Kirtsaeng v. John Wiley & Sons, Inc.

Banner & Witcoff offers the following content as a resource to help clients understand and prepare for the potential impact of this case:

On June 16, 2016, the U.S. Supreme Court ruled in *Kirtsaeng v. John Wiley & Sons, Inc.*, that it is appropriate for a court to give substantial weight to the reasonableness of a losing party's position when deciding whether to award attorney's fees in a case brought under the Copyright Act as long as "all other relevant factors" are taken into account.

This case began more than 10 years ago, when Kirtsaeng, a native of Thailand, developed a successful business in which he obtained foreign-edition copies of English-language textbooks abroad below their U.S. market prices and resold them in the U.S. at a profit. Wiley sued Kirtsaeng for copyright infringement in 2008, alleging that Kirtsaeng violated Wiley's exclusive rights in distributing its copyrighted works and in preventing unauthorized importation of its copyrighted works.

After Kirtsaeng lost at trial, the case ultimately reached the Supreme Court, which ruled in a 6-3 decision (with Justices Ginsburg, Kennedy, and Scalia in dissent) that Kirtsaeng's actions did not constitute copyright infringement because Wiley's exclusive rights in the textbooks that Kirtsaeng obtained abroad were exhausted under the "first sale" doctrine. In the three years that have passed since the Supreme Court's previous ruling, the case has returned to the district court, where Kirtsaeng is now seeking an award of attorney's fees from Wiley.

The question presented to the Supreme Court in the current *Kirtsaeng* case — and addressed by the June 16 opinion — is whether the lower courts' rulings run afoul of the statutory text of the Copyright Act and the Supreme Court's 1994 ruling in *Fogerty v. Fantasy, Inc.*, by emphasizing the "objective reasonableness" factor over others when deciding whether to award attorney's fees in a copyright infringement action.

In its opinion, the Court held that it is appropriate for a court to give substantial weight to the reasonableness of a losing party's position when deciding whether to award attorney's fees as long

as “all other relevant factors” are taken into account. Because it was not clear here whether the lower courts “understood the full scope of that discretion” since their opinions primarily focused on the “objective reasonableness” factor, the Court vacated the lower courts’ rulings in this case and remanded the case back to the district court to ensure that these “other” factors — in addition to reasonableness — are also considered.

IMPORTANT DATES

- June 16, 2016 – Supreme Court issues decision
- April 25, 2016 – Supreme Court hears arguments
- Jan. 15, 2016 – Supreme Court grants Kirtsaeng’s petition for a writ of certiorari
- Sept. 24, 2015 – Kirtsaeng files petition for a writ of certiorari with Supreme Court
- May 28, 2015 – Second Circuit issues decision

COURT DOCUMENTS

- Supreme Court decision
- Supreme Court oral arguments
- Kirtsaeng’s petition to the Supreme Court
- Second Circuit decision

MEDIA

Banner & Witcoff attorneys are available to answer questions and discuss this case. Media inquiries should be directed to Amanda Robert (312) 463-5465 or arobert@bannerwitcoff.com.