IN THE

Supreme Court of the United States

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STRATEGIC TECHNOLOGY INSTITUTE, INC.,

Petitioner,

—v.—

MGMTL, LLC,

Respondent.

_____

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

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the scope of protectable matter in a computer program is a question for the Court, as the First, Second, Third, Fourth, Seventh, Eighth, Tenth, and Federal Circuits have held, or for jury, as the Ninth and Eleventh Circuits and, in the decision below, the Fifth Circuit have held.

2. Whether a computer program's menu command hierarchy and input forms are copyrightable.

3. Whether the fourth fair use factor – "the effect of the use upon the potential market for or value of the copyrighted work" – favors a finding of fair use as a matter of law when there is only one potential buyer – the Government – neither the copyright owner nor the alleged infringer ever sold the copyrighted work, and, as the jury found, the copyright owner suffered no actual harm from the infringement. And, if so, whether the Petitioner's use was a fair use.

PARTIES TO THE PROCEEDING

Petitioner Strategic Technology Institute, Inc., was defendant-appellant in the U.S. Court of Appeals for the Fifth Circuit.

Respondent Respondent, LLC, was plaintiff-appellee in the U.S. Court of Appeals for the Fifth Circuit.

RULE 29.6 DISCLOSURE STATEMENT

Petitioner Strategic Technology Institute, Inc., has no parent corporation, and no publicly held corporation owns 10 percent or more of its stock.

RELATED PROCEEDINGS

The proceedings directly related to this case are:

Respondent, LLC, v. Strategic Technology Institute, Inc., No. 23-30298, U.S. Court of Appeals for the Fifth Circuit. Judgment entered on August 27, 2024. Petition for rehearing en banc denied on October 8, 2024.

Respondent, LLC, v. Strategic Technology Institute, Inc., No. 20-2138, U.S. District Court for the Eastern District of Louisiana, Judgement entered April 13, 2023. Notice of appeal filed May 4, 2023.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner asks this Court for a writ of certiorari to review the judgment of the United States Court of Appeals for the Fifth Circuit in this case.

OPINIONS BELOW

The panel decision (App. 1a-10a) was not published. The district court's orders denying Petitioner's motion for judgment as a matter of law (App. 13a-14a), motion for summary judgment (App. 19a-22a), and motion to dismiss (App. 23a-24a) were not published.

JURISDICTION

On August 27, 2024, the Fifth Circuit affirmed in part, reversed in part, and vacated in part the judgment of the district court and remanded. On October 8, 2024, the Fifth Circuit denied Petitioner's timely petition for rehearing en banc. App. 48a-49a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

17 U.S.C. § 102 - Subject matter of copyright: In general:

(a)Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

(1)literary works;

(2)musical works, including any accompanying words;

(3)dramatic works, including any accompanying music;

(4)pantomimes and choreographic works;

(5)pictorial, graphic, and sculptural works;

(6)motion pictures and other audiovisual works;

(7)sound recordings; and

(8)architectural works.

(b)In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. 105(a) – Subject matter of copyright: United States Government works:

Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded

from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.

17 U.S.C. § 107 - Limitations on exclusive rights: Fair use:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

(1)the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2)the nature of the copyrighted work;

(3)the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4)the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

INTRODUCTION

Petitioner is a defense contractor. For three years, between 2010 and 2013, it employed Jorge Menes to work as a contractor at the Marine Forces Reserve in New Orleans ("MFR").

This copyright case involves a highly functional computer program. It was designed to import and verify personnel data from government personnel databases and to output Department of Defense ("DoD") forms and reports, such as a standard non-disclosure agreements. App. 57a-58a. Menes, the majority owner of the Respondent, was a security manager at MFR, and he registered the copyright in the program in 2013. At trial, Menes admitted he has not updated the program since 2013. After unsuccessfully attempting to sell a program license to MFR in 2014, Respondent never sold a license to the program to any customer.

In 2015, the parties signed a Software Evaluation Agreement and Distributor Agreement, authorizing Petitioner to market and distribute Respondent's program. With help from Menes, Petitioner eventually developed a web-based version with similar functionality. App. 118a (showing the parties' programs side-by-side).

Both programs were also designed to import personnel data from the same government personnel databases. Written in Visual Basic, Respondent's program consists of 26,000 lines of code. Petitioner's web application included more than 100,000 lines of code written by Petitioner's developers and almost 3,000,000 lines of code from third party libraries. At trial, Respondent's expert testified that he could not find any lines of code in Respondent's web applica-

tion that was directly copied from Respondent's program. However, for a given output, e.g., a Standard Form 213 "Classified Information Nondisclosure Agreement," both programs utilized similar menu command hierarchies and input forms.

For example, to generate a Standard Form 213 "Classified Information Non-disclosure Agreement" for active personnel at MFR, a user of Respondent's program would follow several steps. App. 52a-56a. First, he would click the button for "Personnel Data" in the top level menu, then click "Active Personnel" in the next menu. He would scroll to the desired person using arrow buttons, then click "Special Access Reports," then choose "NDA" from a drop down menu. He would choose a signatory and a witness from further drop down menus, and then the program would populate and produce the Standard Form 213 NDA, which is a government form. App. 57a-58a.

Before trial, Petitioner asked the district court to decide issues relating to the scope of protectable matter in Respondent's computer program, such as to exclude unprotectable menus, input forms, and other non-literal aspects of the program, but the court held those issues must be decided by a jury. App. 17a and 22a. At trial, the jury found that Petitioner's web-based version of the program was not authorized under the parties' agreements and it infringed Respondent's copyright in its computer program.

1. Copyrightability. Thirty years ago, this Court granted certiorari to resolve a circuit split over whether a computer program's menu command hierarchy was protectable under the Copyright Act. See *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 515 U.S.

1191, 116 S. Ct. 39, 40, 132 L. Ed. 2d 921 (1995) (granting cert.) ("Lotus I"). There, in the opinion below, the First Circuit held that the command hierarchy for the Lotus 1-2-3 program was barred from copyright protection, despite any original expression it may contain, because it could be characterized as comprising part of a "method of operation." *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807, 818 (1st Cir. 1995) ("Lotus II") (*quoting* 17 U.S.C. 102(b)). This decision created a conflict with other Circuits. See, e.g., *Engineering Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1343-44 (5th Cir. 1994) (holding that plaintiff's selection of "approximately 230 input-output formats that comprise the user interface" of a structural engineering program was protectable), *opinion supplemented on denial of reh'g*, 46 F.3d 408 (5th Cir. 1995). But the split went unresolved because the judgement of the First Circuit was affirmed by an equally divided Court. *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 516 U.S. 233, 233, 116 S. Ct. 804, 133 L. Ed. 2d 610 (1996) ("Lotus III").

That split persists. *See, e.g., Oracle Am., Inc. v. Google Inc.,* 750 F.3d 1339, 1366 (Fed. Cir. 2014) (noting Circuit split); *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366, 1372 (10th Cir. 1997) (declining to follow *Lotus II's* interpretation of § 102(b)); and *e-Steps, LLC v. Americas Leading Fin., LLC*, No. 19-1637CCC, 2019 WL 9834429, at *2 (D.P.R. Sept. 25, 2019) (noting Circuit split and that *Lotus II* remains controlling law in First Circuit).

Since then, a new Circuit split has emerged for a related issue: whether questions of copyrightability are decided by a Court or by a jury.

The Fifth, Ninth, and Eleventh Circuits treat the issue as a question of fact for the jury. *Aspen Tech., Inc. v. M3 Tech., Inc.*, 569 Fed.Appx. 259, 270 (5th Cir. 2014) (holding "whether the copied aspects of the program were entitled to copyright protection" was question for jury); *N. Coast Indus. v. Jason Maxwell, Inc.*, 972 F.2d 1031, 1035 (9th Cir. 1992) ("The plaintiff was entitled to have the validity of its copyright determined by a trier-of-fact."); and *Home Legend, LLC v. Mannington Mills, Inc.*, 784 F.3d 1404, 1409 (11th Cir. 2015) ("Whether a work is sufficiently original to merit copyright protection is a question of fact.").

In the First, Second, Third, Fourth, Seventh, Eighth and Federal Circuits, the issue is decided by the Court.[1] *Yankee Candle Co. v. Bridgewater Candle Co., LLC*, 259 F.3d 25, 34 (1st Cir. 2001) (extent of protection in copyrighted work is "matter of law, determined by the court"); *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 714 (2d Cir. 1992) (nothing that district court should perform abstraction and filtration steps); *Pyrotechnics Mgmt., Inc. v. XFX Pyrotechnics LLC*, 38 F.4th 331, 341 (3d Cir. 2022) (finding plaintiff's work was uncopyrightable); *Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417, 435 (4th Cir. 2010) *as amended* (Aug. 24, 2010) (affirming district court's finding that plaintiff's designs were protectable); *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513,

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[1] A leading treatise also endorses this majority view. *Nimmer on Copyrights* § 12.10[B] (matters reserved to the judge include "determinations of copyrightability in all instances").

517 (7th Cir. 2009) ("copyrightability is an issue of law for the court"); *Toro Co. v. R & R Prods. Co.*, 787 F.2d 1208, 1213 (8th Cir. 1986) (affirming district court's finding that plaintiff's copyrighted system was not protectable); and *SAS Inst., Inc. v. World Programming Ltd.*, 64 F.4th 1319, 1326 (Fed. Cir. 2023) ("the court is tasked with determining the scope of copyright protection"). The Tenth Circuit treats the issue as a mixed question of law and fact, which may be decided by the Court. *See Mitel*, 124 F.3d at 1370.

Here, the scope of protectable matter in Respondent's computer program should have been decided by the district court. Instead, the district court sent those questions to the jury, which found no unprotectable material in Respondent's highly functional software. App. 51a-52a. The jury found that legal doctrines relating to unprotectable elements in software – i.e., the idea/ expression dichotomy, the merger doctrine, and scenes a faire – did not apply to Respondent's computer program. See *id.* (jury answered "no" to each of jury question nos. 3A, 3B, and 3C.).

Following each question, the verdict form instructed the jury to exclude unprotected material "[i]f your answer to [the question] is 'Yes'." But because the jury found "no" unprotectable material in Respondent's computer program, it answered all questions in the negative. So the jury did not filter out any unprotectable matter from Respondent's computer program before comparing the parties' programs to determine whether they were substantially similar.

On appeal, the Fifth Circuit affirmed, finding there was substantial evidence supporting the jury's verdict.

Instead, the Court should have determined wheth-er the menu hierarchies and input forms were pro-tectable matter in Respondent's computer program in the first instance, which is the usual practice in most Circuits. Guidance from this Court is therefore necessary.

2. Fair Use. Before Respondent approached Peti-tioner, Respondent was unable to sell program licenses to any other customers. MFR did not buy it. Respondent had discussions with another govern-ment agency, SPAWAR/ NAVWAR, and they did not buy it. In September 2013, Respondent created the final version of the program. They have not updated the program since 2013.

In other words, there was no market for Respond-ent's computer program. At trial, Respondent failed to offer any evidence of any sales by Respondent for its computer program. Petitioner was also unable to sell Respondent's program. And Petitioner never had any sales of its allegedly infringing web-based ver-sion, either. Hence, the jury found that Respondent suffered no actual damages from Petitioner's in-fringement:

> Question 11A: "Do you find by a preponder-ance of the evidence that [Respondent] suf-fered actual damages after July 28, 2017, as a result of [Petitioner's] infringement of the [Re-spondent's] computer program?"
> Jury's Answer: "No."

App. 33a.[2]

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[2] The jury struck out their answers to Questions 11B and 12, and those responses were not included in the district court's Final Judgement. App. 34a.

In *Google LLC v. Oracle Am., Inc.*, this Court recognized that a plaintiff's poor positioning to succeed in the relevant market and previous unsuccessful efforts supported a finding that the new work did not harm the potential market for or value of the copyrighted work. 141 S. Ct. 1183, 1206, 209 L. Ed. 2d 311 (2021). The Court concluded that Oracle would not have been able to enter the market for mobile phone market successfully whether Google did, or did not, copy a part of its program, because Oracle "was poorly positioned to succeed in the mobile phone market" and that its efforts to enter the market had proved unsuccessful. *Id.*

Here, Respondent gave up on updating its computer program more than a decade ago, after its own efforts to sell licenses proved unsuccessful. Even when Respondent sought to leverage the resources of an established defense contractor like Petitioner, the parties were unsuccessful in selling any licenses for either Respondent's program or for Petition's web based version. The Government – the only customer that could use the program, since it controlled access to the personnel databases needed to populate the program's input forms and outputs – was not buying. Nonetheless, the jury found that Petitioner's use of Respondent's program affected the potential market for or value of its program, weighing against a finding of fair use. App. 30a (Jury Question 10D.)

