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The Implications of Fourth Estate v. Wall-Street.com on Copyright Registration

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Note

The Implications of *Fourth Estate v. Wall-Street.com* on Copyright Registration

LAUREN N. ROSS

*This Note addresses the United States Supreme Court’s recent decision, Fourth Estate Public Benefit Corp. v. Wall-Street.com, and analyzes the Court’s decision in light of the relevant sections of the Copyright Act, the underlying circuit split, briefs submitted to the Court, and the oral argument before the Supreme Court. This Note argues that in response to the Supreme Court’s decision, Congress should amend the Copyright Act to codify the special handling process in order to create a semi-conditional copyright registration system.*
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The Implications of *Fourth Estate v. Wall-Street.com* on Copyright Registration

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INTRODUCTION

The copyright system is comprised of “procedural mechanisms, referred to collectively as ‘copyright formalities.’”¹ Through the Copyright Acts of 1909 and 1976, Congress moved the copyright system away from formalities by relaxing many of the requirements with which artists and creators needed to comply.² However, registration has remained a requirement under the Copyright Act (the “Act”).³ The United States Supreme Court’s recent decision in *Fourth Estate v. Wall-Street.com*, which requires the Register of Copyrights to act on a copyright owner’s application for registration before a civil action may commence,⁴ resolved a long-standing circuit split surrounding copyright registration⁵ and signals a shift back towards a copyright system predicated on formalities.

The Act automatically grants copyright protection to an original work without any action on behalf of the creator.⁶ “[T]he Copyright Act safeguards copyright owners, irrespective of registration, by vesting them with exclusive rights upon creation of their works and prohibiting infringement from that point forward.”⁷ While the Act provides copyright owners a shield, restricting how others may use an original work, creators are not automatically provided a sword, or remedies, to protect their works. In order to pursue a civil action against an infringer, the work must be registered with the Copyright Office.⁸ Since the copyright system must

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² See Sprigman, supra note 1, at 493–94 (noting that the 1909 Act lengthened the renewal term and “softened” the registration requirement to some degree).
³ Jessica Litman, *Argument Preview: When Has Registration of a Copyright Claim “Been Made”?*, SCOTUSBLOG (Jan. 3, 2019, 10:10 AM), https://www.scotusblog.com/2019/01/argument-preview-when-has-registration-of-a-copyright-claim-been-made/ (“Congress has significantly relaxed the formalities required for copyright protection, but it has retained registration as a key part of the legal regime.”).
⁵ 2 NIMMER ON COPYRIGHT § 7.16(B)(3)(b)(iii) (2018).
⁸ § 411(a).
balance important rights and exceptions, owners of original works need to register with the Copyright Office to take advantage of these exclusive rights. However, the definition of “registration” was not clearly articulated by the Court until its decision in *Fourth Estate v. Wall-Street.com*.

Ultimately, the Act has not worked in a manner Congress likely intended. The internet allows for the dissemination of more information than ever before and has made copying even easier. Additionally, delays within the Copyright Office have detrimentally impacted the effectiveness of the Office, thereby impeding the purpose of the Act. Copyright owners need a system that ensures not only that their works are protected, but also provides them with remedies that allow them to recover against infringers without unnecessary obstacles or delays.

The Supreme Court granted certiorari in *Fourth Estate v. Wall-Street.com* with the purpose of resolving the circuit split regarding when registration occurs under section 411(a) of the Act. The relevant portion of section 411(a) states:

> [N]o 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 any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability . . .

The Court contemplated the meaning of “registration” within section 411(a) of the Act and considered:

[w]hether “registration of [a] copyright claim has been made” within the meaning of § 411(a) when the copyright holder

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10 *Fourth Estate Pub. Benefit Corp.*, 139 S. Ct. at 892 (“[T]he statutory scheme [of the Act] has not worked as Congress likely envisioned.”).

11 KAL RAUSTIALA & CHRISTOPHER SPRIGMAN, THE KNOCKOFF ECONOMY: HOW IMITATION SPARKS INNOVATION 68 (2012); see also Sprigman, supra note 1, at 489 (contending that Congress could not predict how the growth of the internet would impact the copyright system and Congress did not consider this when removing many of the formalities from the copyright regime).


delivers the required application, deposit, and fee to the Copyright Office, as the Fifth and Ninth Circuits have held, or only once the Copyright Office acts on that application, as the Tenth Circuit and, in the decision below, the Eleventh Circuit have held.\textsuperscript{14}

The Court’s unanimous decision, written by Justice Ginsburg, ended the long-standing circuit split on copyright registration.\textsuperscript{15} The Court held “that ‘registration . . . has been made’ within the meaning of 17 U.S.C. § 411(a) not when an application for registration is filed, but when the Register has registered a copyright after examining a properly filed application.”\textsuperscript{16} While this decision resolved the conflicting interpretations of the term “registration,” it is a fundamentally unjust decision and will inevitably create several obstacles for copyright owners seeking to protect their works against infringers.

This Note will examine the Supreme Court’s decision in \textit{Fourth Estate v. Wall-Street.com} and argue that the adoption of the registration approach is a shift back towards a copyright system based on formalities, which will result in an adverse and inequitable system for copyright owners. As a result, Congress should amend the Act to create a semi-conditional registration system that incorporates the Copyright Office’s special handling process. The first section of this Note will briefly describe the formal requirements mandated by early iterations of the Act and the relevant sections of the modern Act that pertain to registration. The second section will analyze the circuit split that led to the Supreme Court’s grant of certiorari in this case and the history of \textit{Fourth Estate v. Wall-Street.com}. The third section will consider the briefs and oral arguments submitted by each party to the Supreme Court. The fourth section will focus on the Supreme Court’s decision and the likely consequences of the decision. The fifth section will present a possible solution through the adoption of a semi-conditional copyright system.

