

10-1-2007

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Recommended Citation

Matt Williams, *The Truth and the Truthiness about Knowing Material Misrepresentations*, 9 N.C. J.L. & TECH. 1 (2007).
Available at: <http://scholarship.law.unc.edu/ncjolt/vol9/iss1/3>

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**THE TRUTH AND THE “TRUTHINESS” ABOUT
KNOWING MATERIAL MISREPRESENTATIONS**

*Matt Williams*¹

In the spring of 2007, MoveOn.org and Brave New Films posted a spoof political attack ad video on YouTube.com. The video, Stop the Falsiness, contained clips of the Comedy Central show, The Colbert Report. Subsequently, Viacom, which owns Comedy Central, sent a “takedown” notice to YouTube alleging that the video infringed Viacom’s copyrights. After YouTube removed the video from its site, MoveOn.org and Brave New Films filed a lawsuit against Viacom alleging that Viacom “knowingly materially misrepresented” that the video was infringing. The plaintiffs took the position that the video was a “self evident fair use.” This Article argues that there is no such thing as a self evident fair use, and that the provision of the Copyright Act that creates liability for making knowing material misrepresentations does not impose liability on copyright owners who ask Internet service providers to remove material from their sites that is arguably noninfringing under the fair use doctrine.

I. INTRODUCTION

Copyright owners use a “notice-and-takedown” process to protect their rights on the Internet.² Congress created this process³

¹ Associate, Mitchell Silberberg & Knupp, L.L.P., Washington D.C. The opinions expressed in this Article are the author’s, and do not necessarily reflect the views of Mitchell Silberberg & Knupp, L.L.P. or its clients. The author would like to thank Russell Frackman, Robert Kasunic, Steve Metalitz, Eric Schwartz, Coriell Wright, and the staff of the North Carolina Journal of Law & Technology.

² This process is codified at 17 U.S.C. § 512 (2000). The statutory structure of the process is discussed in more detail below. See *infra* notes 48–65 and accompanying text.

³ See generally Digital Millennium Copyright Act (“DMCA”), Pub. L. No. 105-304, 112 Stat. 2860 (1998).

to facilitate the availability of creative content online by reducing the unlawful proliferation of infringing material and protecting some online services from unwarranted liability.⁴ When a copyright owner discovers infringing material or activity, the copyright owner may send a takedown notice to an “Internet service provider” (“ISP”) requesting the cessation of the infringement.⁵ Limitations on liability applicable to cooperative ISPs that fit within narrowly defined categories incentivize ISPs to assist copyright owners in this process.⁶ If an ISP removes or denies access to material that an Internet user believes to be non-infringing, the user can demand its replacement by sending the ISP a “counternotice.”⁷

⁴ See *Ellison v. Robertson*, 357 F.3d 1072, 1076 (9th Cir. 2004) (stating that title II of the DMCA “endeavors to facilitate cooperation among Internet service providers and copyright owners”).

⁵ 17 U.S.C. § 512(k) provides two definitions of “service provider.” See *In re Aimster Copyright Litig.*, 252 F. Supp. 2d 634, 659 (N.D. Ill. 2002) (“A plain reading of both definitions reveals that ‘service provider’ is defined so broadly that we have trouble imagining the existence of an online service that *would not* fall under the definitions, particularly the second.”), *aff’d*, 334 F.3d 643 (7th Cir. 2003).

⁶ In order to qualify for the safe harbors, an ISP must be, *inter alia*, “innocent.” *ALS Scan, Inc. v. RemarQ Cmty.*, 239 F.3d 619, 625 (4th Cir. 2001). The liability limitations are discussed in more detail below. See *infra* notes 48–65 and accompanying text.

⁷ 17 U.S.C. § 512(g) empowers Internet users to request the replacement of their material. Questions exist regarding whether the statutory language, which requires a § 512(g) notice to assert that material was removed by “mistake or misidentification,” covers § 512(g) notices asserting noninfringing use. See Mike Scott, Note, *Safe Harbors Under the Digital Millennium Copyright Act*, 9 N.Y.U. J. LEGIS. & PUB. POL’Y 99, 132–33 (2006) (“[I]t is by no means clear that ‘mistake or misidentification’ covers situations where the complainant was simply wrong about the claim of infringement, or where the infringement was not one to which the safe harbors apply.”). However, it is likely that a court would find that it does. Senator John Ashcroft, who proposed amending the notice-and-takedown process to include putback, clearly indicated that Internet users could send counternotices regarding the removal of alleged fair use material based on the belief that it is noninfringing. See 144 CONG. REC. S. 4884, 4889 (daily ed. May 14, 1998) (statement of Sen. Ashcroft) [hereinafter Statement of Senator Ashcroft] (“If material is wrongly taken down . . . because the original notice mistakenly did not take into account that the Internet user was only making a fair use . . . my amendment ensures that the end-user will be

Congress is committed to strong copyright protection online, and the notice-and-takedown process is one manifestation of that commitment.⁸ However, some commentators and advocates maintain that the public does not benefit from Congress's copyright policies.⁹ Opponents of these policies believe that strong copyright protection conflicts with online innovation, liberty, democracy, speech, and community.¹⁰ In order to promote these values, they advocate the repeal of some protections provided by current copyright laws.¹¹ Some of these opponents have specifically targeted the protection provided by the notice-and-takedown process through articles accusing the process of hindering speech by facilitating the removal of content from the

given notice of the action taken, and gives them a right to initiate a process that allows them to put their material back online . . .").

⁸ See Jane C. Ginsburg, *Copyright and Control Over New Technologies of Dissemination*, 101 COLUM. L. REV. 1613, 1618 (2001) (Copyright holders "persuaded Congress that it could foster participation in digital communication only by reinforcing copyright owners' control over the distribution of their works.").

⁹ See, e.g., Fred von Lohmann, *Measuring the Digital Millennium Copyright Act Against the Darknet: Implications for the Regulation of Technological Protection Measures*, 24 LOYOLA L.A. ENT. L. REV. 635 (2004); Pamela Samuelson, *Mapping the Digital Public Domain: Threats and Opportunities*, 66 LAW & CONTEMP. PROBS. 147 (2003); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 LAW & CONTEMP. PROBS. 33 (2003); Lawrence Lessig, *The Architecture of Innovation*, 51 DUKE L.J. 1783 (2002); JESSICA LITMAN, *DIGITAL COPYRIGHT* (2001).

¹⁰ See Adam Mossoff, *Is Copyright Property?*, 42 SAN DIEGO L. REV. 29, 30–31 (2005) (Internet Exceptionalists "maintain that the enforcement of so-called 'traditional' property entitlements on the Internet is, at best, misplaced, and, at worst, dangerous to the freedom and creative potential of this new realm.").

¹¹ See, e.g., Lawrence Lessig, *Free(ing) Culture for Remix*, 2004 UTAH L. REV. 961 (2004); Neil Weinstock Netanel, *Locating Copyright Within the First Amendment Skein*, 54 STAN. L. REV. 1 (2001); Glenn S. Lunney, Jr., *The Death of Copyright: Digital Technology, Private Copying and the Digital Millennium Copyright Act*, 87 VA. L. REV. 813 (2001); Yochai Benkler, *Free As The Air to Common Use: First Amendment Constraints on the Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 354 (1999); Pamela Samuelson, *Intellectual Property and the Digital Economy: Why the Anti-Circumvention Regulations Need To Be Revised*, 14 BERKELEY TECH. L.J. 519 (1999); John Perry Barlow, *The Next Economy of Ideas*, WIRED, Oct. 2000, at 240.

Internet.¹² More recently, the process is being attacked in the courts rather than the law journals.¹³

These attacks utilize 17 U.S.C. § 512(f), a provision that imposes liability and litigation expenses on copyright owners who, in takedown notices, “knowingly materially misrepresent that material or activity is infringing.”¹⁴ Congress intended the provision to be a check on intentional abuses of the notice-and-takedown process.¹⁵ However, critics of online copyright protection are asking courts to apply the provision in circumstances that would render the process ineffective.

In one such lawsuit, the Electronic Frontier Foundation (“EFF”) and the Stanford Law School Center for Internet and Society (“CIS”) recently filed suit against Viacom alleging a violation of § 512(f).¹⁶ The complaint claimed that Viacom should be liable for asking YouTube.com to take down a video produced

¹² See, e.g., Malla Pollack, *Rebalancing Section 512 To Protect Fair Users From Herds of Mice-Trampling Elephants, or a Little Due Process is Not Such a Dangerous Thing*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 547 (2006); Jennifer M. Urban & Laura Quilter, *Efficient Process or “Chilling Effects”? Take-down Notices Under Section 512 of the Digital Millennium Copyright Act*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 621 (2006); John G. Palfrey, Jr. & Robert Rogoyski, *The Move to the Middle: The Enduring Threat of “Harmful” Speech to the End-to-End Principle*, 21 WASH. U. J.L. & POL’Y 31 (2006); Seth F. Kramer, *Censorship by Proxy: The First Amendment, Internet Intermediaries, and the Problem of the Weakest Link*, 155 U. PA. L. REV. 11 (2006).

¹³ See Michael Warnecke, *DMCA’s False Notification Provision Gains Traction in Complaints, Case Law*, 12 ELECTRONIC COM. & L. REP. (BNA) 73 (2007) (describing cases); Catherine Rampell, *Standing Up to Take-down Notices*, WASH. POST, Oct. 19, 2007, at D01 (noting that challenges to copyright claims seem to be increasing “in part because of backlash among users and advocacy groups who say copyright holders are abusing the law and wrongfully taking down content”).

¹⁴ 17 U.S.C. § 512(f) (2000).

¹⁵ See S. REP. NO. 105-190, at 49 (1998) (§ 512(f)—which at the time of the report was § 512(e)—“is intended to deter knowingly false allegations to service providers in recognition that such misrepresentations are detrimental to rights holders, service providers, and Internet users”).

¹⁶ See generally Complaint, *MoveOn.org Civic Action v. Viacom Int’l, Inc.*, No. 3:07-CV-01657 (N.D. Cal. Mar. 21, 2007).

by MoveOn.org and Brave New Films that, according to EFF and CIS, was a fair use of Viacom's copyrighted material (specifically, the Comedy Central show, *The Colbert Report*).¹⁷ EFF's website describes the video, *Stop the Falsiness*, as "a tongue-in-cheek commentary on Colbert's portrayal of the right-wing media"¹⁸

The takedown notice at issue is only a small part of Viacom's efforts to protect its rights against infringement by YouTube.com and its users.¹⁹ These efforts now include pending infringement litigation, the resolution of which will have widespread implications.²⁰ Before filing suit, Viacom notified YouTube of over one hundred thousand infringing videos available on the site.²¹ Viacom later admitted that, due to the overwhelming volume of

¹⁷ *Id.*

¹⁸ Press Release, Elec. Frontier Found., Viacom Admits Error—Takes Steps To Protect Fair Use on YouTube (Apr. 23, 2007), <http://www.eff.org/deeplinks/2007/04/viacom-admits-error-takes-steps-protect-fair-use-youtube>.

¹⁹ See Douglas Lichtman, *The Case Against YouTube: Technology Has To Have Room To Grow, But Bad Intent by Web Providers Must Be Punished*, L.A. TIMES, Mar. 20, 2007, at A19 (describing copyright infringement on YouTube); Ben Fritz & Michael Learmonth, *Showbiz's Site Fright*, VARIETY, Mar. 10, 2007, at 1 (quoting entertainment executives regarding difficulties associated with monitoring infringement on YouTube).

