

## AN AWARD OF STATUTORY DAMAGES UNDER THE COPYRIGHT ACT FOR POST-REGISTRATION INFRINGEMENTS? IT DEPENDS.

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### ABSTRACT

*In many cases of copyright infringement, the plaintiff is only able to afford to bring an action for infringement if they are entitled to ask the court to award statutory damages and attorney's fees should they prevail in establishing infringement. While there might be a connection between the amount of statutory damages a court may award, in its discretion, the profits of the infringer and the actual damages, if any, suffered by a copyright owner, 17 U.S.C. § 504(c) allows a court to award between \$750 and \$150,000 for each work infringed.<sup>1</sup> The statute does not require the plaintiff to establish what actual damages they may have suffered from the infringement or what profits the defendant reaped.<sup>2</sup>*

*Section 412 requires, however, that for a plaintiff to be entitled to statutory damages and attorney's fees, it must register the infringed work with the United States Copyright Office before the infringement occurred, or in the case of a newly published work, within three months after first publication.<sup>3</sup>*

*Courts do not always apply a bright-line test to determine a plaintiff's entitlement to statutory damages and attorney's fees based on when the infringement occurred, relative to the time of registration. Some courts have even developed theories that circumvent the requirements of section 412. Application of these theories, while not widely accepted, serves to prolong litigation and results in increased costs.*

*Most courts that have considered a plaintiff's entitlement to statutory damages and attorney's fees in compliance with section 412 have adopted a bright-line test that when infringement occurs prior to registration, statutory damages and attorneys' fees cannot be recovered for acts of infringement of that work after registration.<sup>4</sup> Other courts, however, have examined the duration between the first and subsequent acts of*

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1. 17 U.S.C. § 504(c).

2. 17 U.S.C. § 505.

3. 17 U.S.C. § 412.

4. *See, e.g., Bouchat v. Bon-Ton Dep't Stores, Inc.*, 506 F.3d 315 (4th Cir. 2007).

*infringement, or the nature of the infringement of the right enumerated by section 106(a) and have considered these acts to be separate acts of infringement, entitling a plaintiff to these extraordinary remedies—even though infringement began prior to registration and a reading of sections 504, 505, and 412 would appear to block such an award.<sup>5</sup>*

*Courts faced with a motion to dismiss claims for these remedies where it is alleged that infringement began prior to registration, regardless of what occurred regarding the same work after registration, should act in a consistent manner where certain key facts are alleged or established. Failure to foreclose availability of statutory damages and attorney's fees remedies seem to prolong litigation that might otherwise settle quickly if these remedies were not available in cases where profits have yet to be earned and damage to the work has not occurred.*

*This Article examines both sides of this issue, as well as the legislative history of section 412,<sup>6</sup> and concludes there should be no judicial discretion as to the availability of these remedies. If the work was infringed by a defendant prior to registration, and after, the plaintiff is not entitled to recover statutory damages and attorney's fees.*

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5. *See, e.g., Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 701 (9th Cir. 2008); *Troll Co. v. Uneeda Doll Co.*, 483 F.3d 150, 158 (2d Cir. 2007).

6. *Infra* Part VII.

### I. STATUTORY DAMAGES GENERALLY

“Ordinarily, we review for an abuse of discretion whether to award attorney’s fees. section 412(1), however, leaves no room for discretion, mandating that no attorney’s fees or statutory damages be awarded so long as the infringement commenced before registration of the copyright.”<sup>7</sup>

A plaintiff that has established copyright infringement, as defined by 17 U.S.C. § 106,<sup>8</sup> is entitled to assert a claim for monetary damages.<sup>9</sup> Those damages can be the actual damages suffered that are attributable to the infringement and the defendant’s profits not taken into account in computing actual damages.<sup>10</sup> Or, if the plaintiff prevails in their infringement action and are able to meet the requirements of section 412, they may elect statutory damages in lieu of recovering its actual damages and the defendant’s profits.<sup>11</sup> If the successful plaintiff is entitled to elect recovery of statutory damages, they are also entitled to seek attorney’s fees as part of the costs recoverable.<sup>12</sup>

If the owner of the infringed copyright chooses to elect statutory damages, assuming they are entitled to statutory damages, they must make its election at any time before final judgement is rendered.<sup>13</sup> A plaintiff’s election to recover statutory damages is in lieu of its recovery of actual damages and profits, as the statute uses the disjunctive “or” to require a plaintiff to choose between these two remedies.<sup>14</sup> Following a finding of infringement, and a timely election of statutory damages by a qualified plaintiff, the court is permitted to award statutory damages per work infringed in an amount “not less than \$750 or more than \$30,000 as the court considers just.”<sup>15</sup> The stakes can increase substantially for both an infringed owner

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7. Johnson v. Jones, 149 F.3d 494, 505 (6th Cir. 1998) (internal citations omitted); see also *Derek Andrew, Inc.*, 528 F.3d at 699.

8. 17 U.S.C. § 106 establishes six exclusive rights for the owner of a copyright to use or license its copyright. They include reproduction, preparation of derivative works, distribution of copies, the right of public performance for two categories of works, and public display. 17 U.S.C. § 106. The U.S. Copyright Office advises, “[a]s a general matter, copyright infringement occurs when a copyrighted work is reproduced, distributed, performed, publicly displayed[,] or made into a derivative work, without the permission of the copyright owner.” *Definitions*, U.S. COPYRIGHT OFFICE, <https://www.copyright.gov/help/faq-definitions.html> [https://perma.cc/5UN7-AGVF].

9. 17 U.S.C. § 504(a)–(b).

10. *Id.* § 504(b).

11. *Id.* § 412.

12. *Id.* §§ 412, 504(c)(1).

13. *Id.* §§ 504(a)–(b), 504(c)(1).

14. *Id.* § 504(a)(1).

15. *Id.* § 504(c)(1).

of a copyrighted work and the infringer if the infringement was willful; if the plaintiff can “[sustain] the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion . . .” may award statutory damages not to exceed \$150,000 for each work infringed.<sup>16</sup> One court held that for an infringement to be considered willful, the infringer must either have known about the copyright or recklessly disregarded its existence.<sup>17</sup>

The ability of a successful copyright plaintiff to assert entitlement to an award of statutory damages is of significant benefit as facially doing so eliminates the need to establish a defendant’s gross revenues attributable to the infringement and its own damages.<sup>18</sup> This includes the elimination of the need for expensive dueling experts that may be necessary to establish gross revenues, gross revenues attributable to the act of infringement, and expenses that are deductible to calculate profits, as well as damages suffered by a plaintiff as a result of the infringement.<sup>19</sup> It is the plaintiff’s burden to establish the defendant’s gross revenues, and to prove a nexus between the act of infringement and those revenues; the burden then shifts to the defendant to prove their deductible expenses and those elements of their expenses that are attributable to factors other than the copyrighted work.<sup>20</sup>

## II. ENTITLEMENT TO STATUTORY DAMAGES AND ATTORNEY’S FEES

The Copyright Act permits a court to award “a reasonable attorney’s fee to the prevailing party as part of the costs.”<sup>21</sup> Section 505 makes no mention of any requirements other than being the prevailing party.<sup>22</sup> On its face, section 505 would appear to allow for an award of attorney’s fees to any prevailing party; this is not the case.<sup>23</sup> A prevailing plaintiff who wants to recover statutory damages must comply with statutorily specified prerequisites related to the timing of its

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16. *Id.* § 504(c)(2).

17. *Erickson Prods. v. Kast*, 921 F.3d 822, 833 (9th Cir. 2019) (quoting *Unicolors, Inc. v. Urban Outfitters, Inc.*, 853 F.3d 980, 991 (9th Cir. 2017)); *see also* *Microsoft Corp. v. Grey Comput.*, 910 F. Supp. 1077, 1093 (D. Md. 1995) (holding that “[d]efendants’ conduct, business practices and knowledge of Microsoft’s licensing practices support the [c]ourt’s conclusion that [d]efendants intentionally infringed upon Microsoft’s copyrights.”).

18. *See* 17 U.S.C. § 504(b), (c)(2).

19. *See* *Bouchat v. Bon-Ton Dep’t Stores, Inc.*, 506 F.3d 315, 325 (4th Cir. 2007) (stating that the jury found that defendant’s income “was attributable completely to factors others than the artwork . . .”) (quoting *Bouchat v. Baltimore Ravens Football Club, Inc.*, 346 F.3d 514, 527 (4th Cir. 2003)).

20. *Baltimore Ravens Football Club, Inc.*, 346 F.3d at 520 (citing *Konor Enters., Inc. v. Eagle Publ’ns, Inc.*, 878 F.2d 138, 140 (4th Cir. 1989)).

21. 17 U.S.C. § 505.

22. *Id.*

23. *Id.*

registration of the infringed work.<sup>24</sup> These requirements, as well as the requirements for statutory damages, are found in sections 412 and 504(c).<sup>25</sup> If a prevailing owner of an infringed work fails to comply with the conditions imposed by section 412, “no award of statutory damages or of attorney’s fees, as provided by sections 504 and 505, shall be made for . . .” infringement of a work.<sup>26</sup> The statutory prerequisite, as codified in section 412, for entitlement to an award of attorney’s fees and statutory damages under sections 504(c) and 505 is that the effective date of the registration of the infringed work must precede the act of infringement.<sup>27</sup> In the case of a published work, unless the registration is made within three months following the first publication of the work, or in the case of an unpublished work, unless the registration is made before the infringement, without a grace period of three months.<sup>28</sup> There are no exceptions contained in the Copyright Act, and the language is deceptively simple.<sup>29</sup>

The effective date of registration is critical to the prevailing copyright holder’s entitlement of an award of attorney’s fees and statutory damages.<sup>30</sup> The effective date of registration is the day that the United States Copyright Office “receives in proper form all required elements—an acceptable application, an acceptable deposit, and a nonrefundable filing fee. The [effective] date is not set until all the required elements are in the Office’s possession.”<sup>31</sup> The effective date is not based on how long it takes the Register’s office to review material and mail to the registrant a certificate of registration, but if the application is not complete as to data, payment, or deposit copies, the effective date of registration will be

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24. 17 U.S.C. § 412; 17 U.S.C. § 504(c).

25. 17 U.S.C. § 412; 17 U.S.C. § 504(c).

26. 17 U.S.C. § 412.

27. *Id.*

28. 17 U.S.C. § 412(1)–(2). “Publication” is defined by the United States Register of Copyrights as:

“[T]he distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display constitutes publication. A public performance or display of a work does not of itself constitute publication. Generally, publication occurs on the date on which copies of the work are first made available to the public.”

