

No. 24-321

IN THE
Supreme Court of the United States

KING FOR CONGRESS,

Petitioner,

v.

LANEY GRINER AND SAM GRINER,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

BRIEF IN OPPOSITION

STEPHEN M. DONIGER
Counsel of Record
DONIGER / BURROUGHS PC
603 Rose Avenue
Venice, CA 90291
(310) 590-1820
stephen@donigerlawfirm.com

Counsel for Respondents
Laney Griner and Sam Griner



I. QUESTIONS PRESENTED

1. Should this Court address a shallow circuit split in the application of Fed.R.Civ.P. 68 to § 505 of the Copyright Act where the Eighth Circuit followed the majority rule and no court appears to have followed a different rule in over 20 years?

2. Should this Court address Petitioner's implied license defense where the Eighth Circuit found that it waived that defense at trial and there is no apparent circuit split or other important issue to resolve in any event?

II. PARTIES TO THE PROCEEDINGS

Petitioners King for Congress and Steven King were the defendants and the Appellants in the proceedings below.

Respondents Laney Griner and Sam Griner were the Plaintiffs and Appellees in the proceedings below.

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V. OPINIONS BELOW

The operative district court judgment giving rise to the appeal appears to be *Griner v. King*, reported at 2023 WL 2163994.

The decision by the Eighth Circuit Court of Appeals giving rise to this petition is reported at *Griner v. King*, 104 F.4th 1 (8th Cir. 2024).

VI. STATUTORY PROVISIONS INVOLVED

Respondents agree with Petitioner that the issues to be addressed in this petition involve Federal Rule of Civil Procedure 68 and 17 U.S.C. § 505. Respondents do not agree that the issues to be addressed in this petition involve Federal Rule of Civil Procedure 54(d) or 17 U.S.C. § 501(a).

VII. INTRODUCTION AND STATEMENT OF THE CASE

In 2012, Laney Griner registered her photograph of her then eleven-month-old son Sam on the beach (the “Success Kid Photograph”) with the Copyright Office after it became one of the first and most popular internet memes of all time. App.3a-4a. Through her licensing agent, she then sought to control the commercial use of that photograph and licensed it to companies including Vitamin Water, Virgin Mobile, Microsoft, Coca-Cola, and others. App.4a, App.18a, App.95a.

In 2020 Respondent Committee used the Success Kid Photograph on its website, Facebook page and Twitter

account (among other places) in a post that asked users to “please click the link below and throw us a few dollars to make sure the memes keep flowing . . . ” App.4a-5a. It is “undisputed that the Committee’s use was purely commercial – the meme solicited campaign donations with its call to ‘FUND OUR MEMES!!!’ [and thus] sought to exploit the material, for financial gain, without paying the customary price.”

Laney Griner notified Petitioner that it infringed her copyright and asked for a settlement for past unauthorized use. On December 30, 2020, after no settlement was reached (Petitioner refused to offer any payment whatsoever), Respondents filed this lawsuit. App.5a, App.19a.

Petitioner refused to make any offers to resolve this case until nearly two years later, when it extended a Rule 68 offer of \$15,000 on October 3, 2022. App.20a. That offer was made after the close of discovery and after Petitioner lost its bid for summary judgment. App.67a. Given the licensing history of the Success Kid Photograph and its timely (2012) registration, which allowed Laney Griner to seek statutory damages and attorneys’ fees incurred, Respondents rejected that offer. App.4a.

In denying Petitioner’s Motion for Summary Judgment on their implied license defense, the district court considered each theory Petitioner sought to advance and found a question of fact to be resolved at trial. Contrary to Petitioner’s claims it did not adopt any standard or prevent Petitioner from advancing any theory at trial. App.91a-95a.

For trial, Petitioner proposed a jury instruction on implied license that required it to prove that the plaintiff’s work was created at the defendant’s request and delivered to the defendant by the plaintiff. App.116a-119a. After the close of evidence, Petitioner conceded that the evidence did not support that defense and that it should not go to the jury. App.110a-113a. The Eighth Circuit thus found that “[t]he Committee waived the issue of implied license.” App.7a.

After the jury found the Committee liable for copyright infringement and awarded statutory damages of \$750 (App.6a), Respondent Laney Griner and Petitioner Committee both moved for an award of attorneys’ fees – Griner as the prevailing party on her copyright claim and the Committee based on its October of 2022 Rule 68 offer. The district court found that Laney Griner “is the prevailing party because the jury entered a verdict in her favor with respect to defendant Committee.” App.34a. However, it denied fees to both parties. App.17a-39a.

