In summary

– Copyright owners cannot bring a lawsuit in the US without first registering with the US Copyright Office

– This article looks at the decisions in several cases, including *Goss International* at the end of last year, from different circuit courts and finds that the outcome varies according to the definition of registration used; some base their decisions on whether an application is pending, while others require approval of the copyright application before an infringement claim can be filed

– The US Copyright Office is currently handling a back-log of applications following changes to streamline the procedure and an application currently takes up to six months to complete

First in line

Registration before litigation

Edwin Komen and Susan Hwang of Sheppard Mullin say in light of the different approaches taken by US circuit courts, the only sensible course of action is to apply for copyright registration as soon as possible

Like New Year's resolutions which remain unfulfilled, a decision late last year of a federal district court sent still another reminder that copyright law in the United States remains far from the formality free regime envisioned by Berne Convention rules. In November, *Goss International Americas, Inc. v. A-American Machine & Assembly Co.*, 2007 WL 4294744 (N.D. Ill., Nov. 30, 2007) once again drove home the reality that registration is one formality that still rules.

Bringing a lawsuit in the United States for copyright infringement can often be derailed even before it's started. That's because, with few exceptions, copyright owners cannot bring a lawsuit in the U.S. without first registering their copyright with the U.S. Copyright Office, a fact that is often overlooked until litigation is imminent. Even for many foreign authors and owners, for whom registration may not always be required under the Berne Convention and related implementing legislation, registration before litigation still confers many procedural and evidentiary benefits that make registration a practical, if not jurisdictional, necessity.

The relevant language of the Copyright Act, 17 U.S.C. § 411(a), is as follows:

> *"[N]o action for infringement of the 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. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights…"*

What, however, does the term "registration" mean? Oddly enough, the answer to such a basic question is anything but obvious or clear-cut. The problem in defining, and then uniformly applying such definition, is further complicated by the structure of the federal court system which may be confusing even to U.S. practitioners but may likely be completely bewildering to foreign counsel. *Goss International*, the recent federal district court case cited above, highlights these current conflicts in U.S. law in defining "registration," which, in turn, has a direct impact on whether any particular federal court has subject matter jurisdiction sufficient to entertain a copyright claim.

Overview of the US legal system for foreign counsel

Only federal courts, not state courts, may hear copyright infringement actions. The U.S. is divided into 11 judicial circuits as well as

Authors

Edwin Komen (left) is a partner in the entertainment, media and communications group at Sheppard Mullin Richter & Hampton.

Susan Hwang (right) is an associate in the Intellectual Property and Technology Practice Group in Sheppard Mullin Richter and Hampton's Los Angeles office. Ms Hwang specializes in intellectual property, advertising and internet law. She handles matters involving trademark, patent, copyright, false advertising, dilution, counterfeiting, trade dress, trade name, and unfair trade practices issues and disputes in a wide range of industries.

the D.C. Circuit and the Court of Appeals for the Federal Circuit (see drawing below from www.uscourts.gov). Each trial court can apply its own view of federal law as long as it is consistent with its relevant Circuit Court of Appeal. Each of the Circuit Courts may also apply its own potentially conflicting rules. Forum shopping is the inevitable result unless the U.S. Supreme Court steps in to resolve these differences. And, as *Goss International* illustrates, copyright plaintiffs faced with an infringed but "unregistered" work have the option of doing just that.

Goss International Americas, Inc. v. A-American Machine & Assembly Co.

Goss International Americas, Inc. v. A-American Machine & Assembly Co., No. 07 C 3248 (N.D. Ill., Nov. 30, 2007) involved plaintiff Goss International Americas, Inc., a manufacturer of printing presses and other products for the commercial printing and publishing markets. Plaintiff Goss routinely prepared mechanical drawings of its products and component parts, then simplified the drawings for publication in its catalogs and manuals. Plaintiff applied for copyright registration for several of its simplified drawings. Defendant and competitor A-American Machine & Assembly Co. posted some of the simplified drawings on its website without permission from plaintiff, prompting plaintiff to bring a copyright infringement action against defendant.

