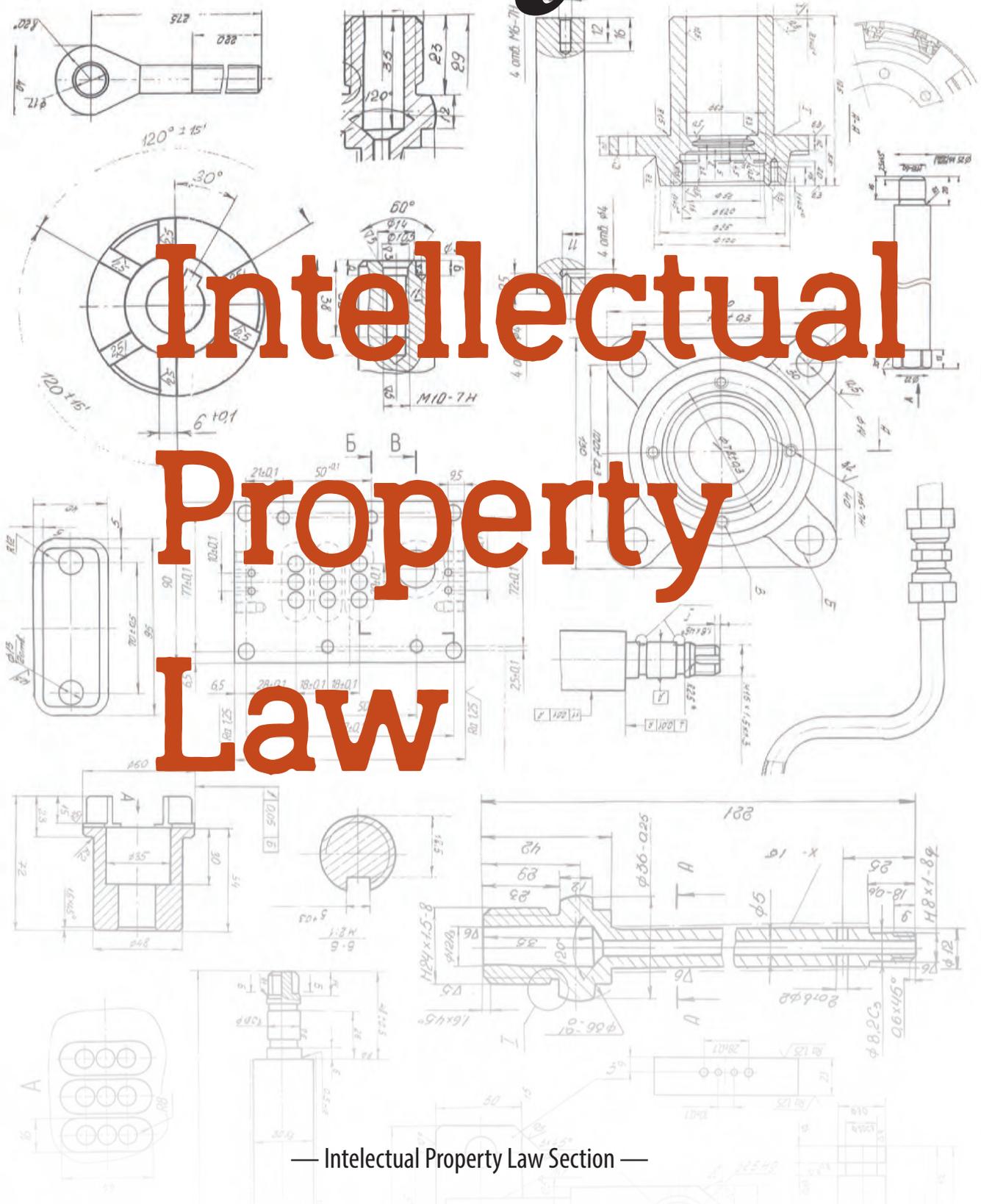


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© Copyright trolls are amuck. Here are some tips for how to defend against them.

By Justin Muehlmeier

I answer the phone. It is a potential client who received a letter from an attorney representing a photographer. The letter demands \$8,000 for copyright infringement. The caller downloaded a photo. He thought the photo was free. He had typed “free picture of Albuquerque skyline” into Google. The photo did not have a copyright notice or any indication anyone owned it. The caller used it on the “Contact Us” page on the website for his new home-based business. Few visited that page since the website went live two months ago. After receiving the demand letter, the caller took the photo off his website and informed the photographer’s attorney. But the attorney still wanted payment. The caller wants to know what to do and how much will it cost.

This is when the caller realizes it is in his financial interest to either agree to the settlement or negotiate a lower but still costly amount without hiring an attorney, the settlement offer being priced just low enough that it is less expensive for the caller to pay up than it is to hire a lawyer.

I’ve received a dozen calls with the same story. All came from small businesses or non-profits who had received letters from the same attorney on behalf of the same photographer demanding \$5,000 to \$15,000. These accused infringers are caught in a net of entrepreneurial attorneys who have mastered the art of monetizing claims of copyright infringement on a mass scale. The “artists” they represent, while real people with real but generic art, are disseminating their “art” over the internet in ways designed to encourage infringement. Investigation on PACER reveals hundreds of cases filed by one plaintiff, none decided on the merits. Clearly the legal strategy is a business of obtaining quick settlements from thousands of unrepresented parties who are lured into infringement.

