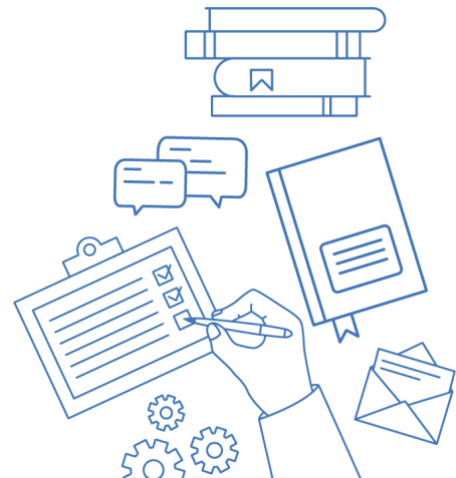


Counterclaims

Respondents have the opportunity to bring their own claims, called counterclaims, against the claimant when they file their response to a claim. Only certain types of counterclaims are permitted in CCB proceedings.



Chapter at a Glance

- **What's a Counterclaim?**
- **Bringing a Counterclaim**
- **Responding to a Counterclaim**

Why You Need This Information

This chapter provides key information on the types of counterclaims that can be brought in CCB proceedings, how to bring a counterclaim, and how to respond to counterclaims.

Quick Summary of Counterclaims

- Only certain counterclaims can be brought in CCB proceedings. A counterclaim can only be asserted against a claimant, must be related to the claimant's claim, must be within the limits on financial awards for CCB proceedings (\$30,000 for standard claims, and \$5,000 for "smaller claims" track proceedings), and must be a permitted type of counterclaim.
- You are not required to bring a counterclaim, but there are benefits to bringing a counterclaim in the CCB, as opposed to a separate proceeding in federal court, and there is no fee to file a counterclaim.
- Counterclaims **must** be filed at the same time as the response to the claim.
- Claimants can't opt out of counterclaims.
- Responses to counterclaims must be filed within thirty days after the participants are notified that the CCB has found the counterclaim is compliant with the Copyright Act and CCB regulations.

WHERE YOU ARE IN A CCB PROCEEDING:

1. Filing a Claim
2. Compliance Review
3. Service
4. Opt-Out Period
- 5. Proceeding Becomes Active**
6. Response
7. Discovery
8. Settlement
9. Written Testimony
10. Determination
11. Post-Determination

How did you get here?

A claimant filed a claim against you, and you didn't opt out. The CCB issued a schedule with a deadline for your response to the claim, and you think you might have your own claim that can be heard by the CCB. Your counterclaim against the claimant is related to the same facts and circumstances as the claimant's claim.

What types of counterclaims can be brought in the CCB?

Counterclaims can only be brought against a claimant, must involve the same facts and circumstances as the claimant's claim, and must be within the limits on financial awards for CCB proceedings. In addition, only counterclaims for copyright [infringement](#), [noninfringement](#), [misrepresentation](#), and certain counterclaims [related to an agreement](#) may be brought in CCB proceedings.

What happens next?

Once you file a counterclaim, a CCB staff attorney will review it to make sure it [complies with the Copyright Act and CCB regulations](#). If it is compliant, the CCB will notify the participants, and the claimant will have to file a response to the counterclaim within thirty days of that notification.

What's a Counterclaim?

A counterclaim, like a claim, is a legal filing that includes a statement of alleged facts and a request for relief. While claims are brought by claimants against respondents, counterclaims are brought by respondents against claimants. A respondent who brings a counterclaim is sometimes called a counterclaimant.

You're not required to raise counterclaims in CCB proceedings, but raising a counterclaim, if you have one, can help make sure related copyright issues are all addressed in the same proceeding.

NOTE: You should not file a counterclaim that mirrors the claim or is identical to your defense of the claim against you. For example, if you state in your response that you did not infringe the claimant's work, there is no need to file a counterclaim for a declaration of noninfringement regarding your actions. On the other hand, if you are responding to a claim seeking a declaration of noninfringement and you believe the claimant has infringed your rights, you may file a counterclaim for infringement if you want an award of damages for the alleged infringement.

