No. 17-1625

In the
Supreme Court of the United States

RIMINI STREET, INC., et al.,

Petitioners,

v.

ORACLE USA, INC., et al.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF IN OPPOSITION

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QUESTION PRESENTED

The Copyright Act provides that a court "in its discretion may allow the recovery of full costs" to a prevailing party. 17 U.S.C. §505. That "full costs" language stands in contrast to the default federal cost-shifting statute, under which courts may "tax as costs" only certain enumerated litigation expenses—generally known as "taxable costs." *See* 28 U.S.C. §1920.

The question presented is:

Whether the Copyright Act, which gives courts "discretion" to award prevailing parties their "full costs," authorizes recovery of the full range of litigation costs, or authorizes recovery of only those costs that are taxable under 28 U.S.C. §1920.

PARTIES TO THE PROCEEDING

Petitioners, and defendants below, are Rimini Street, Inc., and Seth Ravin.

Respondents, and plaintiffs below, are Oracle America, Inc., and Oracle International Corporation. Although Oracle USA, Inc., continues to be named in the case caption as a plaintiff, that entity no longer exists.

CORPORATE DISCLOSURE STATEMENT

Oracle Corporation is the ultimate parent company of Oracle America, Inc., and Oracle International Corporation. Oracle Corporation also was the ultimate parent of Oracle USA, Inc., but that entity no longer exists. Oracle Corporation wholly owns, through one or more of its privately-held, wholly-owned subsidiaries, Oracle America, Inc. and Oracle International Corporation. No other publicly held corporation owns 10% or more of the stock in Oracle America, Inc., or Oracle International Corporation.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Other Authorities

INTRODUCTION

This case is the poster child for why Congress gave courts "discretion" to award prevailing parties in copyright cases their "full costs." 17 U.S.C. §505. Petitioners are conspicuously silent as to *why* the district court exercised its discretion to award both taxable and non-taxable costs (and attorneys' fees) in this case—and understandably so, as both the fact of the award and its size were a direct result of their egregious litigation misconduct. Upon learning that they were likely to be sued for infringing Oracle's copyrights, petitioners responded by destroying the evidence of their serial infringement—a library of ill-gotten copies of Oracle's copyrighted materials that was twice the size of the Library of Congress. Petitioners then repeatedly denied under oath the core conduct underlying this lawsuit—only to reverse course and confess at trial that these past denials were false. As a direct result of this (now conceded) destruction and dissembling, Oracle was forced to spend millions of dollars on experts who painstakingly pieced together copious evidence of extensive copying that petitioners no longer even bother to deny. *That* is why Oracle had non-taxable costs in excess of $17 million in this case, and *that* is why the district court exercised is discretion to award Oracle 75% of those costs.

Unable to muster any serious attack on the district court's exercise of its discretion under §505, petitioners now ask this Court to eliminate that discretion altogether. Invoking a shallow and stale circuit split, petitioners ask this Court to resolve whether §505 means what it says when it allows recovery of "full costs," or whether it actually allows only "recovery of those costs set forth in 28 U.S.C. §1920," the general federal cost-shifting statute. The Ninth Circuit first adopted in 2005 the plain-meaning position petitioners now question. This Court denied certiorari in response to a petition in that case that did not even include the costs question among the questions presented. In the ensuing years, no court of appeals has needed to squarely address the question. Nor has any court of appeals even cited, let alone followed, the two per curiam opinions (now 17 and 22 years old) the Ninth Circuit declined to follow more than a decade ago. This stale and shallow split hardly cries out for this Court's review.

In all events, even if this Court were inclined to resolve the question presented, this would be a poor vehicle to do so. The complete absence of amicus support suggests either that the issue is unimportant or that no one favoring petitioners' position wants this case involving egregious litigation misconduct to be the test case (or both). Petitioners are facing more than $20 million in costs because, in addition to infringing Oracle's copyrights to the tune of $35.6 million, they destroyed evidence and lied about their misdeeds. If the question presented is truly important and recurring, a case with less egregious facts and a petitioner more deserving of this Court's limited time and resources (say, a prevailing copyright holder who was *denied* considerable non-taxable costs) undoubtedly will come along soon enough. And if such a petitioner does not materialize, it will only underscore that the question does not merit this Court's attention. Either way, the Court should deny the petition.