These are “copyright trolls,” who “try to extract rents from market participants who must choose between the cost of settlement and the costs and risks of litigation.”¹ What can you do as an attorney to defend against these? Congress in the Copyright Act limited the relief a copyright owner can obtain in such circumstances. There are legitimate bases for challenging the trolls’ conduct. Here are five key points to help accused infringers understand their rights.



1. Confirm that the accused infringer actually committed the infringement.

Copyright trolls often accuse the wrong person of infringement.² Confirm that your client was actually responsible for using the work and that the work is owned by the copyright claimant. The claimant’s allegation should be accurate down to the precise file name for the work.

The client may not have committed the infringement personally. It may have been the client’s web designer. This does not necessarily insulate your client from copyright infringement liability as a business may be liable for infringement committed by its independent contractors. If there was a written agreement with the independent contractor, there may be an indemnification clause making the independent contractor responsible. Because most targets of copyright trolls are early-stage small businesses who have either created the website themselves or had the kid down the street create the website, this may not be an option for your client.

2. Confirm that the alleged infringed work is actually covered by the asserted copyright registration.

A copyright registration for a work is needed to sue someone for copyright infringement. Trolls are playing a numbers game, inevitably leading to mistakes where they make claims on works not actually registered. Make the accuser show the work at issue was actually filed as part of the deposit with the Copyright Office as part of the copyright registration claimed. If the asserted work

is not included, the accuser can't bring suit until the work is registered.³ Failure to register may be fatal to a claim of statutory damages and attorney's fees, without which a claimant has no incentive to bring a case.

3. The troll relies on statutory damages. Strive for the statutory minimum.

Almost every target of a troll will say they didn't know they were infringing or thought the work was free. But copyright infringement is a strict liability offense. Even if your client did not know what they did was wrong or had no ill-intent, they are still liable as an infringer. The circumstances of how the client accessed the work and what the client understood can make the difference between a case that will settle as a minor annoyance and one that creates financial setback affecting the survival of the business.

An infringer is liable for either (1) the copyright owner's actual damages and any additional profits of the infringer or (2) statutory damages.⁴ In most troll cases, the defendant did not use the work to make money off of the work itself, but simply used it for some purpose irrelevant to what they are selling, like the caller's use of a photo on a website. In such cases, there are little actual damages, the actual damages being at most the license fee for a single digital image. The trolls instead rely on statutory damages.

A copyright owner may choose to recover statutory damages "in a sum of not less than \$750 or more than \$30,000 as the court considers just." Where the infringement is "willful," statutory damages may be up to \$150,000. But if the infringement was "innocent," that is, the infringer "was not aware and had no reason to believe that his or her acts constituted an infringement of copyright," the court in may reduce damages to \$200.

A client may insist she is an innocent infringer and should pay nothing. The client should be educated that the innocent infringement defense is not a shield to liability, but only is an argument for a reduction in the damage award. Just because there was no copyright notice does not mean a use was "innocent." Courts have declined to consider an infringer "innocent" for purposes of statutory damages when the defendant could have learned about the copyright through basic online research. Yet it is always worth exploring the circumstances under which the accused used the work. An educated assertion of innocent infringement in settlement negotiations can set a strong theme to a case, making it less lucrative. It also can make a strong impression on the federal judge trying to get this small-potatoes case off the docket. Trolls target those who won't put up much of a fight, such as small businesses or individuals. The infringer's lack of business sophistication, the absence of a copyright notice, and the way the infringed work was disseminated by the owner, can make your client an "innocent" infringer for purposes of statutory

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Merely Descriptive and Deceptively Misdescriptive Marks: Limiting Client Self Destruction and Adverse Rulings

By Jeffrey H. Albright

Introduction

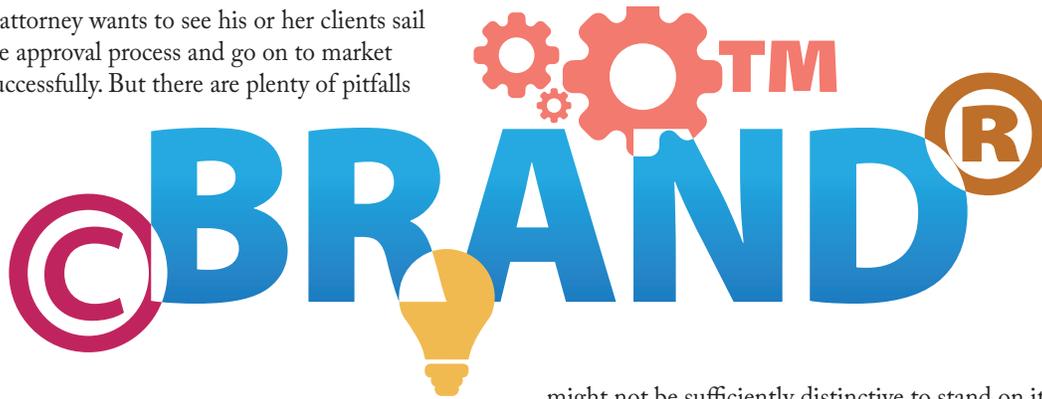
A trademark attorney wants to see his or her clients sail through the approval process and go on to market products successfully. But there are plenty of pitfalls that can beset trademarks. For example, marks that are “merely descriptive” of a client’s goods or services may be refused by the U.S. Patent and Trademark Office (“USPTO”) or may not be eligible for registration in the Principal Register, the primary trademark repository.¹ But what does that really mean? How can the business transaction or trademark attorney assist her client in overcoming the “merely descriptive” hurdle? Alternatively, how can an attorney steer clear of a finding by the Trademark Trial and Appeals Board (“TTAB”) that the mark is misleading, or “deceptively misdescriptive?” Through examples and case law, this article describes the legal distinctions between those terms. It also provides practitioners and clients with some recommendations to balance market “branding” with trademarks that are uniquely associated with their goods and services.

