

# James Skelley

Technology Law - IP Prosecution - Transactions

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## Fourth Estate Public Benefit Corp. v. Wall Street.com

🕒 March 5, 2019 👤 SKELJ 📁 Uncategorized 💬 0

Here's the Supreme Court [opinion](#) that came out a few hours ago.

This is a relatively straightforward case. The Copyright Act requires that you "register" your work with the Copyright Office before you can sue for copyright infringement. There was a circuit split about whether that meant you could sue only after: a) *you filed* a proper application with the Office; or b) *the Office granted* registration on your application. E.g., the Fifth and Ninth Circuit usually accepted the former and the Tenth and Eleventh Circuit usually required the latter. Here, the Supreme Court basically says it's b), you have to wait for the registration.

*"Under §411(a), "registration . . . has been made," and a copyright owner may sue for infringement, when the Copyright Office registers a copyright."*

*Fourth Estate, Page 4*

Why do we care?

Well, registration doesn't happen instantaneously. It can take months, sometimes years. Here's the Copyright Office's [FAQ](#) on the issue:

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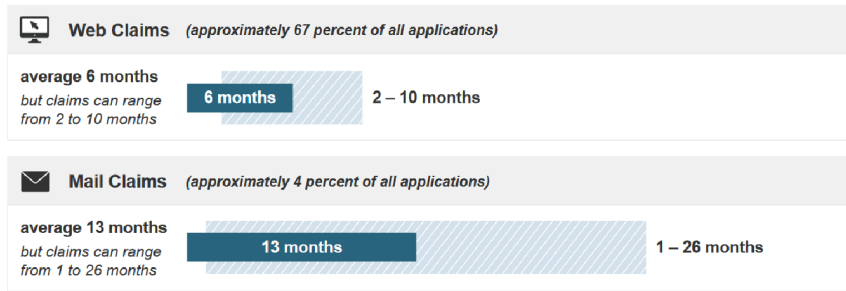
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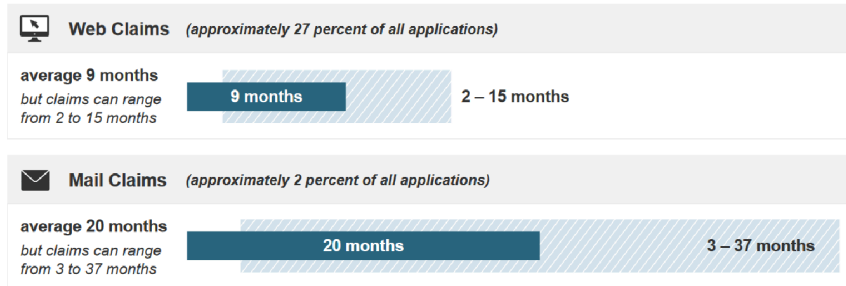
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### Claims with NO Correspondence



### Claims WITH Correspondence



True, you can recover some types of damages prior to registration. It's also true that if you're on the cusp of litigation you can request "special handling" to expedite your registration (for an extra ~\$800 I believe). So as a practical matter, this often isn't a huge issue.

Where it *might* be an issue is when there's a defect or a follow-up registration. Usually, that's uncommon – you finish your book, you register your book, you sue the infringer of your book. Maybe you get a new ISBN when you adjust the preface, but if it's not the copyright of the preface you're suing on, nothing has really changed. You just deposit the book once it's finished and registration is relatively straightforward.

In contrast, in computer software, opportunities for missteps are numerous as the correspondence between the deposit and the copyright claim isn't always so clear. For example, there was a case *Paysys Int'l, Inc. v. Atos SE*, 226 F. Supp. 3d 206 where the plaintiff sued for infringement of a program as a whole, but the registrations were only for *discrete modules* within the program. While the case could proceed on the modules, the claim for the whole program was dismissed. *Hopefully* you get dismissed without prejudice in that situation, can file a special handling registration and try again – but it's not the sort of forgiveness I'd expect out of hand.

Registration also **permits** depositing programs that contain trade secrets by "blacking out" the trade secret portions. Electing what to black out and how to present the remainder can sometimes be an

exercise in madness, paranoia, and sleepless frustration. If the court disagrees with the way you broke things down, you may be in a *Paysys* situation.

*“... the blocked out portions of the source code must be proportionately less than the portions that remain unblocked, and the unblocked portions must contain an appreciable amount of copyrightable expression.”*

**Circular 61** – For security-related secrets, you’ll also have to be sure the unblocked portions don’t somehow “imply” the blocked portions, which can be fun / frustrating. Sometimes in this situation it’s best to wait until the cat’s out of the bag and only then register.

In a more prosaic vein, copyright infringement has a three year statute of limitations (for a civil case) – waiting until the last minute to register may push you past the deadline (registration is *effective* as of the day the “application, deposit, and fee” arrived [17 U.S.C. 410(d)], but that doesn’t change the statute of limitations deadline to get into court). So this ruling does have some (minor) significance for that time-frame. Copyright, like patents, has a “separate-accrual” rule, though, so this still usually won’t be an issue where there’s ongoing infringement.

*Fourth Estate* isn’t an Earth-shattering case, but still strong motivation for good book-keeping and appropriate timing.

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