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Supreme Court Clarifies Copyright Litigation Procedures

BY MANAGING EDITOR/ ON APRIL 23, 2019



March was a very busy month for Copyright Law.

On March 4, 2019, the Supreme Court decided two separate cases which will change how copyright infringement lawsuits will be litigated going forward.[1] The first case, Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC, et al., answered the question of when a claimant may bring a suit for copyright infringement,[2] while Rimini Street, Inc., et al. v. Oracle USA, Inc., et al. determined the extent of costs that may be awarded against a losing party.[3]

In Fourth Estate, the petitioner (Fourth Estate, a news organization) brought suit against news website Wall-Street.com (Wall-Street) when Wall-Street failed to remove multiple covered news articles after the cancellation of the parties' license agreement,.[4] Fourth Estate had filed applications to have the news articles registered with the Copyright Office, but the Register of Copyright hadn't yet acted.[5] Per 17 U.S.C. § 411(a), "no civil action for copyright 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."[6] Both the District Court and the Eleventh Circuit Court of Appeals held that "registration" was made when the Copyright Office registers a copyright.[7]

While that might seem straightforward enough, Fourth Estate raised the argument that "registration" occurred when the owner of a copyright submits their application for registration – the "application approach." [8] Wall-Street counter-argued that for purposes of § 411(a), "registration" refers to the time that the Copyright Office actually grants the application for registration, or, the "registration approach." [9] The Court analyzed the text and context of the statute and held that there was no other plausible reading than the "registration approach." [10] In the unanimous opinion authored by Justice Ginsberg, additional arguments raised by the plaintiff concerning that the administrative lag in processing registration applications could lead to the time-barring of claims, were dismissed as "overstated." [11]

In Rimini Street, the Court then moved to the issue of what exactly "full costs" consisted of in §505 of the Copyright Act.[12] In that case, Oracle, a software developer, brought suit against Rimini Street, claiming copyright infringement on the defendant's part.[13] A jury ruled in favor of Oracle, and extensive damages were awarded for copyright infringement and violation of state computer access statutes.[14] The District Court then awarded \$12.8 million against Rimini Street for litigation expenses including expert witness fees, e-discovery, and jury consulting.[15] Rimini Street appealed this award, and the Supreme Court granted certiorari to resolve a circuit split over whether "full costs" authorized the award of expenses beyond those listed in the general costs statute, 28 U.S.C. §§1821 and 1920.[16] The general costs statute lists such costs as fees of the clerk and marshal, printed or electronically recorded transcripts, disbursements for printing and witnesses, exemplification and the costs of making copies of materials, docket fees, and compensation of court appointed experts, interpreters, etc.[17] Although the Ninth Circuit had previously held that "full costs" was "not confined to the six categories identified in §§1821 and 1920"[18], a unanimous Supreme Court decided otherwise, referring to the Oxford English Dictionary definition of the word "full," overturning the \$12.8 million award.[19]

These two cases will have great implications for copyright litigants going forward. Although the hurdles before bringing a civil suit still remain, an author now gains "'exclusive'" rights in her work immediately upon the work's creation, including rights of reproduction, distribution, and display."[20] Additionally, there are exceptions to the *Fourth Estate* Court's rule, such as the opportunity to bring a preregistration suit for works more susceptible to predistribution infringement (motion pictures, musical works, books),[21] and the ability to bring a suit after an application has been refused by the Copyright Office.[22] Further, once an application has been approved, a plaintiff can still bring suit for infringement that occurred before registration.[23] *Rimini Street* expands upon these procedures to place a cap on the fees and costs that defendants are responsible for a. Although these cases may be viewed as a

slight burden on plaintiffs, they appear to strike a balance between the measures a plaintiff must take before bringing a civil action and the recourse still available to them in spite of these measures.

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[1] See Anthony Dreyer & Jordan Feirman, U.S. Supreme Court Issues Two Unanimous Rulings Clarifying Meanings of 'Registration' and 'Full Costs' in Copyright Act, New York law Journal (Mar. 26, 2019), https://www.law.com/newyorklawjournal/2019/03/26/u-s-supreme-court-issues-two-unanimous-rulings-clarifying-meanings-of-registration-and-full-costs-in-copyright-act/.

[2] Fourth Est. Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881, 886 (2019); see Jennifer H. Cho, I'll Need a Copy of Your Copyright, The National Law Review (Mar. 7, 2019), https://www.natlawreview.com/article/i-ll-need-copy-your-copyright.

[3] Rimini St., Inc. v. Oracle USA, Inc., 139 S. Ct. 873, 876 (2019).

[4] Fourth Est., 139 S. Ct. at 886.

[5] *Id*.

[6] Id., 17 U.S.C. § 411(a).

[7] *Id*.

[8] Id. at 888.

[9] *Id*.

[10] *Id*.

[11] *Id.* at 892; see Eileen McDermott, Fourth Estate v. Wllstreet.com: Registration Required to Commence a Copyright Infringement Suit, IP Watch Dog(Mar. 4, 2019), https://www.ipwatchdog.com/2019/03/04/scotus-rules-fourth-estate-registration-required-copyright-suits/id=107001/.

[12] Rimini St., Inc. v. Oracle USA, Inc., 139 S. Ct. 873, 876 (2019); 17 U.S.C. § 505.

[13] *Id*.

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[14] Id.
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[15] *Id*.

[16] *Id*.

[17] 28 U.S.C. §§ 1821, 1920.

[18] Rimini St., 139 S. Ct. at 880.

[19] Id. at 878, 880, 881.

[20] Fourth Est. Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881, 887 (2019).

[21] George Thuronyi, *The Fourth Estate Decision and Copyright Registration*, Library of Congress (Mar. 14, 2019), https://blogs.loc.gov/copyright/2019/03/the-fourth-estate-decision-and-copyright-registration/.

[22] *Id*.

[23] Fourth Est.,139 S. Ct. at 892.