

Stradley Ronon Stevens & Young, LLP  
2005 Market Street  
Suite 2600  
Philadelphia, PA 19103-7018  
215.564.8000 Telephone  
215.564.8120 Facsimile  
www.stradley.com

—  
Pennsylvania  
Washington, D.C.  
New York  
Illinois  
New Jersey  
Delaware



www.meritas.org

Our firm is a member of Meritas – a worldwide business alliance of more than 180 law offices in 92 countries, offering high-quality legal services through a closely integrated group of independent, full-service law firms.

Information contained in this publication should not be construed as legal advice or opinion or as a substitute for the advice of counsel. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter.

Copyright © 2019  
Stradley Ronon Stevens & Young, LLP  
All rights reserved.

## The U.S. Supreme Court Provides Guidance on Two Important Copyright Law Issues

By Kevin R. Casey

### U.S. Supreme Court Limits Award of “Full Costs” to Six Categories

In *Rimini Street, Inc. v. Oracle USA, Inc.*, No. 17-1625 (March 4, 2019) ([https://www.supremecourt.gov/opinions/18pdf/17-1625\\_lkhn.pdf](https://www.supremecourt.gov/opinions/18pdf/17-1625_lkhn.pdf)), the U.S. Supreme Court determined that the term “full costs” in Section 505 of the Copyright Act, 17 U.S.C., means only the costs specified in the general cost statutes codified at 28 U.S.C. §§ 1821 and 1920 and not any expenses. The Copyright Act states that prevailing parties can recover their “full costs,” and the Ninth Circuit held that the term includes things like expert witness fees, jury consulting fees and e-discovery expenses. The result was an award to Oracle of over \$12 million in litigation costs (on top of a \$100 million judgment) in a copyright dispute with Rimini Street, a company that offers technical support services to customers of Oracle’s popular enterprise software. The U.S. Supreme Court unanimously overturned the award, ruling that such awards do not get special treatment under copyright law. Rather, full costs are limited to six narrower categories found in the general litigation cost statutes.

- Practical ramifications: The decision will have a limited effect in most cases. Because the decision constrains cost awards, copyright owners might reconsider bringing suit or altering strategic decisions (e.g., they might be less likely to retain multiple experts or costly experts because they cannot recover expert fees) once suit is filed. In the extreme, some copyright owners might have to rely on litigation funding firms in order to bring a case. On the other hand, the decision brings predictability and clarity, which should help litigants better litigate and settle cases.

### A Copyright Infringement Suit Must Wait Until the Copyright is Successfully Registered

In *Fourth Estate Public Benefit Corp. v. Wall-Street.com*, No. 17-571 (March 4, 2019) ([https://www.supremecourt.gov/opinions/18pdf/17-571\\_e29f.pdf](https://www.supremecourt.gov/opinions/18pdf/17-571_e29f.pdf)), the U.S. Supreme Court ruled unanimously that a copyright holder must register a work with the U.S. Copyright Office before the holder can sue for infringement, and “registration” within the meaning of 17 U.S.C. § 411(a) occurs not when an application for registration is filed, but when the Copyright Office registers the copyright. Fourth Estate (a journalism collective) sued a website called Wall-Street.com, claiming the website had reposted articles without permission. The district court dismissed the case because Fourth Estate had filed its lawsuit before it had fully registered the copyrights for the articles. The Court affirmed the U.S. Court of Appeals for the Eleventh Circuit, resolving a long-standing circuit split, and rejected Fourth Estate’s argument that the act of applying for copyright registration meets the prerequisite for filing an infringement suit.

The Recording Industry Association of America (<https://www.law360.com/companies/recording-industry-association-of-america>) warned that forcing copyright owners to wait for registration would leave authors in a “sort of legal limbo.” The American Bar Association (<https://www.law360.com/companies/american-bar-association>) cautioned the slower registration approach would have “an adverse impact on attorneys, their clients, and the judicial system.” The Author’s Guild predicted that the case could have “a monumental impact on an author’s ability to protect the fruits of her creative endeavors.” Delays in registration have grown recently: The average processing time for registration applications is currently seven months. Nevertheless, the Court rejected these policy arguments and applied a straightforward statutory interpretation of the Copyright Act, namely the word “registration.” Upon registration of the copyright, a copyright owner can recover for infringement that occurred both before and after registration – although the Copyright



For more information, contact Kevin R. Casey at 610.640.5813 or [kcasey@stradley.com](mailto:kcasey@stradley.com).

Act has a three-year statute of limitations in which to sue.

- Practical ramifications: Copyright owners should register early to avoid the delay that will occur if they wait to start the registration process until they notice someone infringing their work. Also consider the use of expedited applications at the Copyright Office, which costs \$800 and results in action within days.

## Intellectual Property Practice Group

Kevin R. Casey, <i>Chair</i> .....	610.640.5813 .....	<a href="mailto:kcasey@stradley.com">kcasey@stradley.com</a>
David P. Fitzgibbon .....	610.640.6428 .....	<a href="mailto:dfitzgibbon@stradley.com">dfitzgibbon@stradley.com</a>
Philip J. Foret .....	484.323.1344 .....	<a href="mailto:pforet@stradley.com">pforet@stradley.com</a>
Allison Gifford .....	610.651.2270 .....	<a href="mailto:agifford@stradley.com">agifford@stradley.com</a>
Denis Lazarev .....	212.404.0622 .....	<a href="mailto:dlazarev@stradley.com">dlazarev@stradley.com</a>
Paul K. Legaard, Ph.D. ....	610.651.2277 .....	<a href="mailto:pforet@stradley.com">pforet@stradley.com</a>
Elizabeth M. O’Donoghue, Ph.D. ....	610.640.7970 .....	<a href="mailto:eodonoghue@stradley.com">eodonoghue@stradley.com</a>
Joseph D. Rossi .....	484.323.1359 .....	<a href="mailto:jrossi@stradley.com">jrossi@stradley.com</a>
Christopher M. Spletzer Sr. ....	610.651.2269 .....	<a href="mailto:cspletzer@stradley.com">cspletzer@stradley.com</a>