UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NORTH DAKOTA

HERITAGE HOMES, LLC, Plaintiff, v. BENJAMIN CUSTOM HOMES, LLC, a/k/a BENJAMIN ANDERSON CUSTOM HOMES, LLC, and BENJAMIN R. ANDERSON, Defendants.	Case No. 3:18-cv-00271-DLH-ARS

RESPONSE OF THE REGISTER OF COPYRIGHTS TO REQUEST PURSUANT TO 17 U.S.C. § 411(b)(2)

On June 24, 2020, pursuant to 17 U.S.C. § 411(b)(2), the Court requested advice from the Register of Copyrights (the "Register") on the following questions (the "Order"):[1]

1. Would the Register have refused registration of U.S. Copyright Registration No. VA 2-027-877 to the Georgetown 3 had the Register known that Heritage Homes, LLC did not disclose that the Georgetown 3 is a mirror image of the Georgetown 1 of Registration No. VAu 1-044-106?

2. Would the Register have refused registration of U.S. Copyright Registration No. VA 2-027-877 to the Georgetown 3 had the Register known that Heritage Homes, LLC did not

[1] Request at 1 (June 24, 2020). The Request was sent to the Office via U.S. mail. This resulted in a delay in the Office receiving the Request due to the COVID-19 pandemic closure of the building in which the Office is housed. Following this closure, the Office has amended its rules to accept requests by email. *See* 37 C.F.R. § 205.14; *see also* Email Rule for Statutory Litigation Notices, 85 Fed. Reg. 10603 (Feb. 25, 2020) (announcing final rule effective May 26, 2020).

disclose that the Georgetown 1 was designed by a third-party company that owned the Moss Bluff of Copyright Registration Nos. VAu 1-286-552 and VAu 1-314-761?[2]

The Register hereby submits her response.

BACKGROUND

I. Examination History

A review of the records of the U.S. Copyright Office ("Copyright Office" or "Office") shows the following:

On March 21, 2016, the Copyright Office received an application to register a set of technical drawings titled "Georgetown 3 – Garage Left." The application identified Heritage Homes, LLC ("Plaintiff") as the work made for hire author of and copyright claimant for the work. The application stated that the Georgetown 3 – Garage Left work was created in 2014 and published on February 15, 2015. The application disclosed that the Georgetown 3 – Garage Left work incorporated preexisting material. It excluded "technical drawing" from the claim and listed registration number VAu 1-037-896 as a previous registration, which was issued by the Office in 2010.[3] The application also included a Note to the Copyright Office, which provided

[2] The Office notes that the registration numbers for the works owned by Design Basics, LLC and known as "Moss Bluff," are VA 1-286-552 and VA 1-314-761, not VAu 1-286-552 and VAu 1-314-761. The designation "VAu" is used for registrations of works in visual arts that are unpublished, and the Moss Bluff works were registered as published works. Heritage Homes, LLC mistakenly used the "VAu" designation in correspondence with the Office and with the Court. The Office's response reflects the correct registration numbers, except when quoting documents that included the "VAu" designation.

[3] On August 23, 2010, Plaintiff applied to register a collection of 19 unpublished works, including a work titled "Georgetown." The application stated that Plaintiff created these works in 2010. It stated that Plaintiff created each work as a work made for hire, and that the author created the "map and/or technical drawing" shown in the deposit. Plaintiff was named as the copyright claimant for each work. The Office registered these 19 works as an "unpublished collection" with an effective date of registration of August 23, 2010. This is indicated by the certificate of registration, which includes titles for 19 separate works and the prefix "VAu" in the registration number, which indicates that these works were unpublished when the claim was received.

additional information regarding the limitations of the claim for Georgetown 3 – Garage Left. The Note stated: "The claimed technical drawings [Georgetown 3 – Garage Left] are a derivative work of the Georgetown technical drawings included in an earlier compilation (VAu 1-037-896)[4] and now the subject of a corrected application concurrently pending under Application No. 1-3198097861 ('Georgetown') and also of concurrently pending Application No. 1-3217571441 ('Georgetown 3')."[5]