Defining the Terms

A mark is merely descriptive if the mark immediately conveys the ingredients, qualities, or characteristics of the goods or services with which it is used. For example, “rich and creamy” would not be registerable for ice cream. That phrase merely describes the quality or nature of the goods.²

In determining whether a mark is merely descriptive, distinctions are drawn between a mark which is: (1) generic, (2) descriptive, (3) suggestive, (4) arbitrary or (5) fanciful. These categories provide increasing distinctiveness of a mark and hence increasing likelihood that a proposed trademark will be registerable. As a simple example, if farmer Pat has a pear orchard and he attempts to trademark “Pat’s Pears,” that mark will be generic—it merely describes exactly the product. However, if Pat decides to build computers and she calls it “Pears,” that would be considered fanciful and highly likely to be approved as a trademark. No one would confuse pears (the fruit) with pears (the computers). Descriptive marks fall in between generic and fanciful, which makes their registration challenging.

Generally, marks are considered merely descriptive if they: (1) describe the color of the goods; (2) use laudatory words such as



“best,” “superior,” “American”; or (3) use phrases or a slogan that merely extoll the service, such as “best gas station in town.” While the term, phrase, or slogan might not be generic, the mark

might not be sufficiently distinctive to stand on its own since other gas stations might make similar claims. Terms can also become descriptive over time, such as “virtual” in connection with goods and services offered over the internet.³

“Design” marks, where there is a combination of both a name or slogan and a design or logo, might not be considered merely descriptive and may be registerable. In such a situation, the resulting design mark will only protect against the copying of the mark as a whole, including the design or stylized mark. The USPTO examining attorney will usually require a disclaimer of any trademark of the words other than how they are used in the mark.

A descriptive mark that falls short of the requirements for registration on the Principal Register but is still “capable of distinguishing the applicant’s goods or services . . . may be registered on the Supplemental Register. The test is not whether the mark is already distinctive of the applicant’s goods, but whether it is capable of becoming so.”⁴ A descriptive term may be trademarked and registerable on the Principal Register if it has acquired secondary meaning. Secondary meaning occurs if the relevant public (those generally involved with goods and services associated with the term) perceives the term or mark as a trademark rather than a mere description of the goods and services. This is sometimes referred to as acquired distinctiveness. Provided that the mark is not generic, it can be registered on the Supplemental Register.

Unregistrable Components and Attempted Disclaimers

Estate of P.D. Beckwith, Inc. v. Commissioner of Pats.⁵ dealt with disclaiming marks that were merely descriptive or generic. In 1962, there was an amendment made to the federal Lanham Act of 1946 (“Trademark Act”)⁶ that changed “unregistrable matter” to “an unregistrable component.” Most commonly, an unregistrable component of a registerable mark is: (1) the name of the goods or services (think generic); (2) other matter that does not indicate source; (3) matter that is merely descriptive (think back to the

earlier mentioned 'rich and creamy' example for ice cream) or is deceptively misdescriptive of the goods or services; or (4) matter that is primarily geographically descriptive of the goods or services.

Practitioners will frequently attempt to disclaim an unregistrable component of a mark. However, disclaiming an unregistrable component will not cure the deficiency and will not make it registrable. *American Speech-Language-Hearing Association v. National Hearing Aid Society*⁷ is illustrative. In that proceeding, the applicant falsely implied that the user of the mark was a certified audiologist. The applicant attempted to disclaim that it was making any proprietary right to the disclaimed words. The TTAB determined: "While the disclaimer is appropriate to indicate that respondent claims no proprietary right in the disclaimed words, the disclaimer does not affect the question whether the disclaimed matter deceives the public, since one cannot avoid the Trademark Act Section 2(a) deceptiveness prohibition by disclaiming deceptive matter apart from the mark as a whole."

This case is an excellent example of the Trademark Act's provisions under Section 2(a) to protect the public from registration of a mark which will act to deceive the public. It also highlights the provisions of Section 2(e)(1) that prohibit registration of designations that are deceptively misdescriptive of the goods or services.

