

**FULL COST IN TRANSLATION:  
AWARDING EXPERT WITNESS FEES  
IN COPYRIGHT LITIGATION**

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*When deciding whether to bring or defend against copyright infringement claims, the cost of litigation plays a critical role in the minds of potential litigants. The cost of retaining experts, particularly, is a large factor in this calculus. Although U.S. courts generally require each party to cover the cost of their own legal fees during litigation, the Copyright Act of 1976 permits courts, in their discretion, to allow the prevailing party to recover “full costs.” Yet, the language “full costs” is considered ambiguous, which leads to inconsistent awards of costs among the appellate courts. The circuits disagree whether the Copyright Act merely allows parties to recover modest costs, such as docket fees and witness travel expenses, or to recover more substantial costs, like expert witness fees. Accordingly, the level of discretion afforded to a court can essentially be the difference between an award that includes nontaxable costs in the tens of millions of dollars and an award that does not include nontaxable costs at all. Recently, in Oracle USA, Inc. v. Rimini Street, Inc., the judgment awarded to the prevailing party included an additional \$12 million in costs because it was brought in a circuit that allows awards of nontaxable costs under the Copyright Act.*

*This Note concludes that the Copyright Act, as it stands, does not allow a court to award expert witness fees to a prevailing party. However, given the objectively important need for expert testimony in copyright litigation, this Note argues that Congress should amend the Copyright Act to allow for the shifting of expert fees at courts’ discretion.*

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#### INTRODUCTION

A critical issue in copyright law is finding the proper balance between a creator’s property rights to his work and the public’s access to that work.<sup>1</sup> To equally promote these competing interests within copyright litigation, fee shifting<sup>2</sup> is applied without favoritism to either a prevailing plaintiff or a

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1. See William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325, 326 (1989).

2. *Fee-shifting*, BLACK’S LAW DICTIONARY (10th ed. 2014) (“The transfer of responsibility for paying fees, esp[ecially] attorney’s fees, from the prevailing party to the losing party.”). For a discussion of competing philosophies regarding fee-shifting, see *infra* notes 14–30 and accompanying text.

prevailing defendant.<sup>3</sup> Because legal fees can greatly outweigh damages that a plaintiff may recover, the opportunity to recover costs can be a decisive factor when a plaintiff decides whether to file suit to enforce its copyrights.<sup>4</sup> Defendants too must grapple with the potential costs of litigation when deciding whether to defend against a copyright infringement claim or instead seek a quick settlement.<sup>5</sup>

Under 17 U.S.C. § 505, courts may exercise discretion in awarding parties “full costs” in copyright cases.<sup>6</sup> At the very least, full costs include taxable costs<sup>7</sup> under Rule 54(d)(1) of the Federal Rules of Civil Procedure, which are enumerated in 28 U.S.C. §§ 1920 and 1821.<sup>8</sup> However, circuit courts of appeals are split on whether nontaxable costs,<sup>9</sup> which are not included within the guidelines of §§ 1920 and 1821, are nonetheless recoverable under § 505 due to its broad language: “full costs.”<sup>10</sup>

This Note examines whether expert witness fees should be awarded as nontaxable costs to prevailing parties in copyright infringement cases. This Note concludes that courts should have discretion to award expert witness fees to parties as recoverable costs in copyright litigation. Given the need for expert witnesses in copyright litigation, allowing parties to recover expert fees maintains the balance between creators’ property rights and the public’s access to works. Because the U.S. Supreme Court’s current precedent does not allow for a judicial solution to address this need, Congress should amend § 505 to allow parties to recover expert fees in copyright litigation.

Part I provides relevant background regarding fee shifting in copyright, awards of costs, the language of § 505, and fee shifting in other intellectual property statutes. Part II examines the Copyright Act and potential remedies

3. See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994) (rejecting the dual standard in favor of equitable discretion to both prevailing plaintiffs and defendants). For more information on the “dual standard,” see *infra* notes 31–33 and accompanying text.

4. See Sandra Aistars, Devlin Harline & Mark Schultz, *Copyright Principles and Priorities to Foster a Creative Digital Marketplace*, 23 GEO. MASON L. REV. 769, 788 (2016).

5. See James Trigg, Bakari Brock & Andrew Pequignot, *A Question of Cost*, COPYRIGHT WORLD, May 2007, at 13, 14, <https://www.kilpatricktownsend.com/~media/Files/articles/AQuestionofCostRecentDecisionsontheCopyrightAct.ashx> [<https://perma.cc/T74A-E6RP>].

6. 17 U.S.C. § 505 (2012); *infra* note 52 and accompanying text.

7. *Taxable Cost*, BLACK’S LAW DICTIONARY (10th ed. 2014) (“A litigation-related expense that the prevailing party is entitled to as part of the court’s award.”). Taxable costs are not limited to costs that can have a tax imposed on them.

8. See *infra* notes 73–74 and accompanying text (characterizing the expenses generally covered as taxable costs).

9. This Note focuses primarily on expert fees as nontaxable costs. For a brief description of other nontaxable costs that may also be awarded, see *infra* note 82 and accompanying text.

10. Compare *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 429 F.3d 869, 885 (9th Cir. 2005) (permitting an award of expert witness fees after finding that to ignore the word “full” would fail to give every word in § 505 meaning), and *InvesSys, Inc. v. McGraw-Hill Cos.*, 369 F.3d 16, 19, 23 (1st Cir. 2004) (permitting an award of costs that included computer-aided legal research), with *Artisan Contractors Ass’n of Am. v. Frontier Ins. Co.*, 275 F.3d 1038, 1039–40 (11th Cir. 2001) (finding that expert witness fees were not taxable as costs because § 505 lacks any clear reference to witness fees), and *Pinkham v. Camex, Inc.*, 84 F.3d 292, 295 (8th Cir. 1996) (finding that the “full costs” language did not evidence congressional intent to award costs under § 505 differently from costs under other statutes).

for costly copyright litigation. Part III illustrates the conflict among the circuit courts regarding whether the Copyright Act allows for expert witness fees to be awarded as costs. Part IV concludes that, while the Copyright Act does not presently allow courts to award expert witness fees, the Act should be amended to allow for such awards.

#### I. THE FRAMEWORK FOR AWARDING COSTS IN COPYRIGHT LAW

In copyright law, a network of statutes and case law governs appropriate awards of costs. Although the extent of awardable costs is generally clear within federal law, the Copyright Act's fee-shifting provision has led to confusion among courts regarding what may be awarded in copyright infringement cases.<sup>11</sup> A notable strand of this confusion is whether prevailing parties are entitled to expert costs—often a significant component of litigation expenses.<sup>12</sup> Part I.A examines fee shifting and its purpose in both U.S. courts generally and in copyright law. Part I.B discusses awards of costs as a form of fee shifting, expert fees as a significant cost in copyright law, and what is required to allow for the shifting of expert fees. Part I.C examines the ambiguous language of “full costs” within the Copyright Act's fee-shifting provision, 17 U.S.C. § 505. Part I.D reviews the shifting of costs within other areas of intellectual property law: the Lanham Act and the Patent Act.

##### *A. Fee Shifting in U.S. Courts and Its Evolution Within Copyright Law*

In U.S. courts, fee shifting is generally not permitted absent statutory authority stating otherwise.<sup>13</sup> The Copyright Act grants such authority and allows courts to shift full costs and attorney's fees to both prevailing plaintiffs and defendants.

#### 1. Fee Shifting in U.S. Courts

Two rules govern competing fee-shifting philosophies.<sup>14</sup> The English rule requires the losing party to pay the prevailing party's legal fees.<sup>15</sup> In contrast, the American rule requires each party to pay its own legal fees absent a statute or contract providing otherwise.<sup>16</sup>

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11. *See infra* Part III (discussing the circuit split regarding the permissible scope of awards of costs under § 505).

12. *See infra* Part III.

13. Jane P. Mallor, *Punitive Attorneys' Fees for Abuses of the Judicial System*, 61 N.C. L. REV. 613, 613 (1983).

14. *See* Theodore Eisenberg & Geoffrey P. Miller, *The English Versus the American Rule on Attorney Fees: An Empirical Study of Public Company Contracts*, 98 CORNELL L. REV. 327, 328–29 (2013).

15. *Id.* at 329.

16. Mallor, *supra* note 13, at 613.

Federal fee-shifting statutes present variations of these two philosophies.<sup>17</sup> Such statutes authorize an award of fees to the prevailing party.<sup>18</sup> The Supreme Court defines prevailing parties as parties that obtain “enforceable judgments on the merits and court-ordered consent decrees.”<sup>19</sup> Fee-shifting statutes can allow for the recovery of both costs and attorney’s fees: “costs” refers to expenditures that the attorney pays to third parties to carry out a case, and “attorney’s fees” refers to the compensation an attorney earns for legal services rendered.<sup>20</sup> Thus, fee-shifting statutes that permit courts to require one party to pay another party’s fees constitute a significant departure from the longstanding American rule.<sup>21</sup>

Absent fee-shifting statutes, courts tend to favor the American rule because it discourages abusive clients and their attorneys from instituting unrestrained litigation or unreasonable fees, it prevents those with meritorious yet small claims from shying away from litigation to avoid being burdened with their opponents’ fees, and it avoids burdensome judicial administration resulting from litigation fees.<sup>22</sup> Nonetheless, the English rule also can provide benefits because it potentially deters frivolous or nonmeritorious lawsuits, reduces parties’ incentives to drive up their adversaries’ costs, and reduces the expected marginal costs of expenditures on a party’s attorney.<sup>23</sup>

Despite the common law’s adherence to the American rule, the Supreme Court has reaffirmed three major exceptions to the American rule that stem from common law: the common fund doctrine, the common benefit doctrine, and the bad faith doctrine.<sup>24</sup> Under the common fund doctrine, attorneys “are entitled to reasonable compensation for their professional services in establishing a lien, in behalf of the unsecured creditors.”<sup>25</sup> Under the common benefit doctrine—a derivative of the common fund doctrine—“a litigant or a lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorney’s fee from the fund as a whole.”<sup>26</sup> And under the bad faith doctrine, “a federal court

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17. See Eisenberg & Miller, *supra* note 14, at 329.

18. *Prevailing Party*, BLACK’S LAW DICTIONARY (10th ed. 2014) (“A party in whose favor a judgment is rendered, regardless of the amount of damages awarded . . .”).

