

No. 20-915

IN THE
Supreme Court of the United States

UNICOLORS, INC.,

Petitioner,

—v.—

H&M HENNES & MAURITZ, L.P.,

Respondent.

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

**BRIEF OF *AMICUS CURIAE*
AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION
SUGGESTING REVERSAL**

JOSEPH R. RE
President
AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION
1400 Crystal Drive, Suite 600
Arlington, VA 22202
(703) 415-0780

NANCY J. MERTZEL
Counsel of Record
MERTZEL LAW PLLC
5 Penn Plaza
New York, New York 10001
(646) 965-6900
nancy@mertzel-law.com

AUGUST 10, 2021

ATTORNEYS FOR AMICUS CURIAE
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

TABLE OF CONTENTS

INTEREST OF AMICUS CURIAE	1
SUMMARY OF ARGUMENT	2
BACKGROUND	4
THE STATUTE.....	4
COPYRIGHT APPLICATIONS REQUIRE MORE THAN FACTS	7
ARGUMENT	9
I. SECTION 411(B) DOES NOT APPLY TO AN INNOCENT MISCHARACTERIZATION OF THE LEGAL STATUS OF FACTS.....	9
II. DISTRICT COURTS SHOULD ASCERTAIN WHETHER AN ALLEGATION THAT INCORRECT INFORMATION WAS KNOWINGLY INCLUDED IS REASONABLY PLAUSIBLE BEFORE REFERRING A MATTER TO THE COPYRIGHT OFFICE.....	12
CONCLUSION	16

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Archie MD, Inc. v. Elsevier, Inc.</i> , 261 F. Supp. 3d 512 (S.D.N.Y. 2017).....	11
<i>Ashcroft v. Iqbal</i> , 129 S. Ct. 1937 (2009).....	13
<i>Bell Atl. Corp. v. Twombly</i> , 550 U.S. 544 (2007).....	13
<i>Cheek v. United States</i> , 498 U.S. 192 (1991).....	10
<i>Community for Creative Non-Violence v. Reid</i> , 490 U.S. 730 (1989).....	7
<i>DeliverMed Holdings, LLC v. Schaltenbrand</i> , 734 F.3d 616 (7th Cir. 2013).....	14, 15
<i>Energy Intelligence Group, Inc. v. CHS McPherson Refinery, Inc.</i> , 304 F. Supp. 3d 1052 (D. Kan. 2018)	15
<i>Luis A. Velazquez-Gonzales v. Rafael Pina, d/b/a Pina Records, et al.</i> , Case No. 07-1512CCC (D.P.R. Jul. 15, 2009)	7
<i>In re Napster, Inc. Copyright Litig.</i> , 191 F. Supp. 2d 1087 (N.D. Cal. 2002).....	5, 6

<i>Olem Shoe Corp. v. Washington Shoe Co</i> , Case No. 1:09-cv-23494 (S.D. Fl. Oct. 14, 2010)	15
<i>Roberts v Gordy</i> , 877 F.3d 1024 (11th Cir. 2017).....	10
<i>Unicolors, Inc. v. H&M Hennes & Mauritz, L.P</i> , 959 F.3d 1194 (9th Cir. 2020).....	11, 12
<i>Yellowcake Inc. v. Morena Music</i> , 2021 WL 795823 (E.D. Cal., March 1, 2021).....	15
Statutes	
17 U.S.C. § 409(8).....	7
Copyright Act Section 411(b)	<i>passim</i>
Copyright Act Section 412	3, 4
Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. 110–403, October 13, 2008, 122 Stat. 4256.....	4, 5
Other Authorities	
84 Fed. Reg. 66328 (Dec. 4, 2019).....	8
Copyright Publication: An Empirical Study at 138, Notre Dame Law Review, Vol. 87, No. 1 (2011).....	8
Draft Digital Copyright Act of 2021, issued by Senator Thom Tillis (December 22, 2021).....	8
H.R. Rep. No. 110-617 (May 5, 2008)	5

INTEREST OF AMICUS CURIAE

The American Intellectual Property Law Association (AIPLA) is a national bar association representing the interests of approximately 8,500 members engaged in private and corporate practice, governmental service, and academia. AIPLA's members represent a diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.¹ AIPLA's mission includes providing courts with objective analyses to promote an intellectual property system that stimulates and rewards invention, creativity, and investment while accommodating the public's interest in healthy competition, reasonable costs, and basic fairness. AIPLA has no stake in any of the parties to this litigation or in the result of the case. AIPLA's only interest is in seeking correct and consistent

¹ In accordance with Supreme Court Rule 37.6, AIPLA states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than AIPLA and its counsel. Specifically, after reasonable investigation, AIPLA believes that: (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to the litigation in this matter; (ii) no representative of any party to this litigation participated in the authorship of this brief; and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

interpretation of the law as it relates to intellectual property issues.²

SUMMARY OF ARGUMENT

The Ninth Circuit decision in this case increases the risk to copyright owners that any erroneous legal conclusions set forth in a copyright application may have draconian repercussions, such as losing the presumption of validity afforded by the Copyright Act or even having a registration invalidated. If upheld, the decision is likely to increase the costs and burdens of copyright litigation, making enforcement harder and weakening copyright protection.

