

No.

In the Supreme Court of the United States

PROPERTY MATTERS USA, LLC,
Petitioner,

v.

AFFORDABLE AERIAL PHOTOGRAPHY, INC.,
Respondent.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether a defendant is barred from recovering attorney's fee under 17 U.S.C. §505 because a plaintiff's Rule 41(a)(1) voluntary dismissal is not a court-ordered dismissal.

**PARTIES TO THE PROCEEDING AND
CORPORATE DISCLOSURE STATEMENT**

Petitioner is Property Matters USA, LLC. Petitioner is not a publicly traded company, has no parent company, and there is no publicly held corporation that owns 10% or more of its stock.

Respondent is Affordable Aerial Photography, Inc.

RELATED PROCEEDINGS

United States District Court (S.D. Fla.):

Affordable Aerial Photography, Inc. v. Property Matters USA, LLC, et al., Civ. No. 22-81256 (order denying attorney's fees entered July 5, 2023)

United States Court of Appeals (11th Cir.):

Affordable Aerial Photography, Inc. v. Property Matters USA, LLC, No. 23-12563 (judgment of the panel issued July 30, 2024, rehearing en banc denied Sept. 25, 2024)

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Property Matters USA, LLC, respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Eleventh Circuit in this case.

OPINIONS BELOW

The Eleventh Circuit's opinion (App., *infra*, 1a-14a) is reported at 108 F.4th 1358. The opinion of the district court denying Petitioner's fee motion (App. 15a-20a) is unreported but is available at 2023 WL 4345337. The Eleventh Circuit's denial of rehearing and rehearing en banc (App. 21a-22a) is unreported but is available at 2024 U.S. App. LEXIS 24464.

JURISDICTION

The judgment of the court of appeals was entered on July 30, 2024, and its order denying rehearing was entered on September 25, 2024. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

STATUTORY PROVISION INVOLVED

Section 505 of Title 17 of the United States Code provides:

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 petition is an obvious candidate for the Court’s review, presenting an important and recurring question of law regarding the predicate for an attorney’s fee award under §505 of the Copyright Act after a plaintiff’s voluntary dismissal. This is a purely legal question that divides federal courts based on their conflicting interpretations of “prevailing party” status following a voluntary dismissal. Section 505 of the 1976 Copyright Act permits fee awards to the “prevailing party” based on a consideration of factors that advance the Act’s goals, as articulated in *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 199-00, 202-05 (2016) and *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527, 533-35 (1994). The Act’s goals include encouraging defendants to stand on their rights against patently meritless infringement claims, despite it being more costly

than paying a nuisance settlement, and discouraging the filing of unreasonable infringement claims, because plaintiffs will know they cannot force a nuisance settlement. *Kirtsaeng*, 579 U.S. at 205.

Before engaging in the §505 analysis, courts address the antecedent question of whether the party seeking fees is a “prevailing party.” But lower courts are divided in how they answer that question for a defendant following a voluntary dismissal. This results in conflicts between the circuits as to whether a defendant is even entitled to a court’s discretion under §505. In the decision below, the Eleventh Circuit now categorically bars a defendant from recovering fees under §505 following a plaintiff’s Rule 41(a)(1) voluntary dismissal.

Though the Court has clearly articulated the prevailing-party standard for plaintiffs, that inquiry has generated conflicts in lower courts when addressing whether a *defendant* is a prevailing party after a voluntary dismissal, despite the Court articulating the existence of different standards for plaintiffs and defendants in *CRST Van Expedited, Inc. v. EEOC*, 578 U.S. 419 (2016). In *CRST*, the Court articulated a separate test for determining whether a defendant has prevailed, distinguishing from the test for determining whether a plaintiff is the prevailing party. *Id.* at 431-32; cf. *id.* at 421 (citing the prevailing-plaintiff test from *Texas State Teachers Ass’n. v. Garland Independent School Dist.*, 489 U.S. 782, 792-93 (1989) and *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep’t of Health & Human Res.*, 532 U.S. 598, 605 (2001)).

Below, the Eleventh Circuit further divided lower courts in interpreting “prevailing party” to categorically bar a defendant from recovering fees under §505

if the copyright action is voluntarily dismissed pursuant to Rule 41(a)(1), holding that a court-ordered dismissal is required for a defendant to “prevail.” App. 9a-11a. This categorical bar precludes a defendant from recovering its fees under §505, even if they might otherwise be awarded under the analyses articulated in *Fogerty* and *Kirtsaeng*.

The question presented in this petition requires addressing whether a defendant is the “prevailing party” under §505, entitled to the district court’s reasoned judgment based on all relevant fee-shifting factors under *Kirtsaeng* and *Fogerty*, when a plaintiff voluntarily dismisses its action under Rule 41(a)(1).

The Eleventh Circuit held that a dismissal pursuant to Rule 41(a)(1) categorically bars a defendant from recovering its attorney’s fees under §505 because, under the Eleventh Circuit’s interpretation, a defendant is not the “prevailing party” without a court-ordered dismissal. App. 9a-11a. Choosing to import the particular requirements of *Buckhannon*, the court held that “some judicial action rejecting or rebuffing a plaintiff’s claim is necessary to endow a defendant with prevailing party status,” stating that this bar exists even if the plaintiff’s dismissal is preclusive because it occurred outside the limitations period. App. 9a-12a. In a related case decided five weeks later, the court removed any question about the categorical nature of its bar by applying this case to hold that a defendant is barred from recovering fees under §505, because it cannot “prevail,” even where the Rule 41(a)(1) voluntary dismissal is made expressly “with prejudice.” *Affordable Aerial Photography, Inc. v. Reyes*, No. 23-12051, 2024 WL 4024619, at *2 (CA11 Sep. 3, 2024) (“*Reyes*”).

The noticed dismissal of Respondent’s claims resulted in the Petitioner’s obtaining its litigation objective: It *prevented* Respondent from altering the parties’ legal relationship in Respondent’s favor and ended the present action. *CRST*, 578 U.S. at 431. Further, because the Copyright Act’s statute of limitations, 17 U.S.C. §507(b), barred Respondent from re-filing its claims, the dismissal materially altered the parties’ legal relationship in *Petitioner’s* favor, precluding any further litigation on these claims. Nevertheless, the Eleventh Circuit held that because there was no “judicial action rejecting or rebuffing” Respondent’s claims, Petitioner was barred from recovering fees under §505 because it was not a “prevailing party.” App. 9a-11a. The Eleventh Circuit’s decision directly conflicts with Ninth Circuit precedent which considers a voluntary dismissal’s preclusive effect to determine whether a defendant is able to recover fees under the Copyright Act as the prevailing party.

