No. _____

In The
Supreme Court of the United States

DESIRE, LLC,

Petitioner,

v.

MANNA TEXTILES, INC., et al.,

Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

STEPHEN M. DONIGER*
SCOTT ALAN BURROUGHS
KELSEY M. SCHULTZ
BENJAMIN F. TOOKEY

DONIGER/BURROUGHS
603 Rose Avenue
Venice, California 90291
(310) 590-1820
stephen@donigerlawfirm.com

**Counsel of Record*

August 16, 2021

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

QUESTION PRESENTED

Section 504(c)(1) of the Copyright Act provides "an award of statutory damages for all infringements involved in the action . . . for which any two or more infringers are liable jointly and severally."

Did the Ninth Circuit err in breaking with its own prior precedent and courts across other circuits in holding that 17 U.S.C. § 504(c)(1) limits a copyright holder to a single statutory damages award against multiple infringers who are not jointly and severally liable with each other but are joined in an action with a common-source defendant who is secondarily liable for their separate infringements?

PARTIES TO THE PROCEEDINGS

Petitioner Desire, LLC ("Desire"), was the Plaintiff and the Appellee in the proceedings below.

Respondent Manna Textiles, Inc. ("Manna"), was Defendant and Appellant in the proceedings below.

A.B.N., Inc., dba Wearever, Inc. ("ABN"), was a Defendant and Appellant in the proceedings below.

Top Fashion of N.Y., Inc. ("Top Fashion"), was a Defendant and Appellant in the proceedings below.

Pride & Joys, Inc. ("Pride & Joys"), was a Defendant and Appellant in the proceedings below.

618 Main Clothing Corp., dba 10 Spot. dba Madgra ("618"), was a Defendant and Appellant in the proceedings below.

CORPORATE DISCLOSURE STATEMENT

Petitioner Desire, LLC has no parent corporation, and no publicly held company owns 10% or more of its stock.

RELATED CASES

- *Desire, LLC v. Manna Textiles, Inc., et al.,* No. 2:16-cv-04295-DMG-JEM, U.S. District Court for the Central District of California. Judgment entered September 29, 2017.
- *Desire, LLC v. Manna Textiles, Inc., et al.,* 986 F.3d 1253 (9th Cir. 2021), U.S. Court of Appeals for the Ninth Circuit. Judgment entered February 2, 2021. Petition for Rehearing and Rehearing En Banc denied March 18, 2021.

TABLE OF CONTENTS

TABLE OF CONTENTS—Continued

TABLE OF CONTENTS—Continued

TABLE OF AUTHORITIES

Page

CASES

TABLE OF AUTHORITIES—Continued

TABLE OF AUTHORITIES—Continued

STATUTES

TABLE OF AUTHORITIES—Continued

OPINIONS BELOW

The district court judgment giving rise to an appeal to the Ninth Circuit Court of Appeals is *Desire, LLC v. Manna Textiles, Inc.*, *et al.*, No. 2:16-cv-04295-DMG-JEM, at U.S.D.C. *Dkt*. No. 117 (C.D. Cal. September 29, 2017) (unreported), *aff'd and rev'd in part and remanded*, 986 F.3d 1253 (9th Cir. 2021).

The decision by the Ninth Circuit on appeal is reported at *Desire, LLC v. Manna Textiles, Inc., et al.*, 986 F.3d 1253 (9th Cir. 2021).

The decision denying Desire's petition for rehearing *en banc* issued on March 18, 2021, and is unreported.

JURISDICTION

The Ninth Circuit issued its opinion on February 2, 2021. The Ninth Circuit denied Desire's petition for rehearing *en banc* on March 18, 2021. Jurisdiction in this Court is proper under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

17 U.S.C. § 504(c)(1), which states:

> (c) Statutory Damages.—
>
> (1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is

> rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

INTRODUCTION

Those who produce and distribute creative works—the individuals and businesses who rely on strong copyright protection for their livelihood—are core engines for the United States economy.[1] This has been true since our nation's founding, when copyright protection was enshrined in the United States Constitution. Since then, Congress has taken many steps to cultivate and protect our creative engines, one of the most important of which is permitting copyright holders to seek statutory damages under 17 U.S.C. § 504(c)(1) (hereinafter "Section 504(c)(1)"). The very purpose of Section 504(c)(1) is to encourage the

[1] In 2018, the International Intellectual Property Alliance determined that "core copyright industries"—i.e., businesses whose "primary purpose is to create, produce, distribute, or exhibit copyright materials"—contributed more than $1.3 trillion to the GDP of the United States. Stephen E. Siwek, Copyright Industries in the U.S. Economy: The 2018 Report 3 (2018), available at https://iipa.org/files/uploads/2018/12/2018CpyrtRptFull.pdf.

prosecution of copyright infringement claims and deter infringement. *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 334 U.S. 228, 233 (1952) ("Even for uninjurious and unprofitable invasions of copyright the court may, if it deems it just, impose a liability within statutory limits to sanction and vindicate the statutory policy" of deterring infringement). This case is ripe for review because it presents a matter of first impression for this Court involving the interpretation and application of Section 504(c)(1).

Most applications of Section 504(c)(1) are straightforward: if a single infringer engaged in multiple acts of infringement, the statute permits a single statutory damages award per work infringed. Likewise, if a group ("two or more") of infringers engaged in any number of infringements for which all are jointly and severally liable, the statute again permits a single statutory damages award per work infringed. And if multiple infringers are each liable individually for separate acts of infringement, a separate statutory damages award per work is permitted against each infringer.

