



The Copyright Registration Requirement and Federal Court Jurisdiction: A Legal Analysis of *Reed Elsevier, Inc. v. Muchnick*

name redacted
Legislative Attorney

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Summary

Although an author need not register his or her work with the U.S. Copyright Office to obtain copyright protection, registration is a statutory prerequisite to bringing suit for infringement of the copyright, as mandated by 17 U.S.C. §411(a). The question in *Reed Elsevier, Inc. v. Muchnick* is whether this section of the Copyright Act restricts the subject-matter jurisdiction of the federal courts over copyright infringement claims involving unregistered works.

The plaintiffs in *Reed Elsevier*, consisting of individual authors and trade groups representing authors, brought a class action lawsuit against several publishers when those publishers licensed the authors' articles for print publication but failed to secure an additional license to reproduce them electronically. The Supreme Court had earlier affirmed the plaintiffs' right to control electronic reproduction of their copyrighted works in its 2001 opinion *New York Times, Co. v. Tasini*. After this opinion, the district court in *Reed Elsevier* referred the parties to mediation. After more than three years of negotiations, the parties reached an \$18 million agreement that sorted the plaintiffs into three categories based, in part, on whether or not their copyrights had been registered. The settlement assigned a different damages formula to each category, with owners of registered copyrights receiving more than owners whose copyrights were unregistered.

Several freelance authors who fell within "Category C" (composed of unregistered copyrights) objected to the settlement agreement, arguing that the settlement was unfair and inadequate because they were paid too little. Proponents of the settlement responded that "Category C" claimants were treated fairly because, as owners of unregistered copyrights, they would normally be barred from bringing infringement suits at all under 17 U.S.C. §411(a). The district court granted final class certification and approved the settlement in September of 2005. The objectors appealed the district court's decision to the U.S. Court of Appeals for the Second Circuit. Before oral argument, the Second Circuit asked the parties to address whether the district court had subject-matter jurisdiction over claims concerning the infringement of unregistered copyrights, or whether §411(a) restricted the court's jurisdiction.

Both the authors and publishers argued that §411(a) is not jurisdictional in nature. However, a divided panel of the Second Circuit disagreed, holding that the requirement of copyright registration prior to an infringement suit is jurisdictional and therefore, because many of the plaintiff's copyrights were unregistered, the district court lacked the power to certify the class and approve the settlement. The publishers appealed the appellate court's decision to the U.S. Supreme Court.

In a unanimous decision issued on March 2, 2010, the U.S. Supreme Court reversed the judgment of the Second Circuit panel. The Court characterized the Copyright Act's registration requirement as a claim-processing rule rather than a jurisdictional condition. Therefore, a copyright holder's failure to satisfy the statutory registration requirement does *not* deprive a federal court of jurisdiction to adjudicate his copyright infringement claim. While the Supreme Court held that the *Reed Elsevier* district court possesses the authority to approve the settlement between the authors and the publishers, the Court offered no opinion on the fairness, reasonableness, or adequacy of the settlement. On remand, the court of appeals must now consider the settlement's merits and decide whether to uphold the district court's approval of the settlement. The Supreme Court also expressly declined to decide whether §411(a) is a *mandatory* precondition to suit that district courts may or should enforce *sua sponte* by dismissing copyright infringement claims that involve unregistered works.

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Background

Copyright is the exclusive right to reproduce, distribute, perform, display, and otherwise exploit an “original work of authorship,” such as certain literary, dramatic, musical, or other artistic works.¹ Copyright protection is secured automatically when the work is created, or “fixed in any tangible medium of expression.”² Although an author need not register his or her work with the U.S. Copyright Office to obtain copyright protection, registration does come with several advantages. For instance, registration is necessary before a plaintiff may file an infringement suit,³ and if registration is made within three months after publication of a work, the court may award the plaintiff statutory damages and attorney’s fees rather than actual damages and profits alone.⁴

A copyright owner’s exclusive right to reproduce and distribute his or her work was the subject of litigation in a 2001 Supreme Court case, *New York Times Co. v. Tasini*.⁵ In *Tasini*, six freelance authors who had contributed articles to several publications, including *The New York Times*, *Newsday*, and *Time*, sued when the publishers licensed rights to copy and sell the articles to electronic databases such as Lexis/Nexis. The publishers argued that, because their magazines and newspapers were collective works composed of the authors’ individual articles, section 201(c) of the Copyright Act permitted them to reproduce and distribute the articles as part of a “revision” of those collective works.⁶ The Supreme Court disagreed. It held that the Copyright Act does not permit publishers to reproduce freelance works electronically when they lack specific authorization to do so, effectively requiring publishers to obtain a separate license from the author if they wish to electronically reproduce written works.⁷ As a consequence of *Tasini*, many freelance works were removed from the electronic databases.⁸

