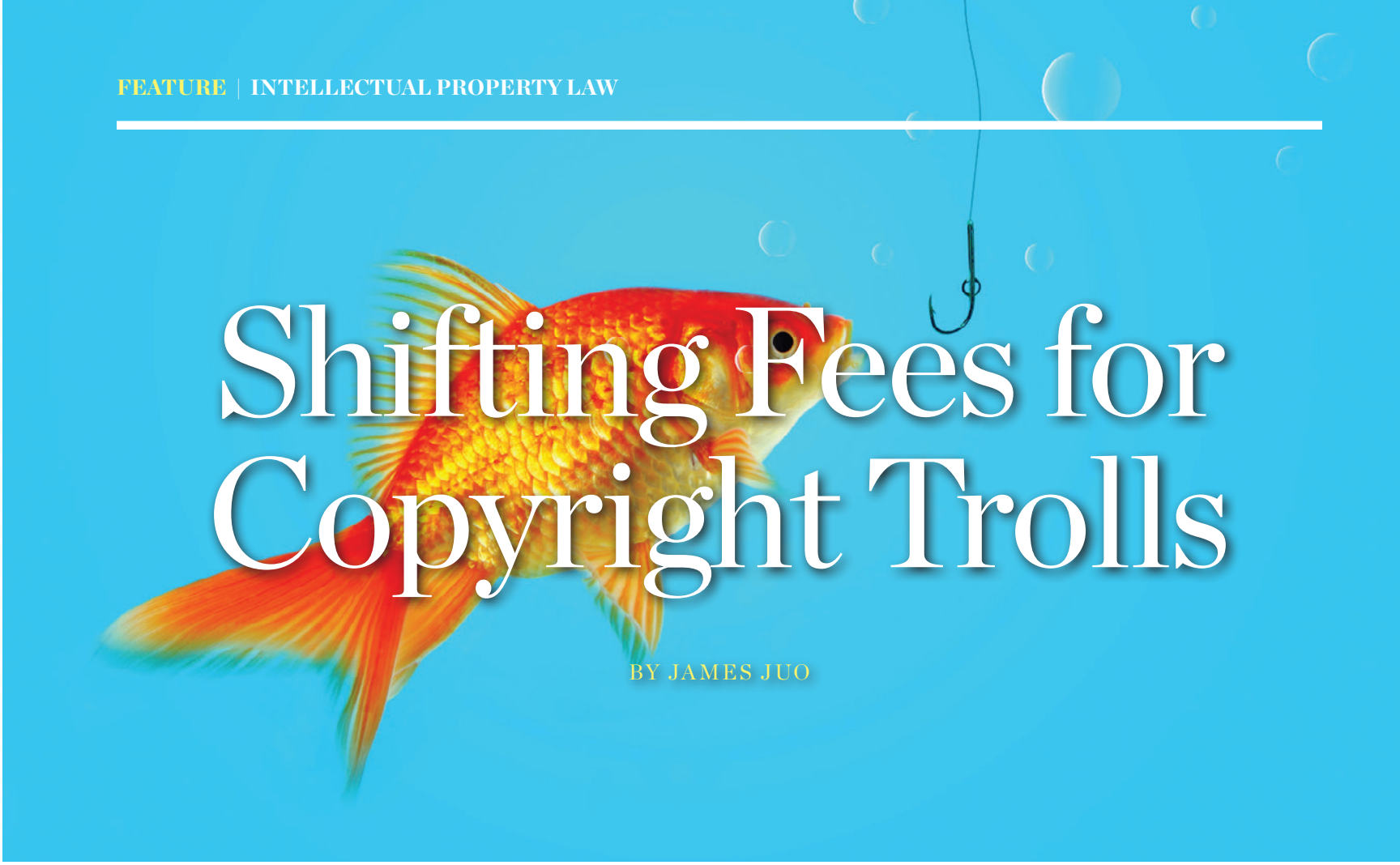

Shifting Fees for Copyright Trolls

BY JAMES JUO

This article discusses the use of offers of judgment and cost bonds when dealing with copyright claims.

