

No. ____

IN THE
Supreme Court of the United States

HASBRO, INC. and DIANE J. PETERS, in her
capacity as successor trustee of the Reuben B.
Klamer Living Trust,
Petitioners,

v.

MARKHAM CONCEPTS, INC.; LORRAINE
MARKHAM, individually and in her capacity as
trustee of the Bill and Lorraine Markham
Exemption Trust and the Lorraine Markham
Family Trust; SUSAN GARRETSON,
Respondents.

**On Petition for a Writ of Certiorari to the
United States Court of Appeals
for the First Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

17 U.S.C. § 505 gives district courts discretion to award fees to prevailing parties in copyright cases. In *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197 (2016), this Court attempted to resolve longstanding confusion among the circuits in applying Section 505. But that confusion persists. The Fifth and Seventh Circuits apply a presumption in favor of awarding fees. The Eighth and Ninth Circuits apply no presumption at all. And in the decision below, the First Circuit expressly held that its pre-*Kirtsaeng* standard still governs: fees are available only if the plaintiff's position was "objectively quite weak." *Airframe Sys. v. L-3 Comms.*, 658 F.3d 100, 109 (1st Cir. 2011). That rule not only diverges from every other circuit's; it is the exact rule this Court rejected in *Kirtsaeng* as going "too far in cabining how a district court must" exercise its discretion under Section 505. 579 U.S. at 209.

The question presented is:

What is the appropriate standard for awarding attorneys' fees to a prevailing party under Section 505 of the Copyright Act?

PARTIES TO THE PROCEEDINGS

The petitioners in this case are Hasbro, Inc. and Diane J. Peters, in her capacity as successor trustee of the Reuben B. Klamer Living Trust.¹ Petitioners were the defendants and appellants below.

The respondents are Markham Concepts, Inc.; Lorraine Markham, individually and in her capacity as trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust; and Susan Garretson. They were the plaintiffs and appellees below.

Defendants below who did not participate in the appeal are Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins family Trust; and Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust.

CORPORATE DISCLOSURE STATEMENT

Under Rule 29.6 of the Rules of this Court, applicant Hasbro, Inc. states that it is a publicly held corporation, has no parent company, and has no non-wholly owned subsidiaries or affiliates.

¹ Before the First Circuit, the caption named Beatrice Pardo and Paul Glass as co-successor trustees of the Reuben B. Klamer Living Trust. Diane J. Peters has since become the sole successor trustee of the trust and is accordingly named as a petitioner here.

RELATED PROCEEDINGS

Under Rule 14.1(b)(iii), petitioners note the following proceedings directly related to this case:

U.S. Court of Appeals for the First Circuit:

Markham Concepts, Inc.; Lorraine Markham, individually and in her capacity as trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust; Susan Garretson, Plaintiffs, Appellants v. Hasbro, Inc.; Beatrice Pardo, in her capacity as successor co-trustee of the Reuben B. Klamer Living Trust; Paul Glass, in his capacity as successor co-trustee of the Reuben B. Klamer Living Trust; Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust, Defendants, Appellees, Ida Mae Atkins, Defendant.

Markham Concepts, Inc.; Lorraine Markham, individually and in her capacity as trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust; Susan Garretson, Plaintiffs, Appellees v. Hasbro, Inc., Defendant, Appellant. Beatrice Pardo, in her capacity as successor co-trustee of the Reuben B. Klamer Living Trust; Paul Glass, in his capacity as successor co-trustee of the Reuben B. Klamer Living Trust; Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, in his capacity as co-trustee of the

Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Ida Mae Atkins, Defendants.

Markham Concepts, Inc.; Lorraine Markham, individually and in her capacity as trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust; Susan Garretson, Plaintiffs, Appellees v. Beatrice Pardo, in her capacity as successor co-trustee of the Reuben B. Klamer Living Trust; Paul Glass, in his capacity as successor co-trustee of the Reuben B. Klamer Living Trust, Defendants, Appellants Hasbro, Inc., Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Ida Mae Atkins, Defendants. Nos. 19-1927, 21-1957, & 21-1958 (judgment entered June 22, 2023); and

Markham Concepts, Inc.; Lorraine Markham, Individually and in Her Capacity As Trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust; Susan Garretson, Plaintiffs, Appellants v. Hasbro, Inc.; Reuben Klamer; Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, In his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and

Ida Mae Atkins Family Trust; Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust, Defendants, Appellees, Ida Mae Atkins, Defendant., No. 19-1927 (judgment entered June 14, 2021).