U.S. Copyright Office, *Definitions*, <https://www.copyright.gov/help/faq-definitions.html> [<https://perma.cc/5UN7-AGVF>] (last visited Sept. 20, 2021).

29. *See generally* 17 U.S.C. §§ 412, 504.

30. *See* 17 U.S.C. § 412.

31. U.S. Copyright Office, *Copyright Basics*, (Sept. 2021) 1, 5 <https://www.copyright.gov/circs/circ01.pdf> [<https://perma.cc/5C4C-VGD4>].

postponed until the date the office receives all needed materials.<sup>32</sup> As clearly written as the statutory requirement for entitlement to legal fees and statutory damages appears, and as much as it appears to create a bright-line test for entitlement, its interpretation is not always so straightforward.

Affirming Senior District Judge Marvin J. Garbis of the U.S. District Court for the District of Maryland, the Court of Appeals for the Fourth Circuit succinctly stated the rule, and its reason, for the preclusion for an award of attorney's fees and statutory damage.<sup>33</sup> The court simply stated, the plaintiff, who created a design adopted by the newly named Baltimore Ravens, did not qualify for statutory damages because they did not register their copyright before infringement began.<sup>34</sup> The court held:

Not every copyright owner is eligible to seek statutory damages. The Act provides that "no award of statutory damages . . . as provided by section [] 504 . . . shall be made for (1) any infringement of copyright in an unpublished work commenced before the effective date of its registration."

The registration requirement is important to the statutory scheme. A person registers by filing a form with the U.S. Copyright Office. Registration promotes orderly resolution of copyright disputes because it creates a permanent record of the protected work, putting the world on constructive notice of the copyright owner's claim.<sup>35</sup>

The plaintiff was precluded from receiving statutory damages and attorney's fees because, the plaintiff "registered his copyright on July 25, 1996. NFLP's infringement began the month before, in June 1996. Consequently, NFLP was not individually liable to [the plaintiff] for statutory damages."<sup>36</sup>

The court in *Bouchat* also examined the defendants' post registration infringements of the plaintiff's copyrights, holding that post-registration infringements make no difference to the plaintiff's preclusion, under section 504, to recover statutory damages and attorney's fees:

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32. *Id.*

33. *See generally* *Bouchat v. Bon-Ton Dep't Stores, Inc.*, 506 F.3d 315 (4th Cir. 2007).

34. *Id.* at 326 (citing *Bouchat v. Champion Products, Inc.*, 327 F. Supp. 2d 537 (D. Md. 2003)).

35. *Id.* at 329. *See* *Johnson v. Jones*, 149 F.3d 494, 505–06 (6th Cir. 1998) (discussing the purposes of constructive notice of a valid copyright upon registration).

36. *Bouchat*, 506 F.3d at 329. The court referenced H.R. Rep. No. 94–1476, at 158 (1976), as additional authority to deny statutory damages. "By making registration a precondition for the 'extraordinary remed[y]' of statutory damages, Congress sought to motivate speedy registration." *Id.* (citing *Johnson v. Jones*, 149 F.3d 494, 506 (6th Cir. 1998)).

Although NFLP violated the copyright for the first time in June 1996 (when it first exhibited the Flying B to the public and authorized Ravens merchandise), NFLP may have continued to violate the copyright long after July 25, 1996, when Bouchat registered. The post-registration activities make no difference. In using the word “commenced,” [section] 412(1) instructs us to trace NFLP’s infringing conduct after registration back to NFLP’s original infringement in June 1996. In other words, “infringement ‘commences’ for the purposes of [section] 412 when the first act in a series of acts constituting continuing infringement occurs.”<sup>37</sup>

The court’s bright-line test did not consider for how long the acts of infringement continued following registration or the nature of the rights infringed under section 106(a).<sup>38</sup> “The post-registration activities make no difference.”<sup>39</sup> The court explained that use of the word “commence” to describe a single act would be wrong; instead, in its opinion, the word “commence” describes the first in a series of acts to the end that NFLP’s infringement began prior to the plaintiff’s registration and continued well past that date.<sup>40</sup>

The finding that NFLP’s infringement began one month prior to the plaintiff’s registration eliminated their entitlement to statutory damages and attorney’s fees.<sup>41</sup> As was the case in *Bouchat*, there would appear to be no leeway in the view of most courts; a registration occurring mere days following first infringement has been held to foreclose statutory damages and attorney’s fees as remedies available to a plaintiff who has sufficiently proven copyright infringement, even where followed by numerous post-registration acts of infringement.<sup>42</sup>

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37. *Bouchat*, 506 F.3d at 330 (quoting *Johnson*, 149 F.3d at 506).

38. *Id.*; 17 U.S.C. § 106(a).

39. *Bouchat*, 506 F.3d at 330.

40. *Id.* (quoting *Johnson*, 149 F.3d at 506); *see generally* *Singh v. Famous Overseas, Inc.*, 680 F. Supp. 533, 535 (E.D.N.Y. 1988) (stating that the word “commence” should not be used to describe a single act); *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 144 (5th Cir. 1992) (concluding that a plaintiff may not recover “for infringements that commenced after registration if the same defendant” infringed before the registration); *Johnson v. Univ. of Va.*, 606 F. Supp. 321, 325 (W.D. Va. 1985) (holding that post-registration infringements provide no basis for statutory damages or attorney’s fees).

41. *Bouchat*, 506 F.3d at 330.

42. *See* *LTVN Holdings v. Odeh*, No. CCB-09-789, 2010 WL 2612690 at \*3 (D. Md. June 25, 2010) (holding that because the plaintiff, a lawyer, registered their copyright on March 16, 2009, and the defendant infringed the work on March 12, 2009, “statutory damages [were] not available to Mr. Kramer and LTVN.”) *Id.*

### III. WHEN DID INFRINGEMENT COMMENCE?

When there is a series of acts of infringement of a registered work, some that occurred prior to registration, and some that occurred after registration, a small number of courts have looked to the nature and timing of the infringing acts to determine whether the acts were part of a continuing series of infringement, or separate acts of infringement.<sup>43</sup> Their inquiry is intended to answer the question of whether a post-registration act of infringement was or was not a part of a continuing series of acts of infringement that began prior to registration and continued past the date of registration, and eliminated a plaintiff's entitlement to elect statutory damages and attorney's fees.<sup>44</sup>

The Court of Appeals of Tennessee in a case of legal malpractice involving damage claims in a copyright case analyzed the availability of these remedies as follows:

If the 1996 infringements began with the pre-registration candles sales, then [plaintiff] would be disqualified from receiving statutory damages for the 1996 . . . infringements. However, if the pre-registration candle sales were not part of the 1996 infringements, then [plaintiff] would not be disqualified from receiving statutory damages for the post-registration 1996 infringements. Whether or not [plaintiff] qualifies for statutory damages then depends on when the infringement began.<sup>45</sup>

The *Christus Gardens* court held it is necessary to determine when the infringement commenced in order to decide whether a plaintiff is qualified to elect statutory damages under section 412.<sup>46</sup> The court referred to an often-cited decision of the Sixth Circuit Court of Appeals:

[The purpose of the Copyright Act] would be thwarted by holding that infringement is "commenced" for the purposes of [section] 412 each time an infringer commits another in an ongoing series of infringing acts. Under [section] 412, statutory damages and attorney's fees are reserved for infringers who had constructive notice that the work was covered by a valid copyright . . . . If the incentive structure of [section] 412 is to be properly

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43. See, e.g., *Christus Gardens, Inc. v. Baker, Donelson, Bearman & Caldwell*, 205 S.W.3d 917, 924–925 (Tenn. Ct. App. 2006); see also *Johnson v. Jones*, 149 F.3d 494, 505–06 (6th Cir. 1998).

44. *Christus Gardens, Inc.*, 205 S.W.3d at 924.

45. *Id.* Here, the court was examining the defendant's duty to the plaintiff in a legal malpractice action in which the plaintiff alleged the defendant, a law firm, had failed to file a timely notice of appeal in a federal copyright case. *Id.* at 918.

46. *Id.* at 924–25.



applied, then [the plaintiff] should not receive the reward of statutory damages, because he did not satisfy the requirement of prompt registration.

Every court to consider this question has come to the same conclusion: namely, that infringement “commences” for the purposes of [section] 412 when the first act in a series of acts constituting continuing infringement occurs.<sup>47</sup>

When confronted with a registration that occurred following acts of infringement and where the plaintiff claims an entitlement to elect statutory damages and seek attorney’s fees, a court may be called upon to determine whether the defendant’s infringing activities were part of a continuing, ongoing infringement, or were separate, distinct acts of infringement.<sup>48</sup> The Tennessee Court of Appeals did not upset the trial judge’s determination that a jury should determine whether the defendant’s infringing activities were “a continuing, ongoing infringement or were separate distinct acts of infringement.”<sup>49</sup> A four-year gap during which the defendant ceased selling its infringing work before commencing sale of infringing products in mediums different than those of the pre-registration works was inexplicably held to lack the necessary “continuing activity[.]”<sup>50</sup> This supported the jury’s conclusion that the acts of infringement were separate and not part of an ongoing infringement so as to not eliminate entitlement to statutory damages.<sup>51</sup>

The *Christus Gardens* court cited *Johnson v. Jones* in support of its holding that a lack of continuing activity supports an entitlement to statutory damages.<sup>52</sup> In *Johnson*, however, the plaintiff registered their architectural drawing on December 6, 1993; the first use of their plans occurred in the month prior to registration and the last date of use was found by the court to be in January of 1994.<sup>53</sup> The court rejected the plaintiff’s argument that each use of their plan was a new infringement that would qualify for an award of statutory damages and attorney’s fees.<sup>54</sup> *Johnson* hardly appears supportive of the jury’s conclusions in *Christus Garden’s* or the court’s likely instruction to the jury regarding separate acts, specifically that a four-year gap, without more, creates separate acts of infringement.

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47. *Id.* (citing *Johnson v. Jones*, 149 F.3d 494, 506 (6th Cir. 1998)).

48. *See Johnson*, 149 F.3d at 505–06 (applying section 412 and finding that the plaintiff was not entitled to statutory damages for failing to promptly register).

49. *Christus Gardens Inc.*, 205 S.W.3d at 925.

50. *Id.*

51. *Id.*

52. *Id.* (citing *Johnson*, 149 F.3d at 505–06).

53. *Johnson*, 149 F.3d at 497.

54. *Id.* at 505–06.

