

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA

Capitol Records, Inc., a Delaware §
corporation; UMG Recordings, Inc., a §
Delaware corporation; Maverick §
Recording Company, a California joint §
venture; BMG Music, a New York §
general partnership; Arista Records, §
LLC, a Delaware limited liability §
company; Sony BMG Music §
Entertainment, a Delaware general §
partnership; Warner Bros. Records Inc., a §
Delaware corporation, §
Plaintiffs, §
vs. §
Debbie Foster and Amanda Foster, §
Defendants.

Case No. CIV-04-1569-W

**DEFENDANT DEBBIE FOSTER'S MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF AWARD OF ATTORNEYS' FEES**

August 7, 2006

Marilyn D. Barringer-Thomson
Warren Henson, III
Counsel for Defendant Debbie Foster

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for copyright infringement. [Doc.1]. On December 27, 2004, Defendant filed a *pro se* Answer, [Doc. 10]. Defendant subsequently retained counsel. Defense counsel appeared at the Scheduling Conference conducted on March 2, 2005. An October 2005 trial date was set.

On March 5, 2005, Defendant Debbie Foster submitted written discovery to each Plaintiff, interrogatories, requests for admissions, and requests for production. A notice of defendant's discovery was filed herein on March 16, 2005.

Defendant amended her answer, Amended Ans. at pgs. 3-4, ¶¶ 1-11, to include affirmative defenses and counter claims. Defendant asserted the affirmative defense that she is not a necessary and proper party and that Plaintiffs had sued the wrong person.

Plaintiffs submitted discovery to Defendant Debbie Foster on or around March 28, 2005. On April 25, 2005, Defendant timely hand delivered her verified responses to Plaintiff Capitol Records Interrogatories and Requests for Admissions. See, Def's Response to Motion to Dismiss filed May 16, 2005 [Doc. 23] Exhibits 1-5, Def's Ans. to Interrogatories, Ex. 1, Def's Response to Requests for Admission, Ex.2.

Plaintiffs knew or had reason to know that they sued the wrong person prior to the filing of suit against Debbie Foster.¹ Defendant's verified answers to Capitol Record's interrogatories show: Defendant has never owned a computer; Defendant rarely utilized a computer at her residence; Defendant did not download an online media distribution system and sound recordings; Defendant did not copy or download sound recordings; and Defendant did not utilize

¹

Defendant's Response to Motion for Voluntary Dismissal [Doc. 120] filed 6-19-06, Exhibits 1-6. Defendant's answer filed *pro se*.

the screen name “fflygirl11@KaZaA. [Doc. 23] 5-16-05 Def’s Exhibit 1. Def’s Exhibit 2, at pg. 4 (denial use of screen name “fflygirl11@KaZaA). *Contra*, Plaintiffs’ Exhibits A & B to Complaint. Defendant also provided Plaintiffs with learned treatises dated June 21, 1999 and December 2001 for Windows Media Rights Manager to Protect and Distribute Digital Media to Plaintiffs counsel. [Doc. 23] Def’s Exhibit 3-4. These treatises show that Plaintiffs had avenues available to them at the time to protect their media yet they did not avail themselves of even rudimentary protective devices. [Doc. 23] Def’s Exhibit 5 (4-15-05 article “TU unveils process to ‘spoof’ illegal downloads” provided to Plaintiffs).

On April 25, 2005, Plaintiffs (and their counsel) received Defendant Debbie Foster’s verified discovery responses and had sufficient time to review Defendant’s verified responses prior to the filing of their motions.

On April 27, 2005, plaintiffs filed the first of three motions to dismiss defendant Debbie Foster’s counterclaim(s). [Doc. 22]. On May 16, 2005, defendant Debbie Foster responded to plaintiffs’ motion to dismiss defendant’s counter claim(s). [Doc. 23].

On June 28, 2005, plaintiffs filed a motion to add Amanda Foster as a defendant. [Doc. 31]. On July 7, 2005, Plaintiffs amended their complaint to include Amanda Foster and to add new allegations against defendant Debbie Foster. [Doc. 37].

On July 27, 2005, defendant Debbie Foster filed an Answer to the Amended Complaint and asserted affirmative defenses and counterclaims [Doc 40].

On August 8, 2005, Plaintiffs filed the second of three motions to dismiss defendant Debbie Foster’s prima facie tort counterclaim and to strike defendant’s declaratory judgment

counterclaims.

On September 1, 2005, plaintiffs filed a motion for default judgment against Amanda Foster. [Doc. 49]. Plaintiffs served the wrong Amanda Foster because they failed to request from defendant Debbie Foster a last known address for Amanda and any other persons identified by Debbie Foster who may have knowledge of the copyright infringement claims asserted by plaintiffs against Debbie Foster. [Doc. 59-60]. Plaintiffs filed a motion to set aside the default judgment on September 22, 2005.²

On September 2, 2005, defendant Debbie Foster filed a response to the second of three motions to dismiss filed by plaintiffs. [Doc. 50, 51]. The Court denied defendant's motion for summary judgment contained in her response [Doc. 53]. On October 5, 2005, the Court denied plaintiffs' motion to strike defendant Debbie Foster's counterclaim for declaratory judgment of non-infringement and granted plaintiffs' motion to dismiss Debbie Foster's counterclaim based upon a *prima facie* tort. [Doc 67].

