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Legally Speaking / Attorneys' Fees in Copyright Disputes & Lawyers Who Read Too Much

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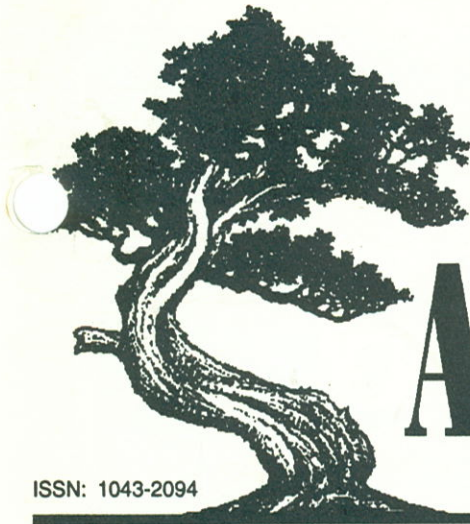
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Against the Grain

"Linking Publishers, Vendors and Librarians"

ISSN: 1043-2094



Legally Speaking

Attorneys' Fees in Copyright Disputes

by **Stuart I. Graff** (Schiff Hardin & Waite, Chicago, Illinois)

Leave it to lawyers to take something simple, make it complex, and then litigate it up to the U.S. Supreme Court in order to make it simple again.

As you know, the American legal system is an offshoot of the British legal system, inherited when colonists revolted against the British and established their independence in 1776. Since that time, the American legal system has achieved still greater independence from its British ancestor, with numerous differences between the American and British systems emerg-



ing over the last two hundred eighteen years. One such difference is in the award of attorneys' fees and court costs to prevailing parties in litigation. Under the "British Rule," a prevailing party is generally awarded the costs that it has incurred in litigation, and the losing party is required to pay those costs. In contrast is the "American Rule," under which each party generally bears its own litigation expenses, unless provided otherwise by statute, or unless a party has litigated a matter without a proper factual or legal basis to do so.

When it enacted the most recent version of the copyright laws in 1976, Congress created such an exception to the American Rule, which is embodied in § 505 of the Copyright Act. Section 505 provides that, in a civil suit for copyright infringement, "the court in its discretion may allow the recovery of full costs by or against any party . . . [T]he court may also award a reasonable attorney's fee to the prevailing party as part of the costs." Thus, it would seem clear that *any* prevailing party in a copyright infringement suit might be able to recover its costs, including attorney's fees, in prosecuting or defending the suit.

Such clarity has not, until recently, prevailed. In a rule established by certain of the regional courts of appeal, a double standard emerged for awarding costs and fees. In many (but not all) courts, prevailing plaintiffs — copyright owners — were generally awarded fees as a matter of course. On the other hand, those courts seldom awarded to defendants — accused infringers — their litigation expenses. To recover those

If Rumors Were Horses



Stunning news! The urbane and erudite **John Cox**, managing director of **B.H. Blackwell** has resigned effective the end of May to become President of **Carfax Publishing Company** in England. John sends us word, however, that he is still planning on coming to the 1994 Charleston Conference where he will hopefully be speaking!

Brian Cox writes that following the acquisition of **Pergamon Press** by **Elsevier** in May 1991, the Pergamon and Elsevier Science companies in the UK and the USA

have been merged under the **Elsevier Science** banner from January 1994. **Elsevier Science Ltd** covers the following imprints which will continue: Pergamon, Elsevier Applied Science, Elsevier Trends Journals, and Elsevier Advanced Technology. From March 1994, Elsevier Science has moved to new offices at: Elsevier Science Ltd., The Boulevard, Langford Lane, Kidlington, Oxford OX5 1GB England UK. Headington Hill Hall which had been the home of Pergamon Press Ltd since 1960 has become part of **Oxford Brookes University** which was the former Oxford Polytechnic.

ACRL (The Association of College & Research Libraries) is planning its Seventh National Conference on March 29-April 1, 1995 in Pittsburgh, Pennsylvania. For further information contact ACRL in Chicago. 800-545-2433 x2522 or Fax 312-280-2520.



This issue of *Against the Grain* was printed on recycled paper.



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We don't have **Acquiring Minds** this issue. **Joyce Ogburn (Yale)** tried her darndest but she has been laid up with a bad back. Get better, Joyce!