²⁰ See generally Complaint for Declaratory and Injunctive Relief and Damages, Viacom Int'l Inc. v. YouTube, Inc., No. 07-CV-2103 (S.D.N.Y. Mar. 13, 2007); Michael Fricklas, *Our Case Against YouTube*, WASH. POST, Mar. 24, 2007, at A17. YouTube claims to fit within the narrowly defined category of ISPs that qualify for the limitation on liability found at 17 U.S.C. § 512(c) for storage of infringing material at the direction of a user. There are strong arguments that YouTube does not qualify for this safe harbor because, inter alia, it is engaged in far more than "storage" and YouTube receives direct financial benefit from infringing material that it could control. See Ronald A. Cass, *Creative Minds Deserve Common-Sense Legal Protection*, SAN JOSE MERCURY NEWS, Mar. 22, 2007, available at <http://www.viacom.com/news/YouTube%20Litigation/Opinion%20Editorials%20and%20Discussion/Creative%20Minds/default.aspx>.

²¹ Miguel Helft, *Google Calls Viacom Suit on YouTube Unfounded*, N.Y. TIMES, May 1, 2007, at C2; Joe Garafoli, *Viacom Creates Address for Sending YouTube Complaints*, S.F. CHRON., Apr. 24, 2007, at D5.

infringement, Viacom made a few unintentional mistakes, including requesting the removal of *Stop the Falsiness*.²²

To make amends for its mistaken objection to YouTube's performance of *Stop the Falsiness*, Viacom agreed to take steps to allow fair use of its material online²³ by posting on its website information regarding the statutory mechanism by which individuals who feel that their noninfringing material was wrongfully removed in response to a Viacom notice can request the material be replaced.²⁴ In response, MoveOn.org and Brave New Films voluntarily dismissed the suit.²⁵ Thus, the *Stop the Falsiness* litigation came to a speedy end without any judicial analysis of § 512(f).

Nevertheless, the complaint filed by EFF and CIS against Viacom (as well as other complaints recently filed by EFF and others) poses a real threat to the notice-and-takedown process.²⁶ If

²² See Garafoli, *supra* note 21 (Viacom maintains that it has always tried to protect fair uses, and that only 0.01% of its takedown notices to YouTube have been mistakes).

²³ *Id.*

²⁴ Viacom.com, What To Do If You Believe Your Video Was Taken Down From YouTube In Error, <http://origin.www.viacom.com/News/YouTube%20Litigation/Takedown%20Feedback/default.aspx> (last visited Nov. 5, 2007).

²⁵ Notice of Voluntary Dismissal at 2, MoveOn.org Civic Action v. Viacom Int'l, Inc., No. 3:07-CV-01657 (N.D. Cal. Apr. 23, 2007).

²⁶ There are several other recent cases, most filed by EFF, involving similar allegations of violations of § 512(f). See, e.g., Complaint at 13, MP3Tunes, L.L.C. v. EMI Group, PLC, No. 07-CV-1844 (S.D. Cal. Sept. 20, 2007) (alleging that some noninfringing songs were targeted by takedown notice); Amended Complaint at 4, Lenz v. Universal Music Publ'g Group, No. 07-03783 (N.D. Cal. Aug. 15, 2007) (alleging that posting a video to YouTube.com that included the Prince song *Let's Go Crazy* is a "self-evident" fair use); Complaint at 3, Doe v. Geller, No. C-07-CV-02478 (N.D. Cal. May 8, 2007) (alleging that posting a video criticizing an individual claiming to be a psychic that only contained three seconds of material owned by the psychic was noninfringing); Dismissal Order at 1, Diehl v. Crook, No. C-06-6800 (N.D. Cal. Mar. 16, 2007) (regarding, inter alia, § 512(f), after joint stipulation in case involving defendant claiming rights in Fox News video clip in which he appeared); Complaint at 3, Machulis v. Silver, No. 3:07-CV-01235 (N.D. Cal. Mar. 1, 2007) (alleging that posting videos of the dance *The Electric Slide* is a "self evident fair use" and making a claim under § 512(f) against an individual that sent takedown notices regarding the videos).

the argument that takedown notices targeting arguably fair use material give rise to liability under § 512(f) gains traction, copyright owners will not only have to spend millions of dollars reviewing websites and sending out takedown notices,²⁷ but they will also face potential liability and litigation expenses every time a user of their content believes that material removed from the Internet is covered by the fair use exception. Moreover, Internet users would face the same potential § 512(f) liability each time they send a counternotice asserting the fair use defense, because the statute makes § 512(f) applicable to both copyright owners and Internet users.²⁸ Congress did not intend to place such a burden on copyright owners or Internet users.²⁹

Fortunately, the position argued by EFF and CIS has been thoroughly rejected by the U.S. Court of Appeals for the Ninth Circuit. In *Rossi v. Motion Picture Association of America*,³⁰ the court held that the knowing material misrepresentation standard was equivalent to a subjective good faith belief standard.³¹ Thus, “there must be a demonstration of some *actual knowledge* of misrepresentation on the part of the copyright owner.”³² This standard is inconsistent with imposing liability for sending a takedown notice targeting fair use material. Fair use is an affirmative defense to copyright infringement that is extremely fact based and does not lend itself to “bright-line rules.”³³ Even critics of the notice-and-takedown process have stated, “for a complainant

²⁷ See Tom Lowry, *The YouTube Police: Big Media Is Spending Millions On Monitors*, BUS. WK., May 21, 2007, at 42 (providing that Viacom is spending \$100,000 per month to review YouTube for infringement and that NBC Universal is spending over \$1,000,000 per month on global efforts against infringement).

²⁸ 17 U.S.C. § 512(f) (creating liability for “[a]ny person who knowingly materially misrepresents” that material was either infringing or that it was “removed or disabled by mistake or misidentification”).

²⁹ See *ALS Scan, Inc. v. RemarQ Cmty.*, 239 F.3d 619, 625 (4th Cir. 2001) (“[T]he requirements are written so as to reduce the burden of holders of multiple copyrights who face extensive infringement of their works.”); see also Statement of Senator Ashcroft, *supra* note 7.

³⁰ 391 F.3d 1000 (9th Cir. 2004), *cert. denied*, 544 U.S. 1018 (2005).

³¹ *Id.* at 1007.

³² *Id.* at 1005 (emphasis added).

³³ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994).

to ‘know’ with legal certainty that its complaint targets a non-infringing or fair use is often unrealistic, given the complexity of copyright infringement analysis and the famed unpredictability of the fair use defense.”³⁴ Under *Rossi*, a copyright owner should not be liable for sending a takedown notice requesting the removal of material that is noninfringing only due to the applicability of the fair use defense.³⁵

However, the complaint filed against Viacom ignores the *Rossi* opinion in favor of the § 512(f) standard announced in *Online Policy Group v. Diebold*,³⁶ a pre-*Rossi* district court decision from within the Ninth Circuit in which EFF and CIS represented the plaintiffs. The *Diebold* court held that a manufacturer of voting machines was liable under § 512(f) for requesting the removal of internal Diebold e-mails revealing that its machines were faulty because posting the e-mails online was fair use.³⁷ This decision has been repeatedly criticized for its flawed reasoning and inaccurate articulation of copyright law.³⁸ In addition, the

³⁴ Urban & Quilter, *supra* note 12, at 630.

³⁵ There is at least one circumstance in which this is not true. If a copyright owner sent a takedown notice alleging that material was infringing after a court had already declared the material to be a fair use in the same context, liability under § 512(f) could attach. There are also some fair uses that arguably everyone can agree on and know when they see them. For example, most quotations of law review articles in other law review articles are clearly fair use. However, determining which uses are so obviously fair that § 512(f) should apply to them and which are not would create a slippery slope that would be inconsistent with the purpose of § 512 as a whole.

³⁶ 337 F. Supp. 2d 1195 (N.D. Cal. 2004).

³⁷ *Id.* at 1204.

³⁸ See, e.g., Pollack, *supra* note 12, at 564 (calling the case “wrongly decided”). But see Justin Hughes, *Copyright and Incomplete Historiographies: Of Piracy, Propertization, and Thomas Jefferson*, 79 S. CAL. L. REV. 993, 1081 (2006) (calling the *Diebold* opinion “[a] laudable example of a clear property boundary via the fair use doctrine” but also recognizing that “[i]t would have been better if the court had more closely followed section 512(f)”). Despite the fact that *Diebold* is bad law, corporations such as Google reference the *Diebold* decision on their websites in efforts to discourage copyright owners from utilizing the notice-and-takedown process. See Infringement Notification for Web Search and All Other Products, <http://www.google.com/dmca.html#notification> (last visited Nov. 3, 2007) (warning that Diebold had to pay over \$100,000). Small copyright owners have reported that Google’s warnings

opinion's articulation of the § 512(f) standard directly conflicts with *Rossi*.

Thus, judges should reject complaints claiming violations of § 512(f) based on the applicability of the fair use defense. To do otherwise would undermine the notice-and-takedown process that Congress designed to facilitate the removal of infringing material from the Internet as well as the replacement of any wrongfully removed noninfringing material.

By examining the legislative history and statutory structure of the Digital Millennium Copyright Act ("DMCA") in general and of § 512(f) in particular, Part II of this Article demonstrates that Congress did not intend § 512(f) to deter copyright owners or Internet users from asserting their rights. Part III analyzes the *Diebold* and *Rossi* decisions and argues that *Diebold's* reasoning was completely undermined by the Ninth Circuit in *Rossi*. Part III also discusses other cases involving § 512(f), none of which support the arguments of EFF and CIS. Part IV more fully describes the circumstances involved in the § 512(f) complaint filed by EFF and CIS against Viacom and concludes that the complaint articulates claims inconsistent with *Rossi* and the statute. Part V provides a brief overview of the uncertainties implicit in any fair use analysis and explains why the knowing material misrepresentation standard should not apply to cases involving fair use defenses. Finally, Part VI concludes that courts should reject claims for damages under § 512(f) that are based on *Diebold* rather than on *Rossi* and the text of the statute. In addition, Part VI suggests that all interested parties should work together to protect copyrights and fair use online.

discourage them from using the notice-and-takedown process. See Andrew Orlowski, *Parents' Fury at Google's Copyright Roadblock*, THE REGISTER, Oct. 2, 2007, http://www.theregister.co.uk/2007/10/02/google_orkut_dmca/.

II. THE DMCA'S LEGISLATIVE HISTORY AND STATUTORY STRUCTURE

Although the legislative history of the DMCA can be deceptive,³⁹ there are some clear indications of Congress's intentions regarding the legislation as a whole, as well as specific provisions, including § 512(f). This legislative history, when combined with the statutory structure of the DMCA, shows that Congress intended to discourage abuse of the notice-and-takedown process and the putback process without discouraging their use.

A. *The Purpose of the DMCA*

Congress crafted the DMCA, in part, in order to implement the World Intellectual Property Organization ("WIPO") Copyright Treaty ("WCT") and WIPO Performances and Phonograms Treaty ("WPPT").⁴⁰ These treaties "enhance[d] the exploitation and enforcement of exclusive rights in the digital environment"⁴¹ in response to "the questions raised by new economic, social, cultural and technological developments."⁴² In other words, the treaties are the product of an international "recognition that works made available in digital formats may be especially vulnerable to unauthorized copying and redistribution; unless the digital file can be secured against these acts, its susceptibility to unauthorized recirculation may discourage authors from making it digitally available to the general public."⁴³

³⁹ See generally David Nimmer, *Appreciating Legislative History: The Sweet and Sour Spots of the DMCA's Commentary*, 23 CARDOZO L. REV. 909 (2002) (describing perceived deficiencies of the DMCA's legislative history).