## IV. ARE PRE- AND POST-REGISTRATION INFRINGING ACTIVITY SEPARATE ACTS?

A new or separate basis for awarding statutory damages may exist if a plaintiff can prove there is a legally significant difference between pre- and post-registration infringing activities, or there is a significant difference in the timing between post- and pre-registration activities.<sup>55</sup> Infringement, however, does not commence with each new act in an ongoing infringement; “ascribing such a meaning to the term ‘commenced’ would totally emasculate [section] 412.”<sup>56</sup>

One court held that an incentive to interpret “commenced” as the time when the first act of infringement occurred “would best promote the early registration of a copyright. It would strongly encourage prompt registration.”<sup>57</sup> In *Robert R. Jones Assoc., Inc. v. Nino Homes*, the Sixth Circuit Court of Appeals confronted a plaintiff architect’s claim that a developer built seven homes from the architect’s copyrighted plans, which the developer copied without authorization, and as a result, the architect was entitled to recover statutory damages and attorney’s fees.<sup>58</sup> The architect, however, failed to register his works until after learning of the infringement, and prior to the time the works were registered, the developer had completed two of seven homes.<sup>59</sup> Reversing the district court’s ruling that statutory damages and attorney’s fees were available but should be reduced to five-sevenths of an amount due to the pre-registration infringement of two homes, and the post-registration completion of five homes, the circuit court held that section 412 bars all recovery of statutory damages and attorney’s fees under these circumstances because the infringing acts commenced prior to the registration of the copyright.<sup>60</sup> In essence, this court concluded that infringing use of the copyrighted plans to build seven separate homes was not seven distinct acts of infringement; rather, the infringement was the use by the defendant of the infringing plans and the use of these plans to construct homes.<sup>61</sup> The number of homes constructed from those plans was immaterial to an award of statutory damages and the attorney’s fees because infringement commenced prior to the registration of the plans.<sup>62</sup> While

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55. *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143 (5th Cir. 1992) (citing H.R. Rep. No. 1476, 94th Cong., 2d Sess. 51 (1976)); *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 701 (9th Cir. 2008).

56. *Johnson v. Univ. of Va.*, 606 F. Supp. 321, 325 (W.D. Va. 1985).

57. *Whelan Assoc., Inc. v. Jaslow Dental Lab’y, Inc.*, 609 F. Supp. 1325, 1331 (E.D. Pa. 1985), *aff’d on other grounds*, 797 F.2d 1222 (3d Cir. 1986).

58. 858 F.2d 274, 275 (6th Cir. 1988).

59. *Id.* at 275–76.

60. *Id.* at 281.

61. *Id.*

62. *Id.* (stating that reducing the award of attorney’s fees based on the already constructed homes was inconsistent with the court’s precedent).

additional infringements served to increase damages in the form of recoverable profits under section 504(b),<sup>63</sup> they were merely a continuation of the same infringement that began before the plans were registered and did not create an entitlement to statutory damages or attorney's fees under sections 504(c) and 505.<sup>64</sup>

A district court in Tennessee followed *Robert R. Jones* in another infringement action involving similar facts and architectural drawings.<sup>65</sup> In *Great S. Homes, Inc. v. Johnson & Thompson Realtors*, three houses were built from infringing plans.<sup>66</sup> One of the three homes was completed before plaintiff registered its plans; the remaining two homes were completed following registration of the plans.<sup>67</sup> Although the plaintiff tried to convince the court it was entitled to statutory damages and attorney's fees on the basis of when the two post-registration homes were built, the court ruled against the plaintiff, holding that the timing of their construction had no bearing on the copyright holder's efforts to obtain statutory damages and attorney's fees.<sup>68</sup> This result followed because "the plans were copied prior to registration, and because one house was constructed prior to registration . . . ."<sup>69</sup> There is no mention in the decision of whether a failure to construct even one house prior to registration would have left ajar the opportunity to collect statutory damages and attorney's fees, but there would appear to be no support for such an approach.<sup>70</sup>

#### V. WHEN DID THE INFRINGEMENT COMMENCE?

Section 412 predicates entitlement of statutory damages and attorney's fees on the "commencement" of infringement after the work has been registered, or in the case of a published work, within three months after that work's first publication.<sup>71</sup> It is therefore no surprise that some decisions relating to entitlement have focused closely on what is meant by "commenced" and, factually, when did the infringement commence.<sup>72</sup>

Not every court that has considered the applicability of section 412, and its

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63. 17 U.S.C. § 504(b) (2010).

64. *Robert R. Jones Assoc., Inc.*, 858 F.2d at 281.

65. *Great S. Homes, Inc. v. Johnson & Thompson Realtors*, 797 F. Supp. 609, 612 (M.D. Tenn. 1992).

66. *Id.* at 613.

67. *Id.*

68. *Id.*

69. *Id.*

70. *See id.* at 609–613.

71. 17 U.S.C. § 412.

72. *See, e.g., Singh v. Famous Overseas, Inc.* 680 F. Supp. 533 (E.D.N.Y. 1988).

use of the word “commenced,” has found the meaning of “commenced” to be clear, however. To this point, the Fifth Circuit Court of Appeals held in *Mason v. Montgomery Data, Inc.*:

We find section 412 to be ambiguous and open to either interpretation. But we find support for the district court’s interpretation in the legislative history of section 412. The House Report explains that “clause (2) [of section 412] would generally deny an award of [statutory damages and attorney’s fees] *where infringement takes place before registration*.”<sup>73</sup>

The *Mason* court went on to explain that in its view the language of the House Report established that the intent of Congress in enacting section 412 was that “statutory damages be denied not only for the particular infringement that a defendant commenced before registration, but for all of that defendant’s infringement of a work if one of those infringements commenced prior to registration.”<sup>74</sup>

The *Mason* court found added support for its interpretation of section 412 in reading it in conjunction with 17 U.S.C. § 504, which provides:

the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, *an* award of statutory damages for *all* infringements involved in the action with respect to any *one* work, for which any *one* infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than \$500 or more than \$20,000 as the court considers just.<sup>75</sup>

The *Mason* court held it would not be consistent with the limitations imposed by section 412 to read section 504 to include all of a defendant’s infringements of one work within an award of statutory damages, but read section 412 to treat each infringement separately to bar the award under section 504.<sup>76</sup> The award of statutory damages, pursuant to sections 412 and 504, must encompass all infringements, not just those infringements that occurred after registration if some

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73. *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143 (5th Cir. 1992) (quoting H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 51, at 158 (1976)), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5664. The plaintiff argued that under section 412 they were permitted to recover statutory damages and attorney’s fees for any infringement that occurred after they registered their maps, even though the defendants commenced other separate infringements of the same work prior to registration. *Id.*

74. *Id.*

75. *Id.* (citing 17 U.S.C. § 504). 17 U.S.C. § 504(c)(1) has increased these damages to not less than \$750 nor more than \$30,000.

76. *Mason*, 967 F.2d at 143–144.

acts of infringement for the same work occurred prior to registration.<sup>77</sup> The *Mason* court concluded, “a plaintiff may not recover an award of statutory damages and attorney’s fees for infringements that commenced after registration if the same defendant commenced an infringement of the same work prior to registration.”<sup>78</sup>

Courts have dealt with the question of whether an infringement that might be considered “different in kind” that followed a pre-registration infringement by the same defendant might qualify for statutory damages and attorney’s fees.<sup>79</sup> In *Southern Credentialing Support Services, LLC v. Hammond Surgical Hospital*, a district court held it could award statutory damages despite section 412’s bar because the defendant’s post-registration infringement was different in kind from its pre-registration infringing activities.<sup>80</sup> The district court based its holding that the infringements were different in kind and would entitle a plaintiff to statutory damages and attorney’s fees on its conclusion that the pre- and post-registration infringements violated different rights under section 106.<sup>81</sup> At issue were the two exclusive rights to reproduce and publicly distribute; reproduction of the plaintiff’s forms occurred prior to registration, and distribution by making the forms publicly available through its website occurred after registration.<sup>82</sup> Regardless, it was the same work that was infringed even if separate rights were involved.

Describing as “novel” the question of whether section 412 barred recovery of statutory damages and attorney’s fees, the court cited section 412 as a prohibition of the recovery of statutory damages and attorney’s fees for an infringement of copyright that occurred before the effective date of the work’s registration.<sup>83</sup> On appeal, the Fifth Circuit Court of Appeals rebuked the district court for its wayward reasoning, “[n]o court has previously applied *Southern Credentialing*’s approach and one district court in this circuit has persuasively rejected it.”<sup>84</sup>

In so holding, the circuit court recognized that section 412’s use of the language “any infringement” and “commenced” is ambiguous when applied to more than one infringement of the same copyrighted work over time.<sup>85</sup> But in

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77. *Id.* at 144.

78. *Id.*

79. *S. Credentialing Support Servs., LLC v. Hammond Surgical Hosp., LLC*, 946 F.3d 780, 783 (5th Cir. 2020).

80. *Id.*

81. *Id.*

82. *Id.* at 782–783.

83. *Id.* at 784.

84. *Id.* at 786 (citing *Qualey v. Caring Ctr. of Slidell*, 942 F. Supp. 1074, 1076–77 (E.D. La. 1996)).

85. *Id.* at 785.

reversing the district court, the circuit court held that *Mason* resolved this ambiguity to bar statutory damages when the same defendant infringed the same work in the same fashion before and after the registration.<sup>86</sup> The circuit court in *Southern Credentialing*, set forth this example:

[A]ny preregistration infringement of a book or song would bar statutory damages for any post-registration sales of those works. The other possibility is that the text only bars statutory damages for those infringements beginning before registration. Under this reading, if a defendant began a new infringement after registration—by, for example, selling additional copies of the infringing song—the plaintiff could recover statutory damages even if the defendant’s earlier sales of the song predated registration.<sup>87</sup>

The circuit court in *Southern Credentialing* concluded that Congress’ intention was to preclude an award of statutory damages and attorney’s fees when “any infringement” precedes registration.<sup>88</sup> And it held this rule applies to eliminate these remedies even where the infringements are different in kind, meaning the acts of infringements would violate different exclusive rights under section 106.<sup>89</sup> The congressional purpose of section 412, the court reasoned, was to promote an incentive for early registration of a copyrighted work.<sup>90</sup>

#### VI. THE SAME FASHION OR DIFFERENT IN KIND: DOES IT MATTER?

In *Southern Credentialing*, the district court thought it wise to distinguish the acts of infringement on the grounds that, while the same work was infringed, different exclusive rights under section 106 had been violated.<sup>91</sup> On that basis, it held what it thought to be a good idea at that time and declined to apply the general rule that section 412 bars an award of statutory damages and attorney’s fees when the same defendant infringed the same work in the same fashion before and after registration.<sup>92</sup> The basis for its deviation was its determination that the post-registration infringements were different in kind from the pre-registration infringements.<sup>93</sup> The circuit court, reversing, pointed out that the district court had

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86. *Id.* (analyzing *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143–44 (5th Cir. 1992)).

