The Requirement for a Copyright Registration: A Missed Opportunity[*]

By Jonathan Hudis

On March 2, 2010, the Supreme Court, in *Reed Elsevier, Inc. v. Muchnick*,[1] held that the requirement of a registration pursuant to the Copyright Act, 17 U.S.C. § 411(a) as a precondition for filing an infringement suit does not restrict a federal court's subject matter jurisdiction to decide the dispute. While the Supreme Court's ruling was a welcome relief to those parties seeking to uphold an $18 million settlement, the Court missed the opportunity to resolve a long-standing disagreement among the lower federal courts regarding the necessity of a copyright registration for a United States work prior to the initiation of an infringement lawsuit.

The *Reed Elsevier* decision is an outgrowth of the Supreme Court's earlier opinion in *New York Times Co. v. Tasini*.[2] In *Tasini*, the Supreme Court held that several owners of online databases and print publishers had infringed the copyrights of several freelance authors by reproducing the authors' works electronically without first securing their permission.[3] The freelance authors' infringement suits, which were stayed pending the Supreme Court's *Tasini* decision, resumed and were consolidated for further handling by the Judicial Panel on Multidistrict Litigation.[4]

The class of complainants included numerous article authors, some of whom who had registered their articles with the Registrar of Copyrights; some of whom who had not. In 2005, the parties reached what was intended to be "global peace in the publishing industry."[5] The parties moved before the District Court to certify the class for settlement and approve their agreement. Several freelance authors, however, objected. The District Court overruled the objections, certified the settlement class, approved the settlement as fair, reasonable and adequate, and entered final judgment.[6]

The objecting freelance authors appealed, renewing their objections to the settlement on procedural and substantive grounds. Rather than ruling on the merits of the parties' settlement, the Second Circuit Court of Appeals, *sua sponte*, concluded that the District Court lacked jurisdiction to certify the class of claims arising from infringement of unregistered works, and also lacked jurisdiction to approve any settlement with respect to those claims.[7]

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[1] ___ U.S. ___ (No. 08-103 March 2, 2010).

[2] 533 U.S. 483 (2001).

[3] *Id*. at 493.

[4] *Reed Elsevier*, Slip Op. at 3.

[5] *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 119 (2007).

[6] *Reed Elsevier*, Slip Op. at 3.

[7] *In re Literary Works*, 509 F.3d at 121.

The Supreme Court granted certiorari to answer the question presented "whether [17 U.S.C.] § 411(a) restricts the subject-matter jurisdiction of the federal courts over copyright infringement actions."[8] With certain exceptions,[9] the relevant portion of Section 411(a) states:

> [N]o civil action for infringement of a copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.

Writing for the Court, Justice Thomas stated that: "Section 411(a) imposes a precondition to filing a claim that is not clearly labeled jurisdictional, is not located in a jurisdiction-granting [statutory] provision, and admits of congressionally authorized exceptions (citation omitted). Section 411(a) thus imposes a type of precondition to suit that supports non-jurisdictional treatment under [the Supreme Court's] . . . precedents."[10] Categorizing Section 411(a)'s registration requirement as more akin to a "claim-processing rule" than a "jurisdictional condition,"[11] the Court determined that the trial court had jurisdiction to approve the parties' settlement.[12]

The narrow holding of *Reed Elsevier* may have resolved the insular jurisdictional question that became a stumbling block for settlement of the author class's claims. However, the Supreme Court missed the opportunity to resolve a question that has split the lower federal courts for years.

According to the plain text of the Copyright Act, registration is a precondition for bringing a copyright infringement action with respect to a United States work. However, there remains a split of authority as to whether Section 411(a) requires that a plaintiff bringing a claim for copyright infringement of a United States work must obtain a certificate of registration from the Register of Copyrights prior to filing its lawsuit. For example, under the "Application Approach," registration occurs when the copyright applicant has submitted the deposit copy of the work, application, and statutory fee for registration purposes. Therefore, the registration certificate need not have already issued for suit to be filed. The courts of the Fifth[13] and Eighth[14] Circuits follow this approach.

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[8] *Reed Elsevier*, Slip Op. at 5.

