

1 After due consideration, the Court grants Plaintiff's motion for attorneys' fees, denies
2 Plaintiff's motion for enhanced damages, denies Plaintiff's motion for prejudgment interest,
3 and denies Defendant's motion for attorneys' fees.

4 **Background**

5 Plaintiff Brighton, a designer, manufacturer and retailer of women's fashion
6 accessories, brought suit against Defendant Coldwater, a retailer of products including
7 women's fashion accessories. Plaintiff Brighton alleged copyright infringement of Brighton's
8 "Carolina" and "Brighton Scroll" copyrights, trade dress infringement, false designation of
9 origin, common law unfair competition, and statutory unfair competition. (See Doc. No. 30.)
10 Brighton's claims against Coldwater stemmed from sales of women's handbags and luggage
11 from 2005 to 2007.

12 On May 20, 2008, the Court granted Coldwater's motion for summary judgment on
13 Plaintiff's copyright claim for infringement of the Brighton scroll. (Doc. No. 179 at p.7.) On
14 November 21, 2008, a jury returned a special verdict in favor of Brighton, finding Coldwater
15 willfully committed trade dress infringement, false designation of origin, and copyright
16 infringement of the "Carolina" copyright and engaged in unfair competition with malice, fraud,
17 or oppression. (Doc. No. 264.) The jury awarded actual damages of \$5,893,000 (\$2,652,000
18 for trade dress infringement, false designation of origin or unfair competition and \$3,241,000
19 for copyright infringement) and wrongful profits of \$1,499,000 (\$675,000 for trade dress
20 infringement, false designation of origin or unfair competition and \$824,000 for copyright
21 infringement) against Coldwater. (Id.)

22 Brighton claims to be the prevailing party under the Copyright Act and the Lanham Act
23 and seeks attorneys' fees of \$1,235,404, enhanced damages under the Lanham Act, and
24 prejudgment interest. (Doc. No. 279.)¹ Coldwater claims to be the prevailing party on
25 Brighton's "Brighton Scroll" copyright claim and seeks attorneys' fees of \$99,751.74 and costs
26 of \$4,166.28. (Doc. No. 275 at p.1.)

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28 ¹Brighton also seeks a permanent injunction against Coldwater (Doc. No. 280), which the
Court addresses in a separate order.

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Discussion

Under Federal Rule of Civil Procedure 54, a party may move for attorney fees, unless the substantive law requires those fees to be proved at trial as an element of damages. FED. R. Civ. P. 54(d)(2)(A). Brighton asserts that it is entitled to attorneys’ fees as the prevailing party under the Copyright Act and the Lanham Act, as the jury found Coldwater willfully infringed Brighton’s “Carolina” copyright and willfully committed trade dress infringement and false designation of origin. (Doc. No. 279 at p.1.) Coldwater asserts that it is entitled to attorneys’ fees and costs as the prevailing party under the Copyright Act based on the Court’s dismissal of Brighton’s “Brighton Scroll” copyright claim at summary judgment. (Doc. No. 275 at p.1.)

1. Lanham Act

The Lanham Act provides that “[t]he court in exceptional cases may award reasonable attorney fees to the prevailing party.” 15 U.S.C. §1117(a). “[A] case is exceptional within the meaning of 15 U.S.C. § 1117(a) where the infringement is willful, deliberate, knowing or malicious.” Earthquake Sound Corp. v. Bumper Indus., 352 F.3d 1210, 1216 (9th Cir. 2003); see also Derek Andrew, Inc. v. Poof Apparel Corp., 528 F.3d 696, 702 (9th Cir. 2008) (upholding grant of attorneys’ fees under Lanham Act based on default judgment where plaintiff pled willful infringement); Rio Properties, Inc. v. Rio Int’l Interlink, 284 F.3d 1007, 1023 (9th Cir. 2002) (“While the term ‘exceptional’ is not defined in the statute, attorneys’ fees are available in infringement cases where the acts of infringement can be characterized as malicious, fraudulent, deliberate, or willful.”(citation omitted)).

