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IP FRONTIERS

Application or registration? Supreme Court to decide when copyright holders may bring infringement suit

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The United States Copyright Act contains one of the great contradictions in American jurisprudence. Copyright automatically inheres in a work at the moment the work is created. In other words, an author of any work of art has copyright rights in that work immediately upon completion. However, if another party infringes the author's work, the author cannot bring a suit for copyright infringement unless the work has been "registered." Essentially, the author has rights in a work immediately, but cannot enforce those rights until they take further action in the Copyright Office. The registration requirement can be found in 17 U.S.C. § 411, which states:

"[N]o 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."

While this may seem straightforward, this language has led courts to decide the question of when "registration" occurs in order to determine when a copyright owner may bring an infringement suit. Unfortunately, the Copyright Act does not provide explicit guidance as to the timing of registration. The courts were left to decide. Federal courts have split on this issue, mainly subscribing to one of two theories for the time after which a copyright owner may bring suit: either (1) the date when the applicant submits all application materials to the Copyright Office (the "Application" approach), or (2) the date when the Copyright examiner approves or rejects the materials for copyright protection (the "Registration" approach). Due to the split of authority, there is no true guidance for when a copyright owner may bring a copyright infringement action, which inevitably leads to forum shopping.

Why does the timing matter for when a copyright owner brings an infringement action? In short, the answer is the statute of limitations. The Statute of Limitations for copyright infringement actions is as follows: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). Since copyright infringement is a continuing tort (meaning that the claim accrues with each instance of infringement), the statute of limitations mostly serves to limit the damages to those accumulated within the 3 years prior to filing suit. In many situations, the damages will decrease as more time goes on so any delay in bringing the suit can cost the copyright owner significant potential damages. For this reason, Copyright owners tend to prefer the "Application" approach because it allows them to bring suit earlier.

On June 28, the Supreme Court granted certiorari in the case of ***Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC***, an 11th Circuit Court of Appeals decision that endorsed the "Registration" approach. As such, the Supreme Court will likely decide between the two approaches and pronounce a universal rule for timing of copyright infringement actions.

The "Application" approach

The "Application" approach has been adopted by several courts, including the Fifth and Ninth Circuit Courts of Appeals.[1] This approach is heavily influenced by policy concerns. As explicitly mentioned in the Copyright Act, a "registration is not a condition of copyright protection." 17 U.S.C. § 408. In theory, the author of a work has copyright rights from the creation of the work. Due to this, copyright owners often do not apply for Copyright registration until after another party has infringed that work. This leads to the inherent contradiction within the Copyright Act. While the Act appears to declare that registration is not necessary for copyright protection, the Act simultaneously punishes the copyright owner for not registering the work by delaying any potential litigation.

While policy drives the "Application" approach, it has some support within the Act itself. Section 410(d) states that "The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration, have all been received in the Copyright Office." This statute supports the "Application "approach in two ways: (1) it backdates the effective date of registration to the date when the application is completed, and (2) it allows a "court of competent jurisdiction" the ability to determine whether the work can be copyrighted, not merely the Copyright Office.

In addition, Section 411 of the Copyright

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Act explicitly allows someone to bring a copyright infringement suit after the application has been rejected: "In any case, however, 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." This means that a copyright applicant may legally bring an infringement suit regardless of the ultimate decision made by the Copyright Office. Why wait for a decision from the Copyright Office when the lawsuit can be filed after the Office accepts or rejects the application? As such, those that promote the "Application" approach view the ultimate registration as a mere formality and a requirement that a decision by the Copyright Office must be made prior to litigation would needlessly delay a copyright owner's right to enforce its copyright.

The "Registration" approach

The "Registration" approach has been endorsed by the 11th and 10th Circuit Courts of Appeals, among others.[2] Authorities that adopt the "Registration" approach often point to the "plain language" of the statute in determining when a copyright infringement suit may be brought. The statute, in plain language, states that a copyright infringement suit may not be brought until "registration of the copyright claim." In this context, the word registration is typically understood to mean accepted and approved by the Copyright Office. One may even presume that registration does not occur until after a Certificate of Registration has been entered by the Copyright Office. Furthermore, if "registration" occurred at the time the applicant submitted all necessary materials, regardless of how copyrightable the work is, then the Copyright Office would have no power to refuse registration.

Additionally, proponents argue that the "Registration" approach is proper because it encourages the registration of copyrights prior to the occurrence of an infringing act. On the surface, the Copyright Act does not require copyright registration for protection. However, Section 411 is not the only Section of the Copyright Act that encourages registration. Section 410(c) states that "certificate of a registration made before or within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate." This provision creates an incentive for copyright owners to register quickly after creation of the work so as to prevent subsequent inquiries into the validity of the copyright. Additionally, Section 412 of the Copyright Act only allows a copyright owner to be awarded statutory damages and/or attorney's fees after the owner had registered with the Copyright Office. With these provisions, the drafters of the Copyright Act wanted to encourage and incentivize copyright registration without making registration mandatory. From the language of the Copyright Act, the drafters appear to have wanted the Copyright Office to have made a determination on copyrightability before the copyright owner attempted to enforce its rights.

Conclusion

Obviously, in most situations, artists and authors would be wise to register all of their works with the Copyright Office prior to any acts of infringement. However, this does not always happen. Due to this, in the next term, the Supreme Court will decide when a copyright owner may properly bring an infringement and will likely choose to adopt either the "Application" or the "Registration" approach.

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[1] See, Cosmetic Ideas, Inc. v. IAC/Interactivecorp., 606 F.3d 612 (9th Cir. 2010); Positive Black Talk Inc. v. Cash Money Records, Inc., 394 F.3d 357 (5th Cir. 2004).

[2] See, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 856 F.3d 1338 (11th Cir. 2017); La Resolana Architects, PA v. Clay Realtors Angel Fire, 416 F.3d 1195 (10th Cir. 2005).