Plaintiffs obtained a second default judgment against Amanda Foster on November 21, 2005. [Doc. 77].

On March 17, 2006, plaintiffs filed a motion to voluntarily dismiss with prejudice their claims against defendant Debbie Foster with supporting declarations filed on March 23, 2006.

The parties stipulated to a protective order entered on May 30, 2006. [Doc. 117].

On June 19, 2006, defendant Debbie Foster filed her response to plaintiffs' motion to

²On or around September 28, 2005, defendant Debbie Foster provided the Court and plaintiffs counsel with a last known address for Amanda Foster.

voluntarily dismiss with prejudice their claims against defendant Debbie Foster and plaintiffs' third motion to dismiss defendant Debbie Foster's counterclaim for declaratory relief for non-infringement under the Copyright Act. [Doc. 120] with Defendant's Exhibits 1-6. The District Court should take judicial notice of the evidence in the record in this case and of the Court's Orders.

B. Events Leading Up to This Litigation

Defendant's Exhibit 1 (two declarations of Debbie Foster filed 6-19-06, Doc. 120) reflects the following:

Prior to being served with this suit, the first time that Debbie Foster was contacted was by a settlement support center. The representative informed Debbie that because she had a Cox cable account that she had downloaded songs illegally. Debbie was unaware and had no knowledge of this accusation. She told the representative that she had no knowledge of any illegal downloading. The representative questioned her about her family members and suggested that perhaps one of them had done this. Debbie said may be they did and may be they didn't; however, she did not know anything about this, she did not understand, she had no computer knowledge, and she did not do this. She inquired of the representative to disclose to her when the alleged down loads occurred or answer any of her questions. The representative would not provide the information to her and stated that he did not have the information. Debbie Foster 6-19-06 Decl. In Response to Steve Koransky, Pltfs' Ex. A, at ¶¶ 1-2. Debbie told the representative that her daughter was away at college and that she was separated from her husband.

Plaintiffs' representative told Debbie Foster that regardless of her non-involvement she was still liable as an owner of a Cox account. Debbie Foster 6-19-06 Decl. In Response to Steve Koransky, Pltfs' Ex. A, at ¶3. Debbie contacted Cox Communications and was told that it wasn't possible for plaintiffs' representative to prove any of the allegations against her, told her that anyone could have done the down loading, and encouraged her not to respond to the telephone calls. Debbie went to the Norman Police Department and discussed these events with a police officer. Debbie was given further advice from the police officer. Debbie Foster Decl. In Response to Steve Koransky, Pltfs' Ex. A, at ¶3. After this lawsuit was filed against Debbie Foster, she received telephone communications from plaintiffs settlement representative who told her that they wanted her to pay a sum of money. Debbie told plaintiffs' settlement representative that payment of money to plaintiffs' settlement representative was unacceptable because she did not do any down loading and had no funds available to pay plaintiffs. Debbie Foster decided to obtain counsel to represent her. Debbie Foster 6-19-06 Decl. In Response to Dennis Gerber, Pltfs' Ex. B, at ¶¶ 1-4. *See*, Def's Exhibit 3-15-05 letter from Warren Henson, defendant's counsel to plaintiffs' counsel regarding plaintiffs' refusal to voluntarily disclose information to defendant and the fees and costs incurred by defendant Debbie Foster to draft and tender written discovery to plaintiffs in accordance with the District Court's scheduling order.

III. Argument And Authority

A. The Copyright Act Authorizes the Court to Award Attorneys' Fees to the Prevailing Party Defendant Debbie Foster

“Prevailing plaintiffs and prevailing defendants are to be treated alike, but attorney's fees

are to be awarded to prevailing parties only as a matter of the court's discretion." *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534, 114 S. Ct. 1023, 1033, 1127 L.Ed. 2d 455, ___ (1994). An evenhanded standard requires application of nonexclusive factors which are faithful to the purpose of the Copyright Act as applied to prevailing plaintiffs and prevailing defendants in an even handed manner by the district court in exercise of its equitable discretion.

The nonexclusive factors include frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence. *Fogerty*, 510 U.S. 535, fn. 19 citing *Lieb v. Topstone Industries, Inc.*, 788 F.2d 151, 156 (3rd Cir. 1986).

