



Journal of Copyright in Education and Librarianship

JCEL is published by Clemson University Press
ISSN 2473-8336 | jcel-pub.org

Volume 2, Issue 1

Breakout Session: New and Notable in Copyright Law. Presented by Nathaniel Edwards, counsel, Lewis, Roca, Rothgerber, and Christie.

Susan E. Beck

Beck, Susan E. (2018). Breakout Session: New and Notable in Copyright Law. Presented by Nathaniel Edwards, counsel, Lewis, Roca, Rothgerber, and Christie. *Journal of Copyright in Education and Librarianship*, 2(1), 1–7.



© 2018 Susan E. Beck. This open access article is distributed under a Creative Commons Attribution 4.0 License <https://creativecommons.org/licenses/by/4.0/>

Breakout Session: New and Notable in Copyright Law. Presented by Nathaniel Edwards, Counsel, Lewis, Roca, Rothgerber, and Christie

Susan E. Beck
New Mexico State University

Author note: Susan E. Beck, Professor and Head of Access Services, New Mexico State University Library New Mexico State University

Correspondence regarding this article should be sent to Susan E. Beck, New Mexico State University Library, MSC 3475, Box 30006, Las Cruces, NM 88003-8006. Contact: susabeck@nmsu.edu.

New and Notable in Copyright Law

Nathaniel W. Edwards, attorney at Lewis, Roca, Rothgerber, and Christie, gave an update of changes and additions in copyright law. After briefly reviewing copyright basics, Edwards outlined recent changes in three major areas:

- Trends in fair use
- Digital Millennium Copyright Act (DMCA) agent designation procedures
- Responding to demand letters from media licensing houses

Trends in Fair Use Decisions

Edwards reviewed three recent federal copyright decisions that favored fair use. Each decision prompted many commentators to conclude that over the past several years, fair use factors have been applied more liberally against copyright owners; however, that simple assumption may not be entirely true.

Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013)

In *Cariou v. Prince* (2013) the plaintiff, Cariou, published original landscape and portrait photographs of Jamaica in the book *Yes, Rasta*. Defendant Richard Prince, an appropriation artist, altered and incorporated several of Cariou's photographs into a series of paintings titled *Canal Zone*.

These paintings were exhibited at a gallery and in the gallery's exhibition catalog. Although the plaintiff's infringement claim was upheld in district court—with the district court ruling that Prince's work failed to qualify as a transformative fair use because they did not “comment on, relate to the historical context of, or critically refer to the original works”—the appellate court reversed the district court's ruling, finding that a work need not comment on the original or its author to be considered transformative use. Instead, the Second Circuit Court of Appeals concluded that 25 of the 30 works exhibited constituted fair use. They also found that the “composition, presentation, scale, color palette, and media are fundamentally different and new compared to the photographs, as is the expressive nature of [defendant's] work” (714 F.3d 694 (2013)). The Second Circuit also found that the defendant's paintings had no effect on the market for the plaintiff's photographs.

Fox News Network, LLC v. TVEyes, Inc., 43 F. Supp.3d 379 (SDNY 2014)

TVEyes is a media monitoring service that allows its subscribers to mine its searchable database of television programming for thumbnail images and short video clips based on the subscriber's keyword or phrase searches. Although TVEyes does not store content for more than 32 days, TVEyes subscribers can save an unlimited number of video clips. Plaintiff Fox News alleged that TVEyes infringed the copyrights to Fox's programs by copying the programs, importing them into a searchable database, and making them available to TVEyes' subscribers to play, save, edit, archive, download, and share.

Finding for the defendant, the district court stated that TVEyes use was fair. In respect to the first factor, the database's purpose is educational and the use is transformative because it can be used for criticism and commentary. In terms of the third factor, the court found that the amount of the copyrighted work retrieved through a search did not weigh in favor of either party. Finally, regarding the fourth factor, the court found that TVEyes's database would not have adverse effect on Fox News' market. Just as in the *Authors Guild, Inc. v. Google Inc.*, the courts have routinely held that searchable databases are fair uses of the underlying works. The difference is that TVEyes users could save sequential Fox News clips, piecing them together to create an entire Fox News telecast. However, the court noted that creating a composite would be difficult, time intensive, and highly unlikely.

Author's Guild, Inc. v. Hathitrust, 755 F.3d 87 (2d Cir. 2014)

The defendant, HathiTrust, is a collaborative repository of digital content collected from over a dozen research libraries. Its origins are in the Google Book Project, in which large research libraries partnered with Google to digitize their library collections. Formed in 2008, HathiTrust serves as the administrative unit overseeing the Hathi Digital Library (HDL), a searchable full-text database available to HDL subscribing libraries. In creating HDL, HathiTrust used the digital copies created under the Google Books Project in three ways:

1. Created a database for full-text searching by the general public
2. Allowed library patrons with certified print disabilities to have access to full texts of works
3. Allowed member libraries to replace their original copies that were lost, destroyed, or stolen where a replacement was unobtainable at a fair price elsewhere.

The plaintiff, Author's Guild, is a professional organization for writers that provides advocacy on copyright protections. The issue decided in this case was whether HathiTrust's uses of copyrighted material are protected by fair use.

As seen earlier with *TVEyes*, the court held that the first use, Hathi's creation of a searchable database, was fair. It also found the second use, access for the print disabled, fair use because, in part, print-accessible versions of the original works are not typically made by publishers for commercial distribution. For the third use allowing member libraries to use HDL's digital content to replace formerly held items, the court vacated and remanded the earlier ruling because the district court failed to consider whether the plaintiffs had the standing to challenge the preservation use.