STATEMENT OF THE CASE

A. Factual Background

This case arises out of Rimini's adjudicated and no-longer-contested serial infringement of 93 of Oracle's copyrights. Oracle develops and licenses an extensive suite of enterprise software programs that customers use to perform critical business functions. As is typical in the industry, Oracle does not sell ownership rights to its enterprise software. Customers purchase licenses that enable them to use specific programs and to access sites containing support materials for those programs, while Oracle retains all intellectual property rights in its works. Those licenses impose strict limits on copying Oracle's software and even stricter limits on access, use, or copying of the software and support materials by third parties, including third parties who provide software support.

Rimini was founded in 2005 by Seth Ravin. Unlike Oracle, which spends billions of dollars on research and development and employs more than 30,000 software engineers who write new programs as well as patches, fixes, and updates for Oracle's existing software offerings, Rimini does not develop or license its own enterprise software. Instead, Rimini competes with Oracle to provide support services to customers who use Oracle's copyrighted enterprise software. Pet.App.5a.

Rimini is not the first business of Ravin's to try to compete with Oracle in the market for supporting Oracle's software. Nor is it the first business of Ravin's to try to do so by engaging in serial copyright infringement. Before starting Rimini, Ravin was president of TomorrowNow, Inc., a company that, like Rimini, provided support services to Oracle licensees. Also like Rimini, TomorrowNow provided those support services at prices well below what Oracle charged. But that discount came at the expense of Oracle and the copyright laws, as TomorrowNow developed its "servicing" business by unlawfully copying Oracle's copyrighted software on a massive scale. *See* Supplemental Excerpts of Record on Appeal ("SER") 376, 382-85, 421.

Indeed, shortly after TomorrowNow was acquired by software conglomerate SAP, SAP not only shut the company down upon concluding that its basic business model was unlawful, but also stipulated to civil *and criminal* liability based on TomorrowNow's activities during Ravin's time at the helm. After extensive litigation, SAP ultimately paid Oracle in excess of $300 million, on top of the $20 million it paid the government in criminal fines. *See* Amended Judgment ¶1, *Oracle Corp. v. SAP AG*, No. 07-CV-1658 (N.D. Cal. Nov. 14, 2014), Dkt.1251.[1] And Ravin himself was held in contempt of court in the SAP litigation for refusing to answer questions about what happened at TomorrowNow on his watch. *See* Reporter's Transcript of Jury Trial, Day 4 (D. Nev. Sept. 17, 2015), Dkt.792 at 541-45.

Remarkably, criminal liability, civil liability, and contempt of court did not motivate Ravin to change his basic methods. Instead, his new company promptly began serially infringing Oracle's copyrights all over

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[1] *See also* FBI Press Release, *TomorrowNow, Inc., Sentenced on Computer Intrusion and Copyright Infringement Charges* (Sept. 14, 2011), http://bit.ly/2kVbc0j.

again. One of the first things Rimini did was to pay one of Ravin's childhood friends to become an Oracle "customer." SER.253, 374-77. Rimini then used this fake customer's log-in credentials to access Oracle's customer-only support sites and download and copy materials that it could use to provide support to actual customers if and when it got them. SER.447-48, 514.

That was just the beginning of Rimini's efforts to stockpile a massive library of unlawfully copied Oracle software. After Rimini discovered that Oracle did "not 'check' the [downloader's] info entered against any license agreement" on certain of its support sites, Rimini's employees began falsely representing on those sites that they possessed licenses to access them. SER.368-69. They then "help[ed] [themselves] to the buffet," to use Rimini's own words, downloading massive amounts of copyrighted material without paying a nickel. SER.248-53, 368-69. Indeed, Rimini used this tactic to download material from a support site for a software program for which *none* of its customers possessed a license at the time. SER.134, 379 And once Rimini did have customers with legitimate Oracle licenses, it used those customers' credentials to obtain dozens of copies of Oracle software installation media by falsely claiming that *Rimini's* address was the customer's "secondary offsite backup location." Excerpts of Record on Appeal ("ER") 78.

These are not the only ways Rimini copied Oracle's copyrighted software in violation of the terms of Oracle's licenses and support sites (not to mention the Copyright Act). Although Oracle expressly prohibited licensees (which Rimini itself, of course, was not) from using automated downloading tools on its support sites, Ravin directed Rimini employees to use such tools to download millions of protected files. SER.133, 384-92, 412-14. Rimini's downloading through these tools became so intense that it crashed an Oracle system, prompting Oracle to block Rimini's IP address and send a cease and desist letter. ER.38, 238-40. Upon learning that Oracle was "onto us for massive download volumes," rather than desist, Rimini doubled down: It began using multiple virtual machines to download the remaining files as quickly as possible, and instructed employees to do this downloading from their personal residences (rather than Rimini's IP address) to avoid detection. ER.238-40, 976-77, 998-99, 1155-56; SER.133, 263.

