SCOTUS Holds Copyright Owners Must Wait For Registration Certificate Before Suing

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On March 4, 2019, the United States Supreme Court held that, with certain exceptions, a copyright owner must obtain a copyright registration certificate from the Copyright Office before filing a copyright infringement suit. The unanimous opinion in *Fourth Estate Public Benefit Corp. v. Wall-Street.Com, LLC*, authored by Justice Ruth Bader Ginsburg, affirmed the Eleventh Circuit and resolved a split among the circuit courts of appeal. It also has big implications for copyright owners.

The facts of the case are simple. The plaintiff Fourth Estate had licensed some content to the defendant Wall-Street.com to upload to a website for certain period. When the period ran out, the defendant failed to take the content down from the website, thus allegedly breaching the license. The copyright to the content had not yet been registered, so Fourth Estate filed applications to register it with the Copyright Office and simultaneously filed a copyright infringement suit against Wall Street and its owner. Based on Wall-Street.com and its owner's motion, the district court dismissed. The Eleventh Circuit affirmed, holding that Fourth Estate had to wait to bring an infringement suit until the Copyright Office had rendered a decision on the pending applications.

The Circuit Split

Copyright registration is not required for valid copyright ownership, but it is required before you can bring a copyright infringement lawsuit. Section 411(a) of the Copyright Act provides that:

> [N]o civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title.

Based on this language, everyone agrees that a copyright suit cannot be filed until "registration … has been made." However, there was a split on what it means to "make" a copyright registration. The Eleventh Circuit followed the "registration" approach, which argued that "registration" is not "made" until the copyright application is accepted and the registration certificate issues. In other words, you file the application, then the Copyright Office issues a registration certificate, and only then can you sue.

The Ninth Circuit and some other courts had a different view, known as the "application" approach. These courts held that "registration … has been made" as soon as the applicant files the application and pays the application fee. This approach was seen by many as more practical and realistic. It currently takes an average of seven months to get a registration certificate from the Copyright Office. That administrative delay, largely the product of budgetary shortages, can eat through over 25% of the three-year statute of limitations, and is a very long time for a copyright owner to wait while there is ongoing infringement, especially in the digital age.

Justice Ginsburg Endorses the Registration Approach

Justice Ginsburg's opinion was short and to the point: the registration approach was the "only satisfactory reading" of the statute and therefore, "[t]he phrase 'registration … has been made' refers to the Copyright Office's act of granting registration, not to the copyright claimant's request for registration." In other words, you have to get a registration certificate from the Copyright Office before filing suit; the application is not enough.

Bolstering this view, according to the Court, is the fact that there are exceptions to the registration requirement, and these exceptions do not make sense under the application approach. For example, Section 411(a) contains an exception that permits a party to file an

infringement suit after an application is filed and rejected, a provision that would be superfluous if the same party could file suit immediately after the application is filed. Similarly, Section 408 of the Copyright Act provides a "preregistration" option for copyright owners who fear prepublication infringement, along with an exception that permits these copyright owners to file suit before the registration process is complete; an exception that would have been unnecessary if the application approach was correct.

Also relevant to Justice Ginsburg's reasoning was that in 1993, Congress considered but rejected a bill to amend the Copyright Act to allow suit immediately upon submission of an application. Justice Ginsburg concluded her opinion by addressing the practical problems caused by delays at the Copyright Office: "Unfortunate as the current administrative lag may be, that factor does not allow us to revise Section 411(a)'s congressionally composed text."

Takeaways: The Benefits of Registration Increase

If you are the copyright owner of works that you believe are likely to be infringed, you have more incentive than ever to register (or preregister) those works with the Copyright Office in advance. If you discover infringement of an unregistered work, you will still have the option of invoking the Copyright Office's Special Handling process, which could take a matter of days. However, if you don't want to pay the $800 special handling fee, you will have to wait an average of seven months to sue while your work continues to be infringed. And in the meantime, your demand letters may perceived to have less bite than they did before without a valid registration certificate to back them up.

Of course, even before this ruling, there were many other benefits to registration. Registration establishes a public record of your copyright claim and the certificate can serve as *prima facie* evidence of validity in court (if you register within five years after publication). You can also record the registration with the U.S. Customs Service, which can use the information to identify and bar the importation of pirated or counterfeit copies. Perhaps most importantly, registration has to be made prior to commencement of the infringement, or within three months of the first publication, in order to entitle the owner to statutory damages and attorneys' fees.

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