UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Verragio, Ltd., Plaintiff, v. Walmart Stores, Inc., et al., Defendants.	Case No. 18-cv-10620 (GHW)

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

On May 18, 2022, pursuant to 17 U.S.C. § 411(b)(2), the Court requested advice from the Register of Copyrights (the "Register") on the following questions regarding U.S. Copyright Registration No. VAu001027588 (the "'588 Registration") for a work titled "AFN-5013R-4" and "Jewelry Engagement [Ring] with Diamonds" (the "Work"), for which Mr. Barry Nisguretsky identified himself as the sole author:

1. Would the Copyright Office have refused the application for the '588 Registration in 2010 if it had known that the design of the center stone diamond in the Work is a so-called round cut diamond that was in the public domain in 2010 and, thus, the Work in its entirety was not designed by Mr. Nisguretsky?
2. Would the Copyright Office have refused the application for the '588 Registration for the Work if it had known in 2010 that the Work is identical to a preexisting, published design known as AFN-5013P (registered with the Office in 2013 as No. VA0001852563), with the exception of the shape of the diamond?

3. Would the Copyright Office have refused the application for the '588 Registration if it had known that the Work is also a variation of another preexisting design, known as AFN-5013R, with the principal difference in the two designs being the design of the shank of the ring?[1]

Based on the information provided by the Court, the examining practices of the Office (as described here), and the public record regarding the registrations identified by the Court, the Register has considered each of the questions submitted by the Court. The Register hereby submits her response.

1. The Office would not have refused registration of the Work based on information that the cut of the diamond was not designed by Mr. Nisguretsky and was in the public domain. The gemstone cut itself is not subject to copyright protection. It was not required to be disclaimed in the application because it is a standard, familiar jewelry design element.
2. The Office would have refused registration of the Work if it had known that the design was based on a preexisting, and previously published, design that the applicant did not disclose to the Office. Because the only differences between the design of the Work in the '588 Registration and the preexisting, previously-published AFN-5013P design are not copyrightable, the Work could not have been registered as a derivative work of that preexisting design. But this conclusion does not strip the AFN-5013R-4

[1] Req. to the Register of Copyrights Pursuant to 17 U.S.C. § 411(b)(2) at 2–4, ECF No. 221 ("Request"). As described in the letter filed by the United States on September 28, 2022, due to the manner in which the Request was transmitted, the Office did not become aware that this Court had sought the Register's advice until September 20, 2022, when it was sent via email in accordance with 37 C.F.R. § 205.14. Letter Regarding Verragio, Ltd. v. Walmart Stores, Inc., 18 Civ. 10620 (GHW), ECF No. 223 ("Letter"). As advised in the Letter, the Office agreed to submit a response to the Court no later than November 21, 2022.

design of coverage by a registration. The Work is covered by the registration for the preexisting design, which is registered as VA0001852563.

3. Finally, the Court seeks information regarding the impact on the '588 Registration of another ring design, described in the Request as the AFN-5013R design. The Office does not have access to the AFN-5013R design or its date of creation or publication, as it has not identified a registration for this design. The Request implies that the design of the shank of the two ring designs may differ. The Office notes that the design of the shank of a ring may contain copyrightable elements, but it does not have sufficient information to opine on whether the specific differences between the shank of the Work and the shank of the AFN-5013R design are sufficient to make the work separately copyrightable. Accordingly, the Office cannot determine whether it would have refused registration of the Work for failure to exclude the AFN-5013R design.

BACKGROUND

I. Examination History

A review of the Copyright Office's records shows the following:

On May 11, 2010, the Office received an application to register a jewelry design titled "Jewelry Engagement [Ring] with Diamonds" or "AFN-5013R-4." The application identified Mr. Nisguretsky as the author and claimant of the Work. It stated that the design was completed in 2010 and that it was unpublished. It did not identify the design as a derivative work or disclose that it incorporated any preexisting copyrightable material. Based on the information provided in the application, the Office had no reason to question the applicant's representations and accepted them as true and accurate. The Office registered the claim with an effective date of

registration ("EDR")[2] of May 11, 2010, and assigned it registration number VAu001027588 (the "'588 Registration").