[9] These exceptions include: 1) the work infringed is not a United States work, 2) the infringement claim concerns rights of attribution and integrity under 17 U.S.C. § 106A, and 3) the holder of the infringed work attempted to register the work and was refused by the Registrar of Copyrights. *See Reed Elsevier*, Slip Op. at 10.

[10] *Reed Elsevier*, Slip Op. at 11.

[11] *Id.* at 5.

[12] *Id.* at 16.

[13] *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 365 (5th Cir. 2004) ("[T]he Fifth Circuit requires only that the Copyright Office actually receive the application, deposit, and fee before a plaintiff files an infringement action."); *Lake Dreams v. Taylor*, 932 F.2d 1103, 1108 (5th Cir. 1991) ("[A] plaintiff has complied with the statutory formalities when the Copyright Office receives the plaintiff's application for registration, fee and deposit."); *Apple Barrel Products, Inc. v. Beard*, 730 F.2d 384, 386 (5th Cir. 1984) ("In order to bring suit for copyright infringement, it is not necessary to prove possession of a registration certificate. One need only prove payment of the required fee, deposit of the work in question, and receipt by the Copyright Office of a registration application.").

On the other hand, under the "Registration Approach," only after the Register of Copyrights actually approves the application and issues a registration, or notifies the copyright applicant that the application is rejected, is the prerequisite for a federal copyright infringement action satisfied. The courts of the Second,[15] Tenth[16] and Eleventh[17] Circuits follow this approach.

Two published decisions issued by the U.S. District Court for the District of Columbia, on this very point, are in complete disagreement. While an earlier decision holds that an issued registration certificate is not a prerequisite for filing a copyright infringement action, a later decision holds the direct opposite.[18]

The problem before the Supreme Court in *Reed Elsevier* was the perfect opportunity for the Court to resolve this split of authority. Unfortunately, leaving no doubt that the Court was not yet prepared to resolve this issue, Justice Thomas stated that: "[w]e … decline to address whether § 411(a)'s registration requirement is a mandatory precondition to suit that … district courts may or should enforce *sua sponte* by dismissing copyright infringement claims involving unregistered works."[19] In light of the divergent views of the lower federal courts regarding whether registration is a prerequisite to filing a federal copyright infringement action of a United States work, the conservative practitioner is well advised to obtain a copyright registration from the Register of Copyrights prior to bringing suit.[20]

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[14] *Olan Mills, Inc. v. Linn Photo Co.*, 23 F.3d 1345, 1349 (8th Cir. 1994) ("When a copyright owner has established a threat of continuing infringement, the owner is entitled to an injunction regardless of registration.").

[15] *In re Literary Works in Electronic Databases Copyright Litigation v. Thomson Corp*., 509 F.3d 116, 122 (2d Cir. 2007) ("[S]ection 411(a)'s registration requirement limits a district court's subject matter jurisdiction to claims arising from registered copyrights only.").

[16] *La Resolana Architects, P.A. v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200-01 (10th Cir. 2005) ("[O]nly upon registration or refusal to register is a copyright holder entitled to sue for copyright infringement ….").

[17] *Arthur Rutenberg Homes, Inc. v. Drew Homes, Inc.*, 29 F.3d 1529, 1532 (11th Cir. 1994) ("Copyright registration is a pre-requisite to the institution of a copyright infringement lawsuit."); *M. G. B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486, 1488 (11th Cir. 1990) ("The registration requirement [of Section 411] is a jurisdictional prerequisite to an infringement suit.")

[18] *International Kitchen Exhaust Cleaning Ass'n. v. Power Washers of North America*, 81 F. Supp.2d 70, 72 (D.C. 2000) (Kennedy, J.) ("to best effectuate the interests of justice and promote judicial economy, the Court endorses the position that a plaintiff may sue once the Copyright Office receives the plaintiff's application, work, and filing fee."); but see *Strategy Source Inc. v. Lee*, 233 F. Supp.2d 1, 3 (D.C. 2002) ("permitting an infringement lawsuit to go forward in the absence of a registration certificate or denial of the same is in tension with the language of Section 411(a) of the Copyright Act …. The Court [therefore] finds that it must dismiss the Complaint at this junction …").

[19] *Reed Elsevier*, Slip Op. at 16.

[20] See Copyright Office Circular 10, which discusses the availability of "special handing" — the expedited processing of an application for copyright registration, under circumstances such as pending or prospective litigation.