Unfortunately, there is no consensus in a different—but quite common—scenario. Often, one primary (or "upstream") infringer may be secondarily liable for the separate infringing acts of ancillary (or "downstream") infringers of a single copyrighted work, while those downstream infringers are not jointly and severally liable with one another because they have engaged in entirely separate courses of conduct. Does

this fact pattern yield one award—like the joint and several liability cases—or multiple—like the cases involving separate acts? For 25 years, the Ninth Circuit held that multiple statutory damage awards are proper in such instances, a view echoed in the leading treatise on copyright law and consistent with holdings of the Fifth Circuit and district courts in the Sixth Circuit. But in an about-face, the Ninth Circuit, in a split-panel ruling, followed district court decisions from the Second and Fourth Circuits that it previously rejected and held that only a single statutory damages award was permissible per work for all infringers, even among numerous infringers whose infringing acts were discrete and who shared no joint and several liability with anyone other than the common upstream infringer. *Desire, LLC v. Manna Textiles, Inc., et al.*, 986 F.3d 1253 (9th Cir. 2021). Judge Wardlaw dissented as to the panel's holding that petitioner was only entitled to a single statutory damages award, finding that it "creates perverse incentives for copyright litigation," "is contrary to the text of § 504(c)(1)," "makes little sense," and "has enormous implications for copyright holders litigating to enforce their rights[.]"

In the decision below, the Ninth Circuit limited the copyright holder to a single statutory damages award for the infringement of five defendants, three of whom were found to be willful infringers, and vacated the judgment entered by the district court on the jury's verdict. The Ninth Circuit conceded that none of the downstream infringers shared joint and

several liability with each other but determined that only a single award was appropriate because the district court ruled before trial that the upstream infringer could be jointly and severally liable for all downstream infringement. In the Ninth Circuit's view, because the infringement of each defendant was discrete, petitioner could have filed separate lawsuits against each infringer and recovered separate awards against each; however, because they were joined in a single action, only one award was allowed.

The conclusion that Section 504(c)(1) permits only one award of statutory damages where *any* defendant in an action shares joint and several liability with *any* other defendant, even where other defendants do not—is wrong. Section 504(c)(1) permits separate statutory damages for *each* defendant joined in one action where the liability of each is based on separate acts of infringement, notwithstanding that an upstream infringer may also be liable for those multiple awards under some circumstances. *See, e.g.*, *Columbia Pictures Television v. Krypton Broad. of Birmingham, Inc.* (*Columbia I*), 106 F.3d 284, 294 (9th Cir. 1997), *rev'd sub nom.*; *Columbia Pictures Television v. Krypton Broad. of Birmingham, Inc.* (*Columbia II*), 259 F.3d 1186, 1194 (9th Cir. 2001).

This petition requests review of the latest in a line of inconsistent applications of Section 504(c)(1) across circuits. The decision below threatens to create enormous problems for litigants and district courts

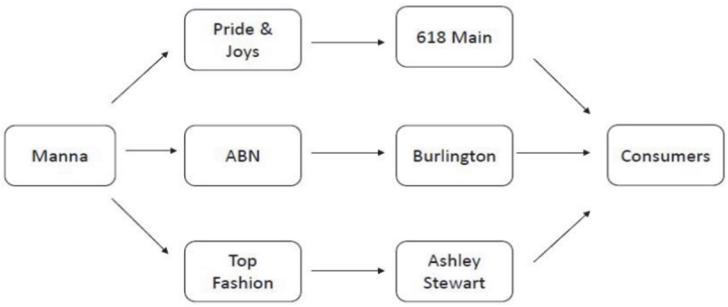
alike. A copyright holder's ability to seek separate awards against discrete infringers must not depend on either where the copyright holder files suit or how many lawsuits they are willing, or even able, to file. A grant of *certiorari* is necessary to clarify the meaning and effect of Section 504(c)(1), streamline and standardize its application across all circuits, and ensure that copyright holders are not denied access to the full scope of remedies afforded by the Copyright Act.

STATEMENT OF THE CASE

Desire, a Los Angeles-based fabric supplier, purchased the copyright in a two-dimensional floral print design entitled "CC3460" which it renamed "RT-11174" (the "Subject Design") and duly registered with the United States Copyright Office on June 26, 2015.

On October 15, 2015, Top Fashion, a women's clothing manufacturer, purchased four yards of fabric bearing the Subject Design from Desire. Using the Subject Design, Top Fashion secured a garment order from Ashley Stewart, Inc. ("Ashley Stewart"), a women's clothing retailer. But rather than purchase fabric bearing the Subject Design from Desire to fulfill its Ashley Stewart order, Top Fashion provided the Subject Design to Manna, a competitor of Desire, who then tasked a company in China with modifying Desire's original design to create an unauthorized derivative (the "Infringing Design") that could pass for the Subject Design to fill Top Fashion's Ashley Stewart order.