All told, Rimini developed a library of copies of Oracle software and support materials that was "approximately a couple times the size of … all of the books in the Library of Congress." SER.446. These ill-gotten materials formed the backbone of Rimini's business. Instead of abiding by the restrictions in Oracle's licenses, which allowed a licensee (or a third party supporting it) to access, use, and copy support materials only to support the licensee's own business operations, Rimini used its massive library of copyrighted materials to create environments (copies of the software that petitioners "modified to develop and test software updates") for customers without regard to whose license was used to obtain the underlying software. ER.94 n.4. Petitioners then engaged in even more unlicensed copying, "cloning" environments built for one customer (which they hosted on their own servers, also in contravention of the license terms) for other customers. Petitioners had hundreds of environments on their servers, each one containing hundreds, if not thousands, of exact copies of Oracle software. SER.254-57, 269, 356-60, 373, 447-48, 454, 483, 514.

Nothing was ambiguous about the nature of this activity; even Rimini's own lawyer told Ravin, "You have to admit this looks pretty bad." ER.474. Nor was the reason for all this unauthorized copying ambiguous: It enabled Rimini, in the words of one its employees, to "mak[e] a crap load of money from" selling services built around Oracle's intellectual property. ER.68-69. To be clear, Rimini *could have* respected the terms of the licenses and *could have* complied with Oracle's terms of use. But that would have taken a great deal of money and time, and thus would have prevented Rimini from offering its services at cut-rate prices. In short, as the district court found, "Rimini's business model was built entirely on its infringement of Oracle's copyrighted software and its improper access and downloading of data from Oracle's website and computer systems, and Rimini would not have achieved its … market share and business growth without these infringing and illegal actions." Pet.App.49a.

B. Proceedings Below

In 2010, Oracle sued petitioners for copyright infringement, violations of California's and Nevada's computer-abuse laws, and other related claims. Petitioners responded by admitting that they had copied at least some of Oracle's copyrighted software, but claimed that all of their copying was authorized by licensing agreements between Oracle and Rimini's customers.[2] In particular, petitioners insisted that they never engaged in "cross-use"—*i.e.*, using one licensee's copy of Oracle's copyrighted software to provide support services to other customers.

Throughout the litigation, petitioners went to great lengths to prevent Oracle and the court from discovering the true nature of their conduct. First, despite having been on notice of litigation, Rimini "affirmatively and irretrievably deleted" its massive library of intermingled copies of Oracle software and support materials. SER.132. That spoliation, which petitioners initially tried to cover up but ultimately admitted, made it impossible to identify the source of the thousands of software copies that Rimini used to build the myriad development environments.

Second, petitioners repeatedly—and adamantly—lied about cross-use. Ravin initially testified about cross-use at Rimini in a deposition in the *SAP* litigation (which went forward only after he was held in contempt of court for resisting discovery, *see supra*), where he insisted that Rimini *never* cross-used Oracle's software. SER.398-402. Ravin repeated that denial in his deposition in this case, stating emphatically that "[n]ever in the entire history of Rimini" did "it ever occur[] that one customer's software environment ha[d] been used to develop a fix or update that was ultimately delivered to a different customer." SER.627; *see* SER.413-14. Rimini's Rule

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[2] Petitioners also claimed that, to the extent those licenses did not authorize their copying, the licenses constituted copyright misuse. The district court dismissed petitioners' copyright misuse counterclaim at the outset, a holding that the Ninth Circuit ultimately affirmed.

30(b)(6) designee likewise testified that "all the development" at Rimini "is done for a particular customer in that customer's environment using that customer's files." SER.507. Rimini made the same representations to the district court, insisting that "each client is assigned a separate data 'silo' where Oracle Software and Support Materials for only that client are maintained." SER.73-74.

As it turned out, those were all lies. Notwithstanding petitioners' destruction of Rimini's massive software library, Oracle painstakingly pieced together evidence conclusively proving that Rimini regularly used one customer's "development environments … to develop and test software updates for … *other Rimini customers*." ER.100 (emphasis added). When confronted at trial with this evidence, Ravin pivoted, blithely admitting that Rimini engaged in cross-use "all the time" and that his earlier deposition testimony denying as much was false. ER.1225; *see* SER.410-16. Another Rimini witness similarly admitted that the materials in the library Rimini destroyed were not organized by customer, meaning that Rimini had no way of knowing to whom any of the software actually belonged. SER.354, 452-54, 459.