Shortly after the Court decided *Tasini*, three preexisting class action infringement suits, which had been suspended pending the decision, were activated and consolidated in the U.S. District Court for the Southern District of New York. A fourth, nearly identical action was coordinated with that consolidated action. Together, these claims comprise the litigation discussed in this report.⁹

¹ See 17 U.S.C. §106; see also U.S. Copyright Office: Copyright Basics, at <http://www.copyright.gov/circs/circ1.pdf>, and CRS Report RS22801, *General Overview of U.S. Copyright Law*, by (name redacted).

² 17 U.S.C. §102(a).

³ See 17 U.S.C. §411(a).

⁴ See 17 U.S.C. §412.

⁵ 533 U.S. 483 (2001). For more information on this decision, see CRS Report RS20964, *New York Times Co. v. Tasini: The U.S. Supreme Court Affirms "Authorial" Rights in Copyright*, by (name redacted).

⁶ *Id.* at 484.

⁷ See *New York Times Co. v. Tasini*, 533 U.S. 483 (2001).

⁸ Adam Liptak, *Justices Reinstate Settlement With Writers*, N.Y. TIMES, Mar. 2, 2010, at B10. The articles at issue in the case were published between 1980 and 1995. Since 1995, the New York Times and other publishers have required freelance writers to grant them electronic reproduction rights in their works in addition to print publication rights. *Id.*; see also *Tasini*, 533 U.S. at 522 (Stevens, J., dissenting).

⁹ See *Muchnick v. Thomson Corp. (In re Literary Works in Electronic Databases Copyright Litigation)*, 509 F.3d 116, 118 (2d Cir. 2007).

Like the *Tasini* case, *Reed Elsevier v. Muchnick* is a class action lawsuit. Class actions allow one or more named plaintiffs to sue on behalf of a larger group of people when joining all members of the group would be impracticable; the members of the group raise similar claims, which present common issues of law or fact; and the named plaintiffs fairly and adequately protect the interests of other class members.¹⁰ Litigation may proceed only after the court has certified the class,¹¹ and even settlement or voluntary dismissal of the suit requires the court's approval.¹² Any class member may object to a settlement proposal, but, once made, the objection may only be withdrawn with the court's permission.¹³

The District Court's Opinion

The plaintiffs in *Reed Elsevier* consist of individual authors and trade groups representing authors who produced written works for certain publishers on a freelance basis.¹⁴ The publishers had licensed the articles from the freelance authors for print publication but later reproduced the articles in their electronic databases without compensating or otherwise obtaining the consent of the authors. Based on their copyrights in the freelance works, the plaintiffs brought suit against the publishers and the electronic database services for copyright infringement.¹⁵

After the *Tasini* decision had affirmed the plaintiffs' right to control electronic reproduction of their works, the district court referred the parties to mediation.¹⁶ In 2005, after more than three years of negotiations, the parties reached an agreement that sorted plaintiffs' claims into three groups for compensation purposes.¹⁷ Category A claims concerned copyrights that were eligible for statutory damages and attorney's fees under the Copyright Act.¹⁸ Category B claims concerned copyrights that qualified for actual damages only.¹⁹ Category C claims, by far the most numerous, largely involved copyrights that were unregistered, and therefore their owners were precluded from bringing individual suits for damages of any sort.²⁰

The settlement assigned a damages formula to each type of claim. Category A claimants received a flat fee. Category B claimants received the greater of either a flat fee or a percentage of the original price of the work. Category C claimants also received the greater of either a flat fee or a percentage of the original price of the work. However, if the cost of all claims (plus the cost of notice, administration, and attorney's fees) exceeded \$18 million, then the amount paid to Category C claimants was reduced—potentially to zero—before the claims of Category A and B

¹⁰ Fed. R. Civ. P. 23(a).

¹¹ Fed. R. Civ. P. 23(c)(1)(A).

¹² Fed. R. Civ. P. 23(e).

¹³ Fed. R. Civ. P. 23(e)(5).

¹⁴ *See In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d at 118-19.

¹⁵ *Id.* at 119.

¹⁶ *Id.*

¹⁷ *Id.* at 120.

