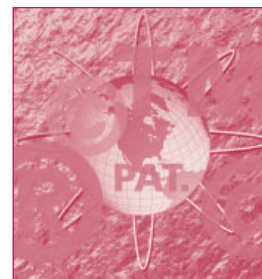


Bright Ideas

A publication of the Intellectual Property Law Section
of the New York State Bar Association



Message from the Chair

People often ask me how they can get involved with the Intellectual Property Law Section. It is easier than you think. It can start by simply attending a committee meeting or a roundtable. You will be rewarded with opportunities to make new friends, to mentor or be mentored, to earn CLE credits, network, learn, and lead.



Joyce L. Creidy

I attended my first NYSBA Annual Meeting in January 1998. I didn't know a soul. During the IP Section cocktail reception I met a member who took me under her wing and introduced me to her friends and colleagues. We became friends, and, more importantly, she became a wonderful mentor.

Later that year, I became interested in the Internet and how it was going to affect IP Law. I checked the NYSBA Web site for information on this topic and learned that the IP Law Section had an Internet Law Committee. I e-mailed co-chair Rory Radding, and he invited me to attend a Committee meeting. I became an active member by attending the Committee's meetings the third Tuesday of every month.

At those meetings, all were encouraged to raise topics of interest that warranted attention. One month I called attention to a newspaper article on proposed electronic signature legislation and was asked to make a presentation to the group the following month. Later, I wrote an article on the topic for *Bright Ideas*, and I was asked to speak on the same topic at the Section's Fall Meeting in 2000 at the Sagamore on Lake George. At that time, a number of states had enacted the Uniform Electronic Transactions Act (UETA), and President Clinton had signed the Electronic Signatures in Global and National Commerce Act (E-Sign).

Eight years later, E-Sign is in the news again. The July/August NYSBA *Journal* poll asked if electronic signatures should be permitted on real estate contracts in New York. The ABA, in a Report to the House of Delegates, resolved to urge the federal government to ratify the United Nations Convention on the Use of Electronic Communications in International Contracts (E-Contracting Convention). The E-Contracting Convention purports to do the same thing globally that E-Sign and UETA have done nationally: remove barriers to international commerce and give legal certainty to parties engaging in international electronic transactions.

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Eight years later, many Section members have become good friends, esteemed colleagues, and mentors. The lesson is that it is simple to get involved and rewarding to *stay* involved. The Section boasts fourteen Committees: Trademark Law, Copyright Law, Patent Law, Trade Secrets Law, Litigation, Transactional Law, Internet and Technology Law, International IP Law, Legislative/Amicus, Ethics, Meetings and Membership, Pro Bono and Public Interest, Diversity Initiative, and Young Lawyers. The committees hold meetings and roundtables, many of which offer CLE credit.

As of this writing, the Section has completed its fifth annual Copyright Office Comes to New York program; its sixth annual Women in IP program; and its second Summer Meeting with IPIC in Montreal. Our Pro Bono Committee's hard work and commitment to give back to the community resulted in our new Pro Bono Initiative with Volunteer Lawyers for the Arts: Summer VLA Clinic. This will be the first of many opportunities to provide legal services for IP-related issues to those who cannot afford it. Please see our Web site for more details. While you are there, take the time to learn more about our Fellowship Program and our Writing Competition. Even if you do not qualify, you can encourage others to apply!

You may have missed some of the Section's great offerings in the first half of the year, but opportunities remain to join us for great meetings! Upcoming programs

of note include Bob Clarida's Copyright Year in Review; monthly Internet and Technology Law Committee meetings; roundtables on timely topics in trademark law, patent law, international IP, and ethics; and our 16th annual Fall Meeting, October 16–19.

This year the Fall Meeting will take place at the Otesaga Hotel in Cooperstown. Entitled "The World Series of IP Law: How Current IP Laws Are Changing the Way Corporate and Outside Counsel Play the Game," it will offer 9.5 CLE credits and will focus on practical skills and timely topics. I encourage you to come with your families and join us for the scenic train ride, softball game, casino night, and many other activities.

In my first message as Chair, I acknowledge the past Chairs of the IP Law Section and thank them for their contributions to the success of the Section: immediate past Chair Debra Resnick, Richard Ravin, Marc Lieberstein, Victoria Cundiff, Michael Chakansky, Bob Hallenbeck, Tricia Semmelhack and the founding Chair, Rory Radding.

I am humbled and grateful for the opportunity to lead the Section for the next two years. I look forward to the contributions the Section will make to the IP community under its current Executive Committee and its newly elected officers: Paul Fakler, Vice Chair; Kelly Slavitt, Treasurer; and Charles Weigell, Secretary.

Joyce L. Creidy

Thank You

The Intellectual Property Law Section extends its gratitude to the following for their significant sponsorship over the past year:

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A “Best Practice” ADR Strategy in IP Litigation: The Separate but Complementary Roles of Settlement Counsel and Trial Counsel

By Charles E. Miller and Peter W. Morgan

I. Introduction

It’s no secret that most individuals and businesses normally want to resolve disputes expeditiously, efficiently, and economically. Moreover, judges in virtually all jurisdictions generally favor out-of-court settlement of lawsuits, whether in the form of mediation or other conciliation-type (non-adjudicative) alternative dispute-resolution (ADR) methodologies. Indeed, federal courts, acting under their local rules, often encourage, and in some cases actually require, litigants to pursue settlement using any of a number of court-annexed ADR procedures.¹ But when cases are nearing trial, judges cannot always be counted on to grant requests for continuances in order to accommodate the settlement process, and they virtually never do so during the period between judgment and the decision on appeal.

In most types of litigation, and especially in disputes involving intellectual property, the overwhelming majority of cases are resolved prior to or during trial or even before commencement of litigation. Yet a lawyer tasked with trying a case typically has relatively little time to spend on efforts aimed at settlement, especially during the final countdown to trial.²

When settlement does become an option, it imposes on lawyers an ethical obligation to counsel their clients accordingly.³ Litigants should expect counsel, preferably early in the case, to advise them on the availability of, and to assist in exploring, reasonable options for amicable settlement and on selecting the best option for achieving a satisfactory outcome.⁴ At the same time, trial counsel is expected to aggressively develop and advance the merits of the client’s position in preparation for trial. As the trial date approaches, however, and especially after the trial has begun, these obligations often conflate, creating psychological tension between the differing modalities of settlement and trial, especially when the responsibility for simultaneously advancing them rests on the shoulders of the same lawyer or litigation team.

In such circumstances, and given the imperative for lean staffing of cases in the current economic environment, one easily can end up being whipsawed back-and-forth between trying to settle (e.g., by participating in negotiating the terms of a license or other cooperative agreement) and getting ready for trial (e.g., preparing motions, stipulations, summations, and briefs). The tension can be especially acute when representing or defending against multiple parties or when participat-

ing in multi-district litigation.⁵ This tension, which often intensifies as the case heads for the courtroom, inevitably impairs trial counsel’s ability to attend to the business at hand: representing the client zealously in litigating the case. This is true even when different lawyers in the firm handling the litigation are responsible for settlement efforts because it often results in partners in effect bidding against each other, such as with respect to money damages sought at trial versus royalties to be paid in a negotiated license agreement, in an atmosphere of conflicting motivations arising from the expectation that bringing the case to trial will generate higher fees than if the parties settle.

Given the expanded discovery burdens imposed on litigation counsel and their clients by the recent amendments to Rule 26 of the Federal Rules of Civil Procedure—the likes of which may eventually apply across the board in state court litigations—the incentive for parties and their counsel, saddled with these new, often complex, and expensive discovery obligations, to seek and work toward amicable settlement will increase significantly.

II. A Paradigm in Collaborative Law

Lawyers steeped in both ADR (including the art and science of negotiating structured settlements) and litigation—especially those possessing professional gravitas and who, by training and experience, have acquired or can, in any given case, readily acquire a firm grasp of the principles and nuances of the underlying technological and financial/business issues as well as the ethical requisites of attorney behavior—are uniquely well positioned to serve effectively as **separate settlement counsel**. Settlement counsel’s involvement should be limited by the express terms of the engagement to consulting with and representing the client in negotiations aimed at resolving the claims in controversy on terms as favorable to the client as possible. Settlement counsel would not actively participate in discovery or other trial-preparation activities (e.g., signing or adding his name to court papers, taking depositions, and making motions). Rather, settlement counsel’s role should be formulated to complement and facilitate—rather than interfere with or diminish—the role of trial counsel. An under-appreciated benefit of this arrangement is that it enables the party and its trial counsel to avoid acquiring the reputation of always being eager to settle to avoid trial, which will lead to poorer settlement offers in future cases.

Having the skill sets noted above enables settlement counsel—ideally (but not necessarily) present on both sides of a dispute—to approach settlement from the perspective of reaching a mercantile solution in a collaborative-law setting⁶ as opposed to the contentious, confrontational, we win/you lose mindset appropriate to trial advocacy. Settlement counsel are mindful of, but unfettered by, trial counsel's need to focus full-bore on discovery and trial preparation undistracted by the time-consuming process of formulating realistic opportunities for settlement.

Consideration of hiring settlement counsel in appropriate cases should be a regular component of a company's overall litigation policy. Retaining and involving settlement counsel in litigation—which does not require judicial permission or leave of court—preferably at an early stage, typically will not increase the overall cost of resolving the dispute when the avoided cost of litigating to trial is taken into account. (A court's decision to shift attorney's fees in "exceptional cases" along the lines of the English rule, although possible, is discretionary and should not be presumed just because a party thinks it has a winning case). In other words, fees paid to settlement counsel otherwise would have to be paid to trial counsel if the latter were to spend the extra time required to tackle both roles, which, because of their disparate natures, would tend to compromise the effectiveness and value of each. Fees paid to settlement counsel for pre-litigation work are not included in the equation but nevertheless are likely to be cost-effective in view of the number of expensive lawsuits avoided by settlements reached in that manner.

Settlement counsel would have direct access to the client's management personnel authorized to accept or reject settlement offers and would be empowered to act as a direct conduit between the client and opposing party's counsel. (When both parties are represented by trial counsel, direct communications between a party's lay management and the adverse party's counsel is usually awkward at best.) Also, settlement counsel, if admitted to the action *pro hac vice*, would have privileged access to the trial counsel's experts, work product, and discovery materials pursuant to an appropriately worded protective order.⁷

Another benefit of having settlement counsel appear in the action and thus be answerable to the court is that it refutes the suggestion that such counsel is being used tactically to divert the other side's attention from, and thereby hamper, its trial preparation. Moreover, partitioning litigation tasks and settlement negotiations between different law firms submitting separate invoices facilitates tracking the costs of each, especially where the client and settlement counsel have agreed on a billing basis (e.g., success-fee billing) that differs from the hourly rate and contingent fee bases customarily used by trial counsel.

Companies whose managements are experienced in litigation and are familiar with the precepts of ADR in the United States know how inappropriate it is for judges to try to force parties to compromise by informally "knocking heads" in chambers.⁸ On the other hand, business executives as well as the courts appreciate the benefits of having settlement counsel working to achieve amicable dispute resolution concurrent with the discovery and other trial preparation efforts of trial counsel without being caught up in the day-to-day strains of litigation with which they, as litigators themselves, are so familiar.

Settlement counsel is most effective when employed by both sides in a dispute. However, unlike collaborative law, which requires a contractual commitment to the process from both sides, a party can use settlement counsel unilaterally to deal with the adversary's trial counsel.⁹ For example, in a recent patent infringement case, one of the parties retained a law firm as settlement counsel to negotiate with the opposing party's trial counsel. Settlement counsel coordinated his efforts with the client's trial counsel in accordance with the client's direction and instructions so that dispute resolution efforts did not hinder or divert attention from trial counsel's efforts. At the same time, the opposing party and its trial counsel quickly realized that if they did not participate earnestly and constructively in settlement talks, the other side's trial counsel would go to trial unencumbered by the distractions of the negotiation process.