Bringing a Counterclaim

The CCB can only hear certain counterclaims. If you want to bring a counterclaim, you must do so at the same time you file your response. This section describes what counterclaims you can bring, factors you should consider in deciding whether to bring a counterclaim, and how to file a counterclaim.

What Counterclaims Can I Bring?

You can only bring certain counterclaims in CCB proceedings. There are a few requirements the counterclaim must meet:

1. It must be brought **only against a claimant** or claimants in the proceeding.
2. It can only ask for a **financial award within the limits set** for CCB proceedings, typically a maximum of \$30,000, or \$5,000 if the claimant chose a “smaller claims” track.
3. It has to be a **permitted type** of counterclaim.
4. It has to be **related** to the facts and circumstances of the claimant’s claim.

WHAT IF MY COUNTERCLAIM INVOLVES PARTIES OTHER THAN THE CLAIMANT?

You can only bring a counterclaim against the claimant (or claimants) in your proceeding. Even if your counterclaim involves the exact same facts and the exact same work as the claim, you can’t bring it against a person or entity who isn’t already a claimant in the proceeding. If your counterclaim involves a person or entity other than or in addition to any of the claimants, and they are a **necessary party** to your counterclaim, without whom your counterclaim should not continue, then your counterclaim will likely be dismissed as **unsuitable**.

You may bring a separate claim before the CCB against a person or entity who has violated your rights but is not currently a party to the proceeding in which you are a respondent. This separate claim can also include some or all of the claimants in the current proceeding. You can learn more about bringing a claim against another person or entity in the [Starting an Infringement Claim](#) chapter.

WHAT ARE THE LIMITS ON FINANCIAL AWARDS FOR COUNTERCLAIMS?

Your request for a financial award for your counterclaim can’t be more than \$30,000 (or \$5,000 if the claimant has chosen a smaller claims track proceeding). If you are seeking statutory damages, the maximum amount is \$15,000 per work infringed, although certain limitations may reduce that cap. You can learn about the limitations in the [About the Copyright Claims Board](#) chapter.

If you’re considering bringing a counterclaim in a “smaller claims” track proceeding, but you want to request more than \$5,000 in damages, you will need to either bring your claim in a separate CCB proceeding or file it in federal court. You can find more information about smaller claims in the [Smaller Claims](#) chapter.

WHAT ARE THE PERMITTED TYPES OF COUNTERCLAIMS?

The counterclaims permitted in CCB proceedings are the same types allowed as claims (with one addition):

- An **infringement** counterclaim that the claimant has infringed your copyrighted work. You can find more information about infringement claims in the [Starting an Infringement Claim](#) chapter.
- A noninfringement counterclaim seeking a **declaration of noninfringement**—that is, a declaration that you haven’t infringed the claimant’s copyrighted work. You can find more information about noninfringement claims in the [Starting a Noninfringement Claim](#) chapter. However, you should not raise this counterclaim if it is the exact same as your defense to the claimant’s infringement claim.

- A **misrepresentation** counterclaim that the claimant made a misrepresentation in a takedown notice or counter-notice about online content. You can find more information about misrepresentation claims in the [Starting a Misrepresentation Claim](#) chapter.
- Where the claimant brought an infringement claim against you, a **counterclaim based on an agreement** (such as a licensing agreement), where the agreement pertains to the same facts as the claimant's infringement claim, and that could affect the claimant's request for a financial award on their infringement claim. This contract-based counterclaim is the one additional claim allowed to be brought as a counterclaim.

***Example:** Mortimer enters into an agreement with Franklin Inc., a stock photography company, to pay a yearly royalty fee to license its photographs, which are accessed through its online database. If Franklin Inc. brings an infringement claim against Mortimer for use of Franklin's photos, Mortimer may decide to raise a defense that their use was within the scope of the license. If Franklin Inc. also removes Mortimer's access to the database six months after Mortimer made the yearly payment, Mortimer may be able to raise a counterclaim for breach of contract to the extent it affects what Mortimer owes Franklin Inc.*

HOW DO I KNOW IF MY COUNTERCLAIM IS RELATED TO THE CLAIM?

