Supreme Court to Clarify What Constitutes a 'Registration' Under the Copyright Act

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On June 28, 2018, the U.S. Supreme Court granted petition for writ of *certiorari* in *Fourth Estate Public Benefit Corporation v. Wall-Street.com, LLC*, on appeal from the U.S. Court of Appeals for the Eleventh Circuit's May 18, 2017, decision (856 F.3d 1338). The issue presented in the appeal to the Supreme Court is whether "registration of [a] copyright claim has been made" within the meaning of Section 411(a) of the Copyright Act: (1) when the copyright holder has filed a complete application for registration, paid all required fees and submitted all necessary deposits to the Copyright Office; or (2) only once the Copyright Office has responded to the complete application and issued a registration certificate. As discussed below, the Court's decision — which will resolve a long-standing circuit split — will have important implications for copyright lawsuits going forward because, absent narrow exceptions, a "registration" under Section 411(a) is a necessary prerequisite for bringing an infringement claim.

Background

17 U.S.C. § 411(a) states that "no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title."[1] As numerous courts have pointed out, neither the definition of "registration" in the Copyright Act itself, nor other provisions of the act, provide useful guidance on how "registration of the copyright claim" was intended to be interpreted in this provision. The result of this ambiguity has been a circuit split on what constitutes "registration" sufficient to file a lawsuit for copyright infringement:

- The U.S. Courts of Appeals for the Tenth and (now) Eleventh circuits — and the U.S. Court of Appeals for the Federal Circuit in an unpublished opinion — have held that a work is a subject of a "registration" for Section 411(a) purposes only once a certificate of registration has been issued by the Copyright Office. These opinions have focused primarily on the language of the Copyright Act as well as the legislative history behind the statute's adoption;
- The U.S. Courts of Appeals for the Fifth and Ninth circuits have taken a more lenient approach, finding "registration" exists when a plaintiff paid the required fee, deposited the work at issue with the Copyright Office and filed the completed application — *i.e.*, all of the required steps for a party to obtain a registration (provided that the work is actually copyrightable). These courts reasoned that, provided the copyright owner had complied with the requirements to obtain registration, the statutory incentives encouraging public disclosure had been met and, accordingly, infringement actions should be available to the copyright owner.

None of the other circuits has provided any clear guidance on the issue or formally adopted either of the foregoing interpretations.

The *Fourth Estate* Decision

The Fourth Estate is a news organization that produces online journalism and licenses its articles to an intermediary, which in turn licenses those articles to websites, including defendant Wall-Street.com. Wall-Street.com's license agreement required it remove the Fourth Estate's articles from its website when it canceled its account with the third party, but Wall-Street.com failed to comply. Accordingly, the Fourth Estate brought suit for copyright infringement.

[1] This provision includes an exception for works that were first published outside the U.S. and are subject to the Berne Convention. "Preregistrations" are effectively placeholders for forthcoming copyright registrations that are permitted by the Copyright Office under certain limited circumstances, typically when the development of a copyrighted work (such as a motion picture) is in progress but not yet completed or ready for publication (and registration).

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The Fourth Estate, however, did not have a registration certificate for the copyrighted works at issue; in fact — in what is not an uncommon practice among putative copyright plaintiffs — the Fourth Estate only submitted its application to the Copyright Office immediately before filing its lawsuit. The district court dismissed the infringement claim solely on the grounds that the Fourth Estate did not have the required "registration" to bring suit under Section 411(a) of the Copyright Act.[2]

In May 2017, the Eleventh Circuit affirmed, formally adopting the stricter interpretation of "registration" — possession of a certificate issued by the Copyright Office — already espoused by the Tenth Circuit. The court found that Section 411(a)'s reference to a "registration" was unambiguous but also addressed the policy justification behind its interpretation. Specifically, the Eleventh Circuit explained that the purpose of the provision was to encourage prompt and swift registration of copyrights, as opposed to waiting to apply for registration until learning of an infringement. The court rejected the Fourth Estate's argument that the Copyright Act's relatively short three-year statute of limitations for infringement actions compelled a different result or risked creating a system whereby copyright owners could be deprived of their ability to bring lawsuits at all.

The Fourth Estate's *Certiorari* Petition and the Solicitor General's Position

The Fourth Estate filed a petition for a writ of *certiorari* on October 13, 2017, arguing that the Eleventh Circuit's interpretation of "registration" is too narrow and that "registration" under Section 411(a) required merely that the applicant complete all necessary steps to obtain the registration (*e.g.*, pay the fee, deposit the work and submit a complete application). In so arguing, The Fourth Estate made two principal arguments. First, as a matter of statutory interpretation, it took the position that the text of the Copyright Act indicates that the phrase "registration ... has been made" as used in Section 411(a) refers to action taken by the copyright holder, not the Copyright Office. Second, as a matter of public policy, it took the position that the Eleventh Circuit's interpretation is inconsistent with the Copyright Act's scheme of rights and remedies, given that absent an expensive, expedited copyright registration filing, the process of obtaining a registration certificate can take months and, in some cases, would prevent a copyright owner from obtaining some, or even all, of the relief it is seeking before the statute of limitations period expires.

Upon receipt of the petition for *certiorari*, the Supreme Court sought comment from the solicitor general, who on May 16, 2018, filed an *amicus curiae* brief recommending that the petition be granted and that the Eleventh Circuit's interpretation of Section 411(a) be adopted. The solicitor general echoed the sentiment of the Tenth and Eleventh circuits that the language of the Copyright Act clearly and unambiguously required a registration certificate to be issued. The solicitor general also argued that the history of the Copyright Act and the practices of the Copyright Office supported this stricter interpretation.

Implications

The Supreme Court has an opportunity to eliminate uncertainty and promote uniformity among the circuit and lower courts concerning whether a putative copyright plaintiff has the requisite "registration" to bring an infringement claim. The ruling will also have major implications with respect to the ability to bring infringement lawsuits.

If the Supreme Court agrees with the Eleventh Circuit, we would expect to see a reduction in the number of infringement claims — or, at minimum, substantial delays in the bringing of such claims — because obtaining a registration certificate can be a substantial obstacle both in terms of time and expense. In that regard, and as the solicitor general recognized, applications at the Copyright Office take, on average, eight months to process, and expedition currently costs an additional $800 per registration.

Adopting the Eleventh Circuit's standard would also, however, create an obvious incentive for knowledgeable parties to promptly seek copyright registrations upon publication of their copyrighted works. As a practical matter, however, higher-volume creators of copyrighted works — such as print publishers, web content creators, and creators of televised or streaming content — would be faced with a difficult and costly choice of registering all their works immediately or waiting until an act of infringement is discovered. Although the latter option would be much more cost-effective, it would lead to long delays before a copyright infringement claim could be filed.

Conversely, if the Supreme Court rejects the Eleventh Circuit's interpretation and instead concludes that copyright owners could bring infringement claims upon completing the application process, it would remove a substantial obstacle to bringing claims but disincentivize the diligent seeking of registrations (although prompt applications are also separately incentivized by Section 412 of the Copyright Act, which generally permits awards of statutory damages and attorneys' fees in connection with works that have an effective date of registration preceding the commencement of infringement). This approach could also burden the courts with infringement claims involving works that the Copyright Office might otherwise have determined were not eligible for copyright (such as those ineligible due to lack of the requisite originality).

[2] The district court dismissed the infringement claim pursuant to Rule 12(b)(6) because the lack of the registration under Section 411(a) posed a merits issue. The existence of a registration is not a jurisdictional issue despite the fact that a plaintiff, in effect, lacks standing to bring a claim if it does not have a registration.