¹⁸ *See id.* (citing 17 U.S.C. §412).

¹⁹ *See id.*

²⁰ *See id.*

claimants were affected. This feature was called the “C-reduction.”²¹ In return for financial compensation, the plaintiffs agreed to release all past, present, and future claims against the defendants related to their articles’ appearance in electronic databases.²²

Having reached an agreement, the plaintiffs and defendants moved the district court for class certification and settlement approval. Objectors opposed the motion on the ground that the settlement was inadequate and unfair to Category C claimants because they were paid little and singled out for reduction if the total claims exceeded \$18 million. Objectors also maintained that the disparate treatment of Category C claimants illustrated that the named plaintiffs, who each possessed at least some registered copyrights, did not adequately represent those absent class members who possessed only unregistered copyrights. The defendants responded that Category C claimants were adequately represented and treated fairly because they would otherwise have been unable to bring actions for infringement at all under 17 U.S.C. §411(a) because their copyrights were unregistered.²³

After prolonged proceedings, the district court granted final class certification and final settlement approval in September 2005. Objectors appealed, again challenging the settlement’s fairness and the adequacy of the named plaintiffs’ representation.²⁴

The Second Circuit’s Opinion

Before hearing oral argument, the Second Circuit Court of Appeals “became concerned that the District Court and the parties had passed over a nettlesome jurisdictional question” and *sua sponte* ordered the parties to address “whether the District Court had subject-matter jurisdiction over claims concerning the infringement of unregistered copyrights.”²⁵ Due to their mutual interest in achieving class certification and settlement approval at this stage, both plaintiffs and defendants argued that the Copyright Act’s registration requirement is not jurisdictional in nature.²⁶ They contended that, if a plaintiff brings a single claim based on a registered copyright, the district court acquires jurisdiction over any and all related copyright claims, even if those other claims arise from unregistered copyrights. They also argued that jurisdiction in this case was proper because the named plaintiffs’ works were registered.²⁷

A divided panel of the Second Circuit disagreed. The majority opinion first observed that Congress provides federal courts with only limited subject-matter jurisdiction.²⁸ District courts derive their jurisdiction in copyright actions from two sections of Title 28 of the U.S. Code, §1331 and § 1338. The first is a general grant of original jurisdiction over civil actions arising under federal law, and the second provides courts with a more specific grant of original

²¹ *Id.*

²² See Brief for the United States as Amicus Curiae Supporting Vacatur and Remand at 8, *Reed Elsevier, Inc. v. Muchnick*, No. 08-103 (550 U.S. ___, March 2, 2010).

²³ *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d at 120.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* at 122.

²⁷ *Id.* at 123.

²⁸ *Id.* at 121.

jurisdiction over copyright infringement cases. However, the appellate court asserted that Congress has supplemented these basic jurisdictional grants with a separate statutory section—§411(a) of the Copyright Act (17 U.S.C. §411(a)), which “limits a district court’s subject-matter jurisdiction to claims arising from *registered* copyrights only.”²⁹

Relying on its opinions in *Well-Made Toy Mfg. Corp. v. Goffa Intl. Corp.*³⁰ and *Morris v. Bus. Concepts, Inc.*³¹ and distinguishing the Supreme Court’s ruling in *Eberhart v. United States*,³² the appellate court held that the requirement of copyright registration prior to an infringement suit is jurisdictional³³ and that the phrase “copyright claim” referred to each claim within a purported class.³⁴ Thus, because many of the plaintiffs’ copyrights were unregistered, the Second Circuit held that the district court lacked the authority to certify the class and, as a result, lacked jurisdiction to approve the settlement. It also held that this “jurisdictional defect” precluded supplemental jurisdiction³⁵ under 28 U.S.C. §1367(a) as well.³⁶

Judge Walker dissented, arguing that, although the Second Circuit had labeled §411(a) as jurisdictional in the past, the Supreme Court’s ruling in *Eberhart*, which encouraged lower courts to “more carefully distinguish between true jurisdictional bars and claim-processing rules that may be waived,” merited a re-evaluation of the copyright registration requirement.³⁷ Categorizing §411(a) as an “enforcement mechanism” rather than a “rights-creating statute”³⁸ and relying on Second Circuit precedent that “not all members of a settlement-only class need to possess a valid cause of action under the applicable law,”³⁹ he concluded that “the fact that some of the otherwise presumably valid copyrights have not been registered is an insufficient basis for undoing this class-action settlement.”⁴⁰

²⁹ *Id.* at 122 (emphasis added).