Defendant moved to dismiss for lack of subject matter jurisdiction, asserting, *inter alia*, that plaintiff had not properly "registered" its copyrights in the mechanical drawings before instituting the action. Plaintiff had sent in an application, deposit and filing fee for each of its copyrighted claims, but had not yet received any word from the Copyright Office, including any registration certificates. Plaintiff argued that "registration" was effective on the date that the Copyright Office received all application materials, while defendant argued that "registration" meant the issuance of a registration certificate.

The court held for plaintiff and denied defendant's motion to dismiss, stating that "registration" was effective for purposes of bringing an infringement action as of the day that a plaintiff filed its application with the Copyright Office.

Application approach

The *Goss International* court looked to the language of the Copyright Act and noted that plaintiffs whose registrations have been refused by the Copyright Office are still allowed to bring an infringement action. The court reasoned that if an applicant can sue regardless of whether registration is approved or refused, it is unfair to make the plaintiff wait until the Copyright Office takes some action. As explained below, this apparent unfairness is exacerbated by the current backlog at the Copyright Office, which has got even longer since the Copyright Office began implementing new registration procedures.

Other courts taking the "application" approach also simply require that a plaintiff send the application, deposit and fee to the Copyright Office before filing a copyright infringement action. The Fifth Circuit takes this approach. See, e.g., *Apple Barrel Productions, Inc. v. Beard*, 730 F.2d 384 (5th Cir. 1984); *Lakedreams v. Taylor*, 932 F.2d 1103 (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."). The Eighth Circuit also takes this approach.

See, e.g., *Action Tapes, Inc. v. Mattson*, 462 F.2d 1010 (8th Cir. 2006) ("[T]he copyright owner may not sue for infringement under the federal Copyright Act until the owner has delivered 'the deposit, application and fee required for registration' to the United States Copyright office, a branch of the Library of Congress.") (citations omitted). Courts following the "application" approach also rely on the Copyright Act's language:

> *"The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration, have all been received in the Copyright office."* 17 U.S.C. § 410(d).

These courts reason that since the effective date of a registration is the day that the Copyright Office receives the application, deposit and fee, the application date is the critical date for jurisdictional purposes. Furthermore, the courts believe that delaying the date when a copyright owner can sue is a "senseless formality," because it may take time for the Copyright Office to register the work. *Lakedreams*, 932 F.2d at 1203.

Registration approach

As the *Goss International* court acknowledged, however, other circuit courts define "registration" differently. For example, the Tenth Circuit takes a "registration" approach because it requires approval of the copyright application by the Copyright Office before the filing of an infringement claim. See, e.g., *La Resolana Architects, PA v. Clay Realtors Angel Fire*, 416 F.3d 1195 (10th Cir. 2005). In *La Resolana Architects*, the district court had dismissed the action without prejudice for lack of subject matter jurisdiction. Specifically, the court pointed to the lack of a registration certificate. The Tenth Circuit affirmed the dismissal, stating that an action for copyright infringement cannot be brought until the copyright is registered. In upholding the "registration" approach, the Tenth Circuit cited to the plain language of the Copyright Act:

> *"When, **after examination**, the Register of Copyrights determines that…the material deposited constitutes copyrightable subject matter…, the Register **shall register** the claim and **issue** to the applicant a certificate of registration."* See 17 U.S.C. § 410(a) (emphasis added).

The Tenth Circuit reasoned that the affirmative acts by the Register to "examine," to "register" and then to "issue" the certificate of registration suggest that the filing of an application alone is not sufficient to register a work. The Tenth Circuit further held that a registration certificate is not necessary as

evidence of registration, because registration can be demonstrated through other methods, such as testimony or other evidence from the Copyright Office. *La Resolana Architects*, 416 F.3d at 1207-08. The Tenth Circuit also reasoned that requiring copyright owners to register their works before instituting an action provides an incentive to promptly register their works. The Eleventh Circuit also takes the registration approach, but has indicated that an actual registration certificate might be necessary. See, e.g., *M.G.B. Homes, Inc. v. Ameron Homes, Inc.*, 903 F.2d 1486 (11th Cir. 1990) ("[T]he filing of a new lawsuit would ordinarily have been the proper way for MGB to proceed once it received the registration certificate.").

