In the

United States Court of Appeals

For the Seventh Circuit

No. 22-2386

AMY LEE SULLIVAN, d/b/a DESIGN KIT,

Plaintiff-Appellee,

v.

FLORA, INC.,

Defendant-Appellant.

Appeal from the United States District Court for the
Western District of Wisconsin.
No. 15-cv-298 — **William M. Conley**, *Judge*.

ARGUED FEBRUARY 8, 2023 — DECIDED MARCH 31, 2023

Before FLAUM, SCUDDER, and ST. EVE, *Circuit Judges*.

ST. EVE, *Circuit Judge*. This is the second time this case has come before us. In 2013, Amy Sullivan registered two "illustration collections," comprising 33 individual illustrations, for copyright protection and sued Flora, Inc. for infringing those copyrights. A jury then found that Flora willfully infringed Sullivan's copyrights and awarded her statutory damages for each of the 33 individual illustrations infringed. Flora appealed.

On the first appeal, we answered "a question of first impression for us on the scope of statutory damages recoverable under the Copyright Act of 1976" (the "Act"). *Sullivan v. Flora, Inc.*, 936 F.3d 562, 564 (7th Cir. 2019) (*Flora I*). Specifically, we addressed the standard for determining whether multiple related works are each entitled to a separate statutory damages award, or if they instead constitute one "compilation," entitling them to only a single statutory damages award. *See id.* at 571. We rejected the test for calculating statutory damages that the district court utilized, which focused exclusively on how the illustrations were copyrighted. *Id.* at 569. Instead, we adopted the "independent economic value test," *id.* at 570–71: "A protected work has standalone value if the evidence shows that work has distinct and discernable value to the copyright holder," *id.* at 571. We then remanded for the district court to make that determination because the record at the time was insufficient for us to do so on appeal. *Id.* at 572.

On remand, the district court denied Flora's request to reopen discovery; held that Flora had waived several arguments challenging the independent economic value of certain illustrations; granted summary judgment in favor of Sullivan; and entered the same verdict the jury previously had returned. We affirm in part, reverse in part, and remand once again.

I. Background

Flora, Inc. manufactures herbal supplement and health products. In 2013, Flora hired Joseph Silver to produce ads for two new products, "7 Sources" and "Flor-Essence." Silver, in turn, hired Amy Sullivan. Sullivan worked with Silver to produce 33 illustrations, which Silver animated to create two motion graphics. Sullivan granted Flora an exclusive license to

use the illustrations for the "7 Sources" and "Flor-Essence" ad campaigns. But when Sullivan noticed that Flora was using the illustrations beyond the two ad campaigns agreed to in the license, she registered the two "illustration collections," which included the 33 individual illustrations, for copyright protection and sued Flora for infringing those copyrights.

Under the Act, plaintiffs can choose between actual or statutory damages. 17 U.S.C. § 504(c)(1). A separate statutory damages award is warranted for each "one work" that is infringed. *Id.* "For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work." *Id.* "A 'compilation' is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term 'compilation' includes collective works." *Id.* at § 101. In the case of willful infringement, the maximum statutory damages award increases from $30,000 to $150,000. *Id.* § 504(c)(2).

In its first motion for summary judgment, Flora argued that Sullivan could not bring this suit herself because Sullivan authored the illustrations jointly with Silver. *See Flora I*, 936 F.3d at 574 ("Joint authorship is a defense to copyright infringement."). The court denied Flora's motion, holding that whether the illustrations were jointly authored was a question of fact for the jury.

However, "[b]efore turning to the question of whether the illustrations constitute a joint work, the [district] court note[d] that Sullivan registered the two sets of illustrations as collections, apparently treating each set as a single work." Later, during the pretrial conference, Sullivan challenged the court's

finding that she treated each copyright as a single work and argued that the copyrights at issue are properly described as "illustrations," not "illustration collections." The court ordered supplemental briefing on that issue and whether the individual illustrations in Sullivan's copyright registrations are entitled to separate statutory damages awards.