An explosion in the number of claims asserting marginal or de minimis copyright infringement has taken place in recent years. One attorney who filed over 1,280 copyright infringement lawsuits between 2017 and 2020[1] has been called "a known copyright 'troll.'"[2] Judge Denise Cote from the Southern District of New York noted that "the essence of trolling" is "seeking quick settlements priced just low enough that it is less expensive for the defendant to pay the troll rather than defend the claim."[3]

Two possible tools to employ in litigation generally, and that are potentially useful against a copyright troll, are a cost bond and a Rule 68 offer of judgment. A cost bond requires a plaintiff to post security to assure eventual payment of costs that may be taxed against the plaintiff at the end of a case.[4] A Rule 68 offer of judgment is a cost-shifting mechanism intended to encourage settlement.[5]

Cost Bond

In federal practice, requiring a plaintiff to post a cost bond is within the court's discretion as part of its inherent authority.[6] When deciding this issue, the US District Court for the District of Colorado may consider (1) the merits of the plaintiff's claims, (2) the plaintiff's ability or willingness to pay any costs that may be assessed, and (3) substantial costs that the defendant could incur while preparing for trial.[7]

The inquiry on the claim's merits focuses on whether the claim is dubious.[8] A conclusion of dubiousness does not require the court to find the plaintiff's claim to be entirely without merit, only that it "appear[s] to have little merit at the present time, so as to arouse a justifiable concern . . . ."[9] In the early stages of litigation, there may not be a sufficient record to assess the merits of a case beyond the apparent plausibility of the claim. One court noted that considering the merits of a claim is only instructive if the claim appears to be facially dubious, and it ordered a cost bond based on the remaining two factors.[10]

The plaintiff's ability or willingness to pay costs may include consideration of a plaintiff's status and litigation history.[11] This also may include whether the plaintiff is a nonresident,[12] because a nonresident may lack assets within the court's jurisdiction. As reflected in CRS §§ 13-16-101 and -102, Colorado public policy contemplates a bond of up to $5,000 for a nonresident plaintiff to maintain a cause of

action in Colorado state courts.[13] But this state procedural law is not binding on federal courts in Colorado, and a federal court's discretion to impose a cost bond is not limited by this amount.[14] "There is no Federal Rule of Civil Procedure requiring nonresident litigants to post cost bonds, and the United States District Court for the District of Colorado has not promulgated a local rule requiring nonresident plaintiffs to post cost bonds."[15] Nonetheless, the plaintiff's residency may be relevant to his or her ability or willingness to pay costs and should be considered in determining whether to require a cost bond.[16]

As for the substantial costs that might be incurred by a defendant, such costs are "measured against the nature of the claims and the parties involved."[17] For an impecunious individual, "even a few thousand dollars in litigation costs could be considered 'substantial.'"[18]

Further, the amount of a cost bond is not limited to those costs listed in 28 USC § 1920.[19] "[S]uch costs [also] may include discovery and other amounts that a defending party must spend in readying itself for trial,"[20] for example, the number of depositions to be taken.[21]

In addition, a prevailing defendant may be entitled to reasonable attorney fees as part of costs under the Copyright Act.[22] Some courts have relied on the potential for an attorney fees award to establish costs in setting the amount for cost bonds.[23] And potential costs that may be considered also could include costs that may be shifted under Rule 68, as discussed below.[24]

Rule 68 Offer of Judgment

Under Rule 68(a), a defendant may serve "an offer to allow judgment on specified terms, with the costs then accrued."[25] The plaintiff has 14 days to accept the offer in writing.[26] If a plaintiff rejects the offer and recovers less than the amount of the rejected offer, Rule 68 shifts the post-offer costs to the insufficiently successful prevailing plaintiff.[27] This serves the purpose of Rule 68, which is to promote settlement by discouraging a plaintiff from continuing to litigate after being presented with a reasonable offer.[28]

As previously discussed, the court may award reasonable attorney fees to the prevailing party as part of the costs under the Copyright Act. Thus, either a prevailing plaintiff or a prevailing defendant could be awarded attorney fees at the conclusion of a copyright action.[29]

Rule 68 potentially impacts an attorney fees award in copyright cases by (1) cutting off post-offer attorney fees to a prevailing plaintiff, and (2) providing a non-prevailing defendant an opportunity to recover post-offer attorney fees.

"The Court noted that Rule 68 will require plaintiffs to 'think very hard' about whether continued litigation is worthwhile because after receiving a Rule 68 offer, plaintiffs 'who reject an offer more favorable than what is thereafter recovered at trial will not recover attorney's fees for services performed after the offer is rejected.'"