19. *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep’t of Health & Human Res.*, 532 U.S. 598, 604 (2001) (“[E]nforceable judgments on the merits and court-ordered consent decrees create the ‘material alteration of the legal relationship of the parties’ necessary to permit an award of attorney’s fees.” (quoting *Tex. State Teachers Ass’n v. Garland Indep. Sch. Dist.*, 489 U.S. 782, 792–93 (1989))).

20. See *infra* notes 57–60 and accompanying text.

21. See Mallor, *supra* note 13, at 613–14.

22. Mary Jo Hudson, Comment, *Expert Witness Fees as Taxable Costs in Federal Courts—the Exceptions and the Rule*, 55 U. CIN. L. REV. 1207, 1211 (1987).

23. Eisenberg & Miller, *supra* note 14, at 335–36.

24. Samuel R. Berger, *Court Awarded Attorneys’ Fees: What Is “Reasonable”?*, 126 U. PA. L. REV. 281, 295 (1977).

25. *Cent. R.R. & Banking Co. v. Pettus*, 113 U.S. 116, 127 (1884).

26. *Boeing Co. v. Van Gemert*, 444 U.S. 472, 478 (1980).

may award counsel fees to a successful party when his opponent has acted ‘in bad faith, vexatiously, wantonly, or for oppressive reasons.’”<sup>27</sup>

An approach that relies on bad faith as a prerequisite for an award to a prevailing plaintiff or defendant has been criticized as potentially disadvantaging defendants.<sup>28</sup> The “inquiry into a non-prevailing plaintiff’s culpability goes solely to the conduct of the litigation,” whereas the “inquiry concerning a non-prevailing defendant emphasizes, in addition or in the alternative, the underlying infringing activities.”<sup>29</sup> Accordingly, defendants will be found culpable much more often under this inquiry.<sup>30</sup>

Although most fee-shifting statutes do not distinguish between prevailing plaintiffs and prevailing defendants, the Supreme Court has held that a dual standard applies to parties suing under several civil rights statutes.<sup>31</sup> Under this dual standard, prevailing plaintiffs are awarded fees whereas prevailing defendants are not.<sup>32</sup> This seeks to encourage potential plaintiffs to bring meritorious claims that vindicate the public interest, such as civil rights claims, without deterring those plaintiffs with the possibility of having to pay a prevailing defendant’s fees.<sup>33</sup>

However, the dual standard does not apply to fee shifting under the Copyright Act. In *Fogerty v. Fantasy, Inc.*,<sup>34</sup> the Court held that, unlike civil rights claims, defendants with meritorious defenses to copyright claims “should be encouraged to litigate them to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement.”<sup>35</sup> This is because a successful defense of a creative work could lead to its increased public exposure, which would allow for further creativity.<sup>36</sup> Thus, successful copyright infringement claims *and* defenses can further the goals of the Copyright Act.<sup>37</sup> Because copyright law attempts to balance creators’

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27. *Hall v. Cole*, 412 U.S. 1, 5 (1973) (quoting 6 JAMES WM. MOORE, MOORE’S FEDERAL PRACTICE ¶ 54.77 (2d ed. 1972)).

28. Peter Jaszi, *505 and All That—the Defendant’s Dilemma*, 55 LAW & CONTEMP. PROBS. 107, 118–19 (1992).

29. *Id.* at 118.

30. *See id.* at 118–19.

31. *See* *Indep. Fed’n of Flight Attendants v. Zipes*, 491 U.S. 754, 758–59 (1989) (holding that the dual standard applied to parties suing under several civil rights statutes despite the statutes not distinguishing between prevailing plaintiffs and defendants). For example, regarding 42 U.S.C. § 2000a-3, the Court noted that this constraint was “necessary to carry out Congress’ intention that individuals injured by racial discrimination act as “private attorney[s] general,” vindicating a policy that Congress considered of the highest priority.” *Id.* at 759 (alteration in original) (quoting *Newman v. Piggie Park Enters.*, 390 U.S. 400, 402 (1968) (per curiam)). This rationale was also applied to the Emergency School Aid Act, 20 U.S.C. § 1617, and Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5(k). *See id.* at 758–59.

32. *See id.* at 759.

33. CONG. RESEARCH SERV., 94-970, AWARDS OF ATTORNEYS’ FEES BY FEDERAL COURTS AND FEDERAL AGENCIES 11 (2009).

34. 510 U.S. 517 (1994).

35. *Id.* at 527.

36. *See id.*

37. *Id.*

property rights with the public's access to a work,<sup>38</sup> § 505 allows for fee shifting without favoritism toward either a prevailing plaintiff or prevailing defendant to equally promote these interests.<sup>39</sup>

## 2. The Evolution of Fee Shifting Within Copyright Law

Today, the Copyright Act permits fee shifting pursuant to 17 U.S.C. § 505, which provides:

In any civil action under [the Copyright Act], *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.<sup>40</sup>

Despite its simple language, § 505 has undergone minor changes with each iteration of the Copyright Act.

The Copyright Act of 1790 was the first federal copyright statute enacted in the United States.<sup>41</sup> The 1790 Act's stated purpose was to encourage "learning, by securing the copies of maps, charts, and books, to the authors and proprietors of such copies."<sup>42</sup> At the time, copyright protection was not nearly as expansive as it is today.<sup>43</sup> The 1790 Act lacked any provision allowing awards of costs or attorney's fees to a prevailing party.<sup>44</sup>

The Copyright Act of 1831 was the first revision permitting plaintiffs to recover costs.<sup>45</sup> It stated "[t]hat, in all recoveries under [the Act], either for damages, forfeitures, or penalties, full costs shall be allowed thereon."<sup>46</sup> This language *required* courts to award costs without giving them discretion. This iteration did not mention attorney's fees as a possible award.<sup>47</sup>

The Copyright Act of 1909, however, added attorney's fees as another recoverable item.<sup>48</sup> Leaving the phrase "full costs" untouched, it provided "[t]hat in all actions, suits, or proceedings under [the Act], except when

38. *See supra* note 1 and accompanying text.

39. *See supra* note 3 and accompanying text.

40. 17 U.S.C. § 505 (2012) (emphasis added).

41. Copyright Act of 1790, ch. 15, 1 Stat. 124 (repealed 1802).

42. *Id.* In 1984, the Supreme Court reaffirmed the stated purpose of the 1790 Act. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

43. The 1790 Act provided for an initial copyright term of only fourteen years and limited this protection to books, charts, and maps. Copyright Act of 1790, ch. 15, § 1, 1 Stat. at 124. Today, copyright protection is much broader and allows for copyright terms of potentially ninety-five years because it extends protection nonexclusively to literary works; musical works; dramatic works; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works. 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §§ 2.02–.03 (rev. ed. 2018).

44. *See generally* Copyright Act of 1790, ch. 15, 1 Stat. 124.

45. Copyright Act of 1831, ch. 16, § 12, 4 Stat. 436, 438–39.

46. *Id.*

47. This was not unique to the Copyright Act at this time: no federal statute permitted attorney's fees from 1800 to 1853. John F. Vargo, *The American Rule on Attorney Fee Allocation: The Injured Person's Access to Justice*, 42 AM. U. L. REV. 1567, 1576 (1993).

48. Copyright Act of 1909, ch. 320, § 40, 35 Stat. 1075, 1084.

brought by or against the United States or any officer thereof, full costs shall be allowed, and the court may award to the prevailing party a reasonable attorney's fee as part of the costs."<sup>49</sup> Unlike costs, which remained mandatory, attorney's fees were permissive and awarded at the court's discretion.<sup>50</sup>

The modern copyright statute, the Copyright Act of 1976, made the award of costs permissive as well.<sup>51</sup> Section 505 now provides that costs, like attorney's fees, should be granted at the discretion of the court.<sup>52</sup> This was a "substantial departure" from the previous Act,<sup>53</sup> under which courts routinely recognized that an award of full costs was mandatory.<sup>54</sup> Under the 1976 Act, only the prevailing party may recover attorney's fees, whereas costs may be awarded to either the prevailing party or the losing party where a losing party is forced to go to trial after offering to consent to judgment.<sup>55</sup>

In short, an award of costs was recognized and made mandatory under the 1831 Act and remained so for nearly a century and a half until the 1976 Act made an award of costs permissive.<sup>56</sup>

### B. Awards of Costs

Costs are distinct from attorney's fees,<sup>57</sup> and fee-shifting statutes often draw a distinction between these two items.<sup>58</sup> Attorney's fees are the compensation an attorney earns for legal services.<sup>59</sup> Costs are the expenditures that the attorney pays to third parties to carry out a case.<sup>60</sup> The extent of these expenditures to third parties that a prevailing party may be

49. *Id.*

50. *Id.*

51. *See* 17 U.S.C. § 505 (2012).

52. *Id.*

53. *Quinto v. Legal Times of Wash., Inc.*, 511 F. Supp. 579, 580 (D.D.C. 1981).

54. *See, e.g.*, *Simon & Flynn, Inc. v. Time, Inc.*, 513 F.2d 832, 835 (2d Cir. 1975); *Edward B. Marks Music Corp. v. Foulton*, 171 F.2d 905, 908 (2d Cir. 1949); *Krafft v. Cohen*, 38 F. Supp. 1022, 1023 (E.D. Pa. 1941). *But see* *Rosette v. Rainbo Record Mfg. Corp.*, 354 F. Supp. 1183, 1195 (S.D.N.Y. 1973) (ignoring the mandatory fee-shifting provision); *Sweet Music, Inc. v. Melrose Music Corp.*, 189 F. Supp. 655, 659 (S.D. Cal. 1960) (same); *Harrington v. Mure*, 186 F. Supp. 655, 659 (S.D.N.Y. 1960) (same); *Vernon v. Sam S. & Lee Shubert, Inc.*, 220 F. 694, 696 (S.D.N.Y. 1915) (refusing to award costs where the lawsuit was brought in good faith).

55. *See, e.g.*, *Warner Bros. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1128–29 (2d Cir. 1989) (denying attorney's fees but affirming costs where a vexatious plaintiff forced a defendant to trial after the defendant offered to consent to judgment).

56. *See* 4 NIMMER & NIMMER, *supra* note 43, § 14.09.

