

No. _____

In the Supreme Court of the United States

H&M HENNES & MAURITZ, LP, PETITIONER,

v.

UNICOLORS, INC.

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT*

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Under the Copyright Act of 1976, a copyright holder generally may not bring a “civil action for infringement” unless the claimant has registered the work with the Copyright Office. 17 U.S.C. § 411(a). Registrations containing “inaccurate information” are invalid, depriving the claimant of the ability to bring an infringement action, if: “(A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate,” and (B) the Register would have refused registration had it known of the inaccuracy. *Id.* § 411(b)(1).

In 2021, this Court took up this case to decide a question on which the Courts of Appeals were split: whether § 411(b)’s “knowledge” element requires intent to defraud the Copyright Office. Then-petitioner Unicolors, however, abandoned the intent-to-defraud argument at the merits stage. Left only with a subsidiary question to the original question presented, a majority of this Court construed § 411(b) to require “actual knowledge,” meaning “actual, subjective awareness of both the facts and law.” Pet. App. 89a. The Court held that “if Congress had intended to impose a scienter standard other than actual knowledge, it would have said so explicitly.” *Ibid.* But the Court did not directly “answer[] the ultimate question about fraud.” *Id.* at 98a (Thomas, J., dissenting).

On remand, the Ninth Circuit departed from this Court’s holding and concluded that § 411(b)(1) codified a scienter of “intent to defraud” rather than actual knowledge. The question presented is:

Whether § 411(b)(1)(A)’s “knowledge” element requires “actual knowledge,” as this Court held, or “intent to defraud,” as the Ninth Circuit held on remand.

II

PARTIES TO THE PROCEEDINGS

Petitioner H&M Hennes & Mauritz LP was the Defendant and Appellant in the proceedings below.

Respondent Unicolors, Inc. was the Plaintiff and Appellee below.

CORPORATE DISCLOSURE STATEMENT

Pursuant to this Court's Rule 29.6, petitioner H&M Hennes & Mauritz LP certifies that it has no parent company and that no publicly held company owns 10% or more of its stock.

STATEMENT OF RELATED PROCEEDINGS

This case arises from the following proceedings:

Unicolors, Inc. v. H&M Hennes & Mauritz, LP; et al., No. 2:16-cv-02322-AB-SK, U.S. District Court for the Central District of California. Judgment entered Oct. 22, 2018.

Unicolors, Inc. v. H&M Hennes & Mauritz, LP, Nos. 18-56253 and 18-56548, U.S. Court of Appeals for the Ninth Circuit. Judgment entered May 29, 2020. Petition for Rehearing and Rehearing En Banc denied August 7, 2020.

Unicolors, Inc. v. H&M Hennes & Mauritz, LP, No. 20-915, Supreme Court of the United States. Judgment issued March 28, 2022.

Unicolors, Inc. v. H&M Hennes & Mauritz, LP, Nos. 18-56253 and 18-56548, U.S. Court of Appeals for the Ninth Circuit. Judgment entered Nov. 10, 2022. Petition for Rehearing and Rehearing En Banc denied January 18, 2023.

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ORDERS BELOW

The district court judgment giving rise to the appeal is unreported but available in the Westlaw database at 2018 WL 10307045. *Unicolors, Inc. v. H&M Hennes & Mauritz L.P.*, No. 16-CV-02322-AB (SKX), at U.S.D.C. Dkt. No. 289 (C.D. Cal. Aug. 1, 2018).

The Ninth Circuit's original decision reversing the district court is reported at 959 F.3d 1194 (9th Cir. 2020). The Ninth Circuit's decision denying Unicolors' petition for rehearing *en banc* is unreported.

This Court's decision vacating the Ninth Circuit's decision and remanding the case is reported at 142 S. Ct. 941 (2022).

The Ninth Circuit's decision on remand is reported at 52 F.4th 1054 (9th Cir. 2022). The Ninth Circuit's decision denying H&M's petition for rehearing and rehearing *en banc* is unreported.

JURISDICTION

The Ninth Circuit issued its opinion on November 10, 2022, and denied a timely-filed petition for panel rehearing and rehearing *en banc* on January 18, 2023. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

17 U.S.C. § 411(b) is at issue in this petition. It provides:

- (1) A certificate of registration satisfies the requirements of this section and section 412, regardless of whether the certificate contains any inaccurate information, unless—
 - (A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; and
 - (B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.
- (2) In any case in which inaccurate information described under paragraph (1) is alleged, the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.
- (3) Nothing in this subsection shall affect any rights, obligations, or requirements of a person related to information contained in a registration certificate, except for the institution of and remedies in infringement actions under this section and section 412.

PETITION FOR A WRIT OF CERTIORARI

This Court already granted certiorari once “to decide a question on which the Courts of Appeals were split: whether § 411(b)(1)(A)’s ‘knowledge’ element . . . requires intent to defraud the Copyright Office.” Pet. App. 94a (Thomas, J., dissenting) (cleaned up). The first time around, however, once the Court granted certiorari, Unicolors dropped its “argument that § 411(b)(1)(A) requires fraudulent intent and instead propose[d] a novel ‘actual knowledge’ standard.” *Id.* at 94a-95a (cleaned up).

Over the dissent of three Justices, the Court addressed Unicolors’ altered question presented, concluding that the statute indeed imposes an “actual knowledge” standard. *Id.* at 89a. The dissenters observed that the Court did not directly address “the ultimate question about fraud” that had “split the Courts of Appeals.” *Id.* at 98a. And they cautioned that “[t]o provide an incomplete answer to the question presented disservices the public and [this Court’s] fellow judges.” *Ibid.*

The problem the dissenting Justices foresaw has now come to bear. “Following the text of the statute,” this Court held “that if Congress had intended to impose a scienter standard other than actual knowledge, it would have said so explicitly.” *Id.* at 88a-89a (cleaned up). That holding, while not directly addressed to the fraud question, should have been clear enough—if Congress had meant “intent to defraud” instead of “actual knowledge,” it would have written § 411(b) differently. Nonetheless, on remand from this Court, the Ninth Circuit held that § 411(b) “encode[s] an ‘intent-to-defraud requirement.’” *Id.* at 15a; *id.* at 25a (finding for Unicolors because “H&M failed to make ‘any showing that Unicolors intended to defraud the Copyright Office’”).