On September 19, 2016, Plaintiff sent email correspondence to the Office, requesting two adjustments to Plaintiff's application to register the Georgetown 3 – Garage Left work. First, Plaintiff asked that, "Under Limitation of Copyright Claim/Materials Excluded/Previous Registration, please add the following registrations: VAu 1-314761 - 2005 [and] VAu 1-286552 - 2004," intended to correspond to two works registered with the Copyright Office, both titled "Moss Bluff."[6] Second, Plaintiff requested that "[i]n the Note to CO, add as follows: The Georgetown technical drawings that are the subject of co-pending application 1-3198097861 are a derivative work of the following registrations: VAu 1-314761 (2005); VAu 1-286552 (2004) - now referenced under Previous Registration."[7]

On September 21, 2016, a materials expeditor at the Copyright Office responded by stating, "I have added a note to this claim asking to make the changes that you have requested.

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[4] The application for "Georgetown 3 – Garage Left" described the work registered as VAu 1-037-896 as an "earlier compilation," but as mentioned in footnote 3, the 19 works listed in VAu 1-037-896 were registered as an unpublished collection.

[5] Georgetown 3 – Garage Left, 1-3232132241 Application (Mar. 21, 2016). The Office understands that the "Georgetown" technical drawing that is part of the unpublished collection registered as VAu 1-037-896, is a technical drawing that depicts a work titled "Georgetown 1." "Georgetown 1" was also registered as an architectural work with registration number VAu 1-044-106, which is referenced in the Court's Order.

[6] Email from Ernest W. Grumbles, Attorney for Heritage Homes, LLC, to cop-ad@loc.gov, U.S. Copyright Office (Sept. 19, 2016) (on file with the Office).

[7] *Id.*

When this claim is assigned to a registration specialist, he or she will make the changes to this claim that you have requested."[8]

On December 13, 2016, an Office examiner requested that Plaintiff specify what portions of the Georgetown 3 – Garage Left work were "new and original, as distinct from those elements which are previously registered."[9] Plaintiff responded to the Office's inquiry on January 11, 2017, stating that the Georgetown 3 – Garage Left work consists of "new, original drawings" and providing the following explanation of how the work was created and how it differed from preexisting works:

> (a) VAu 1-037-896 - Multiple Works (included Georgetown listed below)
>
> (b) 1-3198097861 - Georgetown (corrected filing so this design is in its own registration. Depicts a home design.[)][10]
>
> (c) 1-3217571441 - Georgetown 3 - depicts a modification of the above Georgetown design, with these primary changes. The upper level has 3 bedrooms instead of 4. The master bedroom location is different in the Georgetown 3 vs. Georgetown. The master bedroom in Georgetown 3 has a transom window. The laundry location is different in the Georgetown 3 vs. Georgetown. Georgetown 3 has an upper level family room. Georgetown has different window placement along the back of the home, 3 windows in the family room and 1 window in the master bathroom.
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> (d) 1-3232132241 - Georgetown 3 Garage Left - the technical drawings depict a mirror image design of the Georgetown 3. For example, the Georgetown 3 has the garage at right and door on left and the Georgetown 3 Garage Left has the garage at left and door on right.[11]

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[8] Email from Michael Stratmoen, materials expediter, U.S. Copyright Office, to Ernest W. Grumbles (Sept. 21, 2016) (on file with the Office).

[9] Email from Larisa Pastuchiv, Registration Specialist, U.S. Copyright Office, to Ernest W. Grumbles (Dec. 13, 2016) (on file with the Office).

[10] The application submitted under Service Request 1-3198097861 stated that "Georgetown" was created in 2010 by Plaintiff and Design Basics, LLC and that this technical drawing was published on June 24, 2010. Copyright Office regulations state that "[w]here a work has been registered as unpublished, another registration may be made for the first published edition of the work, even if it does not represent a new version." 37 C.F.R. § 202.3(b)(11)(i).

[11] Email from Ernest W. Grumbles to Larisa Pastuchiv (Jan. 11, 2017) (on file with the Office).