I. THE COPYRIGHT ACT

The U.S. Constitution grants Congress the authority “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”\textsuperscript{17} Through this grant of power, Congress enacted the

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{14} Brief for Petitioner at i, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019) (No. 17-571) (citation omitted).
\item \textsuperscript{15} 2 NIMMER ON COPYRIGHT § 7.16(B)(3)(b)(iii) (2018).
\item \textsuperscript{16} \textit{Fourth Estate Pub. Benefit Corp.}, 139 S. Ct. at 892.
\item \textsuperscript{17} U.S. CONST. art I, § 8, cl. 8.
\end{enumerate}
\end{footnotesize}
Copyright Act.\textsuperscript{18} The Act requires creators to comply with several procedural requirements, or formalities, in order to obtain full copyright protection.\textsuperscript{19} The copyright system can function in two ways: in an unconditional system, which “grants protection whether or not the work is registered, marked, or renewed,” or in a conditional system, which requires the author or creator to take affirmative steps to protect their works.\textsuperscript{20}

A. The Evolution of the Copyright Act

The first copyright legislation adopted by Congress, the Copyright Act of 1790, imposed strict formalities that only granted rights to authors in the United States.\textsuperscript{21} Unlike the current system, copyright protection was not automatically granted under the first Act.\textsuperscript{22} Instead, authors were required to comply with several strict formalities, including registering their works with district courts.\textsuperscript{23} Other formalities included providing notice and deposit, as well as complying with renewal requirements.\textsuperscript{24} The revisions of the Copyright Acts of 1909 and 1976, which relaxed several of these strict formalities, began the shift to what Professor Sprigman refers to as an “unconditional copyright” system.\textsuperscript{25}

Over time, the legislature removed many of the formal requirements imposed by previous iterations of the Act.\textsuperscript{26} Through the Copyright Act of 1976, “Congress pared back, and in some instances entirely discarded, copyright formalities.” \textsuperscript{27} Through these acts the legislature adopted a more flexible copyright system.\textsuperscript{28} However, registration has consistently been required throughout iterations of copyright acts.

\begin{flushright}

19 Sprigman, supra note 1, at 528 (“[F]ormalities are an important component of our original constitutional commitment to a utilitarian model of copyright.”).

20 Id. at 494.

21 Id. at 491–92.

22 Id. But see 17 U.S.C. § 102(a) (2012) (granting a work copyright protection when the work is “fixed in any tangible medium of expression”).

23 Sprigman, supra note 1, at 492.

24 Id.

25 Id. at 493–94 (arguing that while still requiring registration, notice, and renewal, the registration requirement was softened). Sprigman compares the “unconditional copyright” system to a “conditional copyright” system, mandating these formal requirements. Id. at 494.

26 See, e.g., Arthur J. Levine & Jeffrey L. Squires, Notice, Deposit and Registration: The Importance of Being Formal, 24 UCLA L. REV. 1232, 1239 (1977) (describing how to comply with notice requirements under the modern Act and how these requirements differ from the 1909 Act).

27 Sprigman, supra note 1, at 487.

28 Levine & Squires, supra note 26, at 1236. “The provisions of . . . the 1976 Act are generally intended to liberalize the rigid formalities which condition the acquisition of copyright under the old law, and which have from time to time resulted in unintended forfeitures of copyright.” Id. at 1232.
\end{flushright}
B. The Modern Copyright Act

The Act provides a bundle of exclusive rights to creators of original literary, musical, dramatic, choreographic, pictorial, video, sound, and architectural works. Section 102 of the Act automatically grants a work copyright protection when the work is “fixed in any tangible medium of expression.” The bundle of exclusive rights copyright owners are afforded include the right to reproduce, prepare derivatives, perform, display, or distribute copies of their work. These rights are granted regardless of whether registration with the Copyright Office occurred.

Congress assigned the Copyright Office the important task of registering copyright claims. Copyright registration is addressed in sections 408 through 412 of the Act. Sections 408 and 409 of the Act describe the registration process and the required materials that creators must submit to the Register of Copyrights. The Act is silent on what occurs in the period of time between filing an application and when the Copyright Office completes registration. Section 410 only speaks to what occurs after an application for registration is examined or a work is registered. Copyright owners remain in a “legal limbo” until the Copyright Office issues registration or refuses an application for registration.

Registration of a work with the Copyright Office is “not a condition of copyright protection.” Section 408 states that a copyright owner may file an application with the Copyright Office. The Register of Copyrights (the “Register”) plays an important role in this process. The Register determines the form that must be used and has the authority to grant or refuse registration of any copyright claim filed. The Register also has the ability

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30. § 102(a).
31. § 106.
33. Section 101 of the Act defines “registration” as “a registration of a claim in the original or the renewed and extended term of copyright.” 17 U.S.C. § 101 (2012). This definition is circular and does not provide a clear resolution to when registration occurs.
35. § 410.
36. Jason S. Duey, What’s the Problem Money Can’t Solve?: Why Determining the Validity of a Copyright Application Is a Clear Precondition to an Infringement Action, 39 OHIO N.U. L. REV. 555, 557 (2013) (describing legal limbo as the “time in space between delivering a validly compiled copyright application with the Copyright Office and the Register of Copyrights issuing, or refusing to issue, a certificate of registration”). See infra Section V.A (explaining the consequences of “legal limbo”).
37. § 408(a); 2 NIMMER ON COPYRIGHT § 7.16(A)(1) (2018) (“[C]opyright automatically inheres in a work the moment it is ’created.’”).
38. § 408(a) (requiring deposit, application, and fee). The Copyright Office defines “deposit” as a copy “of the work to be registered for copyright.” Definitions, COPYRIGHT.GOV, https://www.copyright.gov/help/faq/definitions.html (last visited July 20, 2019).
39. §§ 409, 410.
to become a party in an action regarding the registrability of a copyright claim. Consequently, the Register’s decision to issue a certificate of registration or deny an application can have significant implications on pending litigation.

It is important to note that the effective date of a copyright certificate is not the date on which the Register determines whether the claim should be approved or denied. Instead, the “effective date of a copyright registration is the day on which an application, deposit, and fee . . . have all been received in the Copyright Office.” This suggests that the date the application is filed is more significant than the date the Register grants certification.

Section 411 of the Copyright Act requires a copyright holder to preregister or register their work before an action for infringement may be filed. Under section 408(f), “owners of works especially susceptible to prepublication infringement should be allowed to institute suit before the Register has granted or refused registration.” The language of this section was pivotal in the Court’s decision in *Fourth Estate v. Wall-Street.com*.

Some argue that the language of section 411 is clear: creators must register with the Copyright Office before they can file a copyright infringement suit. The Copyright Office takes this position. However, others argue that the term “registration” is ambiguous, giving rise to the circuit split and the Supreme Court’s grant of certiorari in *Fourth Estate v. Wall-Street.com*.