The Ninth Circuit, in short, fundamentally misread this Court’s decision. And in so doing, it recreated the very confusion that led this Court to grant certiorari in the first place. Because the Ninth Circuit adopted the atextual and patently incorrect view that § 411(b)’s “knowledge” standard in fact requires intent to defraud, the Court should either summarily reverse or grant review to confirm that § 411(b) does not impose an unstated requirement of fraudulent intent.

STATEMENT OF THE CASE

A. Statutory Background

1. Section 410 of the Copyright Act governs the copyright registration decision. The Register must “register the claim” if she determines “the material deposited constitutes copyrightable subject matter and that the other legal and formal requirements of this title have been met.” 17 U.S.C. § 410(a). The Register must “refuse registration” if she determines “the material deposited does not constitute copyrightable subject matter or that the claim is invalid for any other reason.” 17 U.S.C. § 410(b). Registration is important because, with few exceptions, a copyright owner must receive a formal decision on her copyright registration application before filing an infringement suit. 17 U.S.C. § 411(a); *Fourth Estate Publ. Benefit Corp. v. Wall-Street.com, LLC*, 139 S. Ct. 881, 887 (2019).

2. By statute, an application for copyright registration must include ten categories of information, such as “the name . . . of the copyright claimant,” “the title of the work,” and, as relevant here, if published, “the date . . . of its first publication.” 17 U.S.C. §§ 409(1), (6), (8).

Publication primarily occurs when a copyright holder “distribut[es]” “copies . . . of a work to the public by sale

or other transfer of ownership or by rental, lease, or lending.” 17 U.S.C. § 101.¹ “The date of ‘first publication’ is the earliest date on which, by authority of the copyright owner,” this distribution to the public occurs. U.S. Copyright Office, *Compendium II: Compendium of Copyright Office Practices* § 1102.03 (as updated 1998) (“*Compendium II*”).²

Although a work need not be published to be registered, publication status matters: for example, “[m]any of the exceptions and limitations on the copyright owner’s exclusive rights vary depending on whether the work is published or unpublished.” U.S. Copyright Office, *Copyright Basics (Circular 1)* at 7 (Aug. 2010). Accordingly, the Copyright Office admonishes applicants that, when applying for a copyright registration for any particular work, they “must determine whether the work is published or unpublished.” *Ibid.*

The hallmark of publication is distribution “*to the public*.” 17 U.S.C. § 101 (emphasis added). “[A] more limited distribution” does not constitute publication. *Compendium II* § 905.02. “The public” consist of “persons who are under no implied or express restrictions with respect to disclosure of the work’s contents.” *Ibid.*

As the Copyright Office has explained, “[t]he date given on the application as the date of first publication is

¹ “The offering to distribute copies . . . for purposes of further distribution” to the public also constitutes publication. 17 U.S.C. § 101.

² First published in 1967, there are three editions of *The Compendium of U.S. Copyright Office Practices* that the Copyright Office has revised, updated, and added to numerous times. See <https://www.copyright.gov/comp3/prior-editions.html>. H&M cites to *Compendium II* because that was the most recent edition available when Unicolors applied for the copyright registration at issue here.

important.” *Id.* § 910.02. That date triggers several copyright clocks, including the time during which statutory damages or attorney’s fees are available in certain infringement actions under § 412. *Ibid.* Accordingly, “[w]here various parts or installment of a work are first published separately, each part or installment is regarded as a separate work, and if registered, must be registered separately.” *Id.* § 910.07.

3. Because the Copyright Office generally does not vet the information applicants include in their copyright applications, courts have long confronted questions about how the accuracy of a copyright application impacts the copyright’s validity. Is a registration valid if the applicant provided inaccurate information on the application? Some courts said the applicant retained the benefits of registration unless it intended to defraud the Copyright Office. *E.g., Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 828 (11th Cir. 1982). Others declined to apply a stringent fraud standard. *See, e.g., Eckes v. Card Prices Update*, 736 F.2d 859, 861-862 (2d Cir. 1984) (registration treated as valid as long as the mistake was “inadvertent and innocent”); *Masquerade Novelty, Inc. v. Unique Indus., Inc.*, 912 F.2d 663, 667 (3d Cir. 1990) (“knowing” misstatement sufficient to warrant consequences); 5 *Patry on Copyright* § 17:126 (suggesting some courts viewed applicant’s mental state as irrelevant if the error was material).

Eventually, Congress provided an answer in the Prioritizing Resources and Organization for Intellectual Property Act, Pub. L. No. 110-403 (2008) (PRO-IP Act). The PRO-IP Act amended § 411 to address how courts should treat errors in an application for copyright registration. As amended, Paragraph (1) of § 411(b) now provides that the rights to sue under § 411(a) and to recover

the special remedies under § 412 are available to a plaintiff even if there is “inaccurate information” on her certificate of registration, unless:

- (A) the inaccurate information was included on the application . . . with knowledge that it was inaccurate; and
- (B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.

17 U.S.C. § 411(b)(1). Paragraph (2) provides that where “inaccurate information described under paragraph (1) is alleged, the court shall” ask the Register “whether the inaccurate information, if known, would have caused [her] to refuse registration.” 17 U.S.C. § 411(b)(2).

After the Register responds, the court then decides whether the registration is valid despite any inaccuracy. *See DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616, 624-625 (7th Cir. 2013). If the registration is found invalid, it cannot support an infringement action.

B. Factual Background

1. Unicolors, a “Los Angeles fabric designer,” is also a prolific copyright troll. It has thousands of thin copyrights in generic fabric designs—*i.e.*, variations on floral, geometric, or animal patterns that are in the public domain. It has used those copyrights to sue virtually every major clothing retailer in America. By developing countless variations, Unicolors can ensure that virtually every clothing retailer will find itself selling products with similar public domain adaptations by designers who never saw or had access to Unicolors’ works. And by registering *tens of thousands* of those barely original works, Unicolors can then threaten and—absent settlement—sue any such retailer for willful infringement.

