

Supreme Court to Resolve Copyright Registration Circuit Split

INTELLECTUAL PROPERTY | TECHNOLOGY | LITIGATION AND TRIALS | BUSINESS TRANSACTIONS |
JULY 2, 2018

Last week, the U.S. Supreme Court agreed to hear a case that should resolve the longstanding question of whether a plaintiff may bring a copyright infringement claim only after it has received a registration for copyright in the work allegedly infringed, or if it can bring the claim if it has merely *filed an application to register* the copyright (*Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*). The circuit courts of appeal have long been split on the issue, which has generally been decided as follows: First¹ and Second² Circuits: undecided; Fifth,³ Eighth,⁴ and Ninth⁵ Circuits: application sufficient; Seventh Circuit⁶: conflicting case law; Tenth⁷ and Eleventh⁸ Circuits: registration required.

Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC is on appeal from the Eleventh Circuit Court of Appeals. Fourth Estate, an online news organization, filed a copyright infringement lawsuit against Wall-Street.com, LLC, a news website and former client of Fourth Estate. Even though it had cancelled its account, Wall-Street.com continued to use some of the articles it had previously licensed from Fourth Estate. Fourth Estate filed applications in the U.S. Copyright Office to register the copyrights in those articles, and filed suit against Wall-Street.com for copyright infringement in the Southern District of Florida. The complaint was dismissed, without prejudice, on the grounds that Fourth Estate had failed to obtain registration certificates prior to filing suit. In lieu of waiting until the registrations issued and re-filing a complaint, Fourth Estate appealed the dismissal to the Eleventh Circuit Court of Appeals, which affirmed the lower court's decision. Fourth Estate then filed for a writ of certiorari to the U.S. Supreme Court, which was granted on June 28.

The Copyright Act of 1976, enacted in 1978, did not anticipate the internet, which has made it far easier for copyright infringers and counterfeiters to proliferate. Many copyright owners now own far more than a single copyright. Most small business owners and individuals are unfamiliar with the Copyright Act and its pre-suit filing requirements under §411, and only become aware of the requirements when they find their work is being infringed and seek legal advice. When they do file an application, the normal process, from filing through to registration, can take 10 or more months. In situations where they are filing to obtain a registration prior to bringing a lawsuit, the infringer has that much more time to infringe. Although the copyright owner can presently request an expedited registration of its copyright(s), the process is far more expensive than the normal filing process. As a result, both methods actually impose substantial burdens on the copyright owner seeking to protect its work, surely not an outcome intended by the Copyright Act.

Indeed, consider that in the case of an accepted application, the effective date of registration is backdated to the date the application was filed *and* that if the Copyright Office *rejects* the application, the copyright owner can then sue on the rejected application. Interpreting the Copyright Act to enable the copyright owner to sue on a properly filed application would seem to be simply a matter of common sense.

Presumably, the Supreme Court will hear the case in its next session commencing October 2018.

1. MA, ME, NH, RI, PR
2. CT, NY, VT
3. LA, MS, TX
4. AR, IA, MN, MO, NE, ND, SD
5. AK, AZ, CA, GU, HI, ID, MT, NV, NMI, OR, WA
6. IL, IN, WI
7. CO, KS, NM, OK, UT, WY
8. AL, FL, GA

contents are intended for general information and educational purposes only, and should not be relied on as if it were advice about a particular fact situation. The distribution of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship with Carlton Fields. This publication may not be quoted or referred to in any other publication or proceeding without the prior written consent of the firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our Contact Us form via the link below. The views set forth herein are the personal views of the author and do not necessarily reflect those of the firm. This site may contain hypertext links to information created and maintained by other entities. Carlton Fields does not control or guarantee the accuracy or completeness of this outside information, nor is the inclusion of a link to be intended as an endorsement of those outside sites.