Thereafter, the Office registered the Georgetown 3 – Garage Left work with an effective date of registration of March 28, 2016, and assigned registration number VA 2-027-877.[12]

The registration certificate for the Georgetown 3 – Garage Left work states that it was a work made for hire and that "technical drawings" are the new material included in the claim. Within the "Limitations of copyright claim" field, the certificate identifies "technical drawings" as material excluded from the claim and lists as a previous registration the work registered under registration number VAu 1-037-896, which is the registration for an unpublished collection that Plaintiff identified in its original application. The registration certificate does not include registration numbers VA 1-314-761 and VA 1-286-552, corresponding to the Moss Bluff work, which Plaintiff referenced in its correspondence with the Office.

II. The Court's Request

In the Order accompanying the Request, the Court found that "[d]efendants present[ed] a clear, logical chronology of events that demonstrate [Plaintiff] was certainly aware of the Georgetown and Moss Bluff before submitting the [Georgetown 3 – Garage Left] Registration. Heritage also knew the [Georgetown 3 – Garage Left work] was, at a minimum, a derivative work of the Georgetown[,]" but did not disclose "preexisting works, registrations, and authorship."[13] The Court requested that the Register consider whether if the Office had known of the preexisting works, it would have refused to register the claim.

[12] The EDR is the date that the Office received a completed application, the correct deposit copy, and the proper filing fee. 17 U.S.C. § 410(d).

[13] Order Regarding Mot. for Issuance of Request to the Register of Copyrights 5, ECF No. 47.

ANALYSIS

I. Relevant Statute, Regulation and Agency Practice

An application for copyright registration must comply with the requirements of the Copyright Act set forth in 17 U.S.C. §§ 408(a), 409, and 410. Regulations governing applications for registration are codified at 37 C.F.R. §§ 202.1 to 202.24. Further, principles that govern how the Office examines registration applications are found in the *Compendium of U.S. Copyright Office Practices*, which is an administrative manual that instructs agency staff regarding their statutory and regulatory duties and provides expert guidance to copyright applicants, practitioners, scholars, courts, and members of the general public regarding Office practices and related principles of law. The Office publishes regular revisions of the *Compendium of U.S. Copyright Office Practices* to reflect changes in the law and/or Office practices, which are provided for public comment prior to finalization. Here, Plaintiff applied to register the Georgetown 3 – Garage Left work on March 21, 2016. The governing principles the Office would have applied at that time are set forth in the *Compendium of U.S. Copyright Office Practices, Third Edition* ("COMPENDIUM (THIRD)") that was first released in December 2014.

In pertinent part, the statutory requirements for copyright registration dictate that an application for registration shall "in the case of a compilation or derivative work," include "an identification of any preexisting work or works that it is based on or incorporates, and a brief, general statement of the additional material covered by the copyright claim being registered."[14] Under the Copyright Act, a "derivative work" is defined as "a work based upon one or more preexisting works, such as . . . [an] art reproduction, abridgment . . . or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions,

[14] 17 U.S.C. § 409(9).

annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a 'derivative work'."[15]

The COMPENDIUM (THIRD) explains that "[a] claim should be limited if the work contains an appreciable amount of material that was previously published, material that was previously registered, material that is in the public domain, and/or material that is owned by an individual or legal entity other than the claimant who is named in the application,"[16] and that "[i]f the work . . . contains an appreciable amount of unclaimable material,[17] the applicant should identify the unclaimable material that appears in that work and should exclude that material from the claim [by providing] . . . a brief, accurate description of the unclaimable material in the appropriate field/space of the application."[18]

The Copyright Office will register a claim in a derivative work where the deposit material contains new authorship with a sufficient amount of original expression.[19] In the case of derivative works, the "new authorship that the author contributed to the derivative work may be registered, provided that it contains a sufficient amount of original expression, meaning that the derivative work must be independently created and it must possess more than a modicum of creativity."[20] The amount of creativity required for a derivative work is the same as that required for a copyright in any other work. The author must have "contributed something more than a

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[15] 17 U.S.C. § 101 (definition of "derivative work").