³⁰ 354 F. 3d 112 (2d Cir. 2003).

³¹ 259 F.3d 65 (2d Cir. 2001).

³² 546 U.S. 12 (2005).

³³ *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d at 121.

³⁴ *Id.* at 125.

³⁵ Supplemental jurisdiction is “a court’s jurisdiction to hear and determine a claim over which it would not otherwise have jurisdiction, because the claim arises from the same transaction or occurrence as another claim that is properly before the court.” BLACK’S LAW DICTIONARY (8th ed. 2004).

³⁶ *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d at 127.

³⁷ *Id.* at 128 (Walker, J., dissenting).

³⁸ *Id.* at 130.

³⁹ *Id.* at 128 (referencing *Lerner v. Fleet Bank*, 318 F.3d 113, 125-26 (2d Cir.2003) (holding that, in a RICO class action suit, the district court could exercise supplemental jurisdiction over plaintiffs’ state-law claims despite the fact that certain members of the plaintiff class lacked RICO standing)).

⁴⁰ *Id.*

Arguments Before the U.S. Supreme Court

On March 2, 2009, the U.S. Supreme Court granted certiorari to review the case on the following question: “Does 17 U.S.C. §411(a) restrict the subject-matter jurisdiction of the federal courts over copyright infringement actions?”⁴¹

17 U.S.C. §411(a) reads as follows:

[N]o civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register’s failure to become a party shall not deprive the court of jurisdiction to determine that issue.

Petitioners in the case (Reed Elsevier et al.) argued that the §411(a) registration requirement is a mandatory prerequisite to suit, not a restriction on the court’s jurisdiction.⁴² Drawing on the text, structure, legislative history, and purpose of the statute,⁴³ they argued that Congress never intended the registration requirement to be jurisdictional and that circuit courts interpreting it thus had failed to implement the “bright line” test articulated by the Supreme Court in its 2006 decision *Arbaugh v. Y&H Corp.*⁴⁴ Even if §411(a) is jurisdictional, petitioners argued that the restriction applies only to instituting actions, not settling them, because jurisdiction over an action generally extends to approving settlements that release claims the court lacked authority to try.⁴⁵ They warned that, if the Second Circuit’s “drive-by”⁴⁶ jurisdictional characterization of §411(a) were allowed to stand, it would thwart “the ability of parties to reach negotiated resolutions of their disputes involving unregistered works” and leave “the nation’s electronic databases and archives ... permanently depleted.”⁴⁷

Respondents (Pogrebin et al. and Irvin Muchnick et al.) advanced similar arguments, stating that §411(a) is not a bar to jurisdiction but rather a claim-processing rule, a prerequisite to suit that could be enforced or waived by the defendants.⁴⁸ As support, respondents cited several circuit court opinions in which the jurisdiction requirement was waived or relaxed and therefore treated

⁴¹ Reed Elsevier, Inc. v. Muchnick, 129 S.Ct. 1523 (2009).

⁴² See Brief for Petitioners at 15, Reed Elsevier, Inc. v. Muchnick, No. 08-103 (550 U.S. ___, March 2, 2010).

⁴³ See *id.* at 23-37.

⁴⁴ *Id.* at 40-45 (citing *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 516 (2006)).

⁴⁵ See *id.* at 45-48.

⁴⁶ *Id.* at 40 (citing *Steel Co. v. Citizens for a Better Env’t*, 523 U.S. 83, 91 (1998)).

⁴⁷ *Id.* at 3.

⁴⁸ See Brief for Respondents Pogrebin et al. in Support of Petitioners at 5, Reed Elsevier, Inc. v. Muchnick, No. 08-103 (550 U.S. ___, March 2, 2010); see also Brief for the Muchnick Respondents at 18-32, Reed Elsevier, Inc. v. Muchnick, No. 08-103 (550 U.S. ___, March 2, 2010).