Unicolors has filed literally hundreds of these lawsuits. As even a cursory PACER search shows, its victims include Amazon, Bass Pro, Bloomingdale's, Burlington Stores, Century 21, Dillard's, The Dress Barn, JCPenney, Kmart, Kohl's, Lord & Taylor, Macy's, Neiman Marcus, Nordstrom, Ross, Saks, Sears Roebuck, The TJX Companies, Urban Outfitters, and Walmart. Unfortunately, Unicolors is not unique. As the Seventh Circuit recently explained: “a cottage industry of opportunistic copyright holders . . . has emerged, in which a troll enforces copyrights not to protect expression, but to extract payments through litigation.” *Design Basics, LLC v. Kerstiens Homes & Designs, Inc.*, 1 F.4th 502, 503 (7th Cir. 2021).

A review of public Copyright Office records shows that since 2002, Unicolors has obtained nearly 4,800 copyright registrations (about 20 per month for two decades). Normally, each registration would cover just one work. *Compendium II* § 607. But Unicolors' 4,800 registrations cover an enormous multiple of that figure. Unicolors regularly combines numerous unrelated designs into single groupings, and then registers each grouping with the Copyright Office in a single application. Unicolors does this, according to its CEO, for one primary reason: to “sav[e] money” (*Unicolors v. H&M Hennes & Mauritz, L.P.*, J.A. 54, No. 20-915 (August 3, 2021) (“*Unicolors J.A.*”))—likely millions of dollars over its two decades of Copyright Registrations.³ Unicolors' grouping of unrelated works exploits a rule meant to allow registrants to register truly related

³ For example, Unicolors might pay one \$65 standard electronic copyright registration fee for one “collection” of 31 unrelated works instead of paying over \$2000 to register each of those 31 works separately. See <https://www.copyright.gov/about/fees.html> (listing copyright registration fees).

works (like the different elements of a board game) published together on the same date in one application. *See* 17 U.S.C. § 408(c)(1); 37 C.F.R. § 202.3; U.S. Copyright Office, *Copyright Registration for Pictorial Graphic, & Sculptural Works*, (Circular 40) at 4-5 (Nov. 2010).

2. H&M is a clothing retailer that operates over 500 stores and employs more than 125,000 people. It sells clothing designed by others. C.A. Excerpts of Record (“E.R.”) 431, C.A. Dkt. 8. The garments at issue in this case are a black-and-white jacket known as the “Oliver Jacket” and a matching skirt. *Unicolors* J.A. 232 (photo). Each piece was made by a vendor in China who, as part of the cost of the fabric, provided a license to the underlying design that was protected by a 2015 Chinese copyright registration. E.R. 409-419; *id.* at 1789-1781. In that Chinese copyright registration, the design is named Xue Xu. *Id.* at 414.

H&M began selling the pieces in the fall of 2015. *Id.* at 52. Thereafter, Unicolors sent H&M a cease and desist letter, accusing it of copyright infringement. *Id.* at 68. The letter identified a copyright registration (No. VA-1-770-400) held by Unicolors. *Id.* at 2023 (the ‘400 Certificate).

The ‘400 Certificate lists as the “Title of Work” 31 separate patterns that Unicolors registered in a single application:

<p>Title of Work: Floral: EH103, EH105, EH111, CEH113, EH123, EH132, CEH146, CEH147, EH149, EH157, CEH175, EH181, CEH182, EH183, EH185, CEH194, EH196, EH200, EH210 Ethnic: EH101, EH102, EH106, CEH109, EH115, CEH116, EH119, EH120, EH125, EH133, EH142, EH144</p>

Ibid. The 31 patterns are not related: 19 are described as “floral” and 12 as “ethnic.” *Ibid.* Moreover, while all of the

patterns have a similar naming scheme, nine of the 31 designs start with a “C” prefix. *Ibid.* The “C” prefix denotes what Unicolors calls a “confined” design. *Unicolors J.A.* 77. Unicolors employees testified at trial that they do not present confined designs to the public at the same time as the other designs included in the same “collection.” *Ibid.* Instead, Unicolors gives confined designs “exclusiv[ely] to certain customer[s]” for a period of “two months to six months” before making them available to the broader public. *Ibid.*

Despite including both confined and non-confined designs, and despite the company’s practice of withholding confined designs from the public showroom, the ’400 Certificate lists the “Date of 1st Publication” of all 31 designs as January 15, 2011:

Completion/Publication	
Year of Completion:	2011
Date of 1st Publication:	January 15, 2011

E.R. 2023.

One of the “ethnic,” non-confined designs listed on the ’400 Certificate—EH101—is at issue in this case. EH101 resembles many geometric designs in the public domain. *See Unicolors J.A.* 230.

Given, among other things, the Chinese copyright registration certificate for the Xue Xu design, H&M refused to pull the allegedly infringing items when it received Unicolors’ cease and desist letter. This infringement lawsuit followed in the spring of 2016.

C. Prior Proceedings

1. After only limited discovery, a jury finds in favor of Unicolors on infringement.

a. The parties engaged in typical discovery regarding the creation and use of the Xue Xu design and EH101. But Unicolors did not disclose in discovery information indicating that the '400 Certificate contained inaccurate information or might be invalid. In fact, Unicolors failed to even produce the copyright application during discovery, even though H&M expressly requested it. In addition, the parties conducted no discovery regarding Unicolors' legal knowledge regarding any of the information it included on its application for the '400 Certificate. That was standard practice at the time. At that point—2016 and 2017—no court had declared that under the PRO-IP Act an applicant's "legal knowledge" of or willful blindness to the accuracy of the information contained in a copyright application was relevant to the registration's validity.

b. After a three-day trial in December 2017, the jury found for Unicolors. However, during that trial, H&M uncovered a new and critical piece of evidence: Unicolors had knowingly made a misstatement in its copyright application for the '400 Certificate. Unicolors' CEO Nader Pazirandeh testified that for any particular collection of fabrics, Unicolors does not publish its confined designs—such as the nine designs with the "C" prefix on the '400 Certificate—at the same time as its non-confined designs. Instead, Unicolors puts the group of non-confined designs in its showroom for sale to the public while "holding . . . back" the confined designs, which Unicolors "design[ed] for . . . specific customers." *Unicolors* J.A. 67-68. Unicolors' design room manager specifically does not put the confined designs "on the shelf" for sale to the public in

Unicolors' showroom until months after it has done so with the non-confined designs. *Ibid.*

When asked at trial how the 31 designs “were first published together” on January 15, 2011, as the '400 Certificate states they were, Pazirandeh said January 15, 2011, was the date Unicolors “present[ed] [the designs] to our salespeople”—not when Unicolors offered all of the designs to the public. *Id.* at 54.