Copyright applications are not ministerial recitations of simple facts. They are replete with legal conclusions and characterizations of those facts, many of which require substantive legal analysis of court opinions and Copyright Office guidance on complex and often unresolved legal issues. The Copyright Office has gone to great lengths to assist applicants, including developing extensive educational materials and tutorials.³ Nevertheless, many issues remain

² Pursuant to Supreme Court Rule 37.3(a), AIPLA has obtained the consent of the parties to file this amicus brief, based on blanket letters of consent filed with this Court on July 13, 2021 by Unicolors, Inc. and on July 19, 2021 by H&M Hennes & Mauritz, L.P.

³ See <https://www.copyright.gov/help/tutorials.html>. The Copyright Office also publishes and updates dozens of information circulars. See <https://www.copyright.gov/circs/>. Additionally, the Copyright Office this year issued another update to its extensive Compendium of U.S. Copyright Office

unclear. Despite this ambiguity, under the Ninth Circuit decision, a mischaracterization of the legal status of underlying factual information can have extremely detrimental repercussions, such as depriving a copyright owner of the presumptions associated with the registration or invalidating a registration.⁴ This is not what Congress intended when it enacted Section 411(b).

As demonstrated below, Section 411(b) is not implicated where the allegedly incorrect information was an innocent mischaracterization of the legal status of a fact, rather than a knowing misstatement of fact.

Additionally, the statute does not require a reflexive referral any time an accused infringer merely alleges inaccurate information was knowingly included in a copyright registration. To the contrary, district courts should evaluate the plausibility of the allegation before making a referral to the Copyright Office.

Accordingly, AIPLA respectfully urges the court to:

- (a) reverse the Ninth Circuit's decision and rule that an innocent mischaracterization of the legal

Practices, Third Edition, which currently runs over 1,300 pages. See <https://www.copyright.gov/comp3/>.

⁴ If a new application is required, the copyright owner also may be precluded from recovering statutory damages and attorney's fees as the new registration will likely be outside the timeframes set forth in Section 412 of the Copyright Act.

status of a fact is not a knowing inclusion of inaccurate information as required by Section 411(b); and

- (b) recognize the inherent power of district court judges to determine whether an allegation that a registrant has knowingly included inaccurate facts is reasonably plausible or merely an innocent mischaracterization of the legal status of those facts, before referring a case to the Register of Copyrights for input as to whether the incorrect facts, if known, would have caused the Register to refuse the registration.

BACKGROUND

THE STATUTE

Section 411(b)(1) of the Copyright Act provides that a certificate of registration satisfies the requirements of Section 411 and Section 412 of the Act, regardless 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.

Section 411(b)(2) provides that in any case where 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 to refuse the registration.

When Congress enacted the Prioritizing Resources and Organization for Intellectual Property Act of 2008, Pub. L. 110–403, October 13, 2008, 122 Stat. 4256 (“PRO-IP Act”), it added Section § 411(b) as one of “a number of changes to copyright and trademark law that will enhance the ability of intellectual property rights holders to enforce their rights.” H.R. Rep. No. 110-617 at 23 (May 5, 2008).

The House Report supporting the PRO-IP Act explained that Section 411(b) was intended to eliminate claims “in litigation that a mistake in the registration documents, such as checking the wrong box on the registration form, renders a registration invalid and thus forecloses the availability of statutory damages.” *Id.* at 24.

To illustrate the problem, the legislative history cited *In re Napster, Inc. Copyright Litig.*, 191 F. Supp. 2d 1087, 1099 (N.D. Cal. 2002). In that case, Napster sought to rebut the copyright certificates’ presumption of ownership by arguing that the record companies had incorrectly designated many of the sound recordings as works-for-hire rather than acquiring the rights by assignment. *Id.* at 1096. The court turned back Napster’s argument in clear terms:

It is a well-established principle that errors in plaintiffs’ copyright certificates do not automatically invalidate the certificates and their corresponding

presumption of ownership. See 17 U.S.C. § 408(d) (allowing the filing of a supplementary registration to correct any errors); 2 David Nimmer & Melville B. Nimmer, *Nimmer on Copyright* § 7.20[A] (2001) (“Nimmer”) (supplemental filing will not supersede the prior registration; nor will the original be expunged or canceled). “Absent intent to defraud and prejudice, inaccuracies in copyright registration do not bar actions for infringement.” *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984). . . . Unless Napster can show that plaintiffs defrauded the Copyright Office in a manner that prejudiced Napster, the alleged inconsistencies in plaintiffs’ certificates do not rebut the presumption of ownership.