Marcia Tuttle (UNC-CH) will be heading to England and Wales in April. Have a great time, Marcia. Watch for our interview with Marcia in a future issue of *ATG*!

Karen Schmidt (U. of Illinois, Urbana-Champaign) and **Katina**, not to mention **Lyman Newlin** have been working hard on an interview with the Lyman for *Against the Grain*. We were hoping to have the interview in this issue but — well — sometimes it's hard to get Lyman to finish a sentence — plus he's got so much to tell us about his full life in bookselling. Look for our interview with Lyman in the June issue of *ATG*!

After ALA Midwinter, **Christian Boissonnas (Cornell)** and his family went to Oakland where they married their son David off. Christian writes that the weather was warm and beautiful and that a good time was had by all. The treat of the party was grandson, **Brendan David Dunlap**, who was perfect and tried to ignore all the adults.

Kathy Miraglia spent a month in Texas visiting her sister and doing other family stuff. We are looking forward to her work on *ATG* in the **On the Street** column in the future. If anyone else is interested in working on this, please contact either Kathy or Katina.

Charles Getchell (Wake Forest University) reports that **Jill Carraway** has succeeded **Barbara Salt** as Acquisitions/Collection Management Librarian. Jill was most recently Automation Librarian as well as Women's Studies Bibliographer.

In the November 1993 *ATG*, we reported that the Cuban poet **Eliseo Diegos** had won the International Literary Prize, "Juan Rulfo." *ATG* has to report in this issue the death of Senor Diegos on or about March 1, 1994. This news courtesy of **Bertha Alvarez** (President of Scripta Distribucion y Servicios Editoriales in Mexico City) and **Lyman Newlin** (Book Trade Counselor).

Basch Associates announces the following upcoming seminars: May 27, Chicago, IL; June 6, Cambridge, MA; June 17, New York, NY; and June 20 Silver Spring, MD. For further information: 312-787-6885 or fax 312-787-6779.

Just ran across an incredibly useful book, *The Home Office and Small Business Answer Book* by **Janet Attard** (Holt, 1993), chock full of all kinds of practical information. Another interesting book, just received on approval, *Doing Business on the Internet* (Van Nostrand Reinhold, 1994).

Sometimes we don't say thank you. *Choice magazine* is celebrating its 30th anniversary this year. What would we do without it? This group of hard-working people work daily to produce a selection tool for all of us out here in the trenches. Congratulations to *Choice* and to **Pat Sabosik**, Editor and Publisher!

Still love **Dialogue, the Business of Publishing**, done in fall, winter and spring by **Helmut Schwarzer** (Yankee Book Peddler). The fall/winter, 1993 issue includes a lead article called, "Harpies, Sharpies, Rascals & Rogues: Some Lunatic, but Profitable Fringes of Publishing." This is a "portrait gallery" of some of the "practitioners, not the practice, that have given this branch of publishing [subsidy or co-operative publishing] a bad name." Fascinating, historical, informative and at times funny. For a copy contact the Marketing Department of YBP. ☞

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expenses, prevailing defendants often had to show that the plaintiff's suit was frivolous, or was initiated in bad faith. One court explained the reason for this difference:

The purpose of [this double standard] is 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.

Fogerty v. Fantasy, Inc., 984 F.2d 1524, 1532 (9th Cir. 1993). As a result of this double standard, a prevailing defendant's opportunity to recover litigation expenses was circumscribed and depended upon where the plaintiff filed the litigation.

A unanimous U.S. Supreme Court recently overturned the double standard and held that the prevailing party —

whether plaintiff or defendant — is entitled to its attorneys' fees and other litigation costs without demonstrating either bad faith by its opponent or that the litigation was frivolous in nature. *Fogerty v. Fantasy, Inc.*, No. 92-1750 (March 1, 1994), reported at 1994 U.S. LEXIS 2042. The Court also reaffirmed that the award of fees under § 505 is within the discretion of the courts, so that fee awards are not required in every case.

In reaching its conclusions, the Court observed that § 505 did not require courts to treat plaintiffs differently than they treated defendants. As the Court observed, "defendants 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 infringement claims." 1994 U.S. LEXIS at *3. In so holding, the Court recognized that there is a public interest in promoting and protecting not only the creative endeavors of copyright owners, but also the efforts of those who may be wrongly accused of infringement.

