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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA**

11 ROGER McINTOSH, CASE NO. CV F 07-1080 LJO GSA
12 Plaintiff, **ORDER ON DEFENDANTS' MOTION
13 vs. DENY PLAINTIFF'S COSTS
(Docs. 408, 409.)**

14 NORTHERN CALIFORNIA
15 UNIVERSAL ENTERPRISES,
INC., et al,

Defendants.

INTRODUCTION

19 Defendants Northern California Universal Enterprises Company (“NCUE”), Lotus
20 Developments, LP (“Lotus”) and Dennis DeWalt, Inc. (“DeWalt”)¹ seek to deny plaintiff Roger
21 McIntosh’s (“Mr. McIntosh’s”) requested \$17,352.78 costs. Mr. McIntosh contends that he is entitled
22 to costs as the prevailing party. This Court considered defendants’ objections to Mr. McIntosh’s costs
23 on the record and VACATES the September 2, 2010 hearing erroneously set by NCUE and Lotus.² For
24 the reasons discussed below, this Court GRANTS Mr. McIntosh \$17,081.78 costs against defendants.

¹ NCUE, Lotus and DeWalt will be referred to collectively as “defendants.”

BACKGROUND

Summary

3 This action arises from alleged infringing use of Mr. McIntosh's tentative map and improvement
4 plans to develop 33.51 acres as a subdivision in the City of Wasco ("Wasco").³ Mr. McIntosh, a
5 Bakersfield civil engineer, prepared for subdivision development a tentative map and improvement plans
6 (streets, sidewalks, curbs, gutters, storm drains, sewer, water and utilities).

7 Mr. McIntosh registered his copyright on his map and improvement plans on February 22, 2007.
8 Mr. McIntosh proceeded on this third-amended complaint (“TAC”) against defendants and Wasco to
9 allege “Defendants’ construction of the Subdivision is based on landscape and subdivision designs
10 substantially similar to the subdivision and landscape design conceived and created by McIntosh that
11 is represented in the plans and that is the subject of Copyright Registration Certificate No. VAU-721-
12 180.” The TAC alleges that the “copying of the Plans by defendants constitutes infringement of
13 McIntosh’s registered copyright and the technical drawings depicted in the Plans, in violation of the
14 Copyright Act.”

Jury Verdict

16 This Court conducted a jury trial on March 1-4 and 8-9, 2010. With its verdict, the jury found
17 that:

- 18 1. Defendants and Wasco copied Mr. McIntosh's map and that only Wasco had copied Mr.
19 McIntosh's improvement plans;
20 2. NCUE, Lotus and Wasco profited directly from copying of either the map or
21 improvement plans done by any of the other defendants;
22 3. NCUE, Lotus and Wasco failed to exercise their right and ability to supervise or control
23 the other defendants' copying of the map or improvement plans;
24 4. Mr. McIntosh is entitled to \$1.4 million in actual damages;
25 5. NCUE and Lotus each profited \$1,992,107.50 from their respective infringing activity;
26 6. Wasco profited \$1.5 million from its infringing activity;

³ Wasco is a former defendant and settled with Mr. McIntosh during the pendency of post-trial motions.

7. DeWalt did not profit from its infringing activity; and
 8. NCUE and Lotus acted as partners or practically partners in committing infringing activity.

In total, the jury award Mr. McIntosh \$6,884,215

Post-Trial Matters

With post-trial motions, pending Wasco reached a \$750,000 good faith settlement with Mr. McIntosh whereby \$150,000 was apportioned to actual damages and \$600,000 to Wasco's profits.

8 This Court's July 7, 2010 order granted defendants a new trial on actual damages and infringing
9 profits unless Mr. McIntosh accepted an amended judgment of \$161,500 for Mr. McIntosh's actual
10 damages and \$0 for infringing profits. Mr. McIntosh accepted such an amended judgment which was
11 entered on July 23, 2010.

Mr. McIntosh's Bill Of Costs

13 On July 27, 2010, Mr. McIntosh filed his revised bill of costs by which he claims to seek
14 \$17,352.78 costs only as to defendants and not Wasco. The costs comprise:

1. \$120 for filing fees;
 2. \$1,762 for subpoena and service fees;
 3. \$1,806.30 for witness fees;
 4. \$10,507.95 for deposition transcripts; and
 5. \$3,156.53 for copy costs.

DISCUSSION

Standards For Cost Awards

22 F.R.Civ.P. 54(d)(1) provides in part: "Unless a federal statute, these rules, or a court order
23 provides otherwise, costs – other than attorney's fees – should be allowed to the prevailing party."

24 F.R.Civ.P. 54(d)(1) “generally grants a federal court discretion to refuse to tax costs in favor of the
25 prevailing party.” *Crawford Fitting Co. v. J. T. Gibbons, Inc.*, 482 U.S. 437, 442, 107 S.Ct. 2494
26 (1987).

27 F.R.Civ.P. 54(d)(1) “creates a presumption in favor of awarding costs to a prevailing party, but
28 vests in the district court discretion to refuse to award costs.” *Assoc. of Mexican-American Educators*

1 *v. State of California*, 231 F.3d 572, 591 (9th Cir. 2000); *see Amarel v. Connell*, 102 F.3d 1494, 1523
2 (9th Cir. 1996). A district court’s discretion “is not unlimited” to require the district court to “specify
3 reasons” for refusal to award costs. *Mexican-American Educators*, 231 F.3d at 591. The Ninth Circuit
4 Court of Appeals has denied costs to a prevailing party based on the losing party’s “limited financial
5 resources” or the prevailing party’s “misconduct.” *Mexican-American Educators*, 231 F.3d at 592
6 (citing cases).

7 Other circuits have addressed other factors to deny costs to the prevailing party, such as: (1) the
8 issues in the case were close and difficult; (2) the prevailing party’s recovery was nominal or partial; and
9 (3) the losing party litigated in good faith. *Mexican-American Educators*, 231 F.3d at 592, n. 15; *see*
10 *Champion Produce, Inc. v. Ruby Robinson Co., Inc.*, 342 F.3d 1016, 1023 (9th Cir. 2003) (in breach of
11 contract actions, prevailing party’s recovery of substantially less damages than sought may support
12 discretion to deny costs).

13 Defendants seek to deny all of Mr. McIntosh’s costs given what they appear to characterize as
14 his mixed success. DeWalt notes that the jury found that it had infringed on only Mr. McIntosh’s
15 tentative map and had not profited from its infringing activity. DeWalt contends that “both parties
16 prevailed on certain claims.” NCUE and Lotus advocate a denial of costs based on Mr. McIntosh’s
17 “meager, near meaningless recovery obtained from them” and Mr. McIntosh’s “windfall” from
18 settlement with Wasco. NCUE and Lotus conclude that Mr. McIntosh “has already been over
19 compensated and should not be awarded costs on top.”

20 In the absence of complete denial of costs, defendants seek to allocate a portion of the costs to
21 Wasco. NCUE and Lotus note that Wasco “was found to have violated Plaintiff’s copyright to a
22 significantly greater degree than the other three defendants.” DeWalt asks this Court to “impute into the
23 [Wasco] settlement a reasonable amount of costs that would have been awarded” in Mr. McIntosh’s
24 favor and against Wasco. DeWalt further advocates to allocate costs to NCUE and Lotus given their
25 “substantial profits” and DeWalt’s loss on the subdivision project.

26 Mr. McIntosh responds that NCUE and Lotus seek an apportionment between the parties “which
27 was never made by the jury.” Mr. McIntosh characterizes as “irrelevant” distinguishing costs between
28 the parties. Mr. McIntosh accuses Northern and Lotus of an “arbitrary” division of costs “which would

1 have been incurred regardless of whether or not Wasco was a party.”

2 Defendants offer little which is meaningful to overcome the presumption to award costs to Mr.
3 McIntosh as prevailing party. Although this Court substantially discounted the jury’s award, Mr.
4 McIntosh established defendants’ infringing activity and copyright liability. Mr. McIntosh prevailed on
5 most of his claims. Defendants provide no binding authority to support a complete denial of costs or
6 a discount based on the Wasco settlement. Mr. McIntosh is the prevailing party entitled to costs.

7 Short of a complete denial of costs, defendants nitpick without substance at particular costs.
8 Costs incurred prior to DeWalt’s appearance address the overall litigation to which DeWalt was
9 subjected to in the end. DeWalt’s only meritorious objections are \$166 costs related to improper
10 defendant DeWalt CM, Inc. and \$105 costs for excluded witness Heath James. NCUE and Lotus’
11 nitpickings are indecipherable. As such, Mr. McIntosh is entitled to \$17,081.78 costs.

12 **CONCLUSION AND ORDER**

13 For the reasons discussed above, this Court GRANTS Mr. McIntosh \$17,081.78 costs against
14 defendants (NCUE, Lotus and DeWalt) jointly and severally.

15 This Court concludes that this award of costs is the final matter at this stage of this litigation.
16 Short of remand from an appeal, this Court can conceive of not further matters which would involve this
17 Court. Further law and motion activity, including an attempt to recover sanctions, will not be well
18 received by this Court unless well supported and for legitimate purposes to serve the interests of the
19 parties, not counsel.

20 IT IS SO ORDERED.

21 **Dated: August 23, 2010**

22 /s/ Lawrence J. O'Neill
23 UNITED STATES DISTRICT JUDGE

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