The final determination of whether a use is a fair use is a question of law. *Google*, 141 S. Ct. at 1199-1200. Although Petitioner moved for judgment as a matter of law on this issue, the district court denied the motion, and the Fifth Circuit affirmed, finding substantial evidence supporting the jury's verdict.

Yet, as a question of law, the Court should not have given such deference to the jury's findings; it should have weighed the facts to determine whether Petitioner's use was a fair use. Guidance from this Court is therefore necessary.

STATEMENT OF THE CASE

Factual Background

Between 2010 and 2013, Petitioner employed Menes as a contractor at MFR. Before joining Petitioner, Menes had served as an enlisted Marine and had worked as an intelligence analyst and security manager at MFR.

During the times relevant to this appeal, the Director of Central Intelligence issued personnel security directives with guidelines for the DoD to manage personnel security called Director of Central Intelligence Directives ("DCID"). The DCID were later superseded by the Joint Personnel Adjudication System ("JPAS"), a repository for clearance information for DoD personnel with security clearances. DoD regulations require such personnel to regularly prepare and submit forms, letters and reports, such as to manage and maintain their security clearances.

When he was an enlisted Marine at MFR, Menes's security management responsibilities included preparing such forms and letters for other Marines at MFR. He created a database tool to import information from DCID and later JPAS, and loaded the tool on his Marine computer to assist in doing his job. Menes testified, "I was a database developer all through my Marine Corps career."

In 2011 Menes began working with his uncle, Whit Himel, to develop a new version of his database program called SMART. While Menes initially paid Himel $500, Himel agreed to accept 30% of the equity in Respondent as compensation for his work.

SMART was written in Microsoft Access using Visual Basics for Applications. SMART created routine DoD-compliant forms, such as check-in sheets. Like Menes' pre-SMART database tool, SMART was designed to import and verify personnel data from the JPAS database to create DoD forms and reports, such as a standard non-disclosure agreement. Menes testified, he and Himel "designed it to work for the military and for the people that would be using it."

The screens for pre-SMART and SMART database tools looked similar. At trial, Menes was unable to distinguish some screens from the SMART computer program and his pre-SMART database tool.

SMART's interface was highly functional and utilitarian. SMART is used to fill out DoD forms. SMART requires data to populate the forms, including individual's last name, first name, social security number, etc. At trial, Menes testified that he designed SMART's input screens to gather only the personnel information needed to complete such forms:

[W]e boiled this down to the most essential. Again, you've seen other screens in the Department of Defense and other departments, they ask you if you're male or female, we don't care about that. They ask you what your marital status is. It's not important for security management. We weeded through all of the fields, the potential, recordable things we would have recorded and we boiled it down to this list.

Likewise, Menes testified he used Navy guidelines "5510-30 and 5510-36," and "boiled those two documents down" to create a report in SMART showing whose personnel clearances were expired or soon to expire.

Menes also testified that many design choices in SMART were for "ease and accuracy." Menes testified that "the combination of buttons, drop-downs, some people may say it doesn't look pretty, but, again, we were looking for accuracy." In other words, SMART used various input fields, including check boxes, radio buttons, and text fields for purposes of "accuracy."

Respondent's expert also admitted that "industry terms" and DoD "industry practices and demands" should be "filtered out" from SMART in the infringement analysis. Despite this, he argued that common terms like "activity log" should not be filtered.

For two years, from 2012 through September 2014, Menes provided SMART to MFR at no cost. Respondent did not have any written agreement with MFR regarding MFR's use of the SMART software.

In September 2013, Menes and Himel created the final version of SMART. At trial, they admitted they have not updated SMART since 2013.

In 2013 Respondent submitted excerpts of the SMART source code to the U.S. Copyright Office with an application to register the copyrights in the computer program. Respondent's deposit materials did not include any screens from the program. MFR was unaware of Respondent's copyright in SMART.

In May 2015, Menes arranged a meeting with his former supervisor, Barry Levin, a senior business

development manager at Petitioner, to demo SMART to Petitioner. On May 27, 2015, the parties signed a Software Evaluation Agreement.

From the beginning, Petitioner told Menes that the software should be web-based. Menes testified, "[Petitioner] always believed that SMART should be a web-based software." On June 25, 2015, Levin sent an email to Menes an email with the subject line "Web-Based SMART." Levin wrote, "Hey, we want to move forward. Are you available to discuss the feasibility of moving SMART to a web-based application?" In June 2015 the parties signed a Distributor Agreement.

Menes received several emails "asking to help with the web-based version" being developed by Petitioner, and Menes provided input on Petitioner's web-based version. For example, on March 11, 2016, Levin forwarded to Menes a question from Gokul Palani, who worked for an affiliate of Petitioner in India.

Levin's cover email explained, "We are in the process of creating a web version of SMART and our developer's [sic] encountered the following problem. Any thoughts?" Menes responded with a "Simple fix", including screenshots of SMART and instructions on how to address Palani's question. Palani then had another question and proposed solution for how the search function could work "[i]n the converted web version." On March 12, 2016, Menes responded, "This find function works for us."

At trial, Menes admitted that at this point, he knew Respondent was developing a web-based version of SMART and had a working copy. Menes knew Palani was writing code. Menes said Levin's email "surprised" and "concerned" him. Menes testi-

fied that, while the parties did not sign a separate agreement expressly authorizing Petitioner to create the web application, he believed the parties' existing agreements were adequate.

Menes admitted he responded positively to Petitioner's progress in developing its web-based application and getting the product onto the Government Services Administration ("GSA") Schedule. On March 14, 2016, Menes sent an email to Barry Levin with Petitioner asking for "an update on where you guys are on the conversion to a web-based app." Levin responded, "We are making very good progress on the move to a web based version from Access. Also, David [Zhao, another Petitioner employee] and I are working on the GSA mod to officially get the product on our schedule 70 contract." Levin suggested they schedule a call the following week and he thanked Menes: "Thank you for the quick turnaround on our questions." Menes responded, "All sounds great! Absolutely. Let us know."

On March 15, 2016, Levin sent an email to Menes asking to schedule a video conference "to review the progress made thus far on the SMART Web based application." Menes responded, "That sounds great."

On March 22, 2016, Menes sent an email to Gokul with instructions on adding records, concluding the email with "Hope this helps." On March 24, 2016, Gokul asked Menes for some clarifications about how to generate certain letters, and on March 28, 2016, Menes responded to Gokul with a screenshot of the SMART source code used for the letters.

Under the Distributor Agreement, the parties agreed Petitioner would pay Respondent the royalties and/or fees set forth in a separate Teaming Agreement. Menes testified that he expected Peti-

tioner to pay Respondent a percentage of its sales. But there were no sales, the parties never agreed to a royalty amount, and they never entered into a Teaming Agreement.

Respondent provided Petitioner access to SMART from May 31, 2015 to June 27, 2016. Petitioner's access to SMART expired on June 27, 2016.

SMART consisted of scripts amounting to almost 26,000 lines of code. Petitioner's web application, by contrast, included more than 100,000 lines of code written by Petitioner's developers and almost another 3,000,000 lines of code from third party libraries. In other words, the SMART code base was less than 1% the size of the code base for Petitioner's web application.

Petitioner's Executive Vice President, Alexander Chopra, testified that Petitioner's web application did not copy any source code from SMART. Respondent's computer software expert, Gary Stringham, reviewed the source code of SMART and Petitioner's web application. SMART was written in Microsoft Access using Visual Basics for Applications. He admitted that differences in the code bases was because Petitioner's web application was written in a variety of common languages used for websites, such as HTML, C#, ASP, and CSS.

Stringham testified he did not expect to find word-for-word copying or for "the SMART and [Petitioner's] code to look the same or similar given that they are written in different languages." He could not point to any lines of code that were copied from SMART and he admitted the function and structure of the web application code were not the same:

Q. "You did not find any lines of code that were directly copied?" A. "No."

Q. "[L]ooking at the source code . . . you didn't locate any section of source code in PASS where the function and structure was the same in SMART?" A. "I did not."

Q. "[Y]ou didn't find a high percentage of similarity, correct?" A. "Again, looking at the lines of code, yes."

While both programs were designed to create many of the same DoD forms and letters using JPAS data, he noted that the screen displays between SMART and Petitioner's web application were also not the same.

While Menes had worked for Petitioner from 2010 to 2013, it was not until April 2016 – during a demonstration of Petitioner's web application to MFR – that Petitioner learned of events in 2014 at MFR that caused Menes' reputation and SMART to become radioactive at MFR.

From 2012 through September 2014, MFR used SMART, and, for several years before that, MFR used Menes' pre-SMART database tool, which Menes maintained as part of his duties as a Marine.

In 2014 Respondent offered to license SMART directly to MFR for $30,000 per license. But Respondent had never certified SMART through the DoD's software assurance and accreditation process, and it was not approved to run on the Marine Corps Intranet. MFR never purchased a license to SMART from Respondent.

Menes designed SMART to become non-operational beginning on October 1, 20214. Menes testified that this caused "chaos" at MFR's security management office. On October 3, 2014, counsel for MFR wrote to Respondent's intellectual property lawyer, stating

"Marine Forces Reserve does not desire to enter into a licensing agreement with your client."

In October 2014, Menes was terminated from his employment as a contractor at MFR. Menes alleged he was fired because he refused to allow MFR and MFR's security management officer, Steven McMurtry, to have free access to SMART. Menes filed a complaint with MFR, resulting in an investigation into McMurtry, and later Menes personally sued McMurtry alleging that McMurtry defamed Menes by telling people Menes stole SMART from MFR.

In April 2016, Menes received a call from Navaneeth Muthuveerasamy of Petitioner. Menes testified that Muthuveerasamy told him that Petitioner demoed its "web-based tool or SMART" at MFR, and it did not go well. Menes believed that "folks at MFR security" were still upset from when SMART suddenly became non-operational in 2014. The call from Muthuveerasamy prompted Menes to send an email to Levin, admitting that he believed MFR's "animosity towards me has become institutional."

After learning about MFR's negative view of Menes and SMART, Petitioner limited Menes's involvement with further development of the web application. Petitioner also rebranded the app, which worked with JPAS, as PASS. At trial, Menes testified that he would not have agreed to change the name of Petitioner's web-based application to PASS.

During litigation, Petitioner learned that before Respondent approached Petitioner, it was unable to sell SMART licenses to other customers. MFR did not buy it. Respondent had discussions with another

government agency, SPAWAR/ NAVWAR, and they did not buy it, either.

In March 2017 Menes sent an email to Muthuveerasamy with the subject line "SMART app," asking "about our app and the way ahead." In his reply on March 23, 2017, Muthuveerasamy reminded Menes about their call from April 2016: "The last time I spoke with you about a year back, I clearly mentioned that your name hurt us very badly and we didn't want to do anything with you / products." He continued, "We have nothing to do with your products / services."

Menes responded by demanding, among other things, that Petitioner "turn over all UNAUTHORIZED, developed materials/software created using our COPYRIGHTED intellectual property . . . ." Muthuveerasamy responded by repeating, "We are in no way interested to use or develop your ideas / products."

Menes testified he understood this email exchange was the parties' "official breakup letter." Menes understood Respondent was "no longer in business with Petitioner" and "if we have no arrangement to have my products and distribute it, for me, that moment in time that is now unauthorized." Menes testified he wanted "whatever [Petitioner] made, whatever they have using SMART. I want it returned to me."

Petitioner did not turn over its web application to Menes, and Respondent did not pursue its lawsuit against Petitioner at that time.

Donald Washington, deputy security manager at MFR and Menes' former supervisor, testified that in May 2017 Petitioner provided computers to MFR. Petitioner used the computers to conduct a demo of

PASS to MFR's security management office, but the office never used PASS, never installed its on MFR computers, or procured PASS. MFR never used PASS to perform any tasks.

In September 2018 Respondent received an anonymous email. The anonymous author wrote: "[Petitioner] took the SMART application that you built and repackaged it as PASS application and sold to MFR." At trial, however, Respondent failed to prove that Petitioner made any such sales of either SMART or PASS, and the jury found that Respondent failed to prove that it suffered actual damages from Petitioner's alleged copyright infringement. App. 30a (Question 11A).

Procedural History and Jury Verdict

On July 28, 2020, Respondent sued Petitioner. Respondent asserted claims for copyright infringement, breach of the Software Evaluation Agreement, breach of the Distributor Agreement, and misappropriation of trade secrets.

Petitioner filed motions to dismiss and for summary judgment, but they were summarily denied. App. 22a and 24a. Neither of the District Court's rulings on Petitioner's dispositive motions provided guidance on the unprotectable elements of Respondent's computer program.