In light of the overwhelming evidence of copyright infringement (including petitioners' own belated admissions), Oracle prevailed at trial on all 93 of its copyright claims against Rimini. Oracle also prevailed against both Rimini and Ravin on its computer abuse claims. To remedy Rimini's massive copyright infringement, the jury awarded Oracle the fair market value of a hypothetical license, which it measured at $35,600,000. Pet.App.80a. The jury also awarded $14,400,000 in lost profits on the state-law computer abuse claims, plus $27,000 for the costs of investigating petitioners' conduct. Pet.App.87a-88a.

The district court awarded Oracle $28,502,246.40 in attorneys' fees, applying a 20% across-the-board discount. The court also awarded $4,950,566.70 in taxable costs and $12,774,550.26 in non-taxable costs—25% less than what Oracle sought—much of which stemmed from discovery and expert expenses attributable to countering petitioners' destruction and dissembling. Pet.App.69a-71a. The court also awarded Oracle $22,491,636.16 in prejudgment interest on the copyright award and $5,279,060.12 in prejudgment interest on the state-law awards. Pet.App.27a. Finally, the court permanently enjoined Rimini from further copying the software in violation of Oracle's licenses, and also enjoined Rimini and Ravin from accessing Oracle servers in violation of its terms of use. Pet.App.38a-39a.

The Ninth Circuit affirmed the jury's copyright verdict and copyright damages award. Pet.App.1a-35a. The court relieved Rimini of state-law computer abuse liability, reaching the dubious conclusion that knowingly *taking* digital data from a website in an unauthorized manner does not violate either statute so long as the user has authorization to *access* the website.[3] Pet.App.22a-26a. The court affirmed the

[3] *But see Mount Olympus Mortg. Co. v. Anderson*, No. 30-2014-00729438, 2016 WL 6157099, at *3 (Cal. Super. Ct. Sept. 19, 2016) (rejecting argument that §502(c) is "not meant to apply or create liability where a person has been given permission to

award of costs, which included both taxable and non-taxable costs, and affirmed the prejudgment interest award.[4] Pet.App.27a-30a, 32a-33a. "In view of [its] conclusion that there was no violation of the state computer laws," the court vacated and remanded for reconsideration of the injunction and the amount of attorneys' fees. Pet.App.30a-31a. In doing so, however, the court neither embraced nor even offered any support for petitioners' arguments that the initial fees award was excessive or that the initial injunction was overbroad.

Petitioners sought en banc review "on whether non-taxable costs are awardable under the Copyright Act" and "to clarify the appropriate date for establishing the prejudgment interest rate in copyright cases." Petition for Rehearing En Banc, Dkt.91 at i (9th Cir. Jan. 22, 2018) (capitalization altered). The petition was denied without any noted dissent. Pet.App.36a-37a.

REASONS FOR DENYING THE PETITION

This is neither the time nor the case for this Court to resolve whether Congress meant what it said in §505 of the Copyright Act when it authorized recovery of a prevailing party's "full costs." Thirteen years ago, the Ninth Circuit held that "full costs" does indeed mean "full costs," disagreeing with two short per

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access computers or computer systems in question and through that authorized access violates some terms of use agreement").

[4] The panel reduced the taxable costs award by approximately $1.5 million because, as Oracle conceded, the district court "read the wrong column when it awarded … taxable costs" and thus inadvertently counted $1.5 million in non-taxable costs as taxable costs. Pet.App.32a-33a.

curiam opinions from other circuits that had reached the opposite conclusion. In the 13 years since, not a single court of appeals has disagreed—likely because the issue is neither important nor recurring, and because the conclusion that full means full is compelled by the plain text of the statute and is entirely consistent with this Court's costs cases. With neither text nor precedent on their side, petitioners resort to statutory and legislative history, insisting that the Copyright Act has long had some idiosyncratic view of the term "full costs." In fact, the history of §505 only reinforces that Congress has always intended "full costs" to mean "full costs."

The unusual facts of this case also make it a particularly poor candidate for this Court's plenary review. Petitioners are facing a $12 million non-taxable costs award largely because their egregious litigation misconduct—intentional spoliation of evidence and lying under oath to cover up their infringement—forced Oracle to expend an extraordinary amount of resources proving conduct that petitioners now no longer even deny. That is presumably at least part of the reason why their petition has attracted no amicus support. The egregious nature of petitioners' misconduct both before and during the litigation makes this a highly atypical case and a poor vehicle for review, especially from the standpoint of anyone supporting petitioners' view of the statute. To the extent the marginal disagreement among the lower courts about how to interpret §505 will ever merit this Court's review, this is not the case to consider the question. Indeed, the only result of granting certiorari here would be to force Oracle to expend even more time and resources fending off petitioners' doomed efforts to take responsibility for the full extent of their illicit actions.