Plaintiff Brighton is the prevailing party under the Lanham Act, as the jury found Coldwater willfully committed trade dress infringement and false designation of origin. (Doc. No. 264.) The Court finds this case exceptional based on the total record of this case, including the jury’s finding of willfulness. See Earthquake Sound, 352 F.3d at 1216 (explaining cases defendant cited for proposition that willful infringement does not per se show exceptionality are “either distinguishable or do not reflect the law of this circuit”). During trial, Brighton presented substantial evidence of Coldwater’s intentional infringing conduct,

1 such as emails between employees and designers concerning how to make Coldwater's
2 products more "Brightony." (See, e.g., Doc. No. 281, Trial Ex. 250.) The jury agreed with
3 Brighton's case and found Coldwater willfully infringed Brighton's asserted trade dress and
4 engaged in common law unfair competition with malice, fraud or oppression. (Doc. No. 264.)
5 As a result, the jury awarded Brighton \$2,652,000 in actual damages and \$675,000 in
6 wrongful profits. (Id.)

7 Defendant asserts that this is not an exceptional case because Plaintiff's trade dress
8 definition was amorphous and the issues of infringement and willfulness were closely
9 contested. (Doc. No. 290 at pp.12–13.) The Court disagrees and concludes that an award of
10 attorneys' fees under the Lanham Act is appropriate in this exceptional case. Accordingly, the
11 Court grants Plaintiff's motion for attorneys' fees under the Lanham Act.

12 **2. Copyright Act**

13 Under the Copyright Act, "the court in its discretion may allow the recovery of full
14 costs by or against any party other than the United States or an officer thereof. Except as
15 otherwise provided by this title, the court may also award a reasonable attorney's fee to the
16 prevailing party as part of the costs." 17 U.S.C. §505. "In copyright infringement cases,
17 generally, the prevailing party is the one who succeeds on a significant issue in the litigation
18 that achieves some of the benefits the party sought in bringing suit." Thoroughbred Software
19 Int'l, Inc. v. Dice Corp., 488 F.3d 352, 362 (6th Cir. 2007); Wall Data Inc. v. Los Angeles
20 County Sheriff's Dept., 447 F.3d 769, 787 (9th Cir. 2006).

21 Prevailing parties are to be awarded attorneys' fees in copyright cases "only as a matter
22 of the court's discretion." Fantasy, Inc. v. Fogerty, 94 F.3d 553, 557 (9th Cir. 1996)
23 (discussing the Supreme Court's holding in Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 (1994),
24 rejecting the dual standard "whereby prevailing plaintiffs were generally awarded attorney's
25 fees as a matter of course"). In deciding whether to award attorneys' fees to the prevailing
26 party, a district court may consider the following nonexclusive factors: "(1) the degree of
27 success obtained, (2) frivolousness, (3) motivation, (4) objective unreasonableness (legal and
28 factual), and (5) the need to advance considerations of compensation and deterrence." Smith

1 v. Jackson, 84 F.3d 1213, 1221 (9th Cir. 1996) (citations omitted); see also Fantasy, 94 F.3d
2 at 558. Although a finding of willfulness is not a prerequisite to a fee award under the
3 Copyright Act, “willful infringement is an important factor favoring an award of fees”
4 Historical Research v. Cabral, 80 F.3d 377, 379 (9th Cir. 1996).

5 Each party claims to be the prevailing party for purposes of the Copyright Act.
6 Brighton contends that it is the prevailing party because the jury found that Coldwater willfully
7 infringed its “Carolina” copyright and awarded actual damages of \$3,241,000 and wrongful
8 profits of \$824,000 stemming from the infringement. Coldwater claims that it is the prevailing
9 party under the Copyright Act because Brighton’s claim for infringement of its “Brighton
10 Scroll” copyright was dismissed on summary judgment.