Deceptively Misdescriptive and Deceptive Marks

Two provisions of the Trademark Act prevent registration of a mark on the Principal Register if a mark is deceptively misdescriptive (unless it has acquired distinctiveness). Section 2(a) of the Act bars registration on the Principal or the Supplemental Register of a deceptive mark. Each of these situations places the practitioner in very different positions before the USPTO and understanding the differences is crucial to protecting the interests on one's clients.

A mark is misdescriptive if it falsely indicates an ingredient, quality, characteristic, function or feature of the goods or services with which it is used. As with generic and descriptive marks, the fact that a term is misspelled or is in a foreign language does not affect the determination of whether or not the mark is misdescriptive. *In re Organik Technologies, Inc.*⁸ is illustrative. In determining that the mark of ORGANIK by the applicant was deceptive, the TTAB determined, "... when applied to applicant's goods as presently identified, applicant's mark, ORGANIK, which is the phonetic equivalent of the term 'organic,' is deceptive because it is misdescriptive of 100% cotton textiles or articles of clothing that are neither from an organically grown plant nor free of chemical processing or treatment."

Marks are deceptively misdescriptive when a prospective purchaser is likely to believe that the misdescription actually describes the goods or services. These are barred from registration on the Principal Register unless there is a showing of acquired distinctiveness. The marks are eligible for registration on the Supplemental Register.

However, when a misdescriptive mark does not deceive the public, the USPTO reaches the conclusion that the public is not harmed by the registration. Therefore, a mark that is merely misdescriptive may proceed to registration without requiring proof of secondary meaning, barring any other reasons for disapproval by the USPTO trademark examiner. The determining factor is whether persons who encounter the mark are likely to believe the misrepresentation.

On the other hand, marks are simply deceptive if they are likely to affect the decision to purchase the goods or services. The Trademark Act bars registration of deceptive marks on both the Principal Register and the Supplemental Register. Neither a disclaimer of the deceptive matter nor a claim that it has acquired distinctiveness can overcome a USPTO refusal. If the relevant public is not aware of the meaning of a term, but a small group of people with particular knowledge of the subject matter is familiar with the term and it is deceptive, the term and mark are unregistrable.

Denim: Deceptive, but not Deceptively Misdescriptive

In a recent opinion that is not precedent of the TTAB, *QVC, Inc.* sought registration on the Principal Register of the mark "DENIM & CO"⁹ for women's clothing that included shirts, dresses, skirts, tops, bottoms, sweaters, shorts, pants, jackets, leggings, and t-shirts, some made in whole or substantial part of denim and others made of non-denim materials. The application included a disclaimer of DENIM only as to "women's clothing, namely shirts, dresses, skirts, tops, bottoms, sweaters, shorts"

The USPTO examining attorney partially refused registration of the Applicant's mark under Trademark Act Section 2(a) as deceptive when used for the identified clothing "made of materials other than denim," and alternatively under Section 2(e)(1) as deceptively misdescriptive when used for the same goods.

On appeal, the TTAB determined that evidence showed a motivation by consumers to purchase denim in particular, at least in part because it is considered a strong and durable yet comfortable and stylish fabric. In that sense, the term was misdescriptive, but not deceptively so, as it was broadly applied to all of the clothes.

With respect to deceptiveness, the TTAB determined that there was an attempt to deceive and that the partial refusal to register DENIM & CO for Applicant's identified non-denim clothing was appropriate. It is unclear whether an appeal of the TTAB decision is forthcoming.

Lessons Learned for the Small Business and Legal Practitioners

While most practitioners understand the distinctions of various categories of trademarks, the distinctions between misdescriptive and deceptive trademarks is less well understood. Even without an opposition challenge to a registration, misdescriptive marks and deceptive trademarks (intentional or otherwise) can mean lengthy delays, increased legal fees associated with amendments at the USPTO and potential appeals at the TTAB. They can also result in lengthy delays in establishing a mark that will provide a brand

for the goods or services. Following are some recommendations for preventing misdescriptive or deceptive trademarks:

1. Discuss with your client the scope of goods and services. Attempt to convince your client not to include more classes of goods and services than are realistic and not to embellish the goods and services with characteristics that are simply overstated
2. If your client has already hired a marketing person or a “brand ambassador,” ensure that all of you are on the same page. The branding of a product often results in “modifications” to either the mark, the nature of the goods or services, or changes in the classification as products might expand (or contract).
3. Encourage your clients to come up with a mark, logo, or combined mark that is arbitrary or fanciful to avoid having to deal with a registration that ends up as a merely descriptive mark.
4. If your client has a mark (common law or already designed) that is merely descriptive, attempt to ensure it is not misdescriptive.
5. A misdescriptive, mark might still be registrable, as long as it is not deceptive.
6. A misdescriptive mark may still obtain secondary meaning and may be eligible for registration on the Supplemental Register.

Keep in mind that at the end of the day, the mark is your client’s. Make a conscious effort not to get involved in selecting or suggesting marks to your client, but be conscious of the hurdles posed by descriptive marks, misdescriptive marks and deceptive marks.