Napster at 1099-1100.

Under the Ninth Circuit’s decision, accused infringers can improperly use Section 411(b) to delay and increase the costs and burdens of litigation. “Although Congress passed the PRO-IP Act to make copyright enforcement easier, the danger arises that defendants will pounce on minor (or even invented) defects in the registration process, merely to delay the proceedings.” *Nimmer on Copyright* § 7.20[A] (2001).

COPYRIGHT APPLICATIONS REQUIRE MORE THAN FACTS

At first glance, a copyright application may appear to be a simple form calling for straightforward factual information. Closer inspection, however, reveals something copyright practitioners and professionals who work in copyright-related industries know well: completing an application frequently requires nuanced legal analysis and characterizations of fact. These include determining who is the author, whether the work is a work made for hire, the nature of the work, whether the work is a derivative work, and details concerning the work's publication status, among other things.

One example familiar to this Court involves the meaning of the statutory definition of a “work made for hire.” The definition was so unclear that this Court had to resolve a split in the circuits. *See Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989) (holding that whether a work is a work made for hire requires application of general common-law agency principles to ascertain whether the creator is an employee or independent contractor). Before this Court's ruling, a business that incorrectly identified the author in reliance on the wrong circuit's analysis could hardly be deemed to have “knowingly” included inaccurate information on an application.⁵

⁵ Indeed, questions about whether particular kinds of works are eligible for work-for-hire status remain unresolved. *See, e.g.*, Response of the Register of Copyrights to Order Pursuant to 17 U.S.C. § 411(b)(2) at n. 3, filed in *Luis A. Velazquez-Gonzales v.*

Another common example involves difficult determinations regarding publication of a work. The Copyright Act requires that a copyright application include, for published works, “the date and nation of its first publication.” 17 U.S.C. § 409(8). To provide this information, an applicant must determine, among other things, whether the work is “published” as that term is defined in Section 101, as well as the date and location of first publication.⁶

Determining the publication status of a work is complex, leading to innumerable court decisions reaching results that are often difficult to reconcile. The hardship caused by this uncertainty is reflected in Senator Thom Tillis’ recent suggestion that the Copyright Office “conduct a study on the definition of the term ‘publication,’” including how the Copyright Office can better educate applicants to correctly designate publication status, and whether to eliminate or make voluntary the disclosure of a work’s publication status, date and nation of first publication. See Draft Digital Copyright Act of 2021, issued by Senator Thom Tillis on December 22, 2021, <https://www.tillis.senate.gov/2020/12/tillis-releases-landmark-discussion-draft-to-reform-the-digital-millennium-copyright-act>. The Copyright Office itself has acknowledged that the difficulty in determining a work’s publication status “places some burden” on copyright applicants, particularly regarding online works. See Notification of Inquiry Regarding Online

Rafael Pina, d/b/a Pina Records, et al., Case No. 07-1512CCC (D.P.R. Jul. 15, 2009).

⁶ Although publication was a critical issue under the Copyright Act of 1909, the statute did not define publication until the 1976 Act.

Publication, 84 Fed. Reg. 66328 (Dec. 4, 2019) (noting that “[v]arious individuals and groups have repeatedly expressed frustration to the Office regarding difficulty in determining whether a work has been published when completing copyright application forms”).⁷

In light of these complexities, a copyright owner who incorrectly mischaracterizes facts in an application may not have done so knowingly. Moreover, district courts have the inherent authority and responsibility to evaluate the reasonable plausibility of the alleged infringer’s allegation that inaccurate information was knowingly included in a copyright registration, before referring a matter to the Copyright Office.

ARGUMENT

I. SECTION 411(b) DOES NOT APPLY TO AN INNOCENT MISCHARACTERIZATION OF THE LEGAL STATUS OF FACTS

By its terms, referral to the Copyright Office pursuant to Section 411(b) is not triggered unless an accused infringer alleges that incorrect information was included in a copyright application with “knowledge that it was inaccurate.”

⁷ See also Deborah R. Gerhardt, Copyright Publication: An Empirical Study at 138, *Notre Dame Law Review*, Vol. 87, No. 1 (2011) (“Notwithstanding the dispositive importance of publication, the copyright meaning of the term is not clear and can be difficult to pinpoint.”)