A district court may rely on its earlier findings and orders in this case to support its fee award and such findings and orders are sufficient reasons under the Copyright Act. *Twentieth Century Fox Film Corp. v. Entertainment Distributing, et al.*, 429 F.3d 869 883-884 (9th Cir. 2005)(the district court incorporated its earlier findings into its fee award and provided a sufficient basis to determine that it considered the factors listed in *Fogerty*). Defendant Debbie Foster's fee award for counterclaims involve a common core of facts and are based on related legal issues and are recoverable. *Twentieth Century Fox*, at 884-885. "Rare, indeed, is the litigant who doesn't lose some skirmishes on the way to winning the war. Lawsuits usually involve many reasonable disputed issues and a lawyer who takes on only those battles he is certain of winning is probably not serving his client vigorously enough...." *Twentieth Century Fox*, at 884 (citing *Cabrales*, 935 F.2d at 1053). "We see no abuse of discretion in the district court's decision to award Twentieth Century Fox Parties its fees for the prior summary judgment

appeal.” *Twentieth Century Fox*, at 884.

District Courts may award otherwise non-taxable costs, including those that lie outside the scope of 28 U.S.C. § 1920, under § 505. *Twentieth Century Fox*, at 884-885.

In *Newborn v. Yahoo! Inc. and Google Inc.*, 391 F. Supp.2d 181 (D.D.C. 2005), Newborn owns and operates websites containing material allegedly subject to the Copyright Act and the Lanham Act and Yahoo and Google operate websites known as search engines a tool used to locate material on the internet. Yahoo and Google operate as a type of electronic library catalogue. Newborn alleged that Yahoo and Google violated the Copyright Act by knowingly making available in commerce to other a quantitatively substantial part of the copyrighted information on Newborn’s websites. Yahoo and Google filed a motion to dismiss under FRCP 12(b)(6) and the Court granted the motion. Newborn (like the Plaintiffs in the instant case) relied on correspondence to the defendants to identify the infringed materials. The defendants sought dismissal of the action with prejudice because any amendment of the pleadings would be futile. Plaintiff did not respond to the contrary. *Newborn*, at 191. The Court held that Newborn failed to identify the material or materials to which he claims have been infringed and merely directed the Court and the defendants to various letters sent to the defendants. The Court held that these vague statements are simply insufficient to put the defendants on notice of the claims against them. The *Newborn* Court dismissed the action with prejudice.

Moreover, it is not the defendants’ burden to wade through various correspondence between the parties to determine which claims the plaintiff is asserting. This is even more true here, where the plaintiff concedes that some of the alleged infringing activity has stopped. . . and. . . it is unlikely that the plaintiff is asserting every allegation of infringement that was contained in an earlier correspondence.

Newborn, at 188 (citations omitted).

The *Newborn* Court rejected plaintiff's attempt to place great weight on the fact that plaintiff notified defendants of the alleged copyright infringements to remove defendants from the protection of the safe harbor provisions of the Digital Millennium Copyright Act. *Newborn*, at 188, fn.7.

“One infringes contributorily by intentionally inducing or encouraging direct infringement Although ‘[t]he Copyright Act does not expressly render anyone liable for infringement committed by another,’ the [doctrines] of secondary liability emerged from common law principles and are well established in the law.” *Newborn v. Yahoo! Inc. and Google Inc.*, 391 F. Supp.2d 181 (D.D.C. 2005) citing *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. —, —, 1125 S.Ct. 2764, 2776, 162 L.Ed. 2d 781 (2005).

In order to establish a claim of contributory copyright infringement, the plaintiff must allege (1) direct infringement by a third party; (2) knowledge by the defendant that third parties were directly infringing; and (3) substantial participation by the defendant in the infringing activities. *Newborn*, 391 F. Supp. at 186 (citations omitted). Merely supplying the means to accomplish an infringing activity cannot give rise to the imposition of liability for contributory copyright infringement. *Newborn*, at 186 (citing *Arista Records*, 2002 WL 1997918, at *5 (quoting *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417, 436, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984)).

To establish the second-prong of the contributory copyright infringement analysis-the knowledge requirement-is satisfied ‘in those cases where a party has been notified of specific infringing uses of its technology and fails to act to prevent further such infringing uses, or willfully blinds itself to such infringing

uses.’

Newborn, at 186 (citations omitted).

And to establish the third element of a contributory copyright infringement claim—that a defendant substantially participated in the infringing activity—a plaintiff must show ‘a relationship between the . . . services provided by the defendant and the alleged infringing activity as opposed to the mere operation of the website businesses.

Newborn, at 186 (citations omitted).

In the case at bar, Plaintiffs’ complaint alleged that defendant directly infringed their rights under the Copyright Act. Plaintiffs exclusive basis for filing a suit against defendant alleging direct infringement was because defendant’s name was on an account with Cox Communications. Plaintiffs then amended their complaint against defendant to allege that defendant was liable to plaintiffs under a theory of “contributory copyright infringement.”