On April 17, 2017, the first day of trial, the district court rejected Flora's arguments that Sullivan could only recover "one award per registration," and, alternatively, that the independent economic value test applies. Instead, the court, "[b]ased on the undisputed fact that plaintiff registered her two illustration collections as a collective or group work[,] … conclude[d] that the copyrighted works are collective works, in which contributions, *constituting separate and individual works in themselves*, are assembled into a collective whole." *Flora I*, 936 F.3d at 568. According to the district court, "[u]nder 17 U.S.C § 101, therefore, the individual illustrations are individual works, entitling Sullivan to separate statutory damages awards. If this case reaches the damages phase, the jury will be so instructed."

Trial then proceeded in three phases. "In phases one and two, the jury determined that Flora had copied and used Sullivan's illustrations willfully and without authorization and furthermore that the works were not joint works but instead belonged to Sullivan alone." *Flora I*, 936 F.3d at 567. Phase three was the damages phase. Sullivan herself testified, and Sullivan called an expert witness, Daniel Mager, to testify regarding actual damages. Flora never disclosed an expert witness for damages, and did not call any witnesses during this phase of trial.

At the close of evidence, the district court instructed the jury that, "for purposes of considering a statutory damages award, you may consider *each* illustration in the 7 Sources illustration collection and the Flor-Essence illustration collection as an independent, copyrighted work." *Id.* at 568. Having already found that Flora willfully infringed Sullivans's copyrights, the jury awarded Sullivan $3,600,000 in statutory damages and $143,500 in actual damages. Sullivan chose the higher statutory damages award. Flora appealed.

In *Flora I*, we rejected the test for determining whether multiple works are entitled to separate statutory damages awards that the district court adopted, which focused exclusively on how the illustrations were registered for copyright protection, *id.* at 568–69, and the test adopted by the Second Circuit, "which focuses on whether the copyright holder marketed and distributed the multiple protected works as individual works or as a compendium of works (like, for example, an album)," *id.* at 571. Instead, we followed the First, Ninth, Eleventh, and D.C. Circuits in adopting the independent economic value test:

> § 504(c)(1) requires courts confronted with circumstances with multiple works and multiple infringements to determine, or to charge a jury with fact finding tailored to answering, whether the protected works have value only in and through their composite whole (and thus meet the definition of a "compilation" in § 101) or instead have standalone value at the level of "one work."

Id.; *see Gamma Audio & Video, Inc. v. Ean-Chea*, 11 F.3d 1106, 1116–17 (1st Cir. 1993) ("The test … is a functional one, with the focus on whether each expression … has an independent

economic value and is, in itself, viable."); *VHT, Inc. v. Zillow Grp., Inc.*, 918 F.3d 723, 747 (9th Cir. 2019) ("In the Ninth Circuit, the question of whether something—like a photo, television episode, or so forth—has 'independent economic value' informs our analysis of whether the photo or episode is a work, though it is not a dispositive factor."); *MCA TV Ltd. v. Feltner*, 89 F.3d 766, 769 (11th Cir. 1996) ("This test focuses on whether each expression has an independent economic value and is, in itself, viable."); *Walt Disney Co. v. Powell*, 897 F.2d 565, 569 (D.C. Cir. 1990) ("[S]eparate copyrights are not distinct works unless they can 'live their own copyright life.'").

We did not attempt to make that determination ourselves because "the record as it presently stands does not allow us to resolve as a factual matter whether all or part of Sullivan's 33 illustrations are separate works with distinct and discernable value or part of two broader compilations." *Flora I*, 936 F.3d at 572; *see also id.* at 565 ("It is neither appropriate nor possible for us to make that finding on the record before us."). Instead, we vacated the judgment and remanded to the district court for further proceedings. *Id.* at 565. We took care to note that our decision "in no way calls the jury's findings of infringement into question. On remand the district court will have ample flexibility to structure the proceedings to enable the requisite findings pertinent to statutory damages." *Id.* at 572. We also held that Flora waived its arguments based on the timing of the copyright registrations, *id.* at 573, and the joint authorship issue, *id.* at 574.

On remand, the parties did not agree on the appropriate way to proceed. Flora asked the court to reopen fact discovery on the issue of independent economic value, reopen expert discovery, allow for a second round of dispositive motions,

and retry damages. In contrast, Sullivan urged the court to decide the issue based on the factual record before it.

