIT A Filed Under Seal

FILE SUPPL. MEMO AND SUPPORTING DECLARATION

CASE NO. 2:10-CV-01356-RLH (GWF)

Case 2:10-cv-01356-RLH -GWF Document 72-3 Filed 03/04/11 Page 1 of 2

	Case 2:10-cv-01356-RLH -GWF Document 72-3 Filed 03/04/11 Page 2 of 2	
1	Having now considered Defendants' Motion For Leave to File Supplemental	
2	Memorandum Addressing Recently Produced Evidence Relating To Pending Motions and the	
3	supporting Declaration of Laurence Pulgram, and good cause appearing therefore,	
4	IT IS HEREBY ORDERED:	
5	That the Motion for Leave is GRANTED.	
6		
7		
8	Dated:	
9	The Honorable Roger L. Hunt United States District Judge	
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	[PROPOSED] ORDER GRANTING MOTION FOR LEAVE TO	

FILE SUPPL. MEMO AND SUPPORTING DECLARATION

Case No. 2:10-cv-01356-RLH (GWF)