Petitioner filed an appeal that the Eighth Circuit entirely rejected, finding, *inter alia*, that the Committee cannot recover attorney’s fees as part of Rule 68 costs “because it is not a prevailing party” and that “[t]he Committee waived the issue of implied license.” App.7a and15a.

VIII. REASONS FOR DENYING THE PETITION

A. This case is a poor vehicle to address a shallow circuit split on a question of limited importance.

The circuit split on the question of whether a non-prevailing defendant who “beats” a Rule 68 offer at trial is entitled to seek fees is a very shallow one.

Every federal circuit to have considered the question, save the Eleventh Circuit, appears to agree that non-prevailing defendants may not recover post-offer attorney’s fees pursuant to Rule 68 where the underlying statute limits the availability of fees as costs to the prevailing party – as is the case with §505 of the Copyright Act. The First, Second, Seventh, Eighth, and Ninth Circuits have expressly so held with respect to §505, and holdings on related issues in the Fifth and Sixth Circuits demonstrate that they share the majority view.

Only the Eleventh Circuit has reached the opposite conclusion in a 27-year-old holding that has been heavily criticized and rarely followed. Indeed, in the entire history of Rule 68 Respondents have only found a single other district court case that followed the Eleventh Circuit’s minority rule. Respondents therefore believe the shallow split at issue is insufficiently consequential to justify review by this Court.

1. *Marek v. Chesney* and the public policy behind Rule 68.

In *Marek v. Chesney*, this Court held that Rule 68’s cost shifting provision cut off the ability of a prevailing plaintiff to recover attorney’s fees otherwise awardable

under 42 U.S.C. § 1988 where the plaintiff rejected a Rule 68 offer that was ultimately more than the jury's award. 105 S. Ct. 3012, 3016 (1985).

Marek explained that all costs “properly awardable” under the relevant substantive statute “fall within the scope of Rule 68 costs.” *Marek* also made clear that “[t]he plain purpose of Rule 68 is to encourage settlement and avoid litigation.” *Id.* (citing Advisory Committee Note on Rules of Civil Procedure, Report of Proposed Amendments, 5 F.R.D. 433, 483, n. 1 (1946), 28 U.S.C.App. p. 637; *Delta Air Lines, Inc. v. August*, 450 U.S. 346, 450 U.S. 352 (1981)).

Ignoring *Marek* and the authorities on which it relies, Petitioner argues that Rule 68 “was not drafted to promote settlement, but rather to halt pointless litigation.” Petition at 6. But even if that were the case (it is not) the district court and the Eighth Circuit were plainly correct to deny Petitioner’s bid for fees since they refused to make any offer to resolve this litigation until nearly two years in despite the undisputed evidence that the Griners required “people . . . to pay for the use of the Subject Photograph in advertisements,”¹ and “the Committee’s use was purely commercial.”²

Petitioner’s claim that the rejection of their \$15,000 Rule 68 offer was unreasonable at that point because “Griner never had a case for damages in excess of \$5,000 based on past licensing

1. App.95a.; App.18a; App.4a

2. App.10a.

history.”³ But the Griners in fact had multiple licenses at \$15,000 and had timely registration allowing for statutory damages of up to \$150,000 plus the substantial attorney’s fees incurred.⁴ Thus, the lower courts properly rejected Petitioner’s spurious “lawfare” arguments and found that “plaintiffs plausibly and properly alleged a reasonable claim of infringement against defendants.” App.31a. Indeed, it was clear to the lower courts that “[t]he Committee sought to exploit the copyrighted material, for financial gain, without paying the customary price.” App.10a.

While the facts of this case demonstrate that awarding post-Rule 68 fees to the Committee would only encourage similar unreasonable litigation conduct by other infringers – such that the lower courts got it exactly right in denying such fees – this petition is properly denied because there is near uniform acknowledgement among the federal courts that this Court’s holding in *Marek* precludes a non-prevailing defendant from recovering attorney fees as costs where the statute at issue reserves an award of fees for the “prevailing party.”⁵

2. The Nearly Universal Post-*Marek* Majority Rule.

Respondents have not found a single court ruling in the past twenty years allowing a non-prevailing defendant to recover attorney’s fees as part of its post-Rule 68 costs

3. Petition at 7.

4. See 17 U.S.C. §§ 504-505.

5. 42 U.S.C. § 1983 – like 17 U.S.C. § 505 – provides that a prevailing party may be awarded attorneys’ fees “as part of costs.”

where the underlying statute reserves attorneys' fees for the "prevailing party." Rather, every case this century to consider the question, and nearly all before then, has found that a non-prevailing defendant may not do so.