Moreover, although he personally signs Unicolors' copyright applications, Pazirandeh admitted he does no independent investigation and lacks personal knowledge of the information provided therein. *Id.* at 52-53. In fact, he “guess[ed]” Unicolors registered the collection covered by the '400 Certificate because someone “thought . . . those are the designs that are going to be successful.” *Id.* at 53. And when asked why the designs “were combined into the same copyright registration,” his answer was unequivocal: “For saving money.” *Id.* at 54.

2. The district court, applying an intent-to-defraud test, denies H&M's motion for judgment as a matter of law on invalidity.

Just hours after Pazirandeh's testimony, H&M orally moved for judgment as a matter of law, arguing that the '400 Certificate was invalid because it contained inaccurate information that Unicolors knew was inaccurate, meaning the registration was not protected by the safe-harbor provision in § 411(b). D.Ct. Dkt. 239 at 112. Then, immediately after trial, H&M filed a written motion, reiterating that the application contained “false material information, that [Unicolors] knew to be false”—a “false first publication date of January 15, 2011 for all the designs.” E.R. 678-680; *id.* at 544-46. That was enough, H&M argued, for the Court to refer the '400 Certificate to the Copyright Office under § 411(b). E.R. 680 n.11.

In response, Unicolors did not argue that it supplied inaccurate information in its application based on a mistaken legal interpretation, the argument that it would later, for the first time, present to this Court. Instead, Unicolors maintained that H&M could rebut the presumption of validity only by “proving that Unicolors defrauded the Copyright Office.” *Unicolors* J.A. 138; *see also id.* at 82. Unicolors also claimed that H&M did not present any evidence of inaccurate information in the application, insisting (despite Pazirandeh’s testimony) there was no evidence the confined designs were held back and published separately. *Id.* at 82. The district court accepted both of Unicolors’ arguments and refused to refer to the Copyright Office.

3. The Ninth Circuit, applying a factual knowledge test, reverses and remands.

a. On appeal, H&M raised the “threshold issue [of] whether Unicolors has a valid copyright registration for its 2011 design, which is a precondition to bringing a copyright-infringement suit.” Pet. App. 104a. H&M reiterated that Unicolors knew the publication date listed for all 31 designs was wrong and that, as a result, its registration was invalid under § 411(b). C.A. Dkt. 9-1 at 28-29.

Unicolors repeated the same two arguments it pressed in the district court: H&M had to prove intent to defraud, and, in any event, the registration contained no factual inaccuracy. C.A. Dkt. 19 at 22-23. Unicolors did not argue that it made a legal error in preparing its application.

b. The Ninth Circuit reversed on the “threshold” § 411(b) issue. Pet. App. 114a-115a.

The Ninth Circuit did not address the significance of any “good-faith misunderstanding” of the law, because it was not asked to do so. Instead, it focused on the two issues the parties disputed: Whether § 411(b)(1) codifies a

fraud standard, and whether the evidence showed that Unicolors “includ[ed] known inaccuracies in its application for registration.” *Id.* at 108a.

On the first issue, the Ninth Circuit readily concluded, citing its recent decision in *Gold Value Int’l Textile, Inc. v. Sanctuary Clothing*, 925 F.3d 1140, 1147 (9th Cir. 2019), that “there is no such intent-to-defraud requirement” in § 411(b). *Id.* at 110a.

Regarding the accuracy of Unicolors’ application, the Ninth Circuit summarized the record evidence and concluded that the district court erred in finding that all 31 designs had been published on the same day. *Id.* at 110a-111a. The court explained that publication happens when a work is offered to the general public. “The confined designs, however, were not placed in the showroom for sale at the same time” as the other designs. *Id.* at 111a. Because all 31 designs had not been published on January 15, 2011, Unicolors’ application was inaccurate. *Id.* at 111a, 114a.

c. The panel could have stopped there. H&M has always argued that the relevant inaccuracy was the publication date, and the Ninth Circuit agreed. The court held that “Unicolors admitted to having . . . knowledge” that “certain designs included in the registration were confined and, therefore, were each published separately to exclusive customers.” *Id.* at 114a.

But the Ninth Circuit also addressed a second issue with Unicolors’ application: Because the confined and non-confined designs were not published together as a “singular, bundled collection,” they also did not qualify as a “single unit” under 37 C.F.R. § 202.3(b)(4)(i)(A). *Id.* at 110a-113a. In addressing this second issue, the court ex-

plained that the “knowledge inquiry” did not turn on Unicolors’ understanding of the “single-unit registration requirements.” *Id.* at 114a.

Concluding that “Unicolors’s application for the ’400 Certificate contained known inaccuracies,” the panel reversed, remanded, and directed the district court to ask the Register whether the inaccurate information would have caused her to refuse registration. *Id.* at 114a-115a.

4. This Court finds actual knowledge is the proper test, vacates, and remands.

a. Unicolors then asked this Court to answer two questions, the first of which was: “Did the Ninth Circuit err in breaking with its own prior precedent and the findings of other circuits and the Copyright Office in holding that 17 U.S.C. § 411 requires referral to the Copyright Office *where there is no indicia of fraud* or material error as to the work at issue in the subject copyright registration?” Pet. i, *Unicolors v. H&M Hennes & Mauritz, LP*, No. 20-915 (Jan. 4, 2021). This Court granted Unicolors’ petition limited to that first question presented. 141 S. Ct. 2698.

b. When it came time to brief the merits, Unicolors changed its tune. It completely dropped the intent-to-defraud argument and instead asked the Court to decide “whether the[e] ‘knowledge’ element [in § 411(b)(1)] precludes a challenge to a registration where the inaccuracy resulted from the applicant’s good-faith misunderstanding of a principle of copyright law?” Unicolors Merits Br. i, *Unicolors v. H&M Hennes & Mauritz, LP*, No. 20-915 (Aug. 3, 2021).