The Eleventh Circuit’s interpretation of “prevailing party,” the basis of its categorical bar to a fee award under §505, conflicts with decisions of the Fourth, Eighth, Ninth, and Tenth Circuits, decisions of the Southern and Eastern District of New York, and even decisions of the Federal Circuit, though the Eleventh and Federal Circuits are mostly aligned in their respective interpretations. This Court has held that the interpretation of “prevailing party” should be consistent across the various fee-shifting statutes, *CRST*, 578 U.S. at 422 (citing *Buckhannon*, 532 U.S. at 602, 603 and n.4), yet the circuits and lower courts conflict in their interpretations.

The Eleventh Circuit’s decision was erroneous on an important and recurring issue of law that creates a split between the circuits and deepened the already

fractured interpretations of “prevailing party” among lower courts. These conflicting approaches to §505, driven by conflicted interpretations of “prevailing party,” result in different litigation outcomes depending solely on where a specific case is filed, and incentivizes the filing of nuisance lawsuits and “trolling” behavior, contrary to the goals and purposes of the Copyright Act. Because the issue in this petition is a pure question of law, it is a pristine vehicle for the Court to address the question presented and harmonize the dissonant decisions of the lower courts. The petition for a writ of certiorari should be granted.

STATEMENT

A. Background

Section 505 of the Copyright Act provides a district court with discretion to award fees to the prevailing party in a copyright action. But that discretion is not unbounded or else it would condone judicial “whim” or predilection, rather than the court’s reasoned judgment. *Kirtsaeng*, 579 U.S. at 203-04; see also *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989) (“in a system of laws discretion is rarely without limits.”); *Martin v. Franklin Capital Corp.*, 546 U.S. 132, 139 (2005) (“a motion to [a court’s] discretion is a motion, not to its inclination, but to its judgment; and its judgment is to be guided by sound legal principles”). Limits to that discretion are found by looking to the goals and objectives of the Copyright Act. *Kirtsaeng*, 579 U.S. at 204-05; *Zipes*, 491 U.S. at 759 (finding limits by looking to “the large objectives of the relevant Act”).

In *Fogerty* and *Kirtsaeng*, the Court articulated factors to guide courts’ exercise of discretion under §505, so long as such factors were faithful to the purposes of the Copyright Act. *Fogerty*, 510 U.S. at 534,

n.19; *Kirtsaeng*, 579 U.S. at 204-05. Under *Kirtsaeng*, courts should give substantial weight to the objective reasonableness of the losing party’s position, while also giving due consideration to all other relevant factors, 579 U.S. at 199-00, explaining that giving substantial weight to the objective reasonableness will both deter plaintiffs from filing objectively unreasonable cases and encourage defendants to stand on meritorious defenses, *id.* at 205. In so holding, the Court recognized that the costs of litigation will likely be more costly than paying a settlement on an unreasonable claim, and that the threat of a fee award against a plaintiff with an unreasonable claim will be good reason not to file suit in the first place. *Ibid.*

Section 505, however, only permits fees to be awarded to the “prevailing party.” This Court addressed that antecedent question in *CRST*, under the fee-shifting provision of 42 U.S.C. §2000e-5(k), highlighting the differences in a defendant’s litigation objectives from those of a plaintiff. 578 U.S. at 431. A plaintiff seeks a material alteration in the legal relationship between the parties, *id.* at 431, which requires “judicial *imprimatur* on th[at] change” to distinguish from out-of-court voluntary change in the defendant’s conduct, *Buckhannon*, 532 U.S. at 604-06 (emphasis in original). A defendant seeks only to prevent the plaintiff from altering the legal relationship, to the extent that such a change is in the plaintiff’s favor. *CRST*, 578 U.S. at 431. For that reason, a defendant “prevails” even if the action is dismissed for a non-merits reason. *Id.* at 431-32.

The Court recognized that fees are awardable to defendants under §2000e-5(k) where the “claim was frivolous, unreasonable, or groundless.” *Id.* at 432 (quoting *Christiansburg Garment Co. v. EEOC*, 434

U.S. 412, 422 (1978)). “It would make little sense if Congress’ policy of sparing defendants from the costs of *frivolous* litigation depended on the distinction between merits-based and non-merits-based frivolity.” *Ibid.* (internal quotation and citation omitted). The Court recognized that “[i]mposing an on-the-merits requirement for a defendant to obtain prevailing party status would undermine that congressional policy by blocking a whole category of defendants for whom Congress wished to make fee awards available.” *Ibid.*

B. Facts And Procedural History

1. Petitioner Property Matters USA, LLC, is a one-man real estate broker operating in South Florida. Home Junction, Inc., a co-defendant in the district court, is a real estate marketing solutions and services provider which designed and maintained Petitioner’s website. Respondent Affordable Aerial Photography, Inc., is a Florida corporation owned by real estate photographer Robert Stevens. Stevens specializes in aerial photography of buildings and exterior and interior photographs, photographs which are owned by Respondent. App. 2a; 2 C.A. App. 42.

In 2010, Stevens took the photograph at issue (the “Work”), an aerial photograph of a residential condominium complex. Respondent registered the Work with the Register of Copyrights on April 6, 2018. App. 2a; 1 C.A. App. 16-17.

Since 2013, Respondent has also been a repeated copyright litigant with an extensive record of infringement cases documented in court records. Of the more than 148 copyright infringement actions Respondent has filed, few have ever been addressed on the merits. 1 C.A. App. 112; 2 C.A. App. 79-82, 97-98.

At some point prior to April 30, 2017, a copy of the Work was posted on Petitioner’s website, a website that was controlled, designed, and engineered by Home Junction. The Work provided a conventional image of the building alongside the websites description of that building and its amenities. 1 C.A. App. 118-121; 2 C.A. App. 49-50.

2. On March 1, 2022, Respondent sent a demand letter and draft complaint to Petitioner, based on the presence of the Work on Petitioner’s website. The letter asserted a “standard” licensing fee of \$1,500 per year while confirming that the Work was published to the website “as early as April 2017,” yet threatened that a lawsuit would be filed unless Respondent was paid \$35,000.00 within fourteen days. The letter warned that statutory damages could go as high as \$150,000.00, plus attorney’s fees, and cited myriad copyright-infringement awards between \$45,000.00 and \$57,600.000, based on statutory damages and attorneys’ fee awards from the infringement of the copyright in a single photograph. 1 C.A. App. 124-144. Petitioner was unaware, at that time, that such remedies would be barred under 17 U.S.C. §412, due to the Work’s acknowledged presence on Petitioner’s website well before its copyright registration.