Between October 2015 and May 2016, Manna sold fabric bearing the Infringing Design to multiple customers, including ABN, Top Fashion, and Pride & Joys (the "Manufacturer Defendants"), all women's clothing manufacturers. The Manufacturer Defendants in turn created garments from that fabric which they sold to women's clothing retailers 618 Main, Burlington Coat Factory Direct Corp. ("Burlington"), and Ashley Stewart (collectively, the "Retail Defendants"). In doing so, Manna infringed Desire's copyright in the Subject Design each time it sold product bearing the Infringing Design to the Manufacturer Defendants. The Manufacturer Defendants then infringed Manna's copyright in the Subject Design by selling garments bearing the Infringing Design to the individual Retail Defendants. The Retail Defendants then committed their own infringing acts by selling said garments to their consumers. The following chart shows the three separate chains of infringement:



Desire filed a copyright infringement lawsuit against Manna, ABN, Top Fashion, Burlington, and Ashley Stewart, Pride & Joys and 618 Main. In ruling on the parties' cross motions for summary judgment,

the district court held that if Desire prevailed on its copyright claim, it could seek no less than seven statutory damages awards—one award against each infringer or group of infringers who were not jointly and severally liable with the others. This was demarcated as one award against each of the following groups:

(1) Against Manna individually, for copying the Subject Design and distributing fabric bearing the Accused Design to the Manufacturer Defendants.

(2) Against Manna and Top Fashion jointly and severally, for Top Fashion's sale of infringing garments to Ashley Stewart.

(3) Against Manna, Top Fashion, and Ashley Stewart, jointly and severally, for Ashley Stewart's display and sale of infringing garments to consumers.

(4) Against Manna and ABN, jointly and severally, for ABN's sale of infringing garments to Burlington.

(5) Against Manna, ABN, and Burlington, jointly and severally, for Burlington's display and sale of infringing garments to consumers.

(6) Against Manna and Pride & Joys, jointly and severally, for Pride & Joys' sale of infringing garments to 618 Main.

(7) Against Manna, Pride & Joys, and 618 Main, jointly and severally, for 618 Main's display and sale of infringing garments to consumers.

After trial, the jury returned a verdict in favor of Desire, finding that Manna, ABN, and Top Fashion willfully infringed the Subject Design, while Pride & Joys and 618 Main innocently infringed the Subject Design.[2] Desire elected to recover statutory damages from each infringer and received jury awards as follows: $150,000.00 against Manna, $150,000.00 against ABN, $150,000.00 against Top Fashion, $20,000.00 against Pride & Joys, and $10,000.00 against 618 Main. The jury made *no* findings as to joint and several liability. Desire submitted a proposed judgment form under which the Upstream Defendants would have been jointly and severally liable for the awards against the Downstream Defendants, but the district court entered judgment in which each Defendant was solely liable for the jury's awards against it.

Defendants appealed and the Ninth Circuit reversed. Despite no jury finding of joint and several liability among the Downstream Defendants within the three infringing chains, the Ninth Circuit concluded, based on the district court's pretrial order, that a single statutory damages award was available for all acts of infringement committed by all the Defendants.

[2] Desire reached settlements with Burlington and Ashley Stewart prior to trial.

REASONS FOR GRANTING THE PETITION

I. Section 504(c)(1)'s Plain Language Permits Separate Statutory Damages Awards Against Separate Defendants, Except as to Any Defendants Who Are Jointly and Severally Liable for *all* Infringements Involved in the Action.

The plain language of Section 504(c)(1) makes clear that the Ninth Circuit erred in limiting petitioner to a single award of statutory damages. The panel zeroed in on the phrase "any two or more infringers are liable jointly and severally" to the exclusion of the preceding phrase "for all infringements involved in the action." Because none of the infringers were jointly and severally liable "*for all infringements*" involved in the action, there was no cause to limit petitioner to a single statutory damages award.

This Court can "begin and end [its] inquiry with the text, giving each word its ordinary, contemporary, common meaning." *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. 1002, 1010 (2017) (internal quotation marks omitted); *see also FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000) (stating that this Court should "presume that [the] legislature says in a statute what it means and means in a statute what it says there").

Section 504(c)(1) states, in relevant part:

> [T]he copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an

> award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court considers just.

17 U.S.C. § 504(c)(1).

"Any" is an adjective used to denote choice from multiple people or things. *See Any*, Webster's New Int'l Dictionary (3d ed. 2002) (defining "any" as "one indifferently out of more than two; one or more: not none—used as a function word to indicate a positive but undetermined number or amount"). This Court has interpreted "any" in a manner consistent with this dictionary definition. *See United States v. Gonzales*, 520 U.S. 1, 5 (1997) ("Read naturally, the word 'any' has an expansive meaning, that is, one or some indiscriminately of whatever kind.") (internal quotations omitted); *see also Ali v. Fed. Bureau of Prisons*, 552 U.S. 214, 219-20 (2008).

In Section 504(c)(1), the word "any" modifies the phrase "two or more infringers are liable jointly and severally." Read most naturally, "any two or more infringers are liable jointly and severally" means an undetermined number of the infringers who have been held jointly and severally liable. Thus, "any" signals that a court must identify the jointly and severally liable infringers of the work amongst all of the defendants in the action. Put differently, "any" relates to the groups of infringers who can be limited to a single

award of statutory damages, not the circumstances under which such a limitation shall apply.