57. *See, e.g.*, *People v. U.S. Fire Ins. Co.*, 149 Cal. Rptr. 3d 196, 199 (Ct. App. 2012) ("Attorney fees and the expenses of litigation, whether termed costs, disbursements, outlays, or something else, are mutually exclusive."); *Johnson v. Jarvis*, 107 So. 3d 428, 429 (Fla. Dist. Ct. App. 2012) ("Costs and attorney's fees are not one and the same.").

58. *See, e.g.*, 15 U.S.C. § 1117(a) (2012); 17 U.S.C. § 505 (2012); 35 U.S.C. §§ 284–285 (2012).

59. *Attorney's Fee*, BLACK'S LAW DICTIONARY (10th ed. 2014) ("The charge to a client for services performed for the client, such as an hourly fee, a flat fee, or a contingent fee.").

60. *Cost*, BLACK'S LAW DICTIONARY (10th ed. 2014) ("The expenses of litigation, prosecution, or other legal transaction, esp[ecially] those allowed in favor of one party against the other.").



entitled to recover in copyright infringement cases is a subject of controversy.<sup>61</sup> Although courts have general authority to award costs to prevailing parties, expert witness fees—which are often crucial in copyright litigation<sup>62</sup>—may not be awarded without explicit statutory authorization.<sup>63</sup>

### 1. Rule 54(d)(1) of the Federal Rules of Civil Procedure

Rule 54(d)(1) of the Federal Rules of Civil Procedure provides that “[u]nless a federal statute, [the Federal Rules of Civil Procedure], or a court order provides otherwise, costs—other than attorney’s fees—should be allowed to the prevailing party.”<sup>64</sup> The Supreme Court has noted that the language of this Rule codifies a presumption that all prevailing parties are entitled to costs.<sup>65</sup> Still, the Court made clear that the word “should” suggests that, absent statutory authority providing otherwise, awards of costs ultimately lie within a trial judge’s discretion.<sup>66</sup>

Although the Court has not articulated the exact factors that should permit an award of attorney’s fees to prevailing parties in copyright litigation, it has made clear that bad faith<sup>67</sup> is not the only condition that will permit such an award.<sup>68</sup> Frivolousness, motivation, objective unreasonableness, compensation, and deterrence constitute nonexclusive factors courts may consider in deciding whether to award costs and attorney’s fees, so long as the award is “faithful to the purposes of the Copyright Act.”<sup>69</sup>

### 2. Taxable Costs

“Costs” is a term of art that is not synonymous with expenses.<sup>70</sup> Litigants incur a variety of expenses throughout the course of litigation—from modest sums like filing fees to enormous sums spent for attorneys and expert witnesses.<sup>71</sup> Still, prevailing parties are not entitled to recover *all* of these expenses.<sup>72</sup>

Presumptive awards of costs permitted under Rule 54(d) are those costs that Congress has defined as taxable under 28 U.S.C. § 1920.<sup>73</sup> Section 1920 provides:

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61. *See infra* Part III (discussing the circuit split regarding the permissible scope of awards of costs under § 505).

62. *See infra* Part II.A.2.

63. *See infra* Part I.B.4.

64. FED. R. CIV. P. 54(d)(1).

65. *Marx v. Gen. Revenue Corp.*, 568 U.S. 371, 377 (2013) (holding that 15 U.S.C. § 1692k(a)(3) did not displace discretion to award costs under Rule 54(d)(1)).

66. *Id.*

67. *See supra* note 27 and accompanying text.

68. *See Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 532 n.18 (1994).

69. *Id.* at 534 n.19.

70. 10 JAMES WM. MOORE, MOORE’S FEDERAL PRACTICE § 54.103 (Daniel R. Coquillette et al. eds., 3d ed. 2018).

71. *Id.*

72. *Id.*

73. *Crawford Fitting Co. v. J. T. Gibbons, Inc.*, 482 U.S. 437, 441 (1987).

A judge or clerk of any court of the United States may tax as costs the following:

- (1) Fees of the clerk and marshal;
- (2) Fees for printed or electronically recorded transcripts necessarily obtained for use in the case;
- (3) Fees and disbursements for printing and witnesses;
- (4) Fees for exemplification and the costs of making copies of any materials where the copies are necessarily obtained for use in the case;
- (5) Docket fees under section 1923 of this title;
- (6) Compensation of court appointed experts, compensation of interpreters, and salaries, fees, expenses, and costs of special interpretation services under section 1828 of this title.

The witness fees described in § 1920(3) are further defined in 28 U.S.C. § 1821.<sup>74</sup>

The Supreme Court has held that 28 U.S.C. §§ 1920 and 1821 “define the full extent of a federal court’s power to shift litigation costs absent express statutory authority to go further.”<sup>75</sup> Therefore, absent a statutory provision providing otherwise, federal courts generally cannot award additional costs beyond those enumerated in § 1920 and § 1821.<sup>76</sup> Courts cannot supersede the limits these sections impose without “plain evidence of congressional intent to supersede those sections.”<sup>77</sup>

Expert witnesses, just like any other witnesses, are entitled to the fees defined under § 1821.<sup>78</sup> However, trained and experienced experts with valuable time, talents, and specialized knowledge generally require compensation beyond what § 1821 covers.<sup>79</sup> Accordingly, a substantial majority of expert witness fees accrued by litigants in copyright infringement cases are not covered as taxable costs.<sup>80</sup>

### 3. Expert Witness Fees as Nontaxable Costs

Nontaxable costs are all other costs not specifically enumerated under § 1920 and § 1821. Absent “plain evidence of congressional intent to supersede [these sections],” courts may not award these costs.<sup>81</sup> Nontaxable costs can include modest litigation expenses such as “postage, delivery services . . . , long distance calls, copy costs, brief binding, copies of deposition transcripts, costs of investigation, computerized legal research,

74. Section 1821 allows for an attendance fee of forty dollars per day for witnesses in U.S. courts and further entitles such witnesses to reimbursement for travel and subsistence expenses. 28 U.S.C. § 1821 (2012).

75. *W. Va. Univ. Hosps., Inc. v. Casey*, 499 U.S. 83, 86 (1991).

76. *See infra* Part I.B.4.

77. *Crawford Fitting*, 482 U.S. at 445.

78. *See* Horace L. Bomar, Jr., Note, *The Compensation of Expert Witnesses*, 2 LAW & CONTEMP. PROBS. 510, 510 (1935).

79. *See id.*; *infra* notes 84–86 and accompanying text.

80. *See infra* notes 84–86 and accompanying text.

81. *Crawford Fitting*, 482 U.S. at 445; *see also infra* Part I.B.4 (discussing what constitutes “plain evidence of congressional intent”).

and travel expenses for witnesses.”<sup>82</sup> However, nontaxable costs can also include more substantial expenses like expert witness fees in copyright litigation.<sup>83</sup> Like lawyers, expert witnesses charge hourly rates.<sup>84</sup> A recent survey estimated that the average fee for an expert is \$513 per hour for trial testimony, \$483 per hour for deposition testimony, and \$383 per hour for file review and case preparation.<sup>85</sup> If a prevailing party is not entitled to recover nontaxable costs, that party may only be able to recover an expert’s \$40 per day attendance fee for testifying in a deposition or trial—far less than an expert’s total fees.<sup>86</sup>

The Federal Circuit has found that absent statutory authority, a prevailing party can recover expert witness fees upon a finding of bad faith.<sup>87</sup> The Supreme Court has reaffirmed that federal courts have inherent power to impose sanctions in the form of an award of costs and attorney’s fees to a prevailing party *in excess* of what is provided by statute.<sup>88</sup> Such sanctions are appropriate “when a party has ‘acted in bad faith, vexatiously, wantonly, or for oppressive reasons.’”<sup>89</sup> This standard is very stringent, and thus is not a reliable method for shifting expert witness fees.<sup>90</sup> Therefore, without sanctionable behavior, statutory authority, or contractual authority, an award of expert fees likely will not be included in an award of costs.

#### 4. What Is Plain Evidence of Congressional Intent?

In *Crawford Fitting Co. v. J. T. Gibbons, Inc.*,<sup>91</sup> the Supreme Court explained that although Congress has the power to expand the realm of

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82. Michael Northrup, *Restrictions on Class-Action Attorney-Fee Awards*, 46 S. TEX. L. REV. 953, 965–66 (2005).

83. See Douglas Lichtman, *Copyright as a Rule of Evidence*, 52 DUKE L.J. 683, 709 (2003) (calling experts the “culprits” for high costs in copyright litigation).

84. TERENCE P. ROSS, *INTELLECTUAL PROPERTY LAW: DAMAGES AND REMEDIES* § 8.09 (2011).

85. See JAMES J. MANGRAVITI, JR., STEVEN BABITSKY & NADINE NASSER DONOVAN, 2017 SEAK, INC., *SURVEY OF EXPERT WITNESS FEES 2* (2017).

86. 28 U.S.C. § 1821(b) (2012).

87. See, e.g., *iLOR, LLC v. Google, Inc.*, 631 F.3d 1372, 1380 (Fed. Cir. 2011) (“[A] court can invoke its inherent power to award [expert] fees in exceptional cases based upon a finding of bad faith.”); *Takeda Chem. Indus. v. Mylan Labs.*, 549 F.3d 1381, 1391 (Fed. Cir. 2008) (“[A] district court may invoke its inherent power to impose sanctions in the form of reasonable expert fees in excess of what is provided for by statute.”); *Amsted Indus. v. Buckeye Steel Castings Co.*, 23 F.3d 374, 378 (Fed. Cir. 1994) (“[A] trial court can invoke its inherent sanctioning power to impose expert witness fees in excess of the section 1821(b) cap.”); *Mathis v. Spears*, 857 F.2d 749, 758 (Fed. Cir. 1988) (“28 U.S.C. § 1821 does not limit the amount of expert witness fees included in awards of attorney fees, even in the absence of a statute requiring a finding of bad faith or other egregious conduct making a case ‘exceptional.’”).

88. See *Chambers v. NASCO, Inc.*, 501 U.S. 32, 42, 50 (1991); ROSS, *supra* note 84, § 8.09.

89. *Chambers*, 501 U.S. at 45–46 (quoting *Alyeska Pipeline Serv. Co. v. Wilderness Soc’y*, 421 U.S. 240, 258–59 (1975)).