When Respondent called Petitioner to follow up on its demand letter, Petitioner explained that it did not post the Work on the website and that it had no control over the website. Petitioner further advised that the website was controlled, designed, and engineered by Home Junction. Nevertheless, Respondent aggressively sought payment from Petitioner, rather than from Home Junction. 2 C.A. App. 49-50, 131-133.

3. On August 21, 2022, Respondent filed a complaint in the Southern District of Florida against

Petitioner and Home Junction, alternatively alleging direct infringement and/or indirect infringement against each. Petitioner, through retained counsel, immediately contacted Respondent's counsel to address the allegations in the complaint and the unreasonableness of Respondent bringing claims against Petitioner. Petitioner articulated the errors in the complaint, the lack of any possible liability for Petitioner, and the untimeliness of Respondent's claims, inviting Respondent to dismiss its claims before Petitioner was forced to incur unnecessary legal fees in responding to the complaint and defending the action—an endeavor which would cost more than the amount sought in Respondent's demand. 1 C.A. App. 118-121.

Respondent persisted with its claims against Petitioner, requiring Petitioner's counsel to prepare a response to the complaint. On the deadline for its response, Petitioner moved to dismiss the complaint, addressing the myriad technical deficiencies and the clear statute of limitations bar to Respondent's claims. Later, co-defendant Home Junction sought an extension to its own response deadline. After granting Home Junction's requested extension, the district court denied Petitioner's motion to dismiss without prejudice, directing that it be refiled as a joint motion with Home Junction on the new deadline. 1 C.A. App. 6-7, 31-56, 58-59.

To avoid the district court addressing the merits of Petitioner's arguments, Respondent voluntarily dismissed its claims against Petitioner. First, Respondent attempted dismissal through an amended pleading, omitting the claims against Petitioner, but that document was stricken because Respondent had not sought leave to amend. Respondent also filed a notice of voluntary dismissal "without prejudice" for its

claims against Petitioner, citing Federal Rule of Civil Procedure 41(a)(1)(A)(i). Later, Respondent settled with Home Junction and, with Home Junction alone, filed a Rule 41(a)(1)(A)(ii) stipulation of dismissal with prejudice, of all claims asserted by virtue of any pleading entered or filed in the action. 1 C.A. App. 7; 2 C.A. App. 59, 94-97.

Petitioner then moved for its attorneys' fees under §505 as the prevailing party. Respondent agreed that if the statute of limitations barred refiling the action, the dismissal of Petitioner was effectively "with prejudice," making Petitioner the prevailing party. App. 4a-5a; 1 C.A. App. 86-113, 164-172.

During the fee proceedings, the parties and district court recognized that if a plaintiff's claim is dismissed for any reason outside of a limitations statute, that claim is barred, and the parties' legal relationship is altered in favor of the defendant. Because there was no dispute in the district court as to the preclusive effect of a dismissal after a statute of limitations had expired, there was no other question that Petitioner was the "prevailing party" as a result of the dismissal. Thus, the arguments in the district court were focused on the Copyright Act's statute of limitations, 17 U.S.C. §507(b). The district court denied Petitioner's fee motion, concluding that the Copyright Act's statute of limitations incorporates a "discovery rule" and holding that Petitioner was not the "prevailing party" because Respondent's claims could still be refiled. The district court expressly declined to address the §505 factors in order to exercise her discretion. App. 17a-20a.

4. On appeal, the parties focused on the interpretation and application of the statute of limitations, which would operate as a bar to Respondent refiling its claims and make the dismissal preclusive. The

Eleventh Circuit, however, decided the case on the separate question of whether a “prevailing party” exists if there is no court-ordered dismissal of a plaintiff’s claims. App. 5a-6a.

It held that a defendant cannot be a “prevailing party,” and is therefore barred from recovering fees under §505, when a plaintiff’s action is voluntarily dismissed under Rule 41(a)(1)(A)(i), “regardless of whether a statute of limitations has expired” so that the dismissal becomes preclusive. Though looking to *CRST* and acknowledging the differences between a plaintiff’s and a defendant’s litigation goals, the court held that to be the “prevailing party” a defendant still required a court-ordered dismissal, i.e., a rejection of the plaintiff’s claims “marked by ‘judicial *imprimatur*,’” quoting from the *Buckhannon* prevailing-plaintiff test as articulated in *CRST*. Therefore, the court held that because there was no court-ordered dismissal of Respondent’s claims, Petitioner was barred from being a prevailing party even if Respondent’s claims were barred from being refiled. App. 6a-14a.

Five weeks later, the Eleventh Circuit cited and applied its decision in this case to hold, in a similar action, that even a Rule 41(a)(1)(A)(i) notice of dismissal “with prejudice”—an explicitly preclusive dismissal—did not render the defendant the prevailing party because the claims “were not rejected or rebuffed by the district court.” *Reyes*, 2024 WL 22296, at *2. In so doing, the Eleventh Circuit confirmed the categorical nature of its bar to a defendant recovering attorney’s fees under §505 following a plaintiff’s Rule 41(a)(1) voluntary dismissal.

5. The Eleventh Circuit denied rehearing and rehearing en banc. App. 21a-22a.

REASONS FOR GRANTING THE PETITION

This case is a clear candidate for certiorari. It presents an important question of law dividing the circuits regarding whether a plaintiff's Rule 41(a)(1) voluntary dismissal can form the basis for an attorney's fee award under §505 of the Copyright Act, a legal question that has turned on conflicting interpretations of the term "prevailing party." As the Court recognized in *CRST*, the decision to award fees is a two-part inquiry. Addressing §505, the Court's decisions in *Fogerty* and *Kirtsaeng* provide guidance for the second part of that inquiry, i.e., whether the district court should exercise its discretion to award fees to the prevailing party. See *CRST*, 578 U.S. at 422. But this petition, like *CRST*, addresses a categorical bar to such awards based on the first part of that inquiry, i.e., whether the party seeking fees is the "prevailing party."

The petition challenges the Eleventh Circuit's categorical bar to a defendant's fee award under §505 following a plaintiff's Rule 41(a)(1) voluntary dismissal, a mechanism available only to a plaintiff, and which precludes a defendant from obtaining a court-ordered dismissal. In *CRST* this Court rejected a similar bar to a defendant's fee award based on a non-merits dismissal, a dismissal which also precluded a merits-based dismissal. 578 U.S. at 432-33.

While the Court has many cases articulating how lower courts should determine whether a plaintiff is the "prevailing party," it has only recently begun articulating how courts should determine whether a defendant is the "prevailing party." Lower courts have struggled to reconcile those separate tests reflecting the distinct litigation objectives of a defendant, contrasted to those of a plaintiff. This has resulted in

conflicts in reasoning and outcomes between courts where many copyright cases are filed. Only this Court can resolve those conflicts. And because the Eleventh Circuit's bar is categorical, it presents an optimal vehicle for this Court. The petition for certiorari should be granted.

