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US Supreme Court Ruling in FOURTH ESTATE Case Clarifies that a Completed Copyright Registration is a Prerequisite to Legal Action Against an Infringer

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Published on April 25, 2019 • 9 Likes • 2 Comments



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By Eric S. Freibrun, FREIBRUN LAW (www.freibrunlaw.com)

Many software vendors (of installed programs or cloud-based SaaS programs), content providers, publishers, website operators, and other creators of other copyrightable materials – whether textual works, images, graphic designs, artwork, etc. – may recall their attorneys telling them at some point, “You need to register your copyrights in order to sue an infringer in Federal Court.”[1] I’ve told my clients this for years because it’s important, although it’s subject to limited exceptions, e.g., for movies or musical compositions, which are “vulnerable to predistribution infringement,” or live broadcasts,[2] Yet many companies push this critical step in protecting their intellectual property assets down to the bottom of the to-do list, usually because more immediate (and revenue-generating) concerns are given priority.

The U.S. Supreme Court has just clarified how important it is *to file to register one’s copyrights as soon as possible after creation of a copyrightable work of authorship*,[3] in its FOURTH ESTATE PUBLIC BENEFIT CORP. V. WALLSTREET.COM, LLC, ET AL. decision issued March 4, 2019 (https://www.supremecourt.gov/opinions/18pdf/17-571_e29f.pdf).

The U.S. Copyright Act, in Title 17 U. S. C. §411(a), 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.”

However, over time a split between the Federal Circuit Courts arose. Some courts interpreted the above statutory requirement to mean that an aggrieved copyright

owner can sue an infringer in Federal Court (only Federal Courts have jurisdiction over copyright matters, not State Courts) *once a copyright owner has applied to register the copyrights* in the Copyright Office. Others concluded that *only after the copyright registration has been granted by the Copyright Office* may a copyright owner have access to Federal Court to sue for monetary damages and/or obtain injunctive relief against an infringer.

In the *Fourth Estate* case, the Supreme Court resolved the split between the Circuits in favor of the latter approach, concluding that “Registration occurs, and a copyright claimant may commence an infringement suit, when the Copyright Office registers a copyright.”[4] Once registration is granted, the Court continued, “a copyright owner can recover for infringement that occurred both before and after registration.”[5]

Practical Effect

The practical ramifications of this ruling are potentially significant. At present, it currently takes approximately seven months[6] for the Copyright Office to review and process an application and, if the necessary prerequisites are met, grant a registration. This assumes there are no issues raised by the Copyright Office, e.g., with respect to an improperly prepared or incomplete application. If the Copyright Office has questions or requests additional information or corrections to the application, there will be an additional delay.

Although the copyright owner has the right to recover damages for infringement which occurred before and after the date of registration once the registration has been granted, if the owner has failed to register its copyrights, it cannot take immediate action in court to stop the infringement. *The owner cannot seek an injunction or temporary restraining order against the infringer until after the registration has been granted. Thus, an aggrieved copyright owner may be forced to watch its wrongfully copied and distributed materials proliferate throughout the marketplace, without compensation, at great risk to the value of the assets themselves, and without the ability to stop it until after copyright registration has been granted.* As mentioned, this can take about seven months under the best of circumstances. In the meantime, your copyrightable materials and assets may be available to anyone on the planet with a computer. The Supreme Court acknowledged this potential hardship but stated that it’s up to Congress to fix:

“True, the statutory scheme has not worked as Congress likely envisioned. Registration processing times have increased from one or two weeks in 1956 to many months today. ... Delays in Copyright Office processing of applications, it appears, are attributable, in large measure, to staffing and budgetary shortages that Congress can alleviate, but courts cannot cure. ... Unfortunate as the current administrative lag may be, that factor does not allow us to revise §411(a)’s congressionally composed text.”[7]

What to Do

To be in the best position to protect and enforce one’s copyrights, owners of copyrightable works should register their copyrights as soon as it is possible to do so, and hopefully before any infringement has occurred.

This article represents the author’s opinions and is not provided as legal advice. Nevertheless, I hope readers find it useful and informative.

For legal advice specific to your situation, or assistance with the topics mentioned in this article, please contact Eric Freibrun, FREIBRUN LAW, 555 Skokie Boulevard, Suite 500, Northbrook, Illinois 60062 USA; T: 847-562-0099; E: eric@freibrunlaw.com; ericfreibrun@live.com; W: www.freibrunlaw.com; LinkedIn: www.linkedin.com/in/ericfreibrun.

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Footnotes:

[1] This article applies to U.S. copyright owners and discusses U.S. copyright law. Different rules may apply to works created in other countries and/or works enforceable under the Berne Copyright Convention (https://www.wipo.int/treaties/en/ip/berne/summary_berne.html).

[2] From *Fourth Estate*, 586 U. S. ____ (2019), p. 2 (Opinion):

“In limited circumstances, copyright owners may file an infringement suit before undertaking registration. If a copyright owner is preparing to distribute a work of a type vulnerable to predistribution infringement—notably, a movie or musical composition—the owner may apply for preregistration. §408(f)(2); 37 CFR §202.16(b)(1) (2018). The Copyright Office will “conduct a limited review” of the application and notify the claimant “[u]pon completion of the preregistration.” §202.16(c)(7), (c)(10). Once “preregistration . . . has been made,” the copyright claimant may institute a suit for infringement. 17 U. S. C. §411(a). Preregistration, however, serves only as “a preliminary step prior to a full registration.” Preregistration of Certain Unpublished Copyright Claims, 70 Fed. Reg. 42286 (2005). An infringement suit brought in reliance on pre-registration risks dismissal unless the copyright owner applies for registration promptly after the preregistered work’s publication or infringement. §408(f)(3)–(4). A copyright owner may also sue for infringement of a live broadcast before “registration . . . has been made,” but faces dismissal of her suit if she fails to “make registration for the work” within three months of its first transmission. §411(c). Even in these exceptional scenarios, then, the copyright owner must eventually pursue registration in order to maintain a suit for infringement.”

[3] Copyright protection automatically applies to a copyrightable work of authorship upon its creation, but as discussed in this article, the copyrights cannot be enforced in court until after a registration by the U.S. Copyright Office has been granted. The registration affords a copyright owner this right, as well as others, and serves as evidence on its face of the registrant’s ownership of the copyrights.

[4] *Fourth Estate* (https://www.supremecourt.gov/opinions/18pdf/17-571_e29f.pdf), 586 U. S. ____ (2019), p. 1 (Syllabus).

[5] *Fourth Estate*, 586 U. S. ____ (2019), p. 1 (Syllabus).

[6] *Fourth Estate*, 586 U. S. ____ (2019), p. 11 (Opinion).

[7] *Fourth Estate*, 586 U. S. ____ (2019), p. 12 (Opinion)..



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2 comments

Thank you for publicizing and explaining this important SCOTUS decision, Eric.

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