90. See Jay E. Rosenblum, *The Appropriate Standard of Review for a Finding of Bad Faith*, 60 GEO. WASH. L. REV. 1546, 1550–54 (1992).

91. 482 U.S. 437 (1987).

recoverable costs, it is not presumed to have done so without “explicit statutory . . . authorization.”<sup>92</sup> Thus, a court may not assess nontaxable costs against a losing party unless there is “plain evidence of congressional intent to supersede [§ 1920 and § 1821].”<sup>93</sup>

In *West Virginia University Hospitals, Inc. v. Casey*,<sup>94</sup> the Supreme Court further clarified that neither the term “attorney’s fee” nor the term “costs” allows for the shifting of expert fees.<sup>95</sup> The statute at issue in *West Virginia University Hospitals*, 42 U.S.C. § 1988, did not contain any provision explicitly referring to costs beyond § 1920 and § 1821 at the time the case was decided.<sup>96</sup> However, just over a week prior to the enactment of § 1988, several other statutes were enacted that did explicitly permit fee shifting for expert witness fees.<sup>97</sup> Every statute referenced in *West Virginia University Hospitals* that was determined to permit the shifting of expert fees specifically included the word “expert.”<sup>98</sup> Accordingly, the Court found that the statute at issue—which lacked similar language before it was later amended—did not allow for the recovery of expert witness fees.<sup>99</sup>

In *Arlington Central School District Board of Education v. Murphy*,<sup>100</sup> the Supreme Court revisited this issue in the context of the Individuals with Disabilities Education Act and made clear that the term “reasonable attorneys’ fees” also failed to explicitly permit the recovery of expert fees, even if legislative history supported permitting recovery.<sup>101</sup>

All fee-shifting provisions in the three key federal acts governing patent, trademark, and copyright law—enacted in 1790, 1946, and 1976 respectively—lack express language referring to expert witness fees.<sup>102</sup> However, in the context of trade secrets, an area of intellectual property generally governed by state law,<sup>103</sup> modern state legislatures have started to

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92. *See id.* at 445.

93. *Id.*

94. 499 U.S. 83 (1991).

95. *Id.* at 87 n.3, 102.

96. *See id.*

97. *See id.* at 88. For example, the Toxic Substances Control Act contained provisions allowing a prevailing party to recover “costs of suit and reasonable fees for attorneys and expert witnesses,” 15 U.S.C. §§ 2618(d), 2619(c)(2) (1988) (emphasis added); the Resource Conservation and Recovery Act allowed shifting the “costs of litigation (including reasonable attorney and expert witness fees),” 42 U.S.C. § 6972(e) (1988) (emphasis added); and the Natural Gas Pipeline Safety Act allowed shifting the “costs of suit, including reasonable attorney’s fees and reasonable expert witness fees,” 49 U.S.C. app. § 1686(e) (1988) (emphasis added). For a nonexhaustive list of thirty-four statutes that explicitly shift attorney’s fees and expert witness fees, see *W. Va. Univ. Hosps.*, 499 U.S. at 89 n.4.

98. *W. Va. Univ. Hosps.*, 499 U.S. at 89 n.4.

99. *Id.* at 102. After *West Virginia University Hospitals*, § 1988(c) was amended to provide that “[i]n awarding an attorney’s fee . . . , the court, in its discretion, may include expert fees as part of the attorney’s fee.” 42 U.S.C. § 1988(c) (2012).

100. 548 U.S. 291 (2006).

101. *See id.* at 304.

102. *See* 15 U.S.C. § 1117(a) (2012); 17 U.S.C. § 505 (2012); 35 U.S.C. § 284 (2012).

103. *See Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1001–04 (1984). In certain circumstances, trade secret protection is provided by federal statutes. *See, e.g.*, Freedom of

expressly allow for the recovery of costs to include expert witness fees where there is bad faith in trade secret misappropriation claims.<sup>104</sup> Still, these statutes merely mirror existing federal doctrine allowing for an award of expert fees where a party has engaged in sanctionable behavior.<sup>105</sup>

### C. “Full Costs”

Don’t use words too big for the subject. Don’t say “infinitely” when you mean “very”; otherwise you’ll have no word left when you want to talk about something *really* infinite.

—C. S. Lewis<sup>106</sup>

Unlike the other intellectual property acts, § 505 of the Copyright Act ambiguously allows courts to award “full costs.”<sup>107</sup> Although this language is rare in the context of federal fee shifting, it has been used elsewhere in the U.S. Code.

#### 1. Ambiguity in 17 U.S.C. § 505

Despite the Supreme Court’s seemingly straightforward holdings in *Crawford Fitting*, *West Virginia University Hospitals*, and *Murphy*,<sup>108</sup> the language of § 505 has continuously led to disparate results among the circuit courts of appeals.<sup>109</sup> One view is that interpreting § 505 as limiting costs to taxable costs will “read[] the word ‘full’ out of the statute.”<sup>110</sup> Accordingly, nontaxable costs that lie outside the scope of 28 U.S.C. § 1920 may be awarded to avoid “mak[ing] surplusage of any provision.”<sup>111</sup> Still, there is a strong argument that § 505’s lack of any clear reference to expert witness fees or other nontaxable costs simply does not constitute clear congressional intent to treat § 505 costs differently from those in other statutes.<sup>112</sup>

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Information Act, 5 U.S.C. § 552(b)(4) (2012); Economic Espionage Act, 18 U.S.C. §§ 1831–1832 (2012); Trade Secret Act, 18 U.S.C. § 1905 (2012).

104. *See, e.g.*, CAL. CIV. CODE § 3426.4 (2019); N.J. STAT. § 56:15-6 (2018). For example, section 3426.4 of the California Civil Code provides:

If a claim of misappropriation is made in bad faith, a motion to terminate an injunction is made or resisted in bad faith, or willful and malicious misappropriation exists, the court may award reasonable attorney’s fees and costs to the prevailing party. Recoverable costs hereunder shall include a reasonable sum to cover the services of expert witnesses, who are not regular employees of any party, actually incurred and reasonably necessary in either, or both, preparation for trial or arbitration, or during trial or arbitration, of the case by the prevailing party.

105. *See supra* notes 87–89 and accompanying text.

106. Letter from C. S. Lewis to Joan (June 26, 1926), in C. S. LEWIS, LETTERS TO CHILDREN 63, 64 (Lyle W. Dorsett & Marjorie Lamp Mead eds., 1985).

107. 17 U.S.C. § 505 (2012); *see also infra* Part I.D.

108. *See supra* Part I.B.4.

109. *See infra* Part III; *see also supra* note 10 and accompanying text.

110. *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 429 F.3d 869, 885 (9th Cir. 2005).

111. *Id.*

112. *See Artisan Contractors Ass’n of Am. v. Frontier Ins. Co.*, 275 F.3d 1038, 1040 (11th Cir. 2001).

## 2. Federal Fee-Shifting Provisions That Allow “Full Costs”

The phrase “full costs” is not unique to § 505. The phrase also appears in 17 U.S.C. § 911(f), 28 U.S.C. § 4001(g), and 47 U.S.C. §§ 553(c)(2)(C) and 605(e)(3)—each a fee-shifting provision that allows for the recovery of full costs within its statutory framework.<sup>113</sup> Unfortunately, courts have not had occasion to interpret whether 17 U.S.C. § 911(f)<sup>114</sup> or 28 U.S.C. § 4001(g)<sup>115</sup> provide for nontaxable costs beyond the taxable costs that 28 U.S.C. §§ 1920 and 1821 permit.<sup>116</sup> Courts have, however, interpreted 47 U.S.C. §§ 553(c)(2)(C) and 605(e)(3).

47 U.S.C. § 553(c)(2)(C)—which applies to disputes involving the unauthorized reception of cable service—provides that courts may “direct the recovery of full costs, including awarding reasonable attorneys’ fees to an aggrieved party who prevails.” Courts have found that full costs in these cases can include investigative costs<sup>117</sup>—costs beyond what 28 U.S.C. § 1920 contemplates.<sup>118</sup> Investigative costs have been awarded to a prevailing party under this statute where the plaintiffs were forced to incur a substantial cost to hire an investigative agency to stop a debtor from causing harm, which was itself an injury.<sup>119</sup>

47 U.S.C. § 605(e)(3)—which applies to disputes involving unauthorized publication or use of communications—provides that when a person aggrieved by a violation of subsection (a) of the statute brings a civil action, the court “shall direct the recovery of full costs, including awarding reasonable attorneys’ fees to an aggrieved party who prevails.” Like 47 U.S.C. § 553(c)(2)(C), courts have discretion to allow for recovery of

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113. 17 U.S.C. § 911(f) (2012); 28 U.S.C. § 4001(g) (2012); 47 U.S.C. §§ 553(c)(2)(C), 605(e)(3) (2012).

114. 17 U.S.C. § 911(f) provides that “[i]n any civil action arising under . . . chapter [9], the court in its discretion may allow the recovery of full costs, including reasonable attorneys’ fees, to the prevailing party” in disputes involving mask work fixed in semiconductor chip products. The Federal Circuit found this section to be “commensurate with 17 U.S.C. § 505 of the copyright statute.” *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1582 (Fed. Cir. 1992).

115. 28 U.S.C. § 4001(g) provides that “the court in its discretion may allow the recovery of full costs by or against any party and may also award a reasonable attorney’s fee to the prevailing party as part of the costs” in disputes arising from contractual obligations related to transfers of rights in motion pictures.

116. As of February 5, 2019, research has not identified any cases discussing the “full costs” language in these statutes.

117. *See, e.g.*, *CSC Holdings, Inc. v. KDE Elecs. Corp.*, No. 99 C 1556, 2000 WL 284005, at \*6 (N.D. Ill. Mar. 13, 2000); *Time Warner Entm’t/Advance-Newhouse P’ship v. Worldwide Elecs., L.C.*, 50 F. Supp. 2d 1288, 1302 (S.D. Fla. 1999). Interestingly, the decision in *CSC Holdings* was based on precedent developed before the Supreme Court’s mandate in *Crawford Fitting*, which requires explicit statutory authority to permit costs beyond those enumerated in 28 U.S.C. § 1920. *See CSC Holdings*, 2000 WL 284005, at \*6 (relying on *Time Warner* for the proposition that full costs may include investigative costs); *Time Warner*, 50 F. Supp. 2d at 1302 (relying on *In re Cohen*, 121 B.R. 267, 269 (Bankr. E.D.N.Y. 1990) for the proposition that full costs may include investigative costs).

