



Supreme Court Holds That Copyright Owners May Not Sue For Infringement Until Copyright Office Processes Registration

Fourth Estate Public Benefit Corp. v. Wall-Street.com, No. 17-571

Decided March 4, 2019

Today, the Supreme Court held 9-0 that the Copyright Act requires copyright owners to wait until the Copyright Office has approved or denied an application for registration before bringing an infringement action.

Background:

The Copyright Act allows the owner of a copyright claim to register the claim with the Copyright Office. Section 411(a) of the Act provides that a suit for copyright infringement may not be filed “until preregistration or registration of the copyright claim has been made” or “refused.” Petitioner Fourth Estate, a news organization, filed applications with the Copyright Office to register copyright claims for articles written by its journalists. Before the Copyright Office acted on the applications, Fourth Estate sued Wall-street.com for copyright infringement for displaying the articles on its website without a license. Wall-street.com moved to dismiss the suit as premature, arguing that Section 411(a) barred Fourth Estate from suing for infringement until the Copyright Office approved or denied its application for copyright registration.

Issue:

Has a copyright claim been “regist[ered]” with the Copyright Office, so that the copyright owner can commence an infringement suit, when the copyright owner delivers the required application, deposit, and fee to the Copyright Office, or only once the Copyright Office acts on that application?

“If infringement occurs before a copyright owner applies for registration, that owner may eventually recover damages for the past infringement, as well as the infringer’s profits. . . . She must simply apply for registration and receive the Copyright Office’s decision on her application before instituting suit.”

Justice Ginsburg,
writing for the unanimous Court

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Court's Holding:

A copyright claim is not “regist[ered]” with the Copyright Office, and the copyright owner may not file an infringement suit, until the Copyright Office has processed the application.



What It Means:

- The Court acknowledged that waiting for the Copyright Office to process an application to register a copyright claim could take “many months,” delaying enforcement and allowing infringement to continue during the delay. The Court attributed these delays to “staffing and budgetary shortages that Congress can alleviate, but courts cannot cure.”
- The Court nevertheless emphasized that copyright owners may obtain monetary relief to remedy any infringement that occurs before registration is complete. That relief could include actual damages or the infringer’s profits. But the Court did not address the effect of its decision on the more typical remedy, statutory damages. Section 412 of the Copyright Act limits the availability of that remedy when infringement occurs before the copyright holder registers its copyright claim.
- To avoid delay, copyright owners now have a greater incentive to seek registration earlier, rather than waiting until litigation is imminent. Copyright owners can also pay an \$800 special-handling fee to expedite processing of their application for registration. In addition, the Copyright Act provides carve-outs that allow owners of certain works “especially susceptible to prepublication infringement”—including movies, musical compositions, and live broadcasts—to sue for infringement before the Copyright Office has acted on an application.
- Prior to the decision, some circuits had allowed copyright owners to commence infringement suits while an application for registration was pending, without waiting for the Copyright Office to process the application. The decision leaves uncertain the effect of the Court’s ruling on currently pending infringement suits in those circuits that would have been considered timely when filed.

Gibson Dunn’s lawyers are available to assist in addressing any questions you may have regarding developments at the Supreme Court. Please feel free to contact the following practice leaders:

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