U.S. District Court for the District of Rhode Island:

Markham Concepts, Inc.; Susan Garretson; and Lorraine Markham, individually and in her capacity as Trustee of the Bill and Lorraine Markham Exemption Trust and the Lorraine Markham Family Trust, Plaintiffs v. Hasbro, Inc.; Reuben Klamer; Dawn Linkletter Griffin; Sharon Linkletter; Michael Linkletter; Laura Linkletter Rich; Dennis Linkletter; Thomas Feiman, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; Robert Miller, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust; and Max Candiotty, in his capacity as co-trustee of the Irvin S. and Ida Mae Atkins Family Trust, Defendants.

Reuben Klamer, Counterclaim Plaintiff v. Markham Concepts, Inc., Susan Garretson and Lorraine Markham, Counterclaim-Defendants. No. 15-419 WES (judgment entered August 14, 2019).

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Hasbro, Inc. and Diane J. Peters, in her capacity
as successor trustee of the Reuben B. Klamer Living
Trust respectfully petition for a writ of certiorari to
review the judgment of the United States Court of
Appeals for the First Circuit in this case.

OPINIONS BELOW

The opinion of the First Circuit is currently reported at 71 F.4th 80 (1st Cir. 2023), and is reproduced at page 1a of the appendix to this petition (“Pet. App.”). The opinion of the district court is unreported and is reproduced at Pet. App. 32a.

JURISDICTION

The opinion and order of the First Circuit were entered on June 22, 2023. Pet. App. 4a. Petitioners filed an application to extend the time to file a petition for a writ of certiorari on September 8, 2023. *See* Docket No. 23A235. Justice Jackson granted the application, extending the time to file until November 20, 2023. *Ibid.* This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

17 U.S.C. § 505. In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney’s fee to the prevailing party as part of the costs.

INTRODUCTION

This case presented a “close call” which turned on a critically important question of copyright law that the decision below expressly acknowledged has split the circuits. It checks every box for further review.

In Section 505 of the Copyright Act, Congress said that courts “may” award fees to prevailing parties. This Court has twice offered guidance on how to apply this standard. But the circuits remain hopelessly divided. Two circuits unequivocally hold that courts

should hew toward awarding fees. Two circuits hold that courts should not lean one way or the other. And one circuit, the circuit in which petitioners won on the merits, cautions district courts against awarding fees—applying the very rule this Court has previously rejected. The conflict is intractable, and the only resolution is this Court’s intervention.

The underlying lawsuit is about *The Game of Life*, one of the most successful board games of all time. With the game’s wild popularity, however, came battles over its authorship. The rightful copyright author, Reuben Klamer, faced decades of litigation against a man who claimed authorship for himself, Bill Markham. In the end, Klamer and Hasbro, Inc. (the game’s long-time copyright licensee) prevailed definitively.

Having spent vast amounts of time and money fighting Markham’s claims, Klamer and Hasbro sought fees under the Copyright Act’s fee-shifting provision, 17 U.S.C. § 505. But unfortunately for them, the suit was filed in the District of Rhode Island—a First Circuit court. The First Circuit is alone in cabining district courts’ discretion with a predilection *against* awarding fees to the prevailing party. Two circuits, the Eighth and the Ninth, do not entertain a presumption in either direction. And two others, the Fifth and the Seventh, apply a presumption in favor of awarding fees.

Had Klamer and Hasbro prevailed on the merits in the Fifth, Seventh, Eighth, or Ninth Circuits, they almost certainly would have obtained their fees. The district court indeed thought this was a “close call,” even under the First Circuit’s restrictive standard. But because this case arose in the First Circuit,

Klamer and Hasbro received nothing. The conflict here is manifest and outcome determinative.

The First Circuit’s approach not only diverges from the other circuits’; it is patently wrong. In *Kirtsaeng*, this Court held that placing presumptive weight on the “objective unreasonableness” of the plaintiff’s position goes “too far in cabin[ing] how a district court must structure its analysis” under Section 505. 579 U.S. at 209. But in the decision below, the First Circuit reaffirmed its pre-*Kirtsaeng* precedent that applied this very rule: fees are effectively available only if the plaintiff’s position was “objectively quite weak.” *Airframe Sys. v. L-3 Comms.*, 658 F.3d 100, 109 (1st Cir. 2011); Pet. App. 10a n.10. After *Kirtsaeng*, that rule cannot stand.