One question remaining after the Court's decision will be whether courts will now award attorneys' fees to prevailing defendants as readily as they awarded fees to prevailing plaintiffs in the past, or whether awards to plaintiffs will become the exception rather than the rule. Looking to the practice of courts that had previously rejected the double standard is of little help. Certain courts required the prevailing party to show its opponent's bad faith or other evidence that suggested that a fee award would act as a deterrent to inappropriate litigation. Other courts required no showing of bad faith at all, making it just one of many factors related to the use of litigation to serve the underlying purposes of the copyright laws — promoting creativity by providing the broadest possible exclusive markets in which copyright holders could commercialize their works. See generally 2 P. GOLDSTEIN, COPYRIGHT § 12.3.2.2 (1989). The Supreme Court in *Fogerty* alluded to such approaches, but it is not likely that any single approach to attorneys' fee awards

will prevail among the regional courts.

Other effects of the *Fogerty* decision may be great. First, copyright owners have sometimes pressed weak claims against alleged infringers, recognizing that there is little downside for them to do so. That is especially true when the plaintiff has retained a lawyer on a contingency-fee basis, paying nothing for legal services if he loses, whereas defendants, who seek no monetary award from the court are rarely able to obtain counsel on a contingency-fee basis. The risk that a court might require a losing plaintiff to pay the defendant's litigation expenses may reduce the number of weak infringement claims that are pressed in litigation.

A second effect of the Court's deci-

sion may be to encourage settlements of copyright disputes, because both parties, and not just defendants, will have to weigh attorneys' fees in their settlement calculations. Early settlements, before litigation expenses are substantial, preserve parties' financial and other resources, and often achieve better and faster justice than the litigation process.

The Court's decision also makes the law uniform across the United States. This will discourage plaintiffs from choosing forums in which to litigate their disputes solely to prevent the defendant from recovering attorneys' fees if she prevails.

The Court's holding thus restores legal import to the clear meaning of § 505. By leveling the playing field for plain-

tiffs and defendants in copyright infringement suits, therefore, the Court has provided better opportunities for a fair resolution of copyright disputes and has taken a significant step to reduce the number of non meritorious copyright claims that are litigated.

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Stuart I. Graff is an attorney with the firm of Schiff Hardin & Waite, Chicago, Illinois. Mr. Graff specializes in intellectual property law. The statements made herein are only general observations about the law, and the advice of an attorney should be sought in regard to specific situations.

Legally Speaking II

I wonder how many of you noticed that we had no legally speaking in the last issue of ATG. Well, when it rains, it pours! This month we have TWO legally speakings! Hooray! And thanks are due to both of our lawyers! Thank you, Glen Secor and Stuart Graff! — KS



Lawyers Who Read Too Much

by **Glen M. Secor**
(Yankee Book Peddler, Inc.)

Over the months, this column has taken up a variety of topics, including copyright and the role of cultural industries in international trade. In this issue, I would like to discuss two recent books which deal with these topics. My intention here is not to critically review these books, but rather to call them to your attention as sources for additional information and perspectives.

Copyright, Fair Use, and the Challenge for Universities

by **Kenneth D. Crews**
(University of Chicago Press, 1993).

This book should occupy a place on the bookshelf of anyone in higher education or scholarly publishing who wants to understand the role of copyright in academia. Prof. Crews, who teaches Business Law at San Jose State University, treats the reader to a thorough and balanced analysis of the treatment of copyright on our nation's campuses, and

particularly on the evolution of copyright policies in our larger research universities. Indeed, balance is a central theme of this work. Prof. Crews correctly portrays copyright not as a weapon in the hands of the copyright owner or as an obstacle to the mission of the scholar, but rather as the tool chosen by society to balance the respective needs of producers and users of intellectual property.

Balance must also be struck between what Crews identifies as the internal and external obligations of universities. Internal obligations center around the information needs of the faculty and students. External demands include the need to respect copyright ownership and to avoid exposing the university to legal liability for copyright infringement. Perhaps nowhere in society is the tension between respect for copyright and the desire to construe fair use as broadly as possible greater than on the college campus. Universities, after all, house the primary creators and users of scholarly information, with most faculty members occupying both roles. Higher education is the principal intellectual arena, if not the primary legal battleground, for the tug-of-war that is fair use.

