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Copyright Office Must Take Action BEFORE an Owner Can Sue for Infringement

The United States Supreme Court ruled on Monday, March 4, 2019, that copyright claimants must wait until the Copyright Office *has taken action* before the owner can recover for infringement. The opinion, filed by Justice Ruth Bader Ginsburg, settled a long-standing circuit-split on when “registration” occurs. Some courts allowed an action to commence once an application was filed, even if the Copyright Office had not taken action concerning the application. In *Fourth Estate Public Benefit Corporation v. Wall-Street.com, LLC, et. al*, 586 U.S. ____ (2019), the Court held that **application and registration are discrete events**.

Registration Occurs under 17 U.S.C. § 411(a) Only After Application is Examined

The Copyright Act of 1976 grants an author “exclusive rights” in any copyrightable work that is fixed in a tangible medium of expression, including rights of reproduction, distribution, modification (making derivative works), public performance, and display. 17 U.S.C. § 106. However, no civil action for infringement of those exclusive rights can be commenced under § 411(a) unless and until “registration of the copyright claim has been made.”

In *Fourth Estate Public Benefit Corporation v. Wall-Street.com, LLC, et. al*, Fourth Estate argued the Court should take an “application approach”—that registration occurs the moment a copyright owner submits the application, materials, and fee required for registration with the Copyright Office. Fourth Estate licensed news articles to Wall-Street.com, a news website. The license agreement required Wall-Street to remove all content produced by Fourth Estate from its website before canceling the agreement. Wall-Street.com canceled the agreement, but continued to display the Fourth Estate articles. Fourth Estate filed applications to register the articles in question with the United States Copyright Office, and then sued for infringement. The Register of Copyrights, however, had not acted on the filed applications.

In contrast to the “application approach” Wall-Street argued the Court should take the “registration approach,” registration occurring only after examining and approving a properly filed application. Section 411(a) states that a copyright owner may sue for infringement when the Copyright Office preregisters or registers a copyright. The statute also provides that if the copyright in question is denied, and the application was in proper form, a claimant may sue for infringement as long as notice is served on the Copyright Office. The Court agreed with the “registration approach,” reasoning that if registration occurs at the time of application, there would be no reason for the statute to address denial.

The Court concluded the phrase “registration . . . has been made” in § 411(a) refers to the Copyright Office’s act granting registration, not to the copyright claimant’s request for registration. The Court addressed Fourth Estate’s fear that a copyright owner may lose the ability to enforce rights if the three-year statute of limitations runs out before registration occurs. However, the Court found this fear was “overstated, as the average processing time for registration is currently seven months, leaving ample time to sue after the Registrar’s decision, even for infringement that began before submission of an application.”

Copyright Protection and the Ability to Sue for Infringement

Now it is clear that an author who failed to register with the Copyright Office, but who wants to initiate an infringement action, must first apply for copyright registration and wait until the Register of Copyrights examines the application before filing suit. If the Register of Copyrights denies the application, the owner of the work can still sue for infringement under a separate provision, and under § 408 works that are vulnerable to copyright infringement are still eligible for preregistration, allowing for lawsuits to commence prior to registration. Examples of vulnerable works include movies, musical compositions, and live broadcasts. There are special requirements for these “exceptional scenarios.” However, it is now clear that under § 411(a) no infringement action may be instituted until the Register of Copyrights has registered a copyright after examining an application, not beforehand.

The Court’s seven-month wait time for copyright application processing, it must be remembered, is an average that includes highly simplistic works. For complex works such as computer programs, the processing time is much longer. Even seven months is a long time to wait to sue while an infringer is running amuck through one’s customers. Although special expedited handling is possible when there is active infringement and a suit is imminent, even expedited handling can take two or more weeks. The clarification by the Court, therefore, significantly increases the impetus to protect an author’s copyright by promptly registering an author’s claim to copyright long before there is an infringement. It should be remembered that a plaintiff’s right to recover its costs of suit and attorney’s fees and its right to claim so-called statutory damages are available ONLY if registration precedes infringement. Early registration, therefore, is highly recommended.

Additional Information

Daniel Bruce is a partner in Kutak Rock’s Omaha office with a practice centered on trademarks and copyright protection. Chris Bikus is Of Counsel in Kutak Rock’s Omaha office with a practice focused on the clearance and registration of trademarks throughout the world. Marcellus Chase is a partner in Kutak Rock’s Kansas City office with a practice focused on intellectual property procurement and strategic planning. Ed Marquette is a partner in Kutak Rock’s Kansas City office with a practice focused on branding and on transactional, technology, and trade regulation matters in healthcare. Bryan Stanley, a partner, serves as the Kansas City office Corporate Department Chair with a practice focused on all aspects of intellectual property law. Patrick Stephenson is a partner in Kutak Rock’s Omaha office, with nearly 30 years of experience advising clients on all aspects of trademark and copyright protection.

If you would like assistance evaluating and handling these and other related matters, please contact one of the authors or any member of our [Intellectual Property and Information Technology Practice Group](#). For more information regarding our practices, please visit us at www.KutakRock.com.

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