

IP 03-0575-C T/K Automation v Raybestos  
Judge John D. Tinder

Signed on 07/26/05

NOT INTENDED FOR PUBLICATION IN PRINT

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION

AUTOMATION BY DESIGN, INC., )  
 )  
 Plaintiff, )  
 )  
 vs. ) 1:03-cv-0575-JDT-TAB  
 )  
 RAYBESTOS PRODUCTS COMPANY; )  
 RAYTECH CORPORATION; AND )  
 PRODUCTION DESIGN SERVICES, INC., )  
 )  
 Defendants. )

**ENTRY ON PETITION FOR ATTORNEYS' FEES AND BILL OF COSTS (DKT. NOS. 110 & 112)<sup>1</sup>**

On December 21, 2004, the court entered summary judgment in favor of the Defendants, Raybestos Products Co., Raytech Corp., and Production Design Services, Inc., finding that they did not infringe upon Plaintiff Automation by Design, Inc. ("ABD")'s claimed copyright in certain technical drawings. The Defendants now petition for an award of attorneys' fees and costs. After reviewing the parties' briefs and supporting materials, the court finds as follows:

**I.**

The Copyright Act of 1976 authorizes the court to award reasonable attorney's fees and costs to the prevailing party in a suit brought under the Act. 17 U.S.C. § 505.

---

<sup>1</sup> This Entry is a matter of public record and will be made available on the court's web site. However, the discussion contained herein is not sufficiently novel to justify commercial publication.

Unlike other types of actions, in copyright suits “prevailing plaintiffs and prevailing defendants are to be treated alike.” *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994). However, the determination of whether any fees will be awarded remains within the court’s discretion. *Id.*

The *Fogerty* Court recognized that “[t]here is no precise rule or formula” for deciding whether to award fees in a copyright action, but in a footnote did endorse the following factors as being useful to the analysis: (1) frivolousness; (2) motivation; (3) objective unreasonableness (legal and/or factual); and (4) compensation and deterrence. *Id.* at 534 n.19. The Seventh Circuit narrowed the inquiry by adding that “[t]he two most important considerations in determining whether to award attorney’s fees in a copyright case are the strength of the prevailing party’s case and the amount of damages or other relief the party obtained.” *Assessment Tech. of WI, LLC v. Wiredata, Inc.*, 361 F.3d 434, 436 (7<sup>th</sup> Cir. 2004). Furthermore, there exists a “very strong” presumption in favor of awarding fees to a defendant who prevails in a copyright suit. *Id.* at 437. This is because “without the prospect of such an award, the party might be forced into a nuisance settlement or deterred altogether from exercising his rights.” *Id.*

Here, ABD presented claims and arguments that, despite being rejected by the court, indicate that this was a close case. The court examined the plain language of the parties’ contract and in doing so determined that ABD granted the Defendants a nonexclusive license to copy and use the subject technical drawings. After making that determination, the court adopted the general rule that nonexclusive licenses granted in

exchange for consideration are irrevocable. See 3 *Nimmer on Copyright* § 10.02. However, despite that general rule, the court recognized that the Seventh Circuit's position on the matter was "hazy" due to seemingly inconsistent language in the cases of *I.A.E., Inc. v. Shaver*, 74 F.3d 768, 772 (7<sup>th</sup> Cir. 1996) and *Walthal v. Rusk*, 172 F.3d 481, 483 (7<sup>th</sup> Cir. 1999). The court resolved any perceived inconsistency by looking to Professor Nimmer's venerable treatise on copyright as well as decisions from other Courts of Appeals. Thus, while the Defendants ultimately prevailed at the summary judgment stage due to the foregoing analytical framework, ABD did have a reasonable and good faith basis for advancing its claims in a case that required the court to analyze an area of law where the Seventh Circuit's position was somewhat vague. The fact that this was a case turning on fine points of law therefore tips the scales in ABD's favor on the issue of fees.<sup>2</sup>

The court further finds that an award of fees in this case would not serve as an effective deterrent. The Seventh Circuit opined that prevailing parties in copyright suits are treated alike because typically a "plaintiff in such a suit is not a little guy suing a big guy – an employee suing an employer, for example – but often the reverse." *Assessment Tech.*, 361 F.3d at 436. But the instant case is not the typical copyright case. ABD is a closely held Indiana corporation who sued several national corporations in an attempt to prevent what it viewed as copyright infringement. Nothing about this

---

<sup>2</sup> By contrast, the second factor identified by the Seventh Circuit as being of great importance to the fee request – relief obtained by the prevailing party – clearly points in favor of the Defendants. The court found as a matter of law that the Defendants did not infringe on ABD's copyright, which, by definition, means that Defendants obtained no award. See *Assessment Tech.*, 361 F.3d at 437.

case resembles a “strike suit” or a suit aimed at strong-arming a settlement.<sup>3</sup> An effective deterrent in this situation is one that aims to prevent a party from pursuing frivolous claims, and the court has already indicated its belief that ABD’s claims clearly were not frivolous.

## II.

In light of the foregoing, the court concludes that the Defendants’ petition for an award of attorney’s fees must be **DENIED**. Though the Defendants did not obtain any compensation despite prevailing at the summary judgment stage, this was a close case in which ABD acted in good faith and pursued reasonable arguments. Furthermore, there is no need to use an award of fees to serve a deterrent effect.

There being no objection to the costs sought by the Defendants, however, the court finds that all costs requested are reasonable and allowable under 28 U.S.C. § 1920.<sup>4</sup> As such, \$10,038.09 shall be taxed as costs against Plaintiff ABD.

ALL OF WHICH IS ENTERED this 26<sup>th</sup> day of July 2005.

---

John Daniel Tinder, Judge  
United States District Court

---

<sup>3</sup> In all likelihood, ABD could not force a settlement even if it wanted to, given its meager resources in comparison to the legal sophistication of the Defendants.

<sup>4</sup> Though ABD filed a brief in opposition to the Defendants’ petition for an award of fees *and* costs, the company did not articulate any specific objection to the Defendants’ motion for costs alone (Docket No. 112). Rather, ABD used its response brief to address only the issue of attorney’s fees.

Copies to:

Michelle Kaiser Bray  
Sommer Barnard Attorneys, PC  
mbray@sommerbarnard.com

Elizabeth Mary Keiley  
Wildman Harrold Allen & Dixon  
keiley@wildmanharrold.com

Brian W. Lewis  
Wildman Harrold Allen & Dixon  
lewis@wildmanharrold.com

Michael T. McNally  
Ice Miller  
mcnally@icemiller.com

Philip A. Whistler  
Ice Miller  
philip.whistler@icemiller.com

Magistrate Judge Tim A. Baker