118. *See supra* notes 73–74.

119. *In re Cohen*, 121 B.R. 267, 272 (Bankr. E.D.N.Y. 1990).

investigative costs.<sup>120</sup> One court held that the legislative history of the underlying statute provides the basis for allowing recovery of investigative fees by confirming that a court’s “power to direct the recovery of all costs under § 605(e)(3)(B)(iii) shall include reasonable investigative fees (related to the action) of an aggrieved party.”<sup>121</sup>

#### *D. Fee Shifting in Other Areas of Intellectual Property Law*

The Lanham Act—also known as the Trademark Act of 1946—governs trademarks, service marks, and unfair competition.<sup>122</sup> The Lanham Act’s fee-shifting provision, 15 U.S.C. § 1117(a), provides that “[w]hen a violation of any right of the registrant of a mark . . . shall have been established in any civil action arising under [the Act], the plaintiff shall be entitled . . . to recover . . . the costs of the action.”<sup>123</sup> Although costs are mandatory under the Lanham Act,<sup>124</sup> they are only awarded to prevailing *plaintiffs* and are limited to costs defined in 28 U.S.C. § 1920.<sup>125</sup> Section 1117(a) does not expressly mention the shifting of expert fees,<sup>126</sup> and the Second Circuit has noted in dicta that expert witness fees are not included in an award of costs under the Lanham Act.<sup>127</sup>

The Patent Act governs patents and the rights associated with them.<sup>128</sup> The Patent Act’s fee-shifting provision for costs, 35 U.S.C. § 284, provides that “the court shall award the claimant damages . . . together with interest and costs as fixed by the court.”<sup>129</sup> Like the Lanham Act, costs are only awarded to prevailing plaintiffs, and these costs are limited by 28 U.S.C. § 1920.<sup>130</sup>

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120. *See, e.g.*, *Kingvision Pay-Per-View Ltd. v. Autar*, 426 F. Supp. 2d 59, 67 (E.D.N.Y. 2006) (finding that § 605(e)(3)(B)(iii) implies that reasonable attorneys’ fees are included in full costs, which suggests that full costs may exceed the taxable costs recoverable under 28 U.S.C. § 1920); *Int’l Cablevision, Inc. v. Noel*, 982 F. Supp. 904, 918 (W.D.N.Y. 1997) (noting that the legislative history of the Cable Communications Policy Act contemplates and permits the recovery of reasonable investigative fees in the recovery of all costs). Even though awarding full costs is mandatory under § 605(e)(3), the legislative history of this statute instructs courts that awarding investigative fees is permissive. *See Kingvision*, 426 F. Supp. 2d at 67.

121. *Int’l Cablevision*, 982 F. Supp. at 917.

122. *See generally* Trademark Act of 1946, ch. 540, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1051–1072, 1091–1096, 1111–1129, 1141–1141n (2012)).

123. 15 U.S.C. § 1117(a) (2012).

124. *See Kingdomware Techs., Inc. v. United States*, 136 S. Ct. 1969, 1977 (2016) (“When a statute distinguishes between ‘may’ and ‘shall,’ it is generally clear that ‘shall’ imposes a mandatory duty.”).

125. *See, e.g.*, *Uphoff v. Elegant Bath, Ltd.*, 176 F.3d 399, 411 (7th Cir. 1999); *Zeltiq Aesthetics, Inc. v. Brown Health Relaxation Station LLC*, No. 13-C-575, 2014 WL 1818154, at \*5 (E.D. Wis. May 6, 2014).

126. *See* 15 U.S.C. § 1117(a).

127. *Merck Eprova AG v. Gnosis S.p.A.*, 760 F.3d 247, 266 (2d Cir. 2014) (explaining that the district court clearly exceeded its authority under 28 U.S.C. § 1821 by awarding expert witness fees).

128. *See generally* Patent Act of 1790, ch. 7, 1 Stat. 109 (codified as amended at 35 U.S.C. §§ 1–42, 100–212, 251–329, 351–376, 381–390 (2012)).

129. 35 U.S.C. § 284 (2012).

130. *See Parks v. Booth*, 102 U.S. 96, 106 (1880).

Further, such costs are mandatory.<sup>131</sup> Section 284 also does not expressly mention shifting expert fees.<sup>132</sup> In light of this, courts have uniformly held that the Patent Act does not authorize the prevailing party in a patent suit to recover its expert witness fees.<sup>133</sup>

Accordingly, both the Lanham Act and Patent Act differ from the Copyright Act regarding fee shifting. First, neither act allows prevailing defendants to recover costs, whereas the Copyright Act allows for fee shifting regardless of which side prevails.<sup>134</sup> Second, both the Lanham and Patent Acts use mandatory language regarding fee shifting of costs, whereas the Copyright Act does not.<sup>135</sup> Third, neither the Lanham Act nor the Patent Act authorizes a prevailing party to recover its expert witness fees, which stands in contrast to the Ninth Circuit's interpretation of the Copyright Act that a prevailing party may recover its expert witness fees.<sup>136</sup>

## II. AMBIGUOUS COPYRIGHT LAW AND POTENTIAL REMEDIES

The 1976 Act contains several ambiguous provisions that present challenges for potential copyright infringement litigants. Although these challenges may increase the cost of undertaking successful copyright litigation, there are potential remedies that allow litigants to circumvent these challenges. Part II.A discusses the ambiguity of the Copyright Act and the inherent need for experts in copyright litigation. Part II.B examines some alternative remedies for costly copyright litigation.

### A. Understanding the Copyright Act

Copyright law considers a copyright owner's reward to be a "secondary consideration" to the benefits the public gleans from that author's work.<sup>137</sup> Allowing copyright holders to exclude others from producing or selling a holder's work allows the public to benefit from the work.<sup>138</sup> Rewarding authors in such a way induces them to release their work to the public.<sup>139</sup> To effectuate this incentive, copyright law has been shaped to comply with a wide range of complex fact patterns so that courts may reach equitable results.<sup>140</sup>

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131. See *supra* note 124 and accompanying text.

132. See 35 U.S.C. § 284 (2012).

133. See, e.g., *Genes Indus. v. Custom Blinds & Components, Inc.*, No. SACV 15-0476 AG (Ex), 2018 U.S. Dist. LEXIS 21879, at \*20 (C.D. Cal. Jan. 29, 2018); *BIC Leisure Prods. v. Windsurfing Int'l, Inc.*, 850 F. Supp. 224, 229 (S.D.N.Y. 1994).

134. See *supra* notes 34–39 and accompanying text.

135. See *supra* note 51 and accompanying text.

136. See *infra* notes 201–02 and accompanying text.

137. *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948).

138. *Id.*

139. *Id.*

140. See James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 885 (2007).



### 1. Copyright Law Is Ambiguous

To address a variety of complex fact patterns, copyright doctrines are inherently ambiguous.<sup>141</sup> Copyright's fair use defense, for example, which requires the application of four interdependent and nonexclusive factors,<sup>142</sup> is "famously ambiguous" with over a century and a half of case law having analyzed it.<sup>143</sup> Further, although copyright protects an author's expression, more abstract ideas remain uncopyrightable, and the dividing line between these two concepts is murky.<sup>144</sup> The "substantial similarity" standard, which permits copying in certain contexts, does not provide a clear threshold for what comprises *excessive* copying.<sup>145</sup>

In light of these ambiguous doctrines, the risk of misinterpreting what copyright does and does not protect can be substantial.<sup>146</sup> New creative works may require significant investment up front with no profit until completion of the work.<sup>147</sup> An error leading to copyright liability could delay or destroy that entire investment.<sup>148</sup> Accordingly, decision makers are encouraged to be more risk averse.<sup>149</sup> The more money involved in a project, the greater the need for prophylactic measures, which have their own costs.<sup>150</sup>

### 2. Expert Testimony Is Often Vital in Copyright Litigation

Intellectual property litigation can become expensive.<sup>151</sup> Expert witnesses are typically required to explain complex concepts such as consumer surveys and the likelihood of confusion in trademark cases, relevant technologies in patent cases, and issues of substantial similarity in copyright cases.<sup>152</sup> Although copyright cases concerning publishing and entertainment can often be resolved without experts, battles of experts have become increasingly more common as copyright litigation spreads to computers and multimedia.<sup>153</sup>

Recently, in *Williams v. Gaye*,<sup>154</sup> the Ninth Circuit affirmed a jury verdict finding that Pharrell Williams and Robin Thicke's song "Blurred Lines" unlawfully infringed on Marvin Gaye's copyright to the song "Got to Give It

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141. *See generally id.* (describing various copyright doctrines that lead to ambiguity within copyright law).

142. *See* 17 U.S.C. § 107 (2012).

143. Gibson, *supra* note 140, at 889–90.

144. *See id.* at 891.

145. *Id.*

146. *Id.* at 890.

147. *Id.* at 891.

148. *Id.*

149. *See id.* at 892.

150. *See id.* at 892–93.

151. 4 JAY DRATLER, JR. & STEPHEN M. MCJOHN, INTELLECTUAL PROPERTY LAW: COMMERCIAL, CREATIVE, AND INDUSTRIAL PROPERTY § 12.06 n.166 (2013).

152. *Id.*

153. *Id.*

154. 885 F.3d 1150 (9th Cir. 2018).

Up.”<sup>155</sup> Expert witnesses played a significant role in securing the verdict for Marvin Gaye’s estate.<sup>156</sup> Judge Jacqueline Nguyen dissented and seemed to suggest that where a court has little expertise on a subject and the opposing parties’ experts’ opinions are so “starkly different,” a court should ignore the parties’ experts and instead appoint its own.<sup>157</sup> Regardless of the propriety of Judge Nguyen’s suggestion, this case illustrates the significant role that expert witnesses play in copyright infringement cases.