The Copyright Act, provides at Section 505, as follows:

In any civil action under this title, the *court in its discretion may allow the recovery of full costs by or against any party* other than the United States or an officer thereof. Except as otherwise provided by this title, *the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.*

17 U.S.C. § 505 (2006)(emphasis added).

After *Newborn I*, the defendants Yahoo and Google moved the district court for attorney’s fees, expenses and costs pursuant to the Copyright Act, the Lanham Act, and 28 U.S.C. § 1927. *Newborn v. Yahoo! Inc. and Google Inc.*, ___ F. Supp.2d ___, 2006 WL1409769 (D.D.C. 5-23-06). Yahoo and Google argued that *Newborn*’s copyright claim was objectively without merit and frivolous and noted that plaintiff failed to allege any of the requisite elements

of a copyright infringement claim. Newborn opposed the attorney fee request and argued that he made numerous attempts to resolve this matter outside of the Court, he reasonably believed that he had met the requirement for filing a copyright claim, and he filed the action in good faith. The District Court rejected Newborn's arguments and concluded that the defendants were entitled to reasonable attorney's fees and costs pursuant to 17 U.S.C. § 505. "These deficiencies show that the plaintiff's complaint was both frivolous and objectively unreasonable and, therefore, that an award of reasonable attorney's fees and costs to the defendants is appropriate under 17 U.S.C. § 505. *See Fogerty*, 510 U.S. at 534 n. 19. *Newborn v. Yahoo! Inc. and Google Inc.*, ___ F. Supp.2d ___, 2006 WL1409769 *3, *4. In *Newborn*, the District Court reviewed the record and noted numerous factual and legal deficiencies concerning the essential elements of Newborn's copyright claim. *See Diamond Star Bldg. Corp. v. Sussex, Co. Builders*, 30 F.3d 503, 506 (4th Cir. 1994)("[W]hen a party has pursued a patently frivolous position, the failure of a district court to award attorney's fees and costs to the prevailing party will, except under the most unusual circumstances, constitute an abuse of discretion.").

B. Considerations in Determining Whether to Award Attorneys' Fees to Prevailing Party in Copyright Case

A nonexclusive laundry list of factors are relevant but none are a determinative guide to a Court in determining entitlement to an award of attorneys' fees as the prevailing party, Debbie Foster. *Assessment Technologies of WI, LLC v. Wiredata, Inc.*, 361 F.3d 434 (7th Cir. 2004).

The two most important considerations in determining whether to award attorneys' fees in a copyright case are the strength of the prevailing party's case and the amount of damages or other relief the party obtained. If the case was a toss-up and the prevailing party obtained generous damages, or injunctive relief

of substantial monetary value, there is no urgent need to add an award of attorneys' fees. Cf. *Mathias v. Accor Economy Lodging, Inc.*, 347 F.3d 672, 677 (7th Cir.2003). ***But if at the other extreme the claim or defense was frivolous and the prevailing party obtained no relief at all, the case for awarding him *437 attorneys' fees is compelling.*** As we said with reference to the situation in which the prevailing plaintiff obtains only a small award of damages, "the smaller the damages, provided there is a real, and especially a willful, infringement, the stronger the case for an award of attorneys' fees *[W]e go so far as to suggest, by way of refinement of the Fogerty standard, that the prevailing party in a copyright case in which the monetary stakes are small should have a presumptive entitlement to an award of attorneys' fees.*" *Gonzales v. Transfer Technologies, Inc.*, *supra*, 301 F.3d at 610; see also *Magnuson v. Video Yesteryear*, 85 F.3d 1424, 1432 (9th Cir.1996). ***When the prevailing party is the defendant, who by definition receives not a small award but no award, the presumption in favor of awarding fees is very strong. See Diamond Star Building Corp. v. Freed*, 30 F.3d 503, 506 (4th Cir.1994). *For without the prospect of such an award, the party might be forced into a nuisance settlement or deterred altogether from exercising his rights. . . . The point is only that when a meritorious claim or defense is not lucrative, an award of attorneys' fees may be necessary to enable the party possessing the meritorious claim or defense to press it to a successful conclusion rather than surrender it because the cost of vindication exceeds the private benefit to the party. The best illustration is in fact a case like this, where the party awarded the fees, being the defendant, could not obtain an award of damages from which to pay his lawyer no matter how costly it was for him to defend against the suit.***

Assessment Technologies of WI, 361 F.3d at 437 (emphasis added). The Seventh Circuit reasoned:

Although the ***plaintiff managed to obtain a judgment*** from the district court, and so we do not go so far as to call the suit frivolous, the suit was marginal, as we explained in our opinion. The plaintiff was rather transparently seeking to annex a portion of the intellectual public domain. ***And since the prevailing party was the defendant, it obtained no affirmative relief from its victory. Unless a party in that situation has a prospect of obtaining attorneys' fees, it will be under pressure to throw in the towel if the cost is less than the anticipated attorneys' fees.*** We suggested in our opinion that "for a copyright owner to use an infringement suit to obtain property protection, here in data, that ***copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively,***" could be a form of copyright misuse. 350 F.3d at 647. We

did not reach the question whether the plaintiff's conduct rose to the level of actual copyright misuse, but we made clear that it came close, and an award of attorneys' fees to the defendant is an appropriate sanction.