Post-Offer Attorney Fees for the Prevailing Party

The US Supreme Court in *Marek v. Chesny* directly addressed post-offer attorney fees to a prevailing plaintiff. Chesny sued the defendant police officers for the wrongful death of his son and violation of his civil rights under 42 USC § 1983.[30] Defendants made a Rule 68 offer of judgment for a sum, including costs and attorney fees, of $100,000, but Chesny rejected the offer.[31] Chesny later prevailed at trial and was awarded $5,000 on the state law wrongful death claim, $52,000 for the § 1983 civil rights violation, and $3,000 in punitive damages.[32] The civil rights statute includes a provision that awards attorney fees as part of costs, and the parties agreed that $32,000 represented the allowable pre-offer costs including attorney fees, and $139,692 represented the post-offer costs including fees.[33] Thus, the award and pre-offer costs amounted to a total recovery of $92,000, which was $8,000 less than the rejected $100,000 offer of judgment under Rule 68.[34] Because the recovery amount did not exceed the rejected offer of judgment, the district court did not award Chesny post-offer costs.[35]

The US Supreme Court agreed with the district court and held that a defendant may not be taxed with costs including attorney fees incurred subsequent to an unaccepted Rule 68 offer of settlement when the plaintiff receives a monetary judgment that is less than the unaccepted offer.[36] In construing the term "costs," which Rule 68 did not define, the Court stated:

> [T]the most reasonable inference is that the term "costs" in Rule 68 was intended to refer to all costs *properly awardable* under the relevant substantive statute or other authority. In other words, all costs *properly awardable* in an action are to be considered within the scope of Rule 68 "costs." Thus, . . . where the underlying statute defines "costs" to include attorney's fees, we are satisfied such fees are to be included as costs for purposes of Rule 68.[37]

The Court noted that Rule 68 will require plaintiffs to "think very hard" about whether continued litigation is worthwhile because after receiving a Rule 68 offer, plaintiffs "who reject an offer more favorable than what is thereafter

recovered at trial will not recover attorney's fees for services performed after the offer is rejected."[38]

Post-Offer Attorney Fees for the Non-Prevailing Party

There is a split in authority, however, with respect to whether a non-prevailing defendant may recover its post-offer attorney fees from an insufficiently successful plaintiff under Rule 68.[39] Neither the Supreme Court nor the Tenth Circuit has directly addressed this issue.[40]

The Eleventh Circuit in *Jordan v. Time, Inc.* held that the defendant was entitled to recover post-offer attorney fees under Rule 68 because the underlying copyright statute defined costs to include attorney fees.[41] In *Jordan*, an author brought a copyright infringement action against the defendant for reprinting his article without permission.[42] The defendant made two offers of judgment—one for $15,000 and another for $20,000.[43] The plaintiff rejected both offers but was awarded only $5,000 after a jury trial.[44] The Eleventh Circuit held that under *Marek*, "costs" include attorney fees when the underlying statute so prescribes and the Copyright Act so specifies.[45] Other district courts, such as the Southern District of New York, also have awarded post-offer attorney fees to a non-prevailing defendant.[46]

On the other hand, the First, Ninth, and Seventh Circuits have interpreted the "properly awardable" language in *Marek* as allowing cost-shifting of attorney fees only if such fees were properly allowable under the relevant statute, and attorney fees were only properly allowable to Chesny as the prevailing party.[47] Following this reasoning, in *Energy Intelligence Group, Inc. v. CHS McPherson Refinery, Inc.*, the District of Kansas recently declined to shift attorney fees as part of costs to a non-prevailing party under Rule 68.[48] The Kansas court held that the term "costs" in Rule 68 referred to all costs "properly awardable under the relevant substantive statute," and attorney fees are not properly awardable to a non-prevailing party under Section 505 of the Copyright Act.[49] But there does not appear to be any statute that awards costs to a non-prevailing party, and this circular reasoning would seem to preclude awarding any costs to a non-prevailing party under the cost-shifting of Rule 68.[50]

Moreover, *Energy Intelligence Group* and other decisions relying on the "properly awardable" language to decline shifting attorney fees under Rule 68 appear inconsistent with the reasoning in *Marek*[51] that "all costs *properly awardable* in an action are to be considered within the scope of Rule 68 'costs' . . . . [thus,] where the underlying statute defines 'costs' to include attorney's fees, we are satisfied *such fees are to be included as costs for purposes of Rule 68*."[52] It seems incongruous to interpret Rule 68's cost-shifting, under which post-offer costs normally awardable to the prevailing party are shifted to the non-prevailing party, to exclude certain costs because they are only "properly awardable" to a prevailing party when all costs can be described as such.[53]

In analyzing the civil rights statute that authorized awarding attorney fees "as part of the costs," the Court in *Marek* held that because Congress expressly included attorney fees as "costs" under that statute, "such fees are subject to the cost-shifting provision of Rule 68."[54] While the non-prevailing defendant in *Marek* was not seeking attorney fees as part of costs in that case, it would have been consistent with the Supreme Court's reasoning and Rule 68's goal of making plaintiffs "think very hard" about whether continued litigation is worthwhile in the face of a reasonable offer for settlement.[55]

Similarly, because an attorney fees award is properly awardable under 17 USC § 505 ("the court may also award a reasonable attorney's fee to the prevailing party as part of the costs"), it could be argued that such attorney fees should be subject to the cost-shifting provision of Rule 68.