In *Fox News Network v. TVEyes, Inc.*,<sup>158</sup> the Second Circuit, too, recently demonstrated the significant role expert testimony can play in determining whether an infringement has taken place.<sup>159</sup> The court’s consideration of market harm—arguably “the single most important element of fair use”<sup>160</sup>—played a critical role in securing a verdict for Fox.<sup>161</sup>

Moreover, after attorney’s fees, expert witness fees are the second-highest expense in intellectual property litigation.<sup>162</sup> However, no federal intellectual property legislation explicitly grants courts the authority to shift expert fees.<sup>163</sup> Nonetheless, expert fees contribute enormously to litigation costs, which in turn inform settlement decisions.<sup>164</sup> Direct proof of copying is generally not available, so plaintiffs are often required to utilize expert testimony to establish a prima facie case of copyright infringement.<sup>165</sup> Further, expert testimony may also be crucial to establish actual damages and recoverable profits.<sup>166</sup> Barring recovery of expert fees may disincentivize plaintiffs from protecting their copyrights, especially as the costs approach the threshold of potential recovery.<sup>167</sup> Defendants, too, may be strong-armed into settlement to avoid the expert fees required to rebut a plaintiff’s prima facie case.<sup>168</sup>

The need for expert testimony to determine whether actual copying has taken place can arise in several situations. For example, expert testimony can greatly assist a lay juror in understanding what elements of a song are

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155. *Id.* at 1182–83.

156. *See id.* at 1187–94 (Nguyen, J., dissenting). The experts articulated the alleged similarities in melody, shared hook phrases, a four-note melodic sequence called “Theme X,” word painting, and similar chords and rhythms among the keyboard parts and bass line. *Id.*

157. *See id.* at 1197 n.15 (pointing to Rule 706 of the Federal Rules of Evidence, which allows courts to appoint their own experts).

158. 883 F.3d 169 (2d Cir. 2018).

159. *Id.* at 179–80.

160. *Id.* at 179 (quoting *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985)).

161. *See id.* at 180.

162. Anne Brody & Natalie Dygert, *Shifting Expert Fees in Intellectual Property Litigation*, 18 ASS’N BUS. TRIAL LAW. REP. ORANGE COUNTY, Summer 2016, at 3, 3.

163. *See supra* Part I.D. Even the more recent Defend Trade Secrets Act, enacted in 2016, does not mention expert fees. *See* 18 U.S.C. § 1836(b)(3) (Supp. V 2018).

164. Brody & Dygert, *supra* note 162, at 11.

165. Trigg, Brock & Pequignot, *supra* note 5, at 13.

166. *Id.*

167. *See id.*

168. *See id.*

sufficiently original to warrant copyright protection.<sup>169</sup> Expert testimony may be a necessity in cases involving complex computer programs, which are generally beyond the everyday knowledge of a lay juror.<sup>170</sup> Another example is the Semiconductor Chip Protection Act,<sup>171</sup> where the Senate report stressed the importance of using expert testimony in determining substantial similarity.<sup>172</sup> This reliance on expert testimony constitutes a significant shift from conventional copyright law.<sup>173</sup> Still, several courts have made clear that expert testimony was not appropriate in certain contexts.<sup>174</sup>

Nonetheless, since the enactment of the 1976 Act, expert testimony has become increasingly useful in copyright infringement cases in potentially unforeseen ways. The concept of “works of authorship”—which allows courts to protect works not expressly included in the enumerated categories of copyrightable works under 17 U.S.C. § 102(a)<sup>175</sup>—was intentionally left vague under the 1976 Act.<sup>176</sup> The scope of works covered by copyright law has continued to expand into new domains, such as computers and multimedia,<sup>177</sup> thus increasing the requirement for experts.<sup>178</sup>

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169. Miah Rosenberg, Note, *Do You Hear What I Hear? Expert Testimony in Music Infringement Cases in the Ninth Circuit*, 39 U.C. DAVIS L. REV. 1669, 1682 (2006).

170. Aaron M. Broaddus, *Eliminating the Confusion: A Restatement of the Test for Copyright Infringement*, 5 DEPAUL-LCA J. ART & ENT. L. 43, 67 n.144 (1995).

171. Pub. L. No. 98-620, 98 Stat. 3335 (1984) (codified as amended at 17 U.S.C. §§ 901–914 (2012)).

172. See S. REP. NO. 98-1201, at 145–46 (1983) (“I . . . hope that the legislative history of S. 1201 would include a statement endorsing use of expert testimony to show subtle functional differences in circuit layouts.”); Richard H. Stern, *Determining Liability for Infringement of Mask Work Rights Under the Semiconductor Chip Protection Act*, 70 MINN. L. REV. 271, 300 (1985).

173. Stern, *supra* note 172, at 300 n.98.

174. See, e.g., *Stromback v. New Line Cinema*, 384 F.3d 283, 295 (6th Cir. 2004) (holding that expert testimony was not needed to compare two literary works aimed at a general audience to determine substantial similarity); *Soptra Fabrics Corp. v. Stafford Knitting Mills, Inc.*, 490 F.2d 1092, 1093 (2d Cir. 1974) (holding that the underlying test for infringement of fabric design is “whether an average lay observer would find a substantial similarity in the designs” (quoting *Concord Fabrics, Inc. v. Marcus Bros. Textile Corp.*, 409 F.2d 1315, 1316 (2d Cir. 1969))); *Sturdza v. United Arab Emirates*, 989 F. Supp. 2d 96, 103–04 (D.D.C. 2013) (holding that no expert testimony is needed to determine whether architectural works are substantially similar).

175. Under 17 U.S.C. § 102(a), works of authorship include “(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.” 17 U.S.C. § 102(a) (2012).

176. H.R. REP. NO. 94-1476, at 51 (1976) (“The phrase ‘original works of authorship[]’ . . . is purposely left undefined.”).

177. See *supra* note 153 and accompanying text.

178. See, e.g., *Comput. Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.2d 693, 713 (2d Cir. 1992) (“[W]e leave it to the discretion of the district court to decide to what extent, if any, expert opinion, regarding the highly technical nature of computer programs, is warranted in a given case.”); *Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222, 1232–33 (3d Cir. 1986) (endorsing the use of expert testimony for determining copyright infringement of computer software).

*B. Current Remedies for Costly Copyright Litigation*

Apart from shifting expert fees, there are several alternate methods that help circumvent the daunting prospect of costly copyright litigation, including settlement, offers of judgment under Rule 68 of the Federal Rules of Civil Procedure, and sanctions under Rule 11 of the Federal Rules of Civil Procedure.

In general, civil cases rarely reach a stage where judgment is entered against a party.<sup>179</sup> In copyright cases, however, judgments entered against a party are comparatively more common.<sup>180</sup> Nonetheless, ambiguity in copyright law can generate risk-averse behavior that motivates settlement.<sup>181</sup> Where there are hazy legal situations, settlements allow parties to protect themselves from a copyright owner who may obtain a judgment granting himself all available remedies.<sup>182</sup> Because copyright disputes may be well suited for nonlitigation dispute resolution due to parties' interests in avoiding uncertain and costly copyright litigation, a culture of settlement may be developing within the copyright arena.<sup>183</sup> Such a culture can foster a chilling effect<sup>184</sup> among copyright users because they may be subject to costs they could have avoided if the matter had been litigated.<sup>185</sup> Thus, dispute settlement essentially can raise the costs of using copyrighted works and create an incentive to pay for a use of work when there is no legal obligation to do so.<sup>186</sup>

Rule 68 of the Federal Rules of Civil Procedure helps defendants reduce potential fee exposure for frivolous claims that plaintiffs bring.<sup>187</sup> To accomplish this, it provides a mechanism to help defendants encourage settlement. Under Rule 68(d), “[i]f the judgment that the offeree finally obtains is not more favorable than the unaccepted offer, the offeree must pay

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179. From January 1, 2009, to January 1, 2019, statistics show that a judgment is entered for a plaintiff or defendant in roughly 9 percent of total district court cases. Statistics Regarding Case Resolutions, LEX MACHINA, <https://law.lexmachina.com> (follow “Cases” hyperlink; then select “Case Resolutions” tab). More specifically, judgment was entered for a plaintiff 5 percent of the time, and judgment was entered for a defendant 4 percent of the time. *Id.*

180. From January 1, 2009, to January 1, 2019, statistics show that in roughly 13 percent of copyright cases (and intellectual property in general), judgment was entered for a plaintiff or defendant. *Id.* (follow “Cases” hyperlink; then under “Filter” select “Case Types” dropdown menu and select “Copyright”; then select “Case Resolutions” tab). More specifically, judgment was entered for a plaintiff roughly 12 percent of the time, and judgment was entered for a defendant roughly 1 percent of the time. *Id.*

181. Orit Fischman Afori, *Flexible Remedies as a Means to Counteract Failures in Copyright Law*, 29 CARDOZO ARTS & ENT. L.J. 1, 17 (2011).

182. *Id.*

183. *Id.* at 18 & n.74.

184. A chilling effect results where “potential uses of copyrighted works are avoided because of the lack of clarity regarding the legal status of the uses in question.” *Id.* at 5.

185. *Id.* at 18.

186. *Id.* at 45.

187. *See, e.g., McGraw-Hill Glob. Educ., LLC v. Jones*, 714 F. App'x 500, 504 (6th Cir. 2017) (recognizing that Rule 68 allows a defendant to make a nonnegotiable offer of judgment consisting of costs and attorney's fees).

the costs incurred after the offer was made.”<sup>188</sup> So long as the offer does not explicitly exclude costs, Rule 68 allows defendants to make a nonnegotiable offer of judgment.<sup>189</sup> Unlike standard settlement negotiations where a plaintiff may provide a counteroffer, plaintiffs faced with a Rule 68 offer may only accept or decline the offer.<sup>190</sup> Rule 68 thus provides a neutral means for encouraging settlement of all lawsuits without favoring either party.<sup>191</sup>

Where liability is settled but damages have yet to be calculated, a mandatory grant of costs and fees may deter defendants from fighting plaintiffs who demand unreasonable damages.<sup>192</sup> Rule 68 provides this mandatory award of costs and fees. Granting mandatory costs and fees also can allow defendants to ward off claims by copyright holders seeking damages not recognized by law.<sup>193</sup> To draw attention to the neutral benefits of Rule 68 for encouraging settlement, one commentator has suggested adding a provision to § 505 that states that neither party is prevailing when the judgment the plaintiff ultimately obtains is not more favorable than the unaccepted offer.<sup>194</sup>

Under Rule 11(c) of the Federal Rules of Civil Procedure, sanctions are authorized where it is determined that a claim has an insufficient legal or factual basis or it is brought for an improper purpose.<sup>195</sup> Rule 11 sanctions thus provide a procedural tactic to help combat baseless and frivolous copyright litigation. In *Business Guides, Inc. v. Chromatic Communications Enterprises*,<sup>196</sup> the Supreme Court upheld Rule 11 sanctions and made clear “that the central purpose of Rule 11 is to deter baseless filings in district court and thus . . . streamline the administration and procedure of the federal courts.”<sup>197</sup> Therefore, Rule 11 sanctions potentially offer another avenue for a prevailing party to recover expert witness fees outside of § 505.<sup>198</sup>

### III. DIVERGING INTERPRETATIONS OF “FULL COSTS”

The circuit courts are in conflict regarding the scope of costs that may be awarded to prevailing parties under § 505.<sup>199</sup> Whether expert witness fees

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188. FED. R. CIV. P. 68(d).