Simply put, one way for a party represented by settlement counsel to obtain an optimum alternative dispute resolution is to credibly convey the message that it will not allow its trial preparation to be hamstrung by settlement negotiations but, rather, that it is ready, willing, able, and prepared to go to trial if a settlement is not reached.

If a party chooses to rely solely on in-house management personnel and/or on trial counsel to handle negotiations with an adversary's settlement counsel, that party will risk compromising its trial preparations, thus hindering trial readiness. Another benefit of retaining settlement counsel is that the use of settlement counsel inevitably will come to the court's attention at, for example, pretrial conferences¹⁰ during which settlement counsel, if admitted to the action *pro hac vice*, can sit at trial counsel's table. The judge will take favorable note of that party's commitment to a bona fide effort to achieve a compromise.

III. Conclusion

While some disputes cannot or should not be settled out of court, most cases probably can and ought to be resolved by structured settlement aided by pretrial discovery, which can enable the parties, assisted by settlement counsel, to evaluate the strengths and weaknesses of their respective cases, thus promoting informed decision-making while avoiding much of the expense of trial.

Endnotes

1. Twenty years ago, Congress enacted the Judicial Improvements and Access to Justice Act, Pub. L. No. 100-702, Nov. 19, 1988, 102 Stat. 4659, which authorized federal district courts to implement procedures for court-annexed non-adjudicative ADR in civil actions. Pursuant to that Act and the subsequent Alternative Dispute Resolution Act of 1998, 28 U.S.C. §§ 651-658, many district courts have added such ADR procedures to their local rules. In New York, *see, viz.*, S.D.N.Y. and E.D.N.Y. joint local rules, LCvR 83.10 (E.D.N.Y. only), LCvR 83.11 (E.D.N.Y. only), and LCvR 8.12 (S.D.N.Y. only).
2. In Hatch-Waxman or "ANDA" litigations, the situation can reach extreme proportions when "reverse payment" settlements result in FTC antitrust actions involving drug pricing issues as a consequence of which numerous states' attorneys-general may be prompted to institute actions under their respective state antitrust laws.
3. New York's ethics rules do not specifically require attorneys to inform their clients of ADR procedures or other settlement options. But commentators have argued that the general duty to communicate responsibly with clients implicates such a requirement. Ethics rules in other states expressly impose such a requirement. *See, for example*, Colo. R. Prof. Conduct 2.1 ("In a matter involving or expected to involve litigation, a lawyer should advise the client of alternative forms of dispute resolution that might reasonably be pursued to attempt to resolve the legal dispute or to reach the legal objective sought"); Ga. Lawyers' Creed and Aspirational Statement on Professionalism ("As a professional, I should . . . [c]ounsel clients about all forms of dispute resolution"); N.J. R. Ct. 1:40-1 ("Complementary Dispute Resolution Programs (CDR) provided for by these rules are available in the Superior Court and Municipal Courts and constitute an integral part of the judicial process, intended to enhance its quality and efficacy. Attorneys have a responsibility to become familiar with available CDR programs and inform their clients of them."); Tex. Lawyer's Creed ("I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes"). *See also* ABA Model R. Prof. Conduct 2.1, cmt. 5 ("when a matter is likely to involve litigation, it may be necessary under Rule 1.4 to inform the client of forms of dispute resolution that might constitute reasonable alternatives to litigation").
4. *Id.*
5. 28 U.S.C. § 1407. *See also* Anthony Davis, *The Perils of Representing Multiple Clients*, N.Y.L.J., July 7, 2008, from which one can appreciate the advantage of having different settlement counsel retained by each of several parties on the same side of a dispute, thereby avoiding the ethical issue of common trial counsel's obligation during settlement discussions to share one client's confidential information with other clients.
6. The term "collaborative law" connotes a form of ADR in which lawyers on both sides of a dispute assist in developing their respective client's positions and objectives aimed at negotiating a settlement, taking into account the relevant facts and material issues, thereby facilitating the making of well-informed decisions. Proficient collaborative-law advocacy is accomplished by serving the clients' interest in preserving or furthering the parties' relationship in a cooperative atmosphere. A distinctive feature of collaborative law is that settlement counsel will withdraw if the case proceeds to judgment and/or appeal. The party and its settlement counsel thereby confirm and display their commitment to seeking a resolution of their dispute by negotiated settlement.
7. Settlement counsel should be mindful of the ethical barriers to sharing an adversary's "attorney's-eyes-only" information with the client's lay management. This requires settlement counsel to draw a fine line between what is learned from an adversary in pretrial discovery and what can be shared with the client. For guidance on this issue, *see* the ABA Standing Committee on Ethics and Professional Responsibility's Formal Opinion No. 08-450 (April 9, 2008), *Confidentiality When Lawyer Represents Multiple Clients in the Same or Related Matters*.
8. *See Kothe v. Smith*, 771 F.2d 667 (2d Cir. 1985) (improper to impose sanctions for not settling on terms recommended by the trial judge); *Dawson v. United States*, 68 F.3d 886 (5th Cir. 1995) (disapproving the use of threat of sanctions to coerce settlement).
9. *See* David Hoffman and Pauline Tesler, *Collaborative Law and the Use of Settlement Counsel*, in B. Roth, ed., *The Alternative Dispute Resolution Practice Guide*, ch. 41 (West Pub. 2002).
10. Fed. R. Civ. P. 16 provides that "[i]n any action, the court may order the attorneys and any unrepresented parties to appear for one or more pretrial conferences for such purposes as . . . (5) facilitating settlement."

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Marks for Law Firms—Trademarks, That Is

By Leonard D. DuBoff and Christy O. King

The vast majority of attorneys and the clients they represent have at least one thing in common, namely, they conduct their businesses using names other than their own. But whereas many business people have traditionally invested a great deal of time, money, and energy in branding their businesses, attorneys only recently have begun engaging in such advertising activities. In fact, it was not until the 1970s that attorneys were ethically permitted to advertise,¹ and even today some jurisdictions continue to impose significant restrictions on lawyers' promotional activities.²

"[A] law firm's name should be a protectible federal trademark if the other requirements of trademark law are met."

The core of branding is the process of protecting the name under which a business is conducted and identified. The law provides a vehicle for obtaining this protection through the trademark statutes. The federal trademark statute, known as the Lanham Act, provides protection for any name, symbol, logo, or combination thereof when used in commerce to identify a product or service. It is, therefore, apparent that a law firm's name should be a protectible federal trademark if the other requirements of trademark law are met.

To have a protectible mark, a firm must adopt a name that does not sound like, look like, or cause market confusion with the name of any other law firm or related business. Thus, when the law firm Suisman, Shapiro, Wool, Brennan, Gray & Greenberg, PC (generally known as Suisman Shapiro) was presented with a situation where two attorneys (descendants of the founders) left the firm and created a firm called Suisman, Shapiro, the court found that there was a likelihood of confusion and enjoined the use of the name Suisman, Shapiro by the new firm.³ The court pointed out that a firm name does not identify individual persons but, rather, identifies the law firm as a business entity and held that the plaintiff was able to prove that its name had developed secondary meaning in the minds of consumers in the local market. This can be accomplished by advertising and promotional activities, as well as by other public recognition.

A similar situation occurred when the Midwest firm Foley & Lardner opened an office in Boston, since the Foley Hoag firm had already been established in Boston for more than sixty years. Foley Hoag registered its service mark "Foley Hoag" with the Patent and Trademark Office in 2002. Foley & Lardner had begun calling itself

"Foley" about three years before the move, but when it attempted to register "Foley," the Patent and Trademark Office denied the registration as likely to cause confusion with Foley Hoag. In fact, since both firms identified themselves as "Foley," there was a great deal of actual confusion. Letters and faxes intended for one of the firms were addressed to the other. Even the Post Office could not tell the two firms apart and misdelivered their mail.

In October 2005, Foley Hoag filed suit in the District of Massachusetts. The firms settled the dispute in August 2007, and while Foley & Lardner denied that there was any likelihood of confusion, it did agree not to use "Foley" without "Lardner" in close proximity and prominence as well as to avoid referring to itself by the single word "Foley" in written or oral communications, unless it was used "in a context reasonably understood to be referring to Foley & Lardner." Foley & Lardner was allowed to retain the foley.com URL.

A different result was reached when Milbank Tweed Hadley & McCloy (commonly known as "Milbank"), another prominent national law firm, brought a trademark infringement suit against a California real estate service company named Milbank Holding Corporation. The court ruled in favor of the defendant, noting that the "Milbank" name was not a registered trademark. It found that the law firm was unable to prove its name had acquired secondary meaning. In other words, members of the public did not associate the Milbank name with the national law firm. The court held that there was no likelihood of confusion, despite the fact that the law firm had a significant real estate law practice.⁴

The problem of secondary meaning also was significant in a case involving a prominent intellectual property lawyer named M. Kelly Tillery. Tillery filed suit in the Eastern District of Pennsylvania against his former law firm for the firm's use of his name. The partnership agreement between Tillery and his firm provided that the firm could continue using Tillery's name unless the use violated the code of professional responsibility, and Tillery would, therefore, have to prove that on trial in order to show that the firm breached the partnership agreement. The firm did change its letterhead, stationery, and the like, leaving only the use of the domain name leonardtillery.com and related e-mail addresses in dispute. However, at the time of the lawsuit, the firm had created a new URL and was in the process of transitioning to it. All emails were sent from the new domain, although the firm continued to receive emails at the old addresses. Also, the URL directed users to the new domain. After the suit was filed,

the firm created a page with a message alerting users that Tillery was no longer affiliated with the firm before redirecting them to the new site.

Tillery's attempt to obtain a preliminary injunction was unsuccessful, as the court felt he would not likely succeed on the merits on any of the claims he asserted. Judge Norma Shapiro explained that trademarks may be arbitrary (or fanciful), suggestive, descriptive or generic.⁵ Individual names are descriptive and, therefore, protectible only if they achieve secondary meaning. Tillery did not use his name in connection with any business or product, except as part of the name of the law firms with which he had been affiliated. Tillery did not promote his surname in connection with his legal practice; rather, he, like most people, used his first name with his last name, and the only promotion was in connection with his firm name. In fact, he had brought in only a handful of new clients in the last sixteen months with the firm, and they were referred to the firm rather than to him individually.

A similar conclusion was reached in a case involving a cybersquatting claim by Seattle law firm The Christensen Firm against its Web site development vendor, Chameleon Data. When the law firm disputed certain of the vendor's charges and failed to pay them, Chameleon transferred to itself ownership of the four domains that had been managed by Chameleon but owned by the firm. The court dismissed the cybersquatting claims, holding that the domain names at issue were either generic (cc-law-firm) or descriptive (thechristensenfirm.com, thechristensenfirm.net, christensenfirm.com) and that the firm had not established that they had achieved secondary meaning.⁶

In another case involving a law firm's URL, the firm Thelan Reid Brown Raysman & Steiner did not sue but, rather, took advantage of the online arbitration procedure available through WIPO, filing against a Korean businessman who had registered Thelan.com as a URL. The firm alleged that the foreign businessman was a cybersquatter and requested that WIPO turn the URL over to it. Before obtaining a decision from the arbitrator, the foreign businessman capitulated and assigned the thelan.com URL to the law firm for no consideration.