[16] U.S. COPYRIGHT OFFICE, COMPENDIUM OF U.S. COPYRIGHT OFFICE PRACTICES § 621 (3d ed. 2014) ("COMPENDIUM (THIRD)").

[17] Unclaimable material is "(i) previously published material; (ii) previously registered material; (iii) material that is in the public domain; and/or (iv) copyrightable material that is not owned by the claimant named in the application." *Id.* Glossary.

[18] *Id.* § 621.1.

[19] *Id.* § 311.1 (citing H.R. REP. NO. 94-1476, at 57 (1976), *reprinted in* 1976 U.S.C.C.A.N. at 5670.).

[20] *Id.* § 311.2 (citing *Waldman Publ'g Corp. v. Landoll, Inc.*, 43 F.3d 775, 782 (2d Cir. 1994)).

'merely trivial' variation."[21] Thus, "the key inquiry is whether there is sufficient nontrivial expressive variation in the derivative work to make it distinguishable from the [preexisting] work in some meaningful way."[22] A claim to register a derivative work that adds only non-copyrightable elements, such as merely changing the size of the preexisting work, is not entitled to copyright registration.[23] Ultimately, whatever the addition is, it must be independently protectable for the derivative work to be registered.

A registration for a derivative work only covers the new creative expression added by the author, not the expression in the preexisting work.[24] The registration will not cover "any previously published material, previously registered material, public domain material, or third party material that appears in the work."[25] While, "[d]erivative works often contain previously published material, previously registered material, public domain material, or material owned by a third party because by definition they are based upon one or more preexisting works,"[26] copyright in the previously mentioned materials resides with the original author.[27]

II. Other Copyright Office Regulations and Practices

The Copyright Office's regulations require applicants to make a "declaration . . . that the information provided within the application is correct to the best of [the applicant's] knowledge."[28] Generally, the Office "accepts the facts stated in the registration materials, unless they are contradicted by information provided elsewhere in the registration materials or in the

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[21] *Id.* (citing *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 102–03 (2d Cir. 1951)).
[22] *Id.* (citing *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513, 521 (7th Cir. 2009)).
[23] *Id.*
[24] *Id.* § 507.2.
[25] *Id.*
[26] *Id.*
[27] 17 U.S.C. § 103(b).
[28] 37 C.F.R. § 202.3(c)(3)(iii) (2019).

Office's records."[29] The Office "generally does not compare deposit copy(ies) to determine whether the work for which registration is sought is substantially similar to another work."[30] Nor does the Office inquire about a work's creation or publication dates without an apparent omission, inconsistency, or contradiction.

When the Office determines that all of the "legal and formal requirements" of title 17 have been met, it will register the copyright claim and issue a certificate of registration under the seal of the Copyright Office.[31] There may be instances during the application process, however, where communication between the applicant and the Office is required.

An applicant may communicate with or respond to the Office through a variety means, including the "Note to the Copyright Office" field. Through this option, an applicant that prepares an online application "may provide additional information that is relevant to the examination process, such as explaining apparent discrepancies in the application or requesting special relief."[32] The Office, however, "generally will not communicate with the applicant if [it] determines that the required information is clearly presented elsewhere in the registration materials."[33] Further,

> [a]s a general rule, the [registration] specialist will communicate with the applicant if he or she discovers that the applicant failed to provide sufficient information in a particular field or space of the application or elsewhere in the registration materials, or if the applicant otherwise failed to meet the registration requirements.[34]

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[29] COMPENDIUM (THIRD) § 602.4(D).

[30] *Id.* § 602.4(C).

[31] 17 U.S.C. § 410(a); COMPENDIUM (THIRD) § 602.

[32] COMPENDIUM (THIRD) § 605.2(A). *See id.* ("If the note contains material information, the specialist may add that information to the registration record with an annotation, or may add a note to the certificate of registration and the online public record indicating that there is correspondence on file with the Office.").

[33] *Id.* § 605.3(A).