Crafting the Rule 68 Offer

Because ambiguities are likely to be construed against the party making a Rule 68 offer of judgment, care should be taken to be precise when structuring the offer's specific terms.[56] In particular, practitioners must be mindful to include costs and to consider requesting injunctive relief.

Explicitly Include Costs

The offer may state that costs and fees are included in the offer amount as a lump sum,[57] or the offer could itemize a set amount for the costs and fees[58] or state that the amount of costs will be determined later by the court.[59] But costs cannot be explicitly excluded from a Rule 68 offer.[60]

If the inclusion of costs is not expressly stated in the offer of judgment, a plaintiff who accepts such an offer may retain the right to seek statutory costs and fees after entry of the judgment.[61] The Third Circuit in *Lima v. Newark*

FEDERAL RULE OF CIVIL PROCEDURE 68

(a) Making an Offer; Judgment on an Accepted Offer. At least 14 days before the date set for trial, a party defending against a claim may serve on an opposing party an offer to allow judgment on specified terms, with the costs then accrued. If, within 14 days after being served, the opposing party serves written notice accepting the offer, either party may then file the offer and notice of acceptance, plus proof of service. The clerk must then enter judgment.

(b) Unaccepted Offer. An unaccepted offer is considered withdrawn, but it does not preclude a later offer. Evidence of an unaccepted offer is not admissible except in a proceeding to determine costs.

(c) Offer After Liability is Determined. When one party's liability to another has been determined but the extent of liability remains to be determined by further proceedings, the party held liable may make an offer of judgment. It must be served within a reasonable time—but at least 14 days—before the date set for a hearing to determine the extent of liability.

(d) Paying Costs After an Unaccepted Offer. If the judgment that the offeree finally obtains is not more favorable than the unaccepted offer, the offeree must pay the costs incurred after the offer was made.

Police Department, for example, characterized this as "a trap for the unwary" that "manifests itself most frequently when a defendant erroneously believes that an accepted Rule 68 offer of judgment finally resolves a civil action, only to be assessed substantial attorney's fees and costs thereafter by the court."[62]

Lima was a federal civil rights action under 42 USC § 1983 where the offer of judgment was for "the amount of $55,000, including all of Plaintiff's claims for relief against all of the defendants."[63] After accepting the offer, the plaintiff filed a request for judgment with costs to be taxed by the court pursuant to the statutory provision that allows for attorney fees as part of costs in a civil rights action.[64] The Third Circuit held that "it cannot be said that the ambiguous, catchall phrase 'all of Plaintiff's claims for relief' *explicitly* covers attorney's fees and costs."[65] And while statements that "this litigation will be resolved in its entirety" made in an email accompanying the offer may describe a party's "intentions and expectations," they are not terms of the offer itself.[66] Because the offer of judgment had not explicitly included costs, the plaintiff could seek statutory costs and attorney fees as part of those costs.[67] Simply put, a "Rule 68 offer of judgment must explicitly state that costs are included; otherwise those costs must be determined by the court."[68]

For a single-work copyright infringement case, one could make an offer of judgment for the sum, including costs accrued through the offer date of $1,500. This illustrative sum is based on the minimum statutory damages of $750 per work, the filing fee of $400, plus several hundred dollars as a cushion for attorney fees or other costs.[69]

Consider Injunctive Relief

The Copyright Act authorizes the court to issue an injunction under 17 USC § 502 to prevent future infringing use, so it may be appropriate to include injunctive relief as part of an offer of judgment. The value of the injunction obtained in a judgment may need to be evaluated when determining whether the obtained judgment is more favorable than a rejected Rule 68 offer.[70]

Although courts often will grant a permanent injunction in copyright cases when liability has been established and there is a threat of continuing violations, the court must still apply the traditional four-factor test for injunctive relief requiring that (1) the plaintiff has suffered an irreparable injury; (2) remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) the public interest would not be disserved by an injunction.[71]

Where the threat of continuing or future copyright infringement is low, especially where the alleged infringement is based on isolated or limited uses that ceased shortly after the defendant was given notice of the alleged infringement, a court may decide to not award an injunction.[72]