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40 § 411(a).
41 Marybeth Peters, *The Copyright Office and the Formal Requirements of Registration of Claims to Copyright*, 17 U. DAYTON L. REV. 737, 739 (1992) (stating a certificate of registration may have a great influence in litigation).
42 § 410(b).
43 § 411(a).
44 *Fourth Estate Pub. Benefit Corp. v. Wall-Street.com*, LLC, 139 S. Ct. 881, 892 (2019). However, neither the Supreme Court nor the Copyright Act explicitly suggest what types of work may be preregistered.
45 For a discussion of this decision, see infra Section IV.
46 See, e.g., Duey, *supra* note 36, at 561 (“A copyright is registered only after the Copyright Office first determines the validity of an application and issues a certificate of registration. . . . [T]he statute is unambiguous . . . .”).
48 See, e.g., Emily B. Tate, Comment, *No Public Benefits for Public Benefit: The Eleventh Circuit’s Narrow Approach to Copyright Registration*, 59 B.C. L. REV. E-SUPPLEMENT 134, 135–36 (2018) (“Section 411(a)’s fluid use of the word ‘registration’ has created tension in the courts, as the statute can be construed to refer simultaneously to the entire act of registration . . . and to the single act of filing with the Copyright Office . . . .”).
II. The History of Fourth Estate v. Wall-Street.com and the Circuit Split

The long-standing circuit split surrounding copyright registration was imperative in the Supreme Court’s grant of certiorari, and without the Court’s review of this issue, it was unlikely that the circuit split would have been resolved. There were formerly two approaches taken by circuit courts regarding copyright registration. The first was the registration approach, adopted by the Tenth and Eleventh Circuits. The Fifth and Ninth Circuits adopted the application approach. The circuit split was the result of courts interpreting the same, precise language of the Copyright Act regarding registration in two distinct ways.

A. The History of Fourth Estate v. Wall-Street.com and the Registration Approach

The registration approach, adopted by the Tenth and Eleventh Circuits, requires an applicant to show that the Copyright Office issued or rejected an application for certification before the copyright owner can bring a suit for copyright infringement. The registration approach requires compliance with strict registration formalities and directs the copyright system towards a conditional copyright approach.

In Fourth Estate v. Wall-Street.com, the Eleventh Circuit held copyright registration occurs when the Copyright Office registers the claim. Fourth Estate filed a complaint against Wall-Street.com for copyright infringement after Wall-Street published material on its website that

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49 2 NIMMER ON COPYRIGHT § 7.16(B)(3)(b)(iii) (2018); See Aaron-Andrew P. Bruhl, Measuring Circuit Splits: A Cautionary Note, 3 J. LEGAL METRICS 361, 361 (2014) (“[A] split of authority is probably the single most important factor in triggering Supreme Court review.”).


51 Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 856 F.3d 1338, 1339–40 (11th Cir. 2017); Tate, supra note 48, at 138.

52 Tate, supra note 48, at 138.

53 The Supreme Court has in the past affirmed the Eleventh Circuit in 47.4% of cases that have been granted certiorari, while the Court has affirmed the Fifth and Ninth Circuits 22.2% and 10.8%, respectively. Eric Hansford, Note, Measuring the Effects of Specialization with Circuit Split Resolutions, 63 STAN. L. REV. 1145, 1165 (2011).

54 Fourth Estate Pub. Benefit Corp., 856 F.3d at 1340.


56 A claim for copyright infringement “occurs when a copyrighted work is reproduced, distributed, performed, publicly displayed, or made into a derivative work without the permission of the copyright owner.” Definitions, COPYRIGHT.GOV, https://www.copyright.gov/help/faq/faq-definitions.html (last
Fourth Estate owned without proper licensure.\(^5^7\) Fourth Estate filed an
application for registration with the Register but did not have a certificate
from the Copyright Office before filing the action against Wall-Street.\(^5^8\)

The Eleventh Circuit held the defendant’s rationale under the
registration approach was the correct interpretation of section 411(a) and
that the text of the Act was unambiguous.\(^5^9\) In reaching its conclusion, the
court relied on the language of section 410(a), which states “after
examination, the Register of Copyrights determines that . . . [if] the material
deposited constitutes copyrightable subject matter . . . , the Register shall
register the claim and issue to the applicant a certificate of registration under
the seal of the Copyright Office.”\(^6^0\) Therefore, the court held “[f]iling an
application does not amount to registration.”\(^6^1\)

B. The Application Approach

The application approach, adopted by the Fifth and Ninth Circuits,\(^6^2\)
focuses on the copyright owner’s action of filing the application and paying
the required fees in order to bring a suit for copyright infringement, rather
than the steps taken by the Copyright Office.\(^6^3\) The application approach
leans towards a more flexible copyright system.

In Cosmetic Ideas, Inc. v. IAC/Interactivecorp., the Ninth Circuit
considered whether a district court erred in dismissing the plaintiff’s
copyright infringement action because it allegedly failed to satisfy section
411(a) of the Copyright Act.\(^6^4\) Prior to filing suit, Cosmetic submitted an
application for copyright registration to the Copyright Office, but had not
yet heard from the Office regarding whether its application was approved.\(^6^5\)
The Ninth Circuit considered what “registration” means within the larger
context of the Act.\(^6^6\) The court considered both the application and

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\(^{57}\) Fourth Estate Pub. Benefit Corp., 856 F.3d at 1339. “[L]icensing is a crucial mechanism
for transferring rights from authors to [other] entities . . . .” Sprigman, supra note 1, at 502. Wall-Street.com
provides information relating to the financial sector, stocks, and news. WALL-STREET.COM, https://wall-
street.com (last visited Mar. 21, 2019).


\(^{59}\) Fourth Estate Pub. Benefit Corp., 856 F.3d at 1340–42.

\(^{60}\) Id. at 1340.

\(^{61}\) Id.

\(^{62}\) Id. at 612, 613–14 (9th Cir. 2010).

\(^{63}\) Id. at 614.

\(^{64}\) Id. at 615.
registration approaches and recognized the circuit split on this issue.\textsuperscript{67} Since litigation began, the Copyright Office issued a certificate of registration to the plaintiff.\textsuperscript{68} The circuit court focused on the language of section 411(a) and stated that “registration” is not well defined in the Act.\textsuperscript{69} Therefore, the court interpreted multiple sections of the Act in order to get guidance on the appropriate definition of “registration.”\textsuperscript{70} The court noted that if section 410(a) or section 411(a) are considered alone, it appears that the Register has an active role that requires action in order to complete registration.\textsuperscript{71} However, when considered alongside sections 408 and 410(d), it seems that the intention of Congress was to follow the application approach.\textsuperscript{72} In addition to considering the language of the Copyright Act, the Ninth Circuit also contemplated Congress’ intent in passing the Act. The court held that the “application approach better fulfill[ed] Congress’s purpose of providing broad copyright protection while maintaining a robust federal register.”\textsuperscript{73}

The Fifth Circuit, in \textit{Positive Black Talk Inc. v. Cash Money Records Inc.}, relied on the Ninth Circuit’s holding in \textit{Cosmetic Ideas} and concluded that “technicalities should not prevent litigants from having their cases heard on the merits.”\textsuperscript{74} The Fifth Circuit adopted the application approach through this opinion.