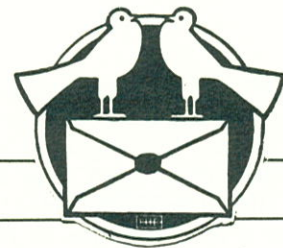
Against this backdrop, Crews takes us through the legislative and judicial

history of fair use as it applies to higher education. He argues that judicial decisions over the past decade have defined fair use more narrowly than was intended by the Copyright Act of 1976. More importantly, though, policy makers in higher education have misinterpreted and overreacted to the more prominent fair use cases of recent years, including NYU, Kinkos, and Texaco. As a result, many university copyright policies sacrifice the internal obligations of the institution in favor of mechanistic approaches designed to avoid lawsuits. To me, this is one of the most accurate and insightful observations made in the book. I have particularly failed to understand how the Texaco case poses any threat to fair use in the academic library setting, and yet I have heard many academic librarians refer to it as such. Texaco affirmed the academic nature of fair use. Texaco, as the commercial defendant in the case, lost because its copying did not fulfill the academic purpose of fair use, legal liability, not maximum access to scholars.

Crews advocates a more informed approach to copyright policies, one which better balances the information needs of faculty and students with the desire not to be sued for copyright infringement. He offers numerous models of more le-

Letters to the Editor

Letters to the Editor are welcome in any way, shape or form.! — KS



Dear Editor:

I am writing in response to the piece on the librarian by Jerry Seay in the November issue of *Against the Grain*. I do enjoy his humor but I want to take issue with his comments about the designation librarian.

I am proud to be a librarian and I believe that the name encompasses more than the word information ever could. Information can be valid or false, trivial or useful, overwhelming in volume. It is often misleading, not worth keeping. Who would be a scientist of information rather than a librarian of knowledge?

Librarians are about knowledge and learning. We create the atmosphere and provide the resources so that learning can take place. We plumb the depths of literature, glean the wisdom from past great thinkers, encourage the curiosity of our students and foster questioning in search of answers. Books and journals are our treasures but we also know how to harness the electronic wonders to pursue what our users need and help them to evaluate it. I believe the mind of the librarian is the best resource in any library.

Our problem is not our name. Our problem is that we have not made known to people what it is we do. And that we must do because others are declaring that they can absorb the library into the computer center or make it a section of information. So I would be a librarian. It is a word with a great heritage. Let us tell

people we are in the knowledge business. Nobody can do better than we can.

Sincerely,

Lucretia W. McClure
(*Librarian Emerita, University of Rochester Medical Center*)

Dear Editor:

I sure did enjoy seeing the Wake Forest/Dynix VISTA blurb in *ATG* (February, 1994)!! We had a great beta test with Dynix's new remote database access system, and we are really encouraged that Pat Craumer and her staff are continuing to develop the service — adding databases, as well as enhancements to the search software. Since we are a Dynix site, our interest in VISTA is understandable. However, Dynix plans to market this service to non-Dynix libraries as well. Anyone interested should contact Pat. She is a very approachable and very knowledgeable person.

Best wishes,

Charles Getchell
(*Wake Forest University*)

Dear Editor:

The Board was wrong. You should not have published that unsigned letter [February, 1994]. The degree to which

an opinion is valuable and worthy of respect is directly related to an individual's willingness to commit him or herself to it.

There are, of course, extraordinary circumstances when a letter should be published unsigned: the contents are truly important, and it is reasonable to assume that the writer will suffer major harm if he or she is revealed. Neither applies in this instance. In fact, what does this letter have to do with what *ATG* is all about, except in a cosmic sense?

As a rule our profession suffers because not enough people are willing to go on the line and express anything, let alone what they believe. Please don't encourage a behavior that must be fought.

Christian Boissonnas
(*Cornell University*)

Dear Editor:

I just wanted to let you know that last week, when I was traveling, I read the latest *ATG* cover to cover and I thought it was fabulous!! So much material of real substance (as well as fun gossip). Anyway, since in your very charming editorial you advised us that we'd BETTER READ THIS ISSUE!, I wanted you to know that I did and I'm glad I did!!