A. The Eleventh Circuit's Categorical Bar Conflicts Directly with the Ninth Circuit and Deepens the Split Among Circuit Courts Interpreting "Prevailing Party" in Other Fee-Shifting Statutes and in Requests for Costs.

1. a. The Eleventh Circuit's categorical bar to defendants "prevailing" after a Rule 41(a)(1) voluntary dismissal is in direct conflict with the Ninth Circuit's rule, indirectly conflicts with the Second, Fourth, Eighth, Tenth, and Federal Circuits as to their interpretation of "prevailing party," and operates contrary to the goals and purposes of the Copyright Act.

In *Kirtsaeng*, this Court articulated the important role embodied by §505. A decision to award or deny fees requires a district court to give substantial weight to the objective reasonableness of the losing party's position, but it must also give due consideration to all other relevant factors. *Kirtsaeng*, 579 U.S. at 199-00. In reaching that holding, the Court explained that focus on the objective reasonableness advances the Copyright Act's goals "because it both encourages parties with strong legal positions to stand on their rights and deters those with weak ones from proceeding with litigation." *Id.* at 204-05. "[A] person defending against a patently meritless copyright claim has every incentive to keep fighting, no matter that attorney's fees in a protracted suit might be as or more costly than a

settlement.” *Id.* at 205. Similarly, it discourages legal action on unreasonable litigation positions. *Ibid.*

Section 505, however, only permits fees to be awarded to the “prevailing party,” 17 U.S.C. §505, a legal term of art that the Court did not need to address in *Kirtsaeng*.

b. In *CRST*, the Court explained that while it had set forth the test for determining when a plaintiff prevails in litigation, 578 U.S. at 422 (citing *Texas State Teachers Assn.*, 489 U.S. at 793 and *Buckhannon*, 532 U.S. at 605), it “ha[d] not set forth in detail how courts should determine whether a defendant has prevailed,” *ibid.* In “hold[ing] that a defendant need not obtain a favorable judgment on the merits in order to be a ‘prevailing party,’” the Court explained that a defendant’s litigation goals differ from a plaintiff’s litigation goals. *Id.* at 431. “A plaintiff seeks a material alteration in the legal relationship between the parties. A defendant seeks to prevent this alteration to the extent it is in the plaintiff’s favor.” *Ibid.*

While a defendant may prefer having its rights vindicated on the merits, it fulfills its primary objective, i.e., prevails, “whenever the plaintiff’s challenge is rebuffed, irrespective of the precise reason for the court’s decision.” *Ibid.* Although the language of “irrespective of the precise reason for the court’s decision” was directed to rejecting the Eighth Circuit’s on-the-merits requirement, lower courts including the Eleventh Circuit have applied that language to set forth a requirement for a “court’s decision” before a defendant can prevail.

2. a. There is a clear circuit split between, at least, the Ninth and Eleventh Circuits as to whether a plaintiff’s Rule 41(a)(1) voluntary dismissal can form the basis for a fee award under §505, due to their

conflicts in interpreting “prevailing party” with respect to a defendant. Though *CRST* clarified that the test for whether a defendant is the “prevailing party” is different than the test for a plaintiff, based on different litigation goals of the respective parties, “[f]ederal courts are divided on whether a party can be a prevailing party when the opposing party voluntarily dismisses the case.” *In re Herrera*, 912 N.W.2d 454, 471 (Iowa 2018) (collecting cases). These conflicts result from lower courts importing requirements from the *Buckhannon* prevailing-plaintiff test into the *CRST* prevailing-defendant test.

b. In the Ninth Circuit, a defendant is a “prevailing party” and capable of recovering fees under §505 after a Rule 41(a)(1) voluntary dismissal that materially alters the legal relationship of the parties. *Cadkin v. Loose*, 569 F.3d 1142, 1149 (CA9 2009) (citing *Buckhannon*, 532 U.S. at 604). But where a voluntary dismissal permits refiling in a new action, the Ninth Circuit holds that the defendant has not “prevailed,” and is precluded from recovering fees under §505. *Id.* at 1150 (concluding “that a defendant is a prevailing party following dismissal of a claim if the plaintiff is judicially precluded from refiling the claim against the defendant in federal court.”). As a result, courts in the Ninth Circuit analyzing a defendant’s fee motion under §505 assess the preclusive effect of a voluntary dismissal to determine whether the defendant can seek fees as a prevailing party. *Good Job Games Bilism Yazilim Ve Pazarlama A. v. SayGames LLC*, Case No. 19-cv-07916, 2023 WL 3260528, at *6 (N.D. Cal. May 4, 2023) (finding defendant was the prevailing party and entitled to a fee award under §505 of the Copyright Act based on the preclusive effect even after a

Rule 41(a)(1)(A)(i) notice of voluntary dismissal without prejudice).

Prior to *Buckhannon*, however, the Ninth Circuit held that preclusive effect was unnecessary. A copyright defendant was entitled to seek fees as the “prevailing party” even where it had only “been put to the expense of making an appearance and of obtaining [a]n order for the clarification of the complaint” if the plaintiff then voluntarily dismissed the action without prejudice. *Corcoran v. Columbia Broadcasting Sys., Inc.*, 121 F.2d 575, 576 (CA9 1941) (addressing the similar language of §40 of the 1909 Copyright Act, Pub. L. 60-349, ch. 320, 35 Stat. 1084). The Ninth Circuit expressly overruled *Corcoran* based on the reading that *Buckhannon* required a “material alteration” for any party to prevail—even defendants. *Cadkin*, 569 F.3d at 1148-49.

The Eleventh Circuit’s categorical bar to a defendant following a Rule 41(a)(1) voluntary dismissal directly conflicts with the Ninth Circuit’s decision in *Cadkin* and would have resulted in a different outcome below due to the preclusive effect of Respondent’s Rule 41(a)(1) voluntary dismissal.¹

c. The conflict in the lower courts is driven by their conflicting interpretation of the term “prevailing party.” In the Fourth Circuit a Rule 41(a)(1) voluntary dismissal that operates as a dismissal with prejudice can render the defendant the prevailing party. *Nexus Servs. v. Moran*, Civil Action No. 16-cv-00035, 2018 WL 1461750, at *13-15 (W.D. Va. Mar. 23, 2018), *aff’d*,

¹ Further, if the Ninth Circuit was to reassess its precedent following *CRST*’s articulation that a “material alteration” is not required for a defendant to prevail, and revert to its *Corcoran* precedent, there would be an even greater conflict with the Eleventh Circuit’s categorical bar.