Ultimately, the facts surrounding Fourth Estate’s claim are different from the facts in \textit{Cosmetic Ideas}. Unlike Cosmetic, Fourth Estate did not receive confirmation from the Copyright Office regarding the status of its application when it appealed to the Eleventh Circuit.\textsuperscript{75} Therefore, the Eleventh Circuit did not have the same benefit the Ninth Circuit had—holding a valid copyright registration. However, the Ninth and Fifth Circuits provided the Supreme Court with a strong statutory analysis that could have been used as a baseline for its decision in \textit{Fourth Estate v. Wall-Street.com}. Further, both the Supreme Court and Ninth Circuit considered the language of the Act regarding the definition of “registration” to be ambiguous.\textsuperscript{76}

\textsuperscript{67} Id. at 615–16.
\textsuperscript{68} Id. at 616. Registration with the Copyright Office is prima facie evidence of a valid copyright. 17 U.S.C. § 410(c) (2012).
\textsuperscript{69} \textit{Cosmetic Ideas}, 606 F.3d at 616.
\textsuperscript{70} Id. (“[R]ather than focusing just on the word or phrase at issue, this court looks to the entire statute to determine . . . intent.”).
\textsuperscript{71} Id. at 617.
\textsuperscript{72} Id. (“[Section 408] implies that the sole requirement for obtaining registration is delivery of the appropriate documents and fee.”).
\textsuperscript{73} Id. at 619.
\textsuperscript{74} \textit{Positive Black Talk Inc. v. Cash Money Records Inc.}, 394 F.3d 357, 366 (5th Cir. 2004).
\textsuperscript{75} In fact, Fourth Estate’s application was significantly delayed. \textit{See} Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881, 887 n.2 (2019) (“Consideration of Fourth Estate’s filings was initially delayed because the check Fourth Estate sent in payment of the filing fee was rejected by Fourth Estate’s bank as uncollectible.”).
\textsuperscript{76} \textit{See} \textit{Cosmetic Ideas}, 606 F.3d at 618; Transcript of Oral Argument at 4, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019) (No. 17-571) ("[R]egistration could mean either.").
Since arguing before the Eleventh Circuit, Fourth Estate’s application for copyright registration was denied. The Register found that Fourth Estate failed to meet the group database registration requirements. However, the Register’s decision did not impact the Supreme Court’s jurisdiction over this case. First, the defendant prevailed on its motion to dismiss, depriving the petitioner the opportunity to present evidence as to why its application for copyright should have been approved. Second, the Register’s denial of a copyright application does not deprive the petitioner its day in court under section 411(a). While this section may now require that the Register approve or deny issuing a certificate of copyright, it does not require that the Register issue a certificate in order to bring suit. The Register also has the option to become a party in an action regarding the registrability of a copyright claim.

III. THE APPEAL TO THE UNITED STATES SUPREME COURT

The Supreme Court previously acknowledged the circuit split regarding copyright registration but has refused to address this issue until granting certiorari in Fourth Estate v. Wall-Street.com. In Reed Elsevier, Inc. v. Muchnick, the Court considered “whether [section] 411(a) . . . deprives federal courts of subject-matter jurisdiction to adjudicate infringement claims involving unregistered works.” The Court conducted a close reading of section 411(a) and considered the legislative intent in drafting the statute. The Court held that registration is not a condition to jurisdiction. However, the Court did not reach the issue of defining “registration” as applied to section 411. While this decision signaled that the copyright

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78 Brief for the United States as Amicus Curiae Supporting Respondents, supra note 77, at 3a–7a (citing lack of originality in arranging materials). A single application for registration may be submitted for a group of works created by the same author and published in a periodical or newspaper in the same year. 17 U.S.C. § 408(c) (2012).
79 § 411(a).
80 Id.
81 The Court acknowledged the circuit split early in the Fourth Estate v. Wall-Street.com decision, stating the purpose of granting certiorari in this case was to resolve the split. Fourth Estate Pub. Benefit Corp., 139 S. Ct. at 887.
82 130 S. Ct. 1237, 1242 (2010).
83 Id. at 1245.
84 Id. at 1246–47.
85 Id. at 1249 (“We also decline to address whether § 411(a)’s registration requirement is a mandatory precondition to suit that . . . district courts may or should enforce sua sponte by dismissing copyright infringement claims involving unregistered works.”). However, had the Court addressed the meaning of “registration” in its analysis in this context, the circuit split may have been resolved nearly a decade ago.
system was shifting further away from formal registration requirements and towards a semi-conditional copyright framework, the Court did not take the same approach when deciding *Fourth Estate v. Wall-Street.com*.

On January 8, 2019, the Supreme Court heard oral argument in *Fourth Estate v. Wall-Street.com*.86 Unlike the argument before the Eleventh Circuit,87 Justice Kagan noted that the term “registration” was flexible.88 The Court conducted a statutory analysis and focused on the language of the Copyright Act in order to determine how “registration” should be interpreted.

A. Petitioner’s Brief and Argument Before the United States Supreme Court

Justices of the Court agreed with Petitioner that the definition of “registration” was flexible89 and asserted “registration” could mean either the copyright owner’s application or the Copyright Office’s processing of the application.90 The Court’s acknowledgement that the term “registration” was vague was significant because this stance differed significantly from the Eleventh Circuit’s opinion.