This critically important question arises in every copyright case that gets litigated to judgment. Because the circuits remain divided over how to answer it—and because the First Circuit’s rule directly conflicts with this Court’s precedents—the Court should grant certiorari. Alternatively, the Court should grant, vacate, and remand for the First Circuit to apply the standard set forth in *Kirtsaeng*.

STATEMENT

A. Statutory background

Fee shifting has been part of the Copyright Act for over a century. But in 1976, Congress changed the provision from requiring fee awards to giving courts discretion to award fees. *See* 17 U.S.C. § 505.

1. For nearly two decades, district courts had little guidance on how to exercise that discretion. Then, in 1994, the Court decided *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 523–24 n.11 (1994).

In *Fogerty*, the prevailing defendant moved for attorneys’ fees under Section 505. 510 U.S. at 520. The Ninth Circuit applied its “dual” standard, where “plaintiffs are generally awarded attorney’s fees as a matter of course, while prevailing defendants must show that the original suit was frivolous or brought in bad faith.” *Id.* at 520–21. Three other circuits had agreed with this approach. *Id.* at 521 n.8. On the other hand, three circuits had an “evenhanded” approach that did not distinguish between plaintiffs and defendants. *Id.* at 521 & n.8.

The circuits adopting the “dual” standard wanted to “avoid chilling a copyright holder’s incentive to sue on colorable claims, and thereby to give full effect to the broad protection for copyrights intended by the Copyright Act.” 510 U.S. at 521 n.6 (citation omitted). But this Court rejected that reasoning.

The Court started with Section 505’s plain language, which did not differentiate between plaintiffs and defendants. 510 U.S. at 522. And it was unpersuaded by the dual standard applied in civil rights cases. *Id.* at 522–23. That standard was based on the policy objectives behind the civil rights statutes supporting plaintiffs operating as private attorneys general. *Id.* at 523–24.

By contrast, the Copyright Act is designed “to encourage the production of original literary, artistic, and musical expression for the good of the public.” 510 U.S. at 524. It creates a monopoly so that authors and inventors have incentives that “stimulate artistic creativity for the general public good.” *Id.* at 526–27 (citation omitted). Many authors and inventors are barely scraping by or otherwise cannot afford counsel. And “starving artists” can be plaintiffs or defendants,

as can large corporations with vast resources. *Id.* at 517, 524.

The Court further recognized that meritorious defenses are as valuable as meritorious infringement claims to defining the boundaries of copyright law. 510 U.S. at 527. Thus, the Court concluded that there is no policy basis for distinguishing between plaintiffs and defendants in awarding fees. *Ibid.*

Returning to Section 505's text, the Court also rejected reference to the "British Rule" that fees automatically are awarded. 510 U.S. at 533. "The word 'may' clearly connotes discretion. The automatic awarding of attorney's fees to the prevailing party would pretermitt the exercise of that discretion." *Ibid.* The Court emphasized that certain factors would inform the district court's use of its discretion, but there could be "no precise formula" cabining that discretion. *Id.* at 534. Those "nonexclusive factors" include "frivolousness, motivation, objective unreasonableness and the need in particular circumstances to advance consideration of compensation and deterrence." *Id.* at 534 n.19.

2. For the next two decades, lower courts still struggled with the exercise of discretion under Section 505. Then, in 2016, the Court offered further guidance in *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 207 (2016).

In *Kirtsaeng*, the Court addressed a Second Circuit rule that, in effect, applied a presumption against awarding fees where the non-prevailing party was objectively reasonable. *See id.* at 209. The Court explained that while "objective reasonableness" is "an important factor in assessing fee applications," it is "not the controlling one." *Id.* at 208. District courts,

rather, must be free to “view all the circumstances of a case on their own terms” in making a decision about fees. *Id.* at 209. Thus, the Second Circuit’s presumptive focus on objective reasonableness went “too far in cabining how a district court must structure its analysis” under Section 505. *Ibid.*

B. Factual and procedural history

This case involves an inventor, Reuben Klamer, who developed The Game of Life—and a designer, Bill Markham, who made his choices, collected his pay, and then demanded more recognition and money.

1. In 1959, Klamer hired Markham’s firm to design the game after Hasbro’s predecessor, the Milton Bradley Company, asked Klamer to develop a product “to commemorate Milton Bradley’s 1960 centennial.” *Markham Concepts, Inc. v. Hasbro, Inc.*, 355 F.Supp.3d 119, 122 (D.R.I. 2019), Pet. App. 4a–5a. As we all know, the game was incredibly successful. Pet. App. 5a. Klamer and Markham combined to provide the big ideas, many ahead of their time. *Markham Concepts*, 355 F.Supp.3d at 123.

