

Supreme Court May Decide Whether Litigants Must Await Copyright Registration Decision Before Filing Suit

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This term, the U.S. Supreme Court may decide an issue that has been perplexing district and circuit courts for decades—whether a copyright claimant must wait on the Copyright Office to issue (or deny) a registration certificate before filing a suit for copyright infringement. The issue has led to a split among the circuits, with the Fifth and Ninth holding that copyright claimants need only file an application, deposit, and fee in order to file suit (the “application approach”) and the Third, Seventh, Tenth, and Eleventh Circuits holding that claimants must await a registration decision from the Copyright Office—a process that can take 7 to 15 months (the “registration approach”).

The case before the Court is *Fourth Estate Public Benefit Corporation v. Wall-Street.com, LLC*. Fourth Estate is a news organization that had licensed Wall-Street.com to publish content on its website. When the license expired, Wall-Street.com continued publishing 244 of Fourth Estate’s articles in a manner that Fourth Estate contended violated its copyright interests. Although Fourth Estate had not obtained copyright registration certificates for many of the articles, it filed applications upon discovering the infringement, and promptly filed suit before the Copyright Office had made a registration decision. The district court dismissed the lawsuit on the ground that it could not be filed until a registration decision had been made, and the Eleventh Circuit affirmed. Fourth Estate petitioned the case to the U.S. Supreme Court, which granted certiorari.

Ambiguity in the Copyright Act

The dispute arises from section 411(a) of the Copyright Act, which holds that a suit alleging infringement of a copyright in a U.S. work cannot be instituted until “registration...has been made in accordance with this title.” Courts and litigants dispute whether “has been made” refers to action by the copyright claimant in submitting the application, deposit, and fee, or action by the Copyright Office in issuing a registration certificate. The Copyright Act is not much help, as it refers to the making of registration at various times as action by the copyright owner and at others as action by the Copyright Office.

Complicating matters, section 411(a) provides that even if, after receiving a copyright application, deposit, and fee, the Copyright Office refuses registration, the applicant shall still have the right to sue. Therefore, claimants under the “registration approach” are not required to obtain issuance of registration certificate, but are rather required to await a decision from the Copyright Office. That would seem to suggest that “registration...has been made” refers to something other than the issuance of a registration certificate. Moreover, section 410(d) provides that a copyright registration’s effective date is the date the application, deposit, and fee are received by the Copyright Office. There is therefore plenty of ambiguity in the Act to support both interpretations.

Policy Largely Favors the Application Approach

Although policy will not necessarily win the day, public policy largely favors the application approach over the registration approach—especially from the perspective of copyright claimants. First, under

normal circumstances, it can take the Copyright Office between 7 and 15 months to issue or deny a registration certificate. Such delay is widely viewed as unreasonable in light of the fact that the Copyright Office grants more than 97 percent of all copyright applications filed. And, the delay can be prejudicial to claimants who require prompt injunctive relief or who are running up against the Copyright Act's 3-year statute of limitations. And, requiring claimants to wait several months for the Copyright Office to make a registration decision makes even less sense in light of the fact that claimants are entitled to sue regardless of whether the Copyright Office grants or denies registration.

It is true, as those supporting the registration approach argue, that the Copyright Office will expedite registration decisions if claimants pay an additional fee of \$800. In such cases, the Copyright Office endeavors to issue registration decisions within seven days of application, but there is no guarantee as to timing, and the process can often take much longer. Moreover, while an additional \$800 fee may be a drop in the bucket for corporate claimants willing to pursue copyright litigation, such a fee can be burdensome to individual and non-profit litigants, and can even burden well-funded litigants when there are hundreds of copyrighted works at issue. For example, if Fourth Estate were required to pay an additional \$800 expedited fee for each of the 244 works on which it sued, the total fee would have been \$195,200.

Another argument in favor of the application approach is that it is more in line with international law and, more specifically, the Berne Convention, an international agreement to which the United States acceded in 1988. Article 5(2) of the Berne Convention provides that “[t]he enjoyment and the exercise of [copyright] rights shall not be subject to any formality . . .” In accordance with Berne, sections 102(a) and 408 of the Copyright Act provide that copyright ownership subsists from the moment a copyrightable work is fixed in a tangible medium, regardless of whether the work is ever registered. Yet, requiring a copyright owner to await receipt of a registration certificate from the Copyright Office before filing suit contravenes Berne by adding an administrative obstacle to copyright enforcement. In fact, few countries in the world require that claimants even file an application before filing suit, much less that they receive a registration decision from the Copyright Office. Accordingly, the Copyright Act's registration requirement specifically only applies to U.S. works, meaning that owners of foreign works may file suit in the U.S. without applying for registration. The registration approach thus only disadvantages U.S. claimants.

There are, of course, policy arguments in favor of the registration approach. For one, although courts are not bound by the Copyright Office's registration decisions, Courts may benefit at the forefront from knowing whether the Copyright Office believes a work is copyrightable. However, the Copyright Office grants more than 97 percent of applications and, given the typical length of federal court litigation, it is likely that a Court following the application approach will know the Copyright Office's view well before a case reaches trial. And, in any event, Courts are always able to stay litigation while they await a decision from the Copyright Office in close cases.

Another argument in favor of the registration approach is that the public benefits from having a national registry of copyrighted works, and the registration approach incentivizes early registration. While this may be true to some degree, the Copyright Act contains other incentives for registration, including that attorneys' fees and statutory damages are generally only available with respect to works registered prior to the commencement of infringement or within three months of publication.

Outcome

The case was argued to the Supreme Court on January 8, 2019, and a decision is expected before the end of June. At oral argument, the justices seemed to favor the registration approach from a

statutory interpretation perspective but also seemed to embrace the policy arguments favoring the application approach. If nothing else, the decision will finally resolve the application-registration debate and bring further uniformity to the application of the Copyright Act. Perhaps, even if the registration approach wins the day on statutory construction grounds, Congress will be prompted to amend the Copyright Act to bring it in line with good policy and international law.

Haynes Boone signed on to an amicus brief on behalf of the International Trademark Association favoring the application approach discussed herein. That brief can be found [here](#).