

No Double-Dipping For Copyright Infringement Damages

Copyright owners may only receive a single recovery for a single injury regardless of the number of infringers under the Eleventh Circuit's recent holding in [BUC International Corporation v. International Yacht Council, Ltd., et. al.](#)

In the case, BUC sued six defendants for copyright infringement, alleging that the defendants copied multiple listings from BUC's Used Boat Price Guide computer database without permission, and used them to attract customers to a competing website. After filing suit, three defendants settled the matter (the "Settlement Defendants") but the case against the remaining defendants proceeded to trial. At trial, BUC sought recovery of all the actual damages it incurred. The jury subsequently rendered judgment in BUC's favor against two infringing defendants (the "Trial Defendants") and was awarded \$1.6 million in actual damages against the Trial Defendants.



Arguing that they should not have to pay any damages that were already paid by the settling defendants, the two losing Trial Defendants moved for an order reducing the \$1.6 million judgment by the amount that the Settling Defendants had paid under their settlement agreements. The District Court denied the Trial Defendants' request, and the Trial Defendants appealed.

The Eleventh Circuit reversed the lower court decision, ruling that the "one-satisfaction rule" applied to copyright infringement damages, explaining that the rule prevents double recovery for a single harm that, if awarded, would overcompensate a copyright infringement plaintiff. Following the lead of the Second Circuit Court of Appeals in considering all infringers to be "jointly and severally" liable for damages even if those infringers were not included at trial, the Eleventh Circuit's ruled that any recovery by a copyright owner from one of the infringers would reduce the liability faced by the remaining infringers for the same infringing act. The decision cut the damages against the losing defendants almost in half.

Following the BUC International decision, companies now know that they can neither expect to recover nor need to fear duplicative damages awards. Courts are likely to limit copyright owners to a single compensatory recovery for a single sale regardless of how many entities participate in the infringement. Copyright defendants should therefore be diligent in learning the details of any infringement settlements that parties connected to them have reached to ensure their "exposure" is not greater than legally allowed.

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