In Petitioner’s brief to the Supreme Court, Fourth Estate asserted that while a copyright owner must register its work with the Copyright Office in order to pursue a civil action, there is no requirement that the Copyright Office must act on that application prior to the copyright owner being able to protect its work against infringers through a civil action.91 Therefore, registration is not a precondition to copyright protection.92 Petitioner argued that when the three basic requirements for copyright protection—deposit,
application, and fee—have been fulfilled, registration under section 411(a) is satisfied.93

In its brief, Petitioner interpreted the Copyright Act as a whole, citing to several sections of the Act, and argued the terms “register” and “registration” have “substantial flexibility.”94 Section 408 states that “the owner of copyright . . . may obtain registration of the copyright claim by delivering to the Copyright Office the deposit specified by this section, together with the application and fee.”95 Nowhere in section 408 of the Act does it state that the Register must approve the application in order for it to take effect for purposes of filing actions for remedies. Additionally, based on the context of “register” in section 411, Petitioner argued that the word refers not to the actions of the Register, but to the actions of the copyright owner.96 Petitioner strengthened its argument by showing that the Register’s refusal to issue a certificate of registration to a copyright owner does not preclude the owner from being able to initiate an infringement action.97 Therefore, regardless of whether the registration for copyright is granted or refused, the owner may still initiate a suit for infringement.98

Further, Petitioner cited to several problems that would ensue and the obstacles copyright owners would face if the Court adopted the registration approach. Petitioner contended that if the Act was interpreted to require the Register to determine the copyrightability of a work prior to a copyright owner being able to bring an infringement suit, unnecessary delays would result.99 Petitioner also stated that the most significant problem a copyright holder will face is their inability to bring an action for injunctive relief, or any other kind of civil action, until the Register grants or refuses registration.100 “[T]he value of the copyright depends on the ability to exclude [the] unauthorized copying [or] reproduction of the work.”101 Injunctive relief is important to a copyright owner because it can prevent wide dissemination of their work—which in turn reduces the value of the work—and it can be difficult to determine the amount of damages that should be awarded.102

Fourth Estate also argued that the registration approach would be “inconsistent with the scheme of rights and remedies that the Copyright Act
creates.”

Petitioner distinguished the copyright system from the trademark and patent regimes, which have different registration requirements.

Applications for trademarks and patents involve a complex process that has “significant procedural formalities,” and unlike these two distinct regimes, copyright serves a different purpose. Therefore, unlike a trademark or patent, a copyright owner’s right to exclude does not require a certificate of registration.

B. Respondents’ Brief and Argument Before the United States Supreme Court

Respondents argued that section 411(a) of the Act “is plain” and should be interpreted to mean registration must be made or refused before an infringement action may be instituted. Respondents urged the Court to consider these terms in “their ordinary, common-sense meaning,” in order to reach the conclusion that “registration” does not mean application. “The whole point of a registration decision, whether it’s a grant or a refusal . . . is a belief that there is a value to the registration process itself.” Wall-Street.com cited to several benefits of registration, including providing

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107 Brief for Petitioner, supra note 14, at 20–21, 37.
110 Id. at 32 (stating the Copyright Office’s mission is to “promote creativity by administering and sustaining an effective national copyright system”).
114 Brief for the Respondents, supra note 109, at 15, 19.
information to the public, creating a permanent record, incentivizing creators to register works early, and expanding the Library of Congress’ records.112

Respondents also engaged in a close, textual analysis of section 411(a) and contended that the language of the Act clearly supports the registration approach.113 Respondents argued that the second sentence of section 411(a) is an exception to the first sentence, which showed Congress’ intent in requiring action by the Register.114 It also engaged in an analysis of other sections of the Act, such as sections 408, 409, and 410, to further support its definition of “registration.”115

While Respondents acknowledged the concern surrounding processing of copyright claims, they minimized its impact.116 Respondents cited to budget cuts, staff vacancies, and lacking technology as reasons for delays in registering copyright claims.117 During oral argument, the Court stated that Congress did not intend for these delays.118 Respondents contended that works filed for preregistration or under an alternative special handling process are decided quickly and are not subjected to the same delays.119 While delays in processing claims are one of the Copyright Office’s concerns, Respondents suggested that this issue should be left to Congress to resolve.120

IV. THE UNITED STATES SUPREME COURT’S DECISION AND THE LIKELY RESULTS

The Supreme Court “conclude[d] that ‘registration . . . has been made’ within the meaning of 17 U.S.C. § 411(a) not when an application for registration is filed, but when the Register has registered a copyright after examining a properly filed application.”121 The Court’s decision clearly aligned with the registration approach and signals a shift back towards a conditional copyright, or copyright formalities, system. Ultimately, this decision will present several obstacles for copyright owners.

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113 Brief for the Respondents, supra note 109, at 14.
115 Brief for the Respondents, supra note 109, at 14–15.
117 Brief for the Respondents, supra note 109, at 4.
119 Id. at 38, 40.
120 Brief for the Respondents, supra note 109, at 33.
A. The Supreme Court’s Reasoning

First, the Court delved into a textual analysis of the Copyright Act. While the Court recognized that exclusive rights are automatically granted to a copyright owner, it also pointed to section 408(f), which allows for preregistration. Under this provision, copyright owners may file a civil action for infringement before registering their work. However, preregistration is only available to works that are “vulnerable to predistribution infringement” and has historically applied to works in the film or music industries. Therefore, while the preregistration section of the Act does support the Court’s holding under the registration approach, Fourth Estate would not have likely been able to qualify its works for preregistration.

Next, the Court considered the language of section 411(a) and stated that it focuses on the Copyright Office’s act of registration or refusal, not on the owner’s action of filing an application. Otherwise, different meanings of “registration” would have to be given to the term in the first and second sentences within the same section of the Act. Additionally, the third sentence, which gives the Register the authority to intervene, would be negated. The Court then turned to other sections of the Act, stating that sections 410 and 408(f) both support its interpretation of “registration.”

Second, the Court stated that amendments to the Copyright Act and precedent were dispositive. The Court relied on the text of the statute that anteceded the modern section 411 and the Second Circuit’s holding in Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co. In Vacheron, the Second Circuit held that the Copyright Act precluded a copyright owner from bringing an action for infringement until a work was both deposited and registered. Congress responded to this decision by

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122 Id. at 888 (noting that preregistration is just “a preliminary step prior to a full registration” and is not an exception to the general registration requirement).
123 Id.
124 The Court notes that preregistration is allowed for “exceptional scenarios,” making the availability of preregistration even narrower. Id.
125 Id. at 888–89.
128 Id. (relying on the Register’s role after examination of an application and the ability to preregister works).
129 Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co., 260 F.2d 637, 640–41 (2d Cir. 1958). “[T]he key issue that was debated between the majority opinion and the dissent in Vacheron [was] whether the copyright owner should be prevented from gaining access to judicial remedies because the Copyright Office had not yet acted or granted the registration.” Transcript of Oral Argument at 66, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019) (No. 17-571).
adding the second sentence of section 411(a), which allows an infringement suit to move forward, even if an application for registration was denied.\textsuperscript{130} The parties disagree as to whether Congress’ response was a shift towards an unconditional or conditional copyright system. The Court rejected the argument that the amendment shifted registration away from formalities.\textsuperscript{131}