87. *Id.* (citing *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143–44 (5th Cir. 1992)).

88. *S. Credentialing Support Serv.’s, L.L.C., v. Hammond Surgical Hosp., L.L.C.*, 946 F.3d 780, 787 (5th Cir. 2020).

89. *Id.* at 787; *Qualey v. Caring Ctr. of Slidell*, 942 F. Supp. 1074, 1077 (E.D. La. 1996).

90. *S. Credentialing*, 946 F.3d at 787 (5th Cir. 2020) (citing *Qualey v. Carting Ctr. of Slidell*, 942 F. Supp. 1074, 1077 (E.D. La. 1996)).

91. *Id.* at 786.

92. *Id.* at 785.

93. *Id.* at 785–86.

gone where no court in the circuit had gone before:

We agree that section 412 bars statutory damage awards when a defendant violates one of the six exclusive rights of a copyright holder preregistration and violates a different right in the same work after registration. Any other conclusion would be inconsistent with the Copyright Act, which does not distinguish between “different” infringements.<sup>94</sup>

Dealing with the reproduction of 233 separate maps, in *Mason*, the court addressed the question of what separate acts of infringement might have occurred, and whether the defendant’s conduct, pre- and post-infringement, would be relevant to the plaintiff’s entitlement to statutory damages and attorney’s fees under section 412.<sup>95</sup> In *Mason*, the defendant purchased the plaintiff’s maps and reorganized them by cutting and pasting them onto 72 map sheets, using transparent overlays to provide additional information and corrections to the maps.<sup>96</sup>

The plaintiffs, Mr. Mason and his company, had:

published 233 maps from 1967 to 1980, registering one map in 1968 and the remaining 232 in 1987. . . . The defendant copied each map repeatedly from 1982 to 1989. . . . It was held the defendant could not be liable for statutory damages under section 412 except for its infringement of the single map that was registered in 1968 prior to any copying of that work. . . . For the other 232 maps, the preregistration infringement of those maps barred any statutory damages even for the additional infringements that postdated the 1987 registration.<sup>97</sup>

The court ignored what may have been infringements of separate exclusive rights under section 106: infringement of the maps prior to registration by reproduction, and infringement by the plaintiff’s newly created product, made by employing the plaintiff’s maps, post-registration in a derivative fashion.<sup>98</sup> In justifying its holding that section 412 bars statutory damages for infringements of a work beginning before registration, regardless of what rights under section 106 are infringed after registration, the court held that section 504(c)(1) provides for a

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94. *Id.*

95. *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143 (5th Cir. 1992).

96. *Id.* at 137.

97. *S. Credentialing*, 946 F.3d at 782 (citations omitted) (explaining *Mason*, 967 F.2d at 143–44).

98. *Mason*, 967 F.2d at 142–44. Under 17 U.S.C. § 106, the right to reproduce a work in copies and the right to prepare derivative works based on the copyrighted work are separate exclusive rights reserved to the owner of the copyright.

single statutory award “for all infringements” of a single work.<sup>99</sup> Concluding that a single statutory award, per infringed work, supports its holding that section 412 does not permit a bifurcation of an award of statutory damages between pre- and post-registration infringements of the same work by the same defendant.<sup>100</sup> That interpretation, the court held, was consistent with the court’s reading of section 504 “that there be *an award* for all infringements of the same work.”<sup>101</sup> “In other words, it would be incongruent to separate infringements of the same work when considering whether the section 412 bar applies when the provision allowing statutory damages requires treating those infringements together.”<sup>102</sup>

The court explained its interpretation of sections 412 and 504(c)(1) in the context of congressional intent, holding that the purpose for allowing an award of statutory damages in situations where infringement occurs only after registration was to encourage timely registration of copyrightable works, allowing those who were considering use of another’s work without authorization the ability to determine whether that work was protected by copyright.<sup>103</sup> “Permitting a plaintiff to register, then collect statutory damages for new infringements of the same work by the same defendant that occur after registration, would dull that incentive.”<sup>104</sup> Further, “[C]opyright registration for published works, which is useful and important to users and the public at large, would no longer be compulsory [under the 1976 Act], and should therefore be induced in some practical way.”<sup>105</sup>

Of note, in *Southern Credentialing*, the district court strayed further off the path, perhaps in its imprudent reliance on *Derek Andrew, Inc. v. Poof Apparel Corp.*, a case decided by the Ninth Circuit Court of Appeals.<sup>106</sup> *Derek Andrew* did not award statutory damages for post-infringement activities.<sup>107</sup> On review, the Ninth Circuit held, “Title 17 U.S.C. § 412(2) leaves no room for discretion, however, section 412(2) mandates that, in order to recover statutory damages, the copyrighted work must have been registered prior to commencement of the infringement, unless the registration is made within three months after first publication of the work.”<sup>108</sup> This pre-infringement registration requirement also

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99. *Mason*, 967 F.2d at 144; 17 U.S.C. § 504(c)(1).

100. *S. Credentialing*, 946 F.3d at 785.

101. *Id.*

102. *Id.* (citing *Mason*, 967 F.2d at 143–44).

103. *Id.* at 786.

104. *Id.*

105. *Mason*, 967 F.2d at 144 (citing H.R. Rep. No. 94-1476 at 158 (1976)).

106. *S. Credentialing*, 946 F.3d 780 at 876 n.3; *see also* *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696 (9th Cir. 2008).

107. *Derek Andrew, Inc.*, 528 F.3d at 701.

108. *Id.* at 699.



serves as a bar to the award of attorney's fees to a successful plaintiff.<sup>109</sup>

It's not too surprising that the district court in *Southern Credentialing*, became confused by *Derek Andrew*. The *Derek Andrew* decision raised, but failed to answer, the question whether "separate and distinct infringements" from the pre-registration infringement could support an award of statutory damages and attorney's fees.<sup>110</sup> The specter was raised when it asked whether separate and distinct infringements could support an award, but on the basis of the following facts, it held the infringement to be not separate and distinct.<sup>111</sup> The plaintiff's work, a clothing hang tag, was first published on August 11, 2003; its copyright registration was effective as of June 15, 2005.<sup>112</sup> The first act of infringement by defendant Poof Apparel occurred on May 9, 2005, approximately one month prior to the effective date of the registration and more than three months following the first publication of the hang tags.<sup>113</sup> The court queried whether the copyright infringements, via the post-registration distributions of the infringing works were "continuous and ongoing acts of the initial infringement."<sup>114</sup> In that court's opinion, separate acts of post-registration infringement might warrant an award of statutory damages; continuing and ongoing acts of infringement commencing prior to registration and continuing post-registration would not.<sup>115</sup>

Recognizing the Ninth Circuit had not ruled prior to 2008 whether a post-registration infringement barred statutory damages, the court felt compelled to define, or interpret, the meaning of the term "commenced" as used in section 412.<sup>116</sup> In doing so, it looked to a decision of a district court in the Second Circuit:

[e]ach separate act of infringement is, of course, an "infringement" within the meaning of the statute, and in a literal sense perhaps such an act might be said to have "commenced" (and ended) on the day of its perpetration[,] . . . it would be peculiar if not inaccurate to use the word "commenced" to describe a single act. That verb generally presupposes as a subject some kind of activity

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109. *Id.* at 700; *Polar Bear Prods., Inc. v. Timex Corp.*, 384 F.3d 700, 707 n.5 (9th Cir. 2004) (denying statutory damages for plaintiff's failure to register its copyright before infringement).

110. *Derek Andrew, Inc.*, 528 F.3d at 699.

111. *See generally Derek Andrew, Inc.*, 528 F.3d at 701.

112. *Id.* at 698–99.

113. *Id.* at 700.

114. *Id.*

115. *Id.*

116. *Id.*

that begins at one time and continues or reoccurs thereafter.<sup>117</sup>

The *Derek Andrew* court injected into its discussion of when a first act of infringement occurs a requirement that the ongoing, post-registration acts of infringement must be of the “same kind” as those acts of infringement that occurred prior to registration.<sup>118</sup> The court, it would seem, took artistic license by adopting the requirement that infringement must be of the same kind.<sup>119</sup> Inexplicably, this court cited *Bouchat* as authority that if the pre-registration and post-registration acts of infringement are of the same kind, statutory damages and attorney’s fees are barred.<sup>120</sup> Arguably, if they are not of the same kind, statutory damages are awardable.

Regardless of this diversion, the *Derek Andrew* court held on the facts presented that the defendant’s post-registration acts of infringement were an ongoing continuation of its pre-registration infringement, and there was no “legally significant difference between [defendant’s] pre and post- registration infringement,” each involving the sale of garments bearing the infringing hangtags, even though the post-registration garments to which the tags were affixed were different than the garments on which the pre-registration tags were affixed.<sup>121</sup> It was, after all the work, the tag that was infringed.<sup>122</sup> One wonders how the court would have dealt with this case if the first act of infringement had been the sale of garments bearing the tag, a reproduction and distribution of the copyrighted work, and the second, post-registration infringement had been the creation of a derivative work from the original tag. But clearly the court ruled correctly that each sale of an infringing tag, with the first commencing prior to registration, was not a separate act of infringement for purposes of section 412.<sup>123</sup>

#### VII. LEGISLATIVE HISTORY: STATUTORY DAMAGES UNDER SECTION 504(C) AND ATTORNEY’S FEES UNDER SECTION 505 ARE SUBJECT TO THE

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117. *Id.* (quoting *Singh v. Famous Overseas, Inc.*, 680 F.Supp. 533, 535 (E.D.N.Y. 1988); *accord* *Parfums Givenchy, Inc. v. C Beauty Sales, Inc.*, 832 F.Supp. 1378, 1394 (C.D.Cal. 1993)).

118. *Id.* at 701.

119. The court in *Derek Andrew* cited, among other decisions for support that infringement must be of the same kind, *Bouchat v. Bon-Ton Dep’t Stores, Inc.*, 506 F.3d 315 (4th Cir. 2015). *Id.* at 701 n.4. Nowhere does the court in *Bouchat* impose this additional requirement of same kind. *See generally* 506 F.3d 315.