“in a manner fundamentally inconsistent with its being subject-matter jurisdictional.”⁴⁹ They also argued that, even if the district court had lacked original subject-matter jurisdiction over the case, it had supplemental jurisdiction because the claims of the Category-C authors with unregistered copyrights arose out of the same case or controversy as the claims of the Category-A and B authors whose copyrights were registered.⁵⁰

The United States, as *amicus curiae*, also supported vacatur of the Second Circuit’s judgment. Like petitioners, the U.S. argued that §411(a) does not limit a federal courts’ subject-matter jurisdiction, but rather serves as a mandatory prerequisite to suit that should be strictly enforced when raised by a party.⁵¹ The U.S. argued that, while district courts should ordinarily enforce §411(a) *sua sponte* even if the defendant did not move to dismiss on those grounds, once the case has reached the court of appeals, the district court has already expended significant resources, so insisting on a rigid application of §411(a) would waste judicial resources.⁵² Therefore, according to the U.S., non-compliance with the registration requirement in this case provided no basis for vacating the district court’s judgment.⁵³

With both petitioners and respondents advocating the same outcome—that the Supreme Court overturn the Second Circuit’s ruling—an unusual situation arose in which no party argued for the Court to affirm the judgment below. As a result, the Court appointed Professor Deborah Jones Merritt to serve as *amicus curiae* in support of the Second Circuit’s judgment. According to Professor Merritt, not only does the plain language of §411(a) clearly restrict the subject-matter jurisdiction of federal courts,⁵⁴ but courts, legislators, and scholars have traditionally interpreted §411(a) as being jurisdictional.⁵⁵ Furthermore, she argued that §411(a) serves such vital public purposes as supporting a public record of copyright claims, shielding federal courts from burdensome litigation, protecting defendants from frivolous lawsuits, and supplying the Library of Congress collections.⁵⁶ Next, she argued that the integrity of the judicial process precludes the parties from waiving §411(a) because both parties invoked the jurisdictional bar before the district court to defend the fairness of their settlement, which rewarded the owners of registered copyrights at the expense of unregistered copyright owners.⁵⁷ Finally, Professor Merritt argued that neither a special rule for settlement nor the supplemental jurisdiction act cured this jurisdictional defect because (1) courts must have jurisdiction over class actions in order to terminate the claims of absent class members and (2) the many authors and databases involved in this lawsuit did not constitute a single case or controversy.⁵⁸

⁴⁹ Brief for Respondents Pogrebin et al. at 5.

⁵⁰ *See id.* at 18-23; *see also* Brief for the Muchnick Respondents at 36-44.

⁵¹ *See* Brief for the United States as Amicus Curiae Supporting Vacatur and Remand at 20-25, *Reed Elsevier, Inc. v. Muchnick*, No. 08-103 (550 U.S. ___, March 2, 2010).

⁵² *See id.* at 25-31.

⁵³ *See id.* at 30.

⁵⁴ *See* Brief of Court-Appointed Amicus Curiae in Support of the Judgment Below at 17-26, *Reed Elsevier, Inc. v. Muchnick*, No. 08-103 (550 U.S. ___, March 2, 2010).

⁵⁵ *See id.* at 26-44.

⁵⁶ *See id.* at 44-57. 17 U.S.C. §407 requires copyright owners, within three months of publication, to deposit two copies of their work with the U.S. Copyright Office for inclusion in the Library of Congress. This requirement ensures that the nation’s public library contains copies of every work published in the United States. 17 U.S.C. §407(a).

⁵⁷ *See* Brief of Court-Appointed Amicus Curiae at 57-65.

⁵⁸ *See id.* at 65-69.

The Computer and Communications Industry Association (CCIA) also provided an amicus brief in support of the Second Circuit’s judgment. Echoing Professor Merritt’s arguments, the CCIA cast the registration requirement as a necessary protection for Internet service providers, noting that, “[w]hen every blog and tweet might be protectable under copyright, the registration requirement dramatically reduces technology companies’ potential exposure to copyright infringement claims.”⁵⁹ CCIA argued that the Second Circuit’s opinion was correctly decided⁶⁰ and that the petitioners’ writ of certiorari should be dismissed on two grounds. First, there was no case or controversy before the court because petitioners themselves argued in the lower courts that §411(a) was jurisdictional in nature.⁶¹ Second, circuit courts were in agreement that §411(a) limits federal courts’ subject-matter jurisdiction; therefore, there was no circuit split, the traditional grounds on which the Supreme Court grants certiorari.⁶² For these reasons, CCIA urged that the Supreme Court dismiss the petitioners’ writ.

