



When Can Copyright Holders Sue?: Supreme Court to Resolve Circuit Split on Copyright Registration

Updated March 7, 2019

*UPDATE (March 7, 2019): On March 4, 2019, the Supreme Court issued its [opinion](#) in *Fourth Estate Public Benefit Corp. v. Wall-Street.com*. Justice Ginsburg’s opinion for a unanimous court [held](#) that a copyright holder must wait for the Copyright Office to either grant or deny an application for registration before he may sue for copyright infringement—the so-called “registration approach.” The Court [rejected](#) the “application approach,” previously followed by some lower courts, which had allowed the copyright holder to sue immediately after he had submitted an application for registration to the Copyright Office. The Court primarily relied on [other uses of “registration”](#) in the Copyright Act to conclude that an application alone was insufficient to “ma[ke]” a registration within the meaning of [17 U.S.C. § 411\(a\)](#). Nonetheless, the copyright holder may recover damages both [before and after](#) the registration, as consistent with the Copyright Act’s three-year [statute of limitations](#).*

The original post previewing this case, from October 5, 2018, is reproduced below.

English teachers have long chided students for using the passive voice in their writing. [Section 411\(a\)](#) of the Copyright Act provides a cautionary example of the ambiguities that passive voice may create. This statute states that “no civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title.” This language makes clear, as the Supreme Court has [held](#), that copyright registration is required before a copyright holder can file a lawsuit in federal court. However, the statute’s passive voice construction leaves it less clear *who* makes the registration that is a prerequisite to a copyright infringement suit: the copyright holder, or the Copyright Office?

The result of this ambiguity is an entrenched, decades-old disagreement among the federal courts of appeals over when a registration “has been made” and thus what copyright holders must do before they can sue in for copyright infringement. [A number of courts](#) follow the “application approach,” holding that a copyright holder can sue once she submits the required application, deposit, and fee to the Copyright Office. [Other courts](#) follow the “registration approach” and hold that registration is not “made” until the Copyright Office *acts* on the application by either granting or refusing registration. Because copyright claims are subject to a [three-year statute of limitations](#), and the registration process can take [many](#)

Congressional Research Service

<https://crsreports.congress.gov>

LSB10202

months, whether a court follows the registration or the application approach may affect the damages available to the copyright holder, and potentially whether the copyright holder is able to bring suit at all. In *Fourth Estate Public Benefit Corporation v. Wall-Street.com*, the Supreme Court is set to address this important question of statutory interpretation.

This Sidebar first provides an overview of copyright formalities, including the registration requirement at issue in *Fourth Estate*. Next, it reviews the arguments for and against the application and registration approaches. Finally, it explains the facts of the dispute in *Fourth Estate* and the implications that the Supreme Court's decision has for Congress.

A Brief History of Copyright Formalities

Copyright law grants authors of original artistic works a set of exclusive rights to prevent others from copying or selling their creations. Historically, American copyright law demanded a number of steps, collectively called “formalities,” that authors must take in order to secure copyright protection. From the earliest American copyright law in 1790 until the 1976 Copyright Act, authors were required to, among other things, register and deposit a copy of the work with the federal government, and place an appropriate copyright notice (such as the familiar © symbol) on the work. An author could lose or be denied copyright protection for his work if he failed to comply with these requirements.

Over the last fifty years, Congress has eliminated or weakened copyright formalities in order to conform with international copyright standards. Under current law, formalities such as registration are optional and not a precondition to copyright protection. However, Congress has left in place certain incentives to encourage compliance with these voluntary formalities. For example, placing a copyright notice on the work negates the defense of innocent infringement, and statutory damages and attorney's fees are only available for infringements occurring after the work is registered. Most relevant to the issue presented in *Fourth Estate*, when a work is first published in the United States, the copyright holder must register the work with the Copyright Office before commencing a lawsuit for copyright infringement.

The Copyright Registration Process

Copyright registration is usually a straightforward process. The applicant must submit an application form and fee (between \$35 and \$85 for basic registrations), along with one or two copies of the work, to the Copyright Office. Upon receiving these materials, the Register of Copyrights (the head of the Copyright Office) shall register the claim, if, after examination, she determines that the material deposited constitutes copyrightable subject matter and that all other legal and formal requirements have been met. If the Register determines that the material is not copyrightable subject matter, or that the claim is invalid for any other reason, she shall refuse to register the copyright claim and notify the applicant. The applicant is entitled to bring a lawsuit for copyright infringement even if the Copyright Office refuses registration.

The Copyright Office reviews hundreds of thousands of applications for registration each year. Nearly all of the copyright claims submitted to the Copyright Office are ultimately registered. For example, in fiscal year 2017, the Copyright Office refused approximately 18,000 claims out of nearly 540,000 received, representing a denial rate of a little over 3%. This relatively low denial rate likely reflects the fact that the requirements for copyright protection are fairly modest: the creative work need only fit into one of the broad statutory categories and possess a “minimal degree of creativity.”

On average, the copyright registration process takes approximately eight months. However, for \$800, an applicant can request “special handling” of her application if a work is the subject of pending or potential litigation. In that case, the Copyright Office will make every effort to process the application within five working days.

The Circuit Split

Underlying the dispute in *Fourth Estate* is a circuit split regarding what is required before a copyright holder can bring suit in federal court. Courts have developed two opposing approaches to this issue: the registration approach, and the application approach. The [Tenth](#) and [Eleventh Circuits](#) have adopted the registration approach, whereas the [Fifth](#) and [Ninth Circuits](#) follow the application approach.