Depending on the specific facts of the case, it may be prudent to consider including a permanent injunction of the alleged infringing use in a Rule 68 offer of judgment. Indeed, a court may find the question of future use to be "a material term" in settling a copyright infringement lawsuit.[73]

Admissibility of an Unaccepted Offer

Rule 68(b) expressly states that evidence of an unaccepted Rule 68 offer of judgment is not admissible except in a proceeding to determine costs, but courts have considered unaccepted Rule 68 offers in connection with motions for a cost bond.[74] One purpose of a cost bond, of course, is to provide security with respect to substantial costs that might be incurred by defendant in preparing for trial.[75] An unaccepted offer of judgment, which implicates the cost-shifting provision of Rule 68, is relevant to determining the reasonable amount for a cost bond.[76]

Thus, a well-timed offer of judgment can be used to bolster a motion for cost bond.

Conclusion

For practitioners defending a copyright case where the value of the copyright claim is nominal or easily calculated, filing a motion for a cost bond after an early Rule 68 offer of judgment is a risk-shifting strategy to consider for ensuring cost recovery and encouraging reasonable settlements. CL

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NOTES

1. *Usherson v. Bandshell Artist Mgmt.*, No. 19-CV-6368-JMF, 2020 WL 3483661 at *1 (S.D.N.Y. Jun. 26, 2020).

2. *McDermott v. Monday Monday, LLC*, No. 17-cv-9230-DLC, 2018 WL 1033240 at *3 (S.D.N.Y. Feb. 22, 2018). *See also* Donahue, "During Pandemic, Prolific Copyright Lawyer Keeps Suing," Law360 (Mar. 27, 2020), https://www.law360.com/articles/1257593 (during a two-week span in March 2020, one attorney filed 51 copyright infringement lawsuits, representing 39% of all such lawsuits filed during that period).

3. *McDermott v. Monday Monday, LLC*, No. 17-cv-9230-DLC, 2018 WL 5312903 at *3 (S.D.N.Y. Oct. 26, 2018) (citing Sag, "Copyright Trolling: An Empirical Study," 100 *Iowa L. Rev.* 1105, 1108 (2015)). *See also Konangataa v. Am. Broadcasting Co., Inc.*, No. 16-cv-0782-LAK, 2017 WL 2684067 at *2 (S.D.N.Y. Jun. 21, 2017) (noting this copyright lawsuit may have been "designed to extort settlements").

4. *Deatley v. Stuart*, No. 13-CV-01140-REB-BNB, 2013 WL 6068468 at *2 (D.Colo. Nov. 15, 2013), report and recommendation adopted, No. 13-CV-01140-REB-BNB, 2014 WL 700029 (D.Colo. Feb. 24, 2014). *See also Stridiron v. Cmty. Broadcasters, LLC*, No. 519CV108MADATB, 2019 WL 2569863 at *4 (N.D.N.Y. June 21, 2019).

5. Fed. R. Civ. P. 68 (Offer of Judgment).

6. *Maddox v. Venezio*, No. 09-cv-01000-WYD-MEH, 2009 WL 4730745 at *1 (D.Colo. Dec. 3, 2009); *Radoshevich v. Cent. Bank of Colo. Springs*, 117 F.R.D. 434, 435 (D.Colo. 1987) ("This Court has the inherent authority to require security for costs.").

7. *Hartnett v. Catholic Health Initiatives*, 47 F.Supp.2d 1255, 1256 (D.Colo. 1999). *See also Selletti v. Carey*, 173 F.R.D. 96, 100–1 (S.D.N.Y.

1997) (listing factors such as "the financial condition and ability to pay of the party at issue; whether that party is a non-resident or foreign corporation; the merits of the underlying claims; the extent and scope of discovery; the legal costs expected to be incurred; and compliance with past court orders").

8. *Radoshevich*, 117 F.R.D. 434, 435; *Maddox*, 2009 WL 4730745 at *1. *See also Selletti*, 173 F.R.D. at 102 ("Where 'the merits of plaintiff's case [are] questionable,' security bonds are considered appropriate." (quoting *Spitzer v. Shanley Corp.*, 151 F.R.D. 264 (S.D.N.Y. 1993)).

9. *Soo Hardwoods, Inc. v. Universal Oil Prod. Co.*, 493 F.Supp. 76, 78 (W.D.Mich. 1980) (cited with approval in *Radoshevich*, 117 F.R.D. at 435).