The district court agreed with Sullivan and denied Flora's request to reopen discovery. The court found that, although its decision regarding the number of statutory damages awards rejected Flora's argument that the individual illustrations lack independent economic value, that decision came on the first day of trial, long after the close of discovery: "In other words, the court made no determination—and committed no error—while discovery was open that would have limited its scope or otherwise justified either parties' belief that this was an issue they should not explore." The court then treated Sullivan's brief on remand as a motion for summary judgment. In responding to the motion, Flora could supplement the record with any evidence it already had but was not permitted to obtain additional discovery.

When ruling on the summary judgment motion, the court found that Flora waived its argument "that at least some of the 33 illustrations do not have separate economic value." The court then found at summary judgment that the 33 illustrations constitute separate works, even after applying our holding in *Flora I*. The court's decision relied on "undisputed" expert testimony from the first trial regarding actual damages, trial testimony from Sullivan herself, and evidence that Flora used individual illustrations in its infringing ads.

Flora timely appealed, contending that the district court (1) erred by finding it waived arguments directly relating to the independent economic value test, (2) violated this court's mandate by refusing to reopen discovery and instead ruling on the same record that existed on the first appeal, and (3)

improperly weighed evidence when ruling on summary judgment.

II. Analysis

A. Scope of Remand

Flora invokes both the mandate and waiver doctrines to support reversal. "These doctrines often overlap." *Bradley v. Village of University Park*, 59 F.4th 887, 895 (7th Cir. 2023). "[T]his court does not remand issues to the district court when those issues have been waived or decided." *United States v. Husband*, 312 F.3d 247, 250 (7th Cir. 2002). Under the mandate rule, "when a court of appeals has reversed a final judgment and remanded the case, the district court is required to comply with the express or implied rulings of the appellate court." *In re A.F. Moore & Assocs., Inc.*, 974 F.3d 836, 840 (7th Cir. 2020) (quoting *Moore v. Anderson*, 222 F.3d 280, 283 (7th Cir. 2000)). These doctrines "limit remand [and] are implicitly taken into account when this court remands a case." *Bradley*, 59 F.4th at 896 (quoting *Husband*, 312 F.3d at 250). "Thus 'scope of remand' is an inclusive term and is the relevant inquiry." *Husband*, 312 F.3d at 250.

There are two major limitations to the scope of a remand. "First, any issue that could have been but was not raised on appeal is waived and thus not remanded. … Second, any issue conclusively decided by this court on the first appeal is not remanded." *Id.* at 250–51 (citations omitted). "[T]he scope of the remand is determined not by formula, but by inference from the opinion as a whole." *United States v. Parker*, 101 F.3d 527, 528 (7th Cir. 1996) (citing *United States v. Polland*, 56 F.3d 776, 779 (7th Cir. 1995)). "We review de novo the scope of a prior remand, including the application of the mandate rule

and … [w]hether a party waived an issue in the course of a prior appeal[.]" *Bradley*, 59 F.4th at 896.

1. Waiver

Waiver "is the intentional relinquishment or abandonment of a known right." *Morgan v. Sundance, Inc.*, 142 S. Ct. 1708, 1713 (2022) (quoting *United States v. Olano*, 113 S. Ct. 1770, 1777 (1993)); *Bradley*, 59 F.4th at 895 (same). "The question of whether an issue was waived on the first appeal is an integral and included element in determining the 'scope of remand.'" *Husband*, 312 F.3d at 250; *Bradley*, 59 F.4th at 896 ("When a party explicitly waives an issue, that waiver shapes the law of the case and the scope of any remand."). "[P]arties cannot use the accident of remand as an opportunity to reopen waived issues." *United States v. Morris*, 259 F.3d 894, 898 (7th Cir. 2001).

The district court's summary judgment decision relied, in part, on its finding that Flora waived several arguments by failing to raise them at trial: "that at least some of the 33 illustrations do not have separate economic value" (i.e., "that there were [less] than 33 illustrations"); and, relatedly, that illustrations containing only "background texture" do not contain independent economic value. The district court erred in this ruling.