120. *Derek Andrew, Inc.*, 528 F.3d at 701 n.4.

121. *Id.* at 701.

122. *Id.* at 698.

123. *Id.* at 701 (citing *Ez-Tixz, Inc. v. Hit-Tix, Inc.*, 919 F. Supp. 728, 731 (S.D.N.Y. 1996)).

## REQUIREMENTS OF SECTION 412.

The Committee on the Judiciary reported favorably on the bill for the general revision of copyright law.<sup>124</sup> The Committee reported that since 1790, when the first copyright law was enacted by the First Congress, “significant changes in technology have affected the operation of the copyright law.”<sup>125</sup> For example, motion pictures and sound recording had just appeared when the Copyright Act of 1909<sup>126</sup> was enacted by Congress,<sup>127</sup> and television was just a dream in 1909, and with 1983 considered the birthday of the Internet,<sup>128</sup> the Internet was not even a dream in 1909.

The new act, the Copyright Act of 1976,<sup>129</sup> restated at least one right of an owner of an infringed copyright that was conditioned on registration; section 411(a) required that registration must occur before an infringement suit can be filed.<sup>130</sup> Although a copyright owner may have a valid cause of action against an infringer, the owner—with limited exceptions—cannot enforce rights in a court until registration has been made and the certificate of registration is in hand.<sup>131</sup> section 412 was also added to the copyright law by the 1976 Act.<sup>132</sup> According to the legislative history, section 412 was added because of two “basic changes the bill will make in the present law.”<sup>133</sup>

(1) Copyright registration for published works, which is useful and important to users and the public at large, would no longer be compulsory, and should therefore be induced in some practical way.

(2) The great body of unpublished works now protected at common law would automatically be brought under copyright and given statutory protection. The remedies for infringement presently available at common law should continue to apply to these works under the statute, but they should not be given special

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124. H.R. Rep. No. 94-1476 at 1 (1976) *reprinted in* 1976 U.S.C.C.A.N. 5659, 5660.

125. *Id.* at 47.

126. 17 U.S.C. § 101, *et. seq.*

127. H.R. Rep. No. 94-1476 at 1 (1976) *reprinted in* 1976 U.S.C.C.A.N. 5659, 5660.

128. University of Georgia, *A Brief History of the Internet*, ONLINE LIBRARY LEARNING CENTER, [https://www.usg.edu/galileo/skills/unit07/internet07\\_02.phtml](https://www.usg.edu/galileo/skills/unit07/internet07_02.phtml) [<https://perma.cc/XQ8F-X9EF>].

129. 17 U.S.C. § 101 *et. seq.*

130. 17 U.S.C. § 411(a).

131. *Id.*; *see also* Fourth Est. Pub. Benefit Corp. v. Wall-Street.com, L.L.C., 139 S. Ct. 881, 888 (2019) (stating that a copyright owner may sue when the Copyright Office registers the copyright).

132. *See* 17 U.S.C. § 412.

133. H.R. Rep. No. 94-1476 at 158 (1976).

statutory remedies unless the owner has, by registration, made a public record of his copyright claim.<sup>134</sup>

The Report explained that as the law existed prior to the 1976 Act, a copyright owner whose work had been infringed before registration of the work would be entitled to seek injunctive relief and monetary damage in the form of the infringer's profits attributable to the infringement and the owner's damages.<sup>135</sup> Specifically, however, section 412 would serve to deny to the owner of an infringed copyright of what the Report called "extraordinary" remedies of statutory damages and attorney's fees if the infringement of an unpublished work commenced before registration, or in the case of a published work, after publication and before registration unless registration occurred within a grace period of three months after first publication.<sup>136</sup>

The idea behind these restrictions, or qualifying events, imposed by section 412 was not to narrow remedies available to an owner of an infringed copyrighted work; statutory damages and attorney's fees are available if registration is timely made under section 412.<sup>137</sup> If registration was not timely made, statutory damages and attorney's fees were not to be recoverable, but the profits of the infringer attributable to the infringement and the owner's damages, to the extent they do not overlap, would be recoverable.<sup>138</sup> These latter damages may be harder, and more expensive, to prove, and in many cases profits and damages to the infringed work may simply be non-existent.<sup>139</sup> And statutory damages can be very rewarding; Lowry's Reports in 2003 was awarded almost \$20 million of statutory damages by a jury.<sup>140</sup> The court, exercising its discretion, declined to award attorney's fees.<sup>141</sup>

In *Johnson v. Jones*, the Sixth Circuit Court of Appeals discussed the reason it believed Congress had required prior registration of an infringed work as a condition to an owner being authorized to seek statutory damages and attorney's fees once it established infringement had occurred:

First and foremost, Congress intended that [section] 412 provide copyright owners with an incentive to register early and often. Under the 1909

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134. *Id.*

135. *Id.*; 17 U.S.C. § 504.

136. H.R. Rep. No. 94-1476, at 158 (1976); 17 U.S.C. § 412.

137. H.R. Rep. No. 94-1476, at 158 (1976); 17 U.S.C. § 412.

138. H.R. Rep. No. 94-1476, at 158 (1976); 17 U.S.C. § 504(a)(1), (b).

139. *See, e.g., F.W. Woolworth Co. v. Contemporary Arts*, 344 U.S. 228, 233 (1952) (stating that damages from the defendant's copyright infringement were "uninjurious and unprofitable").

140. *Lowry's Reps., Inc. v. Legg Mason, Inc.*, 302 F. Supp. 2d 455, 458 (D. Md. 2004).

141. *Id.* at 463–64.

Copyright Act, both publication and registration were compulsory for most types of works; *i.e.*, no recovery unless the copyrighted work was both published and registered. 17 U.S.C. § 10 (1934) (repealed 1976). The 1976 Copyright Act removed those harsh limitations, thus bringing unpublished works under the umbrella of federal copyright protection and making registration optional. Congress realized, however, that “copyright registration . . . is useful and important to users and the public at large . . . and should therefore be induced in some practical way . . .” By offering the additional choice of statutory damages to those who register promptly, [section] 412 “induce[s] [copyright registration] in some practical way.”<sup>142</sup>

As well as providing to the owner of the copyright the incentive to register its work with the Register of Copyrights, section 412 was intended to provide those who might “borrow” from an author’s works without obtaining authorization an incentive to review available registrations to determine whether the work had been registered and whether copying, or some other violation of an exclusive right granted under section 106A, would be considered infringing.<sup>143</sup> According to the court, if section 412 did encourage owners to register and potential unauthorized users to check registrations, the result would be a reduction of search costs borne by potential users and the enforcement costs that would be incurred by a copyright owner to enforce rights against an infringer.<sup>144</sup> “And, finally, the simplicity of [section] 412 confers upon all parties involved the clarity and low administrative costs of a bright-line rule.”<sup>145</sup> The Act provides that, “[N]o award of statutory damages or of attorney’s fees, as provided in sections 504 and 505, shall be made . . . [if] infringement of copyright in an unpublished work commenced before the effective date of its registration.”<sup>146</sup> There is substantial support found in section 504 for considering an ongoing series of infringing acts together as one act of infringement.

[T]he copyright owner may elect, at any time before final judgment is

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142. *Johnson v. Jones*, 149 F.3d 494, 505 (6th Cir. 1998) (citing H.R. Rep. No. 94-1476, at 158 (1976)).

143. *Id.*; *Amador v. McDonald’s Corp.*, 601 F. Supp. 2d 403, 409 (D.P.R. 2009); 17 U.S.C. § 106A.

144. *Johnson*, 149 F.3d at 505.

145. *Id.* Courts in the Second Circuit “often dismiss claims for statutory damages or attorney’s fees at the Rule 12(b)(6) stage if a work is neither registered before the infringement nor published before the infringement and within three months of registration, bases for dismissal under [section] 412 that both depend upon the alleged registration date.” *Adlife Mktg. & Commc’ns Co. v. Buckingham Bros. LLC*, No. 5:19-CV-0796 WL 4795287, at \*4 (N.D.N.Y. Aug. 18, 2020). *See e.g.*, *Solid Oak Sketches, LLC v. 2K Games, Inc.*, No. 16-CV-724, 2016 WL 4126543, at \*4 (S.D.N.Y. Aug. 2, 2016).

146. *Johnson*, 149 F.3d at 505 (quoting 17 U.S.C. § 412).

rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally . . . .<sup>147</sup>

VIII. IF THE INFRINGEMENT BEGAN PRIOR TO REGISTRATION, AND CONTINUED AFTER REGISTRATION, ARE THESE ACTS OF INFRINGEMENT SEPARATE OR CONTINUING ACTS?

Plaintiffs who fail to register their works prior to the first infringing act are prone to assert that a subsequent act of infringement, occurring after registration, is a separate infringing act so as to entitle the plaintiff to statutory damages and attorney's fees for the post-registration infringement.<sup>148</sup> Defendants, on the other hand, are likely to defend such a claim on the grounds that their acts of infringement, occurring pre- and post-registration, were acts of continuing infringement, and that an award of statutory damages or attorney's fees is not permitted under section 412.<sup>149</sup>

In *B2B CFO Partners, LLC v. Kaufman*, a case from the Ninth Circuit where the court reviewed the nature of pre- and post-registration infringements, the issue before the court was whether a post-registration infringing public distribution of a training manual, registered as a revised version of the original when the original had been infringed prior to registration, would entitle the plaintiff to statutory damages and attorney's fees.<sup>150</sup>

As in *Derek Andrew*, the *B2B* court held that it could find no "legally sufficient difference" between the 2008 pre-registration work and the 2009 post-registration work, in this case the manual, despite the fact that the 2008 version differed "somewhat" from the 2009 version.<sup>151</sup> The basis of the holding was that despite the somewhat differing manuals, the same person allegedly copied the same copyrighted work, and the post-registration manual constituted the same kind of alleged copying as the 2008 Manual.<sup>152</sup> As a result, the court concluded that the first act of infringement occurred prior to registration with the distribution of the

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147. 17 U.S.C. § 504(c)(1) (emphasis added). See *Arista Records LLC v. Lime Group LLC*, No. 06 Civ. 5936, 2010 WL 6230928, at \*2 (S.D.N.Y. 2010) (emphasizing that one statutory damages award can be given per work infringed upon).

148. See, e.g., *B2B CFO Partners LLC v. Kaufman*, 787 F. Supp. 2d 1002, 1012 (D. Arizona 2011); see also *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 699 (9th Cir. 2008).