These types of disputes are not unique to the United States. When the international law firm Paul Hastings Janofsky & Walker, LLP, applied to register its name as a trademark for legal services in Hong Kong, the application was opposed by a local law firm, Hastings & Co., which had been established in Hong Kong in 1904. The registrar permitted registration, holding that there was no reasonable likelihood of confusion, even though the international firm had moved into an office previously occupied by the Hong Kong firm.⁷

A recent English case addressed a dispute between a solicitor practicing employment law who had obtained a trademark registration for the mark "Just Employment" and a Scottish company providing advice and representation in employment matters⁸ doing business under the name "Just Employment Law Limited." The court held that the solicitor's trademark registration was invalid because the mark was merely descriptive and had not acquired distinctiveness.⁹

Trademark disputes between groups of lawyers are not restricted to law firms. Last year, the Association of Trial Lawyers of America (ATLA) changed its name to the American Association for Justice (AAJ). Around the same time, another group of trial lawyers created an organization called The American Trial Lawyers Association, or "TheATLA." TheATLA claims its name is descriptive and that, in any event, AAJ abandoned the ATLA mark, but AAJ disagreed and sued TheATLA for trademark infringement last year. Another organization, the American College of Trial Lawyers, also brought suit against TheATLA for trademark infringement last year. This organization had sued AAJ thirty-five years ago when AAJ adopted the name American Trial Lawyers Association, resulting in the organization changing its name to the Association of Trial Lawyers of America.¹⁰

"The Bible counsels physicians to heal themselves, and its message is also applicable to lawyers, who should be as diligent in protecting their own rights as they are in protecting their clients' rights."

Many law firms now recognize the importance of branding and the necessity of engaging in the promotional activities that have become vital in today's competitive market. It is clear from the *Foley* case that registering the firm's name as a federal trademark has some advantages, although under the Lanham Act mere use of a protectible name in interstate commerce is all that is necessary for common-law protection of that name.¹¹ Registration also may be appropriate for solo practitioners, although they may have greater difficulty in establishing that their names are registerable trademarks.¹²

It is, therefore, appropriate for law firms—which counsel their clients to take steps to protect their property—to engage in self-protection as well. The Bible counsels physicians to heal themselves, and its message is also applicable to lawyers, who should be as diligent in protecting their own rights as they are in protecting their clients' rights.

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Endnotes

1. *Bates v. State Bar of Arizona*, 433 U.S. 350 (1977).
2. See, for example, the New York Disciplinary Rules of the Code of Professional Responsibility. Note that in February 2007, a lawsuit seeking to enjoin enforcement of parts of the section of the Code limiting advertising was filed. The U.S. District Court for the Northern District of New York agreed that certain portions were an unconstitutional limitation on free speech and granted the plaintiffs' motion for summary judgment on July 20, 2007 (*Alexander v. Cahill*, No. 5:07-CV-117, 2007 WL 2120024 (N.D.N.Y. 2007)). The ruling has been appealed to the Second Circuit.
3. *Suisman, Shapiro, Wool, Brennan, Gray & Greenberg, PC v. Suisman*, No. 3:04-CV-745 (JCH), 2006 WL 387289 (D. Conn. Feb. 15, 2006).
4. *Milbank Tweed Hadley & McCloy, LLP v. Milbank Holding Corporation d/b/a Milbank Real Estate Services*, 06-CV-187 (C.D. Cal. Feb. 23, 2007).
5. *Tillery v. Leonard & Sciolla, LLP*, 437 F. Supp. 2d 312 (E.D. Pa. 2006).
6. See "Western District Refuses to Reconsider Dismissal of Cybersquatting Claim," Feb. 20, 2008, at <http://seattletrademarklawyer.com/blog/2008/2/21/western-district-refuses-to-reconsider-dismissal-of-cybersqua.html>.
7. Trademark Decisions, File Nos. 200208105, 200208291, 200208292, 200208293 and 200208294, May 2, 2007. The decisions can be found at http://www.ipd.gov.hk/eng/intellectual_property/trademarks/trademarks_decisions/recent_decisions.htm.
8. In the UK, nonsolicitors are permitted to give legal advice on employment issues, as well as to represent clients before employment tribunals.
9. *Bignell v. Just Employment Law Limited* [2007], EWHC 2203 (Ch).
10. *Ball v. American Trial Lawyers Assn.*, 14 Cal. App. 3d 298, 92 Cal. Rptr. 228 (1971).
11. See § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).
12. In a recent case before the Trademark Trial and Appeal Board (TTAB), it was reaffirmed that an individual's name may be a registrable trademark if it has acquired secondary meaning despite the Lanham Act's prohibition on registering a mark that is "primarily merely a surname." *In re J.J. Yeley*, 2007 WL 3095396 (T.T.A.B. Oct. 17, 2007). See also *Michael S. Sachs, Inc. v. Cordon Art B.v.*, 56 U.S.P.Q. 2d 1132 (T.T.A.B. 2000). While the *Yeley* case dealt with a NASCAR driver, the same principles would apply to an attorney.

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Why a Reasonable Right of Publicity Should Survive Death: A Rebuttal

By Marc A. Lieberstein

I. Introduction

Elvis Presley.¹ Tiger Woods.² Babe Ruth.³ Princess Diana.⁴ Johnny Carson.⁵ These names immediately conjure up an image, a personality—a persona that shares many characteristics with what marketing professionals loosely call a *brand*. These individuals have become symbols representing, in some instances, well-known traits or characteristics, e.g., Marilyn Monroe: glamour mixed with tragedy, Babe Ruth: athletic accomplishment accompanied by boastful self-confidence. Other personas are associated with causes or historical events—think FDR and the end of the Depression or Princess Diana and the fight against the paparazzi.

The value associated with these individuals' names does not disappear when they die. Indeed, in some instances, it was the person's death that created the mystique that transformed them from merely famous to iconic: Janis Joplin and Jimmy Hendrix come to mind. While there may, of course, be exceptions, from a policy perspective, a post-mortem right of publicity is fully consistent with what Justice Frankfurter described years ago as the "law's recognition of the psychological function of symbols. [Trademarks are used to convince consumers of] the desirability of the commodity on which it appears. . . . If another poaches on the commercial magnetism of the symbol he has created he can obtain legal redress."⁶

This article is a rebuttal to the thoughtful and provocative argument advanced by Christopher Serbagi and David Marcus in "The Death of Celebrity Art: Why the Right of Publicity Should Not Survive Death ("The Death of Celebrity Art"), which appeared in the Spring 2008 issue of *Bright Ideas*,⁷ wherein they argued that a post-mortem right of publicity should not be recognized.

Underlying "The Death of Celebrity Art" is the following vexing question: If I take a photograph of a famous person, I clearly own the copyright in the photograph. Does that copyright ownership alone confer the rights necessary to sell copies of the photograph? Can I display the photograph? Can I license the photograph for use on a tee-shirt, coffee mug, or a portable toilet?

Messrs. Serbagi and Marcus are involved in a heated litigation against the Marilyn Monroe estate, which is perhaps the leading advocate in the United States for expansive publicity rights. It is also worth noting that the position of the Monroe legal team, if not in this case then in the past, has often been that while the sale of original copyrighted photographs may not implicate Monroe's right of publicity, the public display of the photographs

in an exhibition on her life in a department store may do so.⁸

It is understandable, given this backdrop, that Serbagi and Marcus argue so stridently against any recognition of post-mortem publicity rights. I respectfully submit, however, that there is room for a post-mortem right that does not compromise the legitimate First Amendment or copyright rights. I also submit that public policy weighs strongly in favor of recognizing such a right.

Society as a whole can benefit from a reasonably circumscribed post-mortem right of publicity, which will protect not only the heirs or assignees of the deceased right of publicity owner, but also all others who have licensed or otherwise associated themselves with the right of publicity with the authorization of its owner. Reasonable legislation delineating the duration of a post-mortem right of publicity and the manner in which it can be conveyed will not impede copyright owners or trample the First Amendment; rather, it will bring certainty to all involved and enable the publicity rights owner to reward his or her heirs with the benefits associated with the valuable asset associated with his or her name, likeness, and persona, and also to protect the commercial relationships established by the rights owner before he or she died. This decision should not be determined based upon whether the heirs had anything to do with creating the assets; rather, it is a decision that should be placed in the hands of the rights owner, and thereafter reasonably regulated after the rights owner dies.

Marilyn Monroe was more than a '50s/early '60s sex goddess; she personified Hollywood glamour with her beauty and alluring aura. The world fell in love with her apparent vulnerability, innocence, and innate sensuality. Even though Marilyn died in 1962 at the age of thirty-six, her fame did not die with her. Today, the name "Marilyn Monroe" still represents beauty, sensuality, and glamour.⁹ With her popularity and commercial appeal as strong as it was in the 1950s, Marilyn is still a valuable commercial asset. It is hard to dispute that this commercial value is, at least in some significant part, the product of the brand stewardship of those who manage the Monroe estate and that without such tight control over the use of Monroe's image, Monroe today would stand for something altogether different, if anything at all. Isn't this what Justice Frankfurter described as the creation of commercial magnetism which cannot be poached without legal redress?

If Marilyn had the right to control her right of publicity while alive, her heirs, and arguably all those with whom she may have contracted, should be able to control

and benefit from that right after her death. Many courts have acknowledged this concept, even in New York, where there currently is no statutory post-mortem right of publicity.¹⁰ Without a post-mortem right of publicity, Monroe's name or likeness could show up on portable toilets. Such offensive, unauthorized uses of Monroe's persona are a real possibility absent reasonable legislation that would permit the heirs and/or other authorized entities to regulate use of the publicity right after death.

II. The Public Benefits from a Post-Mortem Right of Publicity

Serbagi and Marcus take the position that there is no reason to extend the right of publicity beyond the life of its original owner.¹¹ But there are public policies and legal justifications that do support recognizing a post-mortem right of publicity. Several courts, for example, have noted that celebrity fame, which in most cases is derived from hard work, is an intangible property right that should be descendible.¹² Legislation recognizing such a right for a reasonable period of time after death upholds the principle against unjust enrichment, prevents deceptive advertising, and serves to maintain confidence in contracts.¹³

Although a celebrity's fame can be amplified or deflated by the media, a celebrity's fame is ultimately the result of the celebrity's hard work, talent, and investment.

[E]very person is entitled to the fruit of his labors unless there are important countervailing public policy considerations. Yet, because of the inadequacy of traditional legal theories . . . persons who have long and laboriously nurtured the fruit of publicity values may be deprived of them, unless judicial recognition is given to what is here referred to as the right of publicity—that is, the right of each person to control and profit from the publicity values which he has created or purchased.¹⁴

To develop a celebrity's prominence in a particular field usually takes substantial money, time, and energy.¹⁵ Tiger Woods is a perfect example. Today, Tiger Woods is considered the world's best and most famous golfer.¹⁶ He achieved this fame not only with his god-given talent, but also with hard work and family support. When he won the Masters Tournament in Augusta, Georgia in 1997 by a record 12-stroke margin, he was the youngest player ever to win the tournament.¹⁷ If Tiger had an accident and died, do you think Nike or Buick, which have paid handsomely for Tiger's endorsement, would have done so if their competitors could suddenly use his name and likeness to endorse their competing products

immediately after Tiger's death? Would it be fair to allow a person who took photos of Tiger Woods to suddenly license the images in those photos for use in connection with tee-shirts, coffee mugs, or other trinkets? Why should Tiger Woods's wife and child not be permitted to continue to benefit from his name and image and protect it from unauthorized and dilutive commercial uses?