In response, H&M noted that, in light of Unicolors’ new position, everyone—H&M, Unicolors, and the government—agreed on the answer to the original question presented: Section 411(b)(1) does not require intent to defraud. H&M Merits Br. 23-26, *Unicolors v. H&M Hennes*

& *Mauritz, LP*, No. 20-915 (Sept. 21, 2021). H&M argued that the new question in Unicolors’ merits brief was not properly before the Court. *Id.* at 26-33.

Six Justices reached the merits of Unicolors’ new question, reasoning that it “was a ‘subsidiary question fairly included’ in” Unicolors’ original “question presented.” Pet. App. 93a. The remaining three (Justices Thomas, Alito, and Gorsuch) agreed with H&M, explaining they would have “dismiss[ed] the writ of certiorari as improvidently granted” because they did not want to “reward Unicolors for its legerdemain, and because no other court had, before today, ever addressed whether § 411(b)(1)(A) requires ‘actual knowledge.’” *Id.* at 95a.

In answering the new question, the majority construed § 411(b)(1)(A)’s “knowledge” requirement to “mean[] actual, subjective awareness of both the facts and the law,” not just awareness of the facts. *Id.* at 89a. Accordingly, under the § 411(b) safe harbor, “[l]ack of knowledge of either fact or law can excuse an inaccuracy in a copyright registration.” *Id.* at 85a. The majority made a point to explain “that if Congress had intended to impose a scienter standard other than actual knowledge”—such as intent to defraud—“it would have said so explicitly.” *Id.* at 89a.

The majority explained that “courts need not automatically accept a copyright holder’s claim that it was unaware of the relevant legal requirements of copyright law.” *Id.* at 91a-92a. Instead, it instructed courts to look for evidence “that an applicant was actually aware of, or willfully blind to, legally inaccurate information.” *Id.* at 92a. Such evidence includes “[c]ircumstantial evidence, including the significance of the legal error, the complexity of the relevant rule, the applicant’s experience with copyright law, and other such matters.” *Ibid.*

The majority did not endorse the previously argued intent-to-defraud standard, but mentioned it only in passing in explaining that the “‘knowledge’ question” it answered was properly before the Court. *Id.* at 93a.

Finding the Ninth Circuit had applied the incorrect legal test, the majority vacated and “remanded for further proceedings consistent with [its] opinion.” *Ibid.*

5. On remand, the Ninth Circuit applies an intent-to-defraud test.

a. On remand, without allowing the parties any further briefing—indeed denying H&M’s request for limited, supplemental briefing—the Ninth Circuit issued a new decision that contravened this Court’s directive to apply an actual knowledge test.

The panel took this Court’s discussion of whether Unicolors’ new question was properly before the Court to signify that this Court intended to “link[] . . . § 411(b) to the legal definition of fraud.” Pet. App. 16a. Based on that faulty premise, the panel surmised that this Court’s decision required the panel to “revisit” its prior holding “den[ying] that the statute encoded an ‘intent-to-defraud requirement.’” *Id.* at 15a. In other words, the court concluded that § 411(b) requires intent to defraud. *Id.* at 25a (finding for Unicolors because “H&M failed to make ‘any showing that Unicolors intended to defraud the Copyright Office’”).

Next, relying on *Roberts v. Gordy*, 877 F.3d 1024, 1030 (11th Cir. 2017), an Eleventh Circuit decision adopting the intent-to-defraud standard that this Court never cited or relied upon,⁴ the panel put forth a three-part test “that a

⁴ The dissenters cited *Gordy* once to note that the Court “took this case to resolve an apparent split between the Eleventh Circuit, which

party seeking to invalidate a copyright registration under § 411(b) must demonstrate.” “(1) the registrant submitted a registration application containing inaccuracies, (2) the registrant knew that the application failed to comply with the requisite legal requirements, and (3) the inaccuracies in question were material to the registration decision by the Register of Copyrights.” Pet. App. 20a.

b. The panel applied its new test in the first instance and declined to “remand [the case] to the district court to make a finding of fact regarding Unicolors’s knowledge about its legal obligations.” *Id.* at 24a. However, the panel did not even address both inaccuracies that H&M had previously identified and argued: (1) Unicolors’ statement that all 31 designs had been published on the same date; and (2) Unicolors’ batching of the 31 designs into a “single-unit publication” on one registration application. Instead, the panel applied its erroneous new test only to the second of these inaccuracies. The Ninth Circuit ignored the first issue, notwithstanding H&M’s specific request that it address both.

The panel found that it was legally inaccurate for Unicolors to treat the 31 designs as a “single unit of publication,” but that “Unicolors lacked knowledge” of the inaccuracies because Unicolors did not “intend[] to defraud the Copyright Office.” *Id.* at 25a. The panel relied on both the district court’s decision finding no intent to defraud and its own analysis of the legal issue to reach this conclusion. *Id.* at 25a-26a.

Finally, and significantly, the Ninth Circuit failed to discuss at all Unicolors’ legal knowledge of, or willful

has held that § 411(b)(1)(A) requires ‘deceptive intent,’” (citing *Gordy*), “and the Ninth Circuit, which held below that “there is no such intent-to-defraud requirement,” (citing the Ninth Circuit’s original decision in this case). Pet. App. 95a-96a.

blindness to, the inaccuracy of its statement that all 31 designs had been published on January 15, 2011. It is undisputed—and the Ninth Circuit reiterated in the decision below—that Unicolors knew the relevant facts. That is, Unicolors knew that the confined designs were “held back” and not shown to the public in its showroom on January 15, 2011. As for the law, “publication” has a long-settled, familiar meaning and the Copyright Office provided ample guidance on the topic, including the *Compendium II* and numerous Circulars available in 2011.

However, the panel never explained how Unicolors could have been unaware that the 31 designs had not all been published on January 15, 2011, as represented on the application. It did not address this issue despite H&M’s express statement, in requesting supplemental briefing on remand, that its “principal argument has always been, and continues to be, that Unicolors knew that the thirty-one designs were not all published on the same day.” C.A. Dkt. 72 at 3.