Importantly, "any" is preceded by "for which," a prepositional phrase that modifies "all infringements involved in the action, with respect to any one work." The statute thus requires a court to identify the infringers who are jointly and severally liable *with respect to* "all infringements involved in the action" for which they are liable. It thus matters *which specific acts of infringement* each defendant is jointly and severally liable for, not just that a defendant is jointly and severally liable for some portion of the infringement in the action. Section 504(c)(1) requires separating defendants into groups containing all the defendants who are jointly and severally liable for a given set of infringements committed, and then provides for "an award" of statutory damages against each individually liable infringer or separate group of jointly and severally liable infringers.

The leading treatise on copyright law illustrates this application:

> Suppose, for example, a single complaint alleges infringements of the public performance right in a motion picture against A, B, and C, each of whom owns and operates his own motion picture theater, and each of whom, without authority, publicly performed the plaintiff's motion picture. If A, B, and C have no relationship with one another, there is no joint or several liability as between them, so that each is liable for at least a minimum

> $250 statutory damage award. Suppose, further, that D without authority distributed the plaintiff's motion picture to A, B, and C. Although A, B, and C are not jointly or severally liable each with the other, D will be jointly and severally liable with each of the others. There will, therefore, be three sets of statutory damages which may be awarded, as to each of which D will be jointly liable.[3]

1 M. Nimmer & D. Nimmer, Copyright ("Nimmer") § 14.04[E][2][d] ("Infringement by Two or More Infringers Held Liable in a Single Action") (2020) (internal citations and quotations omitted) (hereinafter the "Nimmer Hypothetical").

Far from being theoretical, the Nimmer Hypothetical mirrors the Ninth Circuit's holding in *Columbia I*, which applied Section 504(c)(1) according to its plain language. In *Columbia I*, the district court found that the infringement of Columbia Pictures Television's copyright in certain television series by defendants—three television stations joined in the action, along with their owner—were "separate acts of infringement" subject to separate awards of statutory damages. 106 F.3d at 294. The Ninth Circuit affirmed because the three stations broadcasting the infringing television episodes were not "joint tortfeasors." *Id*. The Ninth Circuit also upheld the district court's

---

[3] Unlike here, D is not separately alleged to have committed an independent act of copyright infringement, so D's participation in the movie distribution profits does not create a fourth set of statutory damages.

conclusion that the station owner was jointly and severally liable with the three television stations for their separate displays of the copyrighted television shows. *Id.* at 288, 294 n.7. And it rejected the station owner's argument that only a single statutory damages award was appropriate, reasoning that "[b]ecause the stations were not jointly and severally liable with each other, [the owner's] liability vis-a-vis the stations merely renders him jointly and severally liable for each station's infringements—it does not convert the stations' separate infringements into one." *Id.* 294 n.7.

The plain language of Section 504(c)(1) limits statutory damages to a single award among multiple infringers only where those infringers are jointly and severally liable infringers *for all infringements involved in the action* for which they are liable. There is no language that converts separate infringements into one simply because an upstream infringer may be secondarily liable for the separate infringing acts of downstream infringers who bear no joint and several liability for the separate infringing acts of either that upstream infringer or each other. On this basis alone, the Ninth Circuit's denial of separate statutory damages awards—even though the downstream infringers (*viz.*, ABN, Top Fashion, Pride & Joys, and 618 Main) were *not* jointly and severally liable with one another, and Manna was liable for infringement for which no other defendant in the action was liable—should not stand, and nor should its reasoning.

The Ninth Circuit ignored the phrase "all infringements involved in the action" altogether, and instead

fixated on the word "any" in the phrase "for which any two or more infringers are liable jointly and severally":

> The Act clearly provides for *an award* of statutory damages for all infringements of a single work "for which *any* two or more infringers are liable jointly and severally." This is such a case. Manna is jointly and severally liable with ABN, Top Fashion, Pride & Joys, and 618 Main. And "an award" clearly means *one award*. . . . Section 504(c)(1)'s use of the word "any" means that if all infringers in the action were jointly and severally liable with at least one common infringer (here Manna) all defendants should be treated as one unit.

Desire, 986 F.3d at 1265-66 (internal citations omitted; emphasis in original).

The decision below rests in large part on a counterfactual argument: to permit a plaintiff to recover a separate statutory damages award against each distinct group of jointly and severally liable defendants would render superfluous the word "any" in Section 504(c)(1). The Ninth Circuit is correct that "courts should disfavor interpretations of statutes that render language superfluous." *Conn. Nat'l Bank v. Germain*, 503 U.S. 249, 253 (1992). Yet the decision below violates that canon by limiting the relief in this action to a single statutory damages award. The word "any" makes clear that courts must determine which defendants are jointly and severally liable for each separate act of infringement. And as Section 504(c)(1)'s limitation of "any two or more" jointly and severally liable

infringers to a single statutory damage award relates to "all infringements involved in the action," the Ninth Circuit's interpretation improperly renders the word "all" superfluous. This is erroneous.

The Ninth Circuit reasoned that "requiring complete joint and several liability among all defendants in order to limit the plaintiff to one award for one work would lead to disparate treatment of infringers depending on the relationship between downstream infringers." *Desire*, 986 F.3d at 1270. But this concern is illusory. Where infringers share complete joint and several liability, the harm to the copyright owner is the same and the damages are otherwise the same, and Section 504(c)(1) affords a single statutory damages award. In contrast, where there is no complete joint and several liability, the harm to the copyright owner is different because it flows from discrete infringing acts, and the damage is different because it flows from discrete sales.