To be related to the original claim, your counterclaim must involve the same facts and circumstances as the claim against you. This generally means there's some kind of logical relationship between the claim and the counterclaim. A claim and counterclaim may have the same facts and circumstances when it would be more efficient to have them heard as part of the same proceeding, such as when they involve very similar evidence or witnesses.

***Example:** If a claimant brings a noninfringement claim against you, arguing that their song lyrics did not infringe your poem, you could bring an infringement counterclaim against the claimant that their song lyrics did infringe your poem.*

***Example:** If a claimant brings an infringement claim against you saying you infringed their play, then you can't bring an infringement counterclaim against them saying they infringed an unrelated sculpture of yours.*

If you have a legal dispute against the claimant that isn't related to the claimant's original claim, you can't bring that legal dispute as a *counterclaim* in the CCB. Instead

- if it's a **permitted** type of claim that can be brought before the CCB, you can bring it as a separate CCB proceeding or in federal court.
- if it's another type of claim, you can bring it in court.

Should I Bring a Counterclaim?

CCB respondents aren't required or expected to raise counterclaims—even ones that are related to the claim. Instead, you can simply file your response with any defenses. There are a few advantages to bringing a counterclaim in the same proceeding:

- **Efficiency:** It may be more efficient to bring a counterclaim, so all copyright-related disputes involving the same facts and circumstances are resolved at the same time.
- **Cost:** The claimant has already paid the filing fee for the CCB proceeding, and there isn't a separate filing fee for counterclaims. If you were to file your counterclaim as a separate proceeding or as a lawsuit in federal court, you would be responsible for covering the cost of the filing fee.

- **No opt out:** Claimants don't have the ability to opt out of counterclaims. Because of this, if you file an appropriate counterclaim as part of the same proceeding, you can be confident it will be resolved as part of the same CCB proceeding, unless you withdraw it or it is dismissed. However, if you decide to bring your counterclaim as a claim in a separate CCB proceeding against the claimant, then the claimant would have the opportunity to opt out of that separate proceeding. If the claimant opts out, then your only option would be to sue the claimant in federal court, which is likely to be more expensive for all parties.

***Example:** Drusilla files an infringement claim against Marian in the CCB. Marian has her own infringement claim against Drusilla that relates to the same facts and circumstances as Drusilla's claim. Marian files her infringement claim as a counterclaim in Drusilla's proceeding. Drusilla can't opt out of that proceeding. But if Marian files her infringement claim as a separate CCB proceeding against Drusilla, then Marian would have to pay a separate filing fee, and Drusilla would have the opportunity to opt out of the proceeding.*

However, if you want to seek a financial award beyond the limits in CCB proceedings, then you will need to file your claim in federal court. Federal courts have different procedures than CCB proceedings. You can learn more about the differences between CCB proceedings and federal court lawsuits in the [About the Copyright Claims Board](#) chapter.

How Do I File a Counterclaim?

If you want to bring a counterclaim, you **must** submit it when you file your response to the claim against you. If you decide that you want to raise a counterclaim later in the proceeding, you can only do so with the CCB's permission. The CCB will only allow late counterclaims if it finds good cause to do so, which typically means there was a good reason you didn't file it earlier and it is not unfair to the claimant. You can find more information about asking for permission to file a late counterclaim in the CCB's [regulations](#).

Counterclaims are filed through [eCCB](#) as part of your response. Just like when you are filing a response without counterclaims, sign in to your [eCCB account](#), go to the Dashboard page, and click on "**Respond to claim.**" A pop-up menu will ask you which claim you are responding to and if you will be filing any counterclaims. If you answer "Yes" to the question about counterclaims, you will be given the option to select which type of counterclaim you wish to bring. You can bring more than one type of counterclaim, **but you must have a basis for each of the counterclaims you bring.** eCCB will first take you through the response portion of the form and then through the counterclaims portion of the form. You can find more information about filling out the response portion of the form in the [Responding to an Infringement Claim](#) chapter.

