Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC. United States Supreme Court, -- U.S. --, 2019 WL 1005829 (March 4, 2019)

On Monday, March 4, the Supreme Court ruled unanimously that a “‘registration ... has been made’ within the meaning of 17 U. S. C. § 411(a) not when an application for registration is filed, but when the Register has registered a copyright after examining a properly filed application.” As a result, suits for copyright infringement cannot be commenced until after the Copyright Office issues (or denies) a registration, but the Court noted that plaintiffs can seek damages for infringement that occurred before and after the registration was granted.

The Supreme Court affirmed the decision in the Eleventh Circuit which ruled in May 2017 that Fourth Estate was barred from bringing an infringement suit because it did not yet have the certificate of registration for its copyright, insisting that a litigant must wait to assert its rights until the registration was issued. The Eleventh Circuit’s opinion explicitly recognizes the current circuit split between the “application” approach (a copyright owner may sue upon filing a complete application), followed by the Ninth and Fifth Circuits, and the “registration” approach (a copyright owner must wait until the application is processed and registration has been granted or denied), followed by the Tenth Circuit and now the Eleventh. On June 28, 2018, the Supreme Court granted certiorari.

The IPL Section sought permission and was allowed to file an amicus brief on behalf of the ABA in support of the appellee, Fourth Estate, because we have Section and ABA policy that was developed in support of the application approach.

The ABA’s amicus brief in the Fourth Estate case, filed September 4, 2018, supports permitting copyright holders to enforce their copyrights after submitting a complete set of registration materials (i.e., the application, deposit, and registration fee) to the Copyright Office. The brief explained that the application approach better comports with the Copyright Act as a whole, and better serves U.S. authors and the judicial system at large than does the “certificate approach.” The ABA-IPL Section adopted a policy position favoring the application approach in October 2017, which was supported by the ABA House of Delegates in February 2018.

The Supreme Court based its ruling on its reading of §411(a), noting that the second sentence allows the Register of Copyrights to be sued upon refusal of registration, and adopting the application approach would make this provision “superfluous”. In addition, Justice Ginsburg noted that Congress has also enacted a provision allowing for “pre-registration” for works, such as movies, which may be subject to infringement before registration is granted; these provisions would also be unnecessary if registration did not have to issue before litigation could commence. Read in its entirety the statute contemplates that there is affirmative action required by the Copyright Office to effectuate registration, and not simply the submission by the right holder of a complete application. The Court analogizes waiting for the registration to issue before commencing litigation as similar to having to exhaust administrative remedies. Lastly, because damages from infringement before registration are available, the copyright holder can be made whole for any infringement that occurs from the creation of the work.