When an individual reaches celebrity status, ostensibly it is his or her name and likeness that is recognized and protected from unauthorized commercial use in most states by common law or by statute.¹⁸ Some courts, including the United States District Court for the District of New Jersey, have characterized this right as a property right because the celebrity's name and likeness are things of value.¹⁹ Courts in other states have done the same.²⁰ The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility.²¹ If a celebrity's right of publicity is treated as an intangible property right in life, courts have held that it also must be treated as such after death and, accordingly, may descend upon death.²² Since the celebrity has created a valuable capital asset, it is consistent with the celebrity's expectation that this asset will benefit his heirs and assigns after his death.²³ Absent a post-mortem right of publicity, the public effectively receives a windfall by dint of being able to use the deceased celebrity's name or likeness without limitation. This is unjust enrichment.²⁴

Moreover, recognizing a post-mortem right of publicity safeguards consumers from deceptive sponsorship, approval, or certification of goods and services.²⁵ Indeed, it likely would be confusing if, after Tiger Woods's death, Adidas were to come out with a Tiger Woods golf clothing line that would compete with clothing made by Tiger Woods's chosen apparel company, Nike. Tiger Woods and Nike chose to create their relationship, and Nike invested millions based on the exclusivity of that relationship. If, after Tiger Woods died, Adidas suddenly could use the Tiger Woods name for a competing clothing line, not only would the public believe that Tiger Woods was now endorsing Adidas, but it also would diminish Nike's desire to create an exclusive relationship with Tiger Woods and invest in that relationship while Tiger Woods is alive.

A post-mortem right of publicity maintains the value of the sponsorships, relationships, and other contractual rights entered into by the right of publicity owner during his or her lifetime as well as the value of such rights to the licensees who invested millions of dollars not only to acquire the right to use a celebrity's name and likeness, but to promote and market the name as their own.²⁶ The commercial appeal in using a celebrity's fame stems from its duration and exclusivity.²⁷ If a celebrity's name and likeness were to enter the public domain instantly upon death, the value of endorsement contracts entered into while the celebrity was alive would be greatly diminished.²⁸

In sum, there is great societal benefit from permitting a post-mortem right of publicity. But how broad should such a right be?

III. Post-Mortem Publicity Rights Will Not Chill More Expression Than Do Pre-Mortem Publicity Rights

Serbagi and Marcus contend that a broad post-mortem right of publicity will stifle expression and create fear of portraying historical figures and celebrities.²⁹ But if this is true, it is equally true while the celebrity is alive. The celebrity's death will not suddenly result in an expansion of publicity rights that will endanger more protected expression. The First Amendment has held its own against the right of publicity.³⁰ There is no basis for the assertion that a post-mortem right of publicity necessarily will stifle creativity or artistic expression.

The First Amendment protects speech expressed in a variety of media, from written or spoken words to music, pictures, films, photographs, paintings, drawings, engravings, prints, and sculptures.³¹ Even speech carried out for profit is protected, including that of publishers distributing artists' expressive works.³² Commercial speech is entitled to First Amendment protection, albeit somewhat less than noncommercial speech.³³ Indeed, the First Amendment dictates that celebrities can be the subject of comment, parody, lampoon, and any other noncommercial form of expression without any right to compensation.³⁴ The right of publicity is merely another economic right that can prevent others from misappropriating the economic value generated by the celebrity's fame.³⁵

One test courts have formulated to help clarify the distinctions between, and balance, the right of publicity and the First Amendment to ensure that artistic expression is protected is the "transformative use" test.³⁶ The test inquires whether the transformative elements of the artist's work are so great that the celebrity's name and likeness are only the raw materials from which the original work was synthesized.³⁷ If the artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, without adding significant original artistic expression, then it trespasses on the right of publicity.³⁸ But if the work contains significant transformative elements, then it is entitled to First Amendment protection.³⁹

Illustrating this balance and demonstrating that the right of publicity will not stifle creative and artistic expression is *ETW Corp. v. Jireh Publ'g*.⁴⁰ ETW Corporation is the exclusive licensing agent for Tiger Woods's publicity rights. Jireh Publishing, Inc. publishes works of art created by Rick Rush, who is well known for creating paintings of famous figures in sports and famous sporting events. In 1998, Rush created a painting entitled "The Masters of Augusta," which celebrated Woods's 1997

Masters victory. The painting consists of three views of Woods in different poses in the foreground and includes Rush's signature. Next to Woods are his caddy, Mike "Fluff" Cowan, and his final round partner's caddy. Behind these three figures is the Augusta National Clubhouse. The likenesses of Arnold Palmer, Sam Snead, Ben Hogan, and Jack Nicklaus are depicted looking down on Woods in the blue background behind the clubhouse. Limited-edition reproductions of the painting came with a narrative description of the painting, which also used the name Tiger Woods.

ETW sued Jireh alleging, *inter alia*, infringement of Woods's right of publicity. Jireh argued that Rush's use of Woods's image and name in Rush's painting and narrative were protected by the First Amendment. The Sixth Circuit agreed with Jireh and found that Rush's work was more than a mere likeness of Woods, i.e., it met the transformative use test's requirement for original expression, not merely imitating the celebrity's image for commercial gain. The court explained that Rush's limited edition painting included a combination of images in addition to that of Woods. This represented an artistic effort to capture a historic sports event on canvas, not necessarily capitalize on the celebrity image. The court held that Woods's right of publicity must yield to the First Amendment's protection of Rush's original and artistic expression, especially in view of the limited-edition distribution of the work.

Copyright law also permits the artist to sell his copyrighted work and, in tandem with the First Amendment, should shield the artist from any right of publicity attacks, provided the copyright owner has sole ownership of the work and does not overly extend the commercialization of the work.⁴¹ The copyrighted work that includes a celebrity image should be able to be auctioned or otherwise sold, provided it is not mass marketed for commercial consumption such as by licensing a third party to use the work in connection with selling portable toilets.

IV. The Marilyn Monroe Cases

Serbagi and Marcus are to be commended for their efforts to defend their client's right to sell its copyrighted photographs of Marilyn Monroe. But their efforts to defeat an assertion of post-mortem publicity rights should not come at the expense of all right of publicity owners and their heirs.

The states that have laws governing the right of publicity and the post-mortem right of publicity appear to have adopted a reasonable approach to protecting the societal benefits associated with protecting the right of publicity in life and death. But, regardless of whether there is a statutory post-mortem right of publicity in California, New York, Indiana, or anywhere else, copyright owners should be able to freely sell or display their works, e.g., the Marilyn Monroe photographs, including

in a gallery if they so choose. Such commercialization has been, and continues to be, protected by copyright law and by the First Amendment. Although the Monroe estate may claim the right to license some of these activities, I agree with Serbagi and Marcus that a post-mortem right of publicity should not cover all such activities. The only activities a post-mortem right of publicity statute should regulate in a reasonable manner are those in which the works are commercialized, i.e., transformed in order to sell something other than merely their original expression, such as by being licensed for use on t-shirts, mugs, or portable toilets or for endorsements for products or services.

IV. Conclusion

I do not opine on the merits of the Marilyn Monroe cases. But I do believe that a properly balanced post-mortem right of publicity is a reasonably fair way to ensure that the commercially valuable name and likeness of a person is protected after death from unauthorized or unflattering uses for commercial gain.

Endnotes

1. See *Estate of Presley v. Russen*, 513 F. Supp. 1339 (D.N.J. 1981).
2. See *ETW Corp. v. Jireh Publ'g Inc.*, 332 F.3d 915 (6th Cir. 2003).
3. See *Pirone v. MacMillan, Inc.*, 894 F.2d 579 (2d Cir. 1990).
4. See *Cairns v. Franklin Mint Co.*, 292 F.3d 1139 (9th Cir. 2002).
5. See *Carson v. Here's Johnny Portable Toilets, Inc.*, 810 F.2d 104 (6th Cir. 1987).
6. *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942).
7. See NYSBA *Bright Ideas*, Vol. 17, No. 1, 11 (Spring/Summer 2008).
8. The author's partner negotiated such an agreement with the Monroe Estate several years ago.
9. See Marilyn Monroe's Biography, Marilyn Monroe c/o CMG, Worldwide <http://www.marilynmonroe.com/about/bio.html>.
10. *Pirone*, 894 F.2d at 585-86 (2d Cir. 1990) (stating there is no independent common-law right of publicity and right is not descendible); see *Stephano v. News Group Publications, Inc.*, 64 N.Y.2d 174 (1984).
11. *Death of Celebrity Art* at 15.
12. See Ind. Code §§ 32-26-1-1 to -20 (Indiana's Right of Publicity Act allowing statutory post-mortem right of publicity); *Comedy III, Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 805 (Cal. 2001) (maintaining that a celebrity's fame is the result of hard work and the celebrity's heirs and assigns have a legitimate protectable interest in exploiting the celebrity's commercial value); *Elvis Presley Int'l Mem'l Found. v. Crowell*, 733 S.W.2d 89, 96 (Tenn. Ct. App. 1987) (indicating that a right of publicity is an intangible personal property and therefore descendible); *Estate of Presley v. Russen*, 513 F. Supp. at 1335 (indicating that right of publicity should be descendible).
13. *Elvis Presley Int'l Mem'l Found.*, 733 S.W.2d at 98.
14. Melville B. Nimmer, *The Right of Publicity*, 19 Law & Contemp. Probs. 203, 216 (1954).
15. *Comedy III v. Saderup*, 21 P.3d at 804.
16. *ETW Corp.*, 332 F.3d at 918.
17. *Id.*
18. *Winter v. DC Comics*, 69 P.3d 473, 476 (Ca. 2003).
19. *Estate of Presley*, 513 F. Supp. at 1354.
20. *Id.* at 1355; *Elvis Presley Int'l Mem'l*, 733 S.W.2d at 97; *Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215, 221 (2d Cir. 1978); *Factors Etc., Inc. v. Creative Card Co.*, 444 F. Supp. 279, 282 (S.D.N.Y. 1977); *Price v. Hal Roach Studios, Inc.*, 400 F. Supp. 836, 844 (S.D.N.Y. 1975).
21. *Comedy III*, 21 P.3d at 804.
22. *Elvis Presley Int'l Mem'l Found.*, 733 S.W.2d at 97-8; *Estate of Presley*, 513 F. Supp. at 1355; *Price*, 400 F. Supp. at 844.
23. *Elvis Presley Int'l Mem'l Found.*, 733 S.W.2d at 98.
24. *Id.*
25. *Id.* at 99.
26. *Id.* at 98.
27. *Id.*
28. *Id.*
29. *Death of Celebrity Art* at 15-16.
30. See *ETW Corp.*, 332 F.3d 915; see also *Winter*, 69 P.3d 473; see also *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180 (9th Cir. 2001); see also *Cardtoons, L.C. v. Major League Baseball Players Ass'n.*, 95 F.3d 959 (10th Cir. 1996).
31. *ETW Co.*, 332 F.3d at 924.
32. *Id.* at 924-5.
33. *Id.* at 925.
34. *Comedy III*, 21 P.3d at 807.
35. *Id.* at 806.
36. *Id.*
37. *Winter*, 69 P.3d at 477.
38. *Id.* at 808.
39. *Id.*
40. 332 F.3d 915.
41. *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1141 (9th Cir. 2006) (stating that "although California law recognizes an assertable interest in the publicity associated with one's voice, we think it is clear that federal copyright law preempts a claim alleging misappropriation of one's voice when the entirety of the allegedly misappropriated vocal performance is contained within a copyrighted medium"); *Allison v. Vintage Sports Plaques*, 136 F.3d 1443, 1448 (11th Cir. 1998) (indicating that "Copyright law, for example, does not exist merely to protect the tangible items, such as books and paintings, in which the underlying expressive material is embodied; rather, it protects as well the author's or artist's particular expression that is included in the tangible item"); *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 839-40 ("right to publicity may be subject to federal preemption where it conflicts with the provisions of the Copyright Act of 1976").