The Registration Approach

Courts that follow the registration approach rely primarily on the [plain language](#) of the Copyright Act. In the view of the Tenth and Eleventh Circuits, there is no significant ambiguity in the language of section 411(a). When placed in the larger statutory context, it is clear that “registration” requires a series of steps “[by both the applicant and the Copyright Office.](#)” On this view, nothing in the statute suggests that registration is accomplished by mere *receipt* of purportedly copyrightable material by the Copyright Office.

Proponents of the registration approach point to other statutory provisions concerning copyright registration to bolster their interpretation. [Section 410\(a\)](#) notes that the Register of Copyrights “shall register” the claim “*after examination,*” which implies that registration must occur [subsequent](#) to the Register’s receipt of the application. Similarly, [section 410\(b\)](#) states that the Register may refuse registration, and [section 411\(a\)](#) provides that an applicant may sue even if registration is ultimately refused. In the view of courts such as the Eleventh Circuit, these provisions would be [superfluous](#) if the application alone was sufficient to register the work.

Proponents of the registration approach—including the Copyright Office [itself](#)—argue that their reading better gives effect to Congress’s intention to create “[significant incentives](#)” for copyright holders to register their works. Furthermore, requiring a decision from the Copyright Office prior to the commencement of a lawsuit means that courts will [have the benefit](#) of the Copyright Office’s views on issues such as copyrightability when adjudicating a dispute.

The Application Approach

In the view of other courts, such as the Fifth and Ninth Circuits, the language of section 411(a) is not so clear. The Ninth Circuit, for example, [framed this issue](#) as turning on “What does it mean to ‘register’ a copyrighted work?” It concluded that the statutory language was “[unhelpful\[\]](#)” on this point because it defines “registration” circularly as “[a registration of a claim.](#)”

Looking instead to the Copyright Act as a whole, the Ninth Circuit found that various provisions pointed in different directions. It acknowledged that section 410(a)’s use of “after examination” and section 411(a)’s allowance of suit in the event of refusal both “[could be read to mean](#)” that registration requires action by the Register. However, other provisions of the Copyright Act point in the opposite direction. [Section 408\(a\)](#) states that “the owner of copyright or of any exclusive right in the work may obtain registration of the copyright claim by delivering to the Copyright Office” the required deposit, application, and fee; the Ninth Circuit understood this to “[impl\[y\] that the sole requirement for obtaining registration is delivery of the appropriate documents.](#)” Moreover, [section 410\(d\)](#) provides that the “effective date” of a copyright registration is the date on which the “application, deposit, and fee . . . have all been received in the Copyright Office.”

Concluding that the statutory language gives no clear answer, proponents of the application approach look to the overall purpose of the statute. In their view, because the registrant will be able to proceed in court regardless of whether the Copyright Office approves or denies the application, it makes little sense to create a period of “[legal limbo](#)” during which suit is barred while the applicant waits for the Copyright Office to act. This delay, which may last months, limits the damages available to the copyright holder for

infringement, and could even result in the copyright holder [losing his right to sue](#) under the [three-year statute of limitations](#). Moreover, the application approach serves Congress's purpose of encouraging registration "[equally](#)" as well as the registration approach because the copyright holder must still submit all of the necessary information to the Copyright Office before commencing suit.

In this analysis, courts such as the Fifth Circuit often [rely on](#) an influential [copyright treatise](#) written by Melville and David Nimmer that supports the application approach. Notably, however, another leading copyright treatise by William Patry strenuously argues for the registration approach.

The *Fourth Estate* Litigation

In *Fourth Estate*, the Supreme Court is poised to address the long-standing split between the registration and application approaches. The case concerns Fourth Estate Public Benefit Corporation (Fourth Estate), an independent [news organization](#) that produces online journalism that it licenses to various organizations. One of its former licensees is [Wall-Street.com, LLC](#), which secured a license to put some of Fourth Estate's articles on the Internet. Under the terms of the license, Fourth Estate retained the copyright in the articles, and Wall-Street.com had [to stop displaying the works](#) once the license agreement ended.

Fourth Estate alleges that Wall-Street.com canceled its license, yet continued displaying Fourth Estate's articles online. In early May 2016, Fourth Estate [submitted an application](#) to register copyright in some of its articles. [Days later](#), before the Copyright Office had acted on the application, Fourth Estate filed suit in federal court alleging that Wall-Street.com had infringed Fourth Estate's copyrights.

The district court [dismissed](#) Fourth Estate's complaint, holding that in order for registration to be "made" under section 411(a), the Copyright Office must either approve or deny the application to register a copyright claim. On appeal, the Eleventh Circuit [concluded](#) that the plain language of the Copyright Act required adoption of the registration approach. On June 28, 2018, the Supreme Court [granted certiorari](#).

Implications for Congress

Congress has an obvious interest in seeing that its laws are enforced as written. For proponents of the registration approach, a rule that "registration" requires only a "mere application" [disregards](#) the plain language of the statute, its history, and Congress's intent. A ruling in favor of the registration approach would potentially [reduce the number of infringement claims](#) (due to the additional expense and delay of completing the registration process), while [strengthening](#) incentives to register for knowledgeable parties. Proponents of the application approach, for their part, believe that their interpretation effectuates congressional intent to encourage copyright registration while avoiding "[unnecessary delay](#)" in copyright infringement litigation. A ruling in favor of the application approach would tend to [reduce the barriers](#) to copyright infringement suit, but [disincentivize](#) prompt registration. Regardless of which view prevails in *Fourth Estate*, Congress, of course, retains the power to clarify the statute and define precisely when copyright registration "has been made."

Author Information

Kevin J. Hickey
Legislative Attorney

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.