189. *Util. Automation 2000, Inc. v. Choctawhatchee Elec. Coop.*, 298 F.3d 1238, 1240 (11th Cir. 2002).

190. *Id.*

191. *See Marek v. Chesny*, 473 U.S. 1, 10 (1985).

192. John Tehrani, *Curbing Copyblight*, 14 VAND. J. ENT. & TECH. L. 993, 1024 n.216 (2012).

193. *See id.* at 1023–24.

194. *Id.* at 1031 (proposing an amended version of § 505 to add that “when a defendant makes an offer of judgment under Federal Rule of Civil Procedure 68 and the plaintiff rejects said offer of judgment and ultimately receives a judgment not more favorable than the unaccepted offer of judgment, no party will be considered prevailing”).

195. *See* FED. R. CIV. P. 11(b)–(c).

196. 498 U.S. 533 (1991).

197. *Id.* at 552 (quoting *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 393 (1990)).

198. *See supra* note 87 and accompanying text.

199. *See supra* note 10 and accompanying text.

are recoverable as full costs implicates several of the copyright law issues discussed in Part II.

Fee shifting can have significant consequences when courts are given wide discretion when awarding costs to a prevailing party. In a recent case, *Oracle USA, Inc. v. Rimini Street, Inc.*,<sup>200</sup> the judgment awarded to the prevailing party included an additional \$12 million in costs because it was brought in a circuit that awards nontaxable costs beyond those enumerated in 28 U.S.C. § 1920.<sup>201</sup> These nontaxable costs included expert witness fees, certain e-discovery fees, contract-attorney services, and jury consulting, among other costs.<sup>202</sup> Thus, the level of discretion a court has to award costs can be the difference between a party recovering nontaxable costs in the tens of millions of dollars or no nontaxable costs at all.

The circuit courts are divided on whether the Copyright Act's allowance for recovery of "full costs" overrides the restriction on cost awards that § 1920 and § 1821 provide. The Eighth and Eleventh Circuits have found § 505 to be limited to the categories expressly identified in § 1920.<sup>203</sup> In contrast, the First, Sixth, Seventh, and Ninth Circuits have awarded nontaxable costs in copyright cases.<sup>204</sup> Through *Crawford Fitting, West Virginia University Hospitals*, and *Murphy*, the Supreme Court has consistently narrowed the language that allows awards of costs beyond § 1920 and § 1821,<sup>205</sup> yet the Court has not addressed whether the language "full costs" also fails to permit an award of expert fees.<sup>206</sup>

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200. 879 F.3d 948 (9th Cir. 2018).

201. *See id.* at 965–66. The District Court of Nevada awarded attorney's fees and costs in favor of Oracle USA in the amount of \$46,227,363.36. *Oracle USA, Inc. v. Rimini St., Inc.*, 209 F. Supp. 3d 1200, 1219 (D. Nev. 2016), *aff'd*, 879 F.3d 948 (9th Cir. 2018), *cert. granted*, 139 S. Ct. 52 (argued Jan. 14, 2019) (No. 17-1625). Of the award, \$12,774,550.26 constituted nontaxable costs. *Id.*

202. *Oracle USA*, 209 F. Supp. 3d at 1218.

203. *See Artisan Contractors Ass'n of Am. v. Frontier Ins. Co.*, 275 F.3d 1038, 1040 (11th Cir. 2001) (per curiam) (noting that "Section 505 makes no clear reference to witness fees, nor otherwise evinces a clear congressional intent to supercede [sic] the limitations imposed" by Congress's cost-shifting regime); *Pinkham v. Camex, Inc.*, 84 F.3d 292, 295 (8th Cir. 1996) (per curiam) (holding that "full costs" does not "'clearly,' 'explicitly,' or 'plainly' evidence[] congressional intent to treat 17 U.S.C. § 505 costs differently from costs authorized in other statutes").

204. *See Oracle USA*, 879 F.3d at 966 (affirming an award for over \$12 million in nontaxable costs); *InvesSys, Inc. v. McGraw-Hill Cos.*, 369 F.3d 16, 22 (1st Cir. 2004) (holding that costs of electronic legal research are reimbursable under § 505); *Coles v. Wonder*, 283 F.3d 798, 803–04 (6th Cir. 2002) (affirming an award of over \$14,000 in nontaxable costs); *Susan Wakeen Doll Co. v. Ashton-Drake Galleries*, 272 F.3d 441, 458 (7th Cir. 2001) (holding that an award of nontaxable costs is permissible under § 505 and that § 1920 does not limit the award).

205. *See supra* Part I.B.4.

206. The Supreme Court recently granted a writ of certiorari in the *Oracle USA* case. *Rimini Street, Inc. v. Oracle USA, Inc.*, 139 S. Ct. 52 (Sept. 27, 2018) (No. 17-1625). The issue on review is "[w]hether the Copyright Act's allowance of 'full costs' (17 U.S.C. § 505) to a prevailing party is limited to taxable costs under 28 U.S.C. §§ 1920 and 1821, as the Eighth and Eleventh Circuits have held, or also authorizes nontaxable costs, as the Ninth Circuit holds." Petition for Writ of Certiorari at i, *Rimini Street*, 139 S. Ct. 52 (Sept. 27, 2018) (No. 17-1625).

Circuit courts that have *not* awarded nontaxable costs under § 505 have found that the word “full” does not expressly authorize such costs.<sup>207</sup> Under *Crawford Fitting* and its progeny, these courts have determined that the “full costs” language does not evince congressional intent to treat § 505 costs differently from other costs, especially absent legislative authority discussing the source of the term “full costs.”<sup>208</sup> Instead, “full costs” may be viewed as an indication that any taxable costs available under federal law are available in *full* at the discretion of the court.<sup>209</sup> Thus, the term’s ambiguity may not establish clear evidence of congressional intent to supersede § 1920 and § 1821.<sup>210</sup>

Circuit courts that *have* awarded nontaxable costs under § 505 have found that the word “full” does constitute congressional intent to make nontaxable costs available to prevailing parties.<sup>211</sup> Under this view, to hold otherwise may “violate the long standing principle of statute interpretation that ‘statutes should not be construed to make surplusage of any provision.’”<sup>212</sup> Thus, failing to award costs beyond the limitations of § 1920 and § 1821 would render the word “full” meaningless.<sup>213</sup> Further, certain nontaxable costs that are considered disbursements made by an attorney and billed directly to the client, such as computer-assisted research, may be encompassed by the phrase “attorney’s fee.”<sup>214</sup>

Allowing nontaxable costs to be awarded in copyright cases constitutes substantial fee shifting, with awards of nontaxable costs potentially reaching tens of millions of dollars.<sup>215</sup> Thus, litigants in circuits that do not award nontaxable costs avoid the threat of these considerable cost awards in copyright cases.

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207. See, e.g., *Artisan Contractors*, 275 F.3d at 1040; *Pinkham*, 84 F.3d at 295.

208. See *Pinkham*, 84 F.3d at 295.

209. *Humphreys & Partners Architects, L.P. v. Lessard Design, Inc.*, 152 F. Supp. 3d 503, 525 (E.D. Va. 2015) (“Contrary to the Ninth Circuit’s presupposition, the term ‘full’ has another possible, non-superfluous meaning; it could refer to the degree of costs recoverable under §§ 1821 and 1920.”).

210. *Id.*

211. See, e.g., *Oracle USA, Inc. v. Rimini St., Inc.*, 879 F.3d 948, 965–66 (9th Cir. 2018), *cert. granted*, 139 S. Ct. 52 (argued Jan. 14, 2019) (No. 17-1625); *InvesSys, Inc. v. McGraw-Hill Cos.*, 369 F.3d 16, 22 (1st Cir. 2004).

212. *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 429 F.3d 869, 885 (9th Cir. 2005) (quoting *Nw. Forest Res. Council v. Glickman*, 82 F.3d 825, 834 (9th Cir. 1996)).

213. *Id.* But see *Marx v. Gen. Revenue Corp.*, 568 U.S. 371, 385 (2013) (“[R]edundancy is ‘hardly unusual’ in statutes addressing costs.” (quoting *Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. 91, 107 (2011))).

214. *InvesSys*, 369 F.3d at 22 (citing *W. Va. Univ. Hosps., Inc. v. Casey*, 499 U.S. 83, 87 n.3 (1991)).

215. See, e.g., *Oracle USA*, 879 F.3d at 966 (awarding over \$12 million in nontaxable costs); *Mattel, Inc. v. MGA Entm’t, Inc.*, No. CV 04-9049 DOC (RNBx), 2011 WL 3420603, at \*9 (C.D. Cal. Aug. 4, 2011) (awarding \$31,667,104 in nontaxable costs), *aff’d*, 705 F.3d 1108 (9th Cir. 2013).

IV. SECTION 505 DOES NOT ALLOW FEE SHIFTING OF  
EXPERT WITNESS FEES, BUT IT SHOULD

This Note argues that expert fees should be awarded to prevailing parties in copyright litigation at the discretion of the court. First, Part IV.A concludes that the current language of 17 U.S.C. § 505 does not allow for the shifting of expert fees to prevailing parties. Next, Part IV.B argues that Congress nonetheless should amend § 505 to allow for awards of expert fees given the inherent need for experts in copyright litigation.

Giving courts discretion to award expert fees in copyright infringement cases is beneficial to both copyright holders *and* users. Without this discretion, potential copyright litigants will be deterred from litigating meritorious copyright claims and defenses. This would harm a central objective of copyright law—to protect not only the rights of creators, but also the public’s access to creative works.<sup>216</sup> Thus, allowing for recovery of expert fees in appropriate cases will address this concern in cases with ambiguous facts and law.