Application of the DMCA Section 512(c) Safe Harbor to Video-Sharing Web Sites

By Jeff Leung

I. Introduction

Where a video-sharing Web site seeks to limit its liability for hosting copyright infringing content generated by its users, the site may assert a number of affirmative defenses to copyright infringement liability. Among them is the safe harbor under section 512(c) of the Digital Millennium Copyright Act (DMCA), 17 U.S.C. § 512(c), which protects service providers from liability for infringing material residing on a system or network they own or control. However, to successfully claim the protection of the DMCA safe harbor, a series of conditions must be met. First, the service provider must satisfy the general safe-harbor threshold requirements. Second, once the threshold requirements are met, the service provider must fulfill the requirements of the particular safe-harbor provision under which it seeks refuge.

The first half of this article discusses the framework of DMCA analysis under section 512(c), including the general requirements of section 512 and the specific requirements of section 512(c). Against this background, the second half of the article discusses two pending cases involving the prominent video-sharing Web site YouTube and, in particular, highlights some anticipated issues with respect to YouTube's reliance on section 512(c). Analysis of the pleadings in the YouTube actions reveals that at least three issues threaten YouTube's chances of successfully asserting safe-harbor protection under section 512(c).

II. The DMCA Safe-Harbor Provisions

In addition to the other statutory defenses provided for by the Copyright Act,¹ the DMCA provides statutory protection against a claim of copyright infringement to Internet service providers in specified circumstances.² The DMCA was enacted both to preserve copyright enforcement on the Internet and to provide protection to service providers from copyright infringement liability for "passive," "automatic" actions in which a service provider's system engages the claimed infringing material through a technological process initiated by another without the knowledge of the service provider.³ Section 512 provides four safe harbors: section 512(a), governing transitory digital network communications; section 512(b), governing system caching; section 512(c), governing information residing on the system or network at the direction of users; and section 512(d), governing information location tools.⁴

The DMCA safe harbors do not grant a service provider absolute immunity from copyright infringement.⁵

Rather, the safe-harbor provisions protect from monetary and most equitable relief that may arise from copyright liability.⁶ This protection is available only to "innocent" service providers who can prove they do not have actual or constructive knowledge of the infringement, as defined under any of the three prongs of section 512(c)(1).⁷ The DMCA's protection of a service provider disappears "at the moment the service provider loses its innocence, i.e., at the moment it becomes aware that a third party is using its system to infringe."⁸ Moreover, liability protection under the DMCA is an affirmative defense. As such, the service provider asserting entitlement to limited liability under a safe-harbor provision bears the burden of establishing its applicability.⁹

A. Threshold Requirements

To be eligible for any of the four section 512 safe harbors, a service provider must meet the conditions for eligibility set forth in sections 512(k) and 512(i).¹⁰ First, the service provider actually must be a "service provider"¹¹ as defined in the statute. Next, the service provider must satisfy section 512(i) by showing that it

(A) has adopted and reasonably implemented, and informs subscribers and account holders of the service provider's system or network of, 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; and

(B) accommodates and does not interfere with standard technical measures.¹²

Once these threshold conditions have been met, a service provider then must satisfy the requirements specific to a particular safe harbor, as discussed below.¹³

1. Is the Web Site a "Service Provider"?

The DMCA provides two definitions of "service provider."¹⁴ The first, which applies to section 512(a), is "an entity offering the transmission, routing, or providing connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received."¹⁵ The second, which applies to the balance of section 512, is "a provider of online services or network access, or the operator of facilities therefor, and includes an entity described in [17 U.S.C. § 512(k)(1)(A)]."¹⁶

“Service provider” is thus defined more narrowly with respect to section 512(a).¹⁷ Conversely, the definition of a “service provider” with respect to the remaining safe-harbor provisions has been interpreted broadly¹⁸ to include entities not traditionally considered “[I]nternet service provider[s].”¹⁹ Courts have liberally found entities to constitute service providers where they simply provided some type of service online.²⁰ Thus, for the purposes of section 512(c), the definition of service provider includes online entities such as AOL,²¹ merchants like eBay²² and Amazon.com,²³ payment processing services,²⁴ age verification services,²⁵ and a publisher of real estate advertisements.²⁶

In *In re Aimster Copyright Litig.*²⁷ the plaintiffs argued that the definition of service provider should comport with the traditional definition of an Internet service provider. The court noted that Aimster operated in the same manner as other infrastructure providers “by providing a backbone or infrastructure through a contractual relationship with other intermediate service providers, who in turn have commercial relationships with other infrastructure providers on down the line to the provider that has a relationship with the end user.”²⁸ Tracking the definition of a service provider under the statute, Aimster clearly provided the routing of digital communication between its users. However, the plaintiffs in Aimster argued that Internet service providers “generally provide a way to connect to the Internet . . . as well as a mechanism that tells a computer how and where to access information on the Internet” and that Aimster provided none of these services.²⁹ The court agreed that Aimster would not be considered an Internet service provider in the strict and traditional usage of that term,³⁰ but it reasoned that the DMCA provided two specific definitions of “service provider” and that those broad definitions must control.³¹ Thus, entities that generally fall outside the definition of a traditional Internet service provider still may fall within the broader DMCA definition.

2. Whether the Web Site Has Adopted and Reasonably Implemented a Policy to Disable Access of Repeat Infringers

The next threshold issue is whether the service provider has adopted and reasonably implemented a policy to disable the access of repeat infringers. The concept of adopting and reasonably implementing such a policy has three elements: (1) whether the service provider adopted a policy that provides for the termination of service access for repeat copyright infringers in appropriate circumstances; (2) whether the service provider informed users of the service policy; and (3) whether the service provider implemented the policy in a reasonable manner.³²

The touchstone of the first element is whether the service provider has adopted a policy that it will disable or terminate access to the accounts accused of infringing

copyrighted works.³³ Courts in the Ninth Circuit have explained that the focus of section 512(i) is on infringing users rather than on infringing content.³⁴ The service provider must adopt a policy that terminates the infringing user, not just the content.³⁵

One issue is how specific the policy must be.³⁶ In *Corbis Corp. v. Amazon.com, Inc.*³⁷ the plaintiff argued that Amazon’s user policies did not include the term “repeat infringer” and did not describe the methodology employed in determining which users would be terminated for repeated copyright violations. The plaintiff asserted that without such information, Amazon had not sufficiently informed its users of the type of conduct that would cause them to be denied access to Amazon’s services. The court disagreed. Noting the absence of a definition of the term “repeat infringer” and the absence of express triggers that would terminate access to repeat infringers, the court concluded that Congress intended the policy requirement to be “loosely defined.”³⁸ The court added: “Given the complexities inherent in identifying and defining online copyright infringement, § 512(i) does not require a service provider to decide, ex ante, the specific types of conduct that will merit restricting access to its services.”³⁹

Understandably, the requirement of having a policy to disable the access of repeat infringers has not created much judicial analysis or discussion. To meet this requirement, service providers need do little more than adopt a policy that clearly tracks the language of the statute. But the reasonable implementation requirement has generated considerable dispute. As the district court stated in *Perfect 10, Inc. v. CCBill, LLC*,⁴⁰ “courts have not defined what reasonable implementation of a repeat infringer policy entails.”⁴¹ Generally, courts have focused on two types of shortcomings in determining whether a service provider reasonably implemented a repeat infringer policy: (1) failed attempts to implement⁴² and (2) failure to attempt to implement.⁴³

In *Ellison v. Robertson*,⁴⁴ the Ninth Circuit rejected the lower court’s conclusion that AOL had “reasonably implemented” a policy against repeat infringers, finding “ample evidence” that AOL did not have an effective notification procedure in place at the time the alleged infringing activities were occurring.⁴⁵ The court reasoned that despite AOL’s attempts to comply with the section 512(i) requirements, AOL had changed the e-mail address to which infringement notifications were supposed to have been sent and had failed to provide for forwarding of messages sent to the old address or notification that the e-mail address was inactive.⁴⁶

The Ninth Circuit in *Ellison* also provided guidance as to what AOL should have done. Instead of allowing notices of copyright infringement to deposit in an unattended repository, the court stated, AOL should have closed the old e-mail account or forwarded the e-mails sent to the

old account to the new one.⁴⁷ AOL's failure to do either, the court stated, was "sufficient for a reasonable jury to conclude that AOL had not reasonably implemented its policy against repeat infringers."⁴⁸

The district court in *Aimster* also considered the consequences that may result when the service provider cannot implement the policy it has adopted. *Aimster* argued that its own encryption rendered it impossible to ascertain which users were transferring which files. The court held that *Aimster* had failed to reasonably implement a repeat infringer policy, reasoning that "[a]dopting a repeat infringer policy and then purposely eviscerating any hope that such a policy could ever be carried out is not an 'implementation' as required by § 512(i)."⁴⁹

The court in *Corbis* considered the issue of reasonable implementation by asking whether the service provider "tolerate[d] flagrant or blatant copyright infringement by its users."⁵⁰ The court explained that "failure to properly implement an infringement policy requires a showing of instances where a service provider fails to terminate a user even though it has sufficient evidence to create actual knowledge of that user's blatant, repeat infringement of a willful and commercial nature."⁵¹ Unlike the service providers *Ellison* and *Aimster*, whose attempts to implement their policies were found to be inadequate, the *Corbis* court found that the service provider was aware of copyright infringement but "blatantly" chose to ignore it.⁵²

Whether the service provider reasonably implemented its termination policy also was raised in *CCBill*.⁵³ However, the court never reached the issue of reasonableness. Like the plaintiff in *Corbis*, the plaintiff in *CCBill* argued that despite receiving substantially compliant DMCA notifications, the defendant failed to disable access to the infringing Web sites and thus failed to reasonably implement its repeat infringer policy. Interestingly, the court focused on whether the notice provided by the plaintiff was substantially DMCA-compliant. The court reasoned that if the notice was substantially compliant, the plaintiff would have raised a genuine issue of material fact as to whether the defendant had failed to reasonably implement its policy.⁵⁴ Ultimately, the court concluded that without evidence of DMCA-compliant notice, the plaintiff had failed to raise a genuine issue of material fact as to reasonable implementation.⁵⁵ The court did not even discuss whether the defendant had met its burden of showing that it reasonably implemented its policy.⁵⁶

In *CCBill*, the Ninth Circuit held that "a service provider 'implements' a policy if it has a working notification system and a procedure for dealing with DMCA-compliant notifications and if it does not actively prevent copyright owners from collecting information needed to issue such notifications."⁵⁷ Invoking the former scenario, the plaintiff claimed that the service providers had

prevented the implementation of their policies by failing to keep track of repeatedly infringing webmasters.⁵⁸ Agreeing with the district court's finding that the service providers indeed had attempted to record webmasters associated with purportedly infringing Web sites, the Ninth Circuit affirmed the district court's conclusion that the plaintiff had failed to raise an issue of fact as to the implementation of the service provider's repeat infringer policy.⁵⁹

To be sure, a court need not reach a reasonableness analysis if it finds that a service provider made no attempt to implement a policy.⁶⁰ Although it did not need to, the Ninth Circuit in *CCBill* discussed in dictum the issue of reasonableness with respect to a claim that the service providers "unreasonably implemented their repeat infringer policies by tolerating flagrant and blatant copyright infringement by its users despite notice of infringement from [the plaintiff], notice of infringement from copyright holders not a party to this litigation and 'red flags' of copyright infringement."⁶¹ The court added that "[t]o identify and terminate repeat infringers, a service provider need not affirmatively police its users for evidence of repeat infringement."⁶²

3. Whether the Service Provider Informed Subscribers of the Policy

The last threshold requirement under section 512 is that the service provider inform subscribers of its policy. In addressing this requirement, courts discuss the matter only briefly by asking whether the service provider put its subscribers on notice that they would face loss of access to the service if violations of copyright laws persist.⁶³

B. Section 512(c)

Having discussed the general requirements under section 512, I now turn to the specific requirements under section 512(c). Section 512(c) applies where a plaintiff seeks to hold a service provider responsible for either infringing "material" stored and displayed on the service provider's Web site or infringing activity "using the material on the [service provider's computer] system."⁶⁴ The section 512(c) safe harbor protects a service provider from liability for "infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider."