Contrary to the district court's findings, Flora did argue prior to trial that, in the alternative to its claim that the standard is "one award per registration," Sullivan is only entitled to two statutory damages awards because "the individual illustrations have no economic value, and are not economically viable by themselves." Indeed, "throughout the litigation[] [Flora] made its position on statutory damages abundantly

clear, including by briefing the issue during the pretrial proceeding that resulted in the district court's determinative ruling. The law required no more in this circumstance." *See Flora I*, 936 F.3d at 567. The district court did not rule until the first day of trial that, if infringed, the 33 illustrations warranted 33 statutory damages awards. After that ruling, Flora was not required to reiterate its objection and argue that there were less than 33 separate illustrations or that any of them lacked independent economic value; the district court's ruling rejected those arguments. *See Bradley*, 59 F.4th at 896 n.2 ("Bradley had made these arguments and the district court had rejected them. He was not required to repeat himself ad nauseam."); *Alton Box Bd. Co. v. EPA*, 592 F.2d 395, 400 (7th Cir. 1979) (holding the fact that an argument could have been raised earlier "does not necessarily mean it could not be done later … [and] does not foreclose the opportunity for" raising it). Flora instead argued that Sullivan was a joint author and that it did not infringe the copyrights. Ultimately, nothing in the record suggests that Flora intentionally relinquished or abandoned the arguments the court deemed as waived. *See Morgan*, 142 S. Ct. at 1713; *Alton Box*, 592 F.2d at 400 ("A waiver must be intentional and voluntary."). Thus, these arguments fall within the scope of our remand.

Further, Flora did not waive these arguments on the first appeal because we remanded this issue with a new legal standard. In *Flora I*, we adopted the independent economic value test as an issue of first impression and directed the district court to apply the new standard. And "[i]ssues that arise anew on remand are generally within the scope of the remand." *Husband*, 312 F.3d at 251 n.4 (citing *Morris*, 259 F.3d at 898). Thus, Flora's arguments—raised during summary judgment below and here on appeal—that directly relate to

whether the 33 individual illustrations have independent economic value are not waived and fall directly within the scope of remand.

That said, Flora attempts to relitigate an issue we held it had waived in *Flora I* and is therefore outside of the scope of remand. Flora argues that some illustrations lack independent economic value because they were jointly authored. In *Flora I*, we found that Flora had waived its joint authorship argument because Flora "failed to present this challenge to the district court in response to the jury's adverse verdict." *Flora I*, 936 F.3d at 574; *see also id.* at 575 ("Even if Flora had not waived its joint authorship challenge, we would be quick to conclude that the jury reasonably found Sullivan was the sole author of the 33 illustrations in question."). Flora cannot now use "the accident of remand as an opportunity to reopen waived issues." *See Morris*, 259 F.3d at 898.

2. The Mandate Rule

"[T]he [district] court must follow 'the spirit as well as the letter of the mandate.'" *In re A.F. Moore*, 974 F.3d at 840 (citation omitted). "Our review of the scope of remand from the original appeal was de novo, but since that remand called for an exercise of discretion, our review of the district court's [discovery-related orders] [is] for an abuse of that discretion[.]" *Bradley*, 59 F.4th at 897 n.3 (citation omitted); *see Hassebrock v. Bernhoft*, 815 F.3d 334, 340 (7th Cir. 2016) ("We review discovery-related orders for abuse of discretion.").

In *Flora I*, we noted that we were unable to determine whether the 33 illustrations constitute a compilation because the record was not sufficiently developed on the factual issues relevant to statutory damages, and we left it to the district

court's discretion to determine what proceedings were necessary to make the requisite factual findings. *See Flora I*, 936 F.3d at 572 ("On remand the district court will have ample flexibility to structure the proceedings to enable the requisite findings pertinent to statutory damages."). The district court subsequently denied Flora's request to reopen fact discovery or permit additional expert discovery because the parties previously had the opportunity to conduct discovery on this issue. The court then found that "the undisputed facts of record compels a finding that the 33 illustrations constitute separate works."

The district court did not abuse its discretion by refusing to reopen discovery. Although the district court's ruling on the eve of trial rejected any arguments based on independent economic value, that ruling came well after the close of discovery. As the court noted, "the court made no determination—and committed no error—while discovery was open that would have limited its scope or otherwise justified either parties' belief that this was an issue they should not explore." For whatever reason, Flora simply decided not to pursue discovery on the issue, despite having both the opportunity and motivation to do so.