Lastly, the Court considered the legislative history and intent of section 411(a).\textsuperscript{132} The Court stated that the amendments to the Act in 1976 “reaffirmed the general rule that registration must precede an infringement suit, and added an exception” by adding the second sentence to section 411(a).\textsuperscript{133} The Court also cited to rejected proposed amendments to section 411(a), including a “proposal to allow suit immediately upon submission of a registration application.”\textsuperscript{134} “Time and again, then, Congress has maintained registration as prerequisite to suit, and rejected proposals that would have eliminated registration or tied it to the copyright claimant’s application instead of the Register’s action.”\textsuperscript{135} Instead, Congress addressed concerns by creating clear exceptions from section 411(a)’s registration requirement.\textsuperscript{136}

While the Supreme Court adopted the registration approach, the Court acknowledged the “unfortunate” outcome from this decision.\textsuperscript{137} The Court noted that the copyright system has not functioned in a way that Congress likely intended,\textsuperscript{138} and therefore Congress should respond. Moreover, there are several obstacles copyright owners who do not yet hold a certificate of registration will face if they are prevented from filing an infringement suit before a certificate is issued or denied. These concerns include significant delays, running of the statute of limitations, and severe economic impacts. Therefore, Congress should amend the Act to create an additional exception to section 411(a) by adopting the special handling process offered by the Copyright Office.\textsuperscript{139}

\textsuperscript{130} Fourth Estate Pub. Benefit Corp., 139 S. Ct. at 891 n.5.
\textsuperscript{131} Id. at 890–91.
\textsuperscript{132} Id. “Time and again, then, Congress has maintained registration as prerequisite to suit, and rejected proposals that would have eliminated registration or tied it to the copyright claimant’s application instead of the Register’s action.” Id. at 891.
\textsuperscript{133} Id. at 890–91.
\textsuperscript{134} Id. at 891 (“[I]n years following the 1976 revisions, Congress resisted efforts to eliminate § 411(a) and the registration requirement embedded in it.”).
\textsuperscript{135} Id.
\textsuperscript{136} Id. at 892 (providing examples such as section 408(f)’s preregistration option).
\textsuperscript{137} Id.
\textsuperscript{138} Id.
\textsuperscript{139} In fact, Respondents contended that Congress must amend the Copyright Act for a court to find that the application approach satisfies the registration requirement under section 411(a). Brief for the Respondents, \textit{supra} note 109, at 42.
B. The Likely Ramifications of the Supreme Court’s Decisions

1. Delays Within the Copyright System

The largest impact of the Supreme Court’s decision is its implicit tolerance of the dysfunctional registration system. The Court characterized the Copyright Office’s delay in registering copyright applications as “unfortunate” and stated that the registration system has not worked as it was meant to.140 However, the Court left this issue for Congress to resolve.

The Copyright Office is entrusted with the important responsibility of registering copyright claims.141 In 2018, the Copyright Office received over 600,000 claims.142 In 2017, the Office received 539,662 claims and issued 452,122 certificates of registration.143 According to the 2017 annual report published by the Copyright Office, 15,902 applications were not processed in the year they were filed.144 Due to the large volume of applications, “[i]t is therefore crucial that the Office have an innovative and modern copyright registration system that can meet the rapidly expanding needs of the highly diverse copyright community and the public at large.”145 It is clear that the Copyright Office cannot process applications as quickly as some copyright owners may need in order to pursue litigation. The Office recognized “that a delay in the issuance of a certificate may create difficulties for the copyright owner or other interested parties, particularly when litigation is expected.”146 The registration approach tolerates and creates further unnecessary delays within the system.147 The Copyright Office estimates the following processing times:148

<table>
<thead>
<tr>
<th>Type of Claim</th>
<th>Average Processing Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims filed online with no correspondence</td>
<td>Six months</td>
</tr>
<tr>
<td>Claims filed by mail with no correspondence</td>
<td>Thirteen months</td>
</tr>
</tbody>
</table>

140 Fourth Estate Pub. Benefit Corp., 139 S. Ct. at 892. Wall-Street.com acknowledged in its brief to the Supreme Court that the amount of time it takes for the Copyright Office to process an application for registration has fluctuated and varies. Brief for the Respondents, supra note 109, at 4 (“The pendency time for processing registration claims is a source of constant concern.”).
142 Id. at 52,337.
143 Id.
144 U.S. COPYRIGHT OFFICE, supra note 109, at 4 (reporting that the Registration Program received 539,662 claims in fiscal year 2017 and closed 523,760).
147 Cosmetic Ideas, Inc. v. IAC/Interactivcorp, 606 F.3d 612, 619 (9th Cir. 2010); Brief for Petitioner, supra note 14, at 2.
<table>
<thead>
<tr>
<th>Correspondence</th>
<th>Nine months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims filed online with correspondence</td>
<td></td>
</tr>
<tr>
<td>Claims filed by mail with correspondence</td>
<td>Twenty months</td>
</tr>
</tbody>
</table>

Therefore, on average, the process is likely to take nine to thirteen months.\(^{149}\) According to the Department of Justice, “[t]he examination process often involves a dialogue between the copyright office and the applicant,”\(^{150}\) which leads to increased processing time. Respondents stated that thirty percent of applications result in correspondence and the Office often requests changes to applications,\(^ {151}\) which also suggests increased processing time. While there are alternatives, such as expedited review through the special handling process,\(^ {152}\) not all copyright owners can afford additional fees.\(^ {153}\) Despite these delays, ninety-seven percent of applications for registration are ultimately approved.\(^ {154}\)

In addition to severe delays, the Copyright Office also fails to communicate with copyright owners during the application process.\(^ {155}\) The Office does not have information available to applicants regarding the amount of time it will take to review an application or register a work.\(^ {156}\) The period of time between the filing of copyright registration and the confirmation that registration is complete is referred to as “legal limbo.”\(^ {157}\) As a result, the copyright owner lacks important information it may need to

\(^{149}\) But see Brief for the United States as Amicus Curiae Supporting Respondents, supra note 77, at 5 (stating that “[t]he average time for the Copyright Office to resolve a registration application is approximately seven months”).

\(^{150}\) Id. at 5 (emphasis added).


\(^{152}\) See infra Section V; Brief for the United States as Amicus Curiae Supporting Respondents, supra note 77, at 5.

\(^{153}\) Brief of the American Bar Ass’n as Amicus Curiae Supporting Petitioner at 28–29, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019) (No. 17-571) (“The net result is that authors who cannot afford the special handling fees may be deprived of the ability to obtain recourse for infringement of their rights.”). The special handling fee is $800 in addition to the general registration fee.