[34] *Id.*

For example, when examining an application for a derivative work, "[i]f the scope of the claim is unclear and the issue cannot be addressed with an annotation, the registration specialist will communicate with the applicant."[35]

These communications are retained by the Office and "[t]he registration record will indicate that there is correspondence in the file concerning the registration."[36] If the registration specialist examining the claim adds or amends information within the registration record based on those communications, "the specialist will add a note containing the full name of the person who supplied the information, the organization or individual(s) that the person represents (if any), and the date the information was supplied."[37]

In responding to the Court's questions, the Register applies the foregoing governing statutory and regulatory standards and examining principles.

REGISTER'S RESPONSE TO THE COURT

Based on the foregoing statutory and regulatory standards, and its examining practices, the Register responds to the Court's questions as follows:

Question 1

The Court's first question asks whether the Register would have refused registration of Georgetown 3 – Garage Left had the Register known that Heritage Homes, LLC did not disclose that the Georgetown 3 – Garage Left is a mirror image of the Georgetown 1 of Registration No. VAu 1-044-106?

The Court's question assumes that the Georgetown 3 – Garage Left work is a mirror image of the Georgetown 1 work. Plaintiff informed the Office that the Georgetown 3 – Garage

[35] *Id.* § 621.9.
[36] *Id.* § 605.3(B).
[37] *Id.*

Left work was a mirror image of the work it called Georgetown 3 (Service Request Number 1-3217571441, which was subsequently registered as VA 2-033-106),[38] which itself was a derivative work based on Georgetown 1 (Service Request Number 1-3198097861, now registered as VAu 1-044-106). Plaintiff indicated that the Georgetown 3 work differed from the Georgetown 1 work in numerous ways, including having an additional bedroom, different master bedroom and laundry locations, an upper level family room, and different window placement.

If the Georgetown 3 – Garage Left work is in fact merely the mirror image of Georgetown 1, so that the information provided by Plaintiff to the Office was inaccurate, and the Office had known that fact, it would not have granted a registration for the Georgetown 3 – Garage Left work. The Office will register a claim in a derivative work where the deposit material contains new authorship with a sufficient amount of original expression, which cannot be a "merely trivial" variation on a preexisting work.[39] Taking the mirror image of a preexisting work is a trivial variation that does not satisfy the original authorship requirement for registration.

If, however, the Georgetown 3 – Garage Left work is in fact a mirror image of the Georgetown 3 work, not Georgetown 1, Plaintiff did disclose that information to the Office.[40] As discussed above, an applicant is required to disclaim preexisting material on which a work is

[38] As mentioned above, the application for "Georgetown 3 – Garage Left" was received on March 21, 2016. The claim was approved on January 27, 2017, with an effective date of registration of March 28, 2016. The application, for "Georgetown 3" was received on March 16, 2016, and that claim was approved on March 16, 2017, with an effective date of registration of March 28, 2016.

[39] COMPENDIUM (THIRD) §§ 311.1, 311.2.

[40] The deposits Plaintiff submitted with the application for the "Georgetown 3 – Garage Left" and "Georgetown 3" works appear to show that these works are, for the most part, mirror-images of one another, except that there are additional differences between the two works (*e.g.*, additional window, altered window placement, additional built-in fireplace).

based or which a work incorporates if that material constitutes an appreciable portion of the work and identify what material was added to the preexisting work.[41] In its application, in the Note to Copyright Office field, Plaintiff identified a pending application for Georgetown 1 as a preexisting work on which the Georgetown 3 – Garage Left work was based. In its correspondence with the examiner, Plaintiff also disclosed that the Georgetown 3 – Garage Left work was a mirror image of the Georgetown 3 work and that the Georgetown 3 work was based on, but differed in certain ways from, the Georgetown 1 work.