But Markham was unhappy. *Id.* at 125–26. He wanted more acclaim and he believed his royalty was “ridiculously low.” *Id.* at 126. Markham pressed his claim of authorship for decades, forcing Klamer and Hasbro to deal with his unfounded demands. Pet App. 27a. “Even before the Game hit stores, there was a struggle, mostly on Markham’s part, to take credit for its genius.” *Markham Concepts*, 355 F.Supp.3d at 125. In 1965, Markham demanded that Klamer disavow the work he’d done on the game in response to a trade publication recognizing Klamer’s role. *Id.* at 126. As the years went on, Markham pressed Klamer for recognition, and even though Klamer disagreed with

Markham's claims to authorship, "Klamer went out of his way to prevent any publicity that would similarly offend Markham." *Ibid.* Markham's efforts included litigation in the 1980s that the parties ultimately settled, but that was not enough. *Id.* at 126–27.

2. Markham died in 1993, and since then, his successors-in-interest have taken up the mantle. Pet. App. 5a n.1. Markham's successors sued Klamer, Hasbro, and others, "in an attempt, inter alia, to renegotiate the original assignment of rights in the game." Pet. App. 5a.

After a bench trial that included testimony from two of Markham's former employees, the district court determined that The Game of Life prototype was a work for hire by Markham for Klamer. Pet. App. 6a. Thus, Markham was not the author for copyright purposes, and his successors could not terminate the assignment agreement. *Ibid.*

Markham's successors appealed the judgment against them, and the First Circuit affirmed, noting that "the evidence amply support[ed] the district court's conclusion that the game was created at the instance and expense of Klamer' and was thus a work for hire." Pet. App. 8a.

3. As the prevailing parties, Klamer and Hasbro sought their costs—including attorneys' fees—under 17 U.S.C. § 505. The district court denied the fee requests. Pet. App. 11a–12a, 33a.

In so doing, the court laid out the non-exclusive *Fogerty* factors: "frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and the need in particular circumstances to advance considerations of

compensation and deterrence.” Pet. App. 34a. But the court then followed the First Circuit’s longstanding practice of placing near-dispositive weight on the opposing party’s objective unreasonableness. *See* Pet. App. 39a (citing *Airframe Sys.*, 658 F.3d at 110).

Under that tough standard, the motions “present[ed] a close call,” but did not warrant an award. Pet. App. 33a. The court mentioned the other *Fogerty* factors only in footnotes, and “[a]fter briefly describing the competing contentions, the court concluded that ‘both sides raised plausible arguments and plaintiffs’ claim, though unsuccessful, was not so weak as to be objectively unreasonable to pursue.’” Pet. App. 11a, 39a (cleaned up). Objective unreasonableness was the touchstone.

4. Klamer and Hasbro appealed the district court’s denial of fees and also filed a motion in the First Circuit for their appellate costs and attorneys’ fees. Pet. App. 8a–9a.

The First Circuit expressly acknowledged that the circuits remain divided over how to apply Section 505. Pet. App. 10a n.10. And it saw “no reason to depart” from its pre-*Kirtsaeng* precedent on the issue. *Ibid.* (citing *Airframe Sys.*, 658 F.3d at 108–110).

That precedent “allow[s] an award of attorney’s fees to a prevailing party if the opposing party’s claims are ‘objectively quite weak.’” *Airframe Sys.*, 658 F.3d at 109 (citation omitted). Unsurprisingly, then, the court focused almost exclusively on whether Markham’s claims were objectively unreasonable. Pet. App. 11a–19a, 23a–27a. On that question, the First Circuit ultimately agreed with the district court’s assessment. And that meant fees could be awarded only if the other factors “lean[ed] sufficiently

in the other direction” to surmount the absence of unreasonableness. Pet. App. 27a. In effect, as the court’s pre-*Kirtsaeng* precedent commands, the lack of unreasonableness created a presumption against fees. See *Airframe Sys.*, 658 F.3d at 109. And because the other factors could not overcome that presumption, the First Circuit denied Klamer and Hasbro’s fee requests.

REASONS FOR GRANTING THE WRIT

I. As the decision below *expressly recognized*, the circuits are hopelessly divided over the question presented.

In its opinion below, the First Circuit claimed to be on the right side of a 4-2 circuit split over the question presented. Pet. App. 10a n.10. That claim is half right. There *is* a deep split over the question presented. But it is actually a *three-way* split, with the First Circuit standing alone in effectively permitting fees only “if the opposing party’s claims are ‘objectively quite weak.’” *Airframe Sys.*, 658 F.3d at 109.

