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IP File

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High Court Clarifies: Objective Unreasonableness Factor Favored in Attorneys' Fees Analysis Under the Copyright Act

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Section 505 of the Copyright Act provides for recovery of attorneys' fees by prevailing litigants. It states that a court, "in its discretion may allow the recovery of full costs." However, no guidance has been provided on this language in more than 20 years. The last word from the High Court occurred in 1994,[1] where the Court held that fees should be equally available to prevailing plaintiffs and defendants, but stated that "no precise rule or formula" existed for when they should be awarded. Four non-exclusive factors were articulated for courts to consider when determining whether attorneys' fees should be awarded, including: (1) the frivolousness of the case, (2) the motivation of the loser, (3) the objective unreasonableness of the case, and (4) considerations of compensation and deterrence.[2] Yet, the Court complicated matters, noting that the factors must be applied in a manner that is "faithful to the purposes of the Copyright Act." [3] From this decision sparked a circuit split – while some courts weighed the factors evenly, others focused mainly on serving the "purposes of the Copyright Act." To confuse matters more, the Second Circuit placed a strong emphasis on the "objective unreasonableness" factor, at the expense of the other factors.

TAGS: Copyright & Idea Theft, Copyright Act, Copyrights, Intellectual Property, Intellectual Property, objective unreasonableness factor, Second Circuit, Supreme Court, U.S. Supreme Court