To qualify for the section 512(c) safe harbor, a service provider must show: (1) the absence of actual or constructive knowledge of infringement; (2) that it receives no financial benefit directly attributable to any infringing activity that it maintains the right and ability to control; and (3) that it responded expeditiously to remove or disable access to infringing materials upon notice from the copyright holder.⁶⁵

1. Actual or Constructive Knowledge

The court in *ALS Scan, Inc. v. RemarQ Cmty.* stated that “[i]n the spirit of achieving a balance between the responsibilities of the service provider and the copyright owner, the DMCA requires that a copyright owner put the service provider on notice in a detailed manner but allows notice by means that comport with the prescribed format only ‘substantially,’ rather than perfectly.”⁶⁶ Indeed, courts have held that a notification from a copyright owner that fails to comply substantially with section 512(c)(3) “shall not be considered under [the first prong of the safe-harbor test] in determining whether a service provider has actual knowledge or is aware of the facts or circumstances from which infringing activity is apparent.”⁶⁷ As discussed below, this does not mean that evidence of notice is the only means by which knowledge (or absence of) may be shown.⁶⁸

Service providers discussed in subsections (b), (c), and (d) of section 512 all engage in some form of information storage.⁶⁹ These three subsections all contain a requirement that the providers respond to a written notification described in subsection (c)(3).⁷⁰ Section 512(c)(3) sets forth the required elements for proper notification by copyright holders. First, the copyright holder must provide written notification to the service provider’s designated agent.⁷¹ The notification must include “substantially” the following items: (i) a signature of the representative of the copyright owner; (ii) identification of the works infringed or a representative list of the works; (iii) identification of “the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled and information reasonably sufficient to permit the service provider to locate the material”; (iv) contact information for the complaining party; (v) a statement that the complaining party has a good-faith belief that use of copyrighted material in the manner described is unauthorized and unlawful; and (vi) a statement that the notification is accurate and a statement under penalty of perjury that the complaining party is authorized to act on behalf of the owner of the copyright.⁷²

While the statute does not expressly state how to determine whether a notification includes “substantially” all the required information, the court in *Recording Indus. Ass’n of Am., Inc. v. Verizon Internet Servs.* noted that according to the Senate and House Reports the term means that “technical errors . . . such as misspelling a name” or “supplying an outdated area code” will not render ineffective an otherwise complete section 512(c)(3)(A) notification.⁷³ In a recent decision, the Ninth Circuit added that “substantial compliance means substantial compliance with all of § 512(c)(3)’s clauses, not just some of them.”⁷⁴

In *Verizon*, the court addressed the plaintiff’s claim that its notification “included substantially” all the required information because the defendant potentially could identify the infringer from the IP address in the subpoena. The court reasoned that the defect in the plaintiff’s notice was not a mere technical error. Further, the court concluded that it could not be thought “insubstantial” “even under a more forgiving standard.”⁷⁵ The court found that the notification failed to identify any material that the defendant could remove or any user’s access to which it could disable. Thus, the court held that notice was insufficient even though the defendant could potentially identify the infringer from the IP address in the subpoena.⁷⁶

Where multiple works are infringed, the notification requirements are relaxed to the extent that only a “representative” list of works need be identified.⁷⁷ When a letter provides notice equivalent to a list of representative works that can easily be identified by the service provider, the notice substantially complies with the notification requirements.⁷⁸

The *Corbis* case offers an interesting departure from a long line of cases addressing the knowledge requirement under section 512(c).⁷⁹ The plaintiff acknowledged that it never attempted to notify the service provider that its copyright rights were being infringed. Instead, the plaintiff chose to file an infringement suit rather than proceeding in accordance with the DMCA’s notice provisions. The plaintiff offered evidence of notices provided by other copyright holders addressing their respective copyright rights and also provided evidence suggesting that the service provider was aware that the copyright owner licensed its works. Based on this evidence, the plaintiff argued that the service provider should have known that the service provider’s users sold materials that infringed the plaintiff’s copyrights. However, because the plaintiff provided no evidence from which such actual knowledge could be gleaned, the court held that the evidence offered by the plaintiff was insufficient.⁸⁰

The *Corbis* court also rejected the plaintiff’s attempt to demonstrate the service provider’s apparent knowledge. The plaintiff argued that it provided sufficient evidence to show that the service provider “knew or should have known” that users were selling infringing materials. But the court explained that in determining the service provider’s knowledge for the purpose of section 512(c)(1)(A), the question is not “what a reasonable person would have deduced given all the circumstances.”⁸¹ Instead, the question is “whether the service provider deliberately proceeded in the face of blatant factors of which it was aware.”⁸² As the legislative history explains, apparent knowledge requires evidence that a service provider “turned a blind eye to ‘red flags’ of obvious infringement.”⁸³

Even where the service provider fails to or cannot show that it did not possess actual or constructive knowledge, it has further recourse if it acts “expeditiously to remove or disable access to material claimed to be infringing after receiving from the copyright holder a notification.”⁸⁴ Once the service provider has actual knowledge of the infringing material, it loses the safe harbor protections unless it complies with the DMCA.⁸⁵ If sufficient knowledge is established under the first prong of the section 512(c) analysis, the issue then becomes whether the service provider complied with the DMCA’s “take down” provisions.⁸⁶ Although different DMCA subsections control “take down” procedures for actual or “red flag” knowledge than those necessitated when the service provider receives notification of a claimed infringement, the language of both subsections is the same: whether the service provider acted “expeditiously to remove, or disable access to, the material” so as to stay within the safe harbor.⁸⁷

2. Financial Benefit and Ability to Control

Finally, the service provider must demonstrate that it neither financially benefited from nor had the ability to control the allegedly infringing material.

In *Hendrickson v. Ebay, Inc.*⁸⁸ the court addressed whether the service provider possessed the right and ability to control infringing activity. The service provider, an online auctioneer, did not actively participate in the listing, bidding, sale, or delivery of any item offered for sale on its site, and it never had control over the allegedly infringing items nor possession of, or the opportunity to inspect, such items. In assessing whether the service provider possessed the right and ability to control infringing activity, the court explained that the concept cannot simply mean the ability of a service provider to remove or block access to materials posted on its Web site or stored in its system.⁸⁹ Accordingly, the court held that the record showed that the service provider did not have the right and ability to control the infringing activity at issue.⁹⁰

Similarly, in *Hendrickson v. Amazon.com, Inc.*,⁹¹ where the service provider received a financial benefit from its third-party sellers, the court stated that its only defense would be to prove that it did not have the right and ability to control such activity. Like eBay, the service provider, Amazon, “merely provided the forum for an independent third party seller to list and sell his merchandise.”⁹² Also like eBay, Amazon did not actively participate in the listing, bidding, sale, or delivery of the infringing work. Accordingly, the court held that Amazon did not have the right and ability to control the infringing activity.

In contrast, the court in *Perfect 10, Inc. v. Cybernet Ventures, Inc.*⁹³ found that the defendant’s financial benefit and ability to control infringing activity made it unlikely that the defendant could avail itself of the DMCA safe-harbor provisions. Noting that this element requires

“something more” than the mere ability to exclude users from the system, the court found that the defendant’s prescreening sites, giving users extensive advice, and prohibiting the proliferation of identical sites constituted precisely the “something more” that brings service providers outside the scope of safe-harbor protection.

III. Section 512(c) and the YouTube Actions

A. Background

YouTube is a popular Web site that enables users to upload, view, and share video and audio clips and other material.⁹⁴ YouTube contains a wide variety of material, including video and audio clips from sports broadcasts, movies, popular music, television shows, and music videos.⁹⁵

Since July 2006, YouTube has been named as a defendant in at least four actions alleging copyright infringement.⁹⁶ In each action, YouTube filed an answer asserting, *inter alia*, an affirmative defense under section 512(c). Subsequent to a number of voluntary dismissals, the plaintiffs in *Tur v. YouTube, Inc.* and *Cal IV Entertainment, LLC v. Youtube, Inc.* joined the class action in *The Football Association Premier League Limited v. Youtube, Inc.*⁹⁷ Accordingly, *Viacom Int’l, Inc. v. Youtube, Inc.* and *The Premier League v. The Premier League* are the only remaining actions among the four initiated since July 2006. Both are pending before United States District Court Judge Louis L. Stanton in the Southern District of New York.

B. Whether YouTube May Successfully Avail Itself of Protection Under Section 512(c)

Central to the resolution of these two remaining cases will be determining whether YouTube qualifies for protection under section 512(c). In answering this question Judge Stanton will shape our understanding of several critical areas of the DMCA safe-harbor provisions. The plaintiffs in both *Viacom* and *The Premier League* have challenged YouTube’s right to safe-harbor protection on three general fronts: reasonable implementation, financial benefit, and right and ability to control.

1. Reasonable Implementation

A common inquiry as to reasonable implementation is whether the service provider tolerates flagrant or blatant copyright infringement by its users.⁹⁸ As discussed above, “[f]ailure to properly implement an infringement policy requires a showing of instances where a service provider fails to terminate a user even though it has sufficient evidence to create actual knowledge of that user’s blatant, repeat infringement of a willful and commercial nature.”⁹⁹

At a minimum, the service provider must have a mechanism for receiving and responding to messages informing it of infringing materials.¹⁰⁰ It is also critical to ensure that the policy can be implemented without

obstruction, e.g., by an encryption process.¹⁰¹ Assuming such a mechanism is in place, the site also must terminate user access when the site knows of that user's blatant and repeat infringement.¹⁰² This obligation is qualified by the proposition that the service provider's obligation under the DMCA to terminate the user's access is not triggered until the service provider receives a DMCA-compliant notice.¹⁰³

The allegations by the plaintiffs in both *Viacom* and *The Premier League* raise the question of whether YouTube knew of infringing activity and failed to respond. Plaintiffs in both actions have alleged generally that YouTube permits users to upload the same infringing content that has previously been the subject of takedown notices under a different username or to upload the same content in slightly modified form. In most cases, the copyright owner will attempt to demonstrate the Web site's knowledge by evidence of notice. In turn, sufficient notice must substantially comply with the notification requirements of section 512(c)(3). Thus, YouTube likely will challenge whether the notification sufficiently identified both the infringing material and the infringing user.

In *Viacom*, the plaintiffs allege that YouTube has actual knowledge and constructive knowledge through news reports, description terms, and search tags using well-known trademarks.¹⁰⁴ Further, the plaintiffs allege "clear notice of this [] infringement, which is obvious to even the most casual visitor to the site."¹⁰⁵ The plaintiffs allege that the infringement "is open and notorious and has been the subject of numerous news reports."¹⁰⁶

In addition to alleging that YouTube is "fully aware" of infringing material,¹⁰⁷ the plaintiffs in *The Premier League* might offer a slightly more persuasive argument that YouTube has knowledge of infringing activity. They allege that YouTube enters into "strategic partnerships" with certain media companies under which YouTube promotes these companies' programming and/or pays them royalties and licensing fees in exchange for agreements that these companies not pursue legal action against YouTube for its past infringement of their copyrighted material.¹⁰⁸ Accordingly, the plaintiffs might argue that YouTube's offering of a "strategic partnership" program demonstrates at least a general awareness of infringement. YouTube's ability to identify the use of certain content, apply filtering tools and technology, and to pay appropriate royalties to strategic partners may demonstrate that YouTube has the requisite knowledge with respect to the infringement of an individual copyright holder's content.