Endnotes

- ¹ See 15 U.S.C. § 1052 (e)(1); T.M.E.P. § 1209.01 (b).
- ² See also. *The Hoover Co. v. Royal Appliance Mfg. Co.*, 57 U.S.P.Q.2d 1720 (Fed. Cir.2001) (the term “Number One in Floor Care” is a generally laudatory phrase and merely descriptive).
- ³ See, *In re Styleclick.com Inc.*, 58 U.S.P.Q.2d 1523 (TTAB 2001).
- ⁴ See *In re Bush Bros. Co.*, 12 U.S.P.Q.2d 1058, 1059 (Fed. Cir. 1989).
- ⁵ 252 U.S. 538 (1920)
- ⁶ 15 U.S.C. § 1052
- ⁷ 224 USPQ 798, 808 (TTAB 1984)
- ⁸ 41 U.S.P.Q.2d 1690 (TTAB 1997)
- ⁹ *In re QVC, Inc.* USPTO TTAB – Serial No. 86670074 – January 21, 2020

Jeffrey H. Albright practices with JAlbright Law LLC in Albuquerque and has been a member of the Intellectual Property Law Section for many years.

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Hummingbird Nectar and ALBUQUERQUE'S ANALOGOUS ART HERO

By Kevin Soules

“That doesn’t have anything to do with my invention.” This is a sentiment I hear often from patent applicants. The patent prosecution journey can be trying for inventors, in large part, because of the difficulty navigating the obviousness requirement for patentability. The obviousness standard is deceptively simple:

A patent for a claimed invention may not be obtained ... if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious ... to a person having ordinary skill in the art to which the claimed invention pertains.

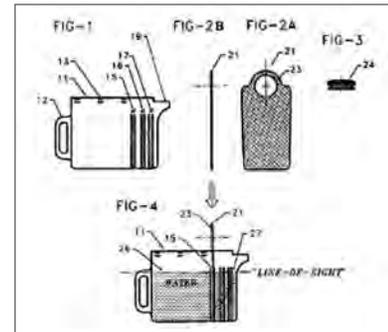
35 U.S.C. § 103.

The rationale for this standard is equally simple. If the improvement in an invention is obvious, there is no need to reward its disclosure with a patent. Any skilled artisan could easily make the same improvement (after all, it’s obvious). But what counts as an obvious improvement? Swapping a bolt for a screw, in an otherwise identical invention, is undoubtedly obvious, but most patent applications include new features where the line between obviousness and inventive step is much less clear.

Take, for example, the patent application of Arnold Klein (U.S. Patent Serial No.: 10/200,747). A resident of Albuquerque’s east mountain suburbs, Klein developed a “nectar mixing device” for measuring and mixing sugar and water into nectar for bird feeders. Klein’s claim number 21 lays out the invention as follows:

21. A convenience nectar mixing device for use in preparation of sugar-water nectar for feeding hummingbirds, orioles or butterflies, said device comprising:
a container that is adapted to receive water, receiving means fixed to said container, and a divider movably held by said receiving means for forming a compartment within said container, wherein said compartment has a volume that is proportionately less than a volume of said container, by a ratio established for the formulation of sugar-water nectar for hummingbirds, orioles or butterflies, wherein said compartment is adapted to receive sugar, and wherein removal of said divider from said receiving means allows mixing of said sugar and water to occur to provide said sugar-water nectar.

The invention is simple but useful. It turns out different bird species prefer nectar with different sugar concentrations. In order to ease the task of preparing a properly proportioned nectar, Klein created a nectar-mixing device that can be preset for varying species. It is a measuring cup-shaped dispenser that has three sets of slots (one set for hummingbirds, one set for orioles, and one set for butterflies) and a divider that can be inserted into any of the sets of slots. The divider separates the dispenser into an area for sugar and another area for water. Each of the slots defines a different ratio of water to sugar. Thus, if hummingbird nectar is on the menu, the divider can be inserted into the hummingbird slot, the slot with the largest ratio of sugar to water. (It turns out hummingbirds have a bit of a sweet tooth). With the sugar and water filled in their respective areas, the divider can be removed and the solution mixed together to create properly proportioned hummingbird nectar.



Figures 1-4 from Klein’s Patent Application

The genius here is in the simplicity, as is so often the case with inventions.

After successfully overcoming a series of novelty rejections, Klein’s application was eventually, finally rejected as being obvious. The claim was found obvious in five separate rejections, with each rejection citing a different prior art reference. I can imagine Klein’s frustration was based on the common theme, “that doesn’t have anything to do with my invention.” It turns out he was right.

Three of the five references described containers or drawers for solid objects, like nails or cards. Each of these containers included adjustable dividers. The other two references described plasma and hair dye containers respectively. Each was configured to hold liquids separately, but not to adjust the ratio of the resulting mixture. Given Klein’s admission that preferred nectar ratios were known to avian aficionados, the rejections were premised on the logic that it would be obvious

to arrive at the claimed mixing device given the cited solutions for dividing containers and the admittedly preferable sugar to water ratios for nectar.

