

The Supreme Court recently granted certiorari for a copyright case that hinges on how detailed must [copyright](#) applicants be in preparing their copyright applications? Plaintiff Unicolors, Inc. (“Unicolors”) is a Los Angeles fabric designer that created an original two-dimensional fabric design, which they registered with the Copyright Office in 2011 as part of a group registration with 30 other designs. H&M Hennes & Mauritz, L.P., et al. (best known as the clothing company H&M) allegedly began infringing in 2015 and continued their alleged infringement despite multiple cease-and-desist letters.

One defense H&M asserted, was that the design it sold was not substantially similar to Unicolors’ design, and H&M asserted its own copyright registration to support the contention that the designs were different. At trial, Unicolors’ president admitted that two sets of designs registered in the same application at issue in the case had been sold to customers on different days. This admission at trial could mean that the items included in the group application were not actually published as a single unit for the first time on the same date – a basic requirement of a group registration.

However, H&M did not object to this notable fact until it filed its motion for judgment as a matter of law (JMOL) – after the jury had already found in favor of Unicolors and awarded damages in the amount of \$846,720.00, in part due to its finding of willful infringement against H&M.

Once there is an allegation that a copyright registration is based on inaccurate information, the copyright statute ([17 U.S.C. § 411\(b\)\(2\)](#)) states that a district court “shall request the Register of Copyrights to advise the court whether” a copyright registration would have been refused if the Register had known of the inaccurate information. However, the district court construed the motion as subject to its own discretion, and found that H&M failed to provide evidence that the registration’s works were first published separately, or that Unicolors knew the registration contained knowingly false information at the time of application. Thus, H&M’s JMOL was denied.

H&M appealed and prevailed at the Ninth Circuit, which held that the district court was required to refer the matter to the Copyright Office and thus ordered the district court to do so. The district court obliged, and the question is still currently pending . The Ninth Circuit also reversed and remanded on other grounds, holding that the courts may not consider in the first instance whether the purported inclusion of known inaccuracies in a registration application provide a sufficient basis for the Register of Copyrights to potentially have refused registration – the Court must pass the question on. The Ninth Circuit also held that the district court erred in imposing an intent-to-defraud or “knowing falsehood” requirement for registration invalidation under the statute; and the Ninth Circuit held that the district court should not have made a finding that the registration did not contain knowing inaccuracies.

Thus, Unicolors petitioned for writ to SCOTUS.

Of the two questions presented by Unicolors to the Supreme Court, only one was certified: “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?” Not only will the outcome of this question affect the practice of copyright applications, but it is also a matter of first impression before the Court.

While we wait for the Supreme Court to rule on the question, which likely will not occur until 2022, here are some other considerations practitioners should immediately employ. First, double- and triple-check whether the application is completely accurate, including even minutiae like whether every image in a group application was in fact published at the same time. If you are on the defendant’s side of such a dispute, this verification process should occupy a significant amount of time in at least one deposition of the plaintiff and should occupy a significant number of requests for admission.

Second, as a defendant consider preserving your right to make the allegation of inaccurate registration by asserting affirmative defenses of fraud in the registration and inaccuracy, invalidity, or voidness of registration. Don’t sit on your rights: once you gather enough information to make the allegation of inaccurate information, do not hesitate to ask the Court to seek the Register of Copyright’s review. Not only could it upend the plaintiff’s case, but it also could create the leverage needed for the plaintiff to back down and settle. No plaintiff wants to risk having their registration de-certified.

Third, until the question is settled, carefully review the controlling in-circuit case law on copyright validity before filing suit or litigating copyright infringement actions.

Fourth, Unicolors appears to be a small company in Los Angeles, so it does not matter if your company is a small entity. If your rights have been infringed, then you should take action to end the infringement.

On that note: register your copyrights – and use a lawyer!

Fifth, the definition of what constitutes publication for group registrations has changed since 2011. The Compendium (the Copyright Office’s manual for procedure and rules) has been revised to state that a claimant may only register a group of published works on one registration to the extent its constituent works “were physically packaged or bundled together as a single unit by the claimant.” Moreover, publication requires sale or offer for sale or distribution to the public – but does not require an ACTUAL sale or



something as exacting as the use in commerce standard for trademarks. While the 2017 bundling requirement is stricter than the prior requirement, it is still not as harsh as under trademark law. Review the current version of the Compendium.

Finally, no matter which side you are on: never assume the validity of a registration! Stay tuned for a recap of the Supreme Court's decision when it comes out.