11 The Court concludes that Plaintiff Brighton is the prevailing party for purposes of the
12 Copyright Act. Brighton succeeded on its claim for willful infringement of its “Carolina”
13 copyright and was awarded significant damages. In light of the special verdict in favor of
14 Brighton, the dismissal of one of its copyright claims does not prevent it from being deemed
15 the overall prevailing party under the Copyright Act. See Wall Data, 447 F.3d 769;
16 Thoroughbred, 488 F.3d 352.

17 The Court grants Plaintiff Brighton’s motion for attorneys’ fees under the Copyright Act
18 and denies Defendant Coldwater’s motion for attorneys’ fees under the Copyright Act. After
19 considering the factors listed in Smith, the Court in its discretion, concludes that an award of
20 attorneys’ fees to Brighton as the prevailing party under the Copyright Act is appropriate. See
21 Smith, 84 F.3d at 1221. Brighton obtained a high degree of success on its copyright
22 infringement claim, as the jury found Coldwater willfully infringed Brighton’s “Carolina”
23 copyright and awarded substantial damages. A fee award in this case of willful infringement
24 furthers the goal of the Copyright Act to serve “the purpose of encouraging private
25 enforcement and deterring infringements.” Frank Music Corp. v. Metro-Goldwyn-Mayer Inc.,
26 886 F.2d 1545, 1556 (9th Cir. 1989). The Court concludes that Brighton is entitled to a
27 reasonable award of its attorneys’ fees under the Copyright Act. Brighton’s copyright claims
28 arose from a common core of facts, the evidence on infringement overlapped, and the claims

1 were based on the same governing law, and therefore no apportionment or allocation is
2 required. See Creative Computing v. Getloaded.com, LLC, 386 F.3d 930, 937 (9th Cir. 2004)
3 (“Allocation is not required where there is a ‘common core of facts’ that requires substantially
4 the same expense on prevailing and unsuccessful claims.” (citation omitted)).

5 **3. Calculation of the Attorneys’ Fees Award**

6 The calculation of a reasonable fee award is a two-step process. “To determine what
7 fee should be awarded, the court must first determine the ‘lodestar,’ which is the number of
8 hours reasonably expended on litigation multiplied by a reasonable rate.” United
9 Steelworkers of Am. v. Phelps Dodge Corp., 896 F.2d 403, 406 (9th Cir. 1990). Taken into
10 account in either the reasonable hours component or the reasonable rate component of the
11 lodestar calculation are: “(1) the novelty and complexity of the issues; (2) the special skill
12 and experience of counsel; (3) the quality of representation; (4) the results obtained; and (5)
13 the contingent nature of the fee agreement.” Morales v. City of San Rafael, 96 F.3d 359,
14 364 (9th Cir.1996). During the second step the district court, in its equitable discretion,
15 adjusts this amount “on the basis of other considerations.” Lytle v. Carl, 382 F.3d 978, 988
16 (9th Cir.2004).

17 The Court grants Plaintiff’s motion for attorneys’ fees, as Brighton is entitled to fees
18 under the Lanham Act and the Copyright Act. Brighton requests fees for 3,366 hours of
19 work performed and has submitted detailed billing statements of those hours, reducing the
20 number of hours for entries that related to another matter. (Doc. No. 281, Ross Decl.
21 ¶¶19–25, Ex. N.) Once the applicants submit evidence of the appropriate hours spent on
22 litigation, “the party opposing the fee application has a burden of rebuttal that requires
23 submission of evidence to the district court challenging the accuracy and reasonableness of
24 the hours charged.” Gates v. Deukmejian, 987 F.2d 1392, 1397 (9th Cir.1992). Coldwater
25 objects to the hours requested by Brighton based on failure to apportion between claims,
26 block billing, overstaffing, overlitigating, billing judgment, and clerical tasks. (Doc. No.
27 290 at pp.13–16.) As part of its opposition, Coldwater has submitted two charts listing
28 Brighton’s billing entries to which Coldwater takes exception, with no other evidence