I. There Is No Meaningful Circuit Conflict That Warrants This Court's Review.

Federal courts may award two types of costs to civil litigants. The first are "taxable costs," so called because 28 U.S.C. §1920 authorizes "[a] judge or clerk of any court of the United States" to "tax as costs" a narrowly circumscribed set of litigation expenses, including fees for court reporters, fees for printing and docketing, and fees for witnesses, interpreters, and court-appointed experts. *See Crawford Fitting Co. v. J.T. Gibbons, Inc.*, 482 U.S. 437, 441 (1987) ("Section 1920 enumerates expenses that a federal court may tax as a cost."); *see also* 28 U.S.C. §1821 (providing rate limitations for certain taxable costs and enumerating which travel expenses for witnesses may "be taxable as costs"); 28 U.S.C. §1923 (enumerating which docketing fees "may be taxed as costs"). "Taxable costs" encompass only a fraction of a litigant's full costs. *Taniguchi v. Kan Pac. Saipan, Ltd.*, 566 U.S. 560, 573 (2012). By contrast, most familiar expenses associated with litigation—investigative fees, fees for party-retained experts, and so on—fall under the heading of "non-taxable costs."

While non-taxable costs are not available under 28 U.S.C. §1920, they may be awarded if a separate statute allows for them. Thirteen years ago, the Ninth Circuit concluded that §505 of the Copyright Act does just that, as it expressly gives courts "discretion" to award a prevailing party its "full costs." *See Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 429 F.3d 869, 884 (9th Cir. 2005) (quoting 17 U.S.C. §505), *cert.*

denied sub nom., *Dastar Corp. v. Random House, Inc.*, No. 05-1259 (U.S. June 26, 2006). In reaching that conclusion, the Ninth Circuit did not follow the per curiam opinions in *Pinkham v. Camex, Inc.*, 84 F.3d 292 (8th Cir. 1996), and *Artisan Contractors Association of America, Inc. v. Frontier Insurance Co.*, 275 F.3d 1038 (11th Cir. 2001), both of which concluded that "full costs" actually means only "taxable costs." The defendant in *Twentieth Century Fox* filed a petition for certiorari, and yet the costs issue was not even one of the questions presented. *See* Pet. for Cert., *Dastar Corp.*, No. 05-1259 (U.S. filed Mar. 28, 2006). And in the 13 years since the Court denied certiorari, no court of appeals has questioned the wisdom of *Twentieth Century Fox*, let alone embraced the dubious position that "full costs" means only a relatively small subset of costs.

To the contrary, as petitioners acknowledge (at 8 n.2), the three other circuits that have confronted the issue have all agreed with the Ninth Circuit. The Sixth Circuit affirmed an award of non-taxable costs under §505 in *Coles v. Wonder*, 283 F.3d 798, 803 (6th Cir. 2002). The First Circuit held in *InvesSys, Inc. v. McGraw-Hill Cos.*, 369 F.3d 16, 22-23 (1st Cir. 2004), that "reimbursement of computer-assisted research," which is not included among taxable costs in 28 U.S.C. §1920, is recoverable under §505. And the Seventh Circuit recognized in dictum in *Susan Wakeen Doll Co. v. Ashton Drake Galleries*, 272 F.3d 441, 458 (7th Cir. 2001), that "non-taxable costs" "must come through" §505 "[i]n a copyright action." *See also BMG Rights Mgmt. (US) LLC v. Cox Commc'ns, Inc.*, 234 F. Supp. 3d 760, 778 (E.D. Va. 2017) (citing *Susan Wakeen Doll* as in "accord" with *Twentieth Century Fox*), *vacated on* *other grounds*, 881 F.3d 293 (4th Cir. 2018). None of those decisions even cited, let alone followed, the two per curiam opinions with which *Twentieth Century Fox* disagreed.

That should come as no surprise, as those opinions contain little reasoning in support of their results. The Eighth Circuit's per curiam opinion in *Pinkham* merely states in conclusory terms that Congress' use of the phrase "full costs" does not "evidence[a] congressional intent to treat 17 U.S.C. §505 costs differently from costs authorized in other statutes." 84 F.3d at 295. The court never explained how "full costs" might mean something other than *full* costs, or how to reconcile the canon against surplusage with its reading the word "full" out of the statute. The court indicated that its paucity of reasoning flowed from a paucity of briefing, noting that "[t]he parties ha[d] not directed [the court] to any authority discussing the source or meaning of 'full costs' in 17 U.S.C. §505." *Id.*

The Eleventh Circuit, for its part, spent two paragraphs summarizing this Court's then-most recent costs case, and then simply noted, without further explanation: "The Eighth Circuit held that expert witness fees taxable as costs pursuant to §505 are limited as provided in 28 U.S.C. §§1920 and 1821(b). We agree." *Artisan Contractors*, 275 F.3d at 1038-40. Petitioners' "direct and acknowledged circuit split" thus boils down to a disagreement with two per curiam opinions issued 17 and 22 years ago that, between them, contain about two sentences of reasoning and have not been followed by a single court of appeals since.

