Copyright Jurisdiction and *Reed Elsevier v. Muchnick*

By John A. Polito[1]

Though the federal courts have exclusive jurisdiction over infringement actions arising under the Copyright Act of 1976 (the "Act"),[2] issues of jurisdiction and standing under the Act are anything but straightforward. In *Reed Elsevier v. Muchnick*, the Supreme Court of the United States recently held that copyright registration requirements are not jurisdictional in nature.[3] *Reed Elsevier* clarified, but did not resolve, the universe of permissible copyright cases and copyright settlements.

While registration is not necessary for copyright protection under the Act,[4] registration is a prerequisite to "institut[ing]" a civil infringement action.[5] A claimant may satisfy the registration-before-suit requirement of 17 U.S.C. § 411(a) either through receipt of a copyright registration from the Copyright Office or by attempting registration and being refused by the Copyright Office.[6] Infringement actions arising from works first published in treaty party countries, actions under the Visual Artists Rights Act of 1990, and certain actions relating to broadcasting are generally exempt from these requirements.[7] There is no registration-before-suit requirement for criminal copyright infringement actions.[8]

The registration-before-suit requirement creates special problems relating to future potential infringement. An injunction forbidding a website from displaying "thumbnail" versions of a claimant's copyrighted images may be subject to challenge to the extent that that injunction applies to both registered and unregistered copyrights.[9] Or, as in *Reed Elsevier*, a class action settlement that certifies a class including holders of unregistered copyrights may be subject to challenge on grounds that the court has no jurisdiction over such class members.[10]

Reed Elsevier began as a class action filed by freelance journalists, photographers and related organizations who had granted print but not electronic media licenses to a number of defendant publishers.[11] Though the "overwhelming majority of claims within the certified class arose from the infringement of unregistered copyrights," the named plaintiffs all held causes of action related to infringement of registered copyrights.[12] After "more than three years of 'often heated' negotiations," the named plaintiffs and the defendant publishers submitted a proposed settlement and class certification order to the District Court.[13] Certain members of the proposed class objected on various grounds, including objecting to the terms of the settlement as unfair to those whose only causes of action arose from unregistered works.[14] The district court nonetheless certified the settlement class and approved the settlement, and the objectors appealed.[15]

The Second Circuit vacated and remanded. The majority held that registration under § 411(a) of the Act was a jurisdictional requirement, and therefore the class could not be certified, nor could the settlement be approved, because

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[2] See 28 U.S.C. § 1338(a).
[3] No. 08-103, 559 U. S. ____ (2010).
[4] 17 U.S.C. § 408(a) ("[R]egistration is not a condition of copyright protection").
[5] See 17 U.S.C. § 411(a) (establishing registration or preregistration as a prerequisite to institution of any "civil action for infringement of [a] copyright in any United States work," absent specific exceptions); id. at § 501(b) (providing a cause of action for copyright infringement "subject to the requirements of section 411").
[6] See 17 U.S.C. § 411(a).
[7] See id. (limiting the registration-before-suit requirement to "United States works"); id. at § 101 (defining "United States works"); id. at § 411(a) (exempting actions regarding §106A(a) rights from the registration-before-suit requirement); id. at § 411(a), (permitting institution of an action prior to a first fixation simultaneous with transmission, provided timely registration made); id. at § 501(c)-(f) (granting standing to pursue actions related to cable and satellite broadcasting); see also id. at § 408(f) (permitting institution of action after preregistration, provided timely registration made); Reed Elsevier, 08-103, 559 U. S. ____ (2010), slip opinion at 10 (characterizing the registration-before-suit exemptions as "most significant[]" to the determination that § 411(a) was not a jurisdictional limitation).
[8] Id. at § 411(a).
[9] See Perfect 10, Inc., v. Amazon.com, Inc., 508 F.3d 1146, 1154 n.1 (9th Cir. 2007); see also Olan Mills, Inc., v. Lynn Photo Co., 23 F.3d 1345, 1349 (8th Cir. 1994) (reversing a denial of photography studio's request for injunctive relief to prevent future reproductions of its photos).
[10] See In re Literary Works in Elec. Databases Copyright Litig., 509 F.3d 116, 121, 125 (2d Cir. 2007) ("In re Literary Works").
[11] See In re Literary Works, 509 F.3d at 118-19; cf. New York Times Co. v. Tasini, 533 U.S. 483, 488 (2001) (holding that publishers who had licensed rights in collections of copyrighted materials had to separately license the rights to electronically reproduce and distribute individual contributions to the collection).
12 See In re Literary Works, 509 F.3d at 118, 120, 124.
13 See id. at 120.
14 See id.
15 Id.

