

## 'Dancing Baby' Copyright Case Through A Proper Lens: Part 2

By David Leichtman and Sherli Furst

*Law360, New York (June 15, 2017, 1:09 PM 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.”



David Leichtman

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.



Sherli Furst

This two-part article discusses the reasons why the Ninth Circuit was correct in its holding that the question is one of fact, but also explores whether a determination of the merits of an affirmative defense should be required at all in the digital whack-a-mole environment. The first half provided 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 delves deeper into the existing law surrounding fair use, and the potential implications of the Ninth Circuit decision if affirmed by the court.

## **Fair Use is an Affirmative Defense, Not a Pleading Requirement**

Fair use began as a judicially created defense and was later codified in the Copyright Act of 1976.[1] But it is not an element of a copyright infringement claim, and never has been.[2]

### ***Copyright Complaint Does Not Require a Fair Use Analysis***

The Supreme Court has stated in no uncertain terms that fair use is an affirmative defense, and the evidentiary burden of proof rests with the potential infringer.[3] The Ninth Circuit has agreed that the burden of proof for an affirmative defense to a civil claim falls on the party asserting the defense.[4]

Essentially, all that is required of a plaintiff in a copyright infringement action is to give a “short and plain statement” of the claim showing that the pleader is entitled to relief.[5] A plaintiff need not overcome an affirmative defense in the complaint; rather, it is the plaintiff’s burden “only to set forth enough factual detail to generate a plausible claim that their exclusive rights ... were violated.”[6] It is then up to the responding party to state any defenses to the claims alleged against it. Thus, in response to a copyright infringement cause of action, the alleged infringing party must assert any defenses, including affirmative defenses, such as fair use.[7]

### ***Sending a DMCA Takedown Notice Does Not Encompass a Higher Burden Than a Federal Infringement Complaint***

In accordance with legal precedent and statutory interpretation, Rossi permits a copyright owner to submit a takedown notice in good faith regardless of whether the use in question is fair.[8] Lenz’s requirement that copyright holders must consider whether the use is fair to act in good faith is clearly inconsistent with this general proposition. The Lenz holding will require copyright holders to undertake a more complex and multifactor analysis to send a simple takedown notice than is required to file a complaint in federal court for infringement. Such a requirement imposes an improper burden on copyright holders. It upsets the balance between protecting creative works and encouraging free speech on the internet by leaving many copyright holders unable to protect their copyrighted works from infringement by internet users.

The Lenz court’s encouragement of circumventing the put-back process by validating litigation in this context comes at no small price; litigation erodes the very framework of the DMCA and subverts the statute’s overall purpose. Indeed, it is the DMCA that is largely responsible for the vast freedom that search engines, e-commerce sites, video portals and social networking platforms have to distribute copyrighted works.[9] Erosion, dismantlement, or both, of the DMCA would not only stifle further internet growth but would likely undo the great strides made since its enactment.

Today, copyright owners send takedown notices requesting that service providers remove and disable access to hundreds of millions of instances of alleged infringement each year.[10] The number of removal requests has increased dramatically since the enactment of § 512. For example, one search engine now “receive[s] removal requests for more URLs every week than [it] did ... from 1998 to 2010 combined.”[11] Technology has come to play a significant role in the notice-and-takedown process, as automated processes that use fingerprinting, hash values, and keyword/metadata searches can identify movies, sound recordings, and other types of content that is being posted and disseminated.[12]

The need to consider fair use may present challenges in the context of automated takedown processes

relied upon by copyright owners to address large-volume infringements, including how such processes might be calibrated to accommodate this requirement.[13] In *Lenz*, the Ninth Circuit was “mindful of the pressing crush of voluminous infringing content that copyright holders face,” and noted “without passing judgment, that the implementation of computer algorithms appears to be a valid and good faith middle ground for processing a plethora of content while still meeting the DMCA’s requirements to somehow consider fair use.”[14] The court further addressed how an algorithm might accommodate fair use, observing that it was “unaware of any [court] decision to date that actually addressed the need for human review.”[15]

All things considered, *Lenz*’s requirement that copyright holders engage in fair use analysis prior to sending a takedown notice will have a chilling effect on copyright holders asserting their rights via the notice and takedown process. Because of the uncertainty surrounding fair use, copyright holders will be disinclined to send takedown notices out of fear of exposing themselves to liability for misrepresentation. Such a chilling effect discourages the creation of original works and their promulgation via the internet.