⁴⁰ World Intellectual Property Organization Copyright Treaty and World Intellectual Property Organization Performances and Phonograms Treaty, Dec. 20, 1996, S. TREATY DOC. NO. 105-17 (1997) [hereinafter Senate WIPO Treaties].

⁴¹ SAM RICKETSON & JANE C. GINSBURG, II INTERNATIONAL COPYRIGHT LAW AND NEIGHBORING RIGHTS: THE BERNE CONVENTION AND BEYOND 965 (2d ed. 2006).

⁴² Senate WIPO Treaties, *supra* note 40, at 4 (reciting preamble of WIPO Copyright Treaty); see also WORLD INTELLECTUAL PROPERTY ORGANIZATION, GUIDE TO THE COPYRIGHT AND RELATED RIGHTS TREATIES ADMINISTERED BY WIPO AND GLOSSARY OF RELATED RIGHTS TERMS 186 (2003).

⁴³ RICKETSON & GINSBURG, *supra* note 41, at 966.

As a signatory to the treaties, the United States was obligated to pass implementing legislation covering rights management information and technological protection measures used to prevent unauthorized access to, and infringement of, creative content.⁴⁴ Title I of the DMCA, entitled “WIPO Treaties Implementation,” contained provisions doing precisely that.⁴⁵ However, Congress was motivated to do more than what was necessary to implement the treaties due to case law emerging during consideration of the DMCA,⁴⁶ and advocacy by the Clinton administration, ISPs, copyright owners, libraries, and consumer interest groups.⁴⁷ In

⁴⁴ Senate WIPO Treaties, *supra* note 40, at 10–11 (reciting articles 11 and 12 of WIPO Copyright Treaty); *id.* at 35–36 (reciting articles 18 and 19 of WIPO Performances and Phonograms Treaty).

⁴⁵ See 17 U.S.C. § 1201 (2000) (covering technological protection measures); *id.* § 1202 (covering rights management information). Both of these provisions have been written about extensively. See, e.g., June M. Besek, *Anti-Circumvention Laws and Copyright: A Report from the Kernochan Center for Law, Media and the Arts*, 27 COLUM. J.L. & ARTS 385, 389 (2004) (“The United States, in 17 U.S.C. § 1201, prohibits circumvention of technological access controls that protect a copyrighted work. That law also prohibits trafficking in devices to circumvent technological controls that protect access to a copyrighted work or that protect works from being copied, redistributed or otherwise further communicated to the public.”); Jane C. Ginsburg, *The Right To Claim Authorship in U.S. Copyright and Trademark Laws*, 41 HOUS. L. REV. 263, 284 (2004) (“Because accurate and reliable information about the work is essential to its lawful distribution (particularly online), § 1202 identifies that information and protects it against falsification, removal, or alteration.”).

⁴⁶ See, e.g., *Religious Tech. Ctr. v. Netcom On-Line Commc’ns Serv., Inc.*, 907 F. Supp. 1361, 1368–73 (N.D. Cal. 1995) (holding that an ISP that served as a passive conduit for copyrighted material was not a direct infringer of copyright); *Playboy Enters., Inc. v. Frena*, 839 F. Supp. 1552, 1557–59 (M.D. Fla. 1993) (concluding that ISPs can be directly liable for infringement for passive or automatic acts); see also H.R. REP. NO. 105-551, pt. 1, at 11, 24–25 (1998) (discussing cases); Jennifer Bretan, *Harboring Doubts About the Efficacy of § 512 Immunity Under the DMCA*, 18 BERKELEY TECH. L.J. 43, 45–46 (2003) (discussing cases).

⁴⁷ See *WIPO Copyright Treaties Implementation Act: Hearing on H.R. 2281 Before the H. Subcomm. on Telecommunications, Trade, and Consumer Protection of the H. Comm. on Commerce*, 105th Cong. (1998); *WIPO Copyright Treaties and Implementation Act; and Online Copyright Liability Limitation of 1998: Hearing on H.R. 2281 and H.R. 2280 Before the Subcomm. on Courts and Intellectual Property of the H. Comm. on the Judiciary*, 105th Cong. (1997); INFORMATION INFRASTRUCTURE TASK FORCE, INTELLECTUAL

order to address the panoply of copyright-related issues presented by the online environment, Congress found it necessary to clarify the standards of liability for online use of creative materials. It also saw fit to provide copyright owners with a mechanism that would facilitate the removal of infringing material from the Internet should technological protections measures fail to prevent infringing activity.⁴⁸ Congress recognized that a successful information-based economy and culture depends on the availability of creative content, the proliferation of services capable of disseminating the content in a legitimate fashion, and the freedom to engage in lawful uses of the content.⁴⁹ An outgrowth of this recognition was title II of the DMCA (entitled “The Online Copyright Infringement Liability Limitation Act” (“OCILLA”)),

PROPERTY AND THE NATIONAL INFORMATION INFRASTRUCTURE, THE REPORT OF THE WORKING GROUP ON INTELLECTUAL PROPERTY RIGHTS (1995); *see also* LITMAN, *supra* note 9, at 122–45; Nimmer, *supra* note 39, at 921.

⁴⁸ *See* S. REP. NO. 105-190, at 2 (1998) (“The legislation implementing the treaties, Title I of this bill, provides this protection and creates the legal platform for launching the global digital online marketplace for copyrighted works. It will also make available via the Internet the movies, music, software, and literary works that are the fruit of American creative genius. Title II clarifies the liability faced by service providers who transmit potentially infringing material over their networks. In short, Title II ensures that the efficiency of the Internet will continue to improve and that the variety and quality of services on the Internet will expand.”).

⁴⁹ *See* H.R. REP. NO. 105-796, at 72 (1998), *reprinted in* 1998 U.S.C.C.A.N. 639, 649 (“Title II preserves strong incentives for service providers and copyright owners to cooperate to detect and deal with copyright infringements that take place in the digital networked environment. At the same time, it provides greater certainty to service providers concerning their legal exposure for infringements that may occur in the course of their activities.”); S. REP. NO. 105-190, at 8 (“[W]ithout clarification of their liability, service providers may hesitate to make the necessary investment in the expansion of the speed and capacity of the Internet.”); *see also* Corbis Corp. v. Amazon.com, Inc., 351 F. Supp. 2d 1090, 1098 (W.D. Wash. 2004) (describing Congress’s balancing of interests); Nimmer, *supra* note 39, at 967 (discussing Congress’s consideration of the impact of the DMCA on fair use).

which created the notice-and-takedown process and the limitations on liability for cooperative service providers.⁵⁰

B. The Statutory Structure of Title II of the DMCA

The OCILLA, codified at 17 U.S.C. § 512, streamlines online copyright enforcement in a manner that decreases the need for litigation by providing incentives for ISPs to remove or disable access to infringing material upon receipt of takedown notices from copyright owners.⁵¹ Congress designed this process in a manner that encourages its use while also discouraging its abuse.

If a copyright owner sends a valid takedown notice⁵² and the ISP responds in a timely manner as required by the statute,⁵³ the ISP is eligible for limitations on liability in relation to the challenged material.⁵⁴ If an Internet user believes that an ISP removed noninfringing material from the Internet in response to an illegitimate takedown notice, the user may send a counternotice (or

⁵⁰ See S. REP. NO. 105-190, at 21 (stating that Congress intended title II to “balance the need for rapid response to potential infringement with the end users [sic] legitimate interests in not having material removed without recourse”).

⁵¹ For a more thorough discussion of the statutory structure of 17 U.S.C. § 512, see MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12B (2007).

⁵² See 17 U.S.C. § 512(c)(3) (controlling what constitutes a valid notice); see also *infra* notes 58–59 and accompanying text.

⁵³ The statute requires ISPs to respond to takedown notices “expeditiously.” 17 U.S.C. § 512(b)(2)(E), (c)(1)(C), (d)(3).

⁵⁴ 17 U.S.C. § 512 contains five “safe harbors”: § 512(a) applies to “transitory digital network communications,” § 512(b) applies to “system caching,” § 512(c) applies to “information residing on systems or networks at direction of users,” § 512(d) applies to “information location tools,” and § 512(e) provides nonprofit and educational institutions with protections. Courts have found that the notice-and-takedown process is inapplicable to the safe harbor for “transitory digital network communications.” See *Recording Indus. Ass’n of Am., Inc. v. Verizon Internet Serv. Inc.*, 351 F.3d 1229, 1234 (D.C. Cir. 2003); *In re Charter Commc’ns, Inc.*, Subpoena Enforcement Matter, 393 F.3d 771, 773 (8th Cir. 2005); *In re Subpoena to Univ. of N.C. at Chapel Hill*, 367 F. Supp. 2d 945, 948 (M.D.N.C. 2005). ISPs that qualify for a statutory safe harbor are not liable for monetary damages and are subject only to limited injunctive relief. 17 U.S.C. § 512(j).

“putback notice”) requesting the replacement of the material.⁵⁵ Upon receipt of the counternotice, the ISP may repost the material unless the copyright owner informs the ISP within ten to fourteen business days that he or she plans to file a lawsuit.⁵⁶ If the copyright owner does not file suit, the ISP must replace the material or risk exposure to liability for removing the material and/or terminating access.⁵⁷

Although this process seems relatively straightforward, it is replete with not-so-straightforward requirements that copyright owners, ISPs, and Internet users must comply with in order to qualify for the statutory protection. While the requirements are somewhat burdensome, they make the process more usable by creating uniform guidelines and discouraging abuse. For example, ISPs must designate an agent to receive takedown and putback notices with the U.S. Copyright Office⁵⁸ and reasonably implement “a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider’s system or network who are repeat infringers.”⁵⁹

⁵⁵ The statute specifies information that must be included in a counternotice. See *infra* note 60 and accompanying text.

⁵⁶ See 17 U.S.C. § 512(g) (also requiring ISPs to “promptly notify the subscriber that it has removed or disabled access to the material”); H.R. REP. NO. 105-551, pt. 2, at 60 (1998) (An ISP may “cease disabling access to it, between 10 and 14 business days after receiving the counter notification, unless the designated agent receives a further notice from the complaining party that the complaining party has filed an action seeking a court order to restrain the subscriber from engaging in the infringing activity on the service provider’s system or network with regard to the material in question.”).

⁵⁷ See sources cited *supra* note 56.

⁵⁸ See 17 U.S.C. § 512(c)(2) (ISPs must also “mak[e] available through [their] service[s], including on [their] website[s] in a location accessible to the public,” information regarding the designated agent); see also *Ellison v. Robertson*, 357 F.3d 1072, 1080 (9th Cir. 2004) (holding that an ISP who changed its e-mail address for its designated agent without notifying the Copyright Office or posting new address on its website may not be eligible for safe harbors).

⁵⁹ See 17 U.S.C. § 512(i) (an ISP must also “inform[] subscribers and account holders” of the termination policy and “accommodate[] and . . . not interfere with standard technical measures”); see also *Perfect 10, Inc. v. CCBill L.L.C.*, 481 F.3d 751, 758 (9th Cir. 2007) (“We hold that a service provider ‘implements’ a policy if it has a working notification system, a procedure for dealing with DMCA-compliant notifications, and if it does not actively prevent

As for copyright holders and their agents, they must provide ISPs with specified information regarding the alleged infringing material and how to locate it.⁶⁰ The copyright holder must also state that it has a good faith belief that the material is infringing and swear under penalty of perjury that it is “authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.”⁶¹ Similarly, Internet users must provide ISPs with descriptive information and swear under penalty of perjury that they have a good faith belief that the material addressed in a counternotice is noninfringing (i.e., was removed by mistake or misidentification).⁶²

Even the limitations on liability contained in § 512 have built-in requirements that narrow their applicability.⁶³ These

copyright owners from collecting information needed to issue such notifications.”); S. REP. NO. 105-190, at 52 (1998) (“Those who repeatedly or flagrantly abuse their access to the Internet through disrespect for the intellectual property rights of others should know that there is a realistic threat of losing that access.”); David Nimmer, *Repeat Infringers*, 52 J. COPYRIGHT SOC’Y 167 (2005) (attempting to discern the meaning of “repeat infringer”).