the district court had not had jurisdiction over claims of infringement of unregistered works.[16] The Supreme Court granted the publishers' petition for *certiorari* on a single question of the Court's own devising: "Does 17 U.S.C. § 411(a) restrict the subject matter jurisdiction of the federal courts over copyright infringement actions?"[17] When plaintiffs, defendants and objectors all declined to defend the judgment of the Second Circuit, the Court appointed *amicus* counsel for that purpose.[18]

Oral argument on *Reed Elsevier* took place on October 7, 2009. While dominated by issues of statutory interpretation, questioning did touch upon the fairness of the proposed settlement.[19]

On March 2, 2010, the Court reversed, remanding the objectors' appeal to the Second Circuit.[20] Writing for the majority on statutory interpretation grounds, Justice Thomas held only that registration-before-suit was not jurisdictional and that "the District Court had authority to adjudicate the parties' request to approve their settlement."[21] The Court explicitly did not decide whether the courts below "may or should *sua sponte*" dismiss the action on grounds that registration was a non-jurisdictional "mandatory precondition to suit."[22]

Reed Elsevier raised as many issues as it settled. The Court did not resolve whether settlements such as that between the freelancers and publishers must carve out unregistered works,[23] nor did it clarify the courts' power to grant equitable relief with respect to unregistered copyrights.[24] If lower courts decline the Courts' invitation to reject class actions involving unregistered works on mandatory precondition grounds, copyright class actions could provide a mechanism for judicial resolution of alleged infringement of unregistered works, even though such actions could not otherwise be brought under § 501.[25] While addressing the immediate jurisdictional question at hand, *Reed Elsevier*'s narrow holding leaves many important questions about the contours of permissible copyright litigation unanswered.

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[16] *See id. at 121, 125.*
[17] *See 129 S. Ct. 1523 (2009).*
[18] *See 129 S. Ct. 1693 (2009).*
[19] *See, e.g., Transcript of Oral Argument, Reed Elsevier v. Muchnick (Oct. 7, 2009) ("Transcript"), at 10:15-12:7 (discussing that the publishers had relied upon the registration-before-suit requirement of § 411(a) in justifying lesser payments relating to unregistered works to the district court); id. at 17:2-19:7 (discussing adequacy and fairness of the settlement's treatment of unregistered works); id. at 50:5-52:12 (expressing concern that finding § 411(a) to be jurisdictional could prevent or inhibit the digitization of historical works).*
[20] *No. 08-103, 559 U. S. ____ (2010), slip opinion at 16.*
[21] *Id. at 15; see also id. (Ginsburg, J., concurring in part and concurring in judgment) at 1 (concurring that registration-before-suit was a precondition, rather than a jurisdictional limitation).*
[22] *Id. at 15.*
[23] *Cf. Letter Brief of Pamela Samuelson et al. at 9-11, Authors Guild, Inc. v. Google, Inc., No. 1:05-CV-8136, Dkt. No. 893 (S.D.N.Y. Jan. 29, 2010) (objecting to the Proposed Amended Settlement Agreement on grounds that the proposed agreement had dropped unregistered book chapters within registered books from scope), available at http://people.ischool.berkeley.edu/~pam/AcademicAuthorSupplemental.pdf.*
[24] *Cf. Transcript at 43:9-44:5 (discussing whether registration-before-suit applies to equitable relief).*
[25] *Cf. In re Literary Works, 509 F.3d at 133-35 & n.3 (Walker, J., dissenting) (arguing that members of the settlement class who were not named plaintiffs needed satisfy only constitutional standing requirements).*