

WSGR ALERT

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UNITED STATES SUPREME COURT RULES ON COPYRIGHT REGISTRATION REQUIREMENT

On March 2, 2010, the Supreme Court of the United States issued its decision in *Reed Elsevier, Inc. v. Muchnick*, No. 08–103, 559 U.S. ____ (2010), holding that a plaintiff's failure to comply with the registration requirement of Section 411(a) of the Copyright Act¹ does not restrict a federal court's subject-matter jurisdiction over infringement claims involving unregistered works. Rather, the Court ruled, Section 411(a)'s registration requirement is a *non-jurisdictional precondition* to the filing of a copyright infringement claim. The ruling has implications for cases involving the copyright infringement of unregistered works.

Overview

Section 411(a) provides, with a few exceptions, that "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."

In its decision, the Supreme Court clarified that this requirement is a precondition to filing a claim that does not restrict a federal court's subject-matter jurisdiction. The Court based its conclusion on the fact that the requirement is not clearly labeled "jurisdictional," or located in a jurisdiction-granting provision. Also, the Court noted that the copyright statute already includes a number of congressionally authorized exceptions to the requirement.

This decision overruled the Second Circuit's interpretation of Section 411(a), namely that a

copyright holder's failure to comply with the registration requirement deprives a federal court of jurisdiction to adjudicate his or her copyright infringement claim.

Background

Reed Elsevier arose from a series of lawsuits alleging that owners of online databases and print publishers had infringed the copyrights of freelance authors by reproducing the authors' works electronically without first securing their permission. The proceedings in the case began after the Supreme Court's ruling in favor of freelance authors in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001).

A number of these lawsuits were consolidated in the United States District Court for the Southern District of New York by the Judicial Panel on Multidistrict Litigation. Although the consolidated complaint alleged that the named plaintiffs each owned at least one copyright registered in accordance with Section 411(a), the class included both authors who had registered their copyrighted works and authors who had not. The district court certified a settlement class, approved the settlement, and entered final judgment.

On appeal, the United States Court of Appeals for the Second Circuit *sua sponte* ordered briefing on the question of whether Section 411(a) deprives federal courts of subject-matter jurisdiction over infringement claims involving unregistered copyrights. Relying on two of its prior decisions holding that Section 411(a)'s registration requirement was jurisdictional, the Second Circuit concluded that the district court lacked

jurisdiction to certify a class of claims arising from the infringement of unregistered works, and further, lacked jurisdiction to approve a settlement with respect to those claims. The Second Circuit also relied on what is called "widespread agreement" among the circuits that Section 411(a) is jurisdictional.

Analysis

In its holding, the Supreme Court confirmed that Section 411(a)'s registration requirement is a "precondition" to filing a lawsuit, but it rejected the characterization of Section 411(a) as "jurisdictional." Instead, the Court clarified the distinction between "jurisdictional conditions" and "claims-processing rules," which it acknowledged to be "confusing in practice." In general terms, jurisdictional conditions delimit whether the court is able to take the case, whereas claims-processing rules govern how the court moves forward with the case at hand.

The Supreme Court based its assessment of the registration requirement on the following factors:

1. Section 411(a) does not "clearly state" that its registration requirement is jurisdictional.
2. Section 411(a)'s registration requirement is located in a provision "separate" from those granting federal courts subject-matter jurisdiction over those respective claims.
3. The type of limitation that Section 411(a) imposes is not the kind that can be read to "speak in jurisdictional terms."

¹ 17 U.S.C. § 411(a).

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Based on this analysis, the Supreme Court concluded that the district court did have jurisdiction to approve the settlement. Accordingly, the Court reversed and remanded the case for further proceedings.

It should be noted that while the Court confirmed that Section 411(a)'s registration requirement is a precondition to filing a claim, the Court expressly declined to clarify *what kind* of precondition to the suit it is—namely, whether it is a *mandatory* precondition. Hence, it remains to be determined whether district courts may or should enforce the registration requirement *sua sponte* by dismissing copyright infringement claims involving unregistered works. It also remains to be seen how the Second Circuit will address the matter upon remand in the class action context.

Observations

The Supreme Court's holding clarifies that federal courts do have subject-matter jurisdiction to address copyright infringement

cases involving unregistered works. However, since copyright registration remains a precondition to filing an infringement claim (except in rare cases), it remains to be seen how the *Reed Elsevier* decision will work in practice. It is clear, though, that courts now can address unregistered works with a level of legal certainty that was lacking prior to the ruling.

While the Court addressed one aspect of copyright litigation cases, there will continue to be areas of highly nuanced interpretation and adjudication in copyright law. Wilson Sonsini Goodrich & Rosati's copyright practice is uniquely positioned to assist clients in this highly complex and evolving area.

Our seasoned team represents clients in complex copyright litigation and transactional matters, bringing to bear deep experience in the converging area of media and technology. For more information, please contact Michael Rubin, Suzanne Bell, Cathy Kirkman, or another member of the firm's copyright practice.



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