A. The Fifth and Seventh Circuits apply a presumption in favor of fee awards.

Weighing the policy considerations raised in *Fogerty* and *Kirtsaeng*, the Fifth and Seventh Circuits instruct district courts to apply a presumption in favor of awarding fees under Section 505.

In the Fifth Circuit, fees are “awarded routinely” to the prevailing party in a copyright case, and an award of fees “is the rule rather than the exception.” *Bell v. Eagle Mountain Saginaw Indep. Sch. Dist.*, 27 F.4th 313, 326 (5th Cir. 2022); *Digital Drilling Data Sys., L.L.C. v. Petrolink Servs., Inc.*, 965 F.3d 365, 386 (5th Cir. 2020) (holding, post-*Kirtsaeng*, that “we have

repeatedly stated that an award of attorney’s fees to the prevailing party in a copyright action is the rule rather than the exception and should be awarded routinely”).

The Seventh Circuit similarly holds that “the prevailing party in Copyright Act litigation is presumptively entitled to an award of fees under § 505.” *Mostly Memories, Inc. v. For Your Ease Only, Inc.*, 526 F.3d 1093, 1099 (7th Cir. 2008) (reversing district court’s denial of fee motion). “And when denying a prevailing copyright defendant his attorney’s fees, a district court’s discretion is very narrow.” *Live Face on Web, LLC v. Cremation Soc’y of Illinois, Inc.*, 77 F.4th 630, 632 (7th Cir. 2023).

The Seventh Circuit has not just maintained its presumption post-*Kirtsaeng*; it has doubled down. “So strong is this presumption,” the court recently wrote, “that we have repeatedly reversed district courts who refused to award a prevailing defendant his attorney’s fees.” *Ibid.* And it has “affirmed a contrary result just once.” *Ibid.*

B. The Eighth and Ninth Circuits weigh the factors with no presumption.

Following *Kirtsaeng*, the Eighth and Ninth Circuits have expressly held that the Section 505 analysis leans neither in favor of nor against awarding fees. *Designworks Homes, Inc. v. Thomson Sailors Homes, L.L.C.*, 9 F.4th 961, 965 (8th Cir. 2021); *Glacier Films (USA) v. Turchin*, 896 F.3d 1033, 1039 (9th Cir. 2018).

In *Glacier Films*, the Ninth Circuit vacated the district court’s decision not to award fees because the court decided that the district court incorrectly

analyzed several of the *Fogerty* factors. 896 F.3d at 1037–44. The court thoroughly discussed the factors neutrally, and it directly disagreed with the Seventh Circuit’s approach, asserting that a presumption in favor of fee awards “collide[s] with Supreme Court guidance and is not consistent with the statute.” *Id.* at 1039 (citing *Kirtsaeng*, 136 S. Ct. at 1988–89).

Similarly, the Eighth Circuit rejected the district court’s use of a presumption. *Designworks*, 9 F.4th at 965. In *Designworks*, the district court awarded fees to a prevailing defendant that had won summary judgment. *Id.* at 964–65. The Eighth Circuit affirmed the fee award based on the facts of the case, but it warned—expressly disagreeing with the Fifth Circuit—that “the district court was wrong to say that attorney fees ‘are the rule rather than the exception and *should* be awarded routinely’ in cases like this one.” *Id.* at 965; *contra Digital Drilling Data Sys.*, 965 F.3d at 386 (“[W]e have repeatedly stated that an award of attorney’s fees to the prevailing party in a copyright action is the rule rather than the exception and should be awarded routinely.”).

C. Standing alone, the First Circuit applies a restrictive standard limiting courts’ discretion to award fees.

In the First Circuit, district courts’ discretion to award fees under Section 505 is limited. In effect, fees are available only where the non-prevailing party raised claims or defenses that were “objectively quite weak.” *Airframe Sys.*, 658 F.3d at 108–09.

In *Airframe*, the district court denied attorneys’ fees under Section 505 after applying the *Fogerty* factors with the First Circuit’s gloss. *Id.* at 109. In its words: “the *Fogerty* standard—as interpreted in

[previous First Circuit cases]—permits a court to award attorney’s fees when the opposing party’s claims are objectively weak, [but] it does not require the court to do so.” *Ibid.* (cleaned up).