Section 504(c)(1) was not written to limit a copyright owner to a single statutory damages award in this situation which, as discussed *infra*, Section III, is exceedingly, and increasingly, common. Rather, the plain language of Section 504(c)(1) permits separate awards so no infringer benefits from their separate infringement and each is duly incentivized to act responsibly. The Ninth Circuit's contrary holding should be corrected.

II. The Decision Below is Inconsistent with Congressional Intent in Enacting Section 504(c)(1), the Aims of the Copyright Act, and Joint and Several Liability Principles.

Congressional intent, the aims of the Copyright Act, and the uniform application of joint and several liability to the assessment of damages across tort and intellectual property law, provides further proof that the Ninth Circuit's interpretation of Section 504(c)(1) is incorrect.

Section 504(c)(1) should be considered within the overall structure of the Copyright Act. *See FDA*, 529 U.S. at 132-33; *see also Davis v. Michigan Dept. of Treasury*, 489 U.S. 803, 809 (1989) ("[T]he words of a statute must be read in their context and with a view to their place in the overall statutory scheme."). In essence, Section 504(c)(1) means what Congress intended it to mean. *See FDA*, 529 U.S. at 133 ("[T]he meaning of [a] statute may be affected by . . . where Congress has spoken . . . specifically to the topic at hand.") (internal citations omitted).

Congress set out to achieve two aims through Section 504(c)(1): (1) compensate copyright owners for losses suffered from infringements, while (2) deterring and preventing infringers from unfairly benefitting from those infringements. H.R. Rep. No. 94-1476, at 161 (1976). Congress drafted Section 504(c)(1) specifically "to give the courts specific unambiguous directions concerning monetary awards." *Id*. at 162. To ensure that its "directions" were "unambiguous,"

Congress provided examples of the application of Section 504(c)(1) which are instructive here:

> [W]here the work was infringed by two or more joint tortfeasors, the bill would make them jointly and severally liable for an amount in the $250 to $10,000 range. However, where separate infringements for which two or more defendants are not jointly liable are join[]ed in the same action, separate awards of statutory damages would be appropriate.

Id. Thus, even if Section 504(c)(1)'s language were ambiguous, Congress provided explicit guidance to illustrate its intent to permit separate statutory damages awards against separate defendants, except as to any defendants who are jointly and severally liable for "all infringements involved in the action." The Ninth Circuit's holding that "only one award of statutory damages is permissible" when a plaintiff "joins both the common primary source infringer and the downstream infringers as defendants, [and] the downstream infringers are not jointly and severally liable with each other" (*Desire*, 986 F.3d at 1269), is irreconcilable with Congress's intent and a core premise of the remedies provision of the Copyright Act: to limit statutory damages to a single award among jointly and severally liable infringers only for all infringements involved in the action *for which those jointly and severally liable defendants are liable*.

Nor can the decision below be squared with the longstanding common law application of joint and

several liability in assessing damages across tort and intellectual property law. The concept of "joint and several liability" is a "creature of tort law" that identifies which defendants are responsible for paying the full amount of plaintiff's damages, not the total amount of damages to which the plaintiff is entitled. *Honeycutt v. United States*, 137 S. Ct. 1626, 1631 (2017). Under common law, joint and several liability exists where multiple wrongdoers are each held liable for the reasonably foreseeable acts of fellow wrongdoers committed in furtherance of their *joint undertaking*. *Paper Systems Inc. v. Nippon Paper Industries Co.*, 281 F.3d 629, 633 (7th Cir. 2002); *Lemache v. Tunnel Taxi Mgmt., LLC*, 354 F. Supp. 3d 149, 153 (E.D.N.Y. 2019) (citing *In re Uranium Antitrust Litig.*, 617 F.2d 1248, 1257 (7th Cir. 1980)) ("A claim alleging 'joint and several liability' is one where . . . the defendant acted in concert with *each and every defendant*.") (emphasis added).

Congress is presumed to have incorporated these principles of joint and several liability into Section 504(c)(1) because there is no indication to the contrary. *See Davis v. Mich. Dep't of Treasury*, 489 U.S. 803, 813 (1989) ("When Congress codifies a judicially defined concept, it is presumed, absent an express statement to the contrary, that Congress intended to adopt the interpretation placed on that concept by the courts."); *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 538 (2013) (internal quotation marks omitted) (applying the same presumption where a statute "covers an issue previously governed by the common law"); *Samantar v. Yousuf*, 560 U.S. 305, 320 n.13 (2010) (quoting

Isbrandtsen Co. v. Johnson, 343 U.S. 779, 783 (1952)) (stating that the presumption controls unless "a statutory purpose to the contrary is evident"). As a result, the application of Section 504(c)(1) must be consistent with tort law.[4] *See Desire*, 986 F.3d at 1279 (Wardlaw, J., Dissenting in Part); *see also* Restatement (Third) of Torts: Apportionment Liab. § 10 ("When . . . some persons are jointly and severally liable to an injured person, the injured person may sue for and recover the full amount of recoverable damages from any jointly and severally liable person."); *id*. § 10 cmt. b ("[T]he risk that one or more of the parties liable to the plaintiff is insolvent is placed on the other jointly and severally liable defendant(s), rather than on the plaintiff."). The Ninth Circuit's is not.