The panel likewise did not consider that Unicolors was deeply immersed in copyright law. By January 15, 2011, Unicolors had already filed hundreds of copyright applications, covering thousands of designs, and in those applications had designated some works as published and others as unpublished. It had also filed numerous lawsuits in federal court alleging copyright infringement. This extensive “experience with copyright law,” Pet. App. 92a, had it been considered, would have weighed in favor of finding that, at least, Unicolors was willfully blind to the inaccurate publication date on the registration. And the fact that the CEO who signed the registration testified that he had no personal knowledge of the information, did no investigation, and used combined registrations to save money

would further support such a finding. *Ibid.* (“Circumstantial evidence . . . may also lead a court to find that an applicant was actually aware of, or willfully blind to, legally inaccurate information.”). Had H&M been permitted to brief this issue, H&M would have outlined this substantial evidence that Unicolors knew that its listed publication date was inaccurate or was willfully blind to that inaccuracy. The Ninth Circuit, however, did not consider any of this evidence.

Because the Ninth Circuit applied the wrong legal test (intent to defraud), failed to analyze Unicolors’ knowledge of its inaccurate publication statement, and failed to remand the case for discovery regarding Unicolors’ legal knowledge or for reference to the Copyright Office, H&M asked the Ninth Circuit for rehearing and rehearing en banc. The Ninth Circuit denied that request. Pet. App. 76a-77a. H&M now asks this Court for review.

REASONS FOR GRANTING THE PETITION

This Court previously granted certiorari to decide “whether § 411(b)(1)(A)’s ‘knowledge’ element . . . requires intent to defraud the Copyright Office.” Pet. App. 94a (Thomas, J., dissenting) (cleaned up). But because Unicolors dropped its fraud argument once certiorari was granted, the Court ultimately “provide[d] an incomplete answer” to that question. *Id.* at 98a. The Court should complete that answer now.

The majority in *Unicolors* held that § 411(b) imposes an “actual knowledge” standard, meaning “actual, subjective awareness.” *Id.* at 89a. On remand, the Ninth Circuit inexplicably took this to mean that the statute “encode[s] an ‘intent-to-defraud requirement.’” *Id.* at 15a. It then invoked an erroneous three-part test of its own making, and with no grounding in this Court’s decision, to apply that doctrine in practice.

The Ninth Circuit has accordingly resuscitated the *exact* confusion that this Court intended to resolve when it took this case in 2021. Whereas the Ninth Circuit contorted this Court’s “knowledge” holding into an intent-to-defraud requirement, the Fifth Circuit and numerous district courts had little trouble recognizing that the Court imposed an “actual knowledge” standard. This Court’s intervention is thus needed to establish once and for all that intent to defraud the Copyright Office is not the proper level of scienter to apply to the § 411(b)(1) safe harbor.

This case is the ideal vehicle for the Court to make this clarification. The outcome of this case turns on the application of the correct test, and further percolation of this issue is unnecessary. The Court has already concluded that the question presented warrants an answer from this Court; delay will only create further confusion and errors in the lower courts.

I. This Court’s review is needed because, on remand, the Ninth Circuit contravened this Court’s decision.

On remand, despite this Court’s clear directive otherwise, the Ninth Circuit concluded that § 411(b) requires “intent to defraud.” The Ninth Circuit then proposed and applied an erroneous three-part test incorporating this intent standard. The Ninth Circuit’s adoption of an intent-to-defraud scienter conflicts with this Court’s holding—which precludes applying anything except an “actual knowledge” standard—and the plain text of the statute. In addition, the three-part test not only incorporates this errant scienter, but sets the legal knowledge bar far higher than “actual knowledge” requires. The Ninth Circuit’s adoption of a plainly incorrect legal test, for which no party advocated, on direct remand from this Court, urgently calls for this Court’s intervention.

A. This Court spoke plainly when it said “the word ‘knowledge,’” as used in § 411(b)(1)(a), “means actual, subjective awareness of both the facts and the law.” Pet. App 89a. “[I]f Congress had intended to impose a scienter standard other than actual knowledge,” such as intent to defraud, “it would have said so explicitly.” *Ibid.* It did not.

The Ninth Circuit ignored this Court’s clear textual explanation of what level of scienter applies to § 411(b)(1)(A) and why. Instead, it concluded that this “Court’s reversal in this case requires” it to hold “that the statute encoded an ‘intent-to-defraud requirement.’” *Id.* at 15a; *id.* at 25a (“H&M failed to make ‘any showing that Unicolors intended to defraud the Copyright Office’”).

The panel reached this conclusion by seizing on the majority’s discussion of whether Unicolors’ new question presented was properly before the Court. In that discussion, this Court explained that, because knowledge is typically an element of fraud, Unicolors’ new question presented was fairly subsumed within its original question. The Court did not, however, hold or suggest that § 411(b) imposed any requirements other than knowledge. Just the opposite. The Ninth Circuit nonetheless concluded that the Court intended to “link[] . . . § 411(b) to the legal definition of fraud.” *Id.* at 16a.

The Ninth Circuit seriously misinterpreted the Court’s explanation of its decision to allow Unicolors to reframe the question presented at the merits stage. The Court did not superimpose an atextual fraud standard onto § 411(b)’s “knowledge” requirement. Fraud does not just require “[a] knowing misrepresentation,” *id.* at 92a, but “[a] knowing misrepresentation . . . *made to induce another* to act to his or her detriment,” Black’s Law Dictionary 802 (11th ed. 2019) (emphasis added). As any first-

year criminal law student knows, there is important daylight between a party's knowledge of a statement's truth or falsity and a party's intent to commit fraud. There would otherwise be no difference between imposing a knowledge standard and an intent standard. And as this Court explicitly held, the standard Congress chose and expressed in the text of the statute was "knowledge."

