

Litigation Alert

Ninth Circuit Holds Application for Copyright Registration Sufficient for Initiation of Infringement Suit

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A copyright registration is the required ticket for starting an infringement lawsuit in federal court, under 17 U.S.C. § 411. But will an application suffice to meet that requirement? The Ninth Circuit has entered the dispute among the federal circuits on this issue, joining the Fifth and Seventh Circuits and opposing the Tenth and Eleventh Circuits, with its holding last week that the receipt of an application for copyright registration by the Copyright Office was sufficient. *Cosmetic Ideas v. IAC*, ___ F.3d. ___, 2010 WL 2039170 (May 25, 2010).

Practical Impact

Although plaintiffs in district courts of the Ninth Circuit have commonly acted on the assumption that an application would suffice to file suit, the Ninth Circuit has authoritatively resolved the issue – at least unless and until the Supreme Court takes up the circuit split – eliminating any concerns about the registration process delaying suit or potentially running the three-year statute of limitations.

Notwithstanding the Ninth Circuit’s determination that a registration certificate is not required to sue, early registration still confers many benefits to copyright holders, including eligibility for statutory damages and attorney fees.

Facts and Background

In this case, the plaintiff, Cosmetic Ideas, had created a costume necklace in 1997 and launched sales of the necklace in 1999. Cosmetic alleged that defendant Home Shopping Network had infringed its copyright by selling a nearly identical necklace. Cosmetic applied to register the copyrights in the necklace on March 6, 2008, received confirmation that the application had reached the Office on March 12, and brought suit against the defendants on March 27. The district court for the Central District of California threw out the case for lack of subject-matter jurisdiction because there was no registration certificate.

This decision is notable for being the first circuit court ruling on the subject since the Supreme Court’s decision earlier this year in *Reed Elsevier v. Muchnick*, 559 U.S. ___, 130 S.Ct. 1237 (2010), which held that the failure to register a copyright before attempting to bring suit for its infringement was not a federal subject-matter jurisdictional defect, although it could give rise to a motion to dismiss for failure to state a claim. The *Reed* decision invalidated the jurisdictional ground on which the *Cosmetic Ideas* district court had relied, leaving open the question of whether there remained a basis on which to dismiss the case. On appeal, the Ninth Circuit recognized that holding a registration certificate could have still represented a necessary element of the claim and analyzed the registration issue for the purpose of the defendant’s Rule 12(b)(6) motion.

Basis for Decision

The Ninth Circuit considered the issue by first looking at the relevant statutory language of Section 411 of the Copyright Act: “no civil 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.” Finding this language ambiguous with regards to the meaning of “registration,” the court also canvassed other code provisions relating to copyright registration, such as Sections 408 and 410 but found those unclear as well. Having failed to find an answer in the language, the court turned to the policy of the statute.

In assessing the policy concerns raised by the statute, the court primarily focused on lightening the burden for plaintiffs and facilitating judicial economy. First, the court noted that copyright infringement actions can always be filed regardless of whether the pre-suit registration was approved or denied. As the outcome of the registration process is ultimately immaterial, the court found that requiring the plaintiff to wait for the application to

be processed created needless delay and allowed the defendant to profit from potential infringement during that period. Furthermore, the three-year statute of limitations period on copyright infringement claims would continue to run while the application was being processed by the Copyright Office, creating a risk that the claim would be time barred before the claimant could bring suit.

Additionally, the policy of encouraging registration in order to have a robust registry of copyrighted works is as well served by allowing a suit to proceed based on an application as it would be by requiring pre-trial registration. The court dismissed the argument that it was important to have the Copyright Office's opinion at the start of the trial, since the court would be able to review the Office's views during trial in any event.

Although early registration will not be required within the Ninth Circuit to initiate a copyright action, the cost of registration is so low and the advantages of timely registration – particularly, eligibility for statutory damages and for attorney fees – are so substantial that copyright holders are still well-advised to make a practice of early registration of their works.

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