At the direction of the Court, on April 1, 2022, Petitioner filed a pretrial brief on the copyrightability of the literal and non-literal elements of Respondent's computer program. Among other things, Petitioner urged the District Court to conduct the first two steps of the filtration-abstraction-comparison test, including by holding a hearing if necessary. Re-

spondent argued that, as questions of fact under Fifth Circuit precedent, the jury should decide issues relating to the scope of protected elements of its computer program. On June 2, 2022, the District Court ordered that questions of copyrightability would go to the jury. App. 17a-18a.

After a seven-day trial, the jury's verdict was split between the parties on several issues. Respondent's expert admitted that he "did not find any lines of code directly copied" in Petitioner's PASS software, so the principal infringement analysis focused on SMART's menu hierarchy, input fields, and other non-literal elements.

Jury findings favorable to Petitioner include:

Count I - Copyrights

•   Petitioner did not infringe Respondent's exclusive distribution rights. App. 30a (Question 6).

•   Respondent did not timely file its lawsuit against Petitioner within 3 years after it knew, or in the exercise of reasonable diligence, should have known about the last act of distribution of its copyrighted software. App. 31a (Question 8B)

•   The nature of the SMART computer program is factual, purely useful, or derivative. App. 32a (Question 10B)

•   Respondent failed to prove it suffered actual damages after July 28, 2017, as a result of Petitioner's infringement. App. 30a (Question 11A)

Count II - Software Evaluation Agreement. Petitioner did not breach the Software Evaluation Agreement. App. 36a.

Counts IV and V – Trade Secrets. Respondent did not suffer damages caused by Petitioner's misappropriation of SMART. App. 43a (Question 7) and 48a (Question 7).[3]

Some of the Jury's findings favorable to Respondent include:

Count I - Copyrights

•   The idea/expression dichotomy, scenes a faire and other legal doctrines limiting the protected elements of computer programs did not apply to Respondent's computer program. App. 28a-29a (Questions 3A, 3B, and 3C).

•   Petitioner did not prove that its actions were authorized by the Distributor Agreement. App. 32a (Question 9)

•   Petitioner was not entitled to a fair use defense. App. 33a (Question 10E)

•   Petitioner willfully infringed Respondent's copyrights in the SMART computer program, and awarding Respondent the maximum $150,000 in statutory damages. App. 31a-32a (Questions 12A and 12B)

Count III - Distributor Agreement.   Petitioner breached the Distributor Agreement, causing Respondent to suffer damages of $30,000. App. 38a-39a (Questions 1 and 2)

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[3] The jury struck through their responses to Questions 8, 9 and 11, App. 49a-50a, which were not included in the Final Judgment.

Petitioner moved for judgment on all of Respondent's remaining claims as a matter of law. The Court denied the motion in its entirety. App. 13a.

The district court entered a Final Judgement on April 13, 2023, and Petitioner timely filed a notice of appeal on May 4, 2023.

The Fifth Circuit Decision

The Fifth Circuit affirmed in part, reversed in part, and vacated in part the judgment of the District Court and remanded. Relevant here, the panel opinion acknowledged that "the jury was instructed on the 'abstraction-filtration-comparison' test ('AFC test'), which separates protectable elements from non-protected elements." App. 8a. But the opinion did not address that the jury found that relevant legal doctrines – including the idea/expression dichotomy and scenes a faire doctrines, App. 28a-29a, which in the first two abstraction and filtration steps eliminate unprotectable elements from computer programs – did not apply and, therefore, the jury did not filter any of those unprotectable elements before the "comparison" step.

Rather, the Fifth Circuit affirmed, noting "the jury is entitled to deference." App. 9a.

The panel opinion also noted that the jury found that three of the four statutory fair use factors weighed against Petitioner's fair use defense. App. 9a. But it did no more than repeat the factors without a discussion of whether there was a sufficient evidentiary basis for the jury to find for Respondent on those issues.

The Fifth Circuit entered its judgment on August 27, 2024. On October 8, 2024, the Fifth Circuit

denied Petitioner's timely petition for rehearing en banc.

REASONS FOR GRANTING THE WRIT

I. WHETHER THE SCOPE OF PROTECTABLE MATTER IN A COMPUTER PROGRAM, INCLUDING FOR MENU HEIRARCHIES AND INPUT FORMS, SHOULD BE DECIDED BY A COURT OR A JURY IS AN IMPORTANT QUESTION OF FEDERAL LAW.

A. The Circuits Are Split And The Public Interest Requires This Court's Review.

Copyright is broad, long-lasting, easily obtainable protection. Copyright protection is obtained for copyrightable elements of a computer program merely by making a deposit of just 50 pages of source code. Copyright Circular 61, Copyright Registration of Computer Programs. Unless screens are included in the deposit materials (none were submitted here), there is minimal examination of the source code. The copyright lasts for at least 95 years. 17 U.S.C. § 302. Because copyright protection is so easy to obtain, and lasts so long, it was neither intended for, nor is it suited for, the granting of government-sanctioned monopolies for "methods of operation." § 102(b).

Precluding a competitor's product from offering another's method of operation, such as menu hierarchies and input screens that would be familiar to users, means that users will lose their investment in the skill set necessary to implement that method of operation if they switch to a competitor's product. *See Google*, 141 S. Ct. at 1186 (noting that limited

copying was allowed to maintain a familiar pro-gramming language for programmers). Such a broad government-sanctioned monopoly must be secured, if at all, through the patent system. *See id.* at 1204 ("Copyright on largely functional elements of soft-ware that have become an industry standard gives a copyright holder anti-competitive power"). Other legal doctrines designed to balance these interests include the idea/ expression dichotomy. *See, e.g., Baker v. Selden*, 101 U.S., 99, 25 L.Ed. 841 (1880).

But who decides the scope of protectable matter in a copyrighted computer program? Whether a court or jury will decide the protectable scope of a computer program depends on the Circuit in which the copy-right owner files his complaint. In the Fifth, Ninth, and Eleventh Circuits, the issue is treated as a question of fact decided by the jury. *Aspen Tech.*, 569 Fed.Appx. at 270 (5th Cir. 2014); *N. Coast*, 972 F.2d at 1035 (9th Cir. 1992); and *Home Legend*, 784 F.3d at 1409 (11th Cir. 2015).

In the First, Second, Third, Fourth, Seventh, Eighth and Federal Circuits, the issue is decided by the Court. *Yankee Candle Co.*, 259 F.3d at 34 (1st Cir. 2001); *Altai*, 982 F.2d at 714 (2d Cir. 1992); *Pyrotechnics*, 38 F.4th at 341 (3d Cir. 2022); *Universal Furniture*, 618 F.3d at 435 (4th Cir. 2010) *as amended* (Aug. 24, 2010); *Schrock*, 586 F.3d at 517 (7th Cir. 2009); *Toro*, 787 F.2d at 1213 (8th Cir. 1986); and *SAS*, 64 F.4th at 1326 (Fed. Cir. 2023).

Reflecting this majority view, Nimmer states that matters reserved to the judge include "determina-tions of copyrightability in all instances." *Nimmer on Copyrights* § 12.10[B]. The Tenth Circuit treats the

issue as a mixed question of law and fact, which may be decided by the Court. *See Mitel*, 124 F.3d at 1370.

In a similar context, arising from patent law, this Court held "that the construction of a patent, including terms of art within its claim, is exclusively within the province of the court." *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372, 116 S. Ct. 1384, 1387, 134 L. Ed. 2d 577 (1996). Among the reasons this Court explained in reaching that holding was the need for uniformity in determining the scope of patent protection, to avoid situations in which "[t]he public [would] be deprived of rights supposed to belong to it, without being clearly told what it is that limits these rights." *Id.* at 390 (*quoting Merrill v. Yeomans*, 94 U.S. 568, 573, 24 L.Ed. 235 (1877)). So, too, is there a need for uniformity and certainty in the scope of protection of copyrights in computer programs, which is better served by having courts decide those issues.

Finally, Courts should decide because they are more experienced in statutory interpretation. On a case-by-case basis, they should determine the application of exclusions to copyrightable subject matter under § 102(b) (excluding "ideas" and "methods of operation"). *See Lotus*, 49 F.3d at 818. Courts interpret statutes, not juries.

Because this is an important question of federal law, guidance from this Court would serve the public interest.

B. The Fifth Circuit Reached the Wrong Decision in This Case.

As noted above, the coding and design of Respondent's SMART computer program was dictated entire-

ly by functional or external factors. SMART was designed to produce DoD forms, letters, and reports, and the fields and text in SMART's screens necessarily comport with DoD regulation and practice. Menes conceded that SMART imports data from the DoD's JPAS system. Input screens populate the forms, including individual's last name, first name, social security number, etc. At trial, Menes testified that he designed SMART's input screens to gather only the personnel information needed to complete such forms:

> [W]e boiled this down to the most essential. Again, you've seen other screens in the Department of Defense and other departments, they ask you if you're male or female, we don't care about that. They ask you what your marital status is. It's not important for security management. We weeded through all of the fields, the potential, recordable things we would have recorded and we boiled it down to this list.

> Likewise, Menes testified he created report in SMART showing whose personnel clearances were expired or soon to expire using Navy guidelines "5510-30 and 5510-36," and "boiled those two documents down."

> Menes also testified that many design choices in SMART were for "ease and accuracy." Menes testified that "the combination of buttons, drop-downs, some people may say it doesn't look pretty, but, again, we were looking for accuracy." In other words, SMART used various input fields, including check boxes, radio buttons, and text fields for purposes of "accuracy."

> Finally, works of the United States Government are not eligible for copyright protection § 105(a).

Here, an example of a government work includes Menes's pre-SMART database, including its screens, which he created to do his job as a Marine and used on his Marine computer. At trial, Menes was unable to distinguish some screens from the SMART computer program and his pre-SMART database tool, so those should be filtered out, too.

Petitioner asked the district court to decide the scope of protectable matter in Respondent's computer program, but it followed Fifth Circuit precedent and sent the issue to the jury. The jury erred by failing to filter unprotectable elements of the SMART computer program before comparing it to Petitioner's PASS web based software.

Simply put, the "idea" of using a software program to populate DoD forms is not protectable, and "methods of operation," such as utilizing specific menu hierarchies to select outputs and generate those forms, are likewise not protectable. § 102(b). SMART's use of blank forms is unprotectable. *See Baker*, *supra*.

Design choices based on ease and accuracy are unprotectable under the merger doctrine. *Altai*, 982 F.2d at 708 ("efficiency concerns may so narrow the practical range of choice as to make only one or two forms of expression workable options"). And under the scenes a faire doctrine, there can be no protection for organizing input buttons and fields to match the information required by such forms, or other outside factors dictated by DoD regulations. *Computer Mgmt. Assistance Co. v. Robert F. DeCastro, Inc.*, 220 F.3d 396, 401 (5th Cir. 2000).

Nonetheless, the jury found that none of those legal doctrines applied in this case, and it did not filter out any of those unprotectable elements from SMART

before comparing it to Petitioner's web based software. This effectively gave Respondent a monopoly on its program. And unsurprisingly the jury held that Petitioner's program, which was designed to have similar functions to generate similar outputs, infringed Respondent's copyright despite not sharing a single line of code with SMART.

II. PETITIONER WAS ENTITLED TO JUDGMENT ON ITS FAIR USE DEFENSE.

The Copyright Act provides that "the fair use of a copyrighted work … is not an infringement of copyright." 17 U.S.C. § 107. In determining whether a use is fair, the Copyright Act sets forth a non-exhaustive list of four factors to consider. The first factor is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." *Id*. As part of this analysis, courts look to whether the new work "adds something new, with a further purpose or different character, altering the copyrighted work with new expression, meaning or message"; in other words, whether the new work is "transformative." *Google*, 141 S. Ct. at 1202-03.

The second factor looks to "the nature of the copyrighted work." 17 U.S.C. § 107. This Court recently explained that "copyright's protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function." *Google*, 141 S. Ct. at 1197. "Similarly, courts have held that in some circumstances, say, where copyrightable material is

bound up with uncopyrightable material, copyright protection is 'thin.'" *Id.* at 1198.

The third factor is "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107. "[C]opying may fall outside of the scope of fair use where the excerpt copied consists of the 'heart' of the original work's creative expression," while "copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material's creative expression or is central to a copier's valid purpose." *Google*, 141 S. Ct. at 1205.

The fourth factor focuses on "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107. However, "a potential loss of revenue is not the whole story," and consideration should be given to any "public benefits the copying will likely produce." *Google*, 141 S. Ct. at 1206. Additionally, a plaintiff's poor positioning to succeed in the relevant market and previous unsuccessful efforts support a finding that the new work did not harm the potential market for or value of the copyrighted work. *Id.*

The final determination of whether a use is a fair use is a question of law. *Google*, 141 S. Ct. at 1199-1200. The "four statutory fair use factors may not be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright." *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 550–51, 143 S. Ct. 1258, 1287, 215 L. Ed. 2d 473 (2023) (*quoting Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 114 S. Ct. 1164, 1166, 127 L. Ed. 2d 500 (1994)).

