

Skip the Copyright Office and Proceed Directly to Suit? Jason Bloom¹

It has long been settled, or so practitioners thought, that a copyright registration is required before filing suit for copyright infringement. The Supreme Court, however, recently overturned this longstanding thinking—and a series of Federal Circuit Court decisions—by holding that registration of a copyright is not required before jurisdiction exists in a copyright infringement lawsuit. The Court, in *Reed Elsevier, Inc. v. Muchnick*, 130 S. Ct. 1237 (2010), disagreed with the holding of the Second Circuit here (as well as longstanding decisions in six other circuits) that the Copyright Act's registration requirement was jurisdictional in nature. Rather, the Court found that the registration requirement is a non-jurisdictional pre-condition to suit. *Id.* at 1247. The Court declined, however, to address whether the registration is mandatory or what, if anything, courts and litigants can or should do when faced with a suit involving an unregistered copyright.

The *Muchnick* case involved a class action by freelance authors and trade groups asserting claims of copyright infringement related to the electronic reproduction of works in which the authors retained copyright ownership. *Id.* at 1242. While the named plaintiffs and many members of the class had registered their works with the United States Copyright Office, shockingly, some members of the class had not done so. *Id.* After negotiating for three years, the parties ultimately arrived at a settlement, which was approved by all but 10 of the freelance authors. *Id.* When the parties moved the district court to certify the class and approve the settlement, the 10 freelance authors who did not approve objected, and ultimately appealed to the Second Circuit. *Id.*

The objecting authors did not raise the issue of subject matter jurisdiction. Rather, even more surprisingly, the Second Circuit *sua sponte* requested briefing on whether 17 U.S.C. § 411(a) deprived federal courts of subject matter jurisdiction over cases involving unregistered copyrights. *Id.* Ultimately, noting an agreement on the issue among many circuit courts, the Second Circuit found that § 411(a)'s registration requirement was jurisdictional.² However, the Supreme Court disagreed with the Second Circuit and a number of earlier opinions, noting that § 411(a) says nothing about subject matter jurisdiction and is located in a separate code title from 28 U.S.C. §§ 1331 and 1338, the two statutes which grant federal courts subject matter jurisdiction over federal questions and copyright claims, respectively. *Id.* at 1245-46. Section 411(a), which is located in the Copyright Act, rather than with traditional jurisdictional statutes, provides:

Except for an action brought for a violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), no civil action for infringement of the copyright in any United States work shall be instituted until pre-registration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office and refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may...become a party to the action with respect to the issue of registrability of

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² *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 121-22 (2d Cir. 2007)(citing *La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200 (10th Cir.2005); *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir.2004); *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir.2003); *Murray Hill Publ'ns, Inc. v. ABC Commc'ns, Inc.*, 264 F.3d 622, 630 n. 1 (6th Cir.2001); *Brewer-Giorgio v. Producers Video, Inc.*, 216 F.3d 1281, 1285 (11th Cir.2000); *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1163 (1st Cir.1994)).

the copyright claim...but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

The Court stated that the statute does not render the registration requirement contained therein jurisdictional simply because § 411(a) mentions the word "jurisdiction". *Muchnick*, 130 S. Ct. at 1245. Rather, the Court determined that reference to jurisdiction was only included to clarify that district courts could consider the issue of registrability of a copyright even if the Register did not intervene as a party. *Id.*

The Court also noted that the various exceptions to the registration requirement in § 411(a) make it less likely to be a jurisdictional-requiring statute, although this fact was not, standing alone, dispositive of the issue. *Id.* at 1246. Section 411(a) does not require registration as a prerequisite to suit when one of the following applies: (i) the work is not a United States work, (ii) the claim concerns the right to attribution and integrity under § 106A, and (iii) where registration was attempted but refused. 17 U.S.C. § 411(a). The Court found that "[i]t would at least be unusual to ascribe jurisdictional significance to a condition subject to these sorts of exceptions." *Muchnick*, 130 S. Ct. at 1246.

Considering these factors and noting that it must look to the "legal character" of a prerequisite to suit prior to labeling it as jurisdictional, the Supreme Court found that § 411(a), while a prerequisite to suit, is not jurisdictional, but is more akin to a claim-processing rule. *Id.* at 1243-44, 1246-47. In doing so, the Court wiped away the opinions from seven circuits that had previously found § 411(a)'s registration requirement to be jurisdictional.³ The Court did not, however, explain what effect failing to obtain a copyright registration, or otherwise falling into one of § 411(a)'s exceptions, would have on copyright infringement suits going forward.

