

No. 11-697

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In the  
**Supreme Court of the United States**

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SUPAP KIRTSANG  
d/b/a Bluechristine99,  
*Petitioner,*

v.

JOHN WILEY & SONS, INC.,  
*Respondent.*

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ON PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

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**BRIEF OF *AMICUS CURIAE***  
**AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION**  
**IN SUPPORT OF NEITHER PARTY**

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## STATEMENT OF INTEREST<sup>1</sup>

The American Intellectual Property Law Association (“AIPLA”) is a national bar association of approximately 16,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. AIPLA members represent both owners and users of intellectual property.

AIPLA has no interest in any party to this litigation, nor does AIPLA have a stake in the outcome of this case other than its interest in seeking a correct and consistent interpretation of the copyright laws.

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<sup>1</sup> *Amicus* provided counsel of record with notice of its intent to file this brief more than ten days prior to the due date, as required by Supreme Court Rule 37.2(a). All parties have consented to the filing of this brief by filing a blanket consent with the Court. In accordance with Supreme Court Rule 37.6, *amicus curiae* states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the *amicus curiae* or its counsel. After reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

### SUMMARY OF ARGUMENT

AIPLA urges the Court to grant certiorari to clarify a question of exceptional importance to U.S. copyright owners, distributors of their works, and consumers alike. Specifically, under what circumstances, if any, does the first sale doctrine apply to copies of works manufactured abroad?

This Court first addressed the application of the first sale doctrine to imported copies in *Quality King Distributors Inc. v. L'anza Research International Inc.*, 523 U.S. 135 (1998), a case involving “round trip” copies that were manufactured in the United States, shipped abroad, and subsequently reimported. Though the entire Court agreed that the first sale doctrine applied to such copies, Justice Ginsburg wrote separately to distinguish the “round-trip” facts from the issue presented in this case: to what extent does the first sale doctrine apply when the copies were manufactured abroad? *See id.* at 154 (Ginsburg, J., concurring).

Recognizing the importance of this recurring legal question, this Court granted certiorari in *Costco Wholesale Corp. v. Omega, S.A.*, 131 S. Ct. 565 (2010). But the resulting 4-4 split in this Court’s voting on the merits of that case left the issue unsettled and, in effect, added instability as it is now clear that the Court is deeply divided on this major copyright issue.<sup>2</sup>

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<sup>2</sup> With Justice Kagan recused, only eight justices were eligible to vote in *Costco*.

The intellectual property community depends on a predictable legal regime to minimize costly disputes and encourage legitimate commerce. Now, more than ever, this Court's guidance is needed to settle the conflicting views of the courts and to restore stability to the marketplace for copies made abroad.

### ARGUMENT

The profound importance of stability and uniformity in the application of the intellectual property laws has long been recognized. Indeed, as this Court explained in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, the promotion of “national uniformity in the realm of intellectual property” was among “the fundamental purposes behind the Patent and Copyright Clauses of the Constitution.” 489 U.S. 141, 162 (1989) (citing *The Federalist* No. 43, p. 309 (B. Wright ed. 1961)); *see also Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 n.7 (1964) (noting “[t]he purpose of Congress to have national uniformity in patent and copyright laws”); *cf. Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002) (emphasizing the importance of stability in the patent laws to protect the expectations of the inventing community).

With the incomplete treatment of the matter in *Quality King* and *Costco*, and three separate views from the three circuit courts that have weighed in on the question presented, the current state of affairs is far from the uniformity promoted by the Framers. Without reliable means to predict how other courts will come out—and whether the divergent interpretations will one day be reconciled—neither copyright owners nor purchasers of foreign-made

copies of copyrighted works can confidently invest in future endeavors without fear that their expectations will be disrupted. Consequently, intervention by this Court is urgently needed to bring stability to this area of law.

The need for this Court's guidance is especially strong here because, based on the historical difficulty of reaching consensus on the question presented, it is highly unlikely that the circuit courts will succeed in stabilizing the law on their own. In addition to splitting this Court, the task of reconciling the first sale doctrine, as codified in 17 U.S.C. § 109(a), with the importation prohibition of Section 602(a), has yielded divergent opinions with conflicting reasoning from three circuit courts.

In this case, the Second Circuit held that the first sale doctrine never applies to copies manufactured outside the United States. *John Wiley & Sons, Inc. v. Kirtsaeng*, 654 F.3d 210, 221-22 (2d Cir. 2011). In *Omega S.A. v. Costco Wholesale Corp.*, the Ninth Circuit held that the first sale doctrine does not apply to foreign-made copies, but stated in dictum that it would apply after an authorized sale had been made in the United States. 541 F.3d 982, 987 (9th Cir. 2008). In *Sebastian Int'l, Inc. v. Consumer Contacts (PTY) LTD*, the Third Circuit held that the copyright owner's U.S. sales barred an action against unauthorized re-importation, but expressed in dictum its "uneasiness" with a construction of § 109(a) that turns on the place of manufacture. 847 F.2d 1093, 1098 n.1 (3d Cir. 1988). It added that "[w]hen Congress considered the place of manufacture to be

important,” the “statutory language clearly expresses that concern.” *Id.*

Indeed, both the majority and dissenting opinions of the Second Circuit panel in this case freely confess that the question presented is difficult to resolve. *See Kirtsaeng*, 654 F.3d at 219 (stating that “arriving at a satisfactory textual interpretation of the” phrase “lawfully made under this title” is “complicated”); *id.* at 220 (“The relevant text is simply unclear.”); *id.* at 222 (“We freely acknowledge that this is a particularly difficult question of statutory construction in light of the ambiguous language of § 109(a) . . . .”); *id.* at 228-29 (Murtha, J., dissenting) (agreeing “with the majority that it is a ‘close call’ ”). In all likelihood, additional district court and circuit opinions will only compound the uncertainty surrounding this issue. Consequently, intervention by this Court is the most immediate means to bring clarity to this important question. In this unusual situation, further “percolation” would be unproductive.

The consequences of allowing the current state of uncertainty to persist, moreover, are even greater now than they were when this Court granted certiorari in *Costco*. Whereas the Ninth Circuit suggested that an authorized sale of a foreign-made copy in the United States triggers the first sale doctrine—thereby terminating the copyright owner’s rights in that copy—the Second Circuit expressly declined to adopt that approach. Instead, it held that copies made abroad are *never* subject to the first sale doctrine. As noted, there are now multiple, competing and divergent rules that apply, depending in where a case is brought.

With the potential for significant statutory damages and injunctive relief upon a finding of infringement, uncertainty about the applicability of the first sale defense is of substantial consequence to all creators and users of copyrighted works. *See* 17 U.S.C. §§ 504(c)(1) (statutory damages available); 504(c)(2) (elevated damages available upon a showing of willfulness); 502 (injunctive relief available). Though AIPLA takes no position at this stage of the proceeding on who should prevail, the fact that there are multiple divergent rules – and high stakes – underscores the wide-ranging and destabilizing effects of the unpredictability in this area of law, and demonstrates the pressing need for intervention by this Court.

#### CONCLUSION

For these reasons, AIPLA respectfully requests that this Court grant certiorari to clarify the scope of the first sale doctrine as it applies to copies made in a foreign country, as the resolution of this issue is of substantial importance to owners as well as purchasers of copies of copyrighted works.

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