To satisfy the knowledge requirement, a copyright owner must have knowingly included incorrect information on the application. Where a copyright owner makes a legal characterization of factual information based on an innocent misunderstanding of the law, the copyright owner has not knowingly included incorrect information in the application. For example, a copyright owner who mistakenly states a work's publication status could not have had "knowledge that [the information] was inaccurate" unless the copyright owner knew the correct publication status and intentionally misstated it.⁸

In its decision, the Ninth Circuit ignored the important distinction between incorrect facts and incorrect legal characterization of those facts. It is one thing to fraudulently register copyright in a work knowing someone else created it and quite another to inaccurately describe a work as unpublished due to a misunderstanding of the law regarding publication. The Eleventh Circuit acknowledged this distinction:

This is not a case where Rapper A attended a Rapper B concert, heard a delightful song, stole the composition, and fraudulently registered it with the Copyright Office—far from it. There is no dispute by any party that Appellants

⁸ In light of its complexities, the knowledge requirement for violation of Section 411(b) should be similar to that required for tax law violations. *See Cheek v. United States*, 498 U.S. 192 (1991) (holding that innocent mistakes caused by the complexity of the Internal Revenue Code required proof of knowledge of the law to establish willfulness).

authored and created Hustlin’, and there is no dispute that they continue to receive the writers’ share of royalties from their musical composition. Furthermore, Appellees never proffered any argument or theory as to why Appellants would attempt to deceive the Copyright Office, when they are, in fact, the undisputed authors.

Roberts v Gordy, 877 F.3d 1024, 1090 (11th Cir. 2017) (finding errors regarding publication, dates of creation and prior registration lacked deceptive intent).

Given the acknowledged ambiguity as to what constitutes “publication,” an applicant should not be held to have knowingly included inaccurate information when it makes a mistake concerning the publication status of a work. For example, in *Archie MD, Inc. v. Elsevier, Inc.*, 261 F. Supp. 3d 512 (S.D.N.Y. 2017), the copyright owner registered its work as unpublished, even though it had entered a license agreement with and delivered a copy of the work to the defendant. The court noted that, at the time the application was filed, whether the work had been published by virtue of its licensing “was an unsettled legal question.” *Id.* at 520. On that basis, the court held that plaintiff “did not state that the animations in the collection were unpublished with knowledge that [that information] was inaccurate.” *Id.* The court recognized the important distinction between knowledge of the fact that the work had been licensed, and knowledge of the unsettled legal

conclusion of whether licensing constituted publication.

This distinction is particularly important in situations involving legal questions that are unclear or have not been resolved by the courts. In the instant case, the Ninth Circuit acknowledged that it had “never previously addressed what it means to publish multiple works as a ‘single unit,’” and that the only known precedent outside the circuit on this question was neither relevant nor helpful.⁹ Nevertheless, the Ninth Circuit found that Unicolors had “knowingly” submitted “inaccurate” information to the Copyright Office – despite the fact that a “single unit” publication had never been clearly defined by courts or the Copyright Office in a way that would have applied to the Unicolors’ activities. *Id.* at 1200.

Because the Ninth Circuit’s analysis failed to consider whether Unicolors knowingly included incorrect facts or innocently misunderstood the law – which was admittedly unresolved – the Ninth Circuit decision should be reversed.

II. DISTRICT COURTS SHOULD ASCERTAIN WHETHER AN ALLEGATION THAT INCORRECT INFORMATION WAS KNOWINGLY INCLUDED IS REASONABLY PLAUSIBLE BEFORE REFERRING A MATTER TO THE COPYRIGHT OFFICE

Section 411(b)(2) provides that a district court “shall” refer a matter to the Copyright Office where an accused infringer alleges that inaccurate information

⁹ *Unicolors, Inc. v. H&H Hennes & Mauritz, L.P.*, 959 F.3d 1194, 1199 (9th Cir. 2020).

was knowingly included on a copyright application with knowledge that it was inaccurate.

Under the Ninth's Circuit mechanistic interpretation of the statute, any time an accused infringer merely alleges incorrect information was knowingly included in a copyright application, a district court is required to automatically refer the matter to the Copyright Office for input on materiality, even if the allegation is implausible. AIPLA respectfully submits that district courts should determine whether the allegation is reasonably plausible before making such a referral.