1 challenging the accuracy or the reasonableness. (Doc. No. 291, Charts 1 & 2.) After a
2 review of the parties' submissions, the Court concludes that Brighton's requested hours are
3 reasonable, as this litigation spans more than two years, includes a jury trial, and Brighton
4 obtained excellent results. See Fischer v. SJB-P.D. Inc., 214 F.3d 1115, 1121 (9th Cir.
5 2000). No apportionment is required as the Court grants Brighton's motion for attorneys'
6 fees on its Lanham Act claim, on its "Carolina" copyright claim, and its related "Brighton
7 Scroll" copyright claim. See Creative Computing, 386 F.3d at 937.

8 Brighton requests fees at hourly rates ranging from \$90 to \$210 per hour for
9 paralegal work and \$125 to \$625 per hour for attorney work. (Doc. No. 281, Ross Decl. &
10 Ex. N.) Brighton's highest rates are \$550 per hour for the lead attorney's work, who has 25
11 years of experience and has tried 55 cases, and \$625 for outside, general counsel's work,
12 who has 35 years of litigation experience. (Id.) The average rate for the claimed hours is
13 \$367 per hour. (Id.) "The prevailing market rate is indicative of a reasonable hourly rate."
14 Jordan v. Multnomah County, 815 F.2d 1258, 1262 (9th Cir. 1987). "Affidavits of the
15 plaintiffs' attorney and other attorneys regarding prevailing fees in the community, and rate
16 determinations in other cases, particularly those setting a rate for the plaintiffs' attorney,
17 are satisfactory evidence of the prevailing market rate." United Steelworkers, 896 F.2d at
18 407. Plaintiff's attorney submitted an affidavit concerning the rates claimed in this case
19 and averred that these were consistent with prevailing rates in Southern California. (Doc.
20 No. 281, Ross Decl. ¶¶22–26.) In addition, Plaintiff cited other cases from this district
21 finding rates over \$500 reasonable for experienced counsel handling complex litigation.
22 See Moore v. Bank of Am., N.A. (USA), 2008 WL 688851, at *3 (S.D. Cal. Jan. 7, 2008);
23 Eldorado Stone LLC v. Renaissance Stone, 2007 WL 3308099, at * 4 (S.D. Cal. Oct. 24,
24 2007). Defendant opposes Plaintiff's rates and argues that the rate should be \$268 per
25 hour, the rate requested by Defendant in its motion for attorneys' fees. (Doc. No. 290 at
26 p.17.) The Court concludes that Plaintiff's requested rates, with an average rate of \$367,
27 are reasonable in light of the experience and skill of counsel, the quality of representation
28 provided by counsel, and the excellent results obtained for the client.

1 Second, the court must decide whether to enhance or reduce the lodestar figure
2 based on an evaluation of the Kerr factors that are not already subsumed in the initial
3 lodestar calculation. Fischer, 214 F.3d at 1119; see also Van Gerwen v. Guarantee Mut.
4 Life Co., 214 F.3d 1041, 1045 & n.2 (9th Cir. 2000) (discussing factors courts consider in
5 making discretionary upward or downward departures). “A ‘strong presumption’ exists
6 that the lodestar figure represents a ‘reasonable fee,’ and therefore, it should only be
7 enhanced or reduced in ‘rare and exceptional cases.’ Id. at n.4 (quoting Pennsylvania v.
8 Delaware Valley Citizens' Council for Clean Air, 478 U.S. 546, 565 (1986) (internal
9 quotations omitted)). The Court concludes that the loadstar figure represents a reasonable
10 fee in this case and should not be enhanced or reduced based on the Kerr factors.