The Ninth Circuit likewise misunderstood (at Pet. App. 19a) this Court's discussion of cases decided before Congress enacted § 411(b)(1) in the PRO-IP Act. This Court explained that before the adoption of the PRO-IP Act, courts "overwhelmingly held that inadvertent mistakes on registration certificates did not invalidate a copyright and thus did not bar infringement actions," and that "[m]any of those cases *involved mistakes of law*." *Id.* at 90a (cleaned up) (emphasis added). And the Court found "no indication that Congress intended to alter this well-established rule." *Ibid.*

Nowhere in that discussion did this Court mention intent to defraud; the Court emphatically did *not* conclude that before the PRO-IP Act, courts adopted an intent standard. Indeed, Unicolors itself previously argued to this Court that most pre-PRO-IP Act cases did *not* require fraudulent intent. Unicolors Merits Br. 32-34.⁵ And this Court found no indication that Congress intended to adopt an intent standard when it enacted the PRO-IP Act's "knowledge" requirement.

The Ninth Circuit likewise failed to recognize that this Court's discussion of "willful blindness" cannot be squared with an intent-to-defraud standard. This Court

⁵ Again, at the merits stage, Unicolors abandoned the argument that § 411(b) requires intent to defraud. Thus, on remand the Ninth Circuit adopted a scienter for which no party advocated.

expressly held that “willful blindness” to an inaccuracy “may support a finding of actual knowledge.” Pet. App. 92a. Willful blindness is the “[d]eliberate avoidance of knowledge . . . esp. by failing to make a reasonable inquiry about suspected wrongdoing despite being aware that it is highly probable.” WILLFUL BLINDNESS, Black’s Law Dictionary (11th ed. 2019). “Avoidance of knowledge” is not the same as intent to defraud. Willful blindness has a “limited scope”; it can substitute for actual knowledge, but not for any other level of scienter. *Glob.-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011).

In short, knowledge means knowledge, not intent. If Congress had meant anything different it would have said so. Pet. App. 89a. Thus, although the Court did not directly address the fraud question Unicolors originally posed, its holding precludes the application of any other scienter requirement to § 411(b). The Ninth Circuit’s erroneous analysis therefore turns this Court’s decision in *Unicolors* on its head. The Court should either grant review to “decide the [fraud] question that has split the Courts of Appeals,” Pet. App. 98a (Thomas, J., dissenting), or it should summarily reverse.

B. After wrongly concluding that § 411(b) requires intent to defraud, the Ninth Circuit, relying on the Eleventh Circuit’s decision in *Roberts v. Gordy*, set forth the following three-part test:

[A] party seeking to invalidate a copyright registration under § 411(b) must demonstrate that (1) the registrant submitted a registration application containing inaccuracies, (2) the registrant knew that the application failed to comply with the requisite legal requirements, and (3) the inaccuracies

in question were material to the registration decision by the Register of Copyrights.

Pet. App. 20a (citing 877 F.3d at 1030).⁶

This test, derived from *Gordy*'s intent standard, does not reflect what this Court held in *Unicolors* and is not grounded in law. In particular, the second element—that “the registrant knew that the application failed to comply with the requisite legal requirements”—is erroneous. This element requires registrants to know what all of “the requisite legal requirements” of a copyright registration are and then to make an accurate legal judgment that an application containing inaccurate information does not comply with all of those requirements. In other words, the Ninth Circuit insists that an applicant know not just that the information was inaccurate, but that the inaccuracy renders the application legally deficient.

Section 411(b)(1)(A) requires no such thing. The provision applies to certificates containing “inaccurate information” that “was included on the application . . . with knowledge that it was [factually and legally] inaccurate.” 17 U.S.C. § 411(b)(1)(A). Neither the text nor this Court's decision requires knowledge of “the requisite legal requirements” of a successful copyright application or the failure to comply with those requirements.

To be sure, this Court addressed whether *Unicolors* had knowingly included inaccurate information that included a legal element (the legal meaning of “publication”). In that context, *Unicolors*' hypothetical ignorance of the law could defeat an argument that it had actual

⁶ The majority in *Unicolors* never once cited or relied on *Gordy*, even though *Gordy* was the lynchpin of the “intent” side of the circuit split over *Unicolors*' original question presented the last time around. See Pet. App. 95a-96a (Thomas, J. dissenting).

knowledge of the inaccuracy. But in other contexts, like where there has been a mistake of fact, a party's ignorance of the law is irrelevant. Yet the Ninth Circuit would apply the safe harbor anyway, unless the applicant understood the *legal* significance of the known *factual* error. That is plainly wrong.

To take just one example, an “application for copyright registration” requires an applicant to provide the “title of the work.” 17 U.S.C. § 409(6). An applicant who provides the wrong title “with knowledge that it was inaccurate” will not be protected by the § 411(b)(1) safe harbor (if the Register finds the incorrect title material), but need not have known or formed any opinion about whether “the application failed to comply with the requisite legal requirements.” The applicant, in other words, need not have appreciated the legal significance of the inaccurate title in order to know it was inaccurate.

The Ninth Circuit's twisting of this Court's holding warrants either summary reversal or plenary review.

II. This case is the ideal vehicle to clarify, once and for all, that § 411(b) does not require intent to defraud.

The Court previously thought this case was the right vehicle to resolve the “knowledge” vs. “intent” question, and that remains so. It is undisputed that the '400 Certificate is inaccurate: the 31 designs were not all published on the same day. And in evaluating whether Unicors knew of this inaccuracy, the Ninth Circuit should have either applied the “actual knowledge” standard or remanded for the district court to do so, possibly with the benefit of additional discovery, briefing, or a hearing. Instead, the Ninth Circuit looked only for evidence that Unicors intended to defraud the Copyright Office, and it relied on “the district court[’s] express[] conclu[sion] that

H&M failed to make ‘any showing that Unicolors intended to defraud the Copyright Office.’” Pet. App. 25a.

Under the right test, a factfinder would (or at bare minimum *could*) reach a different outcome. Even without a full record, the evidence shows Unicolors knew—or at least was willfully blind to—the factual and legal inaccuracy of its statement that all 31 designs in the ‘400 Certificate were published on the same day. There is no question that Unicolors knew it placed 22 designs in its public showroom on January 15, 2011, but kept the other nine designs private for months thereafter. And as a company whose *principal business* is filing copyright registrations, Unicolors surely understood the basic premise that withholding designs from the public does not constitute publication. Indeed, when it filed its application in 2011, Unicolors had already filed hundreds of applications likely covering thousands of works over the course of almost a decade. It had sued others in federal court for copyright infringement. It had ready access to statutes, regulations, and secondary sources explaining the definition of “publication” and “date of first publication.” The legal definition of “publication” was not an unsettled or untouched area of law. And Unicolors’ CEO signed the application without conducting *any* independent investigation or confirming the accuracy of the information it contained. *See Unicolors* J.A. 52-53; *supra* pp. 6-12.