750 Fed. Appx. 241, 241-42 (CA4 2019). In *Nexus*, the plaintiff acknowledged that the effect of the notice operated as an adjudication on the merits, thereby materially altering the parties' legal relationship in favor of the defendant, but it argued that because the dismissal was from a self-executing notice, there was no judicial imprimatur on that change, precluding the defendant from being the "prevailing party." 2018 WL 1461750, at *13. The district court rejected that argument, explaining that while it made sense to require "judicially sanctioned" relief in *Buckhannon*, the required "judicial imprimatur" for a defendant does not require a court-ordered dismissal. *Id.* at *14. That court "interpret[ed] *Buckhannon* as meaning that a 'judicial imprimatur' results where the result is achieved through litigation, not outside of it as in *Buckhannon*." *Ibid.*

In *Nexus*, the dismissal occurred during litigation, as opposed to the plaintiff privately dropping the matter during pre-suit discussions. See *ibid.* The Fourth Circuit affirmed that decision and the district court's reasoning. *Nexus Servs. v. Moran*, 750 Fed. Appx. 241, 241-42 (CA4 2019), cert. denied, 140 S. Ct. 45 (2019).

The Tenth Circuit holds that "a defendant is a prevailing party under Rule 54 when, in circumstances not involving settlement, the plaintiff dismisses its case against the defendant, whether the dismissal is with or without prejudice." *Cantrell v. Int'l Bhd. of Elec. Workers, Local 2021*, 69 F.3d 456, 458 (CA10 1995) (en banc) (citing Fed. R. Civ. P. 54); accord *Burton v. Vectrus Sys. Corp.*, 834 Fed. Appx. 444, 445-46 (CA10 2020). However, it has also held that a defendant is not the prevailing party for seeking attorneys' fees under the Lanham Act, 15 U.S.C. §1117, following

a Rule 41(a)(1)(A)(ii) stipulated dismissal because there was no judicial action. *Xlear, Inc. v. Focus Nutrition, LLC*, 893 F.3d 1227, 1238-39 (CA10 2018) (citing *Buckhannon, Bell v. Bd. of Cty. Comm’rs*, 451 F.3d 1097 (CA10 2006), and *Biodiversity Conservation All. v. Stem*, 519 F.3d 1226 (CA10 2008)).

Similarly, the Eighth Circuit, relying on *Cantrell*, affirmed that a Rule 41(a)(1)(A)(i) notice of dismissal without prejudice “rendered defendants the prevailing parties for purposes of an award of costs under Rule 54(d)(1).” *Sequa Corp. v. Cooper*, 245 F.3d 1036, 1037-38 (CA8 2001) (citing *Cantrell*, 69 F.3d at 458). While the court included language that “a voluntary dismissal without prejudice means that neither party can be said to have prevailed,” the court affirmed the award of costs to the defendants “as the prevailing parties.” *Ibid.* However, the Eighth Circuit has also said that a defendant is not a prevailing party for the purposes of a fee award under the Lanham Act, 15 U.S.C. §1117, when the court grants a plaintiff’s motion to voluntarily dismiss without prejudice under Rule 41(a)(2). *SnugglyCat, Inc. v. Opfer Communs., Inc.*, 953 F.3d 522, 526-27 (CA8 2020). That statement, however, appears to have been impacted by the defendant’s argument that permitting the voluntary dismissal to be “without prejudice” was legal prejudice because it “would ‘deprive them of the ability to recover attorney’s fees as a prevailing party.’” *Id.* at 527.

The Federal Circuit, addressing the Patent Act, 35 U.S.C. §285, interprets “prevailing party” differently depending on the form of dismissal. If dismissal occurs by notice or stipulation under Rule 41(a)(1), i.e., without a court-order, the inquiry turns on whether it is *labeled* “with prejudice” or “without prejudice,” regardless of the practical effect of dismissal. See, e.g.,

O.F. Mossberg & Sons, Inc. v. Timney Triggers, LLC, 955 F.3d 990, 992-93 (CAFC 2020) (defendant was not the prevailing party after a Rule 41(a)(1)(A)(i) notice of voluntary dismissal “without prejudice” even though dismissal followed cancellation of the patents by the USPTO, precluding any refiling); *United Cannabis Corp. v. Pure Hemp Collective Inc.*, 66 F.4th 1362, 1365-68 (CAFC 2023) (holding defendants the prevailing party after a Rule 41(a)(1)(a)(ii) stipulation for dismissal “with prejudice,” despite the lack of any court-ordered dismissal).

If the dismissal is based on a court order, however, the Federal Circuit looks to *the effect* of the dismissal. See, e.g., *Ranier v. Microsoft Corp.*, 887 F.3d 1298, 1306 (CAFC 2018) (defendant was the prevailing party after a dismissal “without prejudice” for lack of standing because the patents could not be reasserted); *B.E. Tech., L.L.C. v. Facebook, Inc.*, 940 F.3d 675, 678-79 (CAFC 2019) (defendant was the prevailing party after dismissal “without prejudice” under the doctrine of mootness following cancellation of patents by the USPTO based on the preclusive effect). Applying this understanding of “prevailing party,” the Federal Circuit has denied fees under §285 of the Patent Act because dismissal was made through leave to amend and dropping a party under Rule 15, even though the original trial judge found the case to be “exceptional” and warranting an award of fees. *Giesecke & Devrient GmbH v. United States*, No. 22-2002, 2024 WL 3171658, at *1-3 (CAFC June 26, 2024)

In the Southern and Eastern Districts of New York, “even in situations where a plaintiff has voluntarily dismissed his claim without prejudice, ‘a court must examine the circumstances * * * to determine if the defendant may properly be considered a

“prevailing party.”” *Manhattan Review LLC v. Yun*, No. 16 Civ. 0102, 2017 WL 11455317, at *5 (S.D.N.Y. Sept. 21, 2017) (quoting *Silberstein v. Digital Art Solutions, Inc.*, No. 02 Civ. 8187, 2003 WL 21297291, at *1 (S.D.N.Y. June 4, 2003)); accord *Espada v. Rosado*, No. 00cv6469, 2001 WL 1020549, at *2 (S.D.N.Y. Sept. 5, 2001) (“Where, however, a ‘calculating’ plaintiff obtains dismissal in order to avoid an adverse ruling on the merits, the case for the defendant becomes more compelling * * * [A] plaintiff should not be able to avoid paying attorney’s fees by bringing a frivolous case and then obtaining a dismissal before a ruling on the merits.”); see also *Carter v. Incorporated Village of Ocean Beach*, 759 F.3d 159, 166 (CA2 2014) (calling it “obvious” that claims voluntarily dismissed with prejudice, without court action, still rendered the defendant the prevailing party on those claims); but see *Polaris Images Corp. v. CNN, Inc.*, 365 F. Supp. 340, 343 (S.D.N.Y. 2019) (holding defendant was not the “prevailing party” because the alteration in the parties’ relationship by Rule 41(a)(1)(A)(i) dismissal “was not the sort of ‘judicially sanctioned change’ that constitutes a precondition to prevailing-party status.”).

d. The Eleventh Circuit’s interpretation of “prevailing party,” the basis for its categorical bar to a defendant recovering fees, conflicts with the Second, Fourth, Eighth, Ninth, and Tenth Circuits’ interpretation of that same term, as well as the interpretation of the Southern and Eastern Districts of New York in the context of §505. And while the Eleventh Circuit and Federal Circuit are mostly aligned in their approaches, even those circuits conflict when addressing Rule 41(a)(1) dismissals labeled “with prejudice.”