Here, Petitioner moved for summary judgment and for judgment as a matter of law on its fair use defense. Rather than decide those issues, however, the district court sent them to the jury. The Fifth Circuit then erred by simply affirming the jury's findings without conducting its own analysis. Petition is entitled to judgment as a matter of law on its fair use defense as all factors favor fair use.

First, Petitioner's PASS is transformative compared to Respondent's SMART computer program. In *Google*, this Court noted that Google used an application programming interface to create new products and emphasized that "Google, through Android, provided a new collection of tasks operating in a distinct and different computing environment. Those tasks were carried out through the use of new implementing code (that Google wrote) designed to operate within that new environment." *Id*. The Court also highlighted that permitting use of this functional aspect could further the development of computer programs. *Id*. at 1203-04. Thus, the Court found that the "purpose and character" of Google's copying was transformative, and the commercial nature of Google's use did not tip the scales against it in light of this "inherently transformative role." *Id*. at 1204.

Here, while the jury found that Petitioner's use was not transformative, the trial evidence is undisputed that Petitioner created a new web application in PASS, which operates in a distinct and different computing environment, added new features, and was carried out through 100,000 lines of code that Petitioner created, enabling the program to be access from any network-connected device. And as in *Google*, any alleged use of functional components of SMART in PASS (such as the menu hierarchy, input

screens, and user interface of SMART, to the extent protected) furthers the development of security management database programs—here a web-based application that would be more accessible to potential users via the web.

Second, the jury correctly found that SMART is factual or purely useful. SMART is not artistic or a work of fiction, but is rather a factual and utilitarian computer program, hence any copyright protection for SMART is "thin." *See Google*, 141 S. Ct. at 1197-98. Additionally, as explained above, any protectable elements of SMART are bound up with uncopyrightable material. *Id.* at 1198. And this Court in *Google* found that a computer program that performs basic utilitarian functions (like SMART), "if copyrightable at all, is further than are most computer programs … from the core of copyright." *Id.* at 1202.

Third, while the jury found that Petitioner's copying was not minimal, it is undisputed that PASS did not copy any lines of code from SMART. And as explained above, much—if not all—of SMART's nonliteral elements are unprotectable ideas, methods of operation, blank forms, and under the scenes a faire and merger doctrines. Thus, even if the court determines that there are certain aspects of SMART's nonliteral elements that are protectable and were used in PASS, such material is trivial when compared to the whole. Because the jury failed to correctly identify unprotectable elements of the SMART computer program, it did not filter out those elements from its infringement or fair use analyses.

Fourth, no market exists for Respondent's copyrighted computer program, SMART, and Respondent was poorly positioned and failed on multiple occasions to sell SMART. In *Google*, this Court recog-

nized that a plaintiff's poor positioning to succeed in the relevant market and previous unsuccessful efforts support a finding that the new work did not harm the potential market for or value of the copyrighted work. *Google*, 141 S. Ct. at 1206 (finding that evidence supported that the plaintiff would not have been able to enter market successfully whether Google did, or did not, copy a part of its program, including that the plaintiff "was poorly positioned to succeed in the mobile phone market" and that its efforts to enter the market had proved unsuccessful).

Here, Respondent never sold SMART before Petitioner developed PASS, despite Respondent's efforts to do so, including permitting the MFR to use the software at no cost on a trial basis for years. In 2015 the parties entered into a Software Evaluation Agreement and a Distributor Agreement, but Petitioner, too, was unable to sell SMART or its allegedly infringing web-based version, PASS. Hence, the jury correctly found that Respondent failed to prove any actual harm caused by Petitioner's infringement.

Indeed, Menes admitted at trial that he had not updated the program since 2013, when it was first registered with the copyright office, and Respondent offered no evidence of ongoing efforts to license or sell SMART. Simply put, there is no evidence anyone has ever purchased or ever will purchase a license for the copyrighted work. Accordingly, the fourth factor weighs in favor of fair use.

The final determination of whether a use is a fair use is a question of law, *Google*, 141 S. Ct. at 1199-1200, which the District Court should have decided rather then sending the ultimate question to the jury. The Fifth Circuit erred by failing to weigh the

factors, and this Court should reverse and render judgement in favor of Petitioner.

CONCLUSION

For the foregoing reasons, Petitioner respectfully requests that this Court grant its petition for a writ of certiorari to review the decision of the Court of Appeals for the Fifth Circuit.

Respectfully submitted,

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Dated: January 6, 2025

APPENDIX

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Appendix A

**United States Court of Appeals
for the Fifth Circuit**

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No. 23-30298

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[STAMP]

United States Court of Appeals
Fifth Circuit
FILED
August 27, 2024

Lyle W. Case
Clerk

_____

MGMTL, L.L.C.,

Plaintiff—Appellee,

versus

STRATEGIC TECHNOLOGY INSTITUTE, INCORPORATED,

Defendant—Appellant.

_____

Appeal from the United States District Court
for the Eastern District of Louisiana
USDC No. 2:20-CV-2138

_____

Before HAYNES, WILLETT, and OLDHAM, *Circuit Judges.*

PER CURIAM:*

MGMTL, LLC partnered with Strategic Technology Institute, Incorporated ("STI") to distribute a security management tool. After the partnership broke down, MGMTL sued STI for breach of contract, copyright infringement, and trade secrets misappropriation. A jury found for MGMTL on some of those claims and awarded damages. After the district court entered final judgment, STI appealed. We affirm in part, reverse in part, and vacate in part.

I

A

After enlisting in the Marine Corps and serving on active duty, Jorge Menes entered the Marine Forces Reserve ("MFR"). While serving in MFR, he worked in security management. Menes thought the MFR had insufficient security management tools. So Menes developed his own, including what eventually became the Security Management and Reporting Tool ("SMART").

Menes developed SMART to streamline various security management processes, including form generation and clearance checking. SMART was made up of many different screen displays with headings like "Special Access Report Selection" or "Active Personnel." The software was written in Microsoft Access using Visual Basics for Application ("VBA"), a programming language used in Microsoft Office.

Menes and his uncle first developed SMART in 2011. In 2012, MFR began to use SMART on a trial basis at its security management office in New

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   *   This opinion is not designated for publication. *See* 5th Cir. R. 47.5.

Orleans. In 2013, Menes's company, MGMTL, filed for and obtained a registered copyright to the SMART program. MGMTL attempted to license SMART to MFR for $30,000 a year, but MFR said no.

In 2015, Menes met with STI, a company with experience in government contracts and for which he had previously worked. In the summer of 2015, MGMTL and STI signed two contracts. The first contract, the "Software Evaluation Agreement," provided that STI could temporarily access the SMART with the understanding that MGMTL retained all intellectual property rights in the program. The second contract, the "Distributor Agreement," granted STI limited rights to "advertise, promote, and resell" the SMART program, with potential royalties accruing to MGMTL. The Distributor Agreement confirmed that MGMTL retained all of the intellectual property rights to the SMART program and provided that STI could not "reverse engineer" or otherwise disassemble the program.

The parties vehemently disagree over what happened next.

In MGMTL's telling, STI proceeded to breach these agreements and infringe MGMTL's intellectual property by copying SMART for use in constructing a new program called Personnel Administrative Security System ("PASS"). Once STI sufficiently developed PASS, it broke off relations with Menes and MGMTL. STI proceeded to further revise PASS, represent PASS as its own intellectual property, and make PASS available for sale to the federal government.

STI tells a very different story. According to STI, its developers initially set out to create a web-based version of SMART, as approved by Menes. But STI

eventually decided that a collaboration with MGMTL would make it hard to sell even an updated version of SMART to the federal government. Thus, STI cut off its relationship with Menes and MGMTL. Moreover, the PASS product was coded in different computer languages, had 100 times as much code as SMART did, and contained no lines of code that were copied directly from SMART.

B

On July 28, 2020, MGMTL filed suit against STI in the Eastern District of Louisiana. MGMTL asserted five claims: copyright infringement, breach of the Software Evaluation Agreement, breach of the Distributor Agreement, misappropriation of trade secrets under the Louisiana Uniform Trade Secrets Act ("LUTSA"), and misappropriation of trade secrets under the federal Defend Trade Secrets Act ("DTSA"). MGMTL asked for injunctive relief and damages.

The district court denied STI's motions to dismiss and for summary judgment and the case went to a jury. After a seven-day trial, the jury found for MGMTL on two of the five claims—copyright infringement and breach of the Distributor Agreement—and awarded $180,000 in damages. But the jury found against MGMTL on the remaining three claims—breach of the Software Evaluation Agreement and the two trade secrets misappropriation claims.

STI moved for Rule 50(a) judgment as a matter of law, which the district court denied. The district court then entered an order titled "FINAL JUDGMENT," which awarded judgment to MGMTL on the copyright infringement, breach of the Distributor Agreement, and two trade secrets claims,

and awarded MGMTL $180,000 in damages plus pre- and post-judgment interest. STI timely appealed.

II

The district court had original jurisdiction over MGMTL's federal law claims for copyright infringement and trade secrets misappropriation under 28 U.S.C. §§ 1331 and 1338(a). The district court had supplemental jurisdiction over MGMTL's state law claims for breach of contract and trade secrets misappropriation under 28 U.S.C. § 1367.

Under 28 U.S.C. § 1291, we have jurisdiction over appeals from final decisions. A decision is final when it "ends the litigation on the merits and leaves nothing for the court to do but execute the judgment." *Van Cauwenberghe v. Biard*, 486 U.S. 517, 521 (1988) (citation omitted); *see also Beebe v. Russell*, 60 U.S. (19 How.) 283, 284 (1857) (a decree is final when it "disposes of the whole merits of the cause"). As a corollary, where a decision fails to dispose of all the asserted claims for relief, that decision is not final and appealable. *See Talamini v. Allstate Ins. Co.*, 470 U.S. 1067 (1985); *accord Thompson v. Betts*, 754 F.2d 1243, 1245 (5th Cir. 1985).

Here, the district court entered an order on April 13, 2023, titled "FINAL JUDGMENT." But that order did not technically dispose of all five of MGMTL's claims. Specifically, it said nothing about the breach of the Software Evaluation Agreement claim. So on its face, it might seem unappealable under § 1291†.

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† The parties do not appear to have raised this jurisdictional issue, but we nevertheless "have an independent obligation to assess our own jurisdiction" in every case. *MidCap Media Fin., L.L.C. v. Pathway Data, Inc.*, 929 F.3d 310, 313 (5th Cir. 2019).

Our court has identified certain exceptions to the "must dispose of all claims" rule regarding final decisions, however. *See McLaughlin v. Miss. Power Co.*, 376 F.3d 344, 350 (5th Cir. 2004) (per curiam). As relevant here, we have held that "a decision that does not specifically refer to all pending claims will be deemed final if it is clear that the district court *intended*, by the decision, to dispose of all claims." *Id.* at 351 (emphasis in original); *see also Sch. Bd. of Avoyelles Par. v. U.S. Dep't of Interior*, 647 F.3d 570, 577 (5th Cir. 2011). The April 13th order referenced the jury's verdict disposing of all five claims, the title of the order was "FINAL JUDGMENT," and the order indicated that the only remaining issue in the case was MGMTL's motion for attorneys' fees. All of this suggests that the district court intended to dispose of all pending claims and enter a final decision appealable to this court. Accordingly, the order was an appealable final decision under § 1291.

III

We review *de novo* a district court's decision on a Rule 50(a) motion for judgment as a matter of law, viewing the evidence in the light most favorable to the non-moving party. *MGE UPS Sys., Inc. v. GE Consumer & Indus., Inc.*, 622 F.3d 361, 365 (5th Cir. 2010). "A party is only entitled to judgment as a matter of law on an issue where no reasonable jury would have had a legally sufficient evidentiary basis to find otherwise." *Apache Deepwater, LLC v. W&T Offshore, Inc.*, 930 F.3d 647, 653 (5th Cir. 2019); *see also Olibas v. Barclay*, 838 F.3d 442, 448 (5th Cir. 2016) ("[O]ur standard of review with respect to a jury verdict is especially deferential.") (quotation omitted).

We first (A) explain the district court's error with respect to the breach of the Software Evaluation Agreement claim. We then (B) discuss the district court's error with respect to the two trade secrets misappropriation claims. Finally, we (C) reject STI's arguments regarding the copyright infringement and breach of the Distributor Agreement claims.

A

First, the breach of the Software Evaluation Agreement claim. As the jury verdict form clearly indicates, the jury found that STI did not breach the Software Evaluation Agreement. But the April 13 order did not enter judgment for STI on that claim; in fact, the district court did not enter any judgment on the breach of the Software Evaluation Agreement claim. That was erroneous—judgment should have been entered for STI.