In the decision below, the First Circuit faithfully applied its prior rulings. Pet. App. 13a, 23a. Indeed, it expressly reaffirmed that, post-*Kirtsaeng*, the *Airframe* standard still cabins the district courts’ discretion under Section 505. Pet. App. 10a n.10.

The First Circuit has thus created a *third* approach to the *Fogerty* factors, establishing unacceptable dis-uniformity in copyright law whereby the entitlement to fees swings wildly depending on the circuit in which the case was filed. The motions here “present[ed] a close call” and the district court ultimately denied them. Pet. App. 33a. In the Eighth and Ninth Circuits, the close call likely would have gone the other way. And in the Fifth and Seventh Circuits, petitioners certainly would have been awarded their fees.

II. The decision below conflicts with *Fogerty* and *Kirtsaeng*.

Of the three approaches for applying the *Fogerty* factors, the First Circuit’s is the most obviously wrong. After all, the Court already has ruled that a presumption against awarding fees when a party’s position is objectively reasonable is improper. *Kirtsaeng*, 579 U.S. at 207. And the *Fogerty* factors were introduced in response to hostility toward providing fee awards under Section 505 to defendants. There, a successful musician was a defendant in a copyright action when an entity to which he sold a song alleged that the musician violated the copyright by using the work in a subsequent song. *Fogerty*, 510

U.S. at 519–20. The jury found in the defendant musician’s favor. *Id.* at 520.

The musician then requested fees under Section 505 under the Ninth Circuit’s standard requiring district courts to award fees as a matter of course to plaintiffs, but allowing fees to defendants only when the action was frivolous. 510 U.S. at 520. The district court denied fees and the Ninth Circuit affirmed. *Id.* at 520–21. This Court reversed. *Id.* at 521. The Court noted that “[b]y predicating an award of attorney’s fees to prevailing defendants on a showing of bad faith or frivolousness on the part of plaintiffs, the ‘dual’ standard makes it more difficult for prevailing defendants to secure awards of attorneys fees than prevailing plaintiffs.” *Id.* at 520–21 n.6. That was unacceptable.

The Court noted that the Copyright Act’s goal “is to encourage the production of original literary, artistic, and musical expression for the good of the public.” 510 U.S. at 524. Thus, a district court’s North Star for awarding fees must be advancing that goal. *Ibid.* And litigation to conclusion serves a valuable purpose in copyright law—it helps establish clear boundaries. *Id.* at 527.

But in copyright cases large corporations and starving artists participate as both plaintiffs and defendants. *Id.* at 524. Often, the defendant also holds a copyright. *Id.* at 526. So it is no more important for a plaintiff with a meritorious claim to see the case through than it is for a defendant with a meritorious defense to seek a ruling. *Id.* at 527. “[D]efendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them to the same extent that plaintiffs are encouraged to litigate

meritorious claims of infringement.” *Ibid.* And fee awards should not be more likely to encourage or discourage one side over the other. *Ibid.*

In *Kirtsaeng*, the Court clarified right at the outset that the district court “retains discretion, in light of [the *Fogerty* factors] to make an award even when the losing party advanced a reasonable claim or defense.” 579 U.S. at 200. There, a book publisher sued a person who bought cheap, foreign-printed versions of a book abroad and re-sold them in the United States. *Ibid.* There was a conflict in the lower courts over whether the first sale doctrine protected a reseller who bought books outside the United States. *Ibid.* The reseller brought the issue to this Court and won. *Id.* at 201. The reseller then sought a fee award under Section 505, but the district court denied relief, stating that imposing a fee award against a copyright plaintiff who made an “objectively reasonable” claim “will generally not promote the purposes of the Copyright Act.” *Ibid.* (citation omitted).

The Court analyzed the value of objective reasonableness as a standard and ultimately concluded “objective reasonableness can only be an important factor in assessing fee applications—not the controlling one.” 579 U.S. at 208. Yet the First Circuit still adheres to its pre-*Kirtsaeng* decision in *Airframe* that an award of fees is inappropriate unless the unsuccessful party’s arguments are “objectively quite weak.” Pet. App. 39a (“After a close review of the record, the Court again cannot say that Plaintiffs pursued a factually unreasonable case.”) (citing *Airframe*), 41a (“Plaintiffs’ claim, though unsuccessful, was not so weak as to be objectively unreasonable to pursue”). That runs directly afoul of the Court’s mandate in *Kirtsaeng* that even when

there is objective reasonableness, “a court may order fee-shifting because of a party’s misconduct . . . , to deter repeated instances of copyright infringement or overaggressive assertions of copyright claims.” 579 U.S. at 209.