The Supreme Court heard oral argument in *Reed Elsevier* on October 7, 2009.⁶³

The Supreme Court’s Opinion

On March 2, 2010, the U.S. Supreme Court unanimously reversed the judgment of the U.S. Court of Appeals for the Second Circuit. In an opinion authored by Justice Thomas, the Court ruled that while the Copyright Act’s registration requirement is a precondition to filing a claim for infringement, §411(a) does *not* limit or deprive a federal court of subject-matter jurisdiction to adjudicate copyright infringement claims involving unregistered works.⁶⁴ Consequently, the Court held that the district court had the authority to certify the class and to approve the settlement between the freelance authors, publishers, and electronic databases.⁶⁵

At the beginning of its opinion, the Supreme Court first noted that “subject-matter jurisdiction refers to the courts’ statutory or constitutional power to adjudicate the case,” and that jurisdictional statutes “speak to the power of the court rather than the rights or obligations of parties.”⁶⁶ Some statutory requirements are not jurisdictional conditions, but rather “claim-processing rules” or elements of a cause of action, the Court explained.⁶⁷ To help federal courts distinguish between true jurisdictional conditions and nonjurisdictional claim-processing rules or

⁵⁹ Brief for Amici Curiae Computer & Communications Industry Association and Netcoalition in Support of the Judgment Below at 3, *Reed Elsevier, Inc. v. Muchnick*, No. 08-103 (550 U.S. ___, March 2, 2010).

⁶⁰ *See id.* at 23-35.

⁶¹ *See id.* at 7-18.

⁶² *See id.* at 18-23.

⁶³ Associate Justice Sonia Sotomayor recused herself from the case, leaving only eight of the nine justices to rule on the issue. Some observers speculated that Justice Sotomayor’s recusal stems from either her 1997 ruling in the *Tasini* case as a federal judge in the Southern District of New York, or her position on the Second Circuit when the court, in 2008, refused to grant an *en banc* rehearing of *In re Literary Works in Electronic Databases Copyright Litigation*. *See Eight Justice Court for Copyright Case*, SCOTUSBLOG, Sept. 4, 2009, at <http://www.scotusblog.com/wp/eight-judge-court-for-copyright-case>.

⁶⁴ *Reed Elsevier, Inc. v. Muchnick*, No. 08-103, slip op. at 1-2 (550 U.S. ___, March 2, 2010).

⁶⁵ *Id.* at 15-16.

⁶⁶ *Id.* at 5 (citations and internal quotations omitted).

⁶⁷ *Id.* at 5-6.

elements of a claim, the Supreme Court referred to the “general approach” it had articulated in its 2006 decision, *Arbaugh v. Y & H Corp.*:

If the Legislature clearly states that a threshold limitation on a statute’s scope shall count as jurisdictional, then courts and litigants will be duly instructed and will not be left to wrestle with the issue. But when Congress does not rank a statutory limitation on coverage as jurisdictional, courts should treat the restriction as nonjurisdictional in character.⁶⁸

Arbaugh involved a sexual harassment case brought by an employee against an employer under Title VII of the Civil Rights Act of 1964. For a Title VII action, Congress specifically limited the definition of “employer” to include only those having 15 or more employees.⁶⁹ The *Arbaugh* Court held that this numerical qualification contained within Title VII’s definition of “employer” was a substantive element of the claim for relief that did *not* affect federal court subject-matter jurisdiction.⁷⁰ In reaching this conclusion, the *Arbaugh* Court had observed that Title VII’s employee numerosity requirement did not “clearly state[]” that it is jurisdictional; furthermore, no prior Supreme Court case involving Title VII claims had suggested that the numerosity requirement imposed a jurisdictional limit.⁷¹ In addition, the employee numerosity requirement is located in a statutory provision that is separate from Title VII’s jurisdiction-granting section.

The *Reed Elsevier* Court found the *Arbaugh* precedent controlling with respect to §411(a) of the Copyright Act. As in *Arbaugh*, the Court failed to find that Congress explicitly labeled §411(a)’s registration requirement as jurisdictional.⁷² In reaching this conclusion, the Court rejected Professor Merritt’s argument that the mere presence of the word “jurisdiction” in the last sentence of §411(a) indicates that Congress ranked the requirement as jurisdictional. The Court asserted that the statutory reference to “jurisdiction” was Congress’ deliberate intent to make “it clear that a federal court plainly has adjudicatory authority to determine ‘that issue’... *i.e.*, the issue of *registrability*—regardless whether the Register is a party to the *infringement* suit.”⁷³

Furthermore, the Court observed, §411(a) is located in Title 17 of the U.S. Code (the Copyright Act), separate from statutory provisions (in Title 28) that grant federal courts subject-matter jurisdiction over copyright infringement actions; neither of those statutory provisions (28 U.S.C. §§1331 and 1338) “condition its jurisdictional grant on whether copyright holders have registered their works before suing for infringement.”⁷⁴ The Court also pointed out that §411(a) contains “congressionally authorized exceptions” to the requirement for registration prior to filing an infringement suit:

[M]ost significantly, §411(a) expressly *allows* courts to adjudicate infringement claims involving unregistered works in three circumstances: where the work is not a U.S. work, where the infringement claim concerns rights of attribution and integrity under § 106A, or where the holder attempted to register the work and registration was refused.⁷⁵

⁶⁸ *Id.* at 6 (quoting *Arbaugh*, 546 U.S. 500, 515-16 (2006)).