That is not the end of the matter, however. We ruled in *Flora I* that the record was insufficient to resolve as a factual matter whether each of the 33 illustrations have independent economic value because "[t]he district court did not ask (or put to the jury) the questions we see as necessary for resolving the statutory damages question." 936 F.3d at 572. Despite our ruling, the district court proceeded to base its summary judgment decision on the very record we found insufficient to make that determination. Even if the court disagreed and

believed that the record was sufficient for the task, "it must execute our mandate nevertheless." *In re A.F. Moore*, 974 F.3d at 840.

In *United States v. Husband*, for example, we remanded so that, among other things, the record could be developed regarding the question of how imminent the police thought the loss of the drug evidence was, and the parties could reconcile their conflicting arguments. 312 F.3d at 253. On remand, the district court disagreed with us, *see id.* ("The court is not as concerned as the Seventh Circuit was with the parties' seemingly contradictory arguments."), and violated our mandate by ruling on those issues without addressing any facts beyond those we already knew of in the initial appeal. *Id.* at 253–54.

On remand here, the district court similarly did not address any facts beyond what we found insufficient to resolve the issue in *Flora I*, *see Husband*, 312 F.3d at 253–54,[1] nor did it put the question to a jury. While the district court was not required to reopen discovery, once it decided not to, it should have put the question to a jury. *See Flora I*, 936 F.3d at 572. Instead, the court decided the factual issue when ruling on a

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[1] Sullivan cites *McClure v. O. Henry Tent & Awning Co.*, 192 F.2d 904, 905 (7th Cir. 1951), for her proposition that "in a remand situation like this, the District Court may base its findings and judgment on the existing record, without any further hearing." *McClure* is easily distinguishable, however, because there we never held that the record was insufficient to address the issue of remand. To the contrary, "[t]he record presented on the original appeal discloses that the proofs had been fully developed, and we think they are sufficient to support the additional finding of facts. Under these circumstances it was not error for the court to dispense with further hearings." *Id*. The opposite is true here. *See Flora I*, 936 F.3d at 572.

summary judgment motion based on the exact record we previously found insufficient and thus it violated our mandate.

Finally, Flora also argues that, even if each illustration has independent economic value, summary judgment is improper because Sullivan failed to prove that Flora used each of the 33 illustrations in its infringing ads. This argument exceeds the scope of remand. At trial, the jury found that Flora infringed Sullivan's copyrights, and *Flora I* "in no way calls the jury's findings of infringement into question." 936 F.3d at 572; *see also Parker*, 101 F.3d at 528 ("If the opinion identifies a discrete, particular error that can be corrected on remand without the need for a redetermination of other issues, the district court is limited to correcting that error."). Flora cannot now argue that any specific illustration was not actually infringed—it had its chance to convince the jury that it did not infringe Sullivan's copyrights but failed to do so.

B. Summary Judgment

We start our summary judgment analysis with a discussion of the test for statutory damages.

> Section 504(c)(1) requires courts confronted with circumstances with multiple works and multiple infringements to determine, or to charge a jury with fact finding tailored to answering, whether the protected works have value only in and through their composite whole (and thus meet the definition of "compilation" in § 101) or instead have standalone value at the level of "one work."

Flora I, 936 F.3d at 571. This is a threshold damages question. *VHT, Inc.*, 918 F.3d at 747.

In *Flora I*, we noted that "[a] protected work has standalone value if the evidence shows that work has distinct and discernable value to the copyright holder," 936 F.3d at 571, but courts have characterized this inquiry in various ways—e.g., asking whether the works have "independent economic value," *VHT, Inc.*, 918 F.3d at 747, can "live their own copyright life," *Walt Disney*, 897 F.2d at 569, have "separate economic value, whatever their artistic value," *id.*, or whether it "is, in itself, viable," *MCA TV*, 89 F.3d at 769. However the test it is characterized, "the proper inquiry under § 504(c)(1) asks whether Sullivan's 33 illustrations constitute 33 individual works or instead are parts of two compilations." *Flora I*, 936 F.3d at 568–69.