The Eleventh Circuit’s categorical bar disregards any recognition of a defendant’s litigation goals and

case outcome and disregards any determination of whether a voluntary dismissal resulted in a “material alteration” of the parties’ legal relationship in the defendant’s favor. Instead, it looks only to whether the dismissal was court-ordered or not. If dismissal is the result of a Rule 41(a)(1) notice of voluntary dismissal, a defendant is categorically barred from recovering fees because it is not a “prevailing party,” even if the dismissal is preclusive. App. 6a (“Under the precedents of the Supreme Court and this Court, a defendant is not the prevailing party when a plaintiff’s action is voluntarily dismissed without prejudice under Rule 41(a)(1)(A)(i). This is true regardless of whether the statute of limitations has expired.”); *Reyes*, 2024 WL 4024619, at *2 (applying this case to hold that the defendant was not the prevailing party after a Rule 41(a)(1)(A)(i) notice of voluntary dismissal made expressly “with prejudice”).

Beyond this new categorical bar, the Eleventh Circuit also holds that a court-ordered voluntary dismissal without prejudice under Rule 41(a)(2) *does not* render a defendant a “prevailing party” because the claim can be refiled in a new action, *Affordable Aerial Photography, Inc. v. Trends Realty USA Corp.*, No. 23-11662, 2024 WL 835235, at *3-4 (CA11 Feb. 28, 2024), petition for cert. filed, No. 24-267 (Sept. 4, 2024) (“*Trends Realty*”), while a court-ordered dismissal without prejudice under Rule 12(b)(6) *does* make the defendant the prevailing party *even though* it can be refiled in a new action, *Beach Blitz Co. v. City of Miami Beach*, 13 F.4th 1289, 1300 (CA11 2021).

3. The circuits are in conflict and the lower courts are fractured in their conflicting interpretations of “prevailing party” when addressing defendants, as opposed to plaintiffs. Petitioner’s case would have been

decided differently in different jurisdictions and would have had different outcomes. The *effect* of Respondent’s voluntary dismissal after the statute of limitations expired would have rendered Petitioner the prevailing party in the Ninth and Fourth Circuits. In the Eighth and Tenth Circuits, Petitioner would likely have been held to be the prevailing party because fees in the Copyright Act are awarded “as part of the costs” of the action, unlike in the Lanham Act, and Petitioner would be the prevailing party for the purposes of “costs” under *Cantrell* and *Sequa*. In the Second Circuit, Petitioner would likely have been the prevailing party because courts in that district look behind the voluntary dismissal to its effect and to whether the dismissal was meant to escape an adverse ruling on the merits.

In those jurisdictions, Petitioner would have been entitled to the court’s reasoned decision making under *Fogerty* and *Kirtsaeng* when deciding its §505 request for fees. But under the Eleventh Circuit’s rule, Petitioner is categorically barred from recovering fees because the Respondent voluntarily dismissed under Rule 41(a)(1). That categorical bar applies even in the most egregious cases, e.g., where the claims are objectively frivolous, maintained to the point where the defendant incurs significant fees in defending the baseless claims—far more than the nuisance settlement—and dismissed where the plaintiff knows it will ultimately lose.

The question presented in this case is a recurring one of substantial legal and practical importance that is dividing the circuits. Because the Eleventh Circuit created a categorical bar to a defendant recovering fees based on a question of law, this case presents an

optimal vehicle for the Court’s review of the question presented and realignment of the lower courts.

B. The Question Presented is Important and Recurring and the Eleventh Circuit’s Categorical Bar Conflicts With This Court’s Precedent, Warranting Review.

The question presented in this case is a recurring one of substantial legal and practical importance. The Eleventh Circuit’s categorical bar conflicts with this Court’s precedent, the goals and purposes of the Copyright Act, and common law understandings of when a defendant “prevails” in litigation. The consequences of that bar will encourage frivolous copyright cases to be filed, an issue of significant importance that has been a growing trend over the past decade. This case, which presents the question cleanly, is an optimal vehicle for the Court’s review.

1. a. The importance of §505 was articulated in this Court’s *Fogerty* and *Kirtsaeng* decisions. Section 505 advances the goals and objectives of the Copyright Act and, therefore, the discretion to award or deny fees under §505 must remain faithful to the Act’s purposes. *Kirtsaeng*, 579 U.S. at 203-04; see also *Fogerty*, 510 U.S. at 525 and 534, n.19. In keeping with the Act’s purposes of enriching the general public through access to creative works, courts “may not treat prevailing plaintiffs and prevailing defendants differently; defendants should be ‘encouraged to litigate [meritorious copyright defenses] to the same extent that plaintiffs are encouraged to litigate meritorious claims of infringement.’” *Kirtsaeng*, 579 U.S. at 202 (quoting *Fogerty*, 510 U.S. at 527); *Fogerty*, 510 U.S. at 526-27.

Therefore, the decision to award or deny fees under §505 requires district courts to consider the objective

reasonableness of the losing party's position, while also considering all other relevant factors. *Kirtsaeng*, 579 U.S. at 199-00, 204-05. Doing so serves the Act's purposes and prevents the filing of unreasonable claims. Defendants are encouraged to stand on their rights and present meritorious defenses, preventing plaintiffs from attempting to force quick settlements on unreasonable claims, even though it is more costly than a settlement. *Id.* at 205.