The courts below treated overaggressive assertions of copyright claims as a feature and not a bug here. Pet. App. 26a–27a. They treated the plaintiffs’ long-running feud and desire for an advisory opinion as reasons *not* to award fees. Pet. App. 26a. They then claimed that petitioners *benefitted* from the plaintiffs pursuing litigation rather than simply letting go of their meritless copyright claim. Pet. App. 27a. By placing too much weight on objective reasonableness and taking a dismissive approach to other reasons to award fees, the First Circuit and its district courts adopted the standard this Court expressly rejected in *Kirtsaeng*: “the Court of Appeals’ language at times suggests that a finding of reasonableness raises a presumption against granting fees, and that goes too far in cabining how a district court must structure its analysis and what it may conclude from its review of relevant factors.” 579 U.S. at 209 (cleaned up).

Not-too-distant history has repeated itself here. The First Circuit has effectively created a presumption against awarding fees—prevailing parties seeking fees must establish objective unreasonableness—without expressly stating a presumption. At the very least, like in *Kirtsaeng*, district courts in the First Circuit “appear to have overly learned the Court of Appeals’ lesson,” given the district court here clearly put undue weight on objective reasonableness and the outdated precedent in *Airframe*. 579 U.S. at 209. The First Circuit then blessed this reversion to pre-*Kirtsaeng* standards by re-adopting the *Airframe*

standard and doubling down with similar reasoning when denying petitioners' motion for appellate fees. Pet. App. 10a–11a n.10, 23a–25a.

Moreover, under the First Circuit's regime, plaintiffs have a significant advantage that this Court expressly sought to avoid with the *Fogerty* factors. Though a standard presuming against a fee award may seem fair to both parties, it renders litigation far more risky for defendants. When a plaintiff wins, the court has recognized exclusive rights and the plaintiff can recover damages that cover attorneys' fees. *Live Face*, 77 F.4th at 632. "A successful defendant, by contrast, recovers nothing he didn't already have." *Ibid.* And if the defendant does not recover fees, the defendant has *lost* money. *Ibid.* Klamer, for instance, had to take out a loan and then mortgage his house for the privilege of defending his rightful authorship in this litigation. Supp. JA 2608, 2611.

This regime creates a strong incentive for defendants to settle even non-meritorious cases if they cannot afford legal fees or do not wish to take the risk of incurring hundreds of thousands of dollars in legal fees with recovery of those fees being unlikely. *Live Face*, 77 F.4th at 632. Defendants who see meritorious defenses through to the end provide great value to the copyright system, both by clarifying the law *and* often by creating licenses for others to create. *Ibid.* So the purposes of the Copyright Act are best served when defendants receive their fees even when the plaintiff raised claims that were not "objectively quite weak."

III. This case is an ideal vehicle to resolve a question of exceptional importance.

The Court already has acknowledged that Copyright Act fee awards are "an important area of

federal law.” *Fogerty*, 510 U.S. at 521. The five circuits engaged in this intractable conflict account for over half of the intellectual property cases filed nationwide—more than 6,000 cases last year. *Federal Judicial Caseload Statistics, 2022, U.S. Dist. Cts.—Civil Cases Filed, by Jurisdiction, Nature of Suit, and Dist., Tbl. C-3* (Mar. 31, 2022). And copyright accounts for 37% of all intellectual property cases filed. *Federal Judicial Caseload Statistics, 2022, U.S. Dist. Cts.—Civil Cases Filed, by Jurisdiction, Nature of Suit, and Dist., Tbl. C-2* (Mar. 31, 2022).

With the rise of the internet, blogs, and other quick media, copyright law is constantly evolving. “The ability to upload, transfer, download, and modify online content has not only vastly increased the number of cases of use of a copyrighted work, but also greatly raised the likelihood that such a use would be found by the copyright owner.” Michael P. Goodyear, *Fair Use, the Internet Age, and Rulifying the Blogosphere*, 61 IDEA: L. Rev. Franklin Pierce Center for Intell. Prop. 1, 19 (2020). “[T]he 1976 Congress could hardly have imagined the range of possible copyrighted work uses in 2020.” *Ibid.*

The Court has resolved at least one copyright issue each of the last six terms. *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508 (2023); *Unicolors, Inc. v. H&M Hennes & Mauritz L.P.*, 595 U.S. 178 (2022); *Google LLC v. Oracle Am. Inc.*, 141 S. Ct. 1183 (2021); *Georgia v. Public.Resource.Org Inc.*, 140 S. Ct. 1498 (2020); *Allen v. Cooper*, 140 S. Ct. 994 (2020); *Fourth Est. Pub. Benefit Corp. v. Wall-Street.com*, 139 S. Ct. 881 (2019); *Rimini St., Inc. v. Oracle USA, Inc.*, 139 S. Ct. 873 (2019). And it has taken a case this term on copyright damages. *Warner Chappell Music, Inc. v. Nealy*, No.