⁶⁰ See 17 U.S.C. § 512(c)(3) (takedown notice must “substantially” identify, inter alia, the material that is infringing and provide “reasonably sufficient” information regarding how to locate it while also identifying the infringed work or a “representative list” of infringed works in cases of multiple infringements); see also *CCBill*, 481 F.3d at 761 (holding that notice complies if it contains “mere technical errors” but not if it omits information required by § 512(c)(3)); *ALS Scan, Inc. v. RemarQ Cmty.*, 239 F.3d 619, 625 (4th Cir. 2001) (holding that a takedown notice that alleges that “virtually all” of the material on a site is infringing complies with statute); *Arista Records, Inc. v. MP3Board, Inc.*, No. 00-CV-4660(SHS), 2002 U.S. Dist. LEXIS 16165, at *25 (S.D.N.Y. Aug. 28, 2002) (holding that “[s]olely listing artists names, and neglecting to specify any infringing links or even particular songs” did not comply with statute); *Perfect 10, Inc. v. Cybernet Ventures, Inc.*, 213 F. Supp. 2d 1146, 1180 (C.D. Cal. 2002) (holding that ISP refusing to accept a representative list of works fails to comply with § 512 takedown).

⁶¹ See 17 U.S.C. § 512(c)(3)(A)(v), (vi); see also *CCBill*, 481 F.3d at 761 (holding that a notice that does not include statement under penalty of perjury does not substantially comply with statute).

⁶² See 17 U.S.C. § 512(g)(3) (requiring user to, inter alia, identify the material removed and the location where it resided before removal and state that “the material was removed or disabled as a result of mistake or misidentification”).

⁶³ See 17 U.S.C. § 512(a)–(d); see also NIMMER & NIMMER, *supra* note 51, at §§ 12B.02–12B.05.

requirements are aimed at excluding ISPs that are not “innocent” from the provisions’ benefits.⁶⁴ Thus, ISPs that take active roles in relation to infringing material cannot profit from infringement while claiming the protection of the statute.⁶⁵

These requirements are part of a balanced statute designed to create an effective notice-and-takedown process that is not prone to abuse. However, Congress also included penalties for knowing material misrepresentations regarding the nature of online material in § 512(f). While this provision was undoubtedly designed to prevent abuse, it is also part of a statutory structure designed to facilitate use of the notice-and-takedown process. As will be discussed in detail below, Congress did not intend § 512(f) to discourage use of the process by copyright holders or Internet users.

C. *The Structure and Purpose of § 512(f)*

Section 512(f) states:

Misrepresentations.—Any person who knowingly materially misrepresents under this section—

- (1) that material or activity is infringing, or
- (2) that material or activity was removed or disabled by mistake or misidentification,

shall be liable for any damages, including costs and attorneys’ fees, incurred by the alleged infringer, by any copyright owner or copyright owner’s authorized licensee, or by a service provider, who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.⁶⁶

It is clear from the statutory language that Congress included § 512(f) in the DMCA to ensure that the costs associated with malicious abuse of the notice-and-takedown process would be borne by the abusers. However, the statute and related legislative reports fail to define “knowing material misrepresentation.” In

⁶⁴ *ALS Scan, Inc.*, 239 F.3d at 625.

⁶⁵ See *Costar Group, Inc. v. Loopnet, Inc.*, 373 F.3d 544, 556 (4th Cir. 2004) (analyzing whether ISP’s “gatekeeping” activities rendered it ineligible for safe harbor).

⁶⁶ 17 U.S.C. § 512(f).

fact, only two reports give any real indication of what “knowing material misrepresentation” means, and the language used in each is identical: “This subsection is intended to deter knowingly false allegations to service providers in recognition that such misrepresentations are detrimental to rights holders, service providers, and Internet users.”⁶⁷

Although this explanation could have been more explicit, when combined with the statutory structure and the legislative history describing the overall purpose of the notice-and-takedown provisions, Congress’s intent is clear. Congress aimed to create a notice-and-takedown process that would facilitate legitimate e-commerce by providing copyright owners with a method by which to remove infringing material, providing ISPs with limitations on liability and clear guidelines on what a copyright owner had to do to seek such removal, and providing Internet users with a mechanism to object to removals when they believe that material they placed online should not have been removed due to the fact that it is noninfringing. The statute would fail to achieve these three goals if it allowed wrongdoers on either side to intentionally mislead ISPs regarding the nature of the content or the use at issue. Section 512(f) targets these conscious misrepresentations and discourages them by providing damages to injured parties. However, nothing in § 512(f) itself or in the legislative history indicates that Congress intended to create a process in which copyright owners and Internet users would fear voicing their interests to ISPs due to a high risk of liability. Imposing liability for takedown or counternotices aimed at alleged fair use material would create such fear.

⁶⁷ STAFF OF H. COMM. ON THE JUDICIARY, 105TH CONG., SECTION-BY-SECTION ANALYSIS OF H.R. 2281 AS PASSED BY THE UNITED STATES HOUSE OF REPRESENTATIVES 34 (Comm. Print 1998), *reprinted in* 46 J. COPYRIGHT SOC’Y 167, 635 (1999); S. REP. NO. 105-190, at 49 (1998). One other report implied that the standard is synonymous with knowingly providing “false information.” H.R. REP NO. 105-551, pt. 1, at 27 (1998).

**III. *ROSSI* DEFINES THE KNOWING MATERIAL
MISREPRESENTATION STANDARD AND UNDERMINES
DIEBOLD'S APPLICATION OF § 512(F)**

In *Diebold*, the U.S. District Court for the Northern District of California held that a party knowingly materially misrepresents that content or activity is infringing where it “actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith, that it was making [a] misrepresentation.”⁶⁸ Subsequently, in *Rossi*, the Ninth Circuit Court of Appeals held that a “copyright owner cannot be liable [under § 512(f)] simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake Rather, there must be a demonstration of some *actual knowledge* of misrepresentation on the part of the copyright owner.”⁶⁹ The Ninth Circuit’s holding entirely undermines *Diebold*’s interpretation of § 512(f), and therefore courts should treat *Diebold* as bad law on this point.⁷⁰

A. Online Policy Group v. Diebold Election Systems, Inc.

The facts underlying the *Diebold* court’s interpretation of § 512(f) are disturbing and may have played a large role in the court’s interpretation of the statute.⁷¹ In the aftermath of the 2000 presidential election, which concluded with the U.S. Supreme

⁶⁸ See *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1204 (N.D. Cal. 2004) (citing BLACK’S LAW DICTIONARY 888 (8th ed. 2004), for definitions of “actual” and “constructive” knowledge).

⁶⁹ See *Rossi v. Motion Picture Ass’n of Am.*, 391 F.3d 1000, 1005 (9th Cir. 2004) (citing 17 U.S.C. § 512(f)) (emphasis added), *cert. denied*, 544 U.S. 1018 (2005).

⁷⁰ Although an argument could be made that *Rossi*’s interpretation of § 512(f) was dicta because the issue directly presented to the court was the interpretation of the “good faith belief” requirement of § 512(c), the court’s interpretation of § 512(f) was central to the outcome of the case and subsequently other courts have treated it as a holding. See *infra* notes 143–46 and accompanying text.

⁷¹ See Scott, *supra* note 7, at 131 (“[T]he outcome was probably due more to the high-profile nature of the case than to the inherent effectiveness of the statutory scheme.”); Pollack, *supra* note 12, at 564 (“The decision obviously turned on the court’s distaste for Diebold’s motive in using copyright law, the desire to keep embarrassing material from being made public.”).

Court determining George W. Bush was the winner,⁷² the nation learned that vote-counting can prove to be very problematic. The nightmare created by hanging chads led many to conclude that electronic voting machines were the answer.⁷³ Diebold, Inc. manufactures such electronic voting machines.⁷⁴

In 2003, a hacker acquired an archive of over 13,000 internal Diebold e-mails and posted it online.⁷⁵ Many other Internet users subsequently reposted these e-mails. The e-mails demonstrated that Diebold employees knew that the company's voting machines were flawed and that they took steps to cover up these flaws.⁷⁶ Two students at Swarthmore College were among those who posted the archive. They did so on multiple websites, including their own site for an organization they founded called the Swarthmore Coalition for the Digital Commons, using Internet

⁷² See generally *Bush v. Gore*, 531 U.S. 98 (2000) (per curiam) (holding that a recount of Florida votes mandated by the Florida Supreme Court was unconstitutional on due process and equal protection grounds and that remedying the constitutional deficiencies could not be done without violating Florida election laws).

⁷³ See Tom Zeller, Jr., *Ready or Not (and Maybe Not), Electronic Voting Goes National*, N.Y. TIMES, Sept. 19, 2004, at A1 ("Since the 2000 presidential election and its contentious aftermath, voting systems that record votes directly on a computer—as opposed to those that use mechanical levers or optically scanned paper ballots—have quickly moved to the center of a rancorous debate. The disagreement pits those who see them as unacceptably vulnerable to vote manipulation and fraud against those who see them as an antidote to the wretched hanging chad.").

⁷⁴ *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1197 (N.D. Cal. 2004).

⁷⁵ Diebold claimed that the e-mails were stolen by an "unknown hacker." Opposition to Application for Temporary Restraining Order at 2, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913). It did not allege that the plaintiffs involved in the copyright litigation "stole" the e-mails.

⁷⁶ See Plaintiff's Memorandum of Points and Authorities in Support of Ex Parte Application for a Temporary Restraining Order and Order To Show Cause Re: Preliminary Injunction at 1–2, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913) (discussing e-mails) [hereinafter Ex Parte Memorandum]; Plaintiff's Memorandum of Points and Authorities in Support of Motion for Summary Judgment at 3–5, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913) (discussing e-mails) [hereinafter Plaintiff's Memorandum].

access provided to them by Swarthmore College.⁷⁷ IndyMedia, an online newspaper, provided a link to one of the archive postings in an article criticizing Diebold.⁷⁸

Diebold sent takedown notices to Swarthmore regarding the students' activities⁷⁹ and to another ISP, Online Policy Group, regarding IndyMedia's article.⁸⁰ After Online Policy Group refused to remove the article and informed Diebold that it believed the article to be noninfringing, Diebold sent a takedown notice to Hurricane Electric, which was an "upstream" ISP⁸¹ for Online Policy Group.⁸² Swarthmore had the students remove the archive and all links to the archive from Swarthmore-hosted websites.⁸³ Hurricane Electric indicated that it might terminate Online Policy Group's service (which would have resulted in the removal of more than 1,000 websites from the Internet),⁸⁴ but agreed to await the outcome of the litigation before doing so.⁸⁵ Thus, the IndyMedia article was not taken down.

EFF and CIS filed suit against Diebold on behalf of Online Policy Group and two Swarthmore students, Nelson Pavlovsky and Luke Smith. The suit asked the court to enjoin Diebold from bringing a copyright lawsuit against the plaintiffs, declare the activities of the plaintiffs to be lawful, and award the plaintiffs damages under § 512(f) as well as under the doctrine of "copyright misuse" and state laws against tortious interference with

⁷⁷ Ex Parte Memorandum, *supra* note 76, at 2; *Diebold*, 337 F. Supp. 2d at 1197.

⁷⁸ *Diebold*, 337 F. Supp. 2d at 1198.