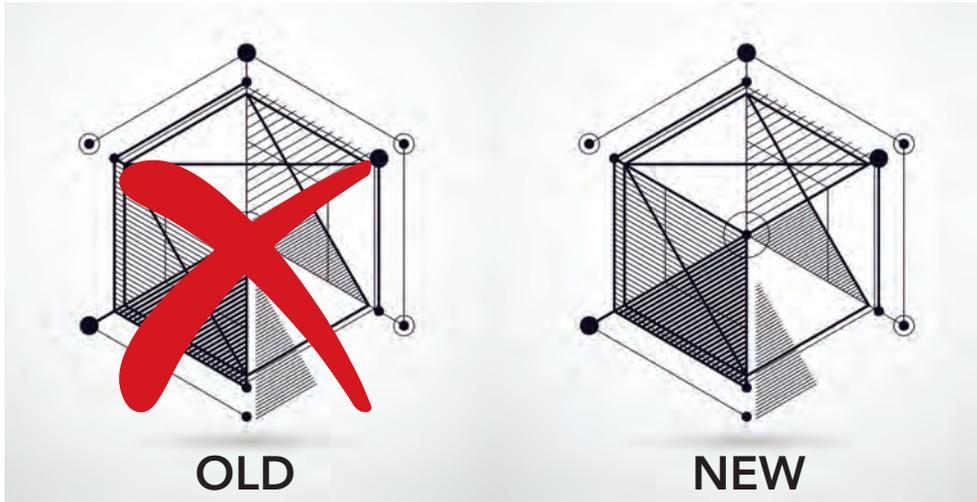
After years prosecuting the application with the help of counsel, Klein's resources

were tapped and he was forced to continue *pro se*. Even basic patent prosecution is beyond the skill of most inventors. Klein was also faced with the even more daunting task of preparing a compelling appeal to the Board of Patent Appeals and Interferences (BPAI). The procedural requirements alone for submitting a *pro se* appeal brief are complex, and Klein admits that at this stage, he considered abandoning the cause. Klein's wife, Ms. Bonnie Stepleton, worked tirelessly, researching the procedural requirements and making phone calls to the Patent Office to determine all the nuances for submitting a *pro se* Appeal. Klein credits her effort as saving the case. In a series of incredibly well drafted *pro se* filings, Klein argued that the cited references were not analogous art.

The Manual of Patent Examining procedure (MPEP) explains that "[i]n order for a reference to be proper for use in an obviousness rejection under 35 U.S.C. § 103, the reference must be analogous art to the claimed invention." MPEP 2141.01(a). While this mandate seems a ready arrow in the patent prosecution quiver, it had become mostly a formality in the wake of the decision in *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). *KSR* is treated as having expanded the breadth of what counts as analogous art dramatically. This is punctuated by patent examiner practices, which seem to have essentially abandoned any inquiry into whether a reference is analogous art.

The *KSR* decision casts a long shadow, so it is not surprising that the BPAI affirmed the examiner's obviousness rejection. It's worth noting that the BPAI affirmation came in March 2010, more than seven-and-a-half years after Klein's application was originally filed in 2002. Undeterred, Klein appealed the BPAI's decision to the Federal Circuit. His position was that the citations provided by the patent office were not analogous art because they were not directed to the same field of invention, nor were they directed to a solution of the problem addressed by Klein's invention; simply put, they didn't have anything to do with Klein's invention.

At this point, Klein's case was taken up by counsel. While Klein's tireless efforts set the stage for his appeal, his case was



undoubtedly buoyed by representation before the Federal Circuit. Nevertheless, Klein's dogged defense of his patent application ultimately gifted us all a useful patent prosecution tool.

In its decision, the Federal

Circuit indicated a two-part analysis to determine if a reference is analogous art. The first inquiry is whether the art is from the same field of endeavor (irrespective of the problem addressed). If the art is not from the same field of endeavor, the test moves to the second inquiry—whether the references were reasonably pertinent to the problems addressed by the application.

The court's analysis focused on the second inquiry, after quickly establishing the references were not from the same field of endeavor. The Federal Circuit found that the first three references could only be used to separate solid objects, not liquids. The Court also found that the remaining two references could be used to mix liquids, but only in a single fixed ratio. As such, the Federal Circuit concluded that the BPAI erred in its conclusion that the references were analogous art.

After almost 10 years of prosecution, Klein's application was issued as U.S. Patent 8,147,119 in April 2012. If you ask Klein about the case, he will tell you the monetary fruits of his labor have been modest. But from a wider perspective, Klein has established himself as our own local patent prosecution hero. His efforts resulted in a precedent-setting decision that has provided a viable line of argument for overcoming prior art rejections based on references that seem to lack any relation to the claim at issue. This is perhaps best memorialized by a memorandum dated July 26, 2011 from the Acting Associate Commissioner for Patent Examination Policy, Robert Bahr, to the Patent Examining Corps at the U.S. Patent Office. In the Memorandum, Bahr explains:

A recent decision from the U.S. Court of Appeals for the Federal Circuit, *In re Klein*, F.3d , 98 USPQ2d 1991 (Fed. Cir. June 2011), is instructive as to the "reasonably pertinent" prong for determining whether a reference is analogous art. In determining whether a reference is reasonably pertinent, an examiner should consider the problem faced by the inventor, as reflected—either explicitly or implicitly—in the specification. In order to support a determination that a reference is reasonably pertinent, it may be appropriate to include a statement of the examiner's understanding of the problem. The

question of whether a reference is reasonably pertinent often turns on how the problem to be solved is perceived. If the problem to be solved is viewed in a narrow or constrained way, and such a view is not consistent with the specification, the scope of available prior art may be inappropriately limited. It may be necessary for the examiner to explain why an inventor seeking to solve the identified problem would have looked to the reference in an attempt to find a solution to the problem.