While it is clear that registration is no longer a jurisdictional prerequisite to a copyright infringement lawsuit, a defendant alleged to have infringed an unregistered copyright is not without recourse. Since *Muchnick*, some district courts, while noting the impact of the Supreme Court's ruling on attempted Rule 12(b)(1) motions to dismiss for lack of subject matter jurisdiction, nevertheless have dismissed copyright infringement claims regarding an unregistered work for failure to state a claim upon which relief could be granted under Rule 12(b)(6).⁴ Other district courts have acknowledged the ruling in *Muchnick*, but nevertheless dismissed claims regarding unregistered works under § 411(a).⁵ Furthermore, other courts have found the issue proper for consideration on summary judgment.⁶

Thus, while the waters remain somewhat murky as to the proper approach to defeating a copyright infringement claim based on an unregistered work, many courts seem willing to dismiss such claims on grounds other than lack of subject matter jurisdiction. Since the Supreme Court declined to decide

³ See *Well-Made Toys Mfg. Corp. v. Goffa Int'l Corp.*, 354 F.3d 112 (2d Cir. 2003); *Morris v. Business Concepts, Inc.*, 259 F.3d 65 (2d Cir. 2001); *La Resolana Architects*, 416 F.3d 1195; *Positive Black Talk*, 394 F.3d 357; *Xoom*, 323 F.3d 279; *Murray Hill*, 264 F.3d 622; *Brewer-Giorgio*, 216 F.3d 1281; *Data Gen.*, 36 F.3d 1147.

⁴ *Staggs v. West*, 2010 U.S. Dist. LEXIS 63174, at *7-9 (D. Md. Jun. 25, 2010)(dismissing claim where plaintiff failed to allege or demonstrate copyright registration); *Sleep Science Partners v. Lieberman*, 2010 U.S. Dist. LEXIS 45385, at *13-17 (N.D. Cal. May 10, 2010)(dismissing claim for lack of registration even though application had been filed); *DRK Photo v. Houghton Mifflin Harcourt Publ'g Co.*, 2010 U.S. Dist. LEXIS 40875, at *2-3 (D. Ariz. Apr. 26, 2010)(dismissing claims for unregistered works, but finding that unregistered works could still fall within scope of injunctive relief).

⁵ *TI Training Corp. v. Otte*, 2010 U.S. Dist. LEXIS 59186, at *8-9 (D. Col. Jun. 15, 2010)(finding registration to be mandatory precondition to suit and dismissing infringement claim sua sponte).

⁶ *Axxiom Mfg., Inc. v. McCoy Inv., Inc.*, 2010 U.S. Dist. LEXIS 61206, at *13-14 (S.D. Tex. Jun. 21, 2010)(finding dismissal of claim regarding unregistered work appropriate for determination on summary judgment since evidence beyond complaint would need to be considered); *Marketing Tech. Solutions, Inc. v. Medizine, LLC*, 2010 U.S. Dist. LEXIS 50027, at *15-16 (S.D.N.Y. May 18, 2010)(granting summary judgment motion to dismiss claim regarding unregistered work).

whether § 411(a)'s registration requirement is a *mandatory* precondition to suit, the door remains open for courts to refuse to dismiss copyright infringement claims based on unregistered works. While the Court in *DRK Photo* dismissed copyright infringement claims based on unregistered works, it nevertheless noted that the unregistered works could still be included in the scope of any injunctive relief ultimately issued by the court. 2010 U.S. Dist. LEXIS 40875, at *2-*3. One important difference does exist between lack of subject matter jurisdiction and failure to state a claim upon which relief can be granted—arguments as to lack of a registration on such grounds can be waived if not timely asserted in the district court. Courts are also less likely to consider non-jurisdictional grounds for dismissal *sua sponte*.

The Supreme Court's ruling in *Muchnick* thus seems to be good news for copyright-holding plaintiffs, especially those seeking a quick injunctive remedy before they are able to register their works with the Copyright Office. Moreover, even if a court is inclined to dismiss a copyright infringement claim for lack of a registration, plaintiffs in many circuits can now attempt to cure this error simply by showing that they have applied for a registration, which may even be done after suit is filed but before a decision is reached. The Supreme Court did not, however, completely remove the teeth from § 411(a), as some courts remain willing to dismiss claims regarding unregistered works at summary judgment or on Rule 12(b)(6) grounds, even if an application has been filed. Additionally, failure to register a work before an infringement suit can result in the loss of certain remedies, including potentially substantial attorneys' fees and statutory damages. See 17 U.S.C. § 411(b). Wary plaintiffs holding unregistered copyrightable works of authorship should therefore at least apply for a copyright registration before or shortly after filing a copyright infringement lawsuit. Similarly, savvy defendants should seek to dismiss claims regarding unregistered works on grounds other than lack of subject matter jurisdiction. The best course to chart through these murky copyright waters remains the same—register early and often.