No. 17-571

IN THE
Supreme Court of the United States

FOURTH ESTATE PUBLIC BENEFIT CORPORATION,
Petitioner,

v.

WALL-STREET.COM, LLC AND JERROLD D. BURDEN,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

SUPPLEMENTAL BRIEF FOR PETITIONER

JOEL B. ROTHMAN
JEROLD I. SCHNEIDER
SCHNEIDER ROTHMAN INTELLECTUAL PROPERTY LAW GROUP, PLLC
4651 N. Federal Highway
Boca Raton, Florida 33431
(561) 404-4350

AARON M. PANNER
Counsel of Record
GREGORY G. RAPAWY
COLLIN R. WHITE
KELLOGG, HANSEN, TODD, FIGEL & FREDERICK, P.L.L.C.
1615 M Street, N.W.
Suite 400
Washington, D.C. 20036
(202) 326-7900
(apanner@kellogghansen.com)

June 5, 2018

RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, petitioner Fourth Estate Public Benefit Corporation states that it is a public benefit corporation that has not issued any stock.

TABLE OF CONTENTS

TABLE OF AUTHORITIES

The government agrees that this case turns on a question that has split the circuits: at what point "registration of [a] copyright claim has been made" within the meaning of § 411(a) of the Copyright Act, 17 U.S.C. § 411(a). It also rejects respondents' position that this Court should leave this conflict unresolved and urges the Court to grant review. On all those scores, the government is right.

But it is wrong on the merits, because it cannot square its position with the Copyright Act's text. The Court should resolve the question presented only after full briefing, but the key point is that the Copyright Act consistently uses the phrase "makes registration" or a passive-voice counterpart to refer to an action of the copyright owner. The government's effort to overcome that textual evidence yields no reason to hold that Congress used the same phrase to mean anything else in § 411(a). The Court should therefore grant the petition, order merits briefing, and reverse the judgment.

ARGUMENT

I. THE COURT SHOULD GRANT THE PETITION TO RESOLVE THE CONCEDED CIRCUIT SPLIT ABOUT THE COPYRIGHT ACT'S REGISTRATION REQUIREMENT

The government and the parties agree that the Eleventh Circuit's decision deepens an entrenched circuit conflict about the question presented. U.S. Br. 9-10; Opp. 2-5. And the government agrees with petitioner that the Court should resolve that split in this case. U.S. Br. 9-12. For those reasons, the Court should grant the petition.

In particular, the government correctly explains that, because this case arrives on a motion to dismiss, any question about whether petitioner in

fact submitted the materials required for registration does not affect whether this case cleanly presents the legal issue in a meaningful context. U.S. Br. 11-12. Petitioner disputes the government's assertions regarding the date on which its application was complete; it has no record of receiving the letters attached to the government's brief and no record of having resubmitted payment. In short, petitioner stands by the factual allegations in the complaint. That factual question will be ripe for resolution on remand if the Court reverses the Eleventh Circuit's judgment. Moreover, because petitioner regularly relies on the Copyright Act to protect its online works, it has every incentive to ensure that the question presented is correctly decided not only for this case but also for future cases.

II. FOR PURPOSES OF § 411(a), A COPYRIGHT OWNER MAKES REGISTRATION BY SUBMITTING THE REQUIRED MATERIALS TO THE COPYRIGHT OFFICE

A. The government devotes much of its merits presentation to proving an undisputed proposition: that the Copyright Act sometimes uses the word "registration" to refer to an action of the Copyright Office. *See* Pet. 21 (noting that 17 U.S.C. § 410(a) and (b) so use the word). But the statute also repeatedly uses variants of the construction "makes registration" to refer to the copyright owner's submission of an application and compliance with the required formalities. *See* Pet. 19-21 (cataloging Congress's use of those variants in 17 U.S.C. §§ 408(c)(3) and (e), 411(c), and 412(2)). As the petition explains, that is how Congress used that construction in § 411(a).

The government argues that the second sentence of § 411(a) – which permits a copyright owner "to institute a civil action" after "registration has been refused" – supports the conclusion that the Register must act on an application before any suit can be initiated. U.S. Br. 14-15; *see also* Opp. 9. But that hardly follows: the second sentence of § 411(a) imposes an additional procedural requirement in cases initiated after registration is refused. It does not preclude initiation of a suit in cases where the copyright owner has made registration but the Register has not acted, and it does not speak to the procedure that should be followed in those unusual cases where registration is refused after a suit is initiated. As petitioner has explained (Pet. 18-19), the government's reading of the second sentence of § 411(a) creates an internal contradiction that petitioner's reading avoids; the government's attempt (at 19-20) to wave away the point is unavailing.