B

Next, the two trade secrets misappropriation claims. MGMTL brought two such claims, one under state law (LUTSA) and one under federal law (DTSA). The jury found that STI had misappropriated SMART, but the jury found no damages. Yet the district court entered judgment in favor of MGMTL on both trade secrets claims.

This was erroneous. Both LUTSA and DTSA enable litigants to recover damages for misappropriation of trade secrets. *See* La. Stat. Ann. § 51:1433; 18 U.S.C. § 1836(b)(3)(B). Proof of damages is an element in both claims. *See Comput. Mgmt. Assistance Co. v. Robert F. DeCastro, Inc.*, 220 F.3d 396, 403 (5th Cir. 2000) ("[T]o recover damages under [LUTSA], a complainant must prove (a) the existence of a trade secret, (b) a misappropriation of the trade

secret by another, and (c) the actual loss caused by the misappropriation." (quotation omitted)); *TransPerfect Glob., Inc. v. Lionbridge Techs., Inc.*, No. 22-1348, 2024 WL 177726, at *3 (2d Cir. Jan. 17, 2024) (discussing DTSA and the "element of damages"). In this case, the jury verdict forms indicated that proof of damages was a necessary element of both trade secrets claims. As the showing of damages is an element of both LUTSA and DTSA's cause of action for damages, the jury's finding that MGMTL proved no damages means that MGMTL failed to prove its trade secrets misappropriation claims. Therefore, judgment should have been entered for STI.

C

Finally, the remaining claims for copyright infringement and breach of the Distributor Agreement. On both claims, we reject STI's attempts to overturn the jury's verdict.

1

First, copyright infringement. On appeal, STI levies three objections to the jury's verdict in favor of MGMTL: no actionable copying, fair use, and statute of limitations. All three are meritless.

With respect to actionable copying, the jury was instructed on the "abstraction-filtration-comparison" test ("AFC test"), which separates protectable elements from non-protected elements. *See Gen. Universal Sys., Inc. v. Lee*, 379 F.3d 131, 142–43 (5th Cir. 2004) (per curiam) (discussing the AFC test). The jury then determined that the allegedly infringing work (PASS) was substantially similar to protectable elements of the infringed work (SMART). As the ultimate fact finder, *see Lee*, 379 F.3d at 142;

Creations Unlimited, Inc. v. McCain, 112 F.3d 814, 816 (5th Cir. 1997) (per curiam); *Aspen Tech., Inc. v. M3 Tech., Inc.*, 569 F. App'x 259, 269 (5th Cir. 2014) (per curiam), the jury is entitled to deference, particularly given STI's copying of SMART's distinctive selection and arrangement of information. *Cf. S. Credentialing Support Servs., LLC v. Hammond Surgical Hosp., LLC*, 946 F.3d 780, 784 (5th Cir. 2020); *Eng'g Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1346 (5th Cir. 1994).

With respect to fair use, three of the four statutory factors weigh against STI's fair use defense. *Cf.* 17 U.S.C. § 107; *Google LLC v. Oracle Am., Inc.*, 593 U.S. 1, 18–19, 23–25 (2021). STI's use was commercial and not transformative, the jury found that STI engaged in substantial copying, and the jury found that STI's use of SMART affected the market for SMART. *Cf. Google*, 593 U.S. at 26–40; *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 527–28 (2023); *Bell v. Eagle Mountain Saginaw Indep. Sch. Dist.*, 27 F.4th 313, 321–23 (5th Cir. 2022). The only factor that weighs in favor of STI's fair use—the nature of the copyrighted work— is the "least significant" factor. *See Bell*, 27 F.4th at 323. Accordingly, STI is not entitled to judgment as a matter of law on its fair use defense.

With respect to timeliness, the statute of limitations for copyright infringement is three years, 17 U.S.C. § 507(b), and follows both the discovery and separate-accrual rules. *See Martinelli v. Hearst Newspapers, LLC*, 65 F.4th 231, 233 (5th Cir. 2023); *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663, 671 (2014). The jury found that MGMTL filed its July 28, 2020, lawsuit within three years after it knew or should have known about the last act of copyright infringement. Because the question of when the

statute of limitations begins to run and the discovery rule are questions of fact, *see Taurel v. Cent. Gulf Lines, Inc.*, 947 F.2d 769, 772 (5th Cir. 1991); *In re Beef Indus. Antitrust Litig., MDL Docket No. 248*, 600 F.2d 1148, 1170 (5th Cir. 1979), and given the evidence that STI created multiple infringing versions of PASS in 2019, we defer to the jury's determination that MGMTL's suit was not time-barred.

2

Second, breach of the Distributor Agreement. Here, STI levies two objections to the jury's verdict in favor of MGMTL: fair use and insufficient evidence of damages. We have already rejected STI's fair use defense. With respect to the sufficiency of evidence, the jury awarded MGMTL $30,000 in breach of contract damages, which is the same amount that MGMTL had planned to charge MFR for a one-year license of SMART. In light of the deference that we owe to a jury's award of damages, *see Gulf Eng'g Co. v. Dow Chem. Co.*, 961 F.3d 763, 768–69 (5th Cir. 2020), it was reasonable for the jury to determine that STI essentially helped itself to a free license of SMART by using and asserting ownership over MGMTL's intellectual property in SMART.

* * *

In conclusion, we AFFIRM the district court's final judgment in favor of MGMTL on the copyright infringement and breach of the Distributor Agreement claims; we REVERSE the judgment for MGMTL on the two trade secrets misappropriation claims; and we VACATE the judgment in part and REMAND for the district court to enter judgment in favor of STI on the breach of the Software Evaluation Agreement claim.

United States Court of Appeals
for the Fifth Circuit

No. 23-30298

[STAMP]

United States Court of Appeals
Fifth Circuit
FILED
August 27, 2024

Lyle W. Case
Clerk

MGMTL, L.L.C.,

Plaintiff—Appellee,

versus

STRATEGIC TECHNOLOGY INSTITUTE, INCORPORATED,

Defendant—Appellant.

Appeal from the United States District Court
for the Eastern District of Louisiana
USDC No. 2:20-CV-2138

Before HAYNES, WILLETT, and OLDHAM, *Circuit Judges.*

J U D G M E N T

This cause was considered on the record on appeal and was argued by counsel.

IT IS ORDERED and ADJUDGED that the judgment of the District Court is AFFIRMED IN PART, REVERSED IN PART, and VACATED IN PART, and the cause is REMANDED to the District Court for further proceedings in accordance with the opinion of this Court.

IT IS FURTHER ORDERED that each party bear its own costs on appeal. pay to the costs on appeal to be taxed by the Clerk of this Court.

The judgment or mandate of this court shall issue 7 days after the time to file a petition for rehearing expires, or 7 days after entry of an order denying a timely petition for panel rehearing, petition for rehearing en banc, or motion for stay of mandate, whichever is later. See Fed. R. App. P. 41(b). The court may shorten or extend the time by order. See 5th Cir. R. 41 I.O.P.

Appendix B

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

—————

CIVIL ACTION NO. 20-2138

SECTION: D (5)

Judge: Vitter

Magistrate Judge: North

—————

MGMTL, LLC

Plaintiff

v.

STRATEGIC TECHNOLOGY INSTITUTE, INC.

Defendant.

—————

Minute Order

Telephone Status Conferences held on 4/12/23 and 4/13/23 before Judge Wendy B Vitter as set forth in document.

IT IS HEREBY ORDERED that STI's oral motion for judgment as a matter of law pursuant to Fed. R. Civ. P. 50, asserted on October 3, 2022 and re-urged on October 4, 2022, is DENIED for the reasons stated on the record during the conference.

IT IS FURTHER ORDERED that Defendant's 283 Motion for Schedule to First Address STI's Rule 50

Motion and Entry of Judgment, and to Stay Consideration of Fees is DENIED.

(Court Reporter Nichelle Drake.) (mmv)

(Entered: 04/13/2023)

Appendix C

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION

NO. 20-2138

SECTION: D (5)

MGMTL, LLC

VERSUS

STRATEGIC TECHNOLOGY INSTITUTE, INC.

FINAL JUDGMENT

This action was tried by a jury from September 26, 2022 through October 5, 2022. In accordance with the verdict rendered by the jury on October 5, 2022,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that there be judgment in favor of MGMTL, LLC against Strategic Technology Institute, Inc. for: (1) willful copyright infringement; (2) breach of the distributor agreement; (3) willful and malicious trade secret misappropriation under the Louisiana Uniform Trade Secrets Act; and (4) trade secret misappropriation under the Defend Trade Secrets Act. Strategic Technology Institute, Inc. is ordered to pay to MGMTL, LLC: (1) one hundred fifty thousand dollars ($150,000) for willful copyright infringement; (2) thirty thousand dollars ($30,000) for

breach of the distributor agreement, plus pre-judgment interest of $9,622.41 calculated from date of breach at the rate articulated in La. R.S. 13:4202; (3) post-judgment interest on all sums; and (4) MGMTL, LLC's costs and reasonable attorneys' fees, to be quantified based upon MGMTL's Motion for Attorneys' Fees (R. Doc. 281).

New Orleans, Louisiana, April 13, 2023.

/s/ Wendy B. Vitter
WENDY B. VITTER
United States District Judge

Appendix D

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION NO. 20-2138

SECTION: D (5)

Judge: Vitter

Magistrate Judge: North

MGMTL, LLC

Plaintiff

v.

STRATEGIC TECHNOLOGY INSTITUTE, INC.

Defendant.

Minute Entry

Proceedings held before Judge Wendy B Vitter: The Court discussed with counsel several outstanding issues in the case.

IT IS HEREBY ORDERED that, for the reasons stated during the conference, questions of copyrightability must go to the jury in this case.

IT IS FURTHER ORDERED that MGMTL's Motion to Strike Excess Pages From Rec. Doc. 219 and New Opinions and Exhibits Not Included in

Jonathan Krein's Expert Report (R. Doc. 224) is DENIED as moot.

IT IS FURTHER ORDERED that counsel shall advise the Court by Monday, June 6, 2022 if their clients or witnesses are not available for trial on September 26, 2022. (lw)

(Entered: 06/03/2022)

Appendix E

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION

NO. 20-2138-WBV-MBN

SECTION: D (5)

MGMTL, LLC

VERSUS

STRATEGIC TECHNOLOGY INSTITUTE, INC.

ORDER and REASONS

Before the Court is Defendant's Motion for Summary Judgment, filed by Strategic Technology Institute, Inc. ("STI").[1] STI asserts that the Court should grant summary judgment as to Counts One and Four in the Amended and Restated Complaint filed by MGMTL, LLC ("MGMTL"), for copyright infringement and misappropriation of trade secrets, because the claims are time-barred by the three-year statute of limitations in 17 U.S.C. § 507(b), 18 U.S.C. § 1836(d), and La. R.S. 51:1436.[2] STI also asserts that the Court should grant summary judgment on all counts except Count One (copyright infringement) because there is no evidence

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[1] R. Doc. 93.

[2] *Id*. at p. 1; R. Doc. 93-1 at pp. 1 & 4-7.

that MGMTL suffered any damages.[3] If, however, the Court determines that MGMTL's copyright infringement claim in Count One is not barred by the statute of limitations, STI asserts that it remains entitled to summary judgment because it is undisputed that STI did not copy the SMART source code.[4] Finally, STI asserts that the Court should grant summary judgment on Counts One, Two and Four of the Amended Complaint "for the reasons explained in STI's partial motion to dismiss," which was pending at the time STI filed its Motion for Summary Judgment.[5]

MGMTL opposes the Motion, challenging STI's analysis of the statutes of limitation and further clarifying that each of MGMTL's claims are timely.[6] Additionally, MGMTL notes that each infringing act accrues separately, something that it alleges STI fails to take into account.[7] MGMTL asserts that STI's argument that summary judgment should be granted because it is undisputed that STI did not copy the SMART source code fails for two reasons: (1) it fails to recognize that MGMTL holds a registered

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[3] R. Doc. 93 at p. 1; R. Doc. 93-1 at pp. 1-2 & 7-8.

[4] R. Doc. 93 at p. 1; R. Doc. 93-1 at pp. 2-3 & 8-11.

[5] R. Doc. 93 at p. 1; R. Doc. 93-1 at p. 11. The Court denied STI's Partial Motion to Dismiss Counts I, II, and IV of the Amended and Restated Complaint (R. Doc. 26) on July 26, 2021. R Doc. 162.

[6] R. Doc. 101, filed into the record under seal. On May 17, 2021, MGMTL moved for leave to file under seal its Opposition brief and several exhibits thereto "[o]ut of an abundance of caution" and on the basis that, "Strategic Technology, Institute, Inc. has taken an expansive approach with respect to the parties' protective order and has designated all documents it has produced in discovery in this litigation as 'confidential' pursuant to the protective order (Rec. Doc. 39)." R. Doc. 102. The Court granted that request on May 18, 2021. R. Doc. 105.