On March 27, 2013, the Office received another application from Mr. Nisguretsky for a jewelry design titled "AFN-5013P." According to the registration information provided by Mr. Nisguretsky, the AFN-5013P design was created in 2010 and published on January 1, 2010. Mr. Nisguretsky is identified as the author and claimant of the work. No reference to the prior '588 Registration was included in the copyright application, and the registration specialist assigned to review the application had no reason to be aware of it.[3] The Office registered the claim for the AFN-5013P design with an EDR of March 27, 2013, and assigned it registration number VA0001852563 (the "'563 Registration").

II. The Court's Request

In its Request, the Court asked for the Register to assume Mr. Nisguretsky "had knowledge in 2010 of the inaccuracies provided in the application for the '588 Registration and that he was aware of the applicable law and instructions in the Copyright application form, including the instruction specifically requesting disclosure of preexisting material."[4] The Court specified three factual details Mr. Nisguretsky did not disclose in the application for the '588 Registration:

1. **The Diamond Cut:** The center stone diamond featured in the design in the '588 Registration is a "'round brilliant' cut diamond." This "round brilliant" design "has

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

[3] When examining a claim to copyright, the Office generally does not conduct searches to determine whether the work has been previously registered.

[4] Request at 2.

existed since the 1700s," and as such, "was in the public domain in 2010 and was not designed by Mr. Nisguretsky."[5]

2. **The '563 Registration:** As noted above, Mr. Nisguretsky is the author of another jewelry design titled "AFN-5013P," which is registered in the '563 Registration. According to the registration information provided by Mr. Nisguretsky, the design in the '563 Registration was created in 2010 and published on January 1, 2010. The Court states that Mr. Nisguretsky conceded that, "except for the shape of the center diamond," the design in the '563 Registration is "identical" to the design in the '588 Registration, which was also created in 2010.[6]
3. **Preexisting Design:** Finally, according to Mr. Nisguretsky, the design in the '588 Registration is a variation of another preexisting design that "[was designed, manufactured and sold] with a different band at the bottom, or shank, of the ring."[7]

Based on these three omissions, the Court asked whether the information "if known, would have caused the Register of Copyrights to refuse the subject copyright registration."[8] The Court also requests the Register's guidance on whether the Work should have been identified as a derivative work of prior works.

ANALYSIS

I. Relevant Statutes, Regulations, and Agency Practices

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

[5] *Id.* at 2–3.

[6] *Id.* at 3.

[7] *Id.*at 3–4 (alterations in original).

[8] *Id.* at 1.

applications for registration are codified in title 37 of the Code of Federal Regulations at 37 C.F.R. §§ 202.1 to 202.24. The principles that govern how the Office examines registration applications are found in the *Compendium of U.S. Copyright Office Practices*. Mr. Nisguretsky filed his application to register the design in the '588 Registration in 2010. Therefore, the governing principles the Office would have applied at that time are set forth in the *Compendium of U.S. Copyright Office Practices, Second Edition*.[9] In this response, the Register cites the current, third edition of the *Compendium*,[10] which was released and became effective December 22, 2014, and was last updated in 2021, where the relevant practices have not materially changed and cites COMPENDIUM II if the relevant practices have materially changed.

A. Registration of Multiple Versions of a Work

The Copyright Act states: "where the work has been prepared in different versions, each version constitutes a separate work."[11] The law generally protects each version of a work from the moment it is fixed, provided that the new version includes a sufficient amount of new original expression contributed by the author. As an overarching principle, the Office usually requires that separate works, including new versions, be registered separately.[12]

This guidance is dependent on whether the versions of the work are published or unpublished. If any of the prior versions have been published, the applicant generally should submit a separate application, a separate filing fee, and a separate set of deposit copies for each

[9] U.S. COPYRIGHT OFFICE, COMPENDIUM OF COPYRIGHT OFFICE PRACTICES (2d ed. 1988) ("COMPENDIUM II"), https://www.copyright.gov/history/comp/compendium-two-1988-chap600-1900.pdf.

[10] U.S. COPYRIGHT OFFICE, COMPENDIUM OF U.S. COPYRIGHT OFFICE PRACTICES (3d ed. 2021) ("COMPENDIUM (THIRD)"), https://copyright.gov/comp3/docs/compendium.pdf.

[11] 17 U.S.C. § 101 (defining "created").