Assessment, at 437 (emphasis added). Awarding attorney fees is appropriate because defendant could not obtain an award of damages from which to pay her lawyer no matter how costly it was for her to defend against the suit. *Woodhaven Homes & Realty, Inc. v. Hotz*, 396 F.3d 822, 824-825 (7th Cir. 2005)(citing *Assessment Technologies*, 361 F.3d at 437).³

There is no requirement of bad faith in determining whether to award attorneys' fees and costs to a prevailing defendant in a copyright action. *Lowe v. Loud Records, et al.*, 126 Fed. Appx. 545 (3rd Cir. 2005). Once a court concludes that an award of attorney's fees and costs is appropriate, it must determine the reasonableness of the award under the circumstances. *Lowe*, 126 Fed. Appx 545, at *2 (citing *Lieb v. Topstone Indus., Inc.*, 788 F.2d 151, 156 (3rd Cir. 1986). The reasonableness may depend on such considerations as the complexity of the litigation, the relative financial strength of the parties, damages and the level of culpability of the offending party. *Lowe*, 126 Fed. Appx 545, at *2.

The district court can conclude that the losing party should pay even if all of the

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See Assessment Technologies of WI, LLC v. Wiredata, Inc., 350 F.3d 640, 647 (7th Cir. 2003) (doctrine of misuse prevents copyright holders from leveraging their limited monopoly to allow them control of areas outside the monopoly). *See also, Maverick Boat Co. v. American Marine Holdings, Inc.*, 418 F.3d 1186, 1192 (11th Cir. 2005)(district court award of attorney's fees to prevailing defendants in action alleging infringement of manufacturer's boat design was warranted in view of manufacturer's careless conduct surrounding its registration of design with copyright office, manufacturer's decision to turn a blind eye to reasonable doubt surrounding validity of its registration, impact of manufacturer's conduct on defendant competitor's businesses, and defendants incurring substantial legal expenses as a result of defending manufacturer's claims.).

arguments it made were reasonable. *Garcia-Goyco, et al. v. Law Environmental Consultants, Inc.*, 428 F.3d 14, 21 (1st Cir. 2005)(aff'd district court's holding that fees were justified because plaintiffs misused the copyright to leverage their position with respect to the contract and plaintiffs' copyright claim was otherwise not sufficiently strong to warrant the federal action, the purpose of the federal action being to bring state claims within the district court's jurisdiction). The First Circuit did not reach the issue of whether plaintiffs' misuse of a copyright is a defense to infringement. The First Circuit affirmed the district court's fee award to defendant and found that the district court was within its discretion in relying upon its own knowledge and experience regarding attorneys' rates and the local market. *Garcia-Goyco*, at 22 (citations omitted).

In the case at bar, Plaintiffs brought the federal action against Debbie Foster merely to identify any (potential) infringers of plaintiffs' copyrights. *Garcia-Goyco*, at 21.

In *Baker v. Urban Outfitters, Inc.*, - - - F. Supp.2d - - -, 2006 WL 1234966 (S.D.N.Y. 5-8-06). Baker, a professional photographer, filed a copyright infringement action against Urban Outfitters, a picture frame manufacturer. Urban inadvertently used a single photo taken by Baker. Upon being informed of Baker's claims Urban apologized for the mistake, voluntarily stopped selling the products at issue, and repeatedly offered to Baker settlements. Baker and his counsel decided to pursue expensive, time-consuming litigation and Urban filed a motion for costs and fees incurred in defending the action against Baker under the Copyright Act and Fed. R. Civ. P. 68, and against Baker's counsel under 28 U.S.C. § 1927 and the Court's inherent authority. The Court granted the motions.

Baker stipulated to the dismissal of his copyright infringement claims, his statutory

damages claims under 17 U.S.C. § 504 and attorney's fees claims under 17 U.S.C. § 505. *Baker*, - - - F.Supp. 2d - - - , 2006 WL 1234966, at *1-2. In *Baker*, discovery proceeded with great difficulty and was prolonged and complicated by Baker's conduct.

In the instant case, defendant Debbie Foster responded to plaintiffs' discovery and plaintiffs decided to continue the litigation and refused to dismiss Debbie Foster with prejudice. Plaintiffs filed two motions to dismiss Debbie Foster's counterclaims and then filed a third motion to dismiss Debbie Foster with prejudice.

The *Baker* Court considered Section 505 of the Copyright Act and the equitable factors applicable in exercising its discretion.

An award of attorney's fees and costs is not automatic but rather lies within the sole and rather broad discretion of the Court. *See, e.g., Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1011 (2d Cir.1995); *see also Lieb v. Topstone Indus., Inc.*, 788 F.2d 151, 156 (3d Cir.1986). ***In exercising their discretion, courts generally consider a number of equitable factors***, including the non-prevailing party's frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case), together with the need in particular circumstances to advance considerations of compensation and deterrence. *Lieb*, 788 F.2d at 156; *see also Fogerty*, 510 U.S. at 535 n. 19, 114 S.Ct. 1023 (citing *Lieb* factors with approval); *Matthew Bender & Co. v. West Publ'g Co.*, 240 F.3d 116, 121 (2d Cir.2001) (same).