[7] R. Doc. 101-22 at pp. 10-13.

copyright for far more than a source code, as MGMTL has a registered copyright to the SMART computer program as a whole, including its screen displays; and, (2) Fifth Circuit precedent makes clear that copyright protection applies to both the literal and non-literal elements of software.[8] Finally, MGMTL disputes STI's claim that MGMTL suffered no damages as to its claims in Counts One, Two, and Four. STI has filed a Reply, maintaining that summary judgment is appropriate.[9]

Summary judgment is appropriate where there is no genuine disputed issue as to any material fact, and the moving party is entitled to judgment as a matter of law.[10] When assessing whether a dispute regarding any material fact exists, the Court considers "all of the evidence in the record but refrain[s] from making credibility determinations or weighing the evidence."[11] "[S]o long as the evidence in the record is such that a reasonable jury drawing all inferences in favor of the nonmoving party could arrive at a verdict in the party's favor, the court must deny the motion."[12] While all reasonable inferences must be drawn in favor of the nonmoving party, a party cannot defeat summary judgment with

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[8]. *Id.* at pp. 10-13.

[9] R. Doc. 122.

[10] Fed. R. Civ. P. 56; *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S.Ct. 2548, 2552, 91 L.Ed.2d 265 (1986); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247, 106 S.Ct. 2505, 2509-10, 91 L.Ed.2d 202 (1986).

[11] *Delta & Pine Land Co. v. Nationwide Agribusiness Ins. Co.*, 530 F.3d 395, 398-99 (5th Cir. 2008) (citations omitted).

[12] *Sellers v. Falcon Services Co., Inc.*, Civ. A. No. 99-3735, 2000 WL 1285418, at *1 (E.D. La. Sept. 8, 2000) (Clement, J.) (citing *Anderson*, 477 U.S. 242, 106 S.Ct. 2505).

conclusory allegations, unsubstantiated assertions or "only a scintilla of evidence."[13] Instead, summary judgment is appropriate if a reasonable jury could not return a verdict for the nonmoving party.[14]

With that in mind, after careful consideration of the parties' memoranda and the applicable law, and drawing all inferences in favor of MGMTL, nonmoving party, as the Court is bound to do, the Court finds that STI's Motion for Summary Judgment must be denied. The Court specifically finds that, for the reasons stated in MGMTL's Opposition brief,[15] STI has failed to show that it is entitled to summary judgment as a matter of law with respect to the claims asserted in MGMTL's Amended and Restated Complaint.[16] Thus, the Court finds that there are genuine issues of material fact in dispute in this case and that STI is not entitled to judgment as a matter of law under Fed. R. Civ. P. 56.

Accordingly,

IT IS HEREBY ORDERED that Defendant's Motion for Summary Judgment[17] is **DENIED**.

New Orleans, Louisiana, March 8, 2022.

/s/ Wendy B. Vitter
WENDY B. VITTER
United States District Judge

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[13] *Delta & Pine Land Co.*, 530 F.3d at 399 (quoting *Little v. Liquid Air Corp.*, 37 F.3d 1069, 1075 (5th Cir. 1994)) (internal quotation marks omitted).

[14] *Delta & Pine Land Co.*, 530 F.3d at 399 (citing *Anderson*, 477 U.S. at 248, 106 S.Ct. 2505).

[15] R. Doc. 101-22.

[16] R. Doc. 22.

[17] R. Doc. 93.

Appendix F

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

**CIVIL ACTION
NO. 20-2138
SECTION: D (5)**

**MGMTL, LLC
VERSUS
STRATEGIC TECHNOLOGY INSTITUTE, INC.**

<u>ORDER</u>

Before the Court is Defendant's Partial Motion to Dismiss Counts I, II, and IV of the Amended and Restated Complaint.[1] Strategic Technology Institute, Inc. ("STI") seeks dismissal of the claims under Fed. R. Civ. P. 12(b)(6), for failure to state a claim upon which relief can be granted. MGMTL, LLC opposes the Motion,[2] and STI has filed a Reply.[3]

Motions to dismiss under Fed. R. Civ. P. 12(b)(6) are viewed with disfavor in this Circuit and are

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[1] R. Doc. 26.

[2] R. Doc. 38.

[3] R. Doc. 42.

rarely granted.[4] With that in mind, after careful consideration of the parties' memoranda and the applicable law, and accepting all well-pleaded facts as true and viewing those facts in the light most favorable to the plaintiff, as the Court is bound to do,[5] the Court finds that STI's Partial Motion to Dismiss must be denied. The Court specifically finds that, for the reasons stated in MGMTL, LLC's Opposition brief,[6] the allegations in MGMTL, LLC's Amended and Restated Complaint[7] are sufficient to state a plausible claim for relief for Copyright Infringement (Count One), Breach of Software Evaluation Agreement (Count Two), and Misappropriation of Trade Secrets (Count Four).

Accordingly,

IT IS HEREBY ORDERED that Defendant's Partial Motion to Dismiss Counts I, II, and IV of the Amended and Restated Complaint[8] is **DENIED**.

New Orleans, Louisiana, July 23, 2021.

/s/ Wendy B. Vitter
WENDY B. VITTER
United States District Judge

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[4] *Financial Acquisition Partners LP v. Blackwell*, 440 F.3d 278, 286 (5th Cir. 2006) (quoting *Lowrey v. Tex. A & M Univ. Sys.*, 117 F.3d 242, 247 (5th Cir. 1997)).

[5] *Midwest Feeders, Inc. v. Bank of Franklin*, 886 F.3d 507, 513 (5th Cir. 2018).

[6] R. Doc. 38.

[7] R. Doc. 22.

[8] R. Doc. 26.

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Appendix G

**United States Court of Appeals
for the Fifth Circuit**

———————

No. 23-30298

———————

[STAMP]

United States Court of Appeals
Fifth Circuit
FILED
October 8, 2024

Lyle W. Case
Clerk

———————

MGMTL, L.L.C.,

Plaintiff—Appellee,

versus

STRATEGIC TECHNOLOGY INSTITUTE, INCORPORATED,

Defendant—Appellant.

———————

Appeal from the United States District Court
for the Eastern District of Louisiana
USDC No. 2:20-CV-2138

———————

ON PETITION FOR REHEARING EN BANC

Before Haynes, Willett, and Oldham, *Circuit Judges*.

Per Curiam:

Treating the petition for rehearing en banc as a petition for panel rehearing (5th Cir. R. 35 I.O.P.), the petition for panel rehearing is DENIED. Because no member of the panel or judge in regular active service requested that the court be polled on rehearing en banc (Fed. R. App. P. 35 and 5th Cir. R. 35), the petition for rehearing en banc is DENIED.

27a

Appendix H

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

————————

CIVIL ACTION

NO. 20-2138-WBV-MBN

SECTION: D (5)

————————

MGMTL, LLC

VERSUS

STRATEGIC TECHNOLOGY INSTITUTE, INC.

————————

JURY VERDICT FORM I

CLAIM FOR COPYRIGHT
INFRINGEMENT CLAIM

YOUR ANSWERS MUST BE UNANIMOUS
ON ALL QUESTIONS

Question No. 1

Do you find by a preponderance of the evidence that SMART computer program contains elements that are original to MGMTL?

Yes ___√___ No _____

If you answered "Yes" to Question 1, proceed to Question 2.

*If you answered "No" to Question 1, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I.***

Question No. 2

Do you find by a preponderance of the evidence that STI actually used MGMTL's SMART to create PASS?

Yes ___✓___   No _____

If you answered "Yes" to Question 2, proceed to Question 3.

*If you answered "No" to Question 2, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I***.

Question No. 3

A. Ideas and Expression: Do you find by a preponderance of the evidence that MGMTL is seeking copyright protection in a portion of SMART that is: only an idea, procedure, process, system, method of operation, concept, principle, or discovery; required based only on logic and efficiency; required because of hardware or software, computer industry programming, or practices or elements taken from the public domain; required by target industry practices and demands; or short words and phrases or blank forms?

Yes _____   No ___✓___

If your answer to question 3(A) is "Yes"—you must ___**exclude**___ *that material from your consideration of MGMTL's claim of copyright infringement because it is unprotectable by copyright law.*

B. Merger Doctrine: Do you find that MGMTL is seeking copyright protection in a portion of SMART that may only be expressed in so few ways that to protect the expression would effectively grant MGMTL a monopoly over matter that isn't protectable by copyright?

<div align="center">

Yes _____ No __✓___

</div>

If your answer to question 3(B) is "Yes"-you must ___**exclude**___ *that material from your consideration of MGMTL's claim of copyright infringement as it is unprotectable by copyright law.*

C. Scenes a Faire: Do you find by a preponderance of the evidence that MGMTL is seeking copyright protection in a portion of SMART that is standard, stock, or common to a particular subject matter, serves functional purposes, or is dictated by external factors such as particular business practices?

<div align="center">

Yes _____ No __✓___

</div>

If your answer to question 3(C) is "Yes"-you must ___**exclude**___ *that material from your consideration of MGMTL's claim of copyright infringement because it is unprotectable by copyright law.*

Question No. 4

Filtering out unprotected material that the law does not protect, do you find by a preponderance of the evidence that STI's "PASS" is substantially similar to the protectable elements of SMART as a whole?

Yes ___✓___   No _____

If you answered "Yes" to Question 4, proceed to Question 5.

If you answered "No" to Question 4, the jury foreperson should sign and date this form and ***DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I.***

Question No. 5

Do you find by a preponderance of the evidence that the protectable elements of SMART that you found were substantially similar to PASS in Question 4 are substantial elements of the SMART computer program as a whole?

Yes ___✓___   No _____

If you answered "Yes" to Question 5, proceed to Question 6.

If you answered "No" to Question 5, the jury foreperson should sign and date this form and ***DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I.***

Question No. 6

Do you find by a preponderance of the evidence that STI infringed MGMTL's exclusive right to distribute copies of SMART?

Yes _____   No ___✓___

Proceed to question 7.

<u>Affirmative Defenses</u>

<u>Question No. 7</u>

Do you find by a preponderance of the evidence that STI created PASS without using the protectable elements of the SMART computer program?

<center>Yes <u>   </u>   No <u> ✓ </u></center>

*If you answered "Yes" to Question 7, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I**.*

If you answered "No" to Question 7, proceed to Question 8.

<u>Question No. 8</u>

A. By filing its lawsuit on July 28, 2020, did MGMTL file its lawsuit within three years after it knew or, in the exercise of reasonable diligence, should have known about the copying act of infringement?

<center>Yes <u> ✓ </u>   No <u>   </u></center>

B. By filing its lawsuit on July 28, 2020, did MGMTL file its lawsuit within three years after it knew or, in the exercise of reasonable diligence, should have known about the last act of distribution of its copyrighted software?

<center>Yes <u>   </u>   No <u> ✓ </u></center>

If you answered "Yes" for EITHER copying Question B(A) or distribution Question 8(B) or if you answered "Yes" to BOTH Questions B(A) and B(B), proceed to Question 9.

If you answered "No" for BOTH copying Question 8(A) AND distribution Question B(B) the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I**.

Question No. 9

Did STI prove by a preponderance of the evidence that its actions were authorized by the Distributor Agreement entered into with MGMTL?

Yes _____ No __✓__

If you answered "Yes" to Question 9, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I.**

If you answered "No" to Question 9, proceed to Question 10.

Question No. 10–Fair Use

A. Purpose and Character of Use. Do you find by a preponderance of the evidence that the purpose and character of STI's use of the SMART computer program was transformative?

Yes _____ No __✓__

B. Nature of SMART. Do you find by a preponderance of the evidence that the nature of the SMART computer program is factual, purely useful, or derivative?

Yes __✓__ No _____

C. Amount and substantiality of the portion used. Do you find by a preponderance of the evidence that the portion of SMART computer program used by STI was minimal compared to the copyrighted work as a whole?

Yes _____   No ___✓___

D. Effect on Potential Market or Value. Do you find by a preponderance of the evidence that STI's use of the SMART computer program affected the potential market for or value of the SMART computer program?

Yes ___✓___   No _____

E. Balancing these four factors, do you find that STI has proven by a preponderance of the evidence fair use of the protectable elements of SMART?

Yes _____   No ___✓___

If you answered "Yes" to Question 10(E), the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM I.**

If you answered "No" to Question 10(E), proceed to Question 11.

Damages

Question No. 11–Actual Damages:

A. Do you find by a preponderance of the evidence that MGMTL suffered actual damages after July 28, 2017, as a result of STI's infringement of the SMART computer program?

Yes _____   No ___✓___

If you answered "Yes" to Question 11(A), proceed to Question 11(B).