As explained above, merely making a mirror image of a preexisting work is not ordinarily considered sufficient original authorship. Here, the Office was informed that the Georgetown 3 – Garage Left work was a mirror image of a work that was the subject of a prior pending application for Georgetown 3, and the Office proceeded to register Georgetown 3 – Garage Left. Therefore, if the Georgetown 3 – Garage Left work is in fact a mirror image of the Georgetown 3 work, Plaintiff did not provide inaccurate information to the Copyright Office and the validity of the registration for the Georgetown 3 – Garage Left work cannot be challenged under section 411(b). The Office has a procedure for cancelling a registration if it determines after issuing a registration that the work lacks copyrightable authorship.[42] Here, the Office has examined the deposits Plaintiff submitted with the application for the "Georgetown 3 – Garage Left" and "Georgetown 3" works and has identified several differences between the two works (*e.g.*, additional window, altered window placement, additional built-in fireplace). Because, despite Plaintiff's disclosure, the Office has determined that Georgetown 3 – Garage Left is not merely the mirror image of Georgetown 3, cancellation does not appear to be warranted.

[41] COMPENDIUM (THIRD) § 621.
[42] *Id.* § 1807.4(C).

Question 2

The Court's second question asks if the Office would have registered the Georgetown 3 – Garage Left work if the Office had known that Georgetown 1 was designed by a third-party company that owned the Moss Bluff works, referenced by registration numbers VA 1-314-761 and VA 1-286-552.

As discussed above, an applicant is required to identify and disclaim material that was previously registered or published, material in the public domain, and/or material that is owned by an individual or legal entity other than the claimant who is named in the application, if that material constitutes an appreciable portion of the work for which they seek registration.[43] In an application for a derivative work, the Office determines whether the work that is the subject of the application contains new authorship with a sufficient amount of original expression.[44] If the Office determines there is a sufficient amount of original expression and the other requirements for registration have been met, the Office will issue a registration that covers only the new creative expression added by the author.[45] It is not unusual for a derivative work to be based upon material authored or owned by a third party. An applicant is not required to identify the authors of preexisting works. An applicant is only required to identify preexisting works that constitute an appreciable amount of their work and provide sufficient information for the Office to determine if the derivative work contains enough original authorship to qualify as a derivative work.

[43] COMPENDIUM (THIRD) § 621.
[44] *Id.* § 311.2.
[45] *Id.* § 507.2.

Here, Plaintiff's application for the Georgetown 3 – Garage Left work identified Georgetown 1 and Georgetown 3 as preexisting works on which the Georgetown 3 – Garage Left work was based. Prior to the examination of the application, Plaintiff corresponded with the Office and requested to add the registration numbers for the Moss Bluff works as previously registered works excluded from the claim, and to amend the Note to the Copyright Office field to explain that the Georgetown 1 technical drawings were derivative works of the Moss Bluff works. The Office confirmed receipt of this information from Plaintiff and indicated the examiner would add the information to the application. However, the previous registrations were not included in the registration certificate.

Thus, Plaintiff informed the Office that the Moss Bluff works were previously registered works that were excluded from the copyright claim for the Georgetown 3 – Garage Left work. In correspondence with the Office, Plaintiff also disclosed that the Georgetown 1 work was a derivative of the Moss Bluff works and explained how the Georgetown 3 work differed from the Georgetown 1 work in order to allow the Office to determine if there was sufficient original authorship for the work to be registrable.[46]

In its application for the Georgetown 3 – Garage Left work, Plaintiff made the disclosures required by § 409(9) by disclosing that the Georgetown 3 – Garage Left work submitted for registration contained preexisting works. The statute does not require that the applicant disclose that Georgetown 1, one of the preexisting works on which Georgetown 3 – Garage Left was based, was designed by a third-party that owned the copyright in the Moss Bluff

[46] The correspondence from Plaintiff identified the differences between "Georgetown 3" and "Georgetown 1." Based on that information, the Office was able to determine if there were enough differences between "Georgetown 1" and "Georgetown 3 – Garage Left" to support a registration for Georgetown 3 – Garage Left.

works. Because such a disclosure is not required for registration, the Office would not have refused registration for the Georgetown 3 – Garage Left works if it had known this information.

Dated: December 16, 2020

/s/ Shira Perlmutter
Shira Perlmutter
Register of Copyrights and Director of the
U.S. Copyright Office