The Eleventh Circuit's categorical bar, as well as the various other rules applied in lower courts in determining whether a defendant is the "prevailing party," contradict these goals and purposes of the Copyright Act, negating much of this Court's holdings in *Kirtsaeng* and *Fogerty*. A plaintiff with an unreasonable position is encouraged to file suit and attempt a quick settlement; there is no consequence if it can voluntarily dismiss without prejudice under Rule 41(a)(1), or even Rule 41(a)(2).

b. Similarly, *CRST* articulated the importance of correctly interpreting "prevailing party" within the context of fee-shifting statutes. 578 U.S. at 431-32. Defendants litigate with the goal of re-establishing the pre-suit status quo. *Id.* at 431. While they might prefer a result that prevents future litigation, they prevail when the suit ends even for a non-merits reason. *Ibid.* In rejecting a merits-based-dismissal requirement, the Court explained that "prevailing party" status does not alone authorize fees, discretion must still be exercised based on the relevant statute. *Id.* at 432. In the context of §2000e-5(k), where defense fees are only awardable if the suit was "frivolous, unreasonable, or groundless," *ibid.* (quoting *Christiansburg*, 434 U.S. at 422), it makes no sense to bar defense fees for a frivolous claim that happened to be dismissed for a

non-merits reason, *ibid.* The fee award requires an analysis of the plaintiff’s *claim*, not of the form of dismissal. See *ibid.*

c. The Eleventh Circuit’s categorical bar also risks increasing the growing trend of copyright trolling. See, e.g., *Design Basics, LLC v. Lexington Homes, Inc.*, 858 F.3d 1093, 1097 (CA7 2017) (explaining the unsavory rise of intellectual property “trolling”); M. Sag, *Copyright Trolling, An Empirical Study*, 100 Iowa L. Rev. 1105, 1107-11, 1113-14 (2015) (discussing and describing copyright “trolling”). Such cases are characterized by copyright holders bringing “strategic infringement claims of dubious merit in the hope of arranging prompt settlements with defendants who prefer to pay modest or nuisance settlements rather than be tied up in expensive litigation.” *Design Basics*, 858 F.3d at 1097; accord *Klinger v. Conan Doyle Estate, Ltd.*, 761 F.3d 789, 792 (CA7 2014) (“The [troll’s] business strategy is plain: charge a modest license fee for which there is no legal basis, in the hope that the ‘rational’ writer or publisher asked for the fee will pay it rather than incur a greater cost, in legal expenses, in challenging the legality of the demand.”); *Live Face on Web, LLC v. Cremation Soc’y of Ill., Inc.*, 77 F.4th 630, 634 (CA7 2023) (same).

Section 505 fee awards are important for deterring “trolling” by encouraging defendants to rebel against such efforts and furthering the Copyright Act’s objectives by “combating a disreputable business practice—a form of extortion.” *Live Face on Web*, 77 F.4th at 634 (quoting *Klinger*, 761 F.3d at 792). The willingness to fight “‘injects risk into [that] business model,’” “‘exposing [that] unlawful business strategy.’” *Ibid.* (quoting *Klinger*, 761 F.3d at 792); see also *Klinger*,

761 F.3d at 792 (such a defendant “deserves a reward but asks only to break even.”).

The Eleventh Circuit’s categorical bar motivates, rather than discourages, such “disreputable” conduct by eliminating the risk from filing unreasonable (even frivolous) claims. If a quick settlement cannot be obtained, the plaintiff need only file a Rule 41(a)(1) dismissal notice before the court rules on a Rule 12(b)(6) motion. The plaintiff can unilaterally force a defendant to appear and defend a lawsuit, maintaining the case just long enough for fees to exceed the “modest” settlement offer, then unilaterally dismiss under Rule 41(a)(1) and bar the defendant from ever being made whole, and avoid any court reviewing and determining whether the claims were objectively unreasonable. Defendants understanding that litigation strategy will conclude there is no point in defending. And while a defendant may be able to prevent a Rule 41(a)(1) dismissal by answering, in lieu of moving to dismiss an unreasonable claim, even there the Eleventh Circuit makes it nearly impossible for that defendant to “prevail” and recover fees under §505. See *Trends Realty*, 2024 WL 835235, at *3-4 (denying §505 fees because the defendant cannot “prevail” on a Rule 41(a)(2) court-ordered voluntary dismissal “without prejudice”).

2. a. The Eleventh Circuit’s bar to defendants recovering fees under §505 if the action ends through a Rule 41(a)(1) dismissal, conflicts with *CRST*’s holding that defendant need not obtain a merits-based dismissal and its underlying explanation of what is required for a defendant to “prevail.” *CRST* expressly rejected a requirement that a defendant secure an on-the-merits dismissal to prevail, 578 U.S. at 421, 431, yet the Eleventh Circuit is effectively re-inserting a merits-

based-dismissal requirement by requiring *the court* to “reject[] or rebuff[] a plaintiff’s claim” before a defendant can “prevail,” App. 7a, 10a-12a, which will only occur as an involuntary dismissal on a defendant’s motion, see Fed. R. Civ. P. 41(b) (“Unless the dismissal states otherwise, a dismissal under this subdivision and any dismissal not under this rule—except one for lack of jurisdiction, improper venue, or failure to join a party under Rule 19—*operates as an adjudication on the merits.*”) (emphasis added). But a defendant’s litigation goals are achieved, i.e., it “prevails,” when the action is dismissed without a material alteration of the parties’ legal relationship in the plaintiff’s favor, even for non-merits reasons. *CRST*, 578 U.S. at 431.

The Eleventh Circuit’s effective re-insertion of a “merits-based-dismissal” requirement, contrary to *CRST*, is confirmed by its “prevailing party” decisions following court-ordered dismissals. When an action is dismissed “without prejudice” under Rule 12(b)(6), the Eleventh Circuit holds that the defendant has “prevailed.” *Beach Blitz*, 13 F.4th at 1300. But where an action is voluntarily dismissed by court order under Rule 41(a)(2), the defendant does not “prevail.” *Trends Realty*, 2024 WL 835235, at *3-4. Both actions are dismissed by court order, but the defendant only prevails following a dismissal that “operates as an adjudication on the merits” under Rule 41(b). See Fed. R. Civ. P. 41(b); see also *Beach Blitz*, 13 F.4th at 1298-00 (discussing Rule 12(b)(6) dismissals “without prejudice” as being judgments on the merits).

b. The Eleventh Circuit’s bar also renders most of *Kirtsaeng* and *Fogerty* a dead letter. This Court held that defendants should be *encouraged* to present meritorious defenses by awarding them fees under §505 when, *inter alia*, a plaintiff’s claim is objectively

unreasonable. *Kirtsaeng*, 579 U.S. at 205; *Fogerty*, 510 U.S. at 527. But the Eleventh Circuit bars a defendant from recovering fees for defending against unreasonable claims so long as the plaintiff dismisses under Rule 41(a)(1) before the court addresses a defendant's motion. That bar contravenes §505 and the goals of the Copyright Act by allowing a plaintiff to file unreasonable claims, force a defendant to appear and defend, and then evade §505's consequences.

