

IP Alert: Supreme Court Copyright Decisions Confirm That Early Registration Is Crucial

March 5, 2019

Yesterday, in a unanimous decision penned by Justice Ginsburg, the U.S. Supreme Court held "that registration occurs, and a copyright claimant may commence an infringement suit, when the Copyright Office registers a copyright," not simply when the application seeking copyright registration has been submitted. *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, 586 U.S. ____ (2019). Once registration has been granted, the Court said, "a copyright owner can recover for infringement that occurred both before and after registration." (The statute also provides that one can sue for infringement after registration has been considered and refused and, in certain limited circumstances, after "preregistration.")

Fourth Estate resolves a significant split among the U.S. Courts of Appeals on when "registration" occurs under Section 411(a) of the Copyright Act. Previously, the 5th and 9th Circuits held that "registration" of a copyright claim, for purposes of the ability to file suit, is made when the copyright holder delivers the application, deposit copy of the work, and fee to the Copyright Office, while the 10th and 11th Circuits said that "registration" only occurs once the Copyright Office has acted on that application. Yesterday's decision clarifies that "registration" in fact means "when the Register has registered a copyright after examining a properly filed application."

In a second unanimous decision, authored by Justice Kavanaugh, *Rimini Street, Inc. v. Oracle USA, Inc.*, 586 U.S. ____ (2019), the Court reversed an award of \$12.8 million in costs to Oracle (which had prevailed in the underlying litigation), consisting primarily of litigation expenses such as expert witnesses, e-discovery, and jury consulting. In that case, the 9th Circuit had held that the Copyright Act's inclusion of the word "full" in "full costs" in Section 505 of the Act was intended to go beyond the types of litigation expenses allowed under other federal statutes (which do not include these types of expenses), but the high court declined to endorse that interpretation. This did not, however, impact a multimillion dollar award of attorneys' fees to Oracle. Under Section 412, in most circumstances, one must register the copyright with an effective date that precedes the infringement of an unpublished work or, in the case of a published work, has an effective date that either precedes the infringement or is within three months after the first publication of the work, in order to be eligible for an award of statutory damages and attorneys' fees. Allowing the type of huge "costs" claimed by Oracle here might have chipped away at the early registration incentive, because an award of "costs," unlike statutory damages and attorney fees, is not dependent on early registration.



What practical implications do yesterday's decisions have for copyright owners? First, actual registration is the key to the courtroom. Although copyright *ownership* begins once the original work of authorship is fixed in a tangible medium of expression, *Fourth Estate* confirms that only copyright owners with *registered* works can sue for infringement. *Rimini Street*, meanwhile, indirectly reminds us of the importance of filing for registration as early as possible in order to be entitled to the maximum possible relief. Finally, those copyright owners involved in prospective litigation should be aware of the Copyright Office's "special handling" procedure to expedite the examination and registration process.

For more information or questions, contact an attorney in the Intellectual Property, Technology, and Privacy Practice Group at Gray Plant Mooty.