⁷⁹ Diebold did not specifically reference the plaintiffs' websites in its notices, but did claim that any hosting of or linking to the archive by Swarthmore websites was infringing. Plaintiff's Memorandum, *supra* note 76, at 6.

⁸⁰ *Id.*

⁸¹ Hurricane Electric provided Online Policy Group with Internet connectivity. Ex Parte Memorandum, *supra* note 76, at 9.

⁸² *Id.* at 6.

⁸³ *Id.* at 3.

⁸⁴ *Id.* at 10.

⁸⁵ *Online Policy Group v. Diebold, Inc.* 337 F. Supp. 2d 1195, 1198 (N.D. Cal. 2004).

contracts.⁸⁶ EFF and CIS did not send counternotices to Swarthmore or Hurricane prior to filing the lawsuit. Instead, EFF and CIS only sent Swarthmore a counternotice after the college publicly stated that it would comply with the statute upon receiving such a notice.⁸⁷

Subsequently, Diebold determined that the archive of e-mails had proliferated beyond control.⁸⁸ It informed the court that it would not file suit against the Swarthmore students and that Swarthmore could replace the material.⁸⁹ It also informed the court that it would not issue any more takedown notices related to the e-mail archive.⁹⁰ Based on Diebold's assurances, the court declared the plaintiffs' motion for a preliminary injunction moot, but it withheld judgment on the declaratory relief and damages issues.⁹¹ Thereafter, both parties filed motions for summary judgment on the remaining issues, including the damages the plaintiffs sought under § 512(f).⁹²

EFF and CIS maintained on behalf of the plaintiffs that the knowing material misrepresentation standard is equivalent to a "likelihood of success" standard, whereby a copyright owner would run afoul of § 512(f) for sending takedown notices in relation to claims for which there is no objective likelihood of success on the merits.⁹³ Under this standard, EFF and CIS argued that "[r]epresenting as infringing that which is in fact a non-

⁸⁶ First Amended Complaint for Injunctive Relief for Intentional Interference with Contract; for Copyright Misuse; for Damages for Misrepresentation of Copyright Claims Under the Digital Millennium Copyright Act; and for Declaratory Relief at 15, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913).

⁸⁷ Plaintiff's Supplemental Memorandum of Points and Authorities in Support of Application for Preliminary Injunction at 2, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913).

⁸⁸ See Memorandum in Support of Defendants' Motion for Summary Judgment at 3, *Diebold*, 337 F. Supp. 2d 1195 (No. C-03004913) [hereinafter Defendants' Memorandum].

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ Order After Case Management Conference, *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004) (No. C-03004913).

⁹² *Id.*

⁹³ *Diebold*, 337 F. Supp. 2d at 1204.

infringing fair use is a misrepresentation subject to damages.”⁹⁴ EFF and CIS also pointed out that Diebold continued to send notices after being made aware of the plaintiffs’ fair use arguments.⁹⁵ Diebold countered that:

[It] could not, as a matter of law, have ‘knowingly’ made misrepresentations of infringement given the [unclear] precedent . . . on the issues of fair use and linking liability. It would be one thing for a plaintiff to attempt to prove that a copyright owner knowingly misrepresented certain factual matters such as whether it owned the published materials or had consented to publication. It is far different for a plaintiff to attempt to prove that the copyright owner knowingly misrepresented the law especially in an area where the legal outcome turns on balancing numerous factors.⁹⁶

In place of the standard suggested by EFF and CIS, Diebold argued that the knowing material misrepresentation standard requires a takedown or putback notice to be “frivolous” for liability to attach.⁹⁷ Diebold took this standard from Rule 11 of the Federal Rules of Civil Procedure, which governs representations made by attorneys or pro se litigants to courts.⁹⁸

The court rejected both parties’ interpretations of § 512(f). It reasoned that a likelihood of success standard “would impermissibly chill the rights of copyright owners,” and that Congress would have explicitly adopted a Rule 11 standard if that was its intent.⁹⁹ Without citing any legislative history, the court “conclude[d] that the statutory language is sufficiently clear on its face and does not require importation of standards from other legal contexts.”¹⁰⁰ The court then held:

A party is liable if it “knowingly” and “materially” misrepresents that copyright infringement has occurred. “Knowingly” means that a party actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith, that it was making misrepresentations. “Material” means

⁹⁴ Plaintiff’s Memorandum, *supra* note 76, at 20.

⁹⁵ *Id.* at 21.

⁹⁶ Defendants’ Memorandum, *supra* note 88, at 16.

⁹⁷ *Id.*

⁹⁸ *Diebold*, 337 F. Supp. 2d at 1204.

⁹⁹ *Id.*

¹⁰⁰ *Id.*

that the misrepresentation affected the ISP's response to a DMCA letter.¹⁰¹

Applying this standard, the court granted summary judgment for the plaintiffs on the issue of Diebold's liability under § 512(f). The court stated that portions of the e-mail archive were "clearly subject to the fair use exception" and that "[n]o reasonable copyright holder could have believed that the portions of the e-mail archive discussing possible technical problems with Diebold's voting machines were protected by copyright."¹⁰²

In other words, the court found Diebold's infringement argument—namely that the students should not have posted the e-mail archive as a whole when they could have selectively posted and commented on only those portions relevant to the voting errors issue¹⁰³—unreasonable and believed that Diebold should have known it to be so.¹⁰⁴ In addition, the court highlighted the fact that Diebold did admit that some of the e-mails in the archive were "subject to the fair use doctrine."¹⁰⁵ This was enough for liability to attach, especially given that the court believed that "Diebold sought to use the DMCA's safe harbor provisions . . . as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property."¹⁰⁶

B. *Rossi v. Motion Picture Association of America*

Given that the *Diebold* opinion was issued on September 30, 2004, and that the appellate arguments and briefing in *Rossi* were complete by May of 2004, the *Diebold* decision played no role in the arguments presented by the *Rossi* parties to the district and appellate courts. Although the Ninth Circuit did not issue its opinion in *Rossi* until one month after the *Diebold* opinion was

¹⁰¹ *Id.* (internal citations omitted).

¹⁰² *Id.* The court's language appears to imply that the court believed that either material of public interest, such as e-mails regarding voting machine errors, or material that is used in a fair manner, is somehow outside of the scope of copyright. This is legally inaccurate.

¹⁰³ Defendants' Memorandum, *supra* note 88, at 8–9.

¹⁰⁴ See *Diebold*, 377 F. Supp. 2d at 1203.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.* at 1204–05.

issued, the appellate court made no mention of the district court's application of § 512(f) to *Diebold*. Thus, it is not surprising that there is no explicit statement in the *Rossi* opinion indicating that the appellate court believed *Diebold* to be wrongly decided. Nevertheless, a review of the facts at issue in *Rossi*—as well as the *Rossi* opinion itself—reveals that, post-*Rossi*, *Diebold* is bad law.

1. *The Facts at Issue in Rossi*

Michael Rossi, a self-described “veteran who suffers from a diagnosed bipolar disorder, making him particularly sensitive to stressful triggers,” operated a website called InternetMovies.com.¹⁰⁷ Mr. Rossi “conceived [the site] as an ‘online magazine’, to promote information about movies and who was putting movies out on the [I]nternet, and providing a graphical directory for people to easily see a compilation of all movies and information available on the [I]nternet.”¹⁰⁸ In early 2001, InternetMovies.com had about 100 members.¹⁰⁹

In March of 2001, an employee of Warner Bros. became aware of InternetMovies.com and informed the anti-piracy division of the Motion Picture Association of America (“MPAA”) that the site appeared to be engaged in infringing activity.¹¹⁰ An employee of the MPAA visited the website and discovered that the site contained statements such as: “Join to download full length movies online now!”¹¹¹ The site also contained images advertising the availability of films such as *Cast Away* and *Hannibal*.¹¹²

Based on the claims made on the InternetMovies.com site, the MPAA sent takedown notices to FlexNet, Rossi's ISP, as well as to Rossi himself.¹¹³ The MPAA did not attempt to download

¹⁰⁷ Appellant's Opening Brief at 3, *Rossi v. Motion Picture Ass'n of Am.*, 391 F.3d 1000 (9th Cir. 2004) (No. 03-16034), *cert. denied*, 544 U.S. 1018 (2005).

¹⁰⁸ *Id.* at 4.

¹⁰⁹ *Rossi v. Motion Picture Ass'n of Am.*, No. 02-00239BMK, 2003 U.S. Dist. LEXIS 12864, at *4 (D. Haw. Apr. 29, 2003).

¹¹⁰ *Id.* at *2–3; Appellant's Opening Brief, *supra* note 107, at 5.

¹¹¹ *Rossi*, 2003 U.S. Dist. LEXIS 12864, at *2–3.

¹¹² *Id.*

¹¹³ Brief of Defendants-Appellees at 5–6, *Rossi*, 391 F.3d 1000 (No. 03-16034).

movies from Rossi's site prior to sending the takedown notices.¹¹⁴ FlexNet notified Rossi that it would terminate his service. Although Rossi never sent a counternotice to FlexNet that complied with the statutory requirements, he did send FlexNet a letter claiming that InternetMovies.com was not infringing copyrights.¹¹⁵ Rossi's website was taken down and Rossi obtained a new service provider.¹¹⁶ Rossi maintained that the site was down for "approximately 1 second to 72 hours."¹¹⁷

After the site went back up, Rossi's membership increased from 100 to approximately 40,000.¹¹⁸ By June of 2001, Rossi was earning \$10,469 per month from the site.¹¹⁹ Rossi advertised that the MPAA had requested the removal of his site from the Internet,¹²⁰ and his marketing apparently paid off. Despite his increased income, Rossi filed suit against the MPAA alleging tortious interference with contractual relations and economic advantage as well as libel, defamation, and intentional infliction of emotional distress.¹²¹ Rossi did not seek damages under § 512(f).

2. *The Rossi Opinions*

As a defense to Rossi's claims, the MPAA argued that it was merely following the notice-and-takedown process established by the DMCA.¹²² The MPAA asked the U.S. District Court for the District of Hawaii to grant summary judgment in its favor "because [it] complied with the DMCA which authorized [it] to send FlexNet a notice requesting that it shut down [the plaintiff's] website."¹²³ Rossi argued that the MPAA was required to conduct an investigation into whether InternetMovies.com actually made

¹¹⁴ *Rossi*, 391 F.3d at 1003.

¹¹⁵ Appellant's Opening Brief, *supra* note 107, at 6–7.

¹¹⁶ *Rossi*, 391 F.3d at 1002.

¹¹⁷ *Id.*

¹¹⁸ *Rossi v. Motion Picture Ass'n of Am.*, No. 02-00239BMK, 2003 U.S. Dist. LEXIS 12864, at *4–5 (D. Haw. Apr. 29, 2003).

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.* at *5.

¹²² *Id.* at *8.

¹²³ *Id.*

movies available for download before sending takedown notices, and that the MPAA's failure to do so exposed it to liability.¹²⁴

The district court, in a brief opinion, rejected Rossi's argument because Rossi "[did] not cite, and the Court [could] not find, any provision in the DMCA which requires a copyright holder to conduct an investigation to establish actual infringement prior to sending a notice to an ISP."¹²⁵ The court reasoned that InternetMovies.com's claims that it made movies available for download and the fact that Rossi admitted that some of his customers believed that movies were available for download on the site demonstrated that the evidence was "more than a sufficient basis to form the required good faith belief."¹²⁶

On appeal, Mr. Rossi's claims drew attention due to the likelihood that the Ninth Circuit, an influential copyright court, would interpret whether the § 512(c) good faith belief standard imposes affirmative obligations on copyright owners to engage in investigative activities prior to sending takedown notices.¹²⁷ In addition to the briefs submitted by the parties, amici curiae briefs were submitted by trade associations representing ISPs and copyright owners.¹²⁸

Rossi maintained that the good faith belief standard does require investigation: "Plaintiff asserts that in order to have the reasonable, justified, good faith belief necessary for the claimed defenses, surely some sort of investigation greater than the bare minimum would be necessary before accusing someone of

¹²⁴ *Id.*

¹²⁵ *Id.* at *8–9.