Sincerely,

Becky Lenzini
(*CARL Corporation*) ☞

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nient copyright policies which do not exceed the legal bounds of fair use. Crews is not pushing university policy makers to be more aggressive or to take an adversarial stand against copyright owners. Rather, he argues that these policy makers need to become more informed about the intellectual nature and the legal realities of fair use, so that they can stop being so intimidated by judicial decisions and the threat of lawsuits that

really do not apply to them. In other words, Crews shows us that copyright law, including legislative intent in drafting the fair use provisions, is on the side of the university.

Crews analyzes 183 university copyright policies, mostly from ARL institutions. Interestingly, librarians were the leading developers of these policies, having authored just under half of them. Other developers included administrators (27%), legal counsel (16%), and faculty (3%). I leave the remaining details of the analysis to your reading. The critical finding of the study is that most of

the policies had as their stated purpose compliance with copyright law and avoidance

The Beaver Bites Back?

Edited by David H. Flaherty
and Frank E. Manning (McGill-Queen's University Press, 1993).

This book is subtitled *American Popular Culture in Canada*. That subtitle was

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Legally Speaking

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not evident as I happened to spy the book one day in our warehouse. Imagining a collection of short stories, one of which obviously had to do with Beaver Cleaver's long overdue revenge against Eddie Haskell, I was naturally quite surprised to find this to be a scholarly but wonderfully entertaining look at the differences between American and Canadian pop culture as seen through Canadian eyes.

Unlike most of the Canadian-authored comparisons between American and Canadian cultures I have read, which tend to be defensive and nationalistic, the essays in this book actually identify and celebrate the differences between the two popular cultures. The central theme of these essays, to the extent that there is such a theme, is that neither Canadians nor Americans understand and appreciate those differences. Canadians tend to

see the relationship as one of domination and submission, cultural hegemony. Americans tend to be generally oblivious to the matter.

The editors and authors of this book seek to refute the domination-submission perspective. They do so by examining various elements of Canadian popular culture, including literature, sports, television, and theater, as well as broader trends in the merchandising and consumption of popular culture, finding in each something uniquely Canadian despite the large American presence. Most of the authors suggest that while Canadians may import vast quantities of American pop culture, they only take from that culture what they want. Into all they import, Canadians inject a bit of their Canadian selves, even if only from the perspective with which they view American programs, movies, etc. In other words, the Canadian identity is much stronger than even the Canadians acknowledge; strong enough to be able to enjoy Ameri-

can culture without being subsumed by it. Exposure to American sports and entertainment products, with their emphasis on individual efforts and heroics, consumerism, and unambiguous moral boundaries, has not altered the fundamentally Canadian values of "state capitalism, social democracy, middle-class morality, regional identities, official multiculturalism, the True North, the parliamentary system, institutional compromise, international neutrality, and so on."

The Beaver Bites Back? opens with a wonderful story of how the Fathers of the Canadian Confederation had intended that their country would combine the best of their ancestors and neighbors, meaning French culture, British politics, and American technology. Unfortunately, the plan went horribly awry and Canada wound up with French politics, British technology, and American culture. This is indicative of the self-deprecating style found in many of the essays. Still, in highlighting the real differences between Canadian and American culture, and by not being threatened by those differences, I think that the authors in this text convey a genuine pride in Canadian culture. I recommend this book to you not only as a glimpse at Canadian cultural identity, but also as an opportunity to view American culture through the eyes of our closest neighbor. That view is not always flattering, but it is enlightening. With the passage of NAFTA, we have moved a step closer to North American economic integration. In that context, every bit of cross-cultural understanding and appreciation we can manage is worthwhile. ☞

And They Were There

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Tom feels they might cause problems fulfilling the other principles.

Jo Anne Deeken expressed the opinion that small libraries with small budgets receive lower discounts. She told of a small private college consortium in North Carolina which has formed an association as a single buying group, and thought this an idea for others to consider. Jo Anne reminded us that discounts are not everything, but that fulfillment, service and delivery time are also important factors.

The topic of discussion for the next meeting in Miami will be "what does it cost to buy a book, without being charged for any other vendor services?" ☞

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