\(^{155}\) According to the Copyright Office, there is no confirmation that an application for registration has been received. I’ve Submitted My Application, Fee, and Copy of My Work to the Copyright Office. Now What?, U.S. COPYRIGHT OFF., https://www.copyright.gov/help/faq/faq-what.html?received (last visited Feb. 15, 2019).

\(^{156}\) Id.

\(^{157}\) Duey, supra note 36, at 557. See also Tate, supra note 48, at 144 (“[T]he copyright owner has no recourse against continuing harmful infringement.”).
protect its work. Fourth Estate stated that this period of “legal limbo” is the greatest concern for copyright owners.\textsuperscript{158}

The Copyright Office is taking several measures to improve its current application process.\textsuperscript{159} For instance, the Office is seeking to improve its technology, increase the types of documents it retains in its public database, and is considering implementing a system that offers varying amounts of support throughout the application process.\textsuperscript{160} These improvements would create more transparency in the registration process, simplify the application process, and likely improve the Copyright Office’s productivity, thereby reducing the amount of time it takes to process an application for copyright registration. However, until these changes are implemented, applicants will continue to be disadvantaged by delays and prejudiced by the lack of information available regarding their applications.

The Supreme Court’s reaction to this issue was lacking. The Court cited to section 408(f), which allows preregistration for works that are susceptible to infringement.\textsuperscript{161} However, the works that qualify under section 408(f) are limited, as they must be the type “especially susceptible to prepublication infringement.”\textsuperscript{162} The Court left the administrative delays for Congress to resolve, stating it is not an issue the Court can address.\textsuperscript{163}

2. Access to Courts and Statute of Limitations

The American Bar Association, in its amicus brief to the Supreme Court, asserted that the registration approach would be an obstacle to accessing courts.\textsuperscript{164} Since the Copyright Office does not provide applicants with status updates on their copyright registration applications, it could be conceivable that the statute of limitations may run on a claim prior to when the Copyright Office issues a certificate or rejects an application.\textsuperscript{165} In considering which approach to adopt, the Ninth Circuit stated that the registration approach could have the result of precluding a plaintiff from pursuing a claim due to the three-year statute of limitations.\textsuperscript{166} The circuit court also noted that the statute of limitations conflicts with the requirement under section 410(d) that


\textsuperscript{160} Id.


\textsuperscript{162} Id. Fourth Estate would not have likely qualified for preregistration under section 408(f).

\textsuperscript{163} Id. at 892.

\textsuperscript{164} Brief of the American Bar Ass’n as Amicus Curiae Supporting Petitioner, supra note 153, at 3, 29 (“The Copyright Office’s delay in deciding whether to issue or refuse to issue a certificate of registration also has consequences for meeting the short three-year statute of limitations under the Copyright Act.”).

\textsuperscript{165} Tate, supra note 48, at 144.

\textsuperscript{166} Cosmetic Ideas, Inc. v. IAC/Interactivcorp., 606 F.3d 612, 620 (9th Cir. 2010).
the certificate is dated with the date of application, not the date of certification.\textsuperscript{167}

The Supreme Court responded to the Petitioner’s concern by asserting it was “overstated” because the average processing time is seven months.\textsuperscript{168} The Court reasoned that there is “ample time to sue after the Register’s decision, even for infringement that began before submission of an application.”\textsuperscript{169} However, as previously stated, it may take much longer than seven months for the Register to act on an application.\textsuperscript{170}

3. Economic Impacts of the Supreme Court’s Decision

The Court’s decision will have significant economic impacts on copyright owners. The Supreme Court reasoned that a copyright owner, once issued a certificate of registration, may “recover for infringement that occurred both before and after registration.”\textsuperscript{171} However, damages in an infringement suit are difficult to prove, and the infringement may not be discovered for a substantial period of time.\textsuperscript{172} Additionally, copyright owners will inevitably sustain further damages if they must wait until the Register acts on their application for copyright registration.\textsuperscript{173} These “bureaucratic delays” will “prevent a copyright owner from promptly enjoining infringement that may significantly undermine the value of its property.”\textsuperscript{174} It would also allow “an infringing party to continue to profit” from violating copyright law.\textsuperscript{175} This “uneconomic” approach is not in the interests of the litigating parties or the court system.\textsuperscript{176}

A possible benefit of the Court’s adoption of the registration approach is that it may encourage artists who anticipate returns on their works to register with the Copyright Office early.\textsuperscript{177}

The registration requirement thus encourage[s] authors to assess the value of their works prior to first publication. If the author expected the work to have a commercial value in excess of the time-adjusted cost of complying with registration and other formalities, he would take the steps necessary to obtain

\begin{enumerate}
\item[167] Id.
\item[168] \textit{Fourth Estate Pub. Benefit Corp.}, 139 S. Ct. at 892.
\item[169] Id.
\item[170] See \textit{supra} Section V.A (describing the amount of time it may take for the Copyright Office to process an application).
\item[171] \textit{Fourth Estate Pub. Benefit Corp.}, 139 S. Ct. at 881.
\item[172] Sprigman, \textit{supra} note 1, at 513–14 n.97.
\item[174] Brief for Petitioner, \textit{supra} note 14, at 2.
\item[175] Cosmetic Ideas, Inc. v. IAC/Interactivecorp, 606 F.3d 612, 619 (9th Cir. 2010).
\item[176] Duey, \textit{supra} note 36, at 557.
\item[177] Sprigman, \textit{supra} note 1, at 514.
\end{enumerate}
copyright protection. But if the costs of protection exceeded the expected revenues from copyrighting, the author would not register the work.¹⁷⁸

However, an artist cannot always predict the commercial success of its work.

V. A POSSIBLE SOLUTION THROUGH THE SPECIAL HANDLING PROCESS

The Supreme Court’s adoption of the registration approach in Fourth Estate v. Wall-Street.com is severely problematic for copyright owners and is fundamentally unjust. The Court acknowledged the “unfortunate” outcome of this case and several issues that will result from this conditional copyright approach, including delays within the copyright system, possible running of the statute of limitations, and economic impacts.¹⁷⁹ However, the Court declined to directly address these problems and left them for Congress to resolve.

Congress may address the inefficiencies within the copyright system and the outcome of Fourth Estate by amending the Act. Instead of viewing copyright as a conditional or unconditional system, Congress should amend the Act to create a semi-conditional copyright system. This approach would maintain the formal requirement of registration while providing copyright owners with a practical solution when they do not qualify for preregistration under section 408(f).

