Mom Beats Prince: DMCA Takedown Notice Bites Back

Jeremy D. Mishkin (jmishkin@mmwr.com)
Montgomery, McCracken, Walker & Rhoads, LLP

The Artist-formerly-and-once-again-known-as-Prince has made no secret of his disdain for user-generated Web content that incorporates his music.

> Prince believes it is wrong for YouTube, or any other use-generated site, to appropriate his music without his consent. That position has nothing to do with any particular video that uses his songs. It's simply a matter of principle.

(Statement of Universal Music Corp, Sept. 13, 2007) His wishes led Universal, which owns the copyrights to his music, to issue "thousands" of Digital Millennium Copyright Act take-down notices to YouTube. The DMCA affords copyright owners with what is effectively self-help injunctive relief against websites where IP is posted without the owners' consent, providing that IP owners provide certain information in such a notice, to afford the website specific information about the supposedly offensive content. The requisite information includes "…(v) A statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright holder, its agent, or the law." (17 U.S.C. § 512(c)(3)(A).

One these "thousands" of takedown notices involved a couple of young kids, whose mom had made a home video of her own children dancing in her kitchen. For part of the 29-seconds long video, the audio track picked up strains of Prince's song "Let's Go Crazy." Apparently, this short scene of children dancing while Prince's music played in the background represented a threat to Prince's 'principle.'

Unlike most people who have posted videos, however, this mom fought back. She invoked the counter-notification provision of the DMCA, §512(g), and asserted that her short clip should be re-posted on YouTube since it constituted fair use of the song and thus was not an infringement of Universal's copyright. Moreover, she filed a civil action under §512(f) asserting that Universal had made misrepresentations in its takedown notice since it had not considered whether the video was "authorized" by the law as fair use, even if it had not been "authorized" by Universal.

Universal moved to dismiss the action claiming in essence that it had no obligation to consider whether the material was protected by fair use – rather, it noted that the takedown section of the DMCA did not even mention fair use. Universal argued that it was not required to make any fair use evaluation, let alone was it required to make a good faith representation that fair use did not apply, in issuing a takedown notice. It argued instead that any such duty would arise only if the subject of the takedown notice objected. Further, Universal asserted that imposing such requirement would be unduly onerous, making it difficult for a copyright owner to move quickly

to secure the removal of infringing content, since it would need to make an individualized assessment of the nebulous fair use factors every time.

Judge Jeremy Fogel evaluated the parties' arguments and sided with the mom, concluding that "fair use is a lawful use of a copyright. Accordingly, in order for a copyright owner to proceed under the DMCA with a 'good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent or the law'… the owner must evaluate whether the material makes fair use of the copyright." (slip op. at p. 6) While expressing skepticism that plaintiff would eventually be able to muster sufficient proof of Universal's bad faith to prevail at trial, Judge Fogel noted that §512(f) was enacted to prevent abuse of the enormous power vested by the DMCA and thus it was reasonable to expect that those invoking that power would take the time and care to do so properly. The standard for "good faith" is after all a subjective one, and thus not difficult to establish even if the inquiry is 'fact intensive' – "there are likely to be few [cases] in which a copyright owner's determination that a particular use is not fair use will meet the requisite standard…." (id.)

Judge Fogel went further, however, to show that misuse of the DMCA was not some hypothetical dilemma. Citing to the infamous case of Online Policy Group v. Diebold, Inc., 337 F. Supp.2d 1195 (N.D. Cal. 2004), the Judge observed that it is easy to "imagine a case in which an alleged infringer uses copyrighted material in a manner that unequivocally qualifies as fair use, and…the copyright owner deliberately has invoked the DMCA not to protect its copyright but to prevent such use." (id. at 7) He concluded that "[r]equiring owners to consider fair use will help ensure that the efficiency of the Internet will continue to improve and that the variety and quality of services on the Internet will expand without compromising [legitimate intellectual property rights." (id. at 8) (internal citation omitted).

Since that initial ruling the litigation proceeded, and things did not improve from Universal's perspective. While not yet finding that Lenz's video was, indeed, fair use, Judge Fogel has now entered partial summary judgment against Universal, eliminating many (if not all) of their pleaded Affirmative Defenses, and thereby cleared the path for damages to be assessed against them. Lenz v. Universal Music Corp., et al., (N.D. Cal. Case No. C 07-3783 JF, 2/25/2010). It is possible that this outcome could be due at least in part due Universal's litigation tactics that some perceived as somewhat heavy-handed.

In response to Lenz's suit, Universal had pleaded and pursued some fairly aggressive Affirmative Defenses that Judge Vogel evaluated in his new opinion. For instance, Universal asserted that Lenz acted in bad faith and was "guilty of unclean hands." How, you may ask? First, they claimed, Lenz "admitted" infringement because she relied "exclusively" on the doctrine of "fair use in this litigation." Strike one: as Judge Vogel himself had previously ruled, "fair use is not an infringement."

Second, Universal asserted that Lenz acted in bad faith in claiming that she posted the video for private viewing by family and friends. Universal pointed out that the video had 841,000 or more hits according to Lenz's discovery responses and thus could not possibly have been limited to "family and friends." In response, Lenz noted that there had only been a total of 273 hits on the

video before Universal issued its takedown notice and the Judge concluded that "no reasonable jury could find [bad faith], because the number of viewings grew exponentially following the filing of the lawsuit…."

Further, Universal went so far as to assert that Lenz was acting in bad faith by bringing the suit in the first place. Universal claimed that "this lawsuit has been prosecuted not because of a violation of Plaintiff's rights, but rather to serve the interests of Plaintiff's counsel in publicizing their hostility to the rights of copyright holders…" Judge Vogel was not impressed, finding that motivation would only enter into the equation if the suit had been filed without factual basis. In fact, the Judge found, Universal had failed to adduce sufficient material facts supporting their allegation that Lenz's suit was based on misstatements, and another Affirmative Defense bit the dust.

Universal also pleaded that Lenz had incurred no damages and Judge Vogel wrestled with the proper measure and amount of damages that Lenz could recover. After evaluating the language of the statute and comparable statutory provisions the Judge concluded that only losses sustained "as the result of" a wrongful takedown are recoverable, rather than a more generous "but-for" causation requirement. The distinction made a big difference in this case, since it led to Judge Vogel's conclusion that Lenz could recover only proximately-caused damages rather than "any damages" and that while §512(f) does permit the recovery of "costs and fees" as damages, those amounts are limited to responding to the initial takedown notice, rather than bringing the lawsuit, which would be permitted only under the established discretion-of-the-court standards of 17 USC §505. This limitation may be correct but it effectively decimates what a successful plaintiff is likely to recover, and thereby reduces the utility of §512(f).

The new ruling also throws out Universal's Affirmative Defenses based on "estoppel" and "waiver" primarily because Universal made "no attempt" to substantiate them, nor any "support, legal or otherwise" for the claims.

The final chapter in the Lenz case is yet to be written. But lest you fear that you've heard the last of this issue, stay tuned: one of the foremost scholars of intellectual property law, Professor Lawrence Lessig of Harvard, gave a talk on the topic of fair use in new media. That talk included examples of fair use of copyrighted material and the video of the talk was posted online. But the owners of the copyright of one of those clips objected, resulting in the audio track of that talk being taken down. http://www.techdirt.com/articles/20100302/0354498358.shtml Professor Lessig may not shy away from asserting his own fair use rights.