Unable to muster much of a circuit split, petitioners resort to invoking a district split. But this Court is not in the business of resolving division among the district courts. If anything, the fact that district courts are addressing the issue in circuits that have not yet done so is an indication that further percolation is both necessary and appropriate.

II. The Decision Below Is Correct.

There is also no need for this Court to intervene in this case because the decision below is plainly correct. The Copyright Act provides that a court "in its discretion may allow the recovery of full costs." 17 U.S.C. §505. As the Ninth Circuit correctly concluded, this case begins and ends with the plain text of the statute: "Full costs" means *full* costs, not, as petitioners would have it, only *some* costs. Any other conclusion would read the term "full" out of the statute. Contrary to petitioners' contentions, that plain-text reading of the statute is in accord with this Court's precedents and the history of the Copyright Act, both of which reinforce the conclusion that §505 means exactly what it says.

A. The Ninth Circuit's Interpretation of §505 Is Entirely Consistent With This Court's Precedents.

Petitioners contend that the Ninth Circuit's plain-text reading of §505 "cannot be reconciled with this Court's holdings and reasoning in *Crawford Fitting*, *Casey*, and *Murphy*." Pet.12. They are mistaken. None of those cases concerned (or even mentioned) the term "full costs" or §505 of the Copyright Act. If anything, these cases only reinforce the conclusion that a statute that expressly provides for recovery of "full costs" does exactly that.

Starting with *Crawford Fitting*, the question in that employment discrimination suit was whether Federal Rule of Civil Procedure 54(d)—which at the time provided, in relevant part, that "costs shall be allowed as of course to the prevailing party"—authorized courts to award costs "above and beyond" those set forth in 28 U.S.C. §1920.[5] *Crawford Fitting*, 482 U.S. at 441. The Court held that Rule 54(d) did not give courts "discretion to tax whatever costs may seem appropriate," for if it did, "then §1920, which enumerates the costs that may be taxed, [would] serve[] no role whatsoever." *Id.* At the same time, however, the Court recognized that Congress can certainly expand by separate statute the universe of recoverable costs in claims brought under that specific statute. *Crawford Fitting* thus does nothing more than set a default: In cases governed by Rule 54(d), a prevailing party can recover only the limited categories of costs that may be taxed under 28 U.S.C. §1920. But in cases where costs are authorized by a separate statute, that separate statute controls.

The Ninth Circuit's decision in *Twentieth Century Fox* is entirely in accord with *Crawford Fitting* (unsurprisingly, since the latter was decided more than a decade before the former). The Ninth Circuit concluded that §505 is exactly the sort of separate statute *Crawford Fitting* contemplated, as §505

[5] As explained *supra*, §1920 enumerates a narrow set of "expenses a court 'may' tax as costs," and 28 U.S.C. §1821 "specifies the amount[s]" that may be taxed as costs under §1920. *Crawford Fitting*, 482 U.S. at 441.

expressly authorizes courts to award prevailing parties their "*full* costs," not just the costs set forth in §1920. *Twentieth Century Fox*, 429 F.3d at 885 (emphasis added). And the Ninth Circuit invoked *Crawford Fitting* for the very same canon against superfluity that controlled the analysis there, holding that reading §505 "as limiting the costs that may be awarded to any particular subset of taxable costs effectively reads the word 'full' out of the statute," which would "violate the long standing principle of statute interpretation that 'statutes should not be construed to make surplusage of any provision.'" *Id.* (quoting *Nw. Forest Res. Council v. Glickman*, 82 F.3d 825, 834 (9th Cir. 1996)).

Petitioners attempt to resist that conclusion by positing that "full" simply means that a prevailing party can recover the entirety of the costs allowable under §1920. But they do not and cannot explain why Congress would need to include that clarification since the same is true under §1920 itself. Indeed, statutes often authorize recovery of "costs" *simpliciter*, without specifying that each enumerated cost may be recovered "in full." *See, e.g.*, 42 U.S.C. §6104(e)(1); 29 U.S.C. §216(b); 15 U.S.C. §1691e(d). Petitioners do not identify any case that has held that the absence of the word "full" somehow means that these statutes authorize recovery of something less than the full amount of each cost.