Of the above factors, ***objective unreasonableness is one of the most significant factors*** and, in the Second Circuit in particular, it is given substantial weight in determining whether fees are warranted. *E.g., Matthew Bender & Co.*, 240 F.3d at 122; *Earth Flag Ltd. v. Alamo Flag Co.*, 154 F.Supp.2d 663, 666 (S.D.N.Y.2001). Indeed, a number of courts in this circuit have awarded attorneys' fees to prevailing defendants solely upon a showing that the plaintiff's position was objectively unreasonable, without regard to any other "equitable factor." *See, e.g., Adsani v. Miller*, No. 94 Civ. 9131, 1996 WL 194326, at *12-13, 1996 U.S. Dist. LEXIS 13740, at *41-42 (S.D.N.Y. Sept. 19, 1996).

Baker, - - - F.Supp. 2d - - -, 2006 WL 1234966, at *3-*4.

The *Baker* Court held that the equitable factors overwhelmingly weigh in favor of an award of

costs and fees because (1) this lawsuit was motivated by improper considerations, (2) the lawsuit was prosecuted in bad faith, (3) the factual and legal contentions advanced by the plaintiff were either frivolous or objectively unreasonable, and (4) there is a unique need in this case for both compensation and deterrence.

1. Improper Motivation

There is no precise rule to determine what a prevailing party seeking an award of costs and fees needs to establish. *See Fogerty*, 510 U.S. at 534, 114 S.Ct. 1023. However, the presence of improper motivation in bringing a lawsuit or other bad faith conduct weighs heavily in favor of an award of costs and fees. *See Matthew Bender & Co.*, 240 F.3d at 125-27.

The record in *Baker*, like the record of plaintiffs in the instant case, establishes plaintiffs improper motivation and otherwise acted in bad faith in bringing the lawsuit against Debbie Foster. First, prior to commencement of this action, plaintiffs knew that Debbie Foster did not engage in any infringing conduct and plaintiffs could not have been motivated to file this action to obtain an injunction against Debbie Foster. Second, Debbie Foster informed plaintiffs very early on that she had no knowledge of any infringement and requested specific details of the alleged infringement. *Baker* at pg. 9 Despite Debbie Foster's disclosures, plaintiffs refused to dismiss her with prejudice insisting instead that they were entitled to recover sums from her. Plaintiffs were not motivated to file and maintain this lawsuit to recover any profits or any fair and reasonable multiple thereof. Finally, the true motivation for the filing of the instant suit can be gleaned from the evidence in the District Court file. Thus rather than pursuing resolution of a fairly minor dispute in good faith, the record suggests that plaintiffs and their counsel filed and

maintained this suit in an attempt to extract a significant payment from perceived “deep pocket” defendant Debbie Foster (and in an attempt to garner publicity for plaintiffs and their lawyers. *See, Baker.*

Plaintiffs’ bad faith motivations may be inferred from the false allegations against Debbie Foster set forth in the complaint at ¶¶ 15-18 filed on November 18, 2004 [Doc. 1]. For example, Plaintiffs state:

Plaintiffs *are informed* and believe that *Defendant*, without the permission or consent of Plaintiffs, has *used, and continues to use*, an online media distribution system to download the Copyrighted Recordings, to *distribute the Copyrighted Recordings to the public, and/or to make the Copyrighted Recordings available for distribution to others*. In doing so, *Defendant has violated* Plaintiffs’ exclusive rights of reproduction and distribution. *Defendant’s actions* constitute infringement of Plaintiffs’ copyrights and exclusive rights under copyright. Complaint at ¶ 15. (emphasis added).

See Pro se Answer filed December 27, 2004. [Doc. 10].

The manifest bad faith alone entitles Debbie Foster to a full award of her costs and fees in this case. *Baker*, 2006 WL 1234966, at * 4.

2. Objective Unreasonableness

“Objective reasonableness” is a factor that should be given substantial weight in determining whether an award of attorneys’ fees is warranted. *Matthew Bender & Co. v. West Publ’g Co.*, 240 F.3d 116, 122 (2nd Cir. 2001). The most obvious example of the unreasonable nature of plaintiffs claims is the fact that throughout the course of the action, plaintiffs and their counsel continued to litigate against Debbie Foster and refused to dismiss her with prejudice.

3. Compensation and Deterrence

Debbie Foster had no choice but to engage counsel and expend resources to effect the

dismissal with prejudice of plaintiffs' claims. Under the circumstances the policies behind the Copyright Act would be violated by requiring Debbie Foster to bear her own costs and fees.