Factors relevant to the compilation determination include, among other things, "whether the copyright holder marketed and distributed the multiple protected works as individual works or as a compendium of works (like, for example, an album)," *id.* at 571, whether the works were produced together or separately, *Gamma Audio*, 11 F.3d at 1117, and how those works were registered for copyright protection. Ultimately, "[t]he necessary finding requires a focus on where the market assigns value." *Flora I*, 936 F.3d at 572. This is a totality of the circumstances analysis; no single factor is dispositive. *See, e.g.*, *id.* at 569 (holding district court erred "by giving controlling weight to the fact that Sullivan registered her illustrations as a group and therefore protected each of the 33 illustrations"); *VHT, Inc.*, 918 F.3d at 747 ("[C]onsideration of the independent economic value factor [alone] does not answer the question whether something is a compilation."); *id.* ("[T]he question of whether something—like a photo, television episode, or so forth—has 'independent economic value' informs our

analysis of whether the photo or episode is a work, though it is not a dispositive factor.").

* * *

When evaluating summary judgment, the district court rejected several arguments Flora made to establish that the individual illustrations are part of a compilation: (1) the invoices Flora submitted to Sullivan show that Sullivan produced and distributed both "illustration collections" as single products, not as separate illustrations; (2) Sullivan never sold, or attempted to sell, any of the illustrations independently; (3) Flora-specific content included in the illustrations impacts their independent economic value; and (4) illustrations that only include "background textures" lack any independent economic value. The court then awarded summary judgment in favor of Sullivan and reimposed the damages amount in the original judgment. The district court erred in doing so.

"Our review is de novo. We 'view the facts and draw reasonable inferences in the light most favorable to the non-moving party.' Summary judgment is appropriate if 'there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.'" *Uebelacker v. Rock Energy Coop.*, 54 F.4th 1008, 1010 (7th Cir. 2022) (internal citations omitted).

1. The Invoices

Flora alleges that a jury could view the two invoices it submitted to Sullivan—for the "7 Sources" and "Flor-Essence" ad campaigns—as indicating that the works only have value as two compilations, not as 33 individual illustrations. Specifically, these invoices were each for a single "motion graphic," not multiple illustrations. The district court rejected this

argument because it found that Flora misrepresented the invoices; the invoices each describe the product as an "illustration" not a "motion graphic." Further, according to the court, "Sullivan expressly reserved 'any usage rights not exclusively transferred,' signaling her belief that the illustrations had value beyond their use in the videos themselves."

Whether the invoices refer to the product as an "illustration" or a "motion graphic" does not detract from the relevance of those invoices. Even if there are multiple plausible interpretations, the court was obligated to view this evidence in the light most favorable to Flora. Viewed in that light, a reasonable jury could determine that Sullivan's selling the illustrations as two products, instead of 33, supports the inference that the 33 individual illustrations lack independent economic value.

Relatedly, Flora highlights that Sullivan registered the illustrations as two copyrights, not 33, as evidence that the illustrations only have value as part of those two compilations. The district court rejected this argument and refused to evaluate this factor because, in its view, "the *sole* grounds for remand" in *Flora I* was our rejection of a test focused on how the works were copyrighted. There appears to be a circuit split on whether this factor—how the works were registered—is relevant to the statutory damages analysis.

Courts have primarily focused on two factors when evaluating this issue. First, Copyright Office regulations explicitly permit applicants to include multiple works in a single registration form, in a procedure known as a group registration. 37 C.F.R. § 202.3(b)(2) ("[A]n applicant may submit an application for registration of individual works and certain groups of works."); *see also* 17 U.S.C. § 408(c)(1) (authorizing the Register

of Copyrights to regulate registration classifications, including permitting "a single registration for a group of related works"); U.S. COPYRIGHT OFFICE, COMPENDIUM OF U.S. COPYRIGHT OFFICE PRACTICES § 1105 (3d ed. amend. 2021), (discussing group registration process), available at https://copyright.gov/comp3/chap1100/ch1100-registration-multiple-works.pdf.[2] Because applicants have the option to register certain related works in a single registration, the First Circuit has held that there is "no authority" for inferring that registering multiple works on one form indicates that the author considered them to be one work. *See Gamma Audio*, 11 F.3d at 1117; *see also Bryant v. Media Right Prods., Inc.*, 603 F.3d 135, 141 (2d Cir. 2010) ("The fact that each song may have received a separate copyright is irrelevant to this analysis.").

Second, where the works can properly be registered through the group registration process, "the Copyright Office warns that such a registration 'may' limit the copyright holder 'to claim only one award of statutory damages in an

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[2] Only certain works are eligible to use the group registration process. *See* COMPENDIUM (THIRD) § 1101 (2021). The regulations that were effective when Sullivan registered her two copyrights in November and December of 2013 allowed automated databases, related serials, daily newspapers, contributions to periodicals, daily newsletters, and published photographs to be registered as groups works. 37 C.F.R. § 202.3(b)(5)–(10) (Jul. 18, 2013). Flora did not challenge whether Sullivan could properly use the group registration process prior to or during trial, or on the first or second appeal, and thus waived any potential challenge to the way Sullivan registered her copyrights. *Cf. Kay Berry, Inc. v. Taylor Gifts, Inc.*, 421 F.3d 199, 204 (3d Cir. 2005) ("Since the Register of Copyrights has not promulgated regulations allowing for group registration of sculptural works, we conclude that [plaintiff's] registration is not valid under the current group registration provisions.").

infringement action, even if the defendant infringed all of the component works covered by the registration.'" *VHT, Inc.*, 918 F.3d at 747–48; *see also* COMPENDIUM (THIRD) § 1105.4 (2021) ("Copyright owners who use a group registration option *may* be entitled to claim a separate award of statutory damages for each work … that is covered by the registration, because a group registration covers each work or each issue that is submitted for registration (rather than the group as a whole)." (emphasis added)). Thus, according to the Ninth Circuit, "[t]hough the registration label is not controlling, it may be considered by the court when assessing whether a work is a compilation." *VHT, Inc.*, 918 F.3d at 748.

We hold, in line with the Ninth Circuit, that how the works are registered may be relevant when evaluating statutory damages. If works cannot properly use the group registration process, then how those works are registered is relevant to determining independent economic value. And even if eligible, using the group registration process is not required. *See* COMPENDIUM (THIRD) § 1105 (2021) ("Applicants must decide whether group registration is the optimal means of registering the works at issue."). Indeed, if applicants are worried about the number of statutory damages they would receive, they may register their works separately, even if they could register them as a group, to increase the likelihood of receiving multiple statutory damages awards in the case of infringement.[3]

[3] Conversely, registering multiple works in one application "may be the most convenient and cost effective way to register multiple works of authorship." *See* COMPENDIUM (THIRD) § 1105 (2021).

2. Marketing Efforts

Flora next argues that Sullivan failed to market the illustrations individually, indicating that they lack any independent economic value. Specifically, Flora pointed to evidence indicating that Sullivan typically markets her illustrations on Etsy (an online marketplace primarily for craft goods) but did not attempt to market any of the illustrations at issue here on her Etsy page. The district court rejected this argument because Sullivan had marketed the illustrations to *Flora*, and "the fact that the individual illustrations actually *had* discrete value from Flora's perspective provides some confirmation of Sullivan's and her expert's undisputed testimony that the illustrations had stand-alone, economic value to the copyright holder."

But Sullivan's expert, Mager, was disclosed as an expert on, and testified regarding, actual damages, not statutory damages. Neither party disclosed an expert to testify as to statutory damages. Specifically, Mager testified that "the market value" "for a reuse of each illustration" is "[b]etween 3 and $6,000." The district court erred by relying on Mager's testimony regarding actual damages to grant summary judgment on the issue of statutory damages. Mager did not base his opinion on any independent evaluation of the specific illustrations at issue. Indeed, Mager did not even know how many illustrations there were, stating "I think it was 44 illustrations." Instead, Mager's testimony assumed that each of the 33 illustrations were entitled to a separate statutory damages award—which was proper at the time, considering the court had previously instructed the jury that it may consider each of the 33 illustrations as "an independent, copyrighted work"—then used his personal experience and "benchmarks

to determine [reuse] price, including the Graphic Artists Guild Handbook for Pricing & Ethical Guidelines and the Second Wind Pricing Survey."

