

CoStar Adversary Agrees to \$500 Million Judgment in Copyright Case

October 2019

On October 22, 2019, Williams & Connolly client CoStar Group announced that its adversary, Xceligent, Inc., through its bankruptcy trustee, had agreed to entry of a \$500 million judgment in favor of CoStar. The judgment, which is subject to court approval, would represent the largest **copyright** judgment in history for infringement of photographs, and the third largest copyright judgment of any kind. CoStar had sued Xceligent in Kansas City in 2016, simultaneously executing ex parte civil seizure orders to gather evidence from Xceligent's contractors in the Philippines and India. After a year of hard fought litigation around the world, Xceligent filed for bankruptcy in late 2017. Despite Xceligent's bankruptcy and lack of substantial assets, Xceligent's insurers have agreed to pay \$10.75 million to CoStar to satisfy a portion of the judgment and offset some of CoStar's legal costs.

In moving for bankruptcy court approval of the judgment, Xceligent admitted that an FTC monitor had concluded that the company had improperly derived almost 40,000 images from CoStar's systems and that prosecutors in the Philippines had indicted Xceligent's offshore contractor for committing "the classic example of a computer crime" by accessing and copying CoStar's content online.

Reflecting on the matter, Jaye Campbell, Head of Litigation for Costar, stated: "The scale of Xceligent's infringement and other bad acts is unprecedented in our industry. CoStar is pleased to have reached this result after many years of detailed investigation and coordinated litigation in courts around the world. Our partners at Williams & Connolly were indispensable to the effort."

The Williams & Connolly team includes partners **Nick Boyle**, **Bryan Wilson** and **Carl Metz**, associates **Mary Beth Hickcox-Howard**, **Matt Blumenstein**, **Sean Douglass**, and **Youlin Yuan**, and paralegal Daena Brown.

[Click here](#) to read *The American Lawyer's* coverage of the case.

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