In *Ashcroft v. Iqbal*, 129 S. Ct. 1937 (2009), this Court held that, in considering a motion to dismiss, a court may begin "by identifying pleadings that, because they are no more than conclusions, are not entitled to the assumption of truth" and that legal conclusions "must be supported by factual allegations." *Id.* at 1950. The Court further observed that "the tenet that a court must accept as true all of the allegations contained in a complaint is inapplicable to legal conclusions." *Id.* at 1949. *See also Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007).

This Court's rulings on reasonable plausibility are equally applicable to allegations under Section 411(b) and suggest the following conclusions:

- First, a district court should determine whether an accused infringer's allegation that a copyright application contains inaccurate information that was knowingly

included is plausible before referring the matter to the Copyright Office.

- Second, as part of its reasonable plausibility analysis, a district court should consider whether the allegedly inaccurate information is factual or legal in nature.

District courts have discretion regarding how to determine the reasonable plausibility of an accused infringer's allegation. For example, courts may consider the nature of the allegedly inaccurate information, the clarity of the Copyright Office's guidance on the issue, the state of the law and the registrant's subjective knowledge. In some cases, it may be appropriate to conduct a hearing to ascertain the copyright owner's knowledge of the allegedly inaccurate factual information and the applicable law. Referral to the Copyright Office should only be made if the district court is convinced that the allegation is plausible.

The Seventh Circuit adopted a similar approach in *DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616, 625 (7th Cir. 2013). There, the court stated as follows:

Given its obvious potential for abuse, we must strongly caution both courts and litigants to be wary of using this device in the future. Although the statute appears to mandate that the Register get involved “[i]n any case in which inaccurate information [in an

application for copyright registration] is alleged,” 17 U.S.C. § 411(b)(2), input need not be sought immediately after a party makes such a claim. Instead, courts can demand that the party seeking invalidation first establish that the other preconditions to invalidity are satisfied before obtaining the Register’s advice on materiality. In other words, a litigant should demonstrate that (1) the registration application included inaccurate information; and (2) the registrant knowingly included the inaccuracy in his submission to the Copyright Office. 17 U.S.C. § 411(b)(1)(A). Once these requirements are met, a court may question the Register as to whether the inaccuracy would have resulted in the application’s refusal. Aside from minimizing the risk that parties would use this provision as a delay tactic, this approach has the added benefit of an endorsement from the Register. When faced with this situation in the future, courts should tread carefully and employ this mechanism only when necessary.

Id. (internal citations omitted).

As the Seventh Circuit noted, this approach has been endorsed by the Copyright Office. *See, e.g.*, Response of the Register of Copyrights to Request Pursuant to 17 U.S.C. § 411(b)(2) at 12, *Olem Shoe Corp. v. Washington Shoe Co*, Case No. 1:09-cv-23494

(S.D. Fl. Oct. 14, 2010) (“[B]efore asking the Register whether she would have refused to register a copyright ... a court should feel free to determine whether there is in fact a misstatement of fact.”).

Other courts have adopted this approach and conducted their own assessment of such allegations before sending a query to the Copyright Office. *See Yellowcake Inc. v. Morena Music*, 2021 WL 795823 (E.D. Cal., March 1, 2021) (permitting plaintiff to respond to “challenges to the validity of the registration” before query to Copyright Office); *see also Energy Intelligence Group, Inc. v. CHS McPherson Refinery, Inc.*, 304 F. Supp. 3d 1052, 1055-1056 (D. Kan. 2018) (“the party seeking invalidation of the copyright must first establish the preconditions” of § 411(b) before referral to the Copyright Office).

The approach described is consistent with the statute, practical, and avoids unnecessary referrals to the Copyright Office by empowering district courts to resist potentially abusive delay tactics.

CONCLUSION

For the foregoing reasons, AIPLA respectfully urges the Court to:

- (a) reverse the Ninth Circuit’s decision and clarify that an innocent mischaracterization of the legal status of a fact is not a knowing inclusion of inaccurate information as required by Section 411(b); and

(b) recognize the inherent power of district court judges to determine whether an allegation that a registrant has knowingly included inaccurate facts is reasonably plausible or merely an innocent mischaracterization of the legal status of those facts, before referring a case to the Register of Copyrights for input as to whether the incorrect facts, if known, would have caused the Register to refuse the registration.

Respectfully submitted,

JOSEPH R. RE
President
AMERICAN INTELLECTUAL
PROPERTY LAW ASSOCIATION
1400 Crystal Drive, Suite 600
Arlington, VA 22202
(703) 415-0780

NANCY J. MERTZEL
Counsel of Record
MERTZEL LAW PLLC
5 Penn Plaza
New York, New York 10001
(646) 965-6900
nancy@mertzel-law.com

AUGUST 10, 2021

ATTORNEYS FOR AMICUS CURIAE
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION