

Judge Slams Copyright Troll Attorneys

A federal judge has referred a band of copyright troll attorneys to their respective state and federal bars for their “moral turpitude unbecoming of an officer of the court.” The judge also referred the attorneys to the U.S. Attorney’s office in California and the Internal Revenue Service for their scheme that “outmaneuvered the legal system” in their pursuit of copyright infringement claims.

U.S. District Court Judge Otis D. Wright II issued his order after an investigation of the attorneys’ practice of forming entities to obtain copyrights of obscure pornographic videos. “Their litigation strategy consisted of monitoring BitTorrent download activity of their copyrighted pornographic movies, recording IP addresses of the computers downloading the movies, filing suit in federal court to subpoena Internet Service Providers (ISPs) for the identity of the subscribers to these IP addresses, and sending cease-and-desist letters to the subscribers, offering to settle each copyright-infringement claim for about \$4,000,” an amount just below a bare-bones defense, the judge found. The proceeds for the settlements remained with the attorneys and was not sent to the entities allegedly holding the copyrights.

The court noted that the attorneys “have shown little desire to proceed in these lawsuits when faced with a determined defendant. Instead of litigating, they dismiss the case. When pressed for discovery, the Principals offer only disinformation—even to the Court.”

The judge found that after he issued an order vacating earlier discovery, the “Order was purposely ignored—hoping that the ISPs were unaware of the vacatur and would turn over the requested subscriber information.”

“[I]t is clear that the Principals’ enterprise relies on deception. Part of that ploy requires cooperation from the courts, which could only be achieved through deception,” the court wrote in its opinion. “In other words, if the Principals assigned the copyright to themselves, brought suit in their own names, and disclosed that they had the sole financial interest in the suit, a court would scrutinize their conduct from the outset. But being less than forthcoming, they defrauded the Court. They anticipated that the Court would blindly approve their early-discovery requests, thereby opening the door to more settlement proceeds.”

The attorneys referred to their local bar association are John Steele, Paul Hansmeier, Paul Duffy, and Brett Gibbs. Their firms include Steel, Hansmeier, PLCC, and Prenda Law, Inc. (Chicago). Duffy also operates in Chicago as Anti-Piracy Law Group LLC.

Ingenuity 13 LLC v. John Doe, D.C. Calif. No. 12 CV 8333, issues May 6, 2013.