10. *Medcorp, Inc. v. Pinpoint Techs., Inc.*, No. 08-CV-00867-MSK-KLM, 2010 WL 4932669 at *2 (D.Colo. Nov. 30, 2010) (citing *Maddox*, 2009 WL 4730745 at *1).

11. *Id.* at *3 (considering plaintiff's placement in receivership and its litigation history).

12. *Lipin v. Wisehart*, No. 16-CV-00661-RBJ-STV, 2017 WL 818657 at *4 (D.Colo. Mar. 2, 2017) ("[Plaintiff] is a resident of New York, complicating these Colorado defendants' ability to recover a cost award from her.").

13. *See also Hytken v. Wake*, 68 P.3d 508, 510 (Colo.App. 2002) ("A nonresident plaintiff's neglect or refusal to file such a bond thus is equivalent to failure or neglect to prosecute.").

14. *Medcorp*, 2010 WL 4932669 at *3 ("to the extent that Plaintiff argues that my discretion to impose a cost bond is limited by the amount prescribed by Colorado statute, the Court rejects this argument"). *See also Hartnett*, 47 F.Supp.2d at 1256 ("C.R.S. § 13–16–102 does not apply in federal court.").

15. *Hartnett*, 47 F.Supp.2d at 1256.

16. *Lipin*, 2017 WL 818657 at *4.

17. *Mondragon v. Nosrak LLC*, No. 19-CV-01437-CMA-NRN, 2020 WL 6686499 at *3 (D.Colo. Nov. 12, 2020).

18. *Id.* (ordering plaintiff to post a cost bond in the amount of $3,500).

19. *Medcorp*, 2010 WL 4932669 at *3.

20. *Id.* at *4.

21. *Mondragon*, 2020 WL 6686499 at *3.

22. 17 USC § 505 ("the court may also award a reasonable attorney's fee to the prevailing party as part of the costs").

23. *Selletti*, 173 F.R.D. at 102–3; *Rice v. Musee Lingerie, LLC*, No. 18-CV-9130 (AJN), 2019 WL 2865210 at *3 (S.D.N.Y. July 3, 2019) ("Defendant's costs could also include attorneys' fees"), *reconsideration denied*, No. 18-CV-9130 (AJN), 2019 WL 6619491 (S.D.N.Y. Dec. 5, 2019).

24. *E.g., Rice*, 2019 WL 2865210 at *3.

25. *See also Magnuson v. Video Yesteryear*, 85 F.3d 1424, 1429 (9th Cir. 1996) (holding that a Rule 68 offer of judgment must be served pursuant to Rule 5).

26. Fed. R. Civ. P. 68(a).

27. *E.g., Le v. Univ. of Penn.*, 321 F.3d 403, 409 (3d Cir. 2003) (noting that the "District Court properly compared the final judgment of $35,000 plus costs to the offer of $50,000 plus costs in determining that the offer exceeded the judgment").

28. Advisory Committee's Notes on Fed. R. Civ. P. 68; *Payne v. Milwaukee Cty.*, 288 F.3d 1021, 1024 (7th Cir. 2002) ("Rule 68 is designed to provide a disincentive for plaintiffs from continuing to litigate a case after being presented with a reasonable offer.").

29. *But see* 17 USC § 412 (a copyright owner cannot recover attorney fees for infringement that commenced before the effective date of the copyright registration).

30. *Marek v. Chesny*, 473 U.S. 1, 3 (1985).

31. *Id.* at 3–4.

32. *Id.* at 4.

33. *Id.*

34. *Id.* at 11.

35. *Id.* at 4.

36. *Id.* at 9. *See also Interfaith Cmty. Org. v. Honeywell Int'l, Inc.*, 726 F.3d 403, 409 (3d Cir. 2013) ("fees incurred after a party rejects an offer of judgment and recovers less than the offer are properly viewed as being unreasonable").

37. *Marek*, 473 U.S. at 9 (emphasis added).

38. *Id.* at 10–11.

39. *Compare Jordan v. Time, Inc.*, 111 F.3d 102, 105 (11th Cir. 1997) ("Rule 68 'costs' include attorneys' fees when the underlying statute so prescribes") *with UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1034 (9th Cir. 2013) (holding that because attorney fees were not "properly awardable" to non-prevailing defendant under § 505, they were not awardable under Rule 68 either).

40 . *Energy Intelligence Grp., Inc. v. CHS McPherson Refinery, Inc.*, No. 16-01015-EFM, 2019 WL 367788 at *8 (D.Kan. Jan. 30, 2019).

41. *Jordan*, 111 F.3d. at 105.

42. *Id.* at 103–4.

43. *Id.* at 104.

