

NEWS ALERT

INTELLECTUAL PROPERTY



Supreme Court Will Hear Copyright Case: How its Decision May Impact the Validity of Future Copyright Registrations

By John H. Mutchler | June 10, 2021

A copyright claimant may commence an infringement suit when the Copyright Office registers a copyright. See [Fourth Est. Pub. Benefit Corp. v. Wall-Street.com, LLC](#), 139 S. Ct. 881, 885, 203 L. Ed. 2d 147 (2019); 17 U.S.C. § 411(a). Some minor inaccuracies in a certificate of copyright registration are tolerated unless the applicant had knowledge that the application included inaccurate information and those inaccuracies would have caused the Register of Copyrights to refuse the registration. An issue arose in which the Ninth Circuit determined that the District Court was wrong in holding that an “intent-to-defraud” requirement is needed for the Court to invalidate a copyright registration. See [Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.](#), 959 F.3d 1194, 1196 (9th Cir. 2020). Generally, the court is required to refer to the Copyright Office when a lawsuit alleges a registration contains knowingly inaccurate information so that the Office may advise whether it would have refused registration had it been aware of the inaccuracy. See 17 U.S.C. § 411 (b). This requirement makes clear that the Copyright Office is intended to serve as the deciding authority in determining whether a registration would have been refused. On June 1, 2021, the U.S. Supreme Court granted fabric designer, Unicolors, Inc.’s petition for a writ of certiorari over its copyright infringement suit against fast fashion retailer, Hennes & Mauritz, L.P. (“H&M”). The Court agreed to review the Ninth Circuit decision, in which it will consider whether the Ninth Circuit erred in its holding that [17 U.S.C. § 411](#) requires referral to the Copyright Office even when evidence of fraud or material errors do not exist within the copyright registration.

In addition to the requirements set forth by 17 U.S.C. § 411, the [Prioritizing Resources Organization for Intellectual Property Act](#) (“PRO-IP Act”) was enacted to provide additional protections to registrants and has generally been interpreted by authorities as a statute that prevents courts from invalidating copyright registrations unless a demonstration of bad faith or fraudulent intent by the copyright claimant is present. See [Gold Value Int’l Textile, Inc. v. Sanctuary Clothing, LLC](#), 925 F.3d 1140, 1147 (9th Cir. 2019). The Supreme Court’s decision will provide conclusive guidance as to how the PRO-IP Act should be interpreted for future copyright litigation.

The upcoming U.S. Supreme Court decision is likely to have the largest impact on copyright applicants that seek to register multiple works under a single registration. While [37 C.F.R. § 202.3\(b\)\(4\)\(i\)\(A\)](#), (“unit of publication rule”), permits applicants to register several works under a single unit, this is only permitted under limited circumstances. To qualify under the unit of publication rule, the works must have been physically bundled together and published on the same date. Thus, while tempting to many, applicants seeking to register multiple works under a single unit for cost saving purposes should be aware that inaccurately doing so may result in an invalid registration that prevents them from bringing forth an infringement suit.

PRACTICE POINTS

This case emphasizes the importance of assuring that copyright registration applications contain accurate information.

Some of the more common mistakes that applicants tend to make on applications are in relation to appropriately categorizing works.

This case also brings to light that when registering multiple works, an inaccurate date of publication may be enough to invalidate an application along with any future infringement claims.

Ultimately the outcome of this case will largely impact the future of copyright litigation for both parties involved in an infringement lawsuit as the Court's ruling will determine when a referral to the Copyright Office is required under 17 U.S.C. § 411 and whether the statute should be interpreted to have an "intent-to-defraud" requirement in future application.

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