¹²⁶ *Id.* at *9.

¹²⁷ The author's firm represented the MPAA on appeal in *Rossi*.

¹²⁸ An amici curiae brief in support of Rossi was submitted by NetCoalition and Internet Commerce Coalition, and another was submitted in support of the MPAA by twenty-five organizations of authors and copyright owners, including the Recording Industry Association of America and the Association of American Publishers. Brief Amici Curiae of NetCoalition and Internet Commerce Coalition, *Rossi v. Motion Picture Ass'n of Am.*, 391 F.3d 1000 (9th Cir. 2004) (No. 03-16034), *cert. denied*, 544 U.S. 1018 (2005); Brief of Amici Curiae American Federation of Musicians of the United States and Canada et al. in Support of Appellees and in Support of Affirmance, *Rossi*, 391 F.3d 1000 (No. 03-16034).

violating the law, particularly a law that impacts First Amendment rights.”¹²⁹ He analogized the DMCA’s good faith belief standard to Lanham (Trademark) Act standards requiring counsel to conduct trademark searches prior to applying for registrations.¹³⁰ He also argued, like the defendant in *Diebold*, that the good faith belief standard is equivalent to a Rule 11 standard, which requires plaintiffs to conduct a “reasonable inquiry.”¹³¹ Amici supporting Rossi argued for an even more rigorous standard suggesting the DMCA “requires a good faith belief of infringing use by an individual acting on behalf of the copyright owner or its agent, who has conducted a sufficient review and has sufficient knowledge to form an objectively reasonable good faith belief that use of the material in question is infringing.”¹³²

The MPAA countered that neither of the standards requested by Rossi or the ISP amici were supported by the plain statutory language, rules of statutory construction, or the legislative history of the DMCA.¹³³ The MPAA maintained that the good faith belief standard was a subjective one that looks to whether the copyright owner subjectively believes that material or conduct is infringing.¹³⁴ In order to convince the court that Congress did not intend to include a requirement of objective reasonableness, the MPAA compared the good faith belief requirement of § 512(c) with the knowing material misrepresentation standard of § 512(f).¹³⁵ The MPAA argued that the two standards were opposites: a knowing material misrepresentation is one made in bad faith. Moreover, the MPAA maintained that the counter notification process of § 512(g) itself “reflects an express recognition that takedown notices will not always be correct.”¹³⁶ In other words, Congress included the good faith belief and knowing

¹²⁹ Appellant’s Opening Brief, *supra* note 107, at 6.

¹³⁰ *Id.* at 16.

¹³¹ *Id.* at 18.

¹³² Brief Amici Curiae of NetCoalition and Internet Commerce Coalition, *supra* note 128, at 6–7.

¹³³ Brief of Defendants-Appellees, *supra* note 113, at 9.

¹³⁴ *Id.* at 8–9.

¹³⁵ *Id.* at 20–21.

¹³⁶ *Id.* at 21–22.

material misrepresentation standards to prevent intentionally false takedown and putback notices and included the putback notice process in the first place in order to mitigate takedown notices sent in good faith that were nevertheless incorrect.

The MPAA's amici, twenty-five copyright owner organizations, buttressed the MPAA's arguments and impressed upon the court the negative impact that adopting an objective reasonableness standard would have on online copyright enforcement.¹³⁷ The amici argued that adopting the arguments of Rossi and his amici "would expand, in a manner neither expressed nor intended by Congress, copyright owners' exposure to civil liability for availing themselves of the very remedies Congress carefully crafted in the DMCA."¹³⁸

The Ninth Circuit sided decisively with the MPAA. After stressing that Congress intended the notice-and-takedown process to provide "strong incentives for service providers and copyright owners to cooperate to detect and deal with copyright infringements that take place in the digital networked environment," the court stated that "the 'good faith belief' requirement in § 512(c)(3)(A)(v) encompasses a subjective, rather than objective standard."¹³⁹ The court reached this conclusion, in part, based on the fact that "the overall structure of § 512 supports" it¹⁴⁰:

Juxtaposing the [good faith belief standard] with the [knowing material misrepresentation standard] 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' apparent intent that the statute protect potential violators from *subjectively* improper actions by copyright owners.¹⁴¹

¹³⁷ Brief of Amici Curiae American Federation of Musicians of the United States and Canada et al. in Support of Appellees and in Support of Affirmance, *supra* note 128.

¹³⁸ *Id.*

¹³⁹ *Rossi v. Motion Picture Ass'n of Am.*, 391 F.3d 1000, 1004 (9th Cir. 2004), *cert. denied*, 544 U.S. 1018 (2005).

¹⁴⁰ *Id.* at 1004.

¹⁴¹ *Id.* at 1005 (emphasis in original).

In other words, the *Rossi* court held that Congress only intended to create liability under § 512(f) where the sender of a takedown notice has “actual knowledge” that the claims in the notice are false and did not intend to impose liability for “an unknowing mistake . . . even if the copyright owner acted unreasonably in making the mistake.”¹⁴² When one compares this view with the good faith belief standard, it becomes clear that Congress intended only to require a subjective belief that material is infringing, even if that subjective belief is reached in an unreasonable manner.

C. *Rossi and Other Cases Undermine Diebold on § 512(f)*

The conclusions reached by the Northern District of California in *Diebold* and the Ninth Circuit in *Rossi* interpreting § 512(f)’s knowing material misrepresentation standard could hardly be more different. Whereas the *Diebold* court held that “‘[k]nowingly’ means that a party actually knew, should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith,” the *Rossi* court held that “‘knowingly’” requires “actual knowledge” and that even “unreasonable” actions on the part of copyright owners do not create potential liability under § 512(f) so long as copyright owners do not engage in “subjectively improper actions.”¹⁴³

While it could be argued that *Rossi*’s discussion of § 512(f) is dicta¹⁴⁴ because the issue directly before the court was the meaning of the good faith belief standard of § 512(c), this argument should be rejected. The *Rossi* court based its decision, in large part, on the statutory structure of § 512 as a whole, and concluded that the good faith belief standard and the knowing material misrepresentation standard were opposite sides of the same coin.¹⁴⁵ Moreover, courts subsequently applying *Rossi* have treated the Ninth Circuit’s conclusions regarding § 512(f) as precedent rather

¹⁴² *Id.*

¹⁴³ Compare *Diebold*, 337 F. Supp. 2d at 1204, with *Rossi*, 391 F.3d at 1005.

¹⁴⁴ See Pierre N. Leval, *Judging Under the Constitution: Dicta About Dicta*, 81 N.Y.U. L. REV. 1249, 1256 (2006) (“A dictum is an assertion in a court’s opinion of a proposition of law which does not explain why the court’s judgment goes in favor of the winner.”).

¹⁴⁵ *Rossi*, 391 F.3d at 1005.

than dicta.¹⁴⁶ In addition, even courts treating the knowing material misrepresentation standard of § 512(f) prior to *Rossi* disagreed with *Diebold*.¹⁴⁷

All of this adds up to *Diebold*'s treatment of § 512(f) being bad law.¹⁴⁸ Complaints alleging violations of § 512(f) should conform their language to the *Rossi* court's interpretation of the provision and any complaint that alleges a claim under § 512(f) based on *Diebold*'s interpretation should be rejected.¹⁴⁹

¹⁴⁶ See, e.g., *Dudnikov v. MGA Entm't, Inc.*, 410 F. Supp. 2d 1010, 1012 (D. Colo. 2005) ("In *Rossi*, the Ninth Circuit held that the good faith standard under § 512(c) is a subjective rather than objective standard based on the fact that a cause of action for improper infringement notifications under § 512(f) is expressly limited to those situations where the copyright owner's notification is a 'knowing' and 'material' misrepresentation. Thus, as long as MGA acted in good faith belief that infringement was occurring, there is no cause of action under § 512(f)." (citation omitted)); see also *Bio-Safe One, Inc. v. Hawks*, No. 07-6764(DC), 2007 U.S. Dist. LEXIS 88032, at *29-32 (S.D.N.Y. Nov. 29, 2007) (knowing material misrepresentation requires "intentionally and knowingly" misrepresenting infringement).

¹⁴⁷ See, e.g., *Arista Records, Inc. v. MP3Board, Inc.*, No. 00-CV-4660(SHS), 2002 U.S. Dist. LEXIS 16165, at *46 (S.D.N.Y. Aug. 29, 2002) (granting summary judgment for defendant on § 512(f) claim where defendant mistakenly listed a link as leading to an infringing song when it did not because "there [was] no evidence that any misrepresentation by the [defendant] was made knowingly"). Some may cite the Fourth Circuit's opinion in *ALS Scan, Inc. v. RemarQ Cmty.*, 239 F.3d 619, 625 (4th Cir. 2001), in support of *Diebold*'s interpretation, however the court there merely stated that an Internet user would have a claim under § 512(f) if the copyright owner's "claims about infringing material prove[d] to be false." The court did not expand on what it meant by "false" and thus the opinion could just as easily support *Rossi* rather than *Diebold*.

¹⁴⁸ See Leval, *supra* note 144, at 1258 (Stare decisis "requires that once a court has decided a case based on a proposition of law, the court must thereafter adhere to that proposition of law, deciding like cases in like manner (unless it takes the rare step of disavowing and overruling the proposition).").

¹⁴⁹ See *Jones v. Bock*, 127 S. Ct. 910, 920 (2007) ("A complaint is subject to dismissal for failure to state a claim if the allegations, taken as true, show the plaintiff is not entitled to relief.").

IV. MOVEON.ORG & BRAVE NEW FILMS V. VIACOM

As discussed above,¹⁵⁰ EFF and CIS filed a complaint in the Northern District of California alleging that Viacom knowingly materially misrepresented to YouTube in a takedown notice that a video produced by MoveOn.org and Brave New Films was infringing.¹⁵¹ The video was a spoof political attack ad aimed at the Comedy Central show *The Colbert Report*¹⁵² and its faux cable-news anchorman Stephen Colbert. This complaint was filed in the midst of a larger lawsuit filed by Viacom against YouTube and its parent company, Google, for massive amounts of infringement.¹⁵³

The video at issue, *Stop the Falsiness*,¹⁵⁴ jokingly criticizes Colbert, who refers to himself as “a steamroller of truth” that knows the “truthiness”¹⁵⁵ of things based on gut instinct. The video asks “what if [Colbert’s] gut is lying?” It also calls Colbert a “shrill, partisan, anti-bear extremist” and a “threat to journalism.”¹⁵⁶ At one point in the video, an activist says, “truthiness Stephen, it’s more like falsiness.” The entire video is an obvious joke. *The Colbert Report* itself is a satirical half hour of laughs that critiques right wing media personalities like Fox News’ Bill O’Reilly and Sean Hannity by portraying Colbert as an outrageously conservative purveyor of “truthiness,” and the video was seeking to ride the show’s coattails and thereby present a more effective political message. Nevertheless, the video did contain multiple clips from *The Colbert Report*, a Viacom property that is a frequent target of wholesale infringement on YouTube.

¹⁵⁰ See *supra* notes 16–25 and accompanying text.

¹⁵¹ Complaint, *supra* note 16.

¹⁵² The Colbert Report, http://www.comedycentral.com/shows/the_colbert_report/index.jhtml (last visited Oct. 30, 2007).