11 Plaintiff’s request for fees is granted in the amount of \$1,235,404.

12 **4. Prejudgment Interest**

13 Plaintiff also requests an award of prejudgment interest on the jury’s award of actual
14 damages and wrongful profits. (Doc. No. 279 at p.22.) “Prejudgment interest is available
15 under the Copyright Act” in the discretion of the district court. Polar Bear Productions,
16 Inc. v. Timex Corp., 384 F.3d 700, 716 & n.12 (9th Cir. 2004). Prejudgment interest is not
17 available to Plaintiff under the Lanham Act, as this case was not a counterfeit trademark
18 case brought under 15 U.S.C. §1114(1)(a). See 15 U.S.C. §1117(b) (authorizing award of
19 prejudgment interest in case involving use of a counterfeit mark or designation).

20 After considering the entire record, the Court denies Plaintiff Brighton’s motion for
21 prejudgment interest. Brighton is not entitled to prejudgment interest on its Lanham Act
22 damages, as it brought suit under 15 U.S.C. §1125(a) for trade dress infringement and false
23 designation of origin. (See Doc. No. 30 ¶¶ 29–45.) As to Brighton’s copyright claims, the
24 Court exercises its discretion to deny an award of prejudgment interest, as the Court
25 concludes that the jury award adequately compensates Brighton for the damages in this
26 case. Coldwater’s decision to fully litigate its infringement of the “Carolina” copyright was
27 not needless delay, as there were legitimate disputes over infringement of the “Carolina”
28 copyright.

1 **5. Enhanced Damages under the Lanham Act**

2 “Section 35 of the Lanham Act gives the trial judge discretion to increase the award of
3 actual damages, not to exceed three times that amount, according to the circumstances of the
4 case.” Playboy Enter., Inc. v. Baccarat Clothing Co., Inc., 692 F.2d 1272, 12756 (9th Cir.
5 1982); 15 U.S.C. §1117(a) (“In assessing damages the court may enter judgment, according
6 to the circumstances of the case, for any sum above the amount found as actual damages, not
7 exceeding three times such amount.”) Brighton argues that the jury’s award of actual damages
8 under the Lanham Act should be trebled or doubled based on Coldwater’s willful infringement
9 of Brighton’s trade dress and to deter Coldwater from engaging in similar activity in the future.
10 (Doc. No. 279 at pp.21–22.)

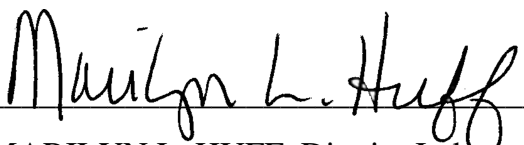
11 The Court denies Plaintiff Brighton’s motion for enhanced damages under the Lanham
12 Act. The jury award of \$2,652,000 in actual damages and the Court’s award of attorneys’ fees
13 reasonably compensates Brighton and any enhancement may constitute an impermissible
14 penalty against Coldwater. The Lanham Act provides that any enhancement by a court, “shall
15 constitute compensation and not a penalty.” 15 U.S.C. §1117(a). The jury specifically
16 rejected imposing punitive damages on Coldwater. (Doc. No. 265.) Brighton’s arguments that
17 Coldwater needs to be deterred from future infringement through an enhanced damage award
18 sounds in punishment, and do not claim that the jury’s award fails to adequately compensate
19 Brighton.

20 **Conclusion**

21 Based on the reasons set forth above, the Court GRANTS Plaintiff Brighton’s motion
22 for attorneys’ fees in the amount of \$1,235,404 and DENIES Defendant Coldwater’s motion
23 for attorneys’ fees. The Court DENIES Plaintiff Brighton’s motion for prejudgment interest
24 and DENIES Plaintiff Brighton’s motion for enhancement of damages under the Lanham Act.

25 IT IS SO ORDERED.

26 DATED: January 20, 2009

27 
28 MARILYN L. HUFF, District Judge
UNITED STATES DISTRICT COURT