As the United States pointed out in its recent amicus brief urging the Supreme Court not to grant certiorari in the *Lenz* case, the Ninth Circuit erred by assuming that a copyright owner may be held liable under Section 512(f) for knowingly misrepresenting that it had a “good faith belief” that the challenged material was infringing without first conducting a “fair use” inquiry by that omission alone.[16] Importantly, as the solicitor general noted, if a copyright owner sends a takedown notice but the challenged use is subsequently determined to be a fair use, only in some circumstances could a 512(f) plaintiff show that the copyright owner acted with willful blindness.[17] But the problem with the Ninth Circuit’s analysis is that it assumes a finding of fair use, without first requiring the 512(f) plaintiff to actually prove fair use, as would be required in an infringement suit where the affirmative defense of fair use was raised.[18] The United States concludes: “If petitioner’s video did not actually constitute fair use, respondents’ statement that the video was infringing was not a ‘misrepresent[ation],’ whether or not respondents conducted any fair-use inquiry before sending their takedown notice.”[19] The United States thus concludes that “[t]his case does not provide a suitable vehicle for correcting that mistake, however, because the error potentially benefits petitioner and respondents have not sought review of that aspect of the court of appeals’ decision.”[20]

### **Fair Use Is a Subjective Question of Fact, Not an Objective Question of Law**

There are several reasons why a determination of the merits of an affirmative defense to copyright infringement such as fair use should not be required before sending a takedown notice. An analysis of fair use is at best expensive and time consuming, and at worst completely unpredictable. A fair use defense turns not on hard and fast rules but rather on “an examination of the facts in each case.”[21]

The question of fair use has been appropriately described as the “most troublesome in the whole law of copyright.”[22] Even the chief counsel for YouTube has admitted that “[n]o number of lawyers could possibly determine with a reasonable level of certainty whether all the videos for which we receive disputed takedown notices qualify as fair use.”[23] It is a widely known fact that “fair use determinations are so clouded that one has no sure idea how they will fare until the matter is litigated.”[24]

That is why, time after time, courts have held that “[e]xamining the four [fair use] factors individually, and considering them as a whole in light of the purposes of the Copyright Act and the fair use defense,” is a question of fact.[25]

In *Rossi*, the Ninth Circuit explained that the DMCA encompasses a subjective standard for two reasons. First, courts have traditionally interpreted the phrase “good faith” in other statutes as indicating a subjective standard.[26] Second, the structure of the DMCA suggests Congress intended a subjective standard:

Juxtaposing the “good faith” proviso of the DMCA with the “knowing misrepresentation” provision of that same statute reveals an apparent statutory structure that predicated the imposition of liability upon copyright owners only for knowing misrepresentations regarding allegedly infringing websites. Measuring compliance with a lesser “objective reasonableness” standard would be inconsistent with Congress’s apparent intent that the statute protect potential violators from subjectively improper actions by copyright owners.[27]

As one recent court said, “The high standard for a § 512(f) claim reflects the reality that copyright owners face an uphill battle to protect their copyrights on the internet. ... Without the subjective standard, copyright owners ... could face limitless lawsuits just by policing [their] copyrighted material on the internet.”[28]

The Ninth Circuit was correct in its finding that any analysis of fair use for a takedown notice is a fact-based, subjective determination. In its cert. petition, the Electronic Frontier Foundation attempts to convince the court that the Ninth Circuit’s decision would open the floodgates for a slew of unreasonable claims as grounds for removal of online speech.[29] But it conflates incorrectly “subjective beliefs” with “unreasonable beliefs.” The two are not correlated; a subjective belief is not necessarily unreasonable, just the same as an objective belief may not necessarily be reasonable. And the far more important question is whether the Ninth Circuit erred in requiring this analysis in any event before there is even a finding that the use was fair in the first place. As the United States noted in its amicus brief, “[t]hat assumption was an unexamined premise of the court of appeals’ decision.”[30] It should be reexamined during the remand to the district court.

## **Conclusion**

Requiring copyright holders to engage in a fair use analysis prior to issuing a takedown notification, pursuant to 17 U.S.C. § 512, creates an improper burden on copyright owners to identify what would be an affirmative defense in an infringement action, subverts the overall structure and purpose of the DMCA, and largely serves to dismantle the notice and takedown regime implemented by Congress. It is also an overly expensive and uncertain exercise that is not consistent with the abbreviated notice and takedown procedures of the DMCA. Such a requirement is also in direct conflict with the rules of federal pleading. In mandating that a fair use analysis be undertaken prior to asserting one’s right as a copyright holder, *Lenz* shifts the balance too far in favor of technology platform providers at the expense of copyright protection. As such, it punishes wrongly what copyright protection is designed to incentivize.

---

*David Leichtman is the managing partner of Leichtman Law PLLC in New York. He serves as the chairman of the board of directors for Volunteer Lawyers For The Arts; on the Intellectual Property Owners Association’s Committee on Copyright Practice; and on the New York Intellectual Property Law Association Committees on Patent Litigation and Inventor of the Year (co-chair 2014-2017).*

*Sherli Furst is an associate in the New York office of Robins Kaplan LLP.*

*Additional assistance for this article was provided by Alexander Newman, an associate in Robins Kaplan's New York office.*

*The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.*

[1] See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 576 (1994); *Harper & Row Publrs. v. Nation Enters.*, 471 U.S. 539, 561 (1985); see also *Am. Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 918 (2d Cir. 1994).

