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'Dancing Baby' Copyright Case Through A Proper Lens: Part 1

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Law360, New York (June 14, 2017, 11:26 AM EDT) -- The U.S. Supreme Court has been asked to decide whether to grant review of a dispute concerning what analysis, if any, a copyright owner must conduct concerning fair use before sending a Digital Millennium Copyright Act takedown notice. The question presented is: "Whether the Ninth Circuit erred in concluding that the affirmation of a good faith belief that a given use is not authorized by the copyright owner, its agent, or the law, required under § 512(c) of the Digital Millennium Copyright Act ("DMCA"), may be purely subjective and, therefore, that an unreasonable belief — such as a belief formed without consideration of the statutory fair use factors — will not subject the sender of a takedown notice to liability under § 512(f) of the DMCA."

The question presented as framed by the anti-copyright group the Electronic Frontier Foundation somewhat misstates what the Ninth Circuit actually held in the underlying case, and the cert. petition does not actually address the most important issue raised by the case as recently pointed out by the solicitor general's office in its brief on behalf of the United States. The Ninth Circuit's interlocutory opinion merely stated that the question of subjective belief was a fact question, not a legal one. And while there is currently no circuit split since only the Ninth Circuit has addressed whether fair use need be considered at all when an owner sends a takedown notice, the question not raised is more important — whether fair use needs to be proven by the complainant before the sender of a takedown notice can even be accused of sending the takedown notice in bad faith. In an already difficult environment for copyright owners, the court and the public need to be cognizant of the free speech values that meaningful copyright protection promotes and the chilling effect that the surge of online infringement has on creators.

This article, which will be published in two parts, will discuss the reasons why the Ninth Circuit was correct in its holding that the question is one of fact, but will also explore whether a determination of the merits of an affirmative defense should be required at all in the digital whack-a-mole environment.

The first part provides the background and procedural history of the case currently pending before the Supreme Court, as well as a brief primer on the relevant portion of the Digital Millennium Copyright Act. The second part of this article will delve deeper into the existing law surrounding fair use, and the potential implications of the Ninth Circuit decision if affirmed by the court.

Background

In February 2007, plaintiff Stephanie Lenz posted a 29-second video on YouTube.com. The video showed her toddler-aged son dancing to the Prince song "Let's Go Crazy." Universal Music Corp. issued a DMCA takedown notice to YouTube claiming the video violated its copyright. In July 2007, after the video was taken down by YouTube, Lenz sent a counter-notification to YouTube and sued Universal for declaratory judgment under the theory that the use of the song in the video was a fair use of copyrighted material.

On Aug. 20, 2008, the U.S. District Court for the Northern District of California, San Jose Division, was asked to decide whether 17 U.S.C. § 512(c)(3)(A)(v) requires a copyright owner to consider the fair use doctrine before sending a DMCA takedown notification in order to formulate "a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law."[1] The court answered affirmatively, holding that for a copyright owner to proceed under the DMCA with the requisite "good faith," the owner must evaluate whether the material makes fair use of the copyright.[2] The court concluded that an allegation that a copyright owner acted in bad faith by issuing a takedown notice without proper consideration of the fair use doctrine is sufficient to state a misrepresentation claim pursuant to § 512(f) of the DMCA.[3]

On Jan. 24, 2013, that same court was faced with opposing motions for summary judgment from the parties. The court determined, relying on the Ninth Circuit's holding in Rossi v. Motion Picture Association of America Inc., 391 F.3d 1000 (9th Cir. 2004), that the "good faith belief" requirement in § 512(c)(3)(A)(v) encompasses a subjective standard (that is, whether it is reasonable from the perspective of the actual individual), not an objective standard (that is, whether it is reasonable from the perspective of a hypothetical "reasonable" observer).[4] The court explained, in light of Rossi, Universal's mere failure to consider fair use would be insufficient to give rise to liability under § 512(f).[5] Ultimately, the court decided that Lenz was not entitled to summary judgment based on the theory that Universal willfully blinded itself to the possibility that her video constituted fair use of Prince's song.[6] Nor was Universal entitled to summary judgment, as it was a question of fact for trial whether Universal lacked a subjective belief that there was a high probability that any given video might make fair use of a Prince composition.[7]

On appeal, the Ninth Circuit affirmed the district court's denial of the parties' cross-motions for summary judgment.[8] The court explained that the inquiry lies not in whether a court would adjudge the video as a fair use, but whether Universal formed a subjective good faith belief that it was not — a question of fact for the jury, not the court.[9]

