Copyright Office, Not Courts, Determines Validity of Registrations Containing Inaccurate Information


The appeal to the Ninth Circuit arose from a copyright infringement action brought by Unicolors, a company that creates designs for use on textiles and garments, against the global fast-fashion retail giant, H&M Hennes & Mauritz (H&M). After a jury found substantial similarity between a design created by Unicolors in 2011 and a design printed on a skirt and jacket sold by H&M four years later, the Ninth Circuit was tasked with examining the threshold issue of whether Unicolors actually holds a valid copyright registration for the 2011 design, which is a precondition to bringing its copyright infringement suit.

The garment design that Unicolors claimed to be infringed by H&M is one of 31 separate designs comprising a “single-unit registration.” To register a collection of works as a “single unit” under the Copyright Act, however, the works must have been
first sold or offered for sale in “a single unit of publication.” On this point, H&M argued that the collection of works identified in Unicolors’s asserted copyright registration were sold separately instead of together and at the same time, which required the court to find Unicolors’s copyright registration invalid.

In its examination of the “rarely disputed” issue of whether a copyright is properly registered, the Ninth Circuit found the district court’s rationale for denying H&M’s petition to be “flawed.” First, the Court flatly rejected the district court’s requirement that H&M demonstrate that Unicolors intended to defraud the Copyright Office at the time of its application filing, and pointed to the Ninth Circuit’s 2019 ruling in Gold Value Int’l Textile, Inc. v. Sanctuary Clothing, LLC, where it clarified that there is no such intent-to-defraud requirement for copyright registration invalidation (and in doing so, rejected a series of Ninth Circuit cases that imply an opposite conclusion).

Second, the Ninth Circuit concluded that the plain meaning of “single unit,” under the Copyright Act’s provision for the registration of a collection of published works as a single unit, requires that the registrant first published the works in a singular, bundled collection. Therefore, the Court explained that the district court further erred in concluding that Unicolors’s application for copyright registration did not contain inaccuracies despite the inclusion of the company’s own designated “confined designs,” which, according to testimony and evidence in the proceeding, were sold separately and exclusively to individual customers and were not first sold together and at the same time with the rest of the works in the single unit registration.

With this underlying foundation, the Ninth Circuit held that once a defendant alleges that (1) a plaintiff’s certificate of registration contains inaccurate information, (2) “the inaccurate information was included on the application for copyright registration” and (3) the inaccurate information was included on the application “with knowledge that it was inaccurate,” a district court is required to submit a request to the Register of Copyrights “to advise the court whether the inaccurate information, if known, would have caused [it] to refuse registration.” Accordingly, the Court reversed the entry of judgment and award of attorney’s fees and remanded to the district court with instructions to submit an inquiry to the Register of Copyrights to assess the threshold question of the validity of Unicolors’s asserted copyright registration before the dispute can proceed any further.

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