¹⁵³ See Complaint for Declaratory and Injunctive Relief and Damages, *supra* note 20 (seeking one billion dollars in damages for copyright infringement).

¹⁵⁴ *Stop the Falsiness*, <http://falsiness.org/> (last visited Oct. 30, 2007).

¹⁵⁵ See Truthiness, <http://en.wikipedia.org/wiki/Truthiness> (last visited Oct. 30, 2007) (“Truthiness is a satirical term that U.S. television comedian Stephen Colbert created in 2005 to describe things that a person claims to know intuitively or ‘from the gut’ without regard to evidence, logic, intellectual examination, or facts (similar to the meaning of ‘bellyfeel,’ a Newspeak term from George Orwell’s *1984*).”).

¹⁵⁶ Colbert jokingly calls bears “killing machines” on his show.

When YouTube removed the video from its website in response to one of over one hundred thousand total takedown notices sent by Viacom,¹⁵⁷ MoveOn.org and Brave New Films enlisted EFF and CIS to object on their behalf. Rather than contacting Viacom to discuss the takedown notice or filing a counternotice, EFF and CIS filed suit on March 21, 2007. The complaint sought declaratory and injunctive relief as well as damages under § 512(f).¹⁵⁸

The following day, Viacom sent a response letter to EFF and CIS. The letter indicated that Viacom had no record of requesting the removal of the video, and that it had “no problem” with the use of the clips in the video.¹⁵⁹ However, Viacom stated that “compliance with the DMCA process, or, at least, a communication directly to [Viacom] about the clip to ascertain [Viacom’s] position would have been less wasteful of scarce judicial resources.”¹⁶⁰

Viacom subsequently discovered that the video was removed by YouTube in response to a Viacom takedown notice.¹⁶¹ Viacom informed EFF and CIS that the takedown notice mistakenly targeted the video and agreed to provide information regarding fair use and counternotices on its website, thanking EFF and CIS for their “help in making sure [Viacom’s] policies are state of the art and respectful of situations where it appears that good faith end users are entitled to the fair use defense.”¹⁶² In addition, Viacom stated that “[r]egardless of the law of fair use, [Viacom has] not generally challenged users of Viacom copyrighted material where the use or copy is occasional and is a creative, newsworthy or

¹⁵⁷ See Garafoli, *supra* note 21.

¹⁵⁸ Complaint, *supra* note 16, at 4.

¹⁵⁹ Letter from Michael D. Fricklas, Executive Vice President & Gen. Counsel, Viacom, to Fred von Lohmann, Senior Intellectual Prop. Attorney, Elec. Frontier Found. (Mar. 22, 2007), *available at* http://www.eff.org/files/filenode/moveon_v_viacom/viacom_response_letter.pdf.

¹⁶⁰ *Id.*

¹⁶¹ Letter from Michael D. Fricklas, Executive Vice President & Gen. Counsel, Viacom, to Fred von Lohmann, Senior Intellectual Prop. Attorney, Elec. Frontier Found. (Apr. 11, 2007), *available at* http://www.eff.org/files/filenode/moveon_v_viacom/0411_letter_fvl.pdf

¹⁶² *Id.*

transformative use of a limited excerpt for non-commercial purposes.”¹⁶³

Because Viacom reached an agreement with EFF and CIS and their clients, the case was voluntarily dismissed.¹⁶⁴ However, complaints involving claims under § 512(f) for takedown notices in which the material at issue may be noninfringing based on a fair use defense are becoming more commonplace.¹⁶⁵ Thus, it is important to analyze the merit of such claims under the applicable legal standard as announced in *Rossi*, and the *MoveOn.org v. Viacom* dispute is a great example case to analyze.

The complaint filed by EFF and CIS alleged that Viacom had violated the knowing material misrepresentation standard because Viacom “knew or should have known” that *Stop the Falsiness* was a “self-evident fair use.”¹⁶⁶ This allegation is problematic for two reasons. First, as discussed above, the *Diebold* court’s holding that a “knew or should have known” standard satisfies § 512(f) is no longer good law after the Ninth Circuit interpreted § 512(f) to require “actual knowledge” that material is noninfringing.¹⁶⁷ Second, it is virtually impossible for a copyright owner or a user of copyrighted material, or either party’s counsel for that matter, to have actual knowledge that a use is fair prior to litigating the issue.¹⁶⁸ There is, quite simply, no such thing as a “self-evident

¹⁶³ Letter from Mark C. Morill, Senior Vice President & Deputy Gen. Counsel, Viacom, to Fred von Lohmann, Senior Intellectual Prop. Attorney, Elec. Frontier Found. (Apr. 17, 2007), available at http://www.eff.org/files/filenode/moveon_v_viacom/0417_letter_fvl.pdf. For a discussion of the meaning of the term “transformative,” see Matt Williams, *Recent Second Circuit Opinions Indicate That Google’s Library Project Is Not Transformative*, 25 CARDOZO ARTS & ENT. L.J. 304 (2007).

¹⁶⁴ Press Release, Elec. Frontier Found., *supra* note 18.

¹⁶⁵ See Rampell, *supra* note 13.

¹⁶⁶ Complaint, *supra* note 16, at 4.

¹⁶⁷ See *supra* notes 139–43 and accompanying text.

¹⁶⁸ See David Nimmer, “*Fairest of Them All*” and Other Fairy Tales of Fair Use, 66 LAW & CONTEMP. PROBS. 263 (2003) (describing difficulties of determining fair uses and predicting outcomes of fair use litigation); see also Brief of Amici Curiae Intellectual Property Law Professors at 24, *Cartoon Network v. Cablevision*, No. 07-1480-CV(L) (2d Cir. June 8, 2007) (“The ‘fair use’ doctrine, for example, is notoriously fact-specific, making it virtually impossible to predict *ex ante* how a court in any particular case would apply the

fair use.” Thus, under *Rossi*, a copyright owner cannot violate the knowing material misrepresentation standard of § 512(f) even if activity that the copyright owner maintained was infringing in a takedown notice is subsequently determined to be fair by a court. A brief overview of the fair use doctrine supports this conclusion as well.

V. A BRIEF OVERVIEW OF THE UNCERTAINTY INHERENT IN FAIR USE ANALYSES

A comprehensive look at fair use is outside the scope of this Article.¹⁶⁹ However, a brief overview is necessary to punctuate why fair use is a necessarily unpredictable defense that is inconsistent with the knowing material misrepresentation standard of § 512(f).

Fair use originated as a common law doctrine developed by judges “to perform the vital constitutional goal of ensuring that the balance between encouraging authors to create through the grant of a limited monopoly and the need to permit reasonable, unconsented-to and uncompensated uses by second authors and the public is not upset by overbroad assertion of rights.”¹⁷⁰ In other words, the doctrine protects uses that are “of a character that serves the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives

four statutory factors in deciding whether or not to immunize particular [uses] from liability.”); BRUCE P. KELLER & JEFFREY P. CUNARD, COPYRIGHT LAW: A PRACTITIONER’S GUIDE § 8.1 (2001) (“[W]hat one judge in his or her personal view regards as ‘fair use’ may sharply contrast with what another judge down the hall may think.”).

¹⁶⁹ For a more thorough recent look at fair use case law after 1976, see Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005*, 156 U. PA. L. REV. (forthcoming 2007). For less recent reviews, see ALLAN LATMAN, FAIR USE OF COPYRIGHTED WORKS, COPYRIGHT LAW REVISION STUDY NO. 14, reprinted in STUDIES PREPARED FOR THE SUBCOMM. ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE S. COMM. ON THE JUDICIARY, 86TH CONG. (Comm. Print 1960) and WILLIAM F. PATRY, THE FAIR USE PRIVILEGE IN COPYRIGHT LAW (2d ed. 1995).

¹⁷⁰ WILLIAM F. PATRY, 4 PATRY ON COPYRIGHT § 10:2, at 10-15 (Thompson/West 2007) (citation omitted).

for creativity.”¹⁷¹ Determining which uses are of such a character requires a fact specific “case-by-case determination.”¹⁷²

The fair use doctrine remained absent from the Copyright Act until 1978, when the Copyright Act of 1976 became effective. Although Congress included a fair use provision in the 1976 Copyright Act, the legislative history indicates that Congress did not intend to alter the common law doctrine or to freeze it in time.¹⁷³ Instead, Congress intended to recognize the legitimacy of the doctrine while also preserving the flexibility of the common law artifice.¹⁷⁴

Section 107 of 17 U.S.C.¹⁷⁵ consists of a preamble that lists exemplary categories of fair uses, four non-exhaustive factors (taken from case law) for judges to consider, and a final sentence clarifying that fair use may be made of both published and unpublished works:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use

¹⁷¹ Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1110 (1990).

¹⁷² *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 549 (1985).

¹⁷³ See H.R. REP. NO. 94-1476, at 66 (1976) (“Section 107 is intended to restate the present doctrine of fair use, not to change, narrow, or enlarge it in any way.”); Pierre N. Leval, *Fair Use Rescued*, 44 UCLA L. REV. 1449, 1454 (1997) (“[T]he meaning of the term fair use was to be found not in the statute, but in a 270-year-old tradition of judge-made law and in judicial common sense.”).

¹⁷⁴ See MELVILLE B. NIMMER, ET AL., CASES AND MATERIALS ON COPYRIGHT AND OTHER ASPECTS OF ENTERTAINMENT LITIGATION, INCLUDING UNFAIR COMPETITION, DEFAMATION, PRIVACY 479 (7th ed. 2006) (“Strictly speaking, Sec. 107 does not attempt to define ‘fair use.’ ”); PATRY, *supra* note 170, § 10:8, at 10-11 (“Section 107 . . . does not even attempt to define fair use, much less set forth its metes and bounds. Instead, [s]ection 107 is merely a ‘statutory recognition’ of the fair use doctrine in a form that references some of the criteria previously developed by the courts.” (citation omitted)).

¹⁷⁵ 17 U.S.C. § 107 (2000).

made of a work in any particular case is a fair use the factors to be considered shall include—

- (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.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.¹⁷⁶

What is lacking in § 107, and in the common law development of fair use as well, are bright line rules.¹⁷⁷ Despite repeated attempts by lower courts to read rigid rules into the fair use doctrine,¹⁷⁸ the United States Supreme Court has resisted this temptation.¹⁷⁹ In fact, the Court's most recent articulation of the fair use doctrine is devoted, in large part, to ridding the field of such rules.¹⁸⁰

Thus, judges are left with their general understanding of the purpose of fair use, the four statutory factors, inevitably distinguishable precedents, and their own gut instincts to assist them in their fair use analyses. While the four factors provide helpful starting points, their treatment by various appellate circuits,

¹⁷⁶ *Id.*

¹⁷⁷ See Eric J. Schwartz, *United States*, in 2 INTERNATIONAL COPYRIGHT LAW AND PRACTICE § 8[2][a][i], at 168 (Paul E. Geller & Melville B. Nimmer eds., 2006) (“[F]air use resists any theoretically integrated methodology.”).

¹⁷⁸ See PATRY, *supra* note 170, § 10:1, at 10-11 (“[C]ourts, accustomed to interpreting statutes, and doing so carefully, have squeezed a common-law concept of great flexibility and scope into the straight jacket of statutory words meant merely to evoke but not encapsulate and certainly not to constrain the doctrine.”); William F. Patry & Shira Perlmutter, *Fair Use Misconstrued: Profit, Presumptions and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667, 670-71 (1993) (“By misinterpreting the language of the statute and reading too much into dicta from the two major Supreme Court opinions on fair use, some courts have altered radically the traditional approach to the doctrine.”).