44. *Id.*

45. *Id. See also Lucas v. Wild Dunes Real Estate, Inc.*, 197 F.R.D. 172, 175–76 (D.S.C. 2000) (discussing *Jordan*).

46. *Baker v. Urban Outfitters, Inc.*, 431 F.Supp.2d 351, 363 (S.D.N.Y. 2006), *aff'd*, 249 F. App'x 845 (2d Cir. 2007); *Leibowitz v. Galore Media, Inc.*, No. 18-CIV-2626 (RA)(HBP), 2018 WL 4519208 at *4 (S.D.N.Y. Sept. 20, 2018) ("a defendant in a Copyright Action may recover post-offer costs if the plaintiff recovers less than the amount of the Rule 68 Offer" (citing *Baker*)); *Rice*, 2019 WL 2865210 at *3. *But see Seidman v. Authentic Brands Grp. LLC*, No. 19-cv-8343 (LJL), 2020 WL 1922375 at *5 (S.D.N.Y. Apr. 21, 2020) ("respectfully disagrees with most of the district court cases cited above").

47. *Crossman v. Marcoccio*, 806 F.2d 329, 334 (1st Cir. 1986); *Harbor Motor Co. v. Arnell Chevrolet-Geo, Inc.*, 265 F.3d 638, 646–47 (7th Cir. 2001); *Champion Produce, Inc. v. Ruby Robinson Co.*, 342 F.3d 1016, 1030–31 (9th Cir. 2003).

48. *Energy Intelligence*, 2019 WL 367788 at *9.

49. *Id.*

50. Patry, 6 *Patry on Copyright* § 22:218 ("no statute . . . authorizes the award of attorney's fees to the losing party").

51. Glimcher, "Legal Dentistry: How Attorney's Fees and Certain Procedural Mechanisms Can Give Rule 68 the Necessary Teeth to Effectuate Its Purposes," 27 *Cardozo L. Rev.* 1449, 1476 (2006) ("Allowing attorney's fees to shift under Rule 68 is supported by a clear reading of the rule and the language of *Marek*."); Carmichael, "Encouraging Settlements Using Federal Rule 68: Why Non-prevailing Defendants Should Be Awarded Attorney's Fees, Even in Civil Rights Cases," 48 *Wayne L. Rev.* 1449, 1457–58 (2003).

52. *Marek*, 473 U.S. at 9 (emphasis added).

53. Patry, *supra* note 50 at § 22:218 ("This interpretation, though, leads to absurd results (reason enough not to adopt it)").

54. *Marek*, 473 U.S. at 9 (emphasis added).

55. *Id.* at 10–11.

56. *E.g.*, *Nusom v. COMH Woodburn, Inc.*, 122 F.3d 830, 834 (9th Cir. 1997) ("it is incumbent on the defendant making a Rule 68 offer to state clearly that attorney fees are included as part of the total sum for which judgment may be entered if the defendant wishes to avoid exposure to attorney fees in addition to the sum offered plus costs").

57. *Marek*, 473 U.S. at 6 ("We do not read Rule 68 to require that a defendant's offer itemize the respective amounts being tendered for settlement of the underlying substantive claim and for costs."). There is a circuit split, however, as to whether allocation is needed with respect to an offer of judgment from multiple defendants. *Compare King v. Rivas*, 555 F.3d 14, 19 (1st Cir. 2009) (holding that a joint Rule 68 offer of all defendants to a single plaintiff did not require a nominal allocation to such a package offer) *with Harbor Motor Co.*, 265 F.3d at 648 ("joint offers do not trigger the fee-shifting provisions of Rule 68").

58. *Bosley v. Mineral Cty. Comm'n*, 650 F.3d 408, 413 (4th Cir. 2011) (noting a Rule 68 offer can be drafted as "either reciting that recoverable costs were included in the sum or specifying an amount for such costs").

59. *Utility Automation 2000, Inc. v. Choctawhatchee Elec. Coop., Inc.*, 298 F.3d 1238, 1239 (11th Cir. 2002) (discussing an offer of judgment "with costs then accrued"); *Le*, 321 F.3d at 409 (discussing an offer of judgment "for the total amount of $50,000.00, plus costs then accrued").

60. *Marek*, 473 U.S. at 6–7; *Utility Automation 2000*, 298 F.3d at 1241 ("as long as an offer does not explicitly exclude costs, it is proper under the Rule").

61. *E.g.*, *Marek*, 473 U.S. at 6 ("if the offer does not state that costs are included and an amount for costs is not specified, the court will be obliged [to determine] the costs").