*A. Section 505 Does Not Allow for Shifting of Expert Fees*

On its face, § 505 does not expressly allow for courts to shift nontaxable costs beyond § 1920 and § 1821. If Congress seeks to encourage the shifting of expert witness fees in particular, the Supreme Court’s holdings in *Crawford Fitting*, *West Virginia University Hospitals*, and *Murphy* illustrate exactly what is required—the word “expert.”<sup>217</sup> Section 505 lacks this word.<sup>218</sup>

As the Supreme Court pointed out in *West Virginia University Hospitals*, Congress passed several acts and amendments in 1976 that included fee-shifting provisions expressly referring to expert fees.<sup>219</sup> That same Congress passed the Copyright Act of 1976, and it was capable of using similar language in § 505.<sup>220</sup> The 1976 Act generally amended the entirety of the Copyright Act of 1909,<sup>221</sup> and it included several significant revisions to § 505.<sup>222</sup> Namely, the 1976 Act made an award of costs to the prevailing party no longer mandatory, and it instead provided that they should be granted at the discretion of the court.<sup>223</sup> However, expert fees were never mentioned.<sup>224</sup>

216. *See supra* note 1 and accompanying text.

217. *See supra* Part I.B.4 (discussing the type of language that will evince clear congressional intent to supersede § 1920 and § 1821).

218. 17 U.S.C. § 505 (2012).

219. *See supra* note 97 and accompanying text.

220. However, possibly due to unforeseen changes in copyright law, Congress at that time may have been unaware of a growing need for experts in copyright infringement litigation. *See supra* note 153 and accompanying text.

221. *See generally* Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101–810 (2012)).

222. *See supra* Part I.A.2.

223. *See supra* notes 51–54 and accompanying text.

224. *See generally* Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541.



There is evidence that courts shift costs beyond § 1920 and § 1821 under statutes that use the language “full costs.”<sup>225</sup> However, these statutes hardly provide substantial authority that “full costs” meets the requisite explicit statutory authorization for allowing the shifting of expert fees that *Crawford Fitting*, *West Virginia University Hospitals*, and *Murphy* contemplate. First, the appellate cases that interpret these statutes do not reference any of these Supreme Court decisions in deciding whether the language “full costs” allows for nontaxable costs beyond § 1920 and § 1821.<sup>226</sup> Second, the ranges of costs these statutes permit were never contemplated beyond the trial court level.<sup>227</sup>

Third, the logic allowing for nontaxable costs in these cases is shaky. For example, one case relies on a line of precedent predating the Supreme Court’s mandate in *Crawford Fitting*, which required explicit statutory authority for the recovery of costs beyond § 1920 and § 1821.<sup>228</sup> Another case based its interpretation on two theories: that the term “full costs” in 47 U.S.C. § 605 includes reasonable attorneys’ fees in context, and that legislative history suggests it was the intent of one senator that parties be able to recover reasonable investigative fees in their recovery of costs.<sup>229</sup>

However, these two rationales directly contravene Supreme Court precedent. *Murphy* explained that where a “reasonable attorney’s fee” was part of the costs permitted to be shifted, this still did not permit courts to shift costs beyond § 1920 and § 1821, *even if* legislative history may have provided some notice that such nontaxable costs were permitted.<sup>230</sup> Another case failed to reference *Crawford Fitting* or *West Virginia University Hospitals* in guiding whether an award of investigative fees was permissible, despite being decided several years after these two Supreme Court decisions.<sup>231</sup>

#### B. Congress Should Amend § 505 to Allow for Shifting of Expert Fees

The need for experts in copyright litigation,<sup>232</sup> coupled with the exorbitant costs of expert testimony that may be required to establish or rebut a prima facie case of infringement,<sup>233</sup> justify a fee-shifting statute under the

225. See *supra* Part I.C.2.

226. See generally *Kingvision Pay-Per-View Ltd. v. Autar*, 426 F. Supp. 2d 59 (E.D.N.Y. 2006) (discussing 47 U.S.C. § 605(e)(3)); *CSC Holdings, Inc. v. KDE Elecs. Corp.*, No. 99 C 1556, 2000 WL 284005 (N.D. Ill. Mar. 13, 2000) (discussing 47 U.S.C. § 553(c)(2)(C)); *Time Warner Entm’t/Advance-Newhouse P’ship v. Worldwide Elecs., L.C.*, 50 F. Supp. 2d 1288 (S.D. Fla. 1999) (discussing 47 U.S.C. § 553(c)(2)(C)); *Int’l Cablevision, Inc. v. Noel*, 982 F. Supp. 904 (W.D.N.Y. 1997) (discussing 47 U.S.C. § 605(e)(3)).

227. As of February 5, 2019, research has not identified any appellate cases discussing these statutes.

228. See *supra* note 117.

229. See *supra* notes 120–21 and accompanying text.

230. See *supra* note 101 and accompanying text.

231. See generally *Int’l Cablevision*, 982 F. Supp. 904 (failing to cite relevant Supreme Court precedent).

232. See *supra* notes 165–74 and accompanying text.

233. See *supra* notes 84–86, 162, 165, 168 and accompanying text.

Copyright Act that permits courts to award expert fees to a prevailing party in the court's discretion.

Since § 505 was last amended in 1976, the range of works deemed copyrightable has grown, which in turn has led to an increased use of experts.<sup>234</sup> In many cases, expert testimony is the primary tool for determining whether copying has taken place at all.<sup>235</sup> Without it, plaintiffs may not be able to establish a prima facie case of copyright infringement.<sup>236</sup> Where the costs of litigation can substantially outweigh potential damages,<sup>237</sup> plaintiffs will be precluded from bringing meritorious copyright claims without the possibility of recovering these exorbitant costs. Similarly, defendants may be precluded from bringing meritorious defenses where substantial litigation costs involving experts outweigh continued use of the allegedly copied authorship. Although Rule 68 may provide a mechanism for encouraging settlement so that defendants can avoid fighting demands for unreasonable damages, it is unclear how effective Rule 68 is when liability, rather than damages, has yet to be determined.<sup>238</sup> Accordingly, the possibility of recovering expert costs removes a substantial barrier that may prevent litigants from bringing meritorious claims or defenses.<sup>239</sup> This helps to avoid a culture of settlement that discourages copyright users from litigating potentially meritorious claims so they are not burdened by avoidable costs.<sup>240</sup>

Although federal courts already shift expert fees in cases where the opposing litigant has "acted in bad faith, vexatiously, wantonly, or for oppressive reasons,"<sup>241</sup> the needs of copyright litigants call for a broader allowance of expert fee shifting.<sup>242</sup> Copyright law must balance a creator's property rights and the public's access to a work, and allowing a litigant's capacity to afford experts to dictate whether they may successfully bring meritorious claims or defenses would upset this balance.<sup>243</sup> Meritorious copyright claims protect not only the litigant bringing those claims but also the public's access to knowledge.<sup>244</sup> Accordingly, meritorious copyright litigants should be compensated for protecting a right that benefits the public in addition to their own copyrights.<sup>245</sup>

Of course, to mirror Congress's decision to make awards of costs permissive under the 1976 Act,<sup>246</sup> courts should still be afforded discretion

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234. *See supra* note 178 and accompanying text.

235. *See supra* notes 165–74 and accompanying text.

236. *See supra* notes 165, 168 and accompanying text.

237. *See supra* note 4 and accompanying text.

238. *See supra* notes 188–90 and accompanying text.

239. *See supra* notes 4, 165, 168–74 and accompanying text.

240. *See supra* notes 183–86 and accompanying text.

241. *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 (1991) (quoting *Alyeska Pipeline Serv. Co. v. Wilderness Soc'y*, 421 U.S. 240, 258–59 (1975)).

242. *See supra* notes 165–74 and accompanying text.

243. *See supra* note 1 and accompanying text.

244. *See supra* note 1 and accompanying text.

245. *See supra* note 26 and accompanying text.

246. *See supra* note 56 and accompanying text.

in whether to allow a prevailing party to recover expert fees. Making awards permissive rather than mandatory recognizes that copyright law is often ambiguous.<sup>247</sup> Where there is ambiguity in the law, parties are encouraged to engage in risk-averse prophylactic tactics to mitigate their potential liability.<sup>248</sup> Instituting a mandatory requirement for shifting of costs, attorney's fees, or expert fees would unduly punish parties that bring objectively rational, but losing, claims or defenses to court.

Accordingly, § 505 should be amended 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 *and reasonable expert witness fees* to the prevailing party as part of the costs.

The word "reasonable" instructs courts to be wary of awarding the entirety of expert fees to a prevailing party, and it acknowledges that ex post review may reveal that the costs incurred may outweigh the costs necessary for the particular case.<sup>249</sup> Further, it recognizes that courts may have to circumvent some of the anxieties that accompany a system where the loser pays.<sup>250</sup> Prevailing litigants should not be entitled to expert witness fees that are deemed to be unrestrained or abusive to the opposing party.<sup>251</sup>

#### CONCLUSION

This proposal acknowledges that the power to make law regarding fee shifting should rest with Congress. Although some courts have interpreted "full costs" to be ambiguous with respect to whether Congress intended for prevailing parties under the Copyright Act to recover costs beyond those normally permitted, the Supreme Court's holdings in *Crawford Fitting*, *West Virginia University Hospitals*, and *Murphy* make clear that courts may not allow prevailing parties to recover expert witness fees without the magic words: "expert witness fees."

Nonetheless, Congress should amend 17 U.S.C. § 505 to allow for the recovery of expert witness fees. Copyright law incentivizes the creation of unique authorships that are ultimately intended for the public to enjoy. A litigant's own copyright claim is one from which the public can benefit. Allowing parties with deeper pockets to dictate what copyright does and does not protect is against the public's interest. Accordingly, a fee-shifting statute that expressly allows for the recovery of expert witness fees helps to maintain the equilibrium between a creator's property rights and the public's access to a work.

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247. *See supra* Part II.A.1.

248. *See supra* notes 146–50 and accompanying text.

249. *See supra* note 22 and accompanying text.

250. *See supra* notes 15, 22 and accompanying text.

251. *See supra* note 22 and accompanying text.