Memorandum from Robert W. Bahr, Acting Associate Commissioner for Patent Examination Policy, to Patenting Examining Corps. (July 26, 2011) (“Subject: Analogous Art for Obviousness Rejections”), https://www.uspto.gov/sites/default/files/patents/law/exam/analogous_art.pdf. We have Arnold Klein to thank for that.

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Copyright Trolls Are Amuck

continued from page 4

damages. Since the minimum for statutory damages is only \$750, the client should not lose sleep over prevailing on an innocent infringement defense.

Trolls allege the infringement was “willful” so they can claim infringers may be liable for up to \$150,000. While that’s true, a finding of willful infringement does not require the court to award statutory damages any higher than the \$750 minimum. If the facts are like those of the caller, no one should be worried that a court would grant anything close to \$150,000. A finding of willfulness requires the defendant (1) was actually aware of the infringing activity or (2) acted with reckless disregard or willful blindness. Where an infringer in good faith believed their use to be free, courts have held the infringement is not “willful.”⁵

4. In copyright infringement actions, attorney’s fees may be granted to the “prevailing party”, but courts have refused to grant attorney’s fees to trolls.

The biggest risk to a defendant sued for copyright infringement is the Court may grant the plaintiff costs and attorney’s fees under the Copyright Act. The risk of being assessed attorney’s fees is real to any person at risk of being found to be an infringer, even if the infringer had good reason to think their use of the copyrighted work was “free.” This risk should be emphasized to the client early, particularly if a lawsuit has already been filed. The Act does not require a court to award fees. The Supreme Court has ruled the Copyright Act’s provision for attorney’s fees is not an “automatic” grant because “a successful defense of a copyright infringement action may further the policies of the Copyright Act every bit as much as a successful prosecution of an infringement claim by the holder of a copyright.”⁶

Courts often refuse to grant trolls their attorney’s fees for many good reasons. The troll’s conduct should be investigated to uncover questionable business practices, e.g. identifying the number of pending cases the troll has, reviewing orders issued in the troll’s cases to find reprimands or unfavorable statements

by the court, understanding the way the artist disseminates their artwork, and interviewing attorneys who have defending clients against the troll.

5. Settle quick and fast.

No one wants to litigate these low-value cases. The troll has a business to run and needs to exceed his costs in pursuing the case against your client. The defense attorney’s goal is to reduce the amount the infringer pays. It is in everybody’s interest to settle quick and fast. These cases typically settle for \$1,000 to \$8,000. It is my firm’s experience that, even after a complaint is filed, the troll is likely to settle for significantly less than the initial demand. This is particularly true when the defendant can show the court the plaintiff’s modus operandi and the innocence of the defendant. Clients like the caller should be told that they are probably not walking away without paying something but that the troll’s demands will likely be reduced dramatically.

The bottom line with these cases is tell your client not to panic, push back against the trolls, and educate your clients.

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Endnotes

¹ *Design Basics, LLC v. Lexington Homes, Inc.*, 858 F.3d 1093, 1097 (7th Cir. 2017).

² See Matthew Sag & Jake Haskell, *Defense Against the Dark Arts of Copyright Trolling*, 103 Iowa Law Review 571 (2018).

³ *Fourth Estate Pub. Ben. Corp. v. Wall-Street.com, LLC*, 139 S. Ct. 881, 892 (2019).

