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Supreme Court Resolves Two Copyright Circuit Splits

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On March 4, 2019, the Supreme Court handed down two rulings clarifying disputed issues concerning (i) the registration requirements as a prerequisite to commencing a copyright lawsuit and (ii) the types of costs a prevailing party in copyright litigation is entitled to recover. We briefly summarize these unanimous holdings below.

Fourth Estate Public Benefit Corp. v. Wall-Street.com LLC, et al.

The Court resolved a longstanding circuit split over whether a plaintiff must have an issued copyright registration when filing suit or, instead, can commence suit once an application to register is pending. The dispute centered around the language of section 411(a) of the Copyright Act, which provides that a copyright owner may not institute a lawsuit for infringement until "registration . . . has been made." Prior to Monday's decision, the Fifth and Ninth Circuits followed the "application approach," which required the plaintiff only to have filed an application with the Copyright Office, including fee payment and deposit of the work, in order to bring an infringement suit. The Tenth and Eleventh Circuits followed the "registration approach," narrowly construing the plain language of the Copyright Act and requiring the Copyright Office to rule on the application before a suit may commence.

In an opinion by Justice Ruth Bader Ginsburg, the Supreme Court unanimously affirmed the Eleventh Circuit decision under appeal, ruling that "registration has not been made under § 411(a) until the Copyright Office registers a copyright." The Court based its conclusion on the "registration . . . has been made" language of section 411(a) as well as on the language of section 408(f), which provides an opportunity for certain classes of copyright owners to commence suit after following a preregistration procedure, and the portion of section 411(a) that authorizes a copyright owner, upon proper notice, to commence suit once its registration application has been rejected. The Court reasoned that these other provisions would lack meaning were section 411(a) interpreted so as to allow suits to be commenced prior to action by the Copyright Office.

The Court made clear that its ruling does not limit the ability of a copyright owner, once the registration requisites have been complied with, consistent with the statute of limitations, to pursue infringements predating commencement of suit.

Rimini Street v. Oracle USA

The Court also resolved a split among the Circuits in considering whether the Copyright Act authorizes a court to award litigation expenses to a prevailing plaintiff beyond the six categories of "costs" specified by Congress in the general costs statutes (28 U.S.C. § 1920 and 28 U.S.C. § 1821). The dispute centered around the language of section 505 of the Copyright Act, which allows for a plaintiff to recover "full costs." The Ninth Circuit, from which the appeal was taken, held that this language permits a successful plaintiff to recover all costs incurred in litigation, not just the general taxable costs; in contrast, the Eighth and Eleventh Circuits had held that the Copyright Act's allowance for cost recovery does not override the general costs permitted by sections 1920 and 1821.

Specifically in controversy in the immediate appeal was whether expert witness fees, e-discovery expenses, and jury consultant fees, which are not enumerated in sections 1920 or 1821, were recoverable by the prevailing party.

In an opinion by Justice Brett M. Kavanaugh, the Court unanimously reversed the Ninth Circuit decision, construing the "full" costs language in section 505 of the Copyright Act as not expanding the categories of recoverable expenses beyond the six expense categories in the general costs statute. Such expansion, the Court ruled, would be inappropriate "absent an explicit statutory instruction to that effect" by Congress.

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