Defendants may urge the court to follow the reasoning in *CCBill* and require the plaintiffs to demonstrate satisfactory notices before reaching the issue of reasonable implementation.¹⁰⁹ As the Ninth Circuit has stated, "The DMCA notification procedures place the burden of policing copyright infringement identifying the poten-

tially infringing material and adequately documenting infringement squarely on the owners of the copyright."¹¹⁰

Whether either of the plaintiffs in *Viacom* or *The Premier League* can satisfy the knowledge requirement will depend on whether the plaintiffs can demonstrate substantial compliance with section 512(c)(3). As discussed above, in order to substantially comply with section 512(c)(3)'s requirements, a notification must do more than identify infringing files.¹¹¹ While mere technical errors will not render the notice insufficient,¹¹² notice that only speculatively could identify the infringing user would be insufficient.¹¹³ If the site received a notice containing a representative list of infringing materials that is reasonably sufficient to identify the infringing materials, the user generally will be found to have complied with the notification requirement.¹¹⁴ But the site will not be expected to uncover the requisite information from a vague notification.¹¹⁵

Sufficient notice can include notices sent by non-party copyright holders.¹¹⁶ "[A]ctions towards copyright holders who are not a party to the litigation are relevant in determining whether [the service providers] reasonably implemented their repeat infringer policy."¹¹⁷ Thus, evidence of notice by either the plaintiffs in *Viacom* or in *The Premier League* may be probative, but not dispositive, in demonstrating knowledge vis-à-vis the other plaintiffs. To be sure, non-party notifications also could be vetted for substantial compliance with section 512(c)(3).

However, the plaintiffs in *The Premier League* may allege that providing YouTube with written notice of specific infringements of works appearing on its Web site is futile: "Such notices do not prevent unauthorized copies of those same works from reappearing on YouTube thereafter."¹¹⁸ "[E]ven if a [copyright holder] somehow did locate each and every infringement of their copyright on YouTube (including the 'private' ones) and issued a proper 'take down notice,' it would still not be enough to prevent future infringement."¹¹⁹ "Users can readily re-post such matter under different user and/or file names."¹²⁰ Moreover, this practice is purportedly "easily accomplished by users with even a modicum of computer skill, and a practice that defendants make absolutely no effort to prevent."¹²¹

Again, YouTube might respond that courts have been reluctant to unduly burden service providers by relaxing the substantial compliance requirement.¹²² To that end, an alternative, albeit difficult, means of satisfying the knowledge requirement in the absence of actual knowledge is to establish knowledge under the "red flag" test.¹²³ In determining whether a service provider has knowledge of the infringement, courts sometimes import the knowledge standards of section 512(c) to the analysis in the same manner that Congress imported the "red flag" test of section 512(c)(1)(A)(ii). "[I]n order for a Web site to qualify as a 'red flag' of infringement, it would need to be apparent

that the Web site instructed or enabled users to infringe another's copyright."¹²⁴

Allegations of "red flags" will be insufficient unless the allegations specifically address YouTube's knowledge of infringement in connection with the plaintiff's content. The allegations offered by the plaintiffs in both *Viacom* and *The Premier League* appear to rise only to the level of general awareness of infringing content, which has been rejected as adequate knowledge under the "red flag" test. Moreover, it will be important for the plaintiffs to focus on the knowledge of YouTube, rather than on the knowledge of the public by reference to what is "obvious to even the most casual visitor" or what is the subject of news reports.

The court in *Corbis* explained that "the issue is not whether Amazon had a general awareness that a particular type of item may be easily infringed. The issue is whether Amazon actually knew that specific zShops vendors were selling items that infringed Corbis copyrights."¹²⁵

Similarly, the Ninth Circuit, in *CCBill*, rejected a number of arguments asserted to demonstrate knowledge under the "red flag" test.¹²⁶ In rejecting each argument, the court confirmed that demonstrating apparent knowledge is an exceedingly heavy burden.¹²⁷

2. Financial Benefit

The site also must show that it does not financially benefit directly from any infringing activity that it maintains the right and ability to control. As mentioned above, the standard is "whether the infringing activity constitutes a draw for subscribers, not just an added benefit,"¹²⁸ and it is clear that if the site does not actively participate in the listing, bidding, sale, or delivery of the infringing work, it will not be held to have the right and ability to control the infringing activity.¹²⁹ The plaintiffs in both YouTube actions have alleged that YouTube derives a financial benefit directly attributable to the infringing content. Thus, an issue is the demonstrable link between the financial benefit and the infringing activity.

In *Viacom*, the plaintiffs allege that "YouTube derives advertising revenue directly attributable to the infringing works, because advertisers pay YouTube to display banner advertising to users whenever they log on to, search for, and view infringing videos."¹³⁰ "Through its embed function and in other ways, infringing videos also draw users to YouTube's site in the first instance, and YouTube then derives additional advertising revenue when those users search for and watch other videos on the site."¹³¹

The plaintiffs further allege:

The direct financial benefit to Defendants from these infringing activities has been enormous. In addition to the \$1.65 billion [dollars] paid by Google for the YouTube

business (which caused an increase in Google's stock price and thereby increased Google's market capitalization by billions of dollars), YouTube attracts potential revenue and enhances its value in other ways precisely because so many users are drawn by the availability of the highly desirable, infringing content that appears there. Internet sites depend on traffic and "eye-balls" because advertisers and others are interested in spending dollars on sites that offer the greatest potential reach. The huge volume of traffic that YouTube enjoys is generated in very substantial part by the infringing conduct at issue in this case. Accordingly, there is a direct causal connection between the infringing activities complained of and the financial benefits Defendants enjoy in their business. Defendants monetize the YouTube [Web site], through, among other things, advertising and branding arrangements (both now and in the future) with existing and potential advertisers and content partners, which are designed to (and do) convert the substantial draw or "eye-balls" reaching YouTube, because of the infringing activity taking place there, into cash and financial benefits. For example, YouTube runs advertisement banners on top of every video clip, including clips that infringe on the copyrights of others. * * * The more users Defendants can attract to YouTube, the more revenue the [Web site] generates from advertising and other uses of the site.¹³²

Furthermore, the plaintiffs allege that YouTube will further incentivize infringing activity by sharing the advertising revenue with its users.¹³³

In *Cybernet Ventures*, the court found that there was "significant evidence" that the service provider received a direct financial benefit.¹³⁴ The court reasoned that "the direct flow of income to Cybernet based on the number of new Adult Check users that sign up to Adult Check from infringing sites establishes that direct relationship."¹³⁵ "The more new visitors an infringing site attracts, the more money Cybernet makes."¹³⁶ However, as *Ellison* indicates, part of the plaintiffs' burden will be to prove that YouTube visitors either access the Web site because of the available infringing content or would not access the Web site if the infringing content were no longer available.¹³⁷

Viacom's allegation that "YouTube attracts potential revenue and enhances its value in other ways precisely because so many users are drawn by the availability of the highly desirable, infringing content that appears

there” resonates with the principal argument it and *The Premier League* class members seek to demonstrate.¹³⁸ The thrust of the allegations is that YouTube derives a financial benefit each time infringing content is accessed because infringing content attracts users to the Web site; the more users that visit the site, the more advertising revenue YouTube generates.

In *Cybernet Ventures*, the court found that the service provider, Cybernet, financially benefited where

the income derived from each [Web site] [was] directly based on the site’s initial popularity. The more consumers appreciate the content of a page, the more money Cybernet receives. Cybernet’s income stream pays no regard to a site’s respect for copyright or lack thereof. Additionally, Cybernet . . . depends on content to attract consumers.¹³⁹

Similarly, in *Aimster*, the court found that the service provider financially and directly benefited from infringing activity where the service provider charged a monthly service fee for allowing its users to locate and download copyrighted music.¹⁴⁰

Under a commonsense approach,¹⁴¹ a financial benefit analysis tends to favor the plaintiffs in both actions. Even at this preliminary stage, it appears that YouTube generates advertising revenue from providing access to both infringing and noninfringing content. YouTube’s link between financial benefit and infringing activity appears much closer to the link in *Cybernet Ventures*¹⁴² and *Aimster*¹⁴³ than to that in *Loopnet*,¹⁴⁴ or *CCBill*.¹⁴⁵ Indeed, at least one court has suggested that the “definition of ‘direct financial benefit’ would encompass even a ‘future hope to monetize.’”¹⁴⁶

In response, YouTube might try to demonstrate that it receives revenue from “other services it offered, which were not directly tied to the infringing activity.”¹⁴⁷ In finding that the service provider did derive direct financial benefit from infringing activity, the court in *Cybernet Ventures* distinguished *Loopnet*, stating: “This is quite different from the situation in *Costar* where the site made money on other services it offered, which were not directly tied to the infringing activity.”¹⁴⁸

Nevertheless, financial benefit is only one element of a test that also requires the right and ability to control the infringing activity. As the court in *Tur* noted, if YouTube does not have the right and ability to control the alleged infringing activity, the court need not engage in the financial benefit analysis.¹⁴⁹

3. Ability to Control

In admittedly nebulous terms, the ability to control infringing activity has come to mean “something more”

than just the ability of a service provider to remove or block access to materials posted on its Web site or stored in its system.¹⁵⁰ Generally, a service provider will not be found to have the right and ability to control the infringing activity if it never possesses, nor has the opportunity to inspect, the infringing material.¹⁵¹ On the other hand, if the site participates in prescreening content or gives advice to its users, it may be held to have the right and ability to control infringing activity.

The plaintiffs in both actions allege that YouTube has the right and ability to control infringing content but refrains from exercising its control to prevent infringing activity. Four independent grounds might be asserted by the plaintiffs in either *Viacom* or *The Premier League* to establish the requisite control. They can be grouped into two categories based on YouTube’s features and YouTube’s different treatment of users and content.

a. Enabling and Interfering as Ability to Control

The allegations raise an issue as to whether YouTube features both enable infringement and interfere with copyright holders’ ability to identify infringing content. In *Viacom*, the plaintiffs allege that YouTube “is deliberately interfering with copyright owners’ ability to find infringing videos even after they are added to YouTube’s library.”¹⁵² “YouTube offers a feature that allows users to designate ‘friends’ who are the only persons allowed to see videos they upload, preventing copyright owners from finding infringing videos with this limitation.”¹⁵³

In *The Premier League*, the plaintiffs allege that YouTube invites and encourages users “to view, share, save, and post unauthorized copies of these works that are available for ‘free.’”¹⁵⁴ They also note that “[e]ach unauthorized copy of such work is displayed in conjunction with the conspicuous appearance of the YouTube logo, as a ‘watermark’ on the video image itself, and/or on the web page on which the video appears.”¹⁵⁵

Thus, the plaintiffs in *Viacom* and *The Premier League* might argue that YouTube’s “share” and “embed” features enable infringement and therefore constitute an ability to control infringing content.

Separately, in *Viacom*, the plaintiffs allege that YouTube “recently limited the search function so that it identifies no more than 1,000 video clips for any given search.”¹⁵⁶ As a result, the plaintiffs assert that they “cannot necessarily find all infringing videos to protect their rights through searching, even though that is the only avenue YouTube makes available to copyright owners.”¹⁵⁷

Similarly, in *The Premier League*, the plaintiffs allege that YouTube offers users the ability to make any video that they upload “private.”¹⁵⁸ The plaintiffs explain that “[w]hen a video is designated as ‘private,’ it can still be shared for free with certain designated users (i.e., des-

ignated 'friends' of the posting user) but it cannot be detected by YouTube's 'Search' function."¹⁵⁹ One consequence is a scenario where "users upload infringing videos and designate them as 'private,'" whereby "it is impossible for copyright owners to locate such infringing videos so that they can identify them and/or send a 'takedown notice' to YouTube."¹⁶⁰ The feature purportedly "makes it impossible for anyone other than Defendants to assess accurately the amount of infringing works on the YouTube system [and] prevents copyright owners from accurately identifying all the works on YouTube that infringe their copyright interests."¹⁶¹

Thus, the plaintiffs in both actions might argue that because YouTube limits search results to 1,000 and allows users to make videos "private," which are then hidden from search results but may be shared with other users designated as "friends," YouTube interferes with copyright holders' ability to identify infringing content and, therefore, has an ability to control infringing content.