Undoubtedly, a factfinder could conclude from this “[c]ircumstantial evidence” that Unicolors knew or was willfully blind to the inaccurate publication date. Pet. App. 92a. And that is all H&M needs to show under the standard announced by this Court; it does not matter if Unicolors also intended to defraud the Copyright Office. Accordingly, this case remains the ideal vehicle to resolve the

“knowledge” vs. “intent” question on which the Court previously granted certiorari.

III. This Court should grant review now because the Ninth Circuit’s decision has recreated the exact confusion that this Court previously sought to resolve.

In granting certiorari on Unicolors’ original question presented, this Court recognized that the circuits were split on a question of national application. The majority attempted to resolve that split by clarifying that “the word ‘knowledge’ [in § 411(b)] means actual, subjective awareness of both the facts and the law,” and explaining that “if Congress had intended to impose a scienter standard other than actual knowledge, it would have said so explicitly.” Pet. App. 89a. By failing to follow this directive on remand, the Ninth Circuit reopened the very confusion that warranted this Court’s intervention before.

As a result, the courts remain divided over the proper standard under § 411(b). Some, like the Ninth Circuit, have incorrectly concluded that an intent-to-defraud standard applies. Others, like the Fifth Circuit, have correctly recognized that knowledge is the proper test.

A. Joining the Ninth Circuit in applying an intent-to-defraud standard are the District of Minnesota and, unsurprisingly, the Central District of California. *See FurnitureDealer.Net, Inc. v. Amazon.com, Inc.*, Civil No. 18-232, 2022 WL 891473, at *11 & n.7 (D. Minn. Mar. 25, 2022); *Softketeers, Inc. v. Regal W. Corp.*, No. 8:19-cv-519, 2022 WL 17968835, at *13 (C.D. Cal. Dec. 22, 2022); *cf. Neman Bros. & Assoc., Inc. v. Interfocus, Inc. et al.*, No. 2:20-cv-11181, 2023 WL 115558, at *8 (C.D. Cal. Jan. 4, 2023) (acknowledging Ninth Circuit’s new test).

Like the Ninth Circuit, the District of Minnesota concluded that § 411(b) “codified the longstanding fraud on the Copyright Office doctrine.” *FurnitureDealer.Net, Inc.*

v. Amazon.com, Inc., 2022 WL 891473, at *12 (D. Minn. Mar. 25, 2022). Explaining its departure from this Court’s holding, the *FurnitureDealer.Net* court wrote:

Though originally presented with the question at the crux of the Circuit split—whether §411(b) requires a showing of fraud—the Supreme Court did not directly answer that question as the parties shifted away from this issue in their briefs and oral argument. Because the Supreme Court did not directly address the question of fraud in *Unicolors*, the Court must still consider that issue here

Id. at *11 n.7 (citations omitted). Similarly, in *Softketeers*, the Central District of California endorsed the “fraud on the Copyright Office” doctrine while noting that this “Court did not address the intent-to-defraud question directly” in *Unicolors*. 2022 WL 17968835, at *13.

B. On the other side of the pitch is the Fifth Circuit, which correctly recognized this Court’s holding “that lack of knowledge of either fact or law can excuse an inaccuracy in a copyright registration,” without any suggestion that the Court had imposed an intent-to-defraud requirement. *Beatriz Ball, L.L.C. v. Barbagallo Co., L.L.C.*, 40 F.4th 308, 315 (5th Cir. 2022) (cleaned up). Had this case been decided under the “knowledge” standard set forth in *Beatriz*, it would almost certainly have come out differently. *See supra* pp. 26-28.

A number of district courts have taken the same view as the Fifth Circuit, with some explicitly rejecting a heightened fraud requirement. In *Lieb v. Korangy Publishing, Inc.*, for example, the Eastern District of New York read this Court’s decision as a “[r]efus[al] to impose [an intent-to-defraud] scienter requirement,” explaining

“the [Supreme] Court noted that if Congress had intended to impose a standard other than simple knowledge, ‘it would have said so explicitly.’” CV 15-0040, 2022 WL 1124850, at *12 (E.D.N.Y. Apr. 14, 2022). The court found this Court’s decision “clear in adopting nothing more than an actual knowledge requirement.” *Ibid.*

Similarly, the Eastern District of Missouri held that this Court did “*not* decid[e] whether invalidation under § 411(b) required a showing of fraudulent intent.” *LADS Network Sols., Inc. v. Agilis Sys., LLC*, No. 4:19-cv-00011, 2022 WL 4534738, at *7 (E.D. Mo. Sept. 28, 2022). Nevertheless, the court rejected plaintiff’s arguments that a “showing of intent to defraud the Copyright Office” was required to invalidate a copyright registration. *Ibid.*

Other courts applying this Court’s decision have likewise correctly concluded that “the standard for demonstrating ‘knowledge’ of inaccurate information” under § 411(b) is “actual, subjective awareness of both the facts and the law,” without so much as suggesting that intent to defraud is also required. *HealtheState, LLC v. United States*, 160 Fed. Cl. 91, 96 (2022) (citation omitted); *see also Gaffney v. Muhammad Ali Enters. LLC*, Nos. 20 Civ. 7113, 18 Civ. 8770, 2022 WL 4095953, at *4-5 (S.D.N.Y. Sept. 7, 2022); *Oliver v. Meow Wolf, Inc.*, Civ. No. 20-237, 2022 WL 3682936, at *3 (D.N.M. Aug. 25, 2022).

The confusion that previously led this Court to grant certiorari thus persists today. Last time around, because Unicolors’ merits briefing dropped the “question about fraud,” the Court ultimately did not have occasion to “decide the question that has split the Courts of Appeals.” Pet. App. 98a (Thomas, J., dissenting). That issue is now squarely teed up, and this Court should decide it once and for all.

CONCLUSION

The petition should be granted or the decision below should be summarily reversed.

Respectfully submitted.

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APRIL 17, 2023