

# Supreme Court Rules Works Must Be Registered Before Copyright Owners May Sue

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## Introduction

On March 4, 2019, the Supreme Court unanimously held in *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC, et al.*, that the statute requiring copyright owners to register their works before suing means that no suit for infringement can be brought until the Copyright Office officially approves the copyright claimant's application for registration (or officially rejects the application), and that merely filing the application is not enough.

What should come as relief to copyright owners, however, is the Court's reminder that copyright owners may still recover statutory damages and attorney's fees for copyright infringement that occurred before registration ... provided they file their application within three months after first publication of the work. However, with a three-year statute of limitations for the recovery of damages, this opinion (written by Justice Ruth Bader Ginsburg) underscores the critical importance of copyright owners registering their copyrights in a timely manner.

## Background

Fourth Estate is a news organization that licensed articles to be posted on news website Wall-Street.com. The license agreement required that Wall-Street remove all content licensed to it from its website prior to canceling the agreement, but Wall-Street failed to do this and Fourth Estate sued.

Fourth Estate had filed applications to register its content with the Copyright Office, but the Register of Copyrights had not acted on or approved those applications. On that basis, the District Court dismissed Fourth Estate's complaint of copyright infringement and the Eleventh Circuit affirmed.

## Holding

Copyright owners gain various exclusive rights in their works immediately upon creating them and may sue for infringement of those rights. 17 U.S.C. §§ 106, 501(b). The question before the Court, however, concerned the rule that civil actions for infringement may not be instituted until "registration ... has been made." § 411(a). The Circuit courts were split on interpreting this clause – the Tenth and Eleventh Circuits employed the "registration approach," holding that *registration has not been made* until the Copyright Office registers a copyright after examining a properly filed application; the Fifth and Ninth Circuits employed the "application approach," holding that *registration has been made* when the copyright owner files the application with the Copyright Office.

The Court adopted the registration approach, saying that it "reflects the only satisfactory reading of 411(a)'s text." Fourth Estate expressed fear that, with a three-year statute of limitations, copyright owners might lose their right to pursue actionable claims if the Copyright Office takes too long to process copyright applications. The Court dismissed this fear: although

conceding that processing times have increased, the current average is still only seven months – leaving ample time to file suit – and besides, as Justice Ginsburg concluded: “Unfortunate as the current administrative lag may be, that factor does not allow us to revise § 411(a)’s congressionally composed text.”

### Impact and Action Items

Ultimately, the case reminds us that copyright owners must be vigilant – and avoid procrastination – in pursuing copyright registration.

Therefore, we recommend that individuals and companies that hold valuable copyrightable content do – or at least consider – the following:

- *Register your important works* using the Electronic Copyright Office (eCO Registration System).
  - In most cases you can accomplish this user-friendly process on your own.
  - Still, some questions and works may pose special challenges (e.g., identifying the “author” and deciding the appropriate deposit for software code);
  - Therefore, to ensure that you provide complete and accurate information – and do not give an infringer a potential defense – consult a lawyer if there is anything you aren’t sure of.
  - Working through the process several times with a knowledgeable advisor should enable you to do it correctly on your own going forward.
- As noted, your rights are most secure if you register before, or within three months after, first publication, so *set up a process (and educate your employees) to consider registration* before any significant works are first posted online or distributed outside the organization.
- If you discover that your work is being infringed, and you haven’t yet registered the copyright, apply for registration promptly, since you will not be able to file suit until registration occurs.
  - As the Court acknowledged, it currently may take many months for a work to register.
  - But an owner who needs rapid registration to stop infringement can use “special handling” – though costly (currently \$800), it generally enables registration within a week.
  - Unless you’re an expert, don’t do this on your own, but consult with experienced copyright counsel.
- Of course – as has always been the case – be sure to *use appropriate copyright symbols and notices* on your published works.
  - This reminds viewers that the work is subject to your claim of copyright.
  - Such reminders will hopefully discourage infringement in the first place.

For more information, please contact **Howard Zaharoff**.

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