149. See *B2B CFO Partners LLC*, 787 F. Supp. at 1012–13.

150. *Id.* at 1005.

151. *Id.* at 1012.

152. *Id.*

2008 manual, which was the “‘*first act of infringement* in a series of ongoing infringements of the same kind’ by the same person.”<sup>153</sup> Section 412 barred statutory damages and attorney’s fees, but the court may have left the door open for future consideration of whether the infringement of different exclusive rights under section 106, pre- and post-registration, might lead to a conclusion that the post-registration violation was separate and would support a claim of statutory damages and attorney’s fees.

Considering a defendant’s Rule 12(b)(6) motion to dismiss, a plaintiff’s claim for statutory damages and attorney’s fees on the basis that the infringement commenced prior to registration and continued after registration, that court, without reaching the merits of the motion to dismiss, held that the plaintiff’s second amended complaint sufficiently alleged a claim for statutory damages and therefore “was not futile because it was ‘*arguable* that publication of each edition marks the commencement of [a new] infringement for purposes of [section] 412 . . . .’”<sup>154</sup>

In yet another decision, a California District Court held that adding an emblem to the copyrighted design of a t-shirt did not constitute a new and separate infringement under section 412 where the infringement began with the first iteration of the t-shirt, sans emblem, prior to registration.<sup>155</sup> And still another court held a plaintiff was not entitled to statutory damages and attorney’s fees when the post-registration publication of new issues of a magazine using the same allegedly infringing layout did not commence a new and separate infringement under section 412.<sup>156</sup> And yet another court, considering whether a defendant’s acts of infringement were continuing or separate pre- and post-registration of the infringing work, held that a post-registration customization of a sculpture by changing its size, surface texture and adding a different sized pedestal, was not a separate act of infringement under section 412 so as to entitle the plaintiff to an award of statutory damages and attorney’s fees.<sup>157</sup> It was an infringement of the

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153. *Id.* (citing *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 701 (9th Cir. 2008)); *see also* *Mason v. Montgomery Data*, 967 F.2d 135, 144 (5th Cir. 1992); *Kwan v. Schlein*, 246 F.R.D. 447, 453 (S.D.N.Y. 2007) (holding that the publication of a new edition of a copyrighted material marks the commencement of new infringements and would not bar statutory damages).

154. *B2B CFO Partners LLC*, 787 F. Supp. 2d at 1012 (quoting *Kwan v. Schlein*, 246 F.R.D. 447, 453 (S.D.N.Y. 2007)).

155. *New Name, Inc. v. The Walt Disney Co.*, No. CV 07-5034 PA (RZx), 2008 WL 5587487 at \*4–5 (C.D.Cal. 2008).

156. *Sartor v. Walters*, No. CIV A 06-0011, 2006 WL 3497856, at \*4 (W.D. La. Dec. 5, 2006).

157. *Dyer v. Napier*, No. CIV04–0408 PHX SMM, 2006 WL 680551, at \*1, \*4 (D. Ariz. Mar. 16, 2006).

same work, and the pre-registration infringement disqualified an award of statutory damages and attorney's fees.<sup>158</sup>

Another district court, sitting in the Ninth Circuit, considered whether a defendant's actions of infringement were separate or continuous when the defendant's acts of alleged infringement spanned the effective date of registration.<sup>159</sup> In *City of Carlsbad v. Shah*, Prince Reza Shah was alleged to have distributed goods bearing the City's copyrighted golf course logo prior to the March 31, 2008, effective date of registration.<sup>160</sup> After registration Shah continued to display on his website the logo, "THE CROSSINGS AT CARLSBAD," for a golf course for the purposes of selling merchandise.<sup>161</sup> He made derivatives and continued their display, and he placed the City's logo on his letterhead and on business cards.<sup>162</sup> His ongoing use of the copyrighted work continued into 2011 when he produced, but did not sell, hats and t-shirts bearing the copyrighted logo.<sup>163</sup> In ruling against the City's claim, it was entitled to statutory damages and attorney's fees, the court held that all of Shah's activities were one continuing infringement under section 412:

All of these alleged infringements arose out of Shah's initial infringement and any post-registration conduct is therefore traceable to Shah's pre-registration conduct. As such, the pre-registration infringement and the post-registration infringement constitute one continuing infringement for purposes of [section] 412(2). Contrary to the City's arguments, there is no legally significant difference between the pre-registration conduct and the post-registration conduct that would suggest that the alleged infringement was anything but an ongoing series of infringements that commenced in 2006.<sup>164</sup>

In a case involving the alleged infringement of architectural plans, the plaintiff, arguing in favor of its entitlement to statutory damages and attorney's fees, claimed a distinction existed between uncompleted plans, copied prior to copyright registration, and completed plans copied after registration.<sup>165</sup> The court found for the defendant against whom statutory damages were asserted on the

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158. *Id.* at \*4.

159. *City of Carlsbad v. Shah*, 850 F. Supp. 2d 1087, 1103 (S.D. Cal. 2012).

160. *Id.* at 1098.

161. *Id.*

162. *Id.* at 1099.

163. *Id.* at 1102–03.

164. *Id.* at 1103. The City did, however, receive an award for attorney's fees under 15 U.S.C. § 1117(a) after the court found Shah engaged in willful trademark infringement. *Id.* at 1108.

165. *Cornerstone Home Builders Inc. v. McAllister*, 311 F. Supp. 2d 1351, 1352 (M.D. Fla. 2004).



grounds that “the first steps of architectural infringement, including tracing architectural floor plans and re-labeling architectural drawings, commence the infringing conduct and not the completion of construction plans . . . .”<sup>166</sup>

Courts in the Southern District of New York “have consistently applied a bright-line rule in cases where the first act of infringement in a series of ongoing infringements occurred prior to the registration” of the work.<sup>167</sup> In *Craig v. UMG Recordings Inc.*, a portrait of legendary guitarist B.B. King was infringed when used on an album prior to its March 2014 registration; the photograph was then used in 2015 on a second album following registration of the photograph.<sup>168</sup> The court described the bright-line test as “when the same defendant infringes on the same protected work in the same manner as it did prior to the work’s registration, the post-registration infringement constitutes the continuation of a series of ongoing infringements.”<sup>169</sup>

The court did not explain what it meant by the same manner or how that would be applicable; neither did the court in *Solid Oak Sketches, LLC v. 2K Games, Inc.*, the case quoted by the court.<sup>170</sup> *Craig* merely adopted the language of the court in *Solid Oak Sketches*.<sup>171</sup> That case involved an updated version of a video game released two years after its original version was released, where post-registration unauthorized copying in the updated version was considered an ongoing pre-registration infringement from the original.<sup>172</sup> Likewise, a case involving the infringement of a newly configured version of a television program with a new title was held to be merely a continuation of an earlier infringement of the original program.<sup>173</sup>

Another copyright plaintiff, while it did not dispute that it was not entitled to statutory damages for infringements that occurred prior to the March 13, 2012, the effective date of its registration of certain construction specifications, it claimed it

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166. *Id.*

167. *Craig v. UMG Recordings Inc.*, 380 F. Supp. 3d 324, 336 (S.D.N.Y. 2019) (“The 2015 Album has the same front cover and back cover as the 2012 Album, uses the same four photographs that appeared in the 2012 Album, and contains the same seventeen musical compositions and sound recordings that appeared in the 2012 Album. The only difference is that the 2015 Album has fewer tracks and photographs than the 2012 Album.”).

168. *Id.* at 328–329.

169. *Id.* at 336 (quoting *Solid Oak Sketches, LLC v. 2K Games, Inc.*, No. 16CV724-LTS, 2016 WL 4126543, at \*3 (S.D.N.Y. Aug. 2, 2016)).

170. *Id.* at 337.

171. *Solid Oak Sketches, LLC*, 2016 WL 4126543, at \*3.

172. *Id.*

173. *Irwin v. ZDF Enterprises GmbH*, No. 04-CV-8027-RWS, 2006 WL 374960, at \*6 (S.D.N.Y. Feb. 16, 2006).

was entitled to statutory damages for all infringements of the specifications that occurred after March 13, 2012.<sup>174</sup> Asserting that post-registration acts of infringement were separate acts, the plaintiff failed to convince a skeptical court that the specifications evolved, and over time, changed and contained new versions. As to plaintiff's contention that defendant's copying new versions of its specifications supported a finding of separate and, therefore, new infringements for purposes of section 412, the court observed: "Every [Circuit] to consider the issue has held that infringement commences for the purposes of section 412 when the first act in a series of acts constituting continuing infringement occurs."<sup>175</sup>

The court dispensed with plaintiff's claim for statutory damages and attorney's fees by holding that because "[t]here is no dispute that the first act in a series of alleged acts of infringement of the OxBlue Specification occurred before the effective date of registration. OxBlue is thus not entitled to statutory damages and attorneys' fees under the Copyright Act."<sup>176</sup> Once again, there was scant analysis by the court of whether the post-registration acts of infringement were separate or continuing, other than to disagree with plaintiff's assertions that because it incorporated new versions of its specifications in newly released version, the infringement of the newly released versions constituted infringements under section 412.<sup>177</sup> The court held, "[T]here is no legal basis for this claim."<sup>178</sup> Because it found that the first act in a series of infringements occurred pre-registration, application by it of the bright-line test resulted in the plaintiff not being entitled to statutory damages or attorney's fees.<sup>179</sup>

In *Ez-Tixz, Inc. v. Hit-Tix, Inc.*, the U.S. district court in the Southern District of New York disagreed with a plaintiff's assertion it was entitled to statutory damages for the allegedly infringing use of a computer program that occurred following its copyright registration of that program on the grounds that the infringement commenced prior to registration of the program.<sup>180</sup> The court held plaintiff's contention of entitlement had no merit.<sup>181</sup> It found that the alleged acts of infringement, being use of a copyrighted program to issue theater tickets, that followed registration of the copyright were ongoing acts of infringement and not

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174. *EarthCam, Inc. v. OxBlue Corp.*, 49 F. Supp. 3d 1210, 1240 (N.D. Ga. 2014), *aff'd*, 703 F. App'x 803 (11th Cir. 2017).

175. *Id.* (citing *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696, 700–01 (9th Cir. 2008)).

176. *Id.*

177. *Id.*

178. *Id.*

179. *Id.*

180. *Ez-Tixz, Inc. v. Hit-Tix, Inc.*, 919 F. Supp. 728, 730–31 (S.D.N.Y. 1996).

