

Defending Allegations of Copyright Infringement By Steve Laitinen & Sarah Hornbrook

Today's society admires entrepreneurial efforts. An individual's creative work may be her prized possession or the crowning achievement upon which she has built her professional reputation. Therefore, when a creator believes another has taken ownership of her original idea or work, she may quickly rely on the law to help her protect her claim of ownership. However, mere allegations of infringement are insufficient to form a *prima facie* case of copyright infringement. A defendant in such an action still has several grounds to challenge and refute a plaintiff's claims, and it is of critical importance that a defense attorney be aware of the significant issues that may arise from a copyright infringement claims. This article provides a brief overview of just a few of an advocate's preliminary considerations in defending against allegations of copyright infringement.

The Foundation of a Copyright Infringement Claim

According to 17 U.S.C. § 501 (b), "the legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it." 17 U.S.C. § 501(b). Despite the plaintiff's demonstration that she has standing to sue, she still must overcome several hurdles in the creation of a successful lawsuit against the defendant. Likewise, the defendant may obstruct the plaintiff's bringing of a successful copyright infringement suit at any stage. If the plaintiff succeeds in establishing her standing to sue, she must also choose the proper jurisdiction in which to bring her claim, otherwise it may be instantly defeated by the defendant.

Federal courts generally have federal question subject matter jurisdiction over claims arising out of the Copyright Act. 28 U.S.C. § 1338 (a). However, courts have not barred the arbitration of copyright disputes when the copyright agreement contains an arbitration clause. See Jastremski v. Smith Barney, Inc., 1994 WL 777206 (S.D. Cal. 1994) citing Saturday Evening Post Co. v. Rumbleseat Press, Inc., 816 F.2d 1191, 1198 (holding as "non sequitur" the

argument that copyright claims could not be compelled to arbitration because of Congress' grant of exclusive federal jurisdiction.”); see also McMahon Securities Co. L.P. v. Forum Capital Markets L.P., 35 F.3d 82, 89 (2nd Cir. 1994) (stating that copyright claims are not too complex for arbitration).

Even if a plaintiff successfully establishes her standing to sue and brings her claim in the proper jurisdiction, the defendant may still defeat the claim with several significant defenses. This list, although not exhaustive, represents three of the most common defenses by which a defendant may defeat claims of copyright infringement.

Registration

Before a plaintiff may institute an action for copyright infringement, she must first register her copyright claim. 17 U.S.C. § 411(a). A certificate of registration with the United States Copyright Office creates a rebuttable presumption of copyrightability, and shifts the burden to the defendant to demonstrate why the copyright is not valid. Lotus Development Corp. v. Borland International, Inc., 49 F.3d 807, 813 (1st Cir. 1995); see also 17 U.S.C. § 410 (c). However, the certificate of registration must have been “made before or within five years after [the] first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts in the certificate.” 17 U.S.C. § 410 (c).

If the plaintiff demonstrates she possesses a valid copyright for the allegedly infringed work, the defendant may then rebut the presumption of the copyright's validity by showing that the plaintiff delayed registration. Folio Impressions, Inc. v. Byer California, 937 F.2d 759, 763 (2nd Cir. 1991); Thimbleberries, Inc. v. C & F Enterprises, Inc., 142 F. Supp.2d 1132, 1137 (D. Minn. 2001) (stating that copyright owner's failure to register copyright within five years after the first publication of the work eliminated the presumption of valid copyright, and gave court discretion to decide what evidentiary weight to accord the registration certificate in judging whether the owner has established requisite originality and protectability of the work).

Fair Use

Although a plaintiff may allege copyright infringement, the defendant's "fair use" of a copyrighted work does not constitute infringement. 17 U.S.C. § 107. Fair use is a means through which the defendant may use the copyrighted work "in a reasonable manner without the owner's consent." Hustler Magazine, Inc. v. Moral Majority, 796 F. 2d 1148, 1151 (9th Cir. 1986). A court may determine whether fair use occurred by considering: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107.

Despite the four-point test for determining fair use, no single factor is dispositive, nor are there "bright line" rules for the interpretation of section 107. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577 (1994). Rather, the court should analyze the specific facts of each case in determining whether fair use existed. Id. "If, after applying the four factors, there are no material factual disputes, fair use may be resolved on summary judgment." Hustler, 796 F.2d at 1151.

Statute of Limitations

When defending a claim of copyright infringement, an attorney must also determine the time at which the infringement allegedly occurred. A cause of action for copyright infringement accrues when one has knowledge of a violation or is chargeable with such knowledge. Roley v. New World Pictures, Ltd., 19 F.3d 479, 481 (9th Cir. 1994). If the plaintiff does not commence the civil action for infringement "within three years after the claim accrued," the claim is untimely and the plaintiff is barred from recovering damages that accrued more than three years before she filed her complaint. 17 U.S.C. § 507 (b); Hoste v. Radio Corporation of America, 654 F.2d 11, 11 (6th Cir. 1981).

Conclusion

When an attorney first becomes aware that her client has been sued for copyright infringement, she should determine whether the plaintiff has standing to sue, as well as if the plaintiff brought the claim in the proper jurisdiction. If the plaintiff satisfies standing and jurisdiction prerequisites, the defendant may then assert several affirmative defenses in an attempt to invalidate the claim.

Although copyright infringement lawsuits are highly complex, the defenses of untimely registration, fair use of a copyright, and an expired statute of limitations are just a few of the more significant defenses by which a defendant may defeat a plaintiff's claim. However, because every copyright infringement case is fact-specific, an attorney's thorough evaluation of the claim at the outset is always necessary to determine and prepare the most effective strategy and defense against this complex breed of lawsuit.