Consequences of unregistered works

The split in the Circuit courts will hopefully be resolved through eventual Supreme Court review or legislative action. In the meantime, however, it is important to be aware of the different jurisdictional requirements when counseling clients on copyright litigation and settlement matters. The jurisdictional, gate-keeping function of copyright registration as being much more than of academic interest was further driven home when the Second Circuit recently, and abruptly, threw out an entire class action on behalf of writers who had brought suit against a bevy of publishers for copyright infringement.

In *In re Literary Works in Electronic Databases Copyright Litigation (Muchnick v. Thomson Corp.)*, 509 F.3d 136 (2d Cir. 2007), Nov. 29, 2007, the class members consisted mainly of freelance writers who contracted with publishers to author works for publication in traditional print media, but otherwise retained the copyright in such works. The contracts did not give publishers the right to electronically reproduce the works, but the publishers did so anyway. The writers sued for copyright infringement although many, if not most of the works, were not registered with the Copyright Office. The parties then labored for more than three years to craft a settlement. The district court certified the class and approved the settlement. However, a three member panel of the Second Circuit Court of Appeal vacated the settlement (with one judge dissenting), ruling that the district court did not have subject matter jurisdiction over the unregistered works. Moreover, even though some works were registered, this did not confer jurisdiction on their unregistered companions. Rather than unravel and resolve these issues, the entire case was remanded to the District Court for further proceedings consistent with the Second Circuit's decision.

Practical tips

Faced with scenarios such as these, the most prudent course for copyright practitioners is to counsel clients to apply for copyright registration as soon as a possible. Prompt registration preserves the ability to sue when needed and also helps avoid other evidentiary pitfalls.[1] The registration process in the U.S. Copyright Office currently takes four to six months. The Copyright Office is nearing completion of a re-engineered process of handling applications which is designed to streamline and expedite the processing of applications from receipt to issuance of registration certificates. Unfortunately, the streamlined procedures have instead caused a severe backlog of applications while copyright examiners adjust to the new procedures. Those who need issued registrations quickly can still request expedited or "special" handling which generally takes only 10 business days. Those requesting special handling can also pick up their registration certificates directly from the Copyright Office instead of waiting for the Copyright Office to mail out the certificates.

Whether choosing "regular" or special handling, applicants have several delivery options which affect the speed of processing – regular mail, special courier services or hand delivery to the Public Information Office. If possible, walking the applications directly in is preferable. Mailing registrations is inherently the riskiest and most time-consuming. Ever since a widely publicized, post-9/11 Congressional anthrax scare, all mail addressed to a congressional zip code (including the Copyright Office which is an arm of the Library of Congress) is subject to special screening. Such screening has, in some instances, been known to harm or even destroy more delicate deposits such as digital media and audio tapes.

Even specialized delivery services, such as FedEx, DHL or UPS, are screened but have the advantage of allowing applicants to track the package en route and confirm delivery of the application materials. Of course, confirmation of delivery is not necessarily the same as confirmation of receipt. Hand delivery avoids all these delays and uncertainties since the Public Information Office will issue such applicants an "official" Copyright Office receipt and stamp a duplicate copy of any accompanying cover letter describing the material being deposited for registration. All this provides evidence of filing should the application, deposit or fee be misplaced.

Finally, prompt registration can also save money – the standard fee for a regular handling application is US$45. The fee for special handling is US$730 per application – making expedited litigation of multiple works potentially beyond the reach of an individual litigant.

In short, the confluence of conflicting case law and administrative delays informs domestic and foreign authors and copyright owners to file for registration and to file early and to make certain that they maintain adequate records of proof of receipt by the Copyright Office.

Notes

1 See Komen and Clanton, "Beware the US Deposit Requirement," *Copyright World* Issue #173 (September 2007), pg. 34.