c. The Eleventh Circuit's bar also conflicts with common law understandings of "prevailing party" and the fact that Rule 41(a)(1) voluntary dismissals are judgments for the defendant. See, e.g., Black's Law Dictionary 655 (1st ed. 1891) (a "judgment" against a plaintiff includes a voluntary or involuntary judgment of *nonsuit*, judgement of *retraxit*, and a judgment of *nolle prosequi*); *Anderson v. Gold Seal Vineyards*, 505 P.2d 790, 793 (Wash. 1973) ("6 J. Moore, *Federal Practice* para. 54.70[4], at 1306 (1966, Supp. 1967), states the rule to be that where there is a dismissal of an action, even where such dismissal is voluntary and without prejudice, the defendant is the prevailing party, noting that it may be otherwise if the dismissal results from a settlement of the plaintiff's claim before trial."); *ibid.* (applying "the general rule pertaining to voluntary nonsuits, that the defendant is regarded as having prevailed").

d. The Eleventh Circuit's bar also conflicts with Rule 41(a)(1)(A)(i)'s limits articulated in *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384 (1990). Rejecting the argument that a Rule 41(a)(1) dismissal deprived courts of the authority to address a Rule 11 motion, the Court explained that Rule 41(a)(1) is a limitation on a plaintiff's rights, not on a defendant's rights. *Id.* at 397-98 ("Rule 41(a)(1) * * * was designed to limit a

plaintiff's ability to dismiss an action." Rule 41(a)(1) is designed to curb a plaintiff's abuses of the judicial system and burdens on defendants; it "does not codify any policy that the plaintiff's right to one free dismissal also secures the right to file baseless papers." *Id.* at 397-98.

Yet the Eleventh Circuit's categorical bar expands Rule 41(a)(1) to codify a right to file objectively unreasonable, even baseless, copyright infringement cases, forcing defendants to appear and defend an action, thereby incurring more in legal fees than a "modest" settlement. If met with a defendant which stands on its rights and fights back, it permits such a plaintiff to simply dismiss the case without suffering any consequences normally attendant to §505. This interpretation by the Eleventh Circuit incorrectly expands the limits of Rule 41(a)(1) contrary to the purposes behind that rule. See *Cooter & Gell*, 496 U.S. at 397-98.

3. The practical consequences of the Eleventh Circuit's categorical bar, and the consequences of the various other rules employed by lower courts, is additional and unnecessary litigation. Beyond the growing trend of copyright "trolling," which will only be encouraged by this bar, *supra* at 26-27, copyright defendants in the Eleventh Circuit are now deprived of the benefit of Rule 12(b) motions; they must now answer every complaint and then move for judgment on the pleadings, seek evidentiary hearings on personal jurisdiction, etc. If a plaintiff later discovers or acknowledges deficiencies in its case and wants to voluntarily dismiss "without prejudice" under Rule 41(a)(2), a defendant—who is always seeking dismissal—must instead *oppose* dismissal, arguing dismissal must be "with prejudice" or the suit must continue. See, *e.g.*, *Prepared Food Photos, Inc. v. Pool World, Inc.*, — F.

Supp. 3d __, 2024 WL 4344955 (E.D. Wash. Sept. 30, 2024) (denying Rule 41(a)(2) voluntary dismissal “without prejudice” because it would be clear legal prejudice by depriving the defendant of the ability to “prevail” under the Ninth Circuit’s interpretation of “prevailing party”).

4. The Court’s decision in *CRST*, and that case’s accompanying oral argument, provides the roadmap to answer the question presented. When a plaintiff serves a complaint, it forces the defendant to appear and defend under threat of a default judgment. Fed. R. Civ. P. 4(a)(1)(E) (a summons must “notify the defendant that a failure to appear and defend will result in a default judgment against the defendant for the relief demanded in the complaint”). If that plaintiff fails to cause a material alteration in the legal relationship of the parties, then the defendant has prevailed. *See CRST*, 578 U.S. at 431 (a defendant seeks to prevent a material alteration in the legal relationship, to the extent it is in the plaintiff’s favor). Thus, a defendant prevails whether the action is dismissed “with prejudice,” or “without prejudice,” by a court order or Rule 41(a)(1) notice, or for any other reason. *See, e.g.*, 6 J. Moore, *Federal Practice* ¶54.70[4], at 1306; A. C. Freeman, *Law of Judgments*, §261 (2d ed. 1874) (a voluntary *nonsuit* is a voluntary dismissal “without prejudice,” and it is a judgment *against* the plaintiff).

The manner of dismissing the action, and even the potential for refiling of claims, does not affect prevailing party status in a specific case. Historically it did not bar a defendant from recovering its fees, and it should not be a bar under §505. When the case ends, as here, with the plaintiff quitting after forcing the defendant to appear and defend the claims, the

defendant prevailed in *that* action. Though a plaintiff might file a second action at some later time, that would be a separate action; the defendant would still have prevailed in the first action. Moreover, the award of fees under §505 at the end of a potential second action would not include the fees incurred during the first action; barring §505 fees in a first action because a second action might, or even will, be filed cannot account for the fees a defendant was forced to incur in a first action and does not serve the Copyright Act's goals.

Whether a defendant has “prevailed,” however, does not mean that it will certainly be awarded its fees under §505, or that it will get all of the fees it might request. Section 505 is not a mandatory fee-shifting statute, and only makes “reasonable” fees potentially available. A defendant must still establish that a fee award is warranted based on the goals and purposes of the Copyright Act under the analysis articulated in *Fogerty* and *Kirtsaeng*, and the reasonableness of the amount sought. Courts will still exercise their reasoned decision making and consider the objective reasonableness of the plaintiff's claim, as well as all other relevant factors, before determining whether to award or deny fees.

* * *

The Eleventh Circuit's categorical bar, that a defendant cannot prevail after a Rule 41(a)(1) voluntary dismissal, highlights a growing split among the lower courts both with respect to a fee award under §505 and to the understanding of the term “prevailing party” more generally. The Eleventh Circuit's bar is contrary to text, precedent, and history. It creates a direct split with the Ninth Circuit on §505 and splits with, at least, the Second, Fourth, Eighth, Tenth, and Federal

Circuits as to how they interpret “prevailing party.” A defendant “prevails” when a plaintiff does not; this is true even when a plaintiff “quits” and dismisses “without prejudice” under Rule 41(a)(1), consistent with the statutory language, precedent, the historical meaning of “prevailing party,” and the goals and purposes of the Copyright Act. Only this Court can resolve the split among the circuits, by correcting the Eleventh Circuit’s error and lower courts’ misunderstanding of the term “prevailing party” as it applies to a defendant.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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