181. *Id.* at 736.

distinct or separate acts.<sup>182</sup> In each instance, pre- and post-infringement, the defendant used the plaintiff's copyrighted program to issue a ticket and the ongoing use of the copyrighted work was critical to the court's holding.<sup>183</sup> The infringement that followed registration, the court held, was the same infringement that preceded registration and was an act that merely continued.<sup>184</sup> Based on the allegations contained in the plaintiff's amended complaint, even if it was determined at trial that copyright infringement had occurred, plaintiff was not entitled to elect statutory damages or to receive attorney's fees.<sup>185</sup> The court granted the defendant's motion to dismiss plaintiff's claims for statutory damages and attorney's fees.<sup>186</sup> Clearly, in each instance, it was the same copyrighted work that was infringed by the same defendant.

In yet another case dealing with architectural plans, the plaintiff based its claim that it was entitled to statutory damages and attorney's fees on the argument that defendant's copying, or incorporation of plaintiff's plan into defendant's plan prior to plaintiff's registration of its work, was an act separate from post-registration use of the plans by the defendant.<sup>187</sup> In other words, the plaintiff argued that the incorporation of its plans into defendant's plans was one act of infringement but "that every time [defendant] uses [plaintiff's] plan to build a new home it constitutes a new act of infringement, thus '[f]or those infringements that commenced after registration, statutory damages are appropriate.'"<sup>188</sup> The court disagreed with the plaintiff's attempt to construct these infringements as "different and distinct" acts of infringement.<sup>189</sup> The only question considered by this court was whether the same work was infringed pre-registration and post-registration.<sup>190</sup> If so, the plaintiff would not be entitled to elect statutory damages and receive attorney's fees under section 412.<sup>191</sup> Relying on the appellate court's decision in *Mason*, and acknowledging that the plain language of section 412 might be ambiguous, the court held:

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182. *Id.*

183. *Id.*

184. *Id.*

185. *Id.*; see also *Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996, 1012 (2d Cir. 1995) (barring a plaintiff from obtaining attorney's fees for infringements that occurred prior to registration).

186. *Ez-Tix*, 919 F. Supp. at 738. See *Cognotec Servs. Ltd. v. Morgan Guar. Trust Co.*, 862 F. Supp. 45, 52 (S.D.N.Y.1994) ("Any awards of statutory damages or attorney's fees are precluded when the infringement occurs prior to the effective date of registration.").

187. *Feldhacker v. Homes*, 173 F. Supp. 3d 828, 832 (S.D. Iowa 2016).

188. *Id.*

189. *Id.* at 832–33.

190. *Id.* at 833.

191. *Id.*

[u]nder this section, the total number of “awards” of statutory damages (each ranging from \$500 to \$20,000) that a plaintiff may recover in any given action depends on the number of works that are infringed and the number of individually liable infringers, regardless of the number of infringements of those works. So if a plaintiff proves that one defendant committed five separate infringements of one copyrighted work, that plaintiff is entitled to only one award of statutory damages ranging from \$500 to \$20,000. And if a plaintiff proves that two different defendants each committed five separate infringements of five different works, the plaintiff is entitled to ten awards, not fifty. It would be inconsistent to read section 504 to include all of one defendant’s infringements of one work within “an award of statutory damages,” and then read section 412 to treat each infringement separately for purposes of barring that award.<sup>192</sup>

In so ruling, the court relied on the legislative history of section 412 and what it considered to be the interplay between sections 504 and 412.<sup>193</sup>

Other courts have held the text of section 412 to be unambiguous.<sup>194</sup> In *Fournier v. Erickson*, the court held that the copyright owner and plaintiff attempted to circumvent what it described as the plain language of section 412 by incorrectly asserting that each post-registration infringement of an allegedly infringing photograph was an independent and separate act of infringement.<sup>195</sup> The infringement complained of involved the defendant’s use of a photograph in a single, unified, advertising campaign for Microsoft’s Windows, and all acts of infringement, if any, commenced when the photograph first appeared in the campaign at a time that was prior to registration of the copyright of the photograph.<sup>196</sup> Each subsequent appearance of the photograph was “part of the continuous, on-going advertising campaign.”<sup>197</sup> It did not matter whether the post-registration ads using the photograph were different from the pre-registration ads.<sup>198</sup> What mattered was that the same copyrighted photograph was infringed both pre- and post-registration.<sup>199</sup> The commencement of the alleged infringement prior to the effective date of registration eliminated plaintiff’s entitlement to an

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192. *Feldhacker v. Homes*, 173 F. Supp. 3d 828, 833 (S.D. Iowa 2016) (quoting *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 143–44 (5th Cir.1992)).

193. *Id.*

194. *Fournier v. Erickson*, 202 F. Supp. 2d 290, 297 (S.D.N.Y. 2002).

195. *Id.* at 297–98.

196. *Id.* at 293.

197. *Id.* at 298.

198. *Id.*

199. *Id.*

award of statutory damages and attorney's fees.<sup>200</sup>

In yet another case dealing with the infringement of architectural plans and the construction of homes from those plans, the court held the plaintiff was not entitled to statutory damages and attorney's fees even though the construction of the homes from the infringed plans occurred after registration.<sup>201</sup> The reason cited by the court was that the first infringement of the plans occurred pre-registration.<sup>202</sup> That the plans were copied, and one home was constructed, prior to registration of the plans, meant the plaintiffs were foreclosed as a matter of law from receiving statutory damages and attorney's fees.<sup>203</sup> Citing *Robert R. Jones*, the court held that the infringing act that precluded recovery of statutory damages and attorney's fees was the "making of infringing plans"; the construction of homes after registration added to recoverable damages in the form of the defendant's profits, but not entitlement of statutory damages.<sup>204</sup>

In a departure from a bright-line test to determine a plaintiff's entitlement to statutory damages and attorney's fees, a district court in Louisiana denied a defendant's motion to dismiss some of the plaintiff's claims for statutory damages arising from the copying and use of its mechanical and electrical drawings.<sup>205</sup> The plaintiffs argued that while there were pre-registration acts of infringement, many "other independent acts of infringement occurred" after the effective date of registration of the copyright.<sup>206</sup> The plaintiff's theory, unsupported by any cases available to the court, was that section 106 of the Copyright Act created for the owner of a copyright a number of distinct, exclusive rights, and that a pre-registration infringement of one right is not the same, for purposes of section 412, as post-registration infringement of another exclusive right.<sup>207</sup> Thus, the plaintiff claimed that because only the exclusive right to reproduce its drawings was

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200. *Id.*; see also *Grant Heilman Photography, Inc., v. McGraw-Hill Glob. Educ. Holdings, LLC*, No. CV 17-694, 2018 WL 3193706 (E.D. Pa. June 28, 2018) for a similar situation in which following a mini trial the court held that plaintiff was not entitled to statutory damages or attorney's fees because defendant had infringed the same in earlier textbooks before plaintiff registered the copyrights to the photographs and the infringement continued in new textbooks following registration. "In other words, where infringements of photos began prior to their registration dates, [d]efendant could not be liable for statutory damages." *Id.* at \*1.

201. *Great Southern Homes, Inc. v. Johnson & Thompson Realtors*, 797 F. Supp. 609, 613 (M.D. Tenn. 1992).

202. *Id.*

203. *Id.*

204. *Id.* at 612–13 (citing *Robert R. Jones Associates, Inc. v. Nino Homes*, 858 F.2d 274, 281 (6th Cir.1988)).

205. *Guillot-Vogt Assocs., Inc. v. Holly & Smith*, 848 F. Supp. 682, 691 (E.D. La. 1994).

206. *Id.* at 690.

207. *Id.*; 17 U.S.C. § 106.

infringed prior to registration, the exclusive rights to distribute and prepare derivative works were not infringed prior to registration as those acts occurred after registration.<sup>208</sup> Not only was the court unable through its own research to find any case to support plaintiff's theory, the plaintiff failed to cite any such cases in its six submitted memoranda.<sup>209</sup> The court wrote, "Indeed, every case that this [c]ourt has reviewed or been referred to has denied the award of statutory damages where pre-registration infringement occurred and registration was more than three months after publication."<sup>210</sup>

Nevertheless, the court held that all unresolved issues must be resolved in favor of the non-movant in a Rule 12(b)(6) motion, and for this reason the court was reluctant to dismiss defendant's claim at that time.<sup>211</sup> The court held that it could find no cases to support plaintiff's theory of separate acts supporting entitlement to statutory damages and attorney's fees, it also could not find "any case directly on point with the instant one."<sup>212</sup> This reasoning is inexplicable and likely served to prolong the litigation and increase costs.

In *Parfums Givenchy Inc. v. C & C Beauty Sales, Inc.*, the court found that infringement of a copyright, a package design, began in February 1992, when the registration of the infringed work occurred "more than three months after first publication," and that "the infringing importation [of the package] first occurred after the date of first publication and before the effective date of registration."<sup>213</sup> Despite the court's fact finding as to the timing of commencement of the infringement and registration of the work, the plaintiff argued to the court that section 412(2) did not preclude an award of statutory damages and attorney's fees on the grounds that section 602(a) provides that unauthorized importation of copies is an act of infringement.<sup>214</sup> The plaintiff argued, without success, that the importation of product that occurred after registration was a separate act, not a continuing act from the defendant's first act of infringement.<sup>215</sup> The court found the plaintiff's effort to distinguish these different rights infringed to be without merit; the infringing importation began before registration and continued after registration, but the critical issue is that the infringement was of the same work by

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208. *Guillot-Vogt*, 848 F. Supp. at 690.

209. *Id.* at 691.

210. *Id.*

211. *Id.*

212. *Id.*

213. *Parfums Givenchy, Inc. v. C & C Beauty Sales, Inc.*, 832 F. Supp. 1378, 1393 (C.D. Cal. 1993).

214. *Id.*; 17 U.S.C. § 602(a).