Shortly following the *Marek* decision, the First Circuit rejected the argument that a non-prevailing defendant who beats a Rule 68 offer should recover attorney's fees when the relevant substantive statute permits a "prevailing party" to recover such fee "as part of the costs." *Crossman v. Marcoccio*, 806 F.2d 329, 333 (1st Cir. 1986). In rejecting the defendant's "deceptively simple syllogism," the court explained that under *Marek's* "properly awardable" qualifying language, where a statute limits an award of attorney's fees only to the "prevailing party," they are not "properly awardable" to a non-prevailing defendant.

District courts in the First Circuit have since applied *Crossman* to copyright infringement cases. For example, *Bruce v. Weekly World News, Inc.* denied the infringing defendant attorney's fees as part of Rule 68 "costs" because attorney's fees are only properly awardable under §505 to a "prevailing party" which does not include a defendant found liable for infringement. 203 F.R.D. 51, 53-54 (D. Mass. 2001).

The Seventh Circuit has also held that a defendant found liable for copyright infringement may not recover post-offer attorney's fees as part of costs because they are not a "prevailing party" under the Copyright Act. *Harbor Motor Co. v. Arnell Chevrolet-Geo, Inc.*, 265 F.3d 638, 646 (7th Cir. 2001).⁶

6. See also *Payne v. Milwaukee Cty.*, 288 F.3d 1021, 1027 (7th Cir. 2002) (reiterating that it had "unequivocally held"

The Ninth Circuit then reached the same conclusion in *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1034 (9th Cir. 2013). After considering two of its prior decisions dealing with the same issue in the context of other substantive statutes,⁷ it concluded that because the attorney’s fees were not “properly awardable” under §505, they could not be awarded under Rule 68 without “fly[ing] in the face of the Supreme Court’s carefully crafted decision in *Marek*.” *Id.* at 1033.

The Second Circuit also follows this same rule. In *Stanczyk v. City of New York*, a case decided after those on which Petitioner relies, it explained that given “*Crossman*’s detailed analysis, which we view as persuasive on this point, and the apparent unanimity among each Circuit to have confronted this issue, we similarly conclude that Rule 68, when applicable, requires a prevailing plaintiff to pay defendant’s post-offer costs, excluding attorney’s fees.” 752 F.3d 273, 281 (2d Cir. 2014).

The Fifth Circuit also recently took the opportunity to address the issue in *Energy Intelligence Group, Inc. v. Kayne Anderson Capitol Advisors, LP*, 948 F.3d 261 (5th Cir. 2020). Although its vacatur of the district court’s judgment in that case ultimately rendered the point moot, it criticized the Eleventh Circuit minority rule

that defendants who are found liable but beat a Rule 68 offer are never “prevailing parties” by virtue of their loss, and thus could not be considered as such for the purposes of Rule 68).

7. Those cases were *Champion Produce, Inc. v. Ruby Robinson Co.*, 342 F.3d 1016 (9th Cir. 2003) (Idaho Code § 12-120(3)) and *United States v. Trident Seafoods Corp.*, 92 F.3d 855 (9th Cir. 1996) (Clean Air Act).

(discussed below) which “without analysis has allowed a non-prevailing offeror in a copyright suit to receive compensation for post offer attorney’s fees.” *Id.* at 280. It thus appears the Fifth Circuit would align with the majority rule.

In *Hescott v. City of Saginaw*, the Sixth Circuit joined “all but one of [its] sister circuits” in “concluding that a losing civil-rights defendant cannot recover its post-offer attorneys’ fees under Rule 68 because such a party does not satisfy the requirements for a fee award under [the underlying statute].” 757 F.3d 518, 528 (6th Cir. 2014) (citing First, Third, Fifth, Seventh, Eighth, and Ninth Circuit decisions). It explained, “We cannot force through the back-door of a court rule what Congress and the Supreme Court expressly barred at the front gates.” *Id.* at 529. It is thus apparent that the Sixth Circuit too follows the majority rule.

And, of course, with *this* case the Eighth Circuit has agreed that a non-prevailing defendant “cannot recover attorney’s fees because it is not a prevailing party [since u]nder the Copyright Act, only prevailing parties may be awarded a reasonable attorney’s fee.” App.15a.