Patent law demonstrates why. In *Shockley v. Arcan, Inc*., 248 F.3d 1349, 1364 (Fed. Cir. 2001), the Federal Circuit explained that where an upstream defendant is jointly and severally liable with downstream defendants, but the downstream defendants were not jointly and severally liable with each other,

---

[4] Copyright and patent infringements have historically been classified as torts. *See, e.g.*, *Broadcast Music Inc. v. Blumonday, Inc.*, 818 F. Supp. 1352, 1353 (D. Nev. 1993) ("At common law, a cause of action for copyright infringement was analogous to several tort actions."); *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 F. 712, 721 (6th Cir. 1897) (analogizing patent infringement to trespass); John M. Skenyon, Christopher S. Marchese, John Land, Patent Damages Law and Practice § 5:62 ("The traditional law of joint tortfeasors applies to joint infringers."); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439-42 (1984) (noting "the historic kinship between patent law and copyright law" in this context).

separate damages awards are appropriate against each set of jointly and severally liable defendants. Given the "historic kinship" between copyright and patent law, *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984), the Ninth Circuit's inconsistent application of joint and several liability principles is troubling.

The legislative history behind Section 504(c)(1) reveals Congress's intention to create strong remedies and incentives in copyright law, not to silently abrogate over a century of common law application of joint and several liability principles. Yet the decision below that "all defendants should be treated as one unit" when none of the downstream defendants had any awareness of the others' infringing acts, let alone acted in concert, is a stark departure from any other application of joint and several liability found in the law. *Desire*, 986 F.3d at 1265-66. The Ninth Circuit's holding has permitted discrete willful infringers to exploit Section 504(c)(1) to obtain a massive discount on their infringement penalty, thwarting Congress's stated objectives of deterrence, punishment, and "prevent[ing] the infringer from unfairly benefitting from a wrongful act." H.R. Rep. 94-1476, at 161. Indeed, under an actual damages analysis each infringer would be liable for the disgorgement of its own profit, regardless of whether an upstream infringer is also jointly and severally liable for those damage awards. 17 U.S.C. § 504(b). There is no reason to believe Congress intended to radically depart from that structure where a plaintiff seeks statutory damages.

III. Correcting Varying Interpretations and Applications of Section 504(c)(1) Across Circuits is Important, and this Case Presents an Ideal Vehicle to Ensure that Copyright Litigants are not Confused, District Courts are not Overwhelmed, and Infringers do not Receive a Joinder Windfall.

Sections I and II, *supra*, distill into a simple rule: separate statutory damages awards are appropriate when separate downstream infringers are not jointly and severally liable with each other, even though an upstream infringer might be jointly and severally liable with each of them.

Unfortunately, courts across the country have applied Section 504(c)(1) in different and fundamentally inconsistent ways, resulting in the availability of certain remedies depending on where copyright holders seek to enforce their rights. The decision below encourages forum shopping, compromises and frustrates the punitive and deterrence aims of the Copyright Act, incentivizes inefficient litigation, and creates an extraordinary burden on federal courts. This case presents an ideal vehicle to unify the interpretation and application of Section 504(c)(1) and prevent the host of problems the decision below will otherwise cause.

A. The Remedies Available to Copyright Holders Vary Significantly by Jurisdiction as Courts Across the Nation Apply Section 504(c)(1) Inconsistently.

Copyright law should be applied uniformly across the country. *Syntek Semiconductor Co. v. Microchip Tech. Inc.*, 307 F.3d 775, 781 (9th Cir. 2002) ("Congressional intent to have national uniformity in copyright laws is clear.") (citing *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 231 n.7 (1964)). The decision below is inconsistent with decisions of courts in other circuits and sharply breaks from prior Ninth Circuit precedent to create its radical rule.

In *Friedman v. Live Nation Merch., Inc.*, 833 F.3d 1180, 1189-90 (9th Cir. 2016), the Ninth Circuit held that the "number of awards available under [Section 504(c)(1)] depends not on the number of separate infringements, but rather on (1) the number of 'works' infringed and (2) the number of *separate* infringers" (emphasis added). In that case, 104 separate retailers sold the infringing products at issue and the Ninth Circuit unequivocally concluded that the copyright holder was "entitled under the statute to 104 separate awards, because the retailers were each jointly and severally liable with Live Nation but not collectively jointly and severally liable for the infringement of any one work." *Id*. Live Nation was the "upstream" infringer, as Manna is here. "Because Friedman did not join any of his alleged downstream infringers as defendants in this case," Friedman was only entitled to seek a single statutory damages award. *Id*. at 1192.

However, the Ninth Circuit made clear that Friedman would have been entitled to separate statutory damages awards had those downstream customers been joined. *Id*. In so holding, the Ninth Circuit reaffirmed the holdings of *Columbia I* and *II*, reiterating that the separate statutory damages awards in those cases were appropriate because the downstream infringers were each jointly and severally liable with the upstream infringer but not with each other. *Id*. at 1191.

Desire reversed course and created a stark conflict with the Fifth Circuit and district courts in the Sixth Circuit. *See Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 144 n.11 (5th Cir. 1992) ("The legislative history of section 504 is particularly direct on this point" based on Congress's guidance that "where separate infringements for which two or more defendants are not jointly liable are joined in the same action, separate awards of statutory damages would be appropriate"); *see also, e.g., Sony/ATV Music Publ'g LLC v. 1729172 Ontario, Inc.*, No. 3:14-CV-1929, 2018 WL 4007537, at *10 (M.D. Tenn. Aug. 20, 2018) ("Here, the Karaoke Labels are not joint tortfeasors with each other because they are separate companies that make their own recordings, but the TriceraSoft Defendants are joint tortfeasors with each Karaoke Label. Thus, because the TriceraSoft Defendants are jointly and severally liable with each of the labels . . . , but the labels are not jointly and severally liable with each other, Plaintiffs are entitled to separate awards associated with each label."). This must be remedied.