The expense of any litigation [sic] is considerable. Unless, therefore, some provision is made for financial protection to a litigant, if successful, it may not pay a party to defend rights, even if valid, a situation opposed to justice.... ***It is increasingly recognized that the person who forces another to engage counsel to vindicate, or defend, a right should bear the expense of such engagement and not his successful opponent***

Fogerty, 510 U.S. at 529, 114 S.Ct. 1023(quoting W. Strauss, *Damage Provisions of the Copyright Law*, Study No. 31 (H. Judiciary Comm. Print 1960)))(emphasis added).

Under the Copyright Act, 17 U.S.C. § 505, the Court must determine a “reasonable” award. The starting point of the attorney's fees calculation is the “lodestar” method, under which fees are determined by multiplying the number of hours reasonably expended on the litigation by a reasonable hourly rate.

Baker, 2006 WL 1234966, at *6 (citing *Hensley v. Eckerhart*, 461 U.S. 424, 433, 103 S.Ct. 1933, 76 L.Ed.2d 40 (1983); *Crescent Publ'g Group, Inc. v. Playboy Enters., Inc.*, 246 F.3d 142, 150 (2d Cir.2001); *Peer Int'l Corp. v. Max Music & Entm't, Inc.*, No. 03 Civ. 0996, 2004 WL 1542253, at *5, 2004 U.S. Dist. LEXIS 12760, at *15 (S.D.N.Y. July 9, 2004)).

Once the lodestar is established, there is a “strong presumption” that it is reasonable. *See City of Burlington v. Dague* 505 U.S. 557, 562, 112 S.Ct. 2638, 120 L.Ed.2d 449 (1992); *Lunday v. City of Albany*, 42 F.3d 131, 134 (2d Cir.1994); *Granada Sales Corp. v. Aumer*, No. 02 Civ. 6682, 2003 WL 21383821, at *3-4, 2003 U.S. Dist. LEXIS 10400, at *10 (S.D.N.Y. June 2, 2003). The party that asks the court to depart from the lodestar amount bears the burden of proving that such a departure is necessary to the calculation of a reasonable fee. *See City of Burlington*, 505 U.S. at 562, 112 S.Ct. 2638.

Baker, 2006 WL 1234966, at *7 (Court found no basis for departing from the lodestar in this case.).

No blame could be placed upon defendant Debbie Foster to support any infringement of copyrights held by plaintiffs. Defendant Debbie Foster did not infringe on plaintiffs' copyrights and did not act intentionally, willfully or in bad faith in violation of the Copyright Act.

Webloyalty.Com, Inc. v. Consummer Innovations, LLC, 388 F.Supp.2d 435, 442-443 (D. Dela. 2005)(blameworthiness of the defendant should be weighed heaviest in the court's analysis). An award of reasonable fees and costs tends to be the rule rather than the exception in actions for copyright infringement. *Webloyalty.Com*, at 443 (citations omitted). However, plaintiffs blameworthiness in prosecuting defendant Debbie Foster when they knew that she was no a proper defendant should be deterred by the Court through the assessment of attorneys' fees, costs, and expenses in favor of defendant Debbie Foster. The Supreme Court reasoned in *Fogerty*:

Because copyright law ultimately serves the purpose of enriching the general public through access to creative works, it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible. To that end, defendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement.

Id. at 527, 114 S.Ct. 1023.

See e.g., *Frank Music Corp. v. Sugg*, 393 F. Supp.2d 1145 (W.D. Okla. 2005)(defendant confessed liability for copyright infringement in response to motion for summary judgment and only issue for the court was amount of award, articulated factors to determine the amount of statutory damages for copyright infringement include expenses saved (such as licensing fees) and profits reaped by defendants in connection with the infringements, revenues lost by plaintiffs as a result of the infringing conduct, infringer's state of mind, and principles underlying Copyright Act are deterrence and discouragement of wrongful conduct). *Palladium Music, Inc.v. EatSleepMusic, Inc.*, 398 F.3d 1193, 1200 (10th Cir. 2005)(aff'd district court's decision to

grant summary judgment in favor of defendants in a copyright infringement action.⁴

Defendant Debbie Foster offered undisputed evidence in denial of plaintiffs prima facie case of infringement at all times material to this action.

IV. Fees And Costs Under 28 U.S.C. § 1927

An attorney of record in a case may be required personally to pay costs, expenses, and attorneys' fees that are caused by counsel's unreasonable and vexatious conduct. Section 1927 provides:

Any attorney or other person admitted to conduct cases in any court of the United States or any Territory thereof who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct.

28 U.S.C. § 1927.

United States v. Int'l Bhd. of Teamsters, 948 F.2d 1338, 1345 (2d Cir.1991)(Section 1927 imposes an obligation on attorneys throughout the entire litigation to avoid dilatory tactics.). An award under § 1927 is proper "when the attorney's actions are so completely without merit as to require the conclusion that they must have been undertaken for some improper purpose such as delay." *Baker*, 2006 WL 1234966, at *8 (citing *Oliveri v. Thompson*, 803 F.2d 1265, 1273 (2d

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To establish copyright infringement, a plaintiff must prove (1) ownership of a valid copyright and (2) unauthorized copying of constituent elements of the work that are original. *Palladium*, at 1196 (citations omitted). A plaintiff's presentation of a certificate of registration from the U.S. Copyright Office usually constitutes *prima facie* evidence of a valid copyright and of the facts stated in the certificate. Upon presentation of such a certificate, the defendant bears the burden to overcome the presumption of validity. To rebut the presumption, however, a defendant sued for infringement must simply offer some evidence or proof to dispute or deny the plaintiff's prima facie case of infringement. *Palladium*, at 1196 (citations omitted).

