

Insights: Alert

Supreme Court Resolves Circuit Split, Requires That Plaintiffs Possess Issued Registrations Prior to Filing Suit

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On March 4, 2019, the United States Supreme Court held that the Copyright Office must grant registration of a copyright before a plaintiff can bring an infringement lawsuit, rejecting the view that an application alone is a sufficient basis upon which to initiate suit. The case, captioned *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, presents a subtle but potentially critical distinction for plaintiffs that need to take quick action to enforce their copyrights.

Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC

The plaintiff in this case, Fourth Estate Public Benefit Corp., is a news organization that licensed articles to Wall-Street.com, LLC. Wall-Street.com canceled the parties' agreement but continued to host Fourth Estate's content on its website, in violation of the license terms. Fourth Estate, however, had no copyright registrations for the articles, as required by 17 U.S.C. § 411(a), which provides 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.” Fourth Estate then promptly *applied* for registration and sued for copyright infringement, but the district court dismissed the complaint, and the Eleventh Circuit affirmed, because the works were not yet registered.

The Eleventh Circuit's “registration approach,” while straightforward, was at odds with certain other circuits. For example, the Fifth and Ninth Circuits have followed an “application approach,” allowing copyright owners to sue as long as they had applied for registration before filing a complaint. The Supreme Court granted *certiorari*, seeking to resolve the circuit split.

Justice Ginsburg, writing for a unanimous court, affirmed the Eleventh Circuit and found that the Copyright Office must take action on an application before the filing of a complaint. This means that even if the Office refuses to register a work, its owner can still sue—but must wait for the refusal to issue first. The Court emphasized the “preregistration” option permitted by § 411(a) and § 408(f), allowing “preregistration of a work that is being prepared for commercial distribution and has not been published” if that type of work “has had a history of infringement prior to authorized commercial distribution.” This option, the Court reasoned, would be essentially meaningless if an application alone ensured a copyright owner's ability to sue.

In addition, the Court noted § 410(a)'s language stating that “after examination,” if the Register determines that “the material deposited constitutes copyrightable subject matter” and “other legal and formal requirements ... [are] met, the Register shall register the claim.” In the Court's view this language further supported its conclusion that the term “registration” as used in the Act presupposes an event that occurs only after review by the Copyright Office.

Practical Implications and Key Takeaways

While the Supreme Court disposed of this issue in 12 short pages in unanimous fashion, the opinion does contradict the views of many courts and commentators, including leading copyright scholars Nimmer and Goldstein. The Ninth Circuit, which had followed the “application approach,” frequently encounters high-profile copyright disputes involving music, film, software, and more.

By imposing the “registration approach,” the Supreme Court has made early registration or preregistration a crucial step for content owners that face a risk of immediate harm upon releasing a work. As the Court noted, the Copyright Office's average processing time is seven months (up from one to two weeks in 1956). When a film studio releases a new movie, for example, it may find an unauthorized copy online that, if other options fail, would require a temporary restraining order (TRO) or preliminary injunction to preserve the movie's fleeting box office value. Under *Fourth Estate*, this relief is only available if the studio has already obtained registration or preregistration.

On the other hand, the registration burden may reduce copyright “troll” litigation, discouraging plaintiffs from filing excessive and opportunistic complaints that are based merely on pending, unexamined applications and which strain judicial resources.

The decision also further underscores the utility of the Copyright Office's expedited registration procedures, whereby an applicant may seek “special handling” of its application, which currently entails a fee of \$800, in which case the Copyright Office will endeavor to process the claim within five working days. It seems almost certain that the Office will see an uptick in such requests in the wake of the Court's decision. Of course, this will not be a change for litigants filing claims in those jurisdictions such as the Tenth and Eleventh Circuits, which traditionally have been “registration” circuits. But, claimants in other circuits will need to acclimate themselves to a new way of registering their works when urgent circumstances require them to take quick action.