¹⁷⁹ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994) (“The task is not to be simplified with bright line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis.”).

¹⁸⁰ See *id.* at 578 n.10 (applying fair use principles to a musical parody).

and even by district courts and appellate panels within circuits, has been inconsistent.¹⁸¹ This inconsistent treatment leads to frequent appellate reversals of district court decisions¹⁸² and to dissenting and concurring opinions on the issue, even at the Supreme Court level.¹⁸³

Although the doctrine's lack of rules leads to its unpredictable nature, which some commentators wish to remedy,¹⁸⁴ it also creates a malleable fair use standard which can be applied in various contexts over time without requiring statutory revisions to accommodate each and every technological, cultural, and creative development.¹⁸⁵ This flexibility makes the doctrine a more

¹⁸¹ See Beebe, *supra* note 169 (describing results of a survey of fair use case law which revealed that lower court judges tend not to follow fair use precedents). In fact, even the Supreme Court's treatment of the factors has changed over time. Compare *Campbell*, 510 U.S. at 583–84 (holding that commercial nature of use is not dispositive), with *Sony Corp. of Am., Inc. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984) (“[E]very commercial use of copyrighted material is presumptively . . . unfair . . .”).

¹⁸² See Nimmer, *supra* note 168, at 281 (explaining that it is common for a district court to hold that all four statutory factors favor one party and be reversed by an appellate court that holds the opposite on each and every factor).

¹⁸³ See, e.g., *Campbell*, 510 U.S. at 598 (Kennedy, J., concurring in the judgment but disagreeing with the majority approach to parody and fair use); *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 579 (1985) (Brennan, J., dissenting with White & Marshall, JJ., joining); *Sony*, 464 U.S. at 457 (1984) (Blackmun, J., dissenting with Marshall, Powell, & Rehnquist, JJ., joining).

¹⁸⁴ See, e.g., Michael J. Madison, *Rewriting Fair Use and the Future of Copyright Reform*, 23 CARDOZO ARTS & ENT. L.J. 391 (2005) (seeking “a social practices approach to copyright reform”); David Nimmer, *A Modest Proposal To Streamline Fair Use Determinations*, 24 CARDOZO ARTS & ENT. L.J. 11 (2006) (proposing the creation of “fair use arbitration” proceedings to determine, before a use begins, whether such use is fair); see also Justin Hughes, *Introduction to David Nimmer's Modest Proposal*, 24 CARDOZO ARTS & ENT. L.J. 1 (2006).

¹⁸⁵ See PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 12:1 (2007) (“No doctrine in copyright is less determinate than fair use. Indeterminacy may be a necessary cost of a fact-specific doctrine that aims to negotiate liability in situations far too fine-grained for Congress specifically to address in the statute.”); CRAIG JOYCE, ET AL., COPYRIGHT LAW 864 (7th ed. 2006) (“As patterns of exploitation and consumption for copyrighted works change (especially as a result of technological innovation), courts can adapt the fair use

effective judicial tool that need not remain one step behind the changing times.

Nevertheless, the doctrine's flexibility and lack of rules can make it difficult to counsel clients as to whether a particular use of copyrighted material is fair.¹⁸⁶ One of copyright's most prominent commentators and treatise writers, David Nimmer, has written about the pitfalls awaiting any attorney who believes that an objective application of the four statutory factors to a given set of facts can produce a steady prediction regarding the outcome of hypothetical litigation.¹⁸⁷ And recently, the Register of Copyrights, Marybeth Peters, cautioned against listening to those who claim to know what fair use is before asking a court whether it agrees.¹⁸⁸ The wisdom of the Register's warning can be seen when reviewing articles written by judges on the subject. Judges often feel inspired to publish their personal views on fair use, and despite their efforts to seek consensus amongst their peers on the issue, other judges inevitably publish subsequent works proposing very different approaches.¹⁸⁹

doctrine to new circumstances—as they have tried to do, for example, with respect to photocopiers, videocassette recorders, and software. Thus, the doctrine has the capacity to retain its relevance without the need for repeated Congressional tinkering.”).

¹⁸⁶ See GOLDSTEIN, *supra* note 185, at § 12:1 (stating that fair use is “a source of frustration to the lawyer who needs to know whether his or her client can safely proceed with a project that skirts the edges of liability”). Despite the difficulties associated with counseling clients regarding fair use, there is enough predictability regarding some uses (e.g., quotations in newspaper articles) to provide effective guidance.

¹⁸⁷ See Nimmer, *supra* note 168, at 282 (“By now, we have come far enough to realize that, pious words notwithstanding, it is largely a fairy tale to conclude that the four factors determine resolution of concrete fair use cases.”).

¹⁸⁸ See Nate Anderson, *What the Copyright Office Thinks About Fair Use*, ARSTECHNICA (May 20, 2007), available at <http://arstechnica.com/articles/culture/fair-use.ars> (stating that Register Peters reportedly said that “it’s not clear” what is fair until a court has decided the issue on a specific set of facts).

¹⁸⁹ See, e.g., Stanley F. Birch, *Copyright Fair Use: A Constitutional Imperative*, 54 J. COPYRIGHT SOC’Y 139 (2007), available at http://www.csusa.org/pdf/brace_2006_lecture.pdf; Alex Kozinski & Christopher Newman, *What’s So Fair About Fair Use?*, 46 J. COPYRIGHT SOC’Y 513 (1999); Leval, *supra* note 171; Roger Miner, *Exploiting Stolen Text: Fair Use or Foul Play*, 37 J. COPYRIGHT SOC’Y 1 (1990); Jon Newman, *Not the End of History: The Second*

All of this adds up to a doctrine that is wholly inconsistent with the phrase “self evident” and inconsistent with making knowing material misrepresentations regarding whether a use is fair. If judges, treatise writers, and the Register of Copyrights cannot comfortably predict the outcome of fair use cases, how can we hold a copyright owner liable for asserting in a takedown notice that something is infringing when a potentially successful fair use argument exists? Moreover, how can we hold a user of copyrighted material who sends a putback notice liable for seeking the replacement of material that the user mistakenly believes to be fair?

The simple answer to both questions is that, under the statute, we cannot. As the *Rossi* court held, in order to violate § 512(f), a copyright owner must have “actual knowledge” that a use targeted by a takedown notice is noninfringing.¹⁹⁰ Conversely, an Internet user who requests a putback must have “actual knowledge” that the use is infringing in order to violate § 512(f).¹⁹¹ It is impossible for a copyright owner or an Internet user to possess such knowledge with regard to an alleged fair use because every fair use case presents different facts at different times, which can result in different legal outcomes, no matter how slight the factual or temporal differences, even for uses that, on the surface, appear to be analogous or even identical.

VI. CONCLUSION

There is no such thing as “self-evident” fair use. Mixing fair use and § 512(f) is a recipe for dismantling the notice-and-takedown/putback process. That process, despite imperfections, is currently the bedrock of the Internet’s copyright system. If copyright owners and Internet users are exposed to liability where

Circuit Struggles with Fair Use, 37 J. COPYRIGHT SOC’Y 12, 15 (1990); James Oakes, *Copyrights and Copyremedies: Unfair Use and Injunctions*, 18 HOFSTRA L. REV. 983 (1990); William F. Patry & Richard A. Posner, *Fair Use and Statutory Reform in the Wake of Eldred*, 92 CAL. L. REV. 1639 (2004); Richard A. Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 67 (1992).

¹⁹⁰ *Rossi v. Motion Picture Ass’n of Am.*, 391 F.3d 1000, 1005 (9th Cir. 2004), *cert. denied*, 544 U.S. 1018 (2005).

¹⁹¹ *Id.*

a use is potentially fair or unfair, a chilling effect will often prevent them from exercising their rights.

Fortunately, Congress did not design such exposure to liability into the notice-and-takedown process. Instead, Congress created penalties for copyright owners and Internet users who engage in “*subjectively* improper actions.”¹⁹² This fact is made clear by the statute, legislative history, and authoritative case law.

Unfortunately, plaintiffs continue to file complaints against copyright owners alleging violations of § 512(f)’s knowing material misrepresentation standard because the plaintiffs believe that they are engaging in fair use. Moreover, these plaintiffs continue to base their claims on language from the *Diebold* opinion, which is bad law under *Rossi*. So far, these cases have not resulted in judicial opinions. If a subsequent case does reach the point where a judge puts pen to paper (or fingers to keyboard), the § 512(f) claims of this nature should be rejected.

But this does not mean that users of copyrighted material who believe their activities to be fair, as well as copyright owners whose material is put back online as the result of a counternotice asserting the fair use privilege, have no recourse. The notice-and-takedown process itself contains a mechanism for Internet users to protect their ability to engage in fair use: the putback process.¹⁹³ The process also contains a mechanism for copyright owners to protect their exclusive rights: infringement suits.¹⁹⁴ Congress intended most disputes related to notice-and-takedown to be resolved by way of these mechanisms rather than pursuant to § 512(f).¹⁹⁵

There is no doubt that the putback process is not perfect; at times, it takes as many as fourteen days for material to be reposted. Accordingly, Congress should consider shortening this timeframe.

¹⁹² *Id.* at 1005.

¹⁹³ 17 U.S.C. § 512(g) (2000).

¹⁹⁴ *Id.* § 512 (g)(2)(C).

¹⁹⁵ See *Batzel v. Smith*, 333 F.3d 1018, 1032 (9th Cir. 2003) (stating that the DMCA “provides specific notice, take-down, and put-back procedures that carefully balance the First Amendment rights of users with the rights of a potentially injured copyright holder”).

However, a thorough examination of the impact that doing so would have on copyright owners should be undertaken first. While fourteen days offline may seem like a long time in our fast-paced world,¹⁹⁶ this window is meant to allow a copyright owner time to prepare and file a complaint against the user, which is a prerequisite for preventing putback.¹⁹⁷ Although the time frame should be shortened, large copyright owners can—in the meantime—take steps (such as posting instructions on the websites for users who wish to object to takedown notices) similar to those taken by Viacom during the controversy over *Stop the Falsiness*. Actions such as these would serve to speed up the putback process in cases in which a copyright owner mistakenly targets unobjectionable or fair use material.¹⁹⁸

The notice-and-takedown process is flawed because it allows a lot of infringing activity to go unchecked unless copyright owners invest substantial resources to police infringement¹⁹⁹ and because it sometimes results in noninfringing material being removed from the Internet.²⁰⁰ However, the notice-and-takedown process has helped create the vibrant Internet marketplace in creative content that we currently enjoy, and until Congress develops something better, courts should avoid lessening its efficacy.

¹⁹⁶ See e.g., Olivera Meenica & Kaiser Wahab, *Does Liability Enhance Credibility?: Lessons From The DMCA Applied to Online Defamation*, 25 CARDOZO ARTS & ENT. L.J. 237, 259 (2007) (“Although these materials can be restored within two weeks, this time lapse can prove fatal in a virtual world where blog postings, bulletin boards, news articles, or editorial commentaries become stale within a few days or even a few hours.”); Urban & Quilter, *supra* note 12, at 637 (“In the case of expressive materials, this could be especially significant: ten days to two weeks may greatly diminish the value of the call to a protest, the competitive price, or the newsworthy blog entry.”).

¹⁹⁷ See 17 U.S.C. § 512(g)(2)(C); H.R. REP. NO. 105-551, pt. 2, at 59 (1998).

¹⁹⁸ Leval, *supra* note 171, at 1135 (“Fair use is not a grudgingly tolerated exception to the copyright owner’s rights of private property, but a fundamental policy of the copyright law.”).

¹⁹⁹ See Lowry, *supra* note 27.

²⁰⁰ See, e.g., *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004).