Cir.1986)(An award made under § 1927 also must be supported by a finding of bad faith similar to that necessary to invoke the court's inherent power.). In considering whether there has been bad faith, the court may consider the manner in which the action was brought and the manner in which it was litigated. *Baker*, 2006 WL 1234966, at *8 (citing *Oliveri*, at 1272). Bad faith may be inferred when “an attorney engages in conduct that is so objectively unreasonable that he necessarily must have been acting in bad faith.” *Baker*, 2006 WL 1234966, at *8 (citing *Forman v. Mt. Sinai Med. Ctr.*, 128 F.R.D. 591, 600 (S.D.N.Y.1989)). Sanctions under § 1927 are proper when there is clear evidence that the actions were entirely without color and were taken to harass, delay the proceedings, or for otherwise inappropriate reasons. *Baker*, 2006 WL 1234966, at *9 (citing *Dow Chem. Pac. Ltd. v. Rascator Mar. S.A.*, 782 F.2d 329, 344 (2d Cir.1986)).

“Courts' inherent power to control their own proceedings includes the power to impose appropriate monetary sanctions on counsel or a litigant, including the assessment of attorney's fees.” *Baker*, 2006 WL 1234966, at *9 (citing *Chambers v. NASCO, Inc.*, 501 U.S. 32, 44-45, 111 S.Ct. 2123, 115 L.Ed.2d 27 (1991))(Under this inherent power, ‘a court may assess attorney's fees when a party [or lawyer] has ‘acted in bad faith, vexatiously, wantonly, or for oppressive reasons.’ ” *Baker*, 2006 WL 1234966, at *7 citing *Chambers* at 45-46, 111 S.Ct. 2123 (citation omitted). The *Baker* Court noted: “For all practical purposes, ‘[t]he standard [for awarding costs and fees under the court's inherent power] is the same for awarding attorney's fees under 28 U.S.C. § 1927.’” *Baker*, 2006 WL 1234966, at *9 (citing *Agee v. Paramount Commc'ns*, 869 F.Supp. 209, 212 (S.D.N.Y.1994), *aff'd in part, rev'd in part on other grounds*, 59 F.3d 317 (2d Cir.1995)).

The award of sanctions under the court's inherent powers and under § 1927 essentially overlap, as the bad faith conduct that is necessary for a proper award of § 1927 sanctions is the same bad faith conduct that justifies an award of sanctions under the court's inherent powers. *See, e.g., Oliveri*, 803 F.2d at 1273; *Agee*, 869 F.Supp. at 212.

V. Conclusion

Wherefore the Court should grant defendant Debbie Foster, the prevailing party attorneys' fees, costs and expenses under the authorities set forth herein.

Respectfully submitted,
S:/Marilyn D. Barringer-Thomson
Marilyn D. Barringer-Thomson
OBA 11057
Post Office Box 54444
Oklahoma City, OK 73514
Telephone: 405-840-3101
Telecopier: 405-842-3843
-And-

Warren W. Henson, III
OBA 13084
4901 Richmond Square, Suite 104
Oklahoma City, OK 73118
Telephone: 405-843-3889
Telecopier: 405-843-0322
Counsel for Defendant

CERTIFICATE OF SERVICE

This is to certify that on this 7th day of August 2006, I electronically transmitted the above and forgoing to the Clerk of the Court using the ECF System for filing. Based on the electronic records current on file, the Clerk of the Court will transmit a Notice of Electronic Filing to the all ECF registrants in this case:

James C. Ruh
Colorado Bar 00927
HOLME ROBERTS & OWEN, LLP
1700 Lincoln, Suite 4100
Denver, CO 80203-4541
Telephone: 303-861-7000
Telecopier: 303-866-0200
Admitted *Pro Hac Vice*
Attorney for Plaintiffs

Colin G. Martin
OBA 19165
GARDERE WYNNE SEWELL LLP
1601 Elm Street, Suite 3000
Dallas, Texas 75201-4761
Telephone: 214-999-4227
Telecopier: 214-999-3227
cmartin@gardere.com
Attorney for Plaintiffs

Shawn Harrell
OBA 16660
McAFEE & TAFT, P.C.
Tenth Floor, Two Leadership
Square
211 North Robinson
Oklahoma City, OK 73102-7103
Telephone: 405-235-9621
Telecopier: 405-235-0439
Attorney for Plaintiffs

S:/Marilyn D. Barringer-Thomson

Marilyn D. Barringer-Thomson