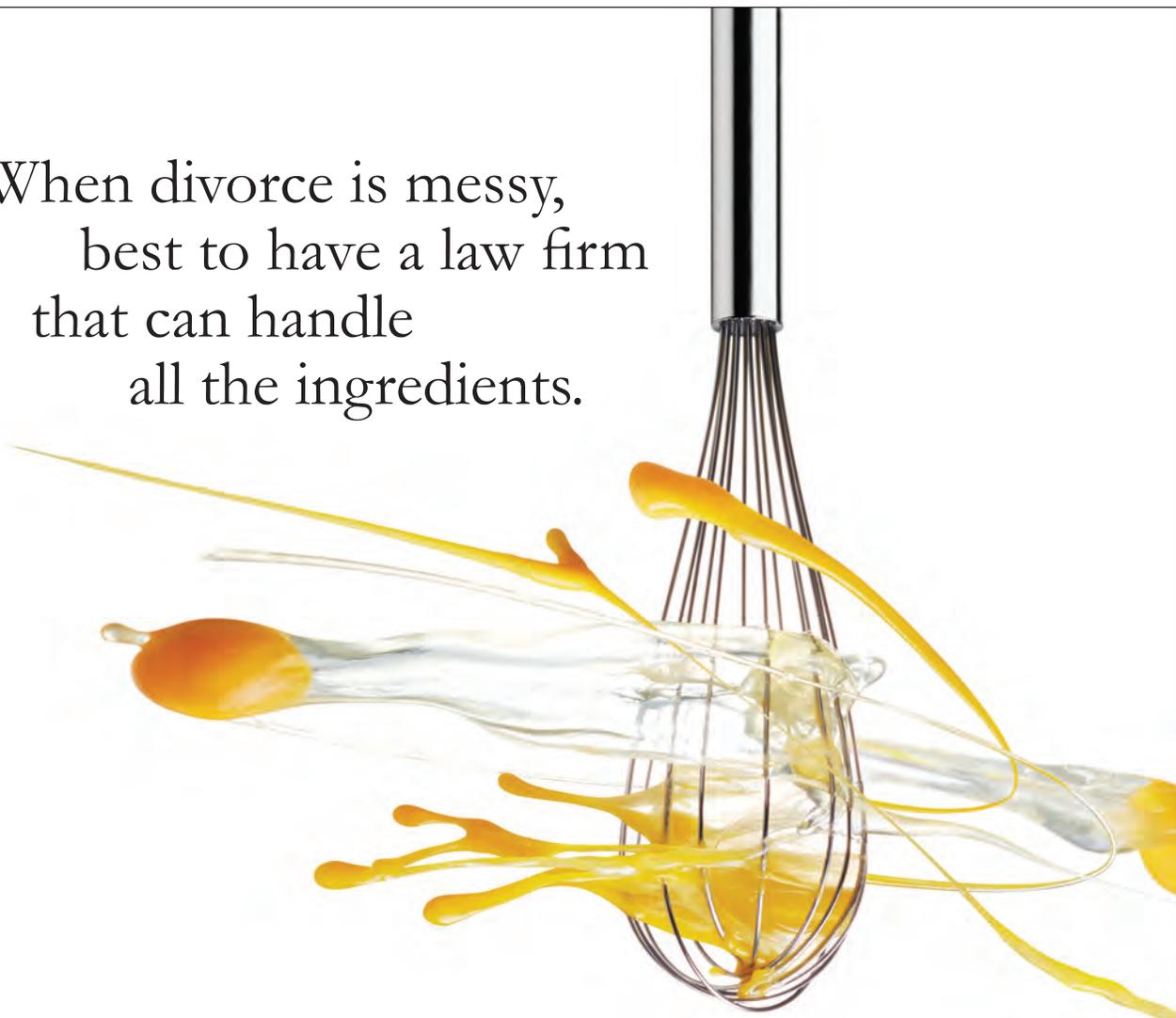
⁴ 17 U.S.C. § 504.

⁵ E.g., *Reed v. Ezelle Inv. Props., Inc.*, 353 F.Supp.3d 1025, 1036 (D. Ore. 2018).

⁶ *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 526–27 (1994).

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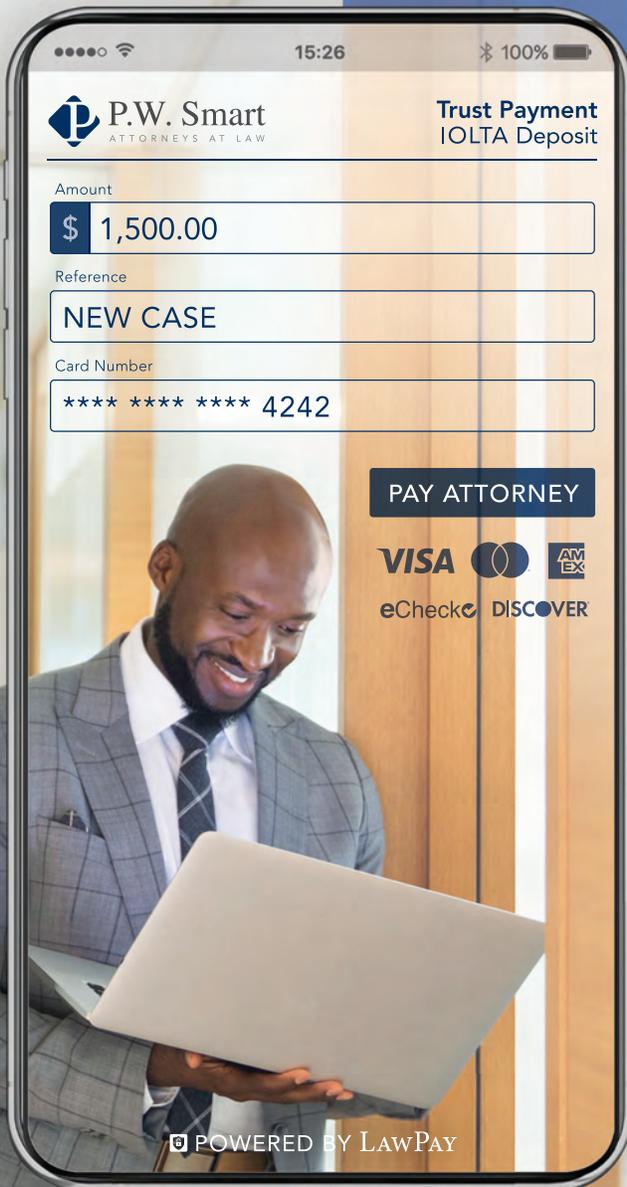
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