If you answered "No" to Question 11(A), proceed to Question 12.

Do not answer Question 11(B) [handwritten]

B. For acts of infringement of the SMART computer program occurring on or after July 28, 2017, do you find by a preponderance of the evidence that MGMTL is entitled to a reasonable royalty fee, measured by what a willing buyer would have been reasonably required to pay a willing seller as a licensing fee for the actual use of the copyrighted work at the time the infringement began?

[initials]   Yes ——✓——   No ———————

If you answered "Yes" to Question 11(B), proceed to Question 11(C).

If you answered "No" to Question 11(B), proceed to Question 12.

C. Calculate a reasonable royalty fee for the SMART computer program:

[initials] $——3000——

Question No. 12–Statutory Damages:

A. Do you find by a preponderance of the evidence that STI's infringement of the SMART computer program was willful?

Yes ——✓——   No ———————

Proceed to Question 12(B).

If you answered "No" to Question 12(A), your award for statutory damages must be between $750 and $30,000.

If you answered "Yes" to Question 12(A), your award for statutory damages must be between $750 and $150,000.

B. What is the amount of statutory damages you award for STI's infringement?

$ 150,000

You have completed your deliberations as to this Jury Verdict Form I.

The jury foreperson should sign and date this form and return it to the Bailiff.

    [REDACTED]   5 Oct 22
JURY FOREPERSON   DATE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

———————

CIVIL ACTION
NO. 20-2138-WBV-MBN
SECTION: D (5)

———————

MGMTL, LLC
VERSUS
STRATEGIC TECHNOLOGY INSTITUTE, INC.

———————

JURY VERDICT FORM II

BREACH OF SOFTWARE EVALUATION
AGREEMENT CLAIM

YOUR ANSWERS MUST BE UNANIMOUS
ON ALL QUESTIONS

Question No. 1

Did MGMTL prove by a preponderance of the evidence that STI breached the Software Evaluation Agreement?

Yes _____   No ___✓___

If you answered "Yes" to Question 1, proceed to Question 2.

*If you answered "No" to Question 1, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER QUESTION 2 ON THIS JURY VERDICT FORM II.***

Question No. 2

Did MGMTL prove by a preponderance of the evidence that MGMTL sustained damages due to STI's breach of the Software Evaluation Agreement?

<div align="center">Yes _____ No _____</div>

If you answered "Yes" to Question 2, indicate in dollars the amount of damages sustained by MGMTL. This amount of damages should take into consideration whether STI proved MGMTL unreasonably failed to take advantage of an opportunity to lessen its damages.

<div align="center">$_____</div>

If you answered "No" to Question 2, the jury foreperson should sign and date this form and return it to the bailiff.

You have completed your deliberations as to Jury Verdict Form II.

The jury foreperson should sign and date this form and return it to the Bailiff.

[REDACTED]	5 Oct 22
JURY FOREPERSON	DATE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

————————

CIVIL ACTION
NO. 20-2138-WBV-MBN
SECTION: D (5)

————————

MGMTL, LLC
VERSUS
STRATEGIC TECHNOLOGY INSTITUTE, INC.

————————

<u>**JURY VERDICT FORM III**</u>

<u>**BREACH OF DISTRIBUTOR AGREEMENT**</u>
<u>**CLAIM**</u>

YOUR ANSWERS MUST BE UNANIMOUS
ON ALL QUESTIONS

<u>**Question No. 1**</u>

Did MGMTL prove by a preponderance of the evidence that STI breached the Distributor Agreement?

Yes   ✓   No

If you answered "Yes" to Question 1, proceed to Question 2.

*If you answered "No" to Question 1, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER QUESTION 2 ON THIS JURY VERDICT FORM III.***

<u>Question No. 2</u>

Did MGMTL prove by a preponderance of the evidence that MGMTL sustained damages due to STI's breach of the Distributor Agreement?

Yes   <u> ✓ </u>   No <u>   </u>

If you answered "Yes" to Question 2, indicate in dollars the amount of damages sustained by MGMTL. This amount of damages should take into consideration whether STI proved MGMTL unreasonably failed to take advantage of an opportunity to lessen its damages.

$<u> 30,000 </u>

If you answered "No" to Question 2, the jury foreperson should sign and date this form and return it to the bailiff.

You have completed your deliberations as to Jury Verdict Form III.

The jury foreperson should sign and date this form and return it to the Bailiff.

<u>   [REDACTED]   </u>   <u> 5 Oct 22 </u>
JURY FOREPERSON   DATE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 20-2138-WBV-MBN
SECTION: D (5)

MGMTL, LLC
VERSUS
STRATEGIC TECHNOLOGY INSTITUTE, INC.

JURY VERDICT FORM IV

LOUISIANA UNIFORM TRADE SECRETS ACT CLAIM

YOUR ANSWERS MUST BE UNANIMOUS ON ALL QUESTIONS

Question No. 1

Did MGMTL prove by a preponderance of the evidence that MGMTL's SMART program derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, another person who can obtain economic value from the disclosure or use of the information?

Yes __✓__   No _____

If you answered "Yes" to Question 1, proceed to Question 2.

*If you answered "No" to Question 1, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

Question No. 2:

Do you find by a preponderance of the evidence that MGMTL undertook reasonable efforts to maintain SMART's secrecy?

<div align="center">Yes   ✓   No   </div>

If you answered "Yes" to Question 2, proceed to Question 3.

*If you answered "No" to Question 2, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

Question No. 3

Do you find by a preponderance of the evidence that STI acquired, used or disclosed SMART without MGMTL's express or implied consent?

<div align="center">Yes   ✓   No   </div>

If you answered "Yes" to Question 3, proceed to Question 4.

*If you answered "No" to Question 3, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER***

THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.

Question No. 4

Do you find that STI proved by a preponderance of the evidence that STI lawfully acquired MGMTL's trade secret by reverse engineering, independent derivation, or in some other lawful way?

Yes _____ No ___✓___

*If you answered "Yes" to Question 4, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

If you answered "No" to Question 4, proceed to Question 5.

Question No. 5

By filing its lawsuit on July 28, 2020, did MGMTL file its lawsuit within three years of when it discovered, or should have discovered through the exercise of reasonable diligence, STI's misappropriation of the SMART software?

Yes ___✓___ No _____

If you answered "Yes" to Question 5, proceed to Question 6.

*If you answered "No" to Question 5, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

Question No. 6:

Do you find by a preponderance of the evidence that STI willfully and maliciously misappropriated SMART?

Yes ___✓___   No _____

Proceed to answer Question No. 7.

Question No. 7:

Do you find by a preponderance of the evidence that MGMTL has suffered damages as a result of STI's misappropriation of SMART?

Yes _____   No ___✓___

If you answered "Yes" to Question 7, proceed to Question 8.

*If you answered "No" to Question 7, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

Question No. 8:

What, if anything, do you the Jury award in actual loss suffered by MGMTL as a result of STI's misappropriation of SMART?

$_____

If not already taken into account in your answer to Question 8, what, if anything, do you award MGMTL for STI's unjust enrichment that is a result of STI's misappropriation of SMART?

$_____

You have completed your deliberations as to this Jury Verdict Form IV.

The jury foreperson should sign and date this form and return it to the Bailiff.

    [REDACTED]   5 Oct 22

JURY FOREPERSON   DATE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

CIVIL ACTION
NO. 20-2138-WBV-MBN
SECTION: D (5)

MGMTL, LLC
VERSUS
STRATEGIC TECHNOLOGY INSTITUTE, INC.

JURY VERDICT FORM V

DEFEND TRADE SECRETS ACT CLAIM

YOUR ANSWERS MUST BE UNANIMOUS ON ALL QUESTIONS

Question No. 1

Did MGMTL prove by a preponderance of the evidence that MGMTL's SMART program derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, another person who can obtain economic value from the disclosure or use of the information?

Yes ___✓___   No _____

If you answered "Yes" to Question 1, proceed to Question 2.

*If you answered "No" to Question 1, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.***

Question No. 2

Did MGMTL prove by a preponderance of the evidence that it undertook reasonable measures to maintain SMART's secrecy?

Yes ___✓___   No _____

If you answered "Yes" to Question 2, proceed to Question 3.

*If you answered "No" to Question 2, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.***

Question No. 3

Do you find by a preponderance of the evidence that SMART relates to a product or service used in, or intended for use in, interstate or foreign commerce?

Yes ___✓___   No _____

If you answered "Yes" to Question 3, proceed to Question 4.

*If you answered "No" to Question 3, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER***

THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.

Question No. 4

Did MGMTL prove by a preponderance of the evidence that STI acquired, used or disclosed SMART without MGMTL's express or implied consent?

<div align="center">Yes   __✓__   No _____</div>

If you answered "Yes" to Question 4, proceed to Question 5.

*If you answered "No" to Question 4, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.***

Question No. 5

Do you find that STI proved by a preponderance of the evidence that STI lawfully acquired MGMTL's trade secret by reverse engineering, independent derivation, or in some other lawful way?

<div align="center">Yes _____ No   __✓__ </div>

*If you answered "Yes" to Question 5, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM IV.***

If you answered "No" to Question 5, proceed to Question 6.

Question No. 6

By filing its lawsuit on July 28, 2020, did MGMTL file its lawsuit within three years after it discovered, or should have discovered through the exercise of reasonable diligence, STI's misappropriation of the SMART software?

<div align="center">Yes   √   No _____</div>

If you answered "Yes" to Question 6, proceed to Question 7.

*If you answered "No" to Question 6, the jury foreperson should sign and date this form and return it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.***

Question No. 7

Do you find by a preponderance of the evidence that MGMTL has suffered damages as a result of STI's misappropriation of SMART?

<div align="center">Yes _____ No   √ </div>

DAMAGES

If you answered "Yes" to Question 7, you may choose to award damages based on either actual loss (Question 8) plus unjust enrichment (Question 9), OR a reasonable royalty (Question 10).
In other words, if you answered "Yes" to Question 7, you should answer EITHER Questions 8 and 9 OR answer Question 10.

If you answered "No" to Question ~~6~~7**,** the jury foreperson should sign and date this form and return

it to the bailiff and **DO NOT ANSWER THE REMAINING QUESTIONS ON THIS JURY VERDICT FORM V.**

Question No. 8

What, if anything, do you the Jury award in actual loss suffered by MGMTL as a result of STl's misappropriation of SMART?

[initials] $~~30,000~~

Proceed to Question 9.

Question No. 9

If not already taken into account in your answer to Question 8, what, if anything, do you award MGMTL for STI's unjust enrichment that is a result of STI's misappropriation of SMART?

[initials] $~~0~~

If you answered Questions 8 and 9, <u>DO NOT</u> answer Question 10. Proceed to Question 11.

If you did <u>not</u> answer Questions 8 and 9, proceed to Question 10.

Question No. 10

Instead of awarding damages to MGMTL for actual damages (Question 8) or unjust enrichment (Question 9), you may award a reasonable royalty to MGMTL for STI's unauthorized disclosure or use of SMART. What, if anything, do you the Jury determine to be the amount of a reasonable royalty for STl's unauthorized disclosure or use of SMART?

$_____

Proceed to Question 11.

Question No. 11

Do you find by a preponderance of the evidence that STI willfully and maliciously misappropriated SMART?

<div align="center">[initials] Yes ——✓——   No ——————</div>

If you answered "Yes" to Question No. 11, how much, in addition to the amount of damages you have already awarded, do you award MGMTL as exemplary damages for willful and malicious misappropriation?
In this Question, you can award up to two times what you already awarded in Questions 8 and 9 (added together) OR you can award up to two times what you already awarded in Question 10 for trade secret misappropriation under the Defend Trade Secrets Act.

<div align="center">[initials] $—— 60,000 ——</div>

You have completed your deliberations as to Jury Verdict Form V.

The foreperson should sign and date this form and return it to the Bailiff.