⁶⁹ *Arbaugh*, 546 U.S. at 503.

⁷⁰ *Id.* at 515-16.

⁷¹ *Reed Elsevier*, No. 08-103, slip op. at 7.

⁷² *Id.* at 8.

⁷³ *Id.* at 8-9 (emphasis in original).

⁷⁴ *Id.* at 9.

⁷⁵ *Id.* at 10 (emphasis in original).

The Court argued that “[i]t would be at least unusual to ascribe jurisdictional significance to a condition subject to these sorts of exceptions.”⁷⁶ Finally, the Court cited several of its earlier decisions that had treated as nonjurisdictional other types of statutory prerequisites or threshold requirements that plaintiffs must satisfy before initiating a lawsuit.⁷⁷

In applying the *Arbaugh* precedent to the matter at hand, the *Reed Elsevier* Court attempted to distinguish its 2007 decision, *Bowles v. Russell*.⁷⁸ The *Bowles* case examined a statutory provision that required parties in a federal civil action to file a notice of appeal within 30 days of the judgment being appealed. Although Congress did not explicitly label the statutory condition as jurisdictional, the *Bowles* Court noted that Supreme Court precedents have historically treated the limitation for taking an appeal as jurisdictional and thus, the statutory condition may be “properly ranked as jurisdictional absent an express designation.”⁷⁹ The *Reed Elsevier* Court explained that *Bowles* “stands for the proposition that context, including this Court’s interpretation of similar provisions in many years past, is relevant to whether a statute ranks a requirement as jurisdictional.”⁸⁰ Here, §411(a)’s registration requirement does not implicate subject-matter jurisdiction because it is a condition that is more analogous to the *Arbaugh* employee numerosity requirement than the *Bowles* statutory time limit.⁸¹

The Court rejected Professor Merritt’s argument that §411(a) should be construed as jurisdictional in order to promote policy goals and “important congressional objectives” underlying copyright registration.⁸² The Court also declined to affirm on estoppel grounds the appellate court’s judgment, as Professor Merritt had urged. The Court noted that the judicial estoppel doctrine usually applies when a party has successfully persuaded a court to accept that party’s earlier position, “so that judicial acceptance of an inconsistent position in a later proceeding would create the perception that either the first or the second court was misled.”⁸³ Here, the parties’ assertion that §411(a) was jurisdictional in defending or negotiating the settlement agreement was a position that followed existing precedent in the Second Circuit; “more importantly, in approving the settlement, the District Court did not adopt petitioners’ interpretation of § 411(a) as jurisdictional.”⁸⁴ In the appellate court, the petitioners argued that §411(a) did not restrict the district court’s subject-matter jurisdiction—an argument that the Second Circuit rejected. Therefore, the Supreme Court’s adoption of the petitioners’ arguments would not create “inconsistent court determinations” in their favor; thus, the circumstances supporting estoppel do not exist.⁸⁵

Finally, the Supreme Court expressed no opinion on the fairness, reasonableness, or adequacy of the settlement. The merits of the settlement along with the objections to it will now be considered by the court of appeals. The Supreme Court also expressly declined to decide whether §411(a) is

⁷⁶ *Id.*

⁷⁷ *Id.* at 10-11 (citing *Zipes v. Trans World Airlines, Inc.*, 455 U.S. 385 (1982), *Woodford v. Ngo*, 548 U.S. 81 (2006), and *Jones v. Bock*, 549 U.S. 199 (2007)).

⁷⁸ 551 U.S. 205 (2007).

⁷⁹ *Reed Elsevier*, No. 08-103, slip op. at 13.

⁸⁰ *Id.* at 13.

⁸¹ *Id.* at 13-14.

⁸² *Id.* at 14 n.9.

⁸³ *Id.* at 15 (citation omitted).

⁸⁴ *Id.*

⁸⁵ *Id.*

a *mandatory* precondition to suit that district courts may or should enforce *sua sponte* by dismissing copyright infringement claims that involve unregistered works.⁸⁶ Thus, this question remains open for lower courts to consider.