[12] *See* COMPENDIUM (THIRD) § 511. There are limited exceptions to this rule, including for registration of collective works, published works using the "unit of publication" option, and group registration for serials, newspapers, newsletters, contributions to periodicals, unpublished photographs, published photographs, databases, short online literary works, musical works published on the same album, and secure test items. *See* 37 C.F.R. §§ 202.3(b)(5), 202.4; COMPENDIUM (THIRD) § 511.

version.[13] If, however, all prior versions of a work are unpublished, the applicant may submit the most recent or the most complete version, as that registration will cover any unpublished expression that has been incorporated from prior versions of the same work.[14]

When an applicant submits a registration for a work that contains copyrightable material that appeared in previous published or registered versions of the same work, the application should generally exclude that preexisting material.[15] Similarly, an application to register a work that contains material in the public domain or owned by a third party should generally identify such material and exclude it.[16] Any resulting registration, if granted, will cover only the new material that the author contributed to the current version, and not the materials contained in a prior version, in the public domain, or owned by a third party. With respect to registrations for new versions of a work, the scope of the registration would include only copyrightable changes, revisions, additions, or other modifications that can be identified from the deposit copy for that version.[17]

B. Derivative Works

The Copyright Act defines a "derivative work" as:

> [A] work based upon one or more preexisting works …. A work consisting of editorial revisions, annotations, elaborations, or other modifications which as a whole, represent an original work of authorship, is a "derivative work."[18]

An application for registration of a derivative work shall include "an identification of any preexisting work or works that it is based on or incorporates, and a brief, general statement of the

[13] COMPENDIUM (THIRD) § 512.2.

[14] *Id.* §§ 512, 512.1.

[15] *Id.* § 512.1.

[16] *Id.*

[17] *Id.* § 512.2.

[18] 17 U.S.C. § 101 (defining "derivative work").

additional material covered by the copyright claim being registered."[19] Identifying the new or revised material the author has contributed to a work and any material that is not claimed "is essential to defining the claim that is being registered" and "ensures that the public record will be accurate."[20] At the time Mr. Nisguretsky submitted the application for the '588 Registration, COMPENDIUM II required an application for a derivative work to identify preexisting and new or revised material if the derivative work incorporated "substantial amounts of previously registered, previously published, or public domain material."[21] It defined "substantial" to mean that the preexisting material represents, "in relation to the work as a whole," a "significant portion of the work."[22]

Notably, there are several scenarios where exclusions and disclaimers are not required:

1. "If the applicant intends to register a work that contains a minimal amount of unclaimable material, the applicant need not identify or disclaim that material in the application."[23]

2. There is no need to exclude "uncopyrightable [material], such as facts or mere ideas," or "familiar symbols or designs."[24]

3. Finally, "[i]f it is clear that the claimant is not asserting a claim to copyright in the unclaimable material that appears in the work," even if the claimant does not identify the unclaimable material in the appropriate field/space of the application, "the registration specialist may register the claim without communicating with the applicant."[25] In certain

[19] *Id.* § 409(9).

[20] COMPENDIUM (THIRD) § 621.1.

[21] COMPENDIUM II § 626.02; *see also id.* §§ 306.01, 626.01(a).

[22] *Id.* § 325.01(b) (defining "substantial" in the context of registering derivative computer programs).

[23] COMPENDIUM (THIRD) § 621.2; *see also id.* § 621.9(A)(1).

[24] *Id.* § 621.2; 37 C.F.R. § 202.1(a).

[25] COMPENDIUM (THIRD) § 621.9(A)(2).

cases, the registration specialist may annotate the registration record to clarify the extent of the claim and to identify material that is excluded from the claim.[26]

When examining an application for registration of a derivative work, the Office reviews whether the work contains new authorship with a sufficient amount of original expression to satisfy the requirements for copyrightability.[27] This is the same standard as that required for a copyright in any other work. The author must "contribute[] something more than a 'merely trivial' variation."[28] 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."[29] If granted, a registration for a derivative work covers only the new creative expression added by the author, not the expression in the preexisting work.[30]

II. Register's Responses to Court's Questions

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

Question 1

Had the Office been aware, prior to registration, that "the design of the center stone diamond [in the Work] is a so-called round cut diamond which was in the public domain in 2010 and was not designed by Mr. Nisguretsky," the registration specialist would have registered the claim as submitted. As discussed above, an applicant is generally required to identify any preexisting work or works that a derivative work is based on or incorporates and provide a

[26] *Id.* § 621.9.