Lenz argued that Universal had no subjective belief, one way or another, that the video was a fair use; however, Universal countered that its instructions to employees, while not constituting a formal fair use

checklist of factors, still contained a sufficient consideration of fair use to form a subjective good faith belief.[10] The majority concluded that Universal's actions were enough to raise a genuine issue of fact for the jury to decide whether Universal had a subjective good faith belief that the video was an infringing use, not a fair one.[11]

In its petition for certiorari,[12] Lenz, and the anti-copyright group the Electronic Frontier Foundation representing her mischaracterizes the Ninth Circuit's holding by asserting that the burden of identifying a fair use is on the copyright holder rather than the infringer. In fact, the Ninth Circuit rejected the EFF's argument that failure to consider fair use by itself is sufficient to establish liability under § 512(f).

As discussed in more detail below, in rebuffing the EFF's argument, the court relied on Rossi's holding that "[a] copyright owner cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake."[13] The statute requires actual knowledge that a material misrepresentation has been made to find liability.

The DMCA

The DMCA was created to "facilitate the robust development and world-wide expansion of electronic commerce, communications, research, development, and education in the digital age."[14] Title I of the DMCA "protects the rights of proprietors whose works are exploited over the Internet, by strengthening the protections enjoyed by copyright owners through barring certain anti-circumvention techniques and devices."[15]

Under § 512 of the DMCA, if a copyright holder believes certain content infringes his copyright and wants it removed from an internet site, he must send a written communication — called a notification — to the internet service provider's designated agent.[16] However, the potential infringer is not without remedy if a notification is served. Under § 512(g)(3), the potential infringer may serve a counter-notification detailing the reasons why his post is not infringing, and any applicable defenses.[17] Unless the complaining copyright holder has taken some legal action and so informed the service provider, the service provider must "replace[] the removed material and cease[] disabling access to it not less than 10, nor more than 14, business days following receipt of the counter notice."[18]

In order to enforce the good faith certification requirement of § 512(c)(3)(A)(v) and prevent abuse of the takedown process, both the notification and counter-notification are subject to § 512(f), which imposes liability for knowingly misrepresenting material aspects of the claimed infringement.[19] The counter-notification and "put-back" provisions were specifically designed to ensure a balance between service providers' incentives to remove content and users' interest in maintaining access to non-infringing material.[20]

Unfortunately, the Lenz decision is a giant step toward dismantling this mechanism because it expressly authorizes — indeed encourages — internet users to bring misrepresentation claims rather than utilizing the put-back process when they believe their content makes fair use of a copyrighted work after receiving a takedown notification.

The second part of this article will delve deeper into the existing law surrounding fair use, and the potential implications of the Ninth Circuit decision if affirmed by the court.

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[1] Lenz v. Universal Music Corp., 572 F. Supp. 2d 1150, 1153–54 (N.D. Cal. 2008).

[2] Id. at 1154–55.

[3] Id. at 1155.

[4] Lenz v. Universal Music Corp., No. 5:07-cv-03783-JF, 2013 U.S. Dist. LEXIS 9799, at *18–24 (N.D. Cal. Jan. 24, 2013) (citing Rossi, 391 F.3d 1000).

[5] Id. at *19.

[6] Id. at *23–24.

[7] Id.

[8] Lenz v. Universal Music Corp., 815 F.3d 1145 (9th Cir. 2016). The Ninth Circuit issued its original decision, on September 14, 2015, holding that a copyright holder must consider fair use of a copyright before sending a DMCA takedown notice. Lenz v. Universal Music Corp., 801 F.3d 1126 (9th Cir. 2015). However, the decision was amended on March 17, 2016, when the panel filed (1) an amended opinion and dissent, and (2) an order denying appellant’s petition for panel rehearing and rehearing en banc. Lenz, 801 F.3d at 1145.

[9] Lenz, 815 F.3d at 1153, 1155.

[10] Id. at 1154.

[11] Id.

[12] Petition for a Writ of Certiorari, Lenz v. Universal Music Corp., No. 16-217 (U.S. Aug. 12, 2016) [hereinafter Petition].

[13] Rossi, 391 F.3d at 1005.

[14] S. Rep. No. 105-190, at 1–2 (1998).

[15] Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 12B.01[C][1] (2009).

[16] 17 U.S.C. § 512(c)(3)(A).

[17] 17 U.S.C. § 512(g)(3).

[18] 17 U.S.C. § 512(g)(2)(C).

[19] 17 U.S.C. § 512(f); UMG Recordings, Inc. v. Augusto, 558 F. Supp. 2d 1055, 1065 (C.D. Cal. 2008).

[20] Nimmer & Nimmer, § 12B.07[B][3] (2009).