We vacated the jury's statutory damages award, however, because the court failed to instruct the jury on the independent economic value test, and we remanded for the court to apply that test and determine the correct number of statutory damages awards. *Flora I*, 936 F.3d at 572. Finding that an illustration is entitled to a separate statutory damages award requires first finding that the illustration has independent economic value. Thus, Mager's testimony, which assumed that Sullivan's illustrations were each entitled to a separate statutory damages award (i.e., assumed the illustrations had independent economic value), cannot now (without more) be used to establish that those same illustrations have independent economic value in the first place. Mager's testimony may be relevant to whether or not any individual illustration constitutes a "work," but it does not conclusively show that any illustration is not nonetheless part of a "compilation." *See VHT, Inc.*, 918 F.3d at 747.

Flora also argues that, not only is Sullivan's failure to individually market her illustrations evidence that they did not have independent economic value, but the fact that the market failed to respond to Sullivan's copyright registrations is similarly evidence that the market did not consider the individual illustrations to have independent economic value. The court rejected this argument because "the lack of interest could just as easily be because the product itself is poor or the advertising was not effectively circulated to the right target audience." "In any event," the court held, "the fact that Flora perceived the economic value to individual illustrations is

stronger evidence than that its use may not have been effectively marketed in an isolated case."

In making this determination, the district court weighed the evidence, which is inappropriate on summary judgment. Courts must "resist the temptation to act as jurors when considering summary judgment motions." *Coleman v. Donahoe*, 667 F.3d 835, 862 (7th Cir. 2012). Basing a summary judgment decision on the belief that some evidence is "stronger" than other evidence is a textbook case of weighing evidence. This error alone requires reversing the district court's summary judgment decision.

3. Flora-Specific Content

The district court further rejected Flora's argument that many of the illustrations contain Flora-specific content—e.g., Flora trademarks, product names, and logos. In rejecting Flora's argument, the court relied on an "apt illustration" Sullivan included in support of her motion for summary judgment, purportedly showing that trademarks have market value even if the trademark holder can prevent others from using it. The court, tempted by these "seemingly compelling facts," *see White v. Woods*, 48 F.4th 853, 861 (7th Cir. 2022), erred by crediting Sullivan's inference based on these facts over Flora's.

Notably, in response to this argument, the district court criticized Flora for "nitpick[ing] individual illustrations or aspects of individual illustrations, arguing that at least some of the 33 illustrations do not have separate economic value." We remanded, however, for Flora to do just that: to try and prove that certain illustrations lack independent economic value.

Flora has successfully created a genuine dispute of material fact on these issues.

4. Background Textures

Finally, Flora points to illustrations that are exclusively "background textures"—i.e., illustrations that appear to be one solid color—alleging that a reasonable jury could determine that these "textures" lack independent economic value. The district court did not address this argument at all, deeming it waived. As discussed above, this argument falls within the scope of our remand, and disagreement over whether these "background textures" have independent economic value constitutes a genuine dispute of material fact sufficient to survive summary judgment.

III. Conclusion

"We will attempt to leave no room for doubt about the scope of this remand." *Bradley*, 59 F.4th at 905. We reverse the district court's grant of summary judgment both for violating our mandate and improperly weighing evidence—this case will now proceed to trial on the question of damages. The scope of our remand (and the trial) is narrow and is limited to determining whether Sullivan's illustrations "constitute 33 individual works or instead are parts of two compilations (corresponding with the two advertising campaigns in which Flora used the illustrations)." *Flora I*, 936 F.3d at 568–69.

Determining whether the individual works are part of a compilation is a threshold statutory damages question. The fact-finder's determination may be that only the two compilations have independent economic value, all 33 individual illustrations have independent economic value, or somewhere in the middle. At trial, Flora is not prohibited from

"nitpicking" specific aspects of the 33 illustrations to show that they lack independent economic value. Arguments Flora raised here, and during summary judgment below, that directly relate to the independent economic value test are within the scope of remand and are not waived. But Flora is not permitted to relitigate the issues of infringement or joint authorship. These issues have already been decided by a jury and fall outside the scope of our remand.

AFFIRMED IN PART, REVERSED IN PART, AND REMANDED.