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

[28] *Id.* (quoting *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 102–03 (2d Cir. 1951)).

[29] *Id.* (quoting *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513, 521 (7th Cir. 2009)).

[30] *Id.*

general statement of the additional material covered by the copyright being registered.[31] But disclaimers are not required to exclude "uncopyrightable material" such as "familiar symbols or designs."[32] A round cut diamond design with origins in the 18th century is a well-known, standard design that is not copyrightable.[33] Accordingly, Mr. Nisguretsky did not need to identify or disclaim that material in the application.

Question 2

Had the Office been aware, prior to registration, that an "identical" design featuring a different diamond shape was published on January 1, 2010, the registration specialist would not have registered the claim as submitted. Instead, the registration specialist would have corresponded with Mr. Nisguretsky to request that he disclaim the preexisting material and clarify the new material that he added.

As noted above, COMPENDIUM II required an application for a derivative work to identify preexisting and new or revised material if the derivative work incorporated "substantial amounts of previously registered, previously published, or public domain material."[34] With respect to previously published material, COMPENDIUM II advised, "[w]here a work contains material that was published before the date the work being registered was submitted for registration, the application should contain a statement identifying the previously published material."[35] Further, "[s]uch a statement should be given regardless of whether the material for which registration is being sought was created before or after the date of creation of the previously published work."[36]

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[31] *See* 17 U.S.C. § 409(9).

[32] COMPENDIUM (THIRD) § 621.2.

[33] 37 C.F.R. § 202.1(a); COMPENDIUM (THIRD) §§ 313.4(J), 908.2.

[34] COMPENDIUM II § 626.02; *see also id*. §§ 306.01, 626.01(a).

[35] *Id.* § 626.02(a).

[36] *Id.*

In all cases, to be registrable as a derivative work, the new or revised material must represent a sufficient amount of creative expression.

Mr. Nisguretsky created the Work in the '588 Registration in 2010 and submitted it for registration as an unpublished work in May 2010. Prior to submitting the Work for registration, he published the virtually identical design in the '563 Registration in January 2010. It is irrelevant whether Mr. Nisguretsky created the Work simultaneously with or before the design in the '563 Registration. The design in the '563 Registration was published prior to his application for registration of the Work. As a result, Mr. Nisguretsky was required to identify the design in the '563 Registration as a previously-published work in his May 2010 application.[37]

The Office has reviewed the designs for the Work and for the deposit copy in the later '563 Registration. Because the only difference between the two designs is the round cut shape of the diamond stone, which is a standard design element in jewelry, the Work did not include new copyrightable material that would warrant registration as a derivative work.[38] Thus, if the registration specialist had been aware of the previously published design, she would have concluded that the modification did not amount to copyrightable authorship. She would have refused to register the claim in the '588 Registration application, and would have instructed Mr. Nisguretsky to file a new application to register the previously published design (as he subsequently did in 2013 in the application for the '563 Registration), with the appropriate exclusions.[39]

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[37] *See id.*

[38] *See* COMPENDIUM (THIRD) § 311.2; Request at 2–3.

[39] We note that the '563 Registration does not identify the design as a derivative work or disclose that it incorporates preexisting material.

This conclusion does not mean that the Work is not covered by a copyright registration. As noted above, the only difference between the Work and the design in the '563 Registration is the diamond shape. Because the variance does not constitute copyrightable material, the two designs are identical for purposes of registration. Therefore, the registration for the design in the '563 Registration effectively covers the version of the same design in the '588 Registration that includes a round diamond.[40] That means that the relevant EDR for the Work is March 17, 2013, the EDR for the '563 Registration.