215. *Parfums Givenchy, Inc.*, 832 F. Supp. at 1393.

using the same copyrighted material.<sup>216</sup> Other courts under similar circumstances have failed to find separate acts of infringement, instead holding that the acts complained of were continuing from a date prior to registration.<sup>217</sup>

The *Parfums Givenchy* court, discussing the effect of so-called separate acts of infringement on the application of section 412(2), quoting from *Singh v. Famous Overseas, Inc.*, held:

The word “infringement” can be used in two senses. As noted, it can mean both a single act of infringement, and it can also mean several or continuous or repeated acts of infringement. However, it would be peculiar if not inaccurate to use the word “commenced” to describe a single act. That verb generally presupposes as a subject some kind of activity that begins at one time and continues or reoccurs thereafter.<sup>218</sup>

In a pained contortion of section 412, the Second Circuit Court of Appeals has, in *Troll Co. v. Unedda Doll Co.*, accepted and adopted an exception to the ongoing series of infringing acts adopted by almost all courts.<sup>219</sup> In a case in which the holder of a restored copyright attempted to enforce its rights against a reliance party,<sup>220</sup> it held:

The legislative history of section 104A suggests that Congress understood section 412 to mean that a post-registration act of infringement will not be deemed to have commenced before registration if the infringing activity ceased for an appreciable period of time. In such a case, the copyright owner could recover statutory damages and attorney’s fees for that new, post-registration act of infringement.<sup>221</sup>

In so holding, the court would appear to have recognized the lapse of copyright as beneficial to the work’s owner, providing it with a second bite of the apple upon its registration of copyright. The court attempted to define what was meant through the term “continuing infringement” as a defendant’s infringement

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216. *Id.*

217. *See, e.g.*, *Mason v. Montgomery Data, Inc.*, 741 F. Supp. 1282, 1286 (S.D. Tex. 1990), *aff’d*, 967 F.2d 135 (5th Cir. 1992); *Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc.*, 609 F. Supp. 1325, 1331 (E.D.Pa.), *aff’d on other grounds*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987).

218. *Parfums Givenchy, Inc.*, 832 F. Supp. at 1394 (quoting *Singh v. Famous Overseas, Inc.*, 680 F. Supp. 533, 535 (E.D.N.Y. 1988)).

219. 483 F.3d 150, 158–59 (2d Cir. 2007).

220. 17 U.S.C. § 104A (“[A]ny person who owns a copyright in a restored work or an exclusive right therein may file with the Copyright Office a notice of intent to enforce that person’s copyright or exclusive right or may serve such a notice directly on a reliance party.”).

221. *Troll Co.*, 483 F.3d at 158–59.

that is ongoing without more than “trivial interruption”;<sup>222</sup> it went on to define a “non-trivial period of time”, by reference to the defendant’s acts as nine or ten years.<sup>223</sup> And while the *Troll* court injected equity into its approach on the basis that it would be unfair for a defendant who was of the belief the work was in the public domain until receiving notice was restored under section 104A,<sup>224</sup> there is little apparent support in the legislative history, other than the statement of the chair of the House Subcommittee on Intellectual Property and Judicial Administration, referring to “reliance party” status under section 104A(4):

A key to the reliance party status under this provision is the requirement that the person have continued to engage in the described conduct. This requirement incorporates the continuing infringement doctrine and is also relevant to section 104A(4) concerning statutory damages and attorney’s fees. Under this doctrine and section 104A, the defendant must have engaged in an ongoing series of acts. Cessation of that activity for an appreciable period of time will deprive one of reliance party status.<sup>225</sup>

The *Troll* case, was different than all other cases that preceded it however, as it involved the restoration of a lost copyright and a defendant’s claim it was a reliance party under section 104A and, for this reason, it should not be considered an acceptable departure from application of the bright-line test holding pre-registration infringement disqualifies a plaintiff from seeking statutory damages and attorney’s fees.<sup>226</sup> Indeed, other courts in the Second Circuit consider the very particular circumstances present in *Troll* relating to restoration of a work in the public domain:

The Second Circuit’s holding in *Troll* does not enable U2 Home to avoid the bright-line stricture of [s]ection 412. *Troll* is inapposite. In *Troll*, the plaintiff sought to enforce its recently restored copyright in a line of dolls. The defendant had begun to copy the plaintiff’s dolls at a time when the copyright was in the public domain. Defendant subsequently ceased copying the dolls for nearly a decade, during which time the plaintiff restored its copyright. Defendant then resumed its copying . . . .<sup>227</sup>

*Troll* is the only Second Circuit decision holding that section 412 is avoided,

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222. *Id.* at 159.

223. *Id.*

224. 17 U.S.C. § 104A.

225. *Troll Co.*, 483 F.3d at 158 (quoting 140 *Cong. Rec.* E2263–64 (Oct. 8, 1994) (statement of Rep. William J. Hughes)).

226. *Id.* at 152.

227. *U2 Home Ent., Inc. v. Hong Wei Int’l Trading, Inc.*, No. 04 CIV.6189 JFK, 2008 WL 3906889, at \*15 (S.D.N.Y. Aug. 21, 2008).



and statutory damages and attorney's fees are available, where the infringing activity ceased for an appreciable period of time and then began anew.<sup>228</sup> These circumstances are, however, very particular to a work such as the Troll dolls, that entered the public domain due to lack of a statutory copyright notice, and then found their copyright restored under section 104A.<sup>229</sup> However, even accepting that cessation of infringement for an "appreciable period of time" could allow recovery of statutory damages and attorney's fees, even when infringement commenced prior to registration, at least one court in the Southern District of New York held that a period of infringement of between "eight days to slightly more than ten years" would not be considered an appreciable period of time and permit entitlement to statutory damages and attorney's fees.<sup>230</sup>

## IX. CONCLUSION

It is the burden of the party seeking attorney's fees and statutory damages to prove that the timing of the registration, and the infringement of the copyright, comply with the requirements of section 412.<sup>231</sup> Almost every court to consider the question of whether statutory damages and attorney's fees are barred when an infringement began prior to registration and continued after registration have dealt with the question in a rather sharp and decisive manner, applying as some courts in the Second Circuit have, a so-called bright-line rule.<sup>232</sup> By that rule in order to be entitled to statutory damages and attorney's fees under sections 412, 504, and 505, the plaintiff seeking such extraordinary remedies must establish to the court's satisfaction that the defendant's infringing use commenced after the effective date of the plaintiff's registration or within a three month grace period in the case of a published work.<sup>233</sup> Courts have held, "[s]ection 412 leaves a court 'no room for

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228. *Troll Co.*, 483 F.3d at 159.

229. 12 U.S.C. § 104A(h)(6)(c).

230. *Solid Oak Sketches, LLC v. 2K Games, Inc.*, No. 16CV724-LTS, 2016 WL 4126543, at \*3 (S.D.N.Y. Aug. 2, 2016) (citing *U2 Home Ent., Inc. v. Hong Wei Int'l Trading, Inc.*, No. 04 Civ. 6189(JFK), 2008 WL 3906889, at \*15 (S.D.N.Y. Aug. 21, 2008)).

231. *See Wilson v. Brennan*, 666 F. Supp. 2d 1242, 1264 (D.N.M. 2009).

232. *Solid Oak Sketches, LLC*, 2016 WL 4126543 at \*7; *U2 Home Ent., Inc.*, 2008 WL 3906889, at \*15.

233. *Ushodaya Enters., Ltd. v. V.R.S. Int'l, Inc.*, 64 F. Supp. 2d 352, 353 (S.D.N.Y. 1999), *aff'd*, 2 F. App'x 128 (2d Cir. 2001); *Robert R. Jones Assocs., Inc. v. Nino Homes*, 858 F.2d 274, 281 (6th Cir. 1988); *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 144 (5th Cir. 1992); *Qualey v. Caring Ctr. of Slidell*, 942 F. Supp. 1074, 1075 (E.D. La. 1996); *Parfums Givenchy, Inc. v. C & C Beauty Sales, Inc.*, 832 F. Supp. 1378, 1393 (C.D. Cal. 1993); *Cognotec Servs., Ltd. v. Morgan Guar. Trust Co. of New York*, 862 F. Supp. 45, 52 (S.D.N.Y. 1994); *Singh v. Famous Overseas, Inc.*, 680 F. Supp. 533, 535 (E.D.N.Y. 1988); *Bouchat v. Bon-Ton Dep't Stores, Inc.*, 506 F.3d 315, 331–32 (4th Cir. 2007); *Livingston v. Art.com, Inc.*, No. 13-CV-

discretion, mandating that no attorney's fees or statutory damages be awarded so long as the infringement commenced before the registration."<sup>234</sup>

Aside from the statement of Representative Hughes (the chair of the House Subcommittee on Intellectual Property and Judicial Administration) quoted in *Troll*, there is scant authority to award statutory damages and attorney's fees for any infringement of a copyright that began prior to registration, even if the infringement continued after the date of registration.<sup>235</sup> The *Troll* court's decision may have resulted from an effort to overthink the problem and create a solution that does not appear in 17 U.S.C. §§ 412, 504, or 505. And, doing so would seem to fly in the face of state congressional purpose to encourage early and frequent registrations of copyright.<sup>236</sup>

Still, there are courts that, unfortunately for all litigants, prolong litigation that would likely resolve itself in the absence of entitlement to statutory damages and attorney's fees (by considering whether the post-registration right infringed was different than the pre-registration right, or whether the time between the pre-registration infringement and next post-registration infringement was of consequence).<sup>237</sup> Some of these decisions which avoid a bright-line test for entitlement to statutory damages and attorney's fees might encourage forum shopping.<sup>238</sup> There is a bright-line test applicable to the award of statutory damages and attorney's fees and it should be mechanically applied, without regard to equity on the basis of whether the infringement of a work by a defendant commenced prior to registration. Doing so would enforce the intention of Congress in enacting section 412 and create certainty of result.

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03748-JSC, 2014 WL 3404722, at \*2 (N.D. Cal. July 11, 2014); *Johnson v. Univ. of Va.*, 606 F. Supp. 321, 325 (W.D. Va. 1985).

234. *Wilson*, 666 F. Supp. 2d at 1264 (quoting *Johnson v. Jones*, 149 F.3d 494, 505 (6th Cir. 1998)).

235. *Troll Co.*, 483 F.3d at 158 (2d Cir. 2007); 140 Cong. Rec. E2263, E2264 (Oct. 8, 1994) (statement of Rep. Hughes).

236. *See Whelan Assoc., Inc. v. Jaslow Dental Lab'y, Inc.*, 609 F. Supp. 1325, 1331 (E.D. Pa. 1985), *aff'd on other grounds*, 797 F.2d 1222 (3d Cir. 1986) (stating the purpose of section 412 is to encourage early copyright registration).

237. *See Troll Co. v. Uneeda Doll Co.*, 483 F.3d 150 (2d Cir. 2007).

238. Mike Masnick, *Needed: Bright Line Rule on Mass Infringement Lawsuits to Stop Copyright Troll forum Shopping*, TECHDIRT (Sep. 7, 2011, 1:24 AM), <https://www.techdirt.com/2011/09/07/needed-bright-line-rule-mass-infringement-lawsuits-to-stop-copyright-troll-forum-shopping/> [https://perma.cc/MG6K-RB9H].