[REDACTED]	5 Oct 22
JURY FOREPERSON	DATE

User Interface — Style

Start page & Main menu
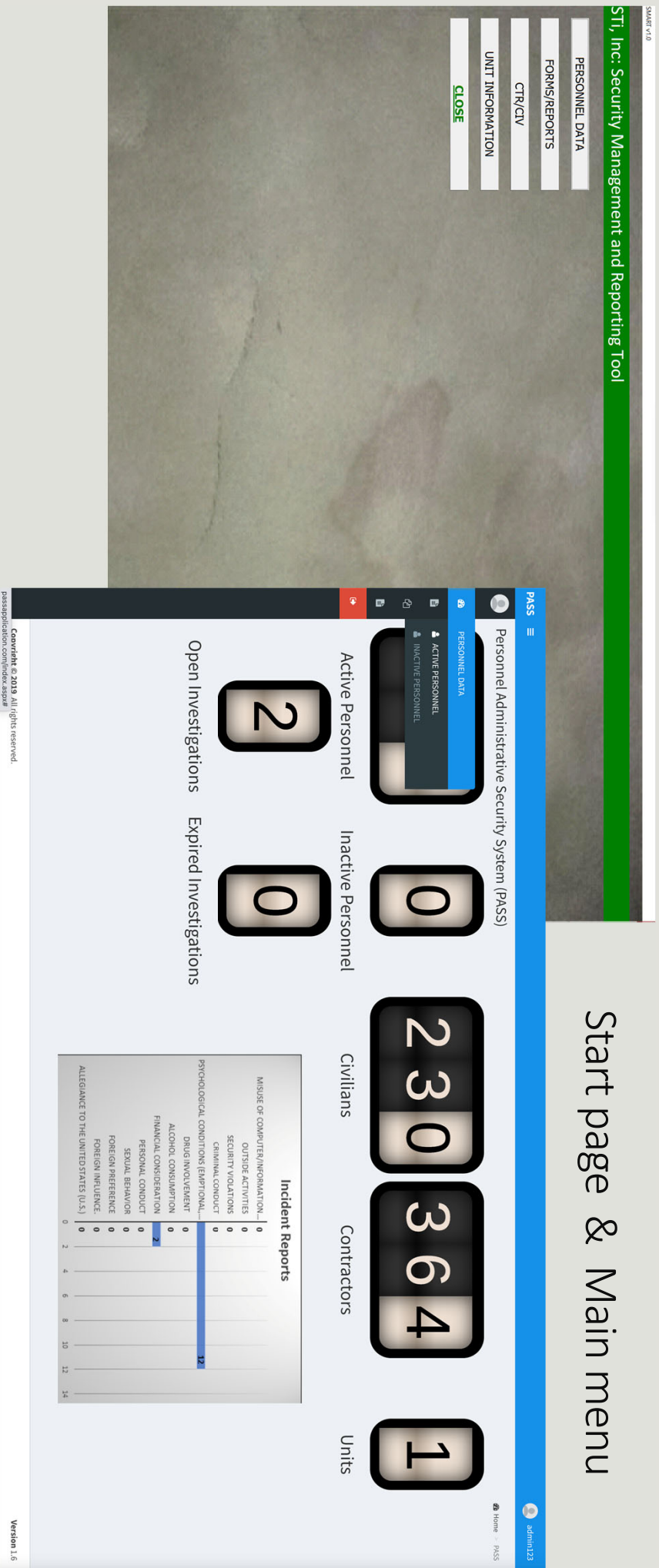
STi, Inc: Security Management and Reporting Tool

PERSONNEL DATA

FORMS/REPORTS

CTR/CIV

UNIT INFORMATION

CLOSE

Personnel Data

ACTIVE PERSONNEL

INACTIVE PERSONNEL

DONE

ACTIVE PERSONNEL

Last Updated | 2015 05 20 @ 3:54

↺

Last Name | First
First Name | Joe
MI | C
Suffix |
SSN | 000-00-0001
EDI PN | 0000000001
Rank/Title | Cpl | <

Status

Component	USMC	<	Unit/Sec.	23rd Infantry Co	<	G6	<
MOS/Billet	0611			Comm Tech		APIDs	<
Bldg/Rooms	1	<					
DOB/POB	1980 04 04		Arkansas	<	Training*	<	

Relationship* | Servicing | <
Activity | Active | <
Check In/Out* | 2013 07 28 | 2017 05 10 | <

Clearance/Investigation

Access* | SECRET | < | NATO Access | NATO UNCLAS | <
Invest Date | 2000 04 04 | | NATO Brief | | <
Eligibility | | TS/SCI on 2000 03 15
Type/Agency | SSBI | < | OPM | <
Notified* | | Sent* | <
Initiated* | | Open* | <

Recall

Phone(s)* | (367) 637-5676

Courier Card/PD/CTR

CC#/Date* | None
Civilian PD | None
Contract # | None | <

Remarks

*Rule 1: The individual's invest has expired for access to SECRET (invest must be <10 years).

Special Access

☐ Mail* | ☐ SMO* | ☐ JPAS Acct.
☐ Temp Badge | ☐ BMO* | ☐ Special*
☐ CAB Authority* | ☐ PSO* | ☐ Signature*
☐ Key Custodian* | ☐ COR* | ☐ All Access*

SPECIAL ACCESS REPORTS | DELETE | NEW | FIND | DONE

Special Access Report Selection

Select a Report

Appointment Letter
CAB Loss Form
CAB Request Form
Check-In
CIV Position Description
Clearance Certification Letter
Courier Card
Courier Letter
Debrief
Eligibility Change Letter
Final Revoke Letter
Initial Revoke Letter
Interim Letter
NATO Brief Cert
NDA
NDS
Orientation Brief
Removal of Access
Required Investigation Notification Letter

Special Access Report Selection

Select a Report | NDA | ∨

Signature | T. BILLINGS / CTR / PHYSICAL SECURITY OFFICER, G3/5 | ∨

Witness | D. E. TEWST / CIV / SECURITY MANAGER, SMO | ∨

CANCEL   CONFIRM

CLASSIFIED INFORMATION NONDISCLOSURE AGREEMENT

AN AGREEMENT BETWEEN   Joe C. First   AND THE UNITED STATES

(Name of Individual - Printed or typed)

1. Intending to be legally bound, I hereby accept the obligations contained in this Agreement in consideration of my being granted access to classified information.   As used in this Agreement, classified information is marked or unmarked classified information, including oral communications, that is classified under the standards of Executive Order 13526, or under any other Executive order or statute that prohibits the unauthorized disclosure of information in the interest of national security; and unclassified information that meets the standards for classification and is in the process of a classification determination as provided in Sections 1.1, 1.2, 1.3, and 1.4(e) of Executive Order 13526, or under any other Executive order or statute that requires protection for such information in the interest of national security. I understand and accept that by being granted access to classified information, special confidence and trust shall be placed in me by the United States Government.

2. I hereby acknowledge that I have received a security indoctrination concerning the nature and protection of classified information, including the procedures to be followed in ascertaining whether other persons to whom I contemplate disclosing this information have been approved for access to it, and that I understand these procedures.

3. I have been advised that the unauthorized disclosure, unauthorized retention, or negligent handling of classified information by me could cause damage or irreparable injury to the United States or could be used to advantage by a foreign nation. I hereby agree that I will never divulge classified information to anyone unless: (a) I have officially verified that the recipient has been properly authorized by the United States Government to receive it; or (b) I have been given prior written notice of authorization from the United States Government Department or Agency (hereinafter Department or Agency) responsible for the classification of the information or last granting me a security clearance that such disclosure is permitted. I understand that if I am uncertain about the classification status of information, I am required to confirm from an authorized official that the information is unclassified before I may disclose it, except to a person as provided in (a) or (b), above. I further understand that I am obligated to comply with laws and regulations that prohibit the unauthorized disclosure of classified information.

4. I have been advised that any breach of this Agreement may result in the termination of any security clearances I hold; removal from any position of special confidence and trust requiring such clearances; or the termination of my employment or other relationships with the Departments or Agencies that granted my security clearance or clearances.   In addition, I have been advised that any unauthorized disclosure of classified information by me may constitute a violation, or violations, of United States criminal laws, including the provisions of Sections 641, 793, 794, 798, *952 and 1924, Title 18, United States Code, * the provisions of Section 783 (b), Title 50, United States Code, and the provisions of the Intelligence Identities Protection Act of 1982. I recognize that nothing in this Agreement constitutes a waiver by the United States of the right to prosecute me for any statutory violation.

5. I hereby assign to the United States Government all royalties, remunerations, and emoluments that have resulted, will result or may result from any disclosure, publication, or revelation of classified information not consistent with the terms of this Agreement.

6. I understand that the United States Government may seek any remedy available to it to enforce this Agreement including, but not limited to, application for a court order prohibiting disclosure of information in breach of this Agreement.

7. I understand that all classified information to which I have access or may obtain access by signing this Agreement is now and will remain the property of, or under the control of the United States Government unless and until otherwise determined by an authorized official or final ruling of a court of law. I agree that I shall return all classified materials which have, or may come into my possession or for which I am responsible because of such access: (a) upon demand by an authorized representative of the United States Government; (b) upon the conclusion of my employment or other relationship with the Department or Agency that last granted me a security clearance or that provided me access to classified information; or (c) upon the conclusion of my employment or other relationship that requires access to classified information. If I do not return such materials upon request, I understand that this may be a violation of Section 793 and/or 1924, Title 18, United States Code, a United States criminal law.

8. Unless and until I am released in writing by an authorized representative of the United States Government, I understand that all conditions and obligations imposed upon me by this Agreement apply during the time I am granted access to classified information, and at all times thereafter.

9. Each provision of this Agreement is severable. If a court should find any provision of this Agreement to be unenforceable, all other provisions of this Agreement shall remain in full force and effect.

10. These provisions are consistent with and do not supersede, conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive orders and statutory provisions are incorporated into this agreement and are controlling.

(Continue on reverse.)

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11. These restrictions are consistent with and do not supercede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 13526 (75 Fed. Reg. 707), or any successor thereto section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b) (8) of title 5, United States Code, as amended by the Whistleblower Protection Act of 1989 (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); sections 7(c) and 8H of the Inspector General Act of 1978 (5 U.S.C. App.) (relating to disclosures to an inspector general, the inspectors general of the Intelligence Community and Congress); section 103H(g)(3) of the National Security Act of 1947 (50 U.S.C. 403-3h(g)(3) (relating to disclosures to the inspector general of the Intelligence Community); sections 17(d)(5) and 17(e)(3) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g(d)(5) and 403q(e)(3)) (relating to disclosures to the Inspector General of the Central Intelligence Agency and Congress); and the statutes which protect against disclosure that may compromise the national security, including Sections 641, 793, 794, 798, *952 and 1924 of Title 18, United States Code, and *section 4(b) of the Subversive Activities Control Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.

12. I have read this Agreement carefully and my questions, if any, have been answered. I acknowledge that the briefing officer has made available to me the Executive Order and statutes referenced in this Agreement and its implementing regulation (32 CFR Part 2001, section 2001.80(d)(2)) so that I may read them at this time, if I so choose.

*NOT APPLICABLE TO NON-GOVERNMENT PERSONNEL SIGNING THIS AGREEMENT.		
SIGNATURE	DATE 2022 04 01	SOCIAL SECURITY NUMBER *(See Notice below)* 000-00-0001

ORGANIZATION (IF CONTRACTOR, LICENSEE, GRANTEE OR AGENT, PROVIDE: NAME, ADDRESS, AND, IF APPLICABLE, FEDERAL SUPPLY CODE NUMBER) *(Type or print)*

Joe C. First
23rd Infantry Company
73653 Alpha Dr
Bogus, LA 70123

WITNESS	ACCEPTANCE
THE EXECUTION OF THIS AGREEMENT WAS WITNESSED BY THE UNDERSIGNED.	**THE UNDERSIGNED ACCEPTED THIS AGREEMENT ON BEHALF OF THE UNITED STATES GOVERNMENT.**

SIGNATURE	DATE 2022 04 01	SIGNATURE	DATE 2022 04 01
NAME AND ADDRESS *(Type or print)* D. E. TEWST / CIV / SECURITY MANAGER, SMO 404th Squadron 926 Tango St Florence, SC 62524		NAME AND ADDRESS *(Type or print)* T. BILLINGS / CTR / PHYSICAL SECURITY OFFICER, G3/5 404th Squadron 926 Tango St Florence, SC 62524	

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SECURITY DEBRIEFING ACKNOWLEDGEMENT

I reaffirm that the provisions of the espionage laws, other federal criminal laws and executive orders applicable to the safeguarding of classified information have been made available to me; that I have returned all classified information in my custody; that I will not communicate or transmit classified information to any unauthorized person or organization; that I will promptly report to the Federal Bureau of Investigation any attempt by an unauthorized person to solicit classified information, and that I (have) (have not) (strike out inappropriate word or words) received a security debriefing.

SIGNATURE OF EMPLOYEE	DATE
NAME OF WITNESS *(Type or print)*	SIGNATURE OF WITNESS

NOTICE: The Privacy Act, 5 U.S.C. 552a, requires that federal agencies inform individuals, at the time information is solicited from them, whether the disclosure is mandatory or voluntary, by what authority such information is solicited, and what uses will be made of the information. You are hereby advised that authority for soliciting your Social Security Number (SSN) is Public Law 104-134 (April 26, 1996). Your SSN will be used to identify you precisely when it is necessary to certify that you have access to the information indicated above or determine that your access to the information indicated has been terminated. Furnishing your Social Security Number, as well as other data, is voluntary, but failure to do so may delay or prevent you being granted access to classified information.