3. The Eleventh Circuit Stands Alone.

Standing alone against the well-reasoned holdings of the First, Second, Third, Fifth, Sixth, Seventh, Eighth, and Ninth Circuits is the Eleventh Circuit’s 27-year-old holding in *Jordan v. Time, Inc.*, 111 F.3d 102 (11th Cir. 1997). With no meaningful analysis of either the tension between Rule 68 and § 505 or the “properly awardable” language of this Court’s *Marek* holding, *Jordan* held that

a copyright infringer is entitled recover attorneys' fees as part of its post-Rule 68 costs because the "mandatory language of Rule 68 leaves no room for district court discretion." 111 F.3d 102, 105 (11th Cir. 1997).

Jordan has been almost⁸ uniformly rejected for, *inter alia*, failing to "adequately address the Copyright Act's mandate that only the prevailing party is permitted to recover its attorney's fees"⁹ and interpreting "Rule 68 as providing a substantive gloss on the provisions of the Copyright Act" such that it "virtually compel[s] copyright plaintiffs . . . to accept an Offer of Judgment no matter how meritorious may be their case, for fear of resulting exposure to what are often, as here, substantial claims of attorney's fees."¹⁰

And it is unclear whether the Eleventh Circuit would even uphold *Jordan* if it had the opportunity to revisit the question. In *Util. Automation 2000, Inc. v. Choctawhatchee Elec. Coop., Inc.*, it seemed to acknowledge that its sister circuits' criticism of *Jordan* was persuasive, although "less persuasive when the question has to do with the prevailing plaintiff's automatic entitlement to fees under Rule 68." 298 F.3d 1238, 1250 n.6 (11th Cir. 2002). Notably, in the decades since deciding *Jordan* and *Util. Automation* it appear no other case in the Eleventh Circuit have followed *Jordan* in awarding fees to an infringing defendant under Rule 68.

8. The one case Respondents were able to find that followed *Jordan* is *Lucas v. Wild Dunes Real Estate, Inc.*, 197 F.R.D. 172, 176 (D.S.C. 2000).

9. *Harbor Motor*, 265 F.3d at 647.

10. *Bruce v. Weekly World News, Inc.*, 203 F.R.D. 51, 56 (D. Mass. 2001).

In recent years this Court has resolved important questions concerning copyright law, including questions regarding registration challenges and fair use that affect many cases. This is simply not one of those questions as it arises remarkably rarely and thus falls outside the criteria on which this Court generally grants review.

B. Petitioner Waived Its Implied License Defense and Present no Proper Question for this Court to Address in any Event.

Petitioner correctly notes that a nonexclusive license may be implied from conduct, and that the most common test to determine whether implied license exists looks at whether the material was created for and given to the one claiming the license. But it fails to explain how both of those things being true creates a conflict or what circuits that purported conflict is between.

Rather, Petitioner falsely argue that “[o]n August 9, 2022 the District Court in its Summary Judgment ruling officially adopted the *Nelson-Salabes* factors over Petitioner-Defendant’s [sic] protests.” It did no such thing. In fact, the district court rejected *Petitioner’s* reliance on *Nelson-Salabes* (App.93a) and explained that “even were the Court to adopt defendants’ legal theory, it would find that theory unsupported by the facts.” App.95a. Ultimately, it simply “denie[d] defendants’ motion for summary judgment of noninfringement on this ground” and left the defense for trial. App.91a.

Petitioner complains that it “pressed for an implied license standard that did not require an arms-length ‘delivery’” (Petition at 13-14) but its proposed jury

instruction required exactly that, i.e., that the jury need find that the plaintiff “created the work, or caused it to be created, at [name of defendant]’s request . . . [and that plaintiff] delivered the work, or caused it to be delivered,” to the defendant. App.118a.

Then, after the close of evidence in this case, Petitioner expressly conceded that the facts did not support its implied license defense (App.110a-112a) resulting in the Eighth Circuit finding that it “waived the issue of implied license.” App.7a.

Both because Petitioner clearly waived its implied license defense and because it has failed to put forth any issue that would be appropriate for review by this Court, this petition should be denied.

IX. CONCLUSION

Petitioner's request for a writ of certiorari should be denied. There is no certiorari-worthy question regarding the test for implied license, and Petitioner waived that claim in this case in any event. And while there is a circuit split regarding the availability of attorneys' fees to a copyright infringer that beats a Rule 68 offer, that split is extremely shallow and concerns an issue that simply does not arise often at all.

Respectfully submitted,

STEPHEN M. DONIGER

Counsel of Record

DONIGER / BURROUGHS PC

603 Rose Avenue

Venice, CA 90291

(310) 590-1820

stephen@donigerlawfirm.com

Counsel for Respondents

Laney Griner and Sam Griner

December 12, 2024