[2] See *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1158 (9th Cir. 2007) (holding that in a motion for preliminary injunction, once the moving party has shown a likelihood of success for a copyright infringement claim, the burden shifts to the nonmoving party to show a likelihood that the affirmative defense of fair use will succeed); *Columbia Pictures Indus. v. Miramax Films Corp.*, 11 F. Supp. 2d 1179, 1187 (C.D. Cal. 1998) (“Because fair use is an affirmative defense, Defendants bear the burden of proof on all of its factors.”).

[3] *Campbell*, 510 U.S. at 590.

[4] See *Adobe Sys. v. Christenson*, 809 F.3d 1071, 1078 (9th Cir. 2015); see also 3 *Nimmer & Nimmer*, § 12.11[F] (“[A]s a matter of definition, the defendant bears the burden of proof as to all affirmative defenses....”).

[5] See Fed. R. Civ. P. 8.

[6] *Arista Records, LLC v. Does 1–27*, No. 07-162-B-W, 2008 WL 222283, at \*5 (D. Me. Jan. 25, 2008).

[7] *Lennon v. Premise Media Corp., L.P.*, 556 F. Supp. 2d 310, 320 (S.D.N.Y. 2008).

[8] *Lenz*, 815 F.3d at 1153–54 (citing *Rossi*, 391 F.3d 1000).

[9] See David Kravets, 10 Years Later, Misunderstood DMCA is The Law That Saved the Web, *Wired* (Oct. 27, 2008), <http://www.wired.com/threatlevel/2008/10/ten-years-later/> (noting that the internet and its innovations are largely an outgrowth of the DMCA).

[10] See Section 512 Study: Notice and Request for Public Comment, 80 Fed. Reg. 81,862, 81,864 (Dec. 31, 2015) (noting that in 2013, Google received notices requesting removal of approximately 230 million items).

[11] Google, *How Google Fights Piracy* 15 (2013), <https://docs.google.com/file/d/0BwxyRPFduTN2dVFqYml5UENUeUE/>.

[12] See, e.g., Michael Brown, *White Paper: Audio Fingerprinting*, Maximum PC, Apr. 2009, at 66, <http://dl.maximumpc.com/Archives/MPC0409-web.pdf> (explaining the use of algorithms to create unique “audio fingerprints” to identify sound recordings); Dep’t of Commerce DMCA Multistakeholder Forum, *DMCA Notice-and-Takedown Processes: List of Good, Bad, and Situational Practices*, [https://www.uspto.gov/sites/default/files/documents/DMCA\\_Good\\_Bad\\_and\\_Situational\\_Practices\\_Document-FINAL.pdf](https://www.uspto.gov/sites/default/files/documents/DMCA_Good_Bad_and_Situational_Practices_Document-FINAL.pdf) (discussing use of automated tools to identify infringing material).

[13] Section 512 Study, 80 Fed. Reg. at 81,867.

[14] Lenz, 801 F.3d at 1135, amended by Lenz, 815 F.3d 1145.

[15] Id. (quoting *Disney Enters. v. Hotfile Corp.*, No. 11-20427-CIV-WILLIAMS, 2013 U.S. Dist. LEXIS 172339, at \*156 (S.D. Fla. Aug. 28, 2013)).

[16] Brief for the United States as Amicus Curiae at 17, *Lenz v. Universal Music Corp.*, No. 16-217 (U.S. May 4, 2017) [hereinafter Solicitor General Brief].

[17] Id. at 18.

[18] Id. at 19.

[19] Id. at 19–21.

[20] Id. at 21.

[21] *DC Comics, Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24, 28 (2d Cir. 1982).

[22] *Triangle Publ'ns, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1174 (5th Cir. 1980) (quoting *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661 (2d Cir. 1939)).

[23] Letter from Zahavah Levine, Chief Counsel, YouTube, to Trevor Potter, General Counsel, McCain-Palin 2008 (Oct. 14, 2008), <http://amlawdaily.typepad.com/amlawdaily/files/youtube-letter-20080514.pdf>.

[24] Nimmer & Nimmer, § 12B.08 n.16.

[25] *AP v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537, 561 (S.D.N.Y. 2013); see also *Pullman-Standard v. Swint*, 456 U.S. 273, 288 (1982) (holding that issues of intent are factual matters for the trier of fact); *Triangle Publ'ns*, 626 F.2d at 1175 (whether “there was or was not fair use is normally a finding of fact...”); *Eisenschiml v. Fawcett Publ'ns, Inc.*, 246 F.2d 598, 604 (7th Cir. 1957) (holding that fair use is a question of fact).

[26] Rossi, 391 F.3d at 1004–05.

[27] Id.

[28] *Ouellette v. Viacom Int'l*, No. CV 10-133-M-DWM-JCL, 2012 U.S. Dist. LEXIS 68109, at \*9–10 (D. Mont., Apr. 25, 2012).

[29] See Petition at 13.

[30] Solicitor General Brief at 22.