Concurrence

Justice Ginsburg wrote a concurrence, joined by Justices Stevens and Breyer, in which she agreed with the judgment of the Court that §411(a) should be treated as a precondition to filing a copyright infringement claim that does not restrict a federal court’s subject-matter jurisdiction. However, she pointed out the “undeniable tension” between the *Arbaugh* and *Bowles* precedents and then offered her understanding of those opinions in an attempt to reconcile the rulings.⁸⁷ First, she stated that a unanimous *Arbaugh* Court had announced a “readily administrable bright line”⁸⁸ rule that federal courts would apply in deciding what statutory conditions qualify as jurisdictional and what does not—that is, such conditions “are only jurisdictional if Congress says so.”⁸⁹ Yet just one year after *Arbaugh*, a “sharply divided” *Bowles* Court “moved in a different direction” by finding the statutory time limit for filing a notice of appeal to be jurisdictional simply because Supreme Court precedents had long considered it to be so.⁹⁰

Justice Ginsburg offered an approach to reconciling *Bowles* and *Arbaugh* by suggesting that *Bowles* relied on longstanding decisions of the Supreme Court that have been left undisturbed by Congress.⁹¹ Here, *Arbaugh*’s bright line rule supports the conclusion that §411(a) is nonjurisdictional because it does not speak in jurisdictional terms or refer to the jurisdiction of district courts, Justice Ginsburg noted. Although there may be “over 200 opinions that characterize §411(a) as jurisdictional” that comprise “a century’s worth of precedent,”⁹² *Bowles* does not apply to the Copyright Act’s registration requirement, Justice Ginsburg argued, because those opinions are from the lower courts, and not one is from the Supreme Court.⁹³

Concluding Observations

The *Reed Elsevier* case is now remanded to the U.S. Court of Appeals for the Second Circuit to consider the settlement’s merits and the objections to the settlement’s approval. If the appellate court upholds the district court’s approval of the settlement, the freelance authors will receive financial compensation and the electronic databases will be able to restore the publications to their archives. However, the appellate court may pay particular attention to the objections to the settlement’s proposed damages formula, as suggested by Judge Walker’s dissent to the Second Circuit’s ruling in this case:

⁸⁶ *Id.* at 16.

⁸⁷ *Reed Elsevier*, No. 08-103, slip op. at 1 (Ginsburg, J., concurring).

⁸⁸ *Id.* at 2 (quoting *Arbaugh*, 546 U.S. at 515-516).

⁸⁹ *Id.* at 2-3 (quoting *Bowles*, 551 U.S. at 217 (Souter, J., dissenting)).

⁹⁰ *Id.* at 2.

⁹¹ *Id.* (citation omitted) (emphasis added).

⁹² *Id.* at 3.

⁹³ *Id.* at 3-4.

On the merits, the failure to create a sub-class consisting of those members holding primarily “C-class” claims, and separate representation for those members, is a serious problem in my view, because the named representatives hold more “A-class” and “B-class” claims than most class members, and thus have an incentive to favor holders of A- and B-class claims over holders of primarily C-class claims. ... Objectors point out that such favoritism may have occurred-as the so-called “C-reduction” ... ensures that C-class claim holders are paid little or perhaps nothing.⁹⁴

The Supreme Court’s opinion in *Reed Elsevier* not only affects the particular settlement at issue, but has implications for copyright holders in future infringement cases. First, this case suggests that copyright holders who have not registered their works may still be able to participate in copyright infringement settlements and class action lawsuits involving both registered and unregistered works, despite their lack of compliance with §411(a). However, the Court leaves open the possibility for district courts to dismiss, *sua sponte*, copyright infringement claims involving an unregistered work. On the other hand, the decision also reaffirms the authority of federal courts to consider (and approve) a copyright infringement class action settlement involving both registered and unregistered works.

Beyond its impact in copyright law litigation, *Reed Elsevier* also helps clarify the Court’s jurisprudence on subject-matter jurisdiction of federal courts. The case reaffirms *Arbaugh*’s clear statement rule as the primary test for statutory limitations, while the concurrence attempts to confine *Bowles* to only those situations where the Supreme Court has historically treated the limitation as jurisdictional.

Author Contact Information

(name redacted)
Legislative Attorney
[redacted]@crs.loc.gov, 7-....

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⁹⁴ *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d at 136 n.5 (Walker, J., dissenting).

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