The Ninth Circuit eschewed its own precedent in favor of district court decisions from within the Second, Third, and Fourth Circuits,[5] even though it expressly rejected many of those very same cases in *Friedman*. *See Desire*, 986 F.3d at 1265. But the decision below does not even accord with those decisions. For example, *Bouchat* appears to hold that a plaintiff cannot seek separate statutory damages awards against downstream infringers even when they are named in a *separate* action (*Bouchat v. Bon-Ton Dep't Stores, Inc.*, 506 F.3d 315, 328-29 (4th Cir. 2007)), whereas the decision below holds the exact opposite, *Desire*, 986 F.3d at 1271 ("[U]nder the approach we adopt today, a plaintiff might achieve the result Desire seeks by suing separate infringers in separate actions."). And there is no consensus regarding the proper treatment of the Nimmer Hypothetical discussed *supra,* Section I. *Compare, e.g.*, *McClatchey*, 2007 WL 1630261, at *4 (stating that "it is not necessary for the Court to reject the *Nimmer* hypothetical in all circumstances"); *Bouchat*, 327 F. Supp. 2d at 552, *aff'd on other grounds*, 506 F.3d at 332 (rejecting the Nimmer Hypothetical wholesale, stating that "the Court will not engage in the academic exercise" and "will not follow Professor Nimmer"); *and Desire*, 986 F.3d at 1269

---

[5] *Arista Records LLC v. Lime Grp. LLC*, 784 F. Supp. 2d 313, 316 (S.D.N.Y. 2011); *Agence Fr. Presse v. Morel*, 934 F. Supp. 2d 584, 590 (S.D.N.Y. 2013); *McClatchey v. Associated Press*, No. 3:05-cv-145, 2007 WL 1630261, at *4 (W.D. Pa. June 4, 2007); *Bouchat v. Champion Prods., Inc.*, 327 F. Supp. 2d 537, 553 (D. Md. 2003), *aff'd on other grounds sub nom.*; *Bouchat v. Bon-Ton Dep't Stores, Inc.*, 506 F.3d 315 (4th Cir. 2007).

("acknowledg[ing] that the Nimmer Hypothetical supports Desire's position" and admitting its basis in *Columbia I* and *II* and *Friedman*, precedent which it did not reject).

The real and stark differences in remedies available across jurisdictions are certain to sew confusion and invite forum shopping. And perhaps most troublingly, by limiting damages to a single award against an upstream infringer, the decision below provides a free pass to downstream infringers who are not jointly and severally liable with each other but joined in the same action as a common upstream infringer. This eviscerates the core deterrent purpose of the Copyright Act. *See* H.R. Rep. No. 94-1476 at 161. Absent this Court's intervention, Section 504(c)(1) will continue to be applied inconsistently to the detriment of copyright enforcement.

B. The Decision Below Promises to Overwhelm Already-Overburdened District Courts with an Unnecessary Multiplication of Copyright Infringement Cases.

Review of the decision below is critical to ensuring that already-overburdened courts are not overwhelmed with the dramatic increase in copyright infringement cases that will be necessary to hold infringers liable for their separate infringing acts—an increase which will create a logistical nightmare for district courts and impede the efficient resolution of claims.

Under *Desire*, a copyright holder who joins multiple infringing defendants in a case of downstream infringement risks unwittingly reducing the number of recoverable statutory damages awards to one. In such a scenario, meritorious cases, even against willful infringers, may lose the value necessary to prosecute, which would strip the Copyright Act of its heart. *See* Ben Depoorter, *Copyright Enforcement in the Digital Age: When the Remedy Is the Wrong*, 66 UCLA L. Rev. 400, 404 (2019) (stating that one of the essential functions of statutory damages is "to enable the pursuit of meritorious copyright infringement claims that otherwise are too costly to pursue"). Indeed, as this Court recognized nearly a century ago, "[w]ithout [a] right of vindication" that is more than just nominal, "a copyright is valueless." *See Washingtonian Pub. Co. v. Pearson*., 306 U.S. 30, 40 (1939).

But as noted by the Ninth Circuit, a copyright holder *can* recover separate awards against each infringing defendant if it either brings *separate* lawsuits against each infringer, or if it simply cuts the common source defendant at the top of the chain out of the case. *Desire* at 1271-72 ("Desire could have recovered five statutory damages awards had it simply brought five separate lawsuits against the five remaining defendants.") And "it would be foolish to think that copyright plaintiffs will not at least try to bring separate suits, leaving . . . already overburdened district court judges to figure out whether there is a way to work around the [] mess." *Id.* at 1281 (Wardlaw, J., Dissenting in Part). The resulting deluge of additional copyright

infringement cases could sink a district court system already confronting "staffing and budgetary shortages," *Fourth Est. Pub. Benefit Corp. v. Wall-Street.com, LLC*, 139 S. Ct. 881, 892 (2019), and further delay resolution of the claims asserted therein.