West Virginia University Hospitals, Inc. v. Casey, 499 U.S. 83 (1991), is of even less relevance. Like *Crawford Fitting*, *Casey* did not concern or mention the phrase "full costs" or the Copyright Act. Instead, the question in *Casey* was whether a statute that permitted "the award of 'a reasonable attorney's fee'" also permitted the award of "fees for services rendered by experts.'" *Id.* at 84. The Court answered that question in the negative, reaching the commonsense conclusion that a statute that explicitly authorized recovery only of *attorney's* fees did not also implicitly authorize recovery of *expert* fees. *Id.* at 102. As the Court explained, reading the phrase "attorney's fees" to implicitly include expert fees would render the "dozens of statutes referring to the two separately … inexplicable exercise[s] in redundancy." *Id.* at 92.

Arlington Central School District Board of Education v. Murphy, 548 U.S. 291 (2006), is equally off-point. As in *Casey*, the question in *Murphy* was whether a statute that permits prevailing parties to recover "reasonable attorneys' fees as part of the costs" also permits recovery of expert fees. *Id.* at 293 (citing 20 U.S.C. §1415(i)(3)(B)). The Court held that the statute did not, reasoning once again that "the term 'attorneys' fees,' standing alone, is generally not understood as encompassing expert fees." *Id.* at 303. In other words, *Murphy* followed from a straightforward application of *Casey*—which has nothing to do with the question at issue here—and (like *Crawford Fitting* and *Casey*) did not even mention the phrase "full costs" or the Copyright Act. Petitioners' assertion that *Murphy* somehow "recognizes" that the Copyright Act's allowance for "full costs" is limited to "*taxable* costs," Pet.15, is thus nothing more than wishful thinking.

B. "Full Costs" Has Always Meant Full Costs.

With neither text nor precedent on their side, petitioners resort to statutory and legislative history, insisting that the term "full costs" in the Copyright Act has historically been understood to mean something less than full costs. In fact, petitioners have their history backward: The predecessor to §505 of the Copyright Act was added to the statute *before* §1920 created a default rule of only taxable costs, at a time when full costs meant exactly that in the copyright context.

At the Founding, prevailing parties in copyright cases were routinely awarded their complete litigation expenses. One of the very first statutes the First Congress enacted instructed the federal courts to apply state law in fashioning awards of costs and fees in suits at law, which (unlike suits in equity) included copyright actions. *See* Act of Sept. 29, 1789, ch. 21, §2, 1 Stat. 93.[6] And at the Founding, state law followed "the English practice of attempting to provide the successful litigant with *total reimbursement*." 10 Charles Alan Wright et al., *Federal Practice and Procedure* §2665 (3d ed. 1998) (emphasis added). In other words, the original practice in copyright cases was for prevailing parties to receive *all* the costs they expended in the litigation—*i.e.*, their "full costs."

That regime was briefly interrupted in 1819, when Congress gave the circuit courts "original

[6] The First Judiciary Act separately made provision for recovery of costs in admiralty and equity cases. *See* Judiciary Act of 1789, ch. 20, §20, 1 Stat. 73, 83.

cognizance" over "all actions" sounding in copyright. *See* Act of Feb. 15, 1819, ch. 19, 3 Stat. 481, 481. Under the First Judiciary Act, costs were unavailable to prevailing parties in original jurisdiction cases in the circuit courts. *See* Judiciary Act of 1789, ch. 20, §20, 1 Stat. 73, 83; Pet.16. Because Congress initially did not make any separate provision for costs in copyright cases, a prevailing party in a copyright case was barred from recovering any costs, and indeed could even "be adjudged to pay costs" to the other side if the claim yielded less than $500 in damages. Judiciary Act of 1789, ch. 20, §20, 1 Stat. 73, 83.

That changed in 1831. The Copyright Act of 1831 provided that "in all recoveries under [that] act, either for damages, forfeitures, or penalties, full costs shall be allowed thereon, any thing in any former act to the contrary notwithstanding." Copyright Act of 1831, ch. 16, §12, 4 Stat. 436, 439. Notably, that statute predated by two decades the precursor to 28 U.S.C. §1920, the first statute to create a default regime under which federal courts could award only certain enumerated "taxable costs." *See* Fee Act of 1853, ch. 80, 10 Stat. 160, 161; *In re Online DVD-Rental Antitrust Litig.*, 779 F.3d 914, 926 (9th Cir. 2015). Petitioners' contention that the 1831 Copyright Act's *non-obstante* clause ("any thing in any former act to the contrary notwithstanding") evinces Congress' intent "simply [to] overr[i]de the potential penalty when a plaintiff recovered less than $500 in damages," Pet.16-17, thus makes no sense. In 1831, there *was* no federal default rule of only "taxable costs," so allowing for recovery of full costs not only meant that successful copyright claimants could never be forced to pay the loser's costs in a matter involving less than $500, but also reinstated the default *state* rule, under which prevailing copyright litigants received *all* of their costs, not just a subset.