Once you reach the counterclaims step, eCCB will ask you to confirm the types of counterclaims you chose before filling out your response. Click "**Save & continue**" to confirm that the type of counterclaim(s) that you selected earlier is correct. If you want to change your counterclaim selection, you can check the type(s) of counterclaim you wish to raise (or decide you no longer want to file any counterclaims), then click "**Apply changes**" and "**Save & continue.**"

INFRINGEMENT, NONINFRINGEMENT, AND MISREPRESENTATION COUNTERCLAIMS

If you are bringing an infringement, noninfringement, or misrepresentation counterclaim, you first will need to describe why your counterclaim involves the same facts and circumstances as the claim against you.

After this, you will provide information specific to the type of claim you are bringing. You can learn more about the information you will need to provide and how to fill out the eCCB form in the relevant chapter:

- [Starting an Infringement Claim](#)
- [Starting a Noninfringement Claim](#)
- [Starting a Misrepresentation Claim](#)

NOTE: if you are raising an infringement counterclaim, you must have either a copyright registration or a pending application to register your copyright.

COUNTERCLAIM BASED ON AN AGREEMENT

If you are bringing a counterclaim based on an agreement, [contact the CCB staff](#) for more information.

What Happens Next?

Once you submit a counterclaim, a Copyright Claims Attorney will review it for compliance with the Copyright Act and CCB regulations. If your counterclaim is not compliant, the CCB will contact you, and you will be given up to two chances to make your counterclaim compliant, so it can move forward. If you cannot fix the issues with any of your counterclaims, all of your counterclaims will be dismissed without prejudice, meaning you can bring them in the future before the CCB if you can fix the issues, or you can bring them in federal court. More information about this process is available in the [Compliance Review](#) chapter.

Responding to a Counterclaim

If a respondent files a counterclaim against you, a Copyright Claims Attorney will review it for compliance with the Copyright Act and CCB regulations. If it is found to be compliant, the CCB will notify all participants in the proceeding. After this notification, you will have thirty days to file a response to the counterclaim. You cannot opt out of a counterclaim. If you do not respond to the counterclaim within the thirty days allowed, the CCB may issue a notice of **default**. Unless you file a response promptly after that, the CCB can make a default determination against you on the counterclaim.

Your response to the counterclaim is your opportunity to present your side of the story and raise any defenses that you have to the counterclaim. In your response, you can dispute any of the facts or arguments in the counterclaim that you believe are wrong and explain why you believe they are wrong. You can also raise defenses, which are reasons why you believe you should not be held responsible for the counterclaim.

You can find more information about responses and defenses in the relevant chapter:

- [Responding to an Infringement Claim](#)
- [Responding to a Claim Requesting a Declaration of Noninfringement](#)
- [Responding to a Misrepresentation Claim](#)

Glossary

- **Active Phase:** The portion of the proceeding starting from the end of the respondent’s sixty-day opt-out period and continuing until the CCB’s final determination of the case.
- **Declaration of noninfringement:** A determination that particular actions did not or will not infringe a copyright owner’s rights.
- **Default:** A determination that can be issued against a respondent or counterclaim respondent if they miss deadlines and fail to participate in their defense.
- **Infringement:** Copyright infringement occurs when a copyrighted work is reproduced, distributed, publicly performed or displayed, or made into a derivative work, without permission of the copyright owner, if the use does not qualify for an exception, such as fair use.
- **Misrepresentation:** A false statement in a takedown notice or counter-notice made with knowledge that it is false and that causes an online service provider to remove or repost the allegedly infringing online content.
- **Necessary party:** A person or entity that absolutely needs to be included as a party in the proceeding because their interests will be directly affected by the outcome of the proceeding, or whose absence might create a substantial risk that an existing party would incur multiple or inconsistent obligations.