Even before *Desire*, copyright cases across the country involving many thousands of litigants, and varying iterations of joint and several liability among them, have been on such a significant uptick that they are increasingly ubiquitous, as referenced *supra*, Section I. According to Lex Machina "Copyright and Trademark Litigation Report 2021," the total number of new copyright cases increased year over year from 2013 to 2019 for a total increase of 45%. *See Lex Machina Copyright Litigation Report 2021*, Lex Machina, https://lexmachina.com/resources/infographic-copyright-report/. And most of those thousands of cases involve multiple defendants and plaintiffs seeking statutory damages. In fact, over 75% of damages awarded in copyright infringement cases in 2020 were statutory damages awards. *See id*.

Section 504(c)(1) should not "require a plaintiff to undertake the charade of filing separate actions (based upon separate infringing transactions) in order to achieve multiple statutory damages." *See* Nimmer § 14.04[E][2][c] (Reappraisal of the Rule as to a Single Infringer of a Single Copyright Held Liable in a Single Action) (internal citations and quotations omitted). Likewise, the Copyright Act should not be construed to increase the number of infringement actions that need be brought. *See, e.g.*, *United Mine Workers of Am. v.*

Gibbs, 383 U.S. 715, 724 (1966) ("Under the [Federal] Rules [of Civil Procedure], the impulse is toward entertaining the broadest possible scope of action consistent with fairness to the parties; joinder of claims, parties and remedies is strongly encouraged.").

Congress could not have intended to defeat the rights and remedies of copyright holders and instigate the mischief the Ninth Circuit's approach invites. The absurd results attributable to that interpretation cannot stand. *See United States v. Granderson*, 511 U.S. 39, 47 n.5 (1994) (dismissing an interpretation that would lead to an absurd result); *Dewsnup v. Timm*, 502 U.S. 410, 427 (1992) (Scalia, J., dissenting) ("If possible, we should avoid construing the statute in a way that produces such absurd results."); *Rowland v. Cal. Men's Colony*, 506 U.S. 194, 200 (1993) (invoking "the common mandate of statutory construction to avoid absurd results").

C. The Imagined "Parade of Horribles" Underlying the Decision Below Does Not Justify the Misapplication of Section 504(c)(1).

The Ninth Circuit's misapplication of Section 504(c)(1) was driven by a fear of permitting disproportionate damages. *See, e.g.*, *Desire*, 986 F.3d at 1270 ("The district court's interpretation would also lead to potentially astronomical statutory damages awards."). But this extratextual gloss invokes a phantom problem that could be easily remedied if it ever actualized. Yet

in the name of preventing this imagined horrible, the decision below elects an interpretation of 504(c)(1) which will yield perverse incentives and thwart the efficient and proper prosecution of copyright litigation.

To be sure, in the half a century since the Copyright Act's passage, there does not appear to be a single case in which the proper application of Section 504(c)(1) has resulted in an "astronomical" statutory damages award. The Ninth Circuit already rejected that reasoning too. *See Friedman*, 833 F.3d at 1191 ("*Columbia Pictures* is the law of this circuit, and nothing in the opinion—or in the text of the statute itself—admits of a 'mass-marketing' exception. Creating such an exception would mean reading the statute in two different ways depending on how many down-the-line violations there were.").

Of course, district courts already have ample tools to correct any "astronomical" award that could conceivably result, including an order for a new trial or remittitur, or—as happened here—the denial of additional relief, such as the recovery of attorneys' fees, on the grounds that the jury's verdict provides adequate compensation and deterrence.

Conversely, there is no mechanism by which Courts can *increase* statutory damages where they prove inadequate to effect the Copyright Act's aims of compensation and deterrence. Thus, an interpretation of Section 504(c)(1) that leaves the remedies afforded under the Copyright Act without sufficient teeth is a far greater concern than an interpretation that results

in an exorbitant, and thus easily correctable, award. And the Ninth Circuit identified no benefit that Congress might have hoped to achieve by allowing, for example, a downstream infringer joined in a case with other downstream infringers with whom it was not jointly and severally liable to use the procedural posture of the case to avoid the damages award that it would otherwise be on the hook for if it were the sole defendant.

* * *

The equities of the Ninth Circuit's misinterpretation and misapplication of Section 504(c)(1) are so lopsided, and the costs so steep, that it promises either a significant multiplication of proceedings or a significant degradation of the Copyright Act's ability to deter infringement. Congress cannot have intended Section 504(c)(1) to yield such "intolerable consequences" that would "fail to further basis constitutional copyright objectives." *Kirtsaeng*, 568 U.S. at 544. Because the text of Section 504(c)(1), the aims of the Copyright Act, and the consistent application of joint and several liability to damages awards across tort and intellectual property law, each mandate separate statutory damages awards against separate defendants who are not jointly and severally liable for *all* infringements involved in the action between them, this petition should be granted.

IV. Conclusion.

This Court should grant this petition for a *writ of certiorari* to both ensure uniformity in the application of Section 504(c)(1) nationwide and prevent an unwarranted multiplication of copyright litigation.

Respectfully submitted,

STEPHEN M. DONIGER*
SCOTT ALAN BURROUGHS
KELSEY M. SCHULTZ
BENJAMIN F. TOOKEY

DONIGER/BURROUGHS
603 Rose Avenue
Venice, California 90291
(310) 590-1820
stephen@donigerlawfirm.com

**Counsel of Record*