B. The government does not directly contest the point that the phrase "registration has been made" is used in the statute to refer to the action of the copyright owner, not any subsequent action by the Register. Instead, it argues (at 20) that, on its reading of the statute, the copyright owner's actions are not "divorced from the process by which copyright 'registration' is 'made.'" But that far vaguer claim sidesteps petitioner's point: the Copyright Act's consistent use of "makes registration" to refer to something done by the copyright owner, *rather than* by the Copyright Office, is strong evidence that the statute uses the same phrase in the same way in § 411(a).

The government also argues (at 21) that the statute sometimes uses the phrase in a way that refers to

the actions of the Register, but the two provisions it cites do not support the government's reading.

1. Section 205 – which permits recordation in the Copyright Office of "document[s] pertaining to a copyright," including those that pertain to a transfer of ownership, 17 U.S.C. § 205(a) – supports petitioner's reading of the statute, not the government's. Section 205(c) provides that recordation "gives all persons constructive notice of the facts stated in the recorded document" "only if" "(1) the document, or material attached to it, specifically identifies the work to which it pertains so that, after the document is indexed by the Register of Copyrights, it would be revealed by a reasonable search under the title or registration number of the work"; and "(2) registration has been made for the work." *Id.* § 205(c).

This provision does not suggest that the phrase "registration has been made" refers to the action of the Copyright Office rather than to the action of the copyright owner. It points in the opposite direction. Suppose that (1) an author took out a loan against the value of the author's copyright in a work; (2) the lender had a security interest in the copyright; (3) the author had applied for registration; but (4) the registration certificate had not yet been issued. Under petitioner's reading of the phrase "registration has been made," the lender gains protection against a subsequent transferee of the copyright by recording the lien in the manner prescribed in § 205(a) as long as the author has made registration of the work by sending the required application, copies, and fee – whether or not the Copyright Office has yet issued a certificate of registration.

The statute expressly provides that the "Register of Copyrights shall . . . record *the document*" – that is, the document pertaining to the copyright – "and return it with a certificate of recordation." *Id.* § 205(b) (emphasis added). Thus, whether or not a certificate of registration has issued, parties will have constructive notice of the recorded *document* because they will be able to find the indexed document "under the title . . . of the work" – even if a "registration number" is not yet available. On the government's reading, the lender would be in jeopardy until the registration certificate issued, but there is no evident reason that Congress would have desired that result, and nothing in the statute supports it.

2. Section 406(a) – which addresses the consequences of an error in a copyright notice on copies distributed before March 1, 1989 – is at most ambiguous. That provision makes clear that an error in a copyright notice (1) does not affect "validity or ownership of the copyright" but (2) does provide a "complete defense" to "any person who innocently begins an undertaking that infringes the copyright" if the person "proves that he or she was misled by the notice and began the undertaking in good faith under a purported transfer or license from the person named" in the copyright notice. 17 U.S.C. § 406(a). There are two situations, however, in which that defense is unavailable, including if "registration for the work had been made in the name of the owner of copyright." *Id.* § 406(a)(1).

The government insists (at 19) that, because this is a "constructive notice" provision, it would make no sense to deprive an infringer of the defense before registration is granted and recorded. But because the "effective date of a copyright registration," 17

U.S.C. § 410(d), is the date that the copyright owner files the application and required copies and fees, it is possible under either competing reading of the statute that the infringer would lose the defense as of that date. That result is not surprising: the statute similarly limits awards of "statutory damages or of attorney's fees" for infringement of copyright in unpublished, unregistered works – presumably for similar reasons related to fair notice – but expressly authorizes them for infringement after the "effective date" of registration. *Id.* § 412. The statute grants a copyright owner the benefit of registration as of the date that the owner had done everything to make registration. Section 411(a) – which authorizes a civil action at the same juncture – fits comfortably into that statutory framework.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

JOEL B. ROTHMAN
JEROLD I. SCHNEIDER
SCHNEIDER ROTHMAN
INTELLECTUAL PROPERTY
LAW GROUP, PLLC
4651 N. Federal Highway
Boca Raton, Florida 33431
(561) 404-4350

June 5, 2018

AARON M. PANNER
Counsel of Record
GREGORY G. RAPAWY
COLLIN R. WHITE
KELLOGG, HANSEN, TODD,
FIGEL & FREDERICK, P.L.L.C.
1615 M Street, N.W.
Suite 400
Washington, D.C. 20036
(202) 326-7900
(apanner@kellogghansen.com)