



FENWICK & WEST LLP

Obtaining Ex Parte Relief Against Copyright Pirates

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Sometimes the only way to stop copyright pirates is to catch them in the act. Here are some of the nuts and bolts of obtaining true ex parte relief against infringers.

You helped your software developer client draft a proper termination letter, formally ending the copying and marketing rights of a distributor that ceased to pay royalties. The distributor did not dispute the termination, but eight months later your client returns with the news that the former distributor simply went on duplicating and marketing the software. Or a new client reports that its program (or prerecorded audio tape or poster or T-shirt design) has been ripped off in its entirety by strangers who never had any right to copy or distribute the work.

In each case your client is the victim of copyright pirates—counterfeiters who, on reasonable notice, can erase or “disappear” the evidence, move the masters to a new location, and resume their lawless pursuits with little interruption. What can you do about it?

INTELLECTUAL PROPERTY: Practical Aspects of Surprising Counterfeiters in Flagrante Infringo

Federal law provides powerful and effective remedies against such pirates. Of course, on a sufficient showing the court can issue a temporary restraining order, enjoining copyright and trademark infringers from further copying and distribution of copyrighted works or use of protectable trademarks. But an order to stop may not be strong enough medicine for the willfully infringing: unscrupulous counterfeiters have already calculated and found acceptable the risks of being caught; they are not likely to cavil at destroying evidence or moving counterfeited goods to a concealed location.

The Copyright Act offers a stronger remedy, viz., the means for surprising the pirates in the act and removing the instrumentalities and fruits of wrongful copying. Under 17 U.S.C. § 503(a) and Rule 65(b) of the Federal Rules of Civil Procedure (see also Copyright Rules, 17 U.S.C. foll. § 501), a

federal judge can issue an ex parte order without any notice at all, requiring a U.S. Marshall or County Sheriff to raid the premises of an infringer and to seize and impound all unlawful copies, as well as masters, molds, tapes, negatives and other articles by means of which such copies can be reproduced. How and against whom can you obtain such excellent relief? Around what shoals must you navigate in steering an impoundment through the court, the Sheriff's office, and defendant's premises? What steps can maximize the usefulness of the impoundment raid in the ensuing litigation?

First, realize at the outset that this form of relief is extraordinary. A surprise, ex parte seizure order is not what you seek when your client has been exchanging nastygrams with a major competitor over whether the user interface of the competitor's program is too similar to your client's. Nor do you seek unnoticed relief against a respected corporate citizen—you aren't likely to convince a federal judge that a Macy's is going to whisk allegedly infringing T-shirts away to a secret location if they are given notice of your claims. To induce a judge to order a seizure without giving the other side a chance to tell its side of the story, you have to persuade her that there is no other side of the story, and that the defendants are essentially crooks.

Assuming you feel you can convince a federal judge that the case requires an ex parte impoundment order, there are a number of important matters you must address before you reach the courthouse:

The proposed order must describe the premises to be searched and the items to be seized with some particularity, and should be specific enough so the Marshalls or Sheriffs know just what they are directed to impound.

An applicant must post a bond equal to twice the value of the items to be seized before an impoundment order can become effective. This means, first, that you must offer a showing as to the quantity and value of the goods you

believe will be seized. Second, since you will not know the precise bond the court will require in advance, you must make flexible arrangements with a bonding company and plan the logistics of approval, issuance and timely delivery to the courthouse of a bond in the proper amount.

Bring sufficient currency to pay the clerk's office for copying and/or certifying the multiple sets of the order and various filed-stamped pleadings that you and the Marshalls will need.

A judge can order either the U. S. Marshalls or the County Sheriffs to carry out the impoundment. Which you prefer turns largely on what you learn in advance about how fast each entity is able to move and what their experience has been in conducting surprise seizure raids. Another set of bureaucratic obstacles awaits you after you leave the clerk's office for the Marshalls or the Sheriffs.

Investigate the procedures and demands of the these enforcement authorities in advance. In one case we were involved in, a county Sheriff's department would not enforce an impoundment order until (1) all of the impoundment papers were vetted by the county attorney, (2) the plaintiff supplied the county with a hold-harmless letter for carrying out the seizure raid, and (3) we posted an additional bond, securing the Sheriffs against any claims arising out of implementing the federal judge's order. Determine in advance all the details: how many copies of which documents are needed by whom, how late the relevant office is open, how to get there from the courthouse, the name and phone number of each person whose assistance must be secured.

Anticipate significant delay. Notwithstanding that you have persuaded the judge that you need immediate relief, unless your case has an extraordinary profile it can take several days before the Sheriff or Marshall actually carries out the judicially authorized raid. Take such possible delays into account in proposing to the judge a return date on the temporary restraining order.

Both in framing your proposed impoundment order and in planning the raid with the Sheriff or Marshall, think through the entire scenario of the raid and how it may play later in court. Judges will generally allow a number of attorneys and representatives of the client or expert consultants to accompany the Marshalls in order to help them carry out the impoundment. Decide who you want to go, and specify the appropriate number in the proposed order.

What these "extras" are allowed to do (in addition to looking and pointing) is determined by the terms of the court's order, the nature of the impounded goods, and the practices of the Marshalls or Sheriffs. For example, if the Sheriffs are to impound copies of computer programs stored on computers, experts from your client may be needed to search the "hard drives" of those computers. Make sure, too, that you and the judge have the same understanding as to such matters as whether impounding all copies of programs includes seizing computers on whose hard drives the programs are stored. Also, if the Sheriffs or Marshalls are to impound printing or other duplicating equipment in the raid, the plaintiff may need to supply or help identify people able to move such equipment safely.

When the police seize evidence pursuant to a search warrant in a criminal matter, they create a specific record of where and by whom each item was seized and carefully memorialize the chain of custody for seized items. In an impoundment raid, the Marshalls' marching orders are different: simply to seize the described items and remove them to a place of safekeeping until further order of the court. This means that if you want more information to be preserved concerning the details of the impoundment raid, you must plan for it and you must obtain the cooperation of the Marshalls in creating that record.

Seek the court's authorization to videotape and take photographs during the impoundment raid. Tapes and photos can create an irrefutable record of where various items were seized. Such a record can also memorialize critical, direct evidence of infringement: a videotape of impounded copies being taken from the infringer's still-warm duplicating machines can be remarkably persuasive proof of copying.

Expect to meet with the Marshalls or Sheriffs prior to the raid to show them samples of items to be impounded and to be instructed on the procedures they will employ to ensure the raid is conducted in a calm, professional, safe and effective manner. Although violence is seldom likely, a surprise raid by a large group of Marshalls, lawyers, and representatives of a competitor is a shocking event to the subjects of the impoundment order, and their reactions are not wholly predictable. Discuss with the Marshalls or Sheriffs your own knowledge of the character of the defendants and plan accordingly.

Promptly seek declarations from those performing the impoundment or in some other way obtain a record of the events while memories are fresh.

An ex parte impoundment raid is an extraordinary weapon for securing timely justice-as well as a remarkable “out of court” experience for the participants. With meticulous planning and implementation, your clients can use this weapon to scuttle some of the pirates whose attack-and-run tactics often make ordinary litigation ineffective.

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