62. *Lima v. Newark Police Dep't*, 658 F.3d 324, 326 (3d Cir. 2011).

63. *Id.* at 327.

64. *Id.*

65. *Id.* at 332 (emphasis in original). *But see*

Nordby v. Anchor Hocking Packaging Co., 199 F.3d 390, 392 (7th Cir. 1999) (holding that an offer of judgment "as to all counts of the amended complaint" encompassed a count that specified attorney fees as part of the relief sought).

66. *Lima*, 658 F.3d at 331.

67. *Id.* at 333. *See also Mallory v. Eyrich*, 922 F.2d 1273, 1279 (6th Cir. 1991) ("the explicit language of the rule signifies that the district court possesses no discretion to alter or modify the parties' agreement").

68. *Lima*, 658 F.3d at 330 (citing *McCain v. Detroit II Auto Fin. Ctr.*, 378 F.3d 561, 564 (6th Cir. 2004); *Nordby*, 199 F.3d at 391–93; *Webb v. James*, 147 F.3d 617, 622 (7th Cir.1998); *Erdman v. Cochise Cty.*, 926 F.2d 877, 879–81 (9th Cir. 1991); *Arencibia v. Miami Shoes, Inc.*, 113 F.3d 1212, 1214 (11th Cir. 1997) ("The Supreme Court has held that when a Rule 68 offer is silent as to costs, the district court should award appropriate costs in addition to the amount of the offer.").

69. *See* Sag and Haskell, "Defense Against the Dark Arts of Copyright Trolling," 103 *Iowa L. Rev.* 571, 614 (2018). *Cf. Fameflynet, Inc. v. Shoshana Collections, LLC*, 282 F.Supp.3d 618, 627 (S.D.N.Y. 2017) (awarding the minimum statutory damages of $750 because the highest license fee paid for use of the infringed work was only $75).

70. *UMG Recordings*, 718 F.3d at 1035; *RCA/Ariola Int'l, Inc. v. Thomas & Grayston Co.*, 845 F.2d 773, 781 (8th Cir. 1988) (finding the injunction in the Rule 68 offer was less favorable to plaintiffs than the injunction obtained in the final judgment); *Domanski v. Funtime, Inc.*, 149 F.R.D. 556, 558 (N.D. Ohio 1993) (holding that a judgment containing a permanent injunction was more favorable than a Rule 68 offer that contained more money but no injunction). *Cf. Langley v. CanaDream Corp.*, No. 18-CV-1601-WJM-KLM, 2019 WL 3302167 at *4 (D.Colo. July 23, 2019) (noting that the question of a license or injunctive relief was a material term for settlement of a copyright infringement lawsuit).

71. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006); *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 518 F.Supp.2d 1197, 1211 (C.D.Cal. 2007) (noting that for injunctive relief, a plaintiff must "establish not merely that infringement causes 'harm,' but how it amounts to *irreparable* harm") (emphasis in original).

72. *Calibrated Success, Inc. v. Charters*, 72 F.Supp.3d 763, 774 (E.D.Mich. 2014). *See also Metro-Goldwyn-Mayer Studios*, 518 F.Supp.2d at 1215 ("future copyright infringement can always be redressed via damages").

73. *Langley*, 2019 WL 3302167 at *4 ("In light of the copyright nature of this case and the facts as alleged, the Court finds that the purported settlement lacks a material term, namely, whether CanaDream is buying a license to use Langley's photograph, or whether CanaDream is agreeing never to use it again.").

74. *See, e.g.*, *Lee v. W Architecture & Landscape Architecture, LLC*, No. 18-CV-05820-PKC-CLP, 2019 WL 2272757 at *5 (E.D.N.Y. May 28, 2019) (considering a rejected Rule 68 offer in determining whether to require a cost bond).

75. *E.g.*, *Medcorp*, 2010 WL 4932669 at *3.

76. *See, e.g.*, *Wilson v. D'Apostrophe Design Inc.*, No. 20-CV-0003 (LAK) (KHP), 2020 WL 4883849 at *4 (S.D.N.Y. Aug. 20, 2020) (ordering plaintiff to post a $20,000 bond under the totality of the circumstances, which included a rejected $4,000 Rule 68 offer of judgment); *Mango v. Democracy Now! Prods., Inc.*, No. 18-CV-10588 (DLC), 2019 WL 3325842 at *5 (S.D.N.Y. July 24, 2019) ("Mango is unlikely to recover an amount greater than the Rule 68 offer and moreover may be liable for Mango's post-offer costs including attorney's fees").