Edwards made several final points about fair use trends. The courts have been giving the fourth factor increased significance in their fair use analyses. In the above cases, they have interpreted the first three factors more liberally against copyright holders where no tangible, adverse impact on the market for the work is observed. Tangibility is a key concept. With *Cariou*, the evidence suggested that the alleged infringement actually increased the value of the original works. In the *TVEyes* case, the court found no tangible adverse impact because it doubted anyone would take the time and energy to recreate an entire Fox News broadcast. And in the *Author's Guild* decision, the court found that because publishers do not make the original works in accessible formats for the print-disabled, no tangible, ad-

verse impact on the market for these works could be found.

Edwards cautioned against making assumptions that the trend of the courts leans entirely toward their liberal interpretation of the first three fair use factors against copyright holders. In fact, entire industries of copyright owners are capitalizing on the increasing importance of the fourth fair use factor. This often occurs to the detriment of those with worthy fair use defenses. One example is using “highlights,” or short media clips, from sporting events. In terms of fair use, these clips fit well within the confines of the first three factors. They are frequently used for criticism or commentary, they depict factual events, and they consist of a very small segment of the entire work. However, sports leagues have created licensing systems for the media clips that have had a tangible impact on the sports media clip market.

Finally, Edwards discussed a very recent fair use decision, *Estate of James Oscar Smith v. Cash Money Records, Inc., et al.* (2017). This case considered whether altering a recording of a rap song and placing it into a hip-hop song with a completely different message, without the authorization to use the composition, was a fair use. The court found in favor of fair use, noting that the defendant’s work was sufficiently transformative. They also found that the second factor, the nature of the copyrighted work, was weighted more toward the plaintiff but noted that the finding was of “limited usefulness” because the use was already found to be transformative. In terms of the third factor, the court found that the amount used was reasonable. Regarding the fourth factor, the court found no evidence that the defendant’s use had any impact on the market.

Changes to Digital Millennium Copyright Act (DMCA) Agent Designation Procedures

The DMCA provides safe harbor from copyright infringement liability for Internet service providers (ISPs). ISPs include website hosts, search engines, online directories, social media sites, and any other Internet system that allows users to post or store material on their system. As outlined in 17 U.S.C. § 512 (c) (2), the DMCA requires that each ISP designate a staff member to act as a DMCA agent for the U.S. Copyright Office. For ISPs to be immune from infringement liability for content posted or stored by third parties, an ISP-designated DMCA agent must be in place to promptly respond to claims of copyright infringement, or takedown notices, from copyright holders.

In the past, DMCA agent designation was handled by ISPs formally sending a written document to the Copyright Office. In December 2016, the Copyright Office launched an electronic system that makes it much easier for ISPs to register designated DMCA agents. To keep their safe harbor

status, all ISPs with designated agents assigned prior to December 1, 2016, must appoint or reappoint a designated agent through electronic submission to the Copyright Office by December 31, 2017, or they will lose eligibility. New designations may only be made through a DMCA Designated Agent Registration Account at <http://dmca.copyright.gov/osp/login.html>. The Copyright Office charges \$6.00 for this service and has a frequently asked questions page for this new procedure on its website (<http://copyright.gov/rulemaking/onlinesp/NPR/faq.html>).

A remaining question for libraries regarding DMCA rule changes is whether libraries are ISPs. The answer is “it depends.” A library could be considered an ISP if it hosts a message board or a forum or provides space on its webpage where users can post content. However, libraries may be under the umbrella of a parent organization, such as a municipality, school district, or university. In that case, the larger organization may be considered an ISP. To learn whether their organization, or its parent, is an ISP, libraries can check the old DMCA Agent directory (https://www.copyright.gov/onlinesp/list/a_agents.html) or the new one (<https://dmca.copyright.gov/osp/>).

Responding to Demand Letters from Media Licensing Houses

Media licensing houses, such as Shutterstock, Getty Images, and Licensing Compliance Service, regularly employ web crawling software to detect unlicensed use of photos and videos that these companies claim to own or represent. When the companies identify unauthorized use, they send a computer-generated letter to the website owner stating that merely removing the image is insufficient in resolving the matter. These companies also demand payment, usually in the \$400 to \$500 range. Asking for this amount of money is a calculated tactic to ensure the infringer is likely to pay without a challenge.

Edwards reviewed the benefits and drawbacks of different responses to media licensing houses’ takedown notices. He does not recommend taking down the image or video and ignoring the letter because the companies will most likely continue to demand payment. Even worse is not taking down the alleged infringement and ignoring the letter. Edwards recommends taking down the image or video and paying the amount demanded, reasoning that the cost of attorney fees in such a dispute would result in paying more than the amount demanded. In fact, Edwards advises his clients to pay the amount requested unless special circumstances exist. One special circumstance is where a media licensing house does not own or represent the work. In this situation, the media licensing house cannot enforce the takedown notice. Instead, those receiving a takedown notice should request documentation from the licensing house showing ownership or representation.

In cases where alleged infringers believe they have good fair use arguments, it is best to send a written response to the licensing house outlining these arguments. However, Edwards warns that the all-important fourth fair use factor weighs against those using that approach. Using the four factors of fair use in arguing against takedown notices, petitioners may end up receiving another form letter that addresses the fair use arguments with another request to take down the content and pay the media licensing house.

References

Author's Guild, Inc. v. Hathitrust, 755 F.3d 87 (2d Cir. 2014).

Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013).

Digital Millennium Copyright Act, U.S.C. § 512(c)(2) (1998).

Estate of James Oscar Smith v. Cash Money Records, Inc., et al. No. 1:14-cv-02703 (S.D.N.Y. May 30, 2017).

Fox News Network, LLC v. TVEyes, Inc., 43 F. Supp.3d 379 (S.D.N.Y., 2014).