Under the current Act, a court may not hear an infringement action and cannot issue an injunction until the Register has issued or rejected an application for copyright registration.¹⁸⁰ However, under the Copyright Office’s Compendium, the Office permits copyright owners to file an application under an expedited application: the special handling process.¹⁸¹ Congress has not adopted the Compendium as law. Rather, it is a guide for the Copyright Office.

The “special handling [process] is a procedure for expediting the examination of an application to register a claim to copyright or the recordation of a document pertaining to copyright.”¹⁸² The Office may grant an application for special handling under limited circumstances, such as pending or prospective litigation, and charges an additional $800 fee for the expedited review in addition to the registration fee.¹⁸³ The Office aims to review an application within five business days when filed under this

¹⁷⁸ Id.
¹⁸⁰ Id. at 892.
¹⁸¹ COMPENDIUM, supra note 146, § 623.1.
¹⁸² Id.
¹⁸³ Id. §§ 623.1–23.2. Fees, COPYRIGHT.GOV, https://www.copyright.gov/about/fees.html (last visited July 20, 2019). Registration fees range from $35 to $85. Id.
However, the Copyright Office may deny an application for special handling based on how busy the Office is or due to budget restraints. Congress should adopt a modified version of section 623 of the Compendium, which outlines the special handling process, into the Act in order to codify a semi-conditional copyright system. Like section 408(f), this would provide another exception to the general registration requirement and allow parties anticipating litigation to pursue an infringement action in a timely manner. However, Congress should not allow the Office to decline review of an application under the expedited system due to the Office’s volume of applications. This would otherwise undermine the purpose of the special handling process and create uncertainty for applicants regarding whether and when their application would be processed. Additionally, Congress should explicitly state how section 623 would operate in litigation. Under the proposed semi-conditional system, a district court would grant a temporary restraining order, prohibiting the alleged infringer from continuing the infringing behavior until the copyright owner has an opportunity to amend its copyright registration application with the Copyright Office and request review under the special handling process. This approach would limit the damages the copyright owner suffers, reduce litigation costs, and would resolve many of the concerns Petitioner in Fourth Estate and the Supreme Court acknowledge.

First, the adoption of the special handling process into the Act would help to resolve the “legal limbo” concern as well as resolve some of the Copyright Office’s delays. By allowing a copyright owner to modify its application to pursue the special handling process, the copyright owner would not need to worry about waiting a significant amount of time for the Register to process an application and issue a certificate. Instead, the applicant would have a near-immediate decision from the Register. This approach would also increase communication between the copyright owner and the Office: the Office would be on notice of the litigation and may therefore gain more information about the work.

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184 Compendium, supra note 146, § 623.4.  
185 Id. § 623.2. While the Copyright Office publishes statistics on the number of applications for registration filed, the Office does not provide clear statistics on how many applications for special handling process are requested or processed. See U.S. Copyright Office, supra note 109, at 2, 18 (providing statistics on how many claims for registration were filed with the Copyright Office, but only publishing the amount of fees collected through the special handling process).  
186 Compendium, supra note 146, § 623.2.  
188 Instead, the copyright owner could have a decision in just a week. Transcript of Oral Argument at 38, 40, Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019) (No. 17-571).
Second, the special handling process would preserve the registration requirement as a formality under the Act while maintaining access to courts.\textsuperscript{189} By expediting an application through the special handling process, the copyright owner would not be concerned about running into the statute of limitations, since a decision would be made within five business days.\textsuperscript{190} As a result, the owner could commence an infringement action almost immediately and would not be prejudiced by the running of the statute of limitations.

Finally, a semi-conditional copyright approach would resolve many of the uneconomic effects of the Court’s decision. It would allow the copyright owner to pursue an expedited review of its application for copyright, therefore mitigating the amount of damages the plaintiff would otherwise suffer in the number of months it would otherwise take the Copyright Office to act on its application. While the applicant may have to pay a fee in order to expedite an application,\textsuperscript{191} it would likely be less than what the applicant would suffer due to continued infringement. This approach would also reduce litigation costs, as the parties would be able to quickly adjudicate the infringement action.

Through the adoption of the special handling process, Congress can relieve many of the concerns raised by Fourth Estate and circuit courts. The Compendium provides Congress a foundation upon which to build this semi-conditional copyright system and would provide copyright owners with a sword to protect their works should litigation ensue.

CONCLUSION

The Supreme Court’s decision in \textit{Fourth Estate v. Wall-Street.com} signals a shift within the copyright regime. This decision demonstrates a shift back towards the copyright formalities that Congress imposed upon copyright owners in early iterations of copyright acts. While the Acts of 1909 and 1976 transitioned the copyright system towards an unconditional approach, the Supreme Court and Congress clearly intended for registration to remain a formal requirement that was necessary to bring an infringement action.

However, the Supreme Court’s decision will have numerous impacts on copyright owners. While this decision will incentivize copyright owners to file for registration early, it will likely have the impact of further congesting the Copyright Office’s registration system. Therefore, regardless of whether

\textsuperscript{189} See Brief of the American Bar Ass’n as Amicus Curiae Supporting Petitioner, \textit{supra} note 153, at 29–30 (stating the application approach would not cause an issue regarding the statute of limitations).

\textsuperscript{190} \textit{COMPRENDIUM}, \textit{supra} note 146, § 623.4.

\textsuperscript{191} See Brief of the American Bar Ass’n as Amicus Curiae Supporting Petitioner, \textit{supra} note 153, at 28–29 (stating the costs of expediting an application for copyright may be prohibitive for some applicants).
Congress acts and amends the Copyright Act, the Copyright Office needs to change its current processing system. Whether this is through technology updates or increased staffing, it is evident that Congress did not intend for owners of works to wait a year for a decision on an application that is likely to be approved.

While the Court’s decision clearly supports the registration approach, the system should move towards a more balanced methodology. The adoption of a semi-conditional copyright system, through the special handling process, would likely alleviate many of the concerns raised by Petitioner while still maintaining the registration requirement. A semi-conditional system would allow applicants to update their applications to an expedited review if litigation is looming or they are being detrimentally affected by infringers.

Congress would not need to recreate the wheel, but instead adopt a modified version of section 623 of the Copyright Office’s Compendium. By working together with the Copyright Office, Congress should amend the Copyright Act in order to align it to what is occurring in practice and incorporate options allowed by the Copyright Office.

Ultimately, organizations such as Fourth Estate will need to lobby for Congress to amend the Copyright Act. It is unlikely that Congress will amend the Copyright Act so significantly otherwise. Copyright issues are not likely a primary concern of most legislators in this political climate. Therefore, in order to achieve a semi-conditional copyright approach, Congress will need to be persuaded.