Question 3

Had the Office been aware, prior to registration, that the Work is a variation of preexisting design AFN-5013R, that was "designed, manufactured, and sold with a different band at the bottom, or shank, of the ring," the registration specialist would have corresponded with Mr. Nisguretsky to obtain additional information about the preexisting design and the manner in which it differed from the Work. If the Work contained a "substantial amount" of material from a previously registered or previously published work, Mr. Nisguretsky would have been required to exclude the preexisting material from his claim.[41]

The Request explains that the last digit in design number AFN-5013R-4 (the Work) represents a "scalloped" or "lace" shank.[42] The Request references several other shank styles, including the Euro, Lido and classic shanks, but does not specify which style preexisted the

[40] A supplementary registration can be used to "correct or amend the information that appears on the certificate of registration in the fields/spaces marked Author Created, Limitation of Copyright Claim, Nature of Authorship, and/or Material Added to This Work," so long as the authorship described in the revised statement in the application for supplementary registration is registrable. COMPENDIUM (THIRD) § 1802.6(J); *see* 17 U.S.C. § 408(d); 37 C.F.R. § 202.6; COMPENDIUM (THIRD) § 1802. As the new material added in the design for the '588 Registration is not sufficiently creative to be copyrightable, the Office would not issue a supplementary registration to amend the '588 Registration to exclude the previously published design in the '563 Registration.

[41] COMPENDIUM II § 626.02; *see also id*. §§ 306.01, 626.01(a).

[42] Request at 3–4.

Work.[43] The Request also does not contain an image of the preexisting AFN-5013R design, nor has the Register identified any deposits in the Office's possession that depict the preexisting AFN-5013R design. Because the Office does not have sufficient information about the design of the shank in the preexisting AFN-5013R design, it is unable to opine on whether the differences between the shanks in that design and the Work are copyrightable and whether Mr. Nisguretsky was required to exclude that design when he registered the Work in 2010.

The Office is similarly unable to opine on whether Mr. Nisguretsky was required to exclude the preexisting design with a different shank when, in 2013, he applied to register the design in the '563 Registration. If the preexisting AFN-5013R design was published prior to the January 2010 publication date in the '563 Registration and the shank elements of the designs contained copyrightable differences, then he was required to exclude the preexisting design and clarify the nature of the new material added to the preexisting design.[44] Under these circumstances, Mr. Nisguretsky could file an application for supplementary registration to amend the '563 Registration to exclude the previously published design and identify the new material added.[45]

CONCLUSION

After review of the available facts in this action and application of the relevant law, regulations, and the Office's practices, the Register hereby advises the Court that the Office

[43] *Id*. The Register reviewed a website that purports to display images of the various shank styles of Verragio engagement rings. Magen Roccaforte, *Verragio Venetian Collection: Personalize Your Diamond Engagement Ring,* WHITEFLASH, https://www.whiteflash.com/jewelry-education/verragio-venetian-collection-personalize-your-designer-engagement-ring/. The shanks in each of the styles displayed on that website are markedly different, with each containing copyrightable authorship not evident in the other styles.

[44] COMPENDIUM II § 626.02; *see also id*. §§ 306.01, 626.01(a).

[45] *See* 17 U.S.C. § 408(d); 37 C.F.R. § 202.6; COMPENDIUM (THIRD) §§ 1802, 1802.6(J). The Office may decline to issue a supplementary registration when it is aware that there is actual or prospective litigation involving the basic registration (1) if the proposed change would be directly at issue in the litigation, and (2) if the proposed amendment may confuse or complicate the pending dispute. COMPENDIUM (THIRD) § 1802.9(G).

would not have refused the '588 Registration if it had known that the center stone diamond was in the public domain; such material is uncopyrightable and does not need to be excluded in an application. However, the Office would have refused the jewelry design if it had known that the copyrightable elements in the Work in the '588 Registration were identical to a preexisting and previously-registered design that the applicant did not disclose to the Office. In this case, the Work could not have been registered as a derivative work of the design in the '563 Registration because the only differences (the gemstones) are not copyrightable elements. However, the design of the Work in the '588 Registration is protected by the '563 Registration covering the other, preexisting elements.

Although the elements of a shank design can be copyrightable, the Office does not have sufficient information to opine on whether the specific differences between the shank of the design in the '588 Registration and the shank of the AFN-5013R design are sufficiently creative to be copyrightable. Accordingly, the Office cannot determine from the information provided whether it would have refused registration of the Work for failure to exclude the AFN-5013R design.

Dated: November 17, 2022

Shira Perlmutter
Register of Copyrights and Director,
U.S. Copyright Office