The legislative sources petitioners cite do not support their claim either. Petitioners do not cite anything addressing the 1831 statute, and the 1909 House Report they cite simply notes that, under the 1789 statute, a prevailing party was "not … allowed … costs." H.R. Rep. No. 60-2222, at 19 (1909). That Report says nothing whatsoever about what costs Congress allowed when it revised the statute to mandate recovery of "full costs." Nor does the legislative history for the 1976 Act, which just "changed the rule from a mandatory one to one of discretion." *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 524 n.11 (1994). The statutory and legislative history thus just reinforces what is plain on the face of §505: When Congress authorized recovery of "full costs" in copyright cases, it meant exactly that.

III. This Case Is A Poor Candidate For Plenary Review.

Even if this Court were inclined to resolve the question presented, this is not the case in which to do so. Petitioners were unable to muster even a single amicus brief supporting their petition, which suggests either that the issue is not truly of any great importance, or that no one who supports their position thinks this case is an appropriate vehicle for this Court's review (or both).

Petitioners face an unusually high non-taxable costs award because they engaged in unusually egregious litigation misconduct, which made uncovering evidence of their serial infringement unusually expensive.[7] That is hardly the ideal case in which to press the position that Congress did not intend copyright infringers to bear responsibility for the full costs that their unlawful conduct forces a copyright holder to expend. *See Fogerty*, 510 U.S. at 525 ("section 505 is intended in part to encourage the assertion of colorable copyright claims, to deter infringement, *and to make the plaintiff whole*" (emphasis added)). To the contrary, this case only underscores the wisdom of Congress' decision to grant courts discretion to award "full costs" in copyright cases. If this issue actually arises with anywhere near the frequency petitioners suggest, it should not take long for a more suitable vehicle to come along—say, a copyright holder who is *denied* the non-taxable costs of proving infringement. In the meantime, Oracle should not be forced to spend even more time and money litigating a case that has already dragged on for eight years.

Petitioners make the puzzling contention that this issue "often evades appellate review" because "[c]osts are, almost by definition, the *last* item raised on appeal." Pet.22. But courts are just as bound to reach the last item raised on appeal as they are to reach the first—which likely explains why *Crawford Fitting*, *Casey*, *Murphy*, and other costs cases have had no trouble finding their way either to appellate courts or to this Court. The same could be said, moreover, of all manner of post-liability issues, yet

[7] Given that egregious litigation misconduct, costs may well have been awardable below as a sanction, which further underscores why this case is a particularly poor vehicle for considering the question presented.

this Court regularly considers cases involving attorneys' fees, interest, and other post-judgment issues. *See, e.g.*, *Culbertson v. Berryhill*, No. 17-773 (U.S. cert. granted May 21, 2018) (scope of fees subject to 25% cap in Social Security cases); *Murphy v. Smith*, 138 S. Ct. 784 (2018) (scope of fees in civil rights litigation under Prison Litigation Reform Act); *CRST Van Expedited v. EEOC*, 136 S. Ct. 1642 (2016) (availability of attorneys' fees under Title VII).

Indeed, petitioners' "last item" point will matter, if at all, only if the party that prevailed in the district court does not prevail on appeal. Otherwise, the appellate court will need to consider whether or what costs (or fees or interest) should have been awarded, just as the district court did below. Case in point, petitioners' lone example of this purported impediment to review is a recent case in which the Fourth Circuit did not need to reach the costs issue because it reversed the liability holding. *See* Pet.22-23 (citing *BMG Rights Mgmt. (US) LLC v. Cox Commc'ns, Inc.*, 881 F.3d 293 (4th Cir. 2018)). The fact that some appeals are resolved in a way that takes costs off the table hardly constitutes a structural barrier to reviewing costs issues. To the contrary, it just undermines petitioners' claim that the question presented is so important that it must be resolved in a case that is a poor vehicle and involves atypical and egregious misconduct.

CONCLUSION

For the foregoing reasons, the Court should deny the petition for certiorari.

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