22-1078. None of these cases came from the First Circuit with its restrictive approach to fee awards, and the litigants tend not to be the individual “starving artist” whom copyright law is most intended to benefit. More issues are ripening for the Court’s review. *See, e.g.,* Sara Lewis, Note, *The Supreme Court’s Fashion Faux Pas: Future Ramifications from the Unicolors, Inc. v. H&M Hennes & Mauritz, L.P. Copyright Decision*, 91 UMKC L. Rev. 935, 947 (2023) (“Because the line between ‘willful blindness’ and innocent mistake is not clearly defined in the *Unicolors* decision, it is up to each circuit to draw its own line. Inevitably, different circuits will develop different tests and leanings”) & Ned Snow, *Copyright, Obscenity, and Unclean Hands*, 73 Baylor L. Rev. 386, 404 (2021) (Predicting a circuit split on applicability of unclean hands in copyright cases). But without robust fee awards to successful litigants, the cases only will be brought by well-heeled parties and the people copyright law is intended to protect will remain unheard.

Unfortunately, copyright law’s evolution has come with the price that some parties use uncertainty to victimize people who lack the resources to defend themselves or their works. On the plaintiff’s side, the internet has created fertile ground for pirates to take an image or a song with just a few clicks, but the artist has no recourse. “It is estimated that photographers lose around \$446 for every image taken illegally. Nonetheless, many photographers do not bother to file a lawsuit when their images are taken because they do not have the resources to pursue litigation, and they recognize that even if they win, ‘they may receive mere token payments of a few hundred dollars for their work, far less than their legal fees.’” Melissa

Eckhause, *Fighting Image Piracy or Copyright Trolling? An Empirical Study of Photography Copyright Infringement Lawsuits*, 86 Alb. L. Rev. 111, 112 (2023) (citation omitted).

On the defense side, the rise of copyright trolls has resulted in drastic increases in dubious copyright cases, filed with the intent of eliciting quick payouts from defendants unwilling to fund years of expensive litigation. Yotam Kaplan & Ittai Paldor, *Social Justice and the Structure of the Litigation System*, 101 N.C. L. Rev. 469, 491–92 (2023). “Copyright trolling is where the plaintiff is more interested in gaining income through litigation, or rather the threat of litigation, than actually selling or licensing their work.” Goodyear, 61 IDEA: L. Rev. Franklin Pierce Center for Intell. Prop. at 20. “Firms that can inexpensively engage in IP litigation have a strong incentive to use suits . . . as profit engines, knowing that individual defendants often find it unprofitable to defend themselves.” Kaplan & Paldor, 101 N.C. L. Rev. at 491. “The dubious nature of a claim does not deter an opportunistic copyright troll from taking advantage of the high potential damages in copyright litigation to achieve a lucrative, quick settlement.” Michael P. Goodyear, *A Shield or A Solution: Confronting the New Copyright Troll Problem*, 21 Tex. Rev. Ent. & Sports L. 77, 84 (2020). In-house lawyers at copyright troll firms send endless cease-and-desist letters and file these dubious copyright claims. Kaplan & Paldor, 101 N.C. L. Rev. at 491–92.

In the federal judiciary’s 2022 report, it noted that the number of copyright cases filed increased by 42%. *Federal Judicial Caseload Statistics 2022* (Mar. 31, 2022). Sadly, much of that increase is due to copyright trolling. “This phenomenon represents a colossal

failure of the litigation system: the system effectively offers no protection to private individuals and to the most vulnerable members of society.” Kaplan & Paldor, 101 N.C. L. Rev. at 471.

Petitioners here are fortunate enough that they could afford to defend themselves against a meritless copyright claim. The vast majority of litigants are not so fortunate. Those defendants, in particular, *need* a robust Section 505 to have any ability to even find counsel to represent them. And those litigants rarely, if ever, will find themselves in a position to petition this Court for certiorari when the value of Section 505 is withheld.

CONCLUSION

For the foregoing reasons, the petition should be granted, the judgment below should be reversed, and the case should be remanded for further proceedings.

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