

Issues High Court Will Explore In Copyright Registration Case

By **Irene Lee** (October 17, 2018)

The U.S. Supreme Court will soon hear cases impacting everything from older workers to tribal rights. But writers, designers, artists, musicians and other creators of original works, and companies that routinely create works and own copyrights in them, will be watching one case — *Fourth Estate Public Benefit Corporation v. Wall-Street.com* — because it could significantly affect how they strategize to protect copyrights.



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Petitioner Fourth Estate is an independent news organization that produces and publishes news articles. It retains the copyrights to these articles and licenses them to other news outlets to distribute them.

Respondent Wall-Street.com obtained and published some of Fourth Estate's works on its site, subject to a limited license which required that it "must stop display of all [Fourth Street] provided content and permanently take down, remove and/or delete all cached, saved, archived, stored or databased content or data" once the license expired. Wall-Street's license expired, but it continued to display such content.

Fourth Estate went to court. It sued Wall-Street.com for copyright infringement in the Southern District of Florida "immediately" after filing applications to register the asserted works but before the U.S. Copyright Office acted on the new applications. The district court dismissed the suit because the register of copyrights had not yet acted on the copyright applications and a unanimous Eleventh Circuit panel affirmed the dismissal. It followed the Tenth Circuit in requiring copyright owners to show that their copyright applications have been acted on by the register of copyrights before instituting a civil action for copyright infringement as 17 U.S.C. § 411 provides that "no civil action shall be instituted until ... registration of the copyright claim has been made in accordance with this title." That statute further provides that "[i]n any case ... where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been 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."

Unlike patents, which must be issued by the U.S. Patent and Trademark Office before an infringement claim can be initiated, or trademarks, which are awarded protection under common law even without ever filing an application or obtaining a registration, copyrights fall into a gray area. Both sides agree that a copyright exists at the moment of creation in a tangible medium of expression. What they disagree on and the question before the court is: What constitutes "registration" for copyright under Section 411(a)? The Tenth and Eleventh Circuits have held that a copyright owner must show that the register has acted on an application, either by accepting or refusing it, before filing an infringement action. The Ninth and Fifth Circuits have followed an "application" approach, which holds it sufficient that a copyright owner has filed "the deposit, application, and fee required for registration" before filing a suit for infringement. The remaining circuit courts have not resolved this procedural question, which is presented at the threshold of virtually every copyright infringement action.

Before granting the petition, the court invited the solicitor general to express the views of the United States. In response, he advocated granting the petition and shared the Tenth

and Eleventh Circuits' interpretation of registration. Not surprisingly, the Ninth and Fifth Circuits' "application" approach was supported by a number of organizations that advocate for artists' rights: Five amicus briefs were submitted in support of Fourth Estate by the American Bar Association, the Copyright Alliance, the International Trademark Association, the National Music Publisher's Association, the Recording Industry Association of America, the American Society of Composers, Authors and Publishers, Broadcast Music Inc., Nashville Songwriters Association International, Songwriters of North America, The Authors Guild Inc., and 12 other artists' rights organizations.

In practice, although my copyright practice is largely in the Ninth Circuit, I routinely advise clients to secure a copyright certificate, if feasible, before pursuing infringement claims.

Of course, we encounter situations where waiting for a registration certificate to issue before pursuing a copyright claim is not feasible. Often a copyright holder needs to act swiftly in order to stop impending or further infringing activities. Having to wait until the copyright office acts on your application could severely prejudice your case. Fourth Estate is one example. As of its petition for a writ of certiorari, its copyright applications had remained pending more than 19 months, more than half of the Copyright Act's statute of limitations of three years. Had it waited until the copyright office acted on its applications, not only might the statute of limitations have run out, but its argument for injunctive relief might have also been questioned.

But, in general, securing a registration certificate provides some level of clarity in litigation which is inherently unpredictable and subject to uncertainties. Imagine the confusion that could arise when a deposited work is deemed unregistrable in the middle of an infringement case.

Also, the process for securing a copyright registration certificate is relatively simple: depositing copies of the work, along with the application and filing fee. The standard filing fee for electronic registration is \$55. For a single work, not made for hire, with one author and claimant, the fee is \$35. The time frame for action is relatively short — generally three to six months — compared to securing a trademark registration or a patent. However, again, these several months could severely impact any chance of obtaining a preliminary injunction. Expedited processing can be obtained for an \$850 "special handling" fee, but that could be cost-prohibitive for a freelance writer, struggling artist, or companies that create hundreds of contents and designs every season.

While these filing fees may seem nominal when compared to patent and trademark filing costs, they could be unworkable for a small design house compelled to register every single work it creates, or a news organization, such as Fourth Estate, that produces hundreds of articles on a weekly basis.

Whether the court decides in favor of the Tenth and Eleventh Circuits' "certificate" approach or the Fifth and Ninth Circuits' "application" approach, copyright owners would be well advised to have their registration certificates in hand before pursuing copyright infringement claims. For the Apples and Googles of the world, this would be a no-brainer. For Fourth Estate and other small enterprises, it may be a matter of strategizing early to select the right works for which to secure a registration certificate and keeping their fingers crossed that the copyright office acts on their applications expeditiously.

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