But does this alleged conduct rise to the level of active participation as discussed in *Hendrickson*?¹⁶² As this standard has evolved, courts have identified several probative factors. In determining that the service provider had an ability to control infringing activity, the court in *Cybernet Ventures* found that the defendant prescreened sites, gave extensive advice, and prohibited the proliferation of identical sites, thus crossing the threshold into active participation.¹⁶³

In contrast, the court in *eBay* rejected the allegations of ability to control because the copyright holder failed to show that eBay had the ability to remove or block access to materials posted on its Web site or stored in its system.¹⁶⁴ The court reasoned that eBay did not have any control over the allegedly infringing material because eBay "is not actively involved in the listing, bidding, sale and delivery of any item offered for sale on its [Web site]."¹⁶⁵ Similarly, in *Hendrickson*, the court found that Amazon did not have the ability to control infringing activity. The court reasoned that it never possessed the infringing material, never had the opportunity to inspect the item, and was not actively involved in the listing, bidding, sale or delivery of the item.¹⁶⁶ Again, in *Corbis*, the court noted that "Amazon does not preview the products prior to their listing, does not edit the product descriptions, does not suggest prices, or otherwise involve itself in the sale."¹⁶⁷ Thus, factors such as possession of the infringing material or involvement in the transaction related to the infringing material are relevant to the "ability to control" analysis.

The allegations of enablement and interference could support a conclusion that YouTube actively participated in the infringing activity. As between a service provider that prescreens Web sites, gives advice, and prohibits identical sites, on the one hand, and a service provider

that does not possess the infringing material or is not otherwise involved in a transaction related to the infringing material, on the other, YouTube tends to resemble the former. YouTube permits users to "embed" videos on other Web sites and provides the HTML code to perform "embedding."¹⁶⁸ In addition, YouTube permits users to "share" videos with other users, providing on its Web site the capability to "share" the video via a click of a button¹⁶⁹ and placing a watermark of its own logo on each uploaded video.¹⁷⁰

YouTube might argue that *Tur* narrows the scope of what can demonstrate ability to control. In *Tur*, YouTube moved for partial summary judgment on the issue of safe-harbor protection under section 512(c).¹⁷¹ In addressing the issue of ability to control, the court found there to be

insufficient evidence regarding YouTube's knowledge and ability to exercise control over the infringing activity on its site. There is clearly a significant amount of maintenance and management that YouTube exerts over its [Web site], but the nature and extent of that management is unclear. YouTube also asserts that while it is able to remove clips once they have been uploaded and flagged as infringing, its system does not have the technical capabilities needed to detect and pre-screen allegedly infringing videotapes. However, there is insufficient evidence before the Court concerning the *process* undertaken by YouTube from *the time a user submits a video clip to the point of display on the YouTube [Web site]*. Thus, there is insufficient evidence from which the Court can determine YouTube's right and ability to control the infringing activity.¹⁷²

Accordingly, YouTube might argue that the relevant time period should be "the time a user submits a video clip to the point of display on the YouTube [Web site]."

b. Category and/or Class Distinctions as an Ability to Control

In *Viacom*, the complaint alleges that "YouTube has reserved to itself the unilateral right to impose Terms of Use to which users must agree when they accept YouTube's invitation to post videos to the site, and YouTube has the power and authority to police what occurs on its premises."¹⁷³ Furthermore, "YouTube proactively reviews and removes pornographic videos from its library, but refuses to do the same thing for videos that obviously infringe Plaintiffs' copyrights."¹⁷⁴

Similarly, in *The Premier League*, the plaintiffs allege that YouTube's ability to control the infringing activities on the YouTube Web site is "demonstrated by YouTube's

ability to filter ‘offensive’ and ‘pornographic’ material from its [Web site].”¹⁷⁵ “YouTube claims that it actively polices its [Web site] to identify and remove ‘pornography, obscene or defamatory material,’ but refuses to take active steps to identify and remove blatant violations of the copyright laws.”¹⁷⁶

The plaintiffs in both *Viacom* and *The Premier League* might argue that by imposing “Terms of Use”¹⁷⁷ as a condition to upload, reserving the right to remove certain content, particularly adult content, and actively policing for this type of content—but not for infringing content—YouTube has the right to police its content based on whether it is “offensive” and “pornographic.” Thus, the plaintiffs may demonstrate that YouTube’s different treatment of its content, active policing of “offensive” and “pornographic” content, and non-policing of infringing content constitutes an ability to control the alleged infringing activity.

The *Viacom* plaintiffs also allege that “YouTube’s failure to take reasonable measures to prevent infringement of Plaintiffs’ copyrights stands in stark contrast to the protection which YouTube offers for the content to which it has acquired licenses through various business partnerships with other copyright holders.”¹⁷⁸ Furthermore, the plaintiffs allege that YouTube “will use filtering technology to identify and remove copyrighted works for companies that grant licenses to YouTube, but not to companies that decline to grant licenses on YouTube’s terms.”¹⁷⁹

Similarly, in *The Premier League*, the plaintiffs allege that the “[d]efendants have the right and ability to control the presence of infringing content on YouTube by various means, including through the use of widely accepted filtering technologies such as audio-fingerprinting.”¹⁸⁰ They allege that YouTube “refuse[s] to deploy these technologies, inhibit[s] copyright owners from employing or utilizing them, or . . . offer[s] them only in exchange for licenses from content owners who are otherwise threatened by YouTube’s continued [] infringement of their copyrighted works.”¹⁸¹

The plaintiffs in both actions might argue that because YouTube purportedly has “strategic partnerships” with licensors of content and that these strategic partners have available to them certain copyright tools not available to “non-strategic partners,” this demonstrates that YouTube can control infringing activity when it chooses to do so.

Again, it appears that based on these allegations the plaintiffs in both actions might be able to demonstrate that YouTube actively participated in the infringing activity. It will be difficult for YouTube to argue that it is not in possession of the infringing material.¹⁸² Furthermore, the allegations that YouTube pays licensing fees to “strategic

partners” or reserves the right to police only “offensive” or pornographic” material might be analogous to the participation discussed in *Cybernet Ventures*.¹⁸³ There, the service provider, Cybernet, refused to allow sites to use its system until they complied with certain terms.¹⁸⁴ Further, it monitored and prohibited certain types of content.¹⁸⁵ The court concluded that “[t]his ability to control other types of [content] belies any attempt to argue that Cybernet does not exercise sufficient control over its webmasters to monitor and influence their conduct or to deny copyright offenders the benefits of its service.”¹⁸⁶

To reach the conclusion that differential treatment demonstrates an ability to control, however, the court must infer that because YouTube controls licensed content in connection with “strategic partnerships” or controls “offensive” or “pornographic” content, it equally can control infringing content. Whether the inference will be successfully supported by the plaintiffs or refuted by YouTube remains to be seen. To be sure, YouTube may have valid reasons for not controlling all types of infringing content. As YouTube asserted in *Tur*, its system “does not have the technical capabilities needed to detect and prescreen allegedly infringing videotapes.”¹⁸⁷

Moreover, YouTube might argue that it should not be penalized for its efforts to monitor some of the content on its Web site, even if it is only for “strategic partners.” In *eBay*, the court agreed with eBay that its “voluntary practice of engaging in limited monitoring of its Web site for ‘apparent’ infringements under the VeRO program”¹⁸⁸ cannot, in and of itself, lead the [c]ourt to conclude that eBay has the right and ability to control infringing activity within the meaning of the DMCA.”¹⁸⁹

C. Summary

While it is too early to predict whether YouTube will be successful in asserting safe-harbor protection under section 512(c) of the DMCA, it seems apparent that it will face serious challenges to satisfying at least three requirements. As to reasonable implementation, the allegations raise issues of knowledge and failure to respond. As to financial benefit, the allegations, if true, would make it difficult to demonstrate the absence of a direct link between infringing activity and YouTube’s financial benefit. And as to ability to control, the allegations that YouTube treats users and categories of content differently and that YouTube features enable infringement and interfere with copyright holders’ policing of their content raise issues of active participation. It is important to remember that YouTube’s failure to comply with any one requirement would disqualify it from safe-harbor protection.

Finally, as *Tur* forecasted, the issues raised here, and the countless more sure to be raised over the course of the YouTube litigations, will be fact-intensive and unlikely to be resolved on summary judgment.¹⁹⁰

IV. Conclusion

Generally, a video-sharing Web site with user-generated content may stand on safe ground with respect to copyright infringement liability so long as it adheres to the requirements of the DMCA's safe-harbor provisions. Such a Web site may obtain safe-harbor protection under the DMCA by showing (1) that it is a "service provider" that adopts and reasonably implements a repeat infringer policy; (2) that it does not possess knowledge of infringing activity or, if it does possess knowledge, that it acts expeditiously to remove infringing material; and (3) that it does not receive financial benefit directly attributable to any infringing activity that it maintains the right and ability to control. The failure to satisfy any of the threshold requirements or the requirements of the particular section 512 safe-harbor provision invoked will preclude protection.

As courts continue to shape the parameters of the DMCA safe-harbor provisions, video-sharing Web sites will gain further guidance as to how to insure that its activities and conduct comport with the requirements of the DMCA. Of particular interest will be the outcome of the YouTube actions, in which the contours of the DMCA will be tested.

Endnotes

1. 17 U.S.C. § 101 *et seq.*
2. Digital Millennium Copyright Act (DMCA). Title II of the DMCA is also known as the Online Copyright Infringement Liability Limitation Act (OCILLA). 17 U.S.C. § 512.
3. *ALS Scan, Inc. v. RemarQ Cmty.*, 239 F.3d 619, 625 (4th Cir. 2001).
4. 17 U.S.C. § 512. A lesser utilized provision is the fifth safe harbor under § 512(e), governing limitation on liability of nonprofit educational institutions.
5. See *Ellison v. Robertson*, 357 F.3d 1072, 1077 (9th Cir. 2004).
6. *Corbis Corp. v. Amazon.com, Inc.*, 351 F. Supp. 2d 1090, 1099 (W.D. Wa. 2004). See 17 U.S.C. § 512(a)(1), (b)(1), (c)(1), (d)(1), (e)(1).
7. *ALS Scan*, 239 F.3d at 625 (citing H.R. Conf. Rep. No. 105-796, at 72 (1998)).
8. *Id.* However, asserting limited liability under a safe harbor provisions is not the exclusive defense to copyright infringement. See *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544, 552-55 (4th Cir. 2004). The court in *LoopNet* held that the statute specifically provides that despite a failure to meet the safe-harbor conditions in § 512(c) and (i), an ISP is still entitled to all other arguments under the law—whether by way of an affirmative defense or through an argument that conduct simply does not constitute a prima facie case of infringement under the Copyright Act. *Id.*
9. *In re Aimster Copyright Litig.*, 252 F. Supp. 2d 634, 657 (N.D. Ill. 2002) [hereinafter "*Aimster I*"], *aff'd* 334 F.3d 643 (7th Cir. 2003) (Posner, J.) [hereinafter "*Aimster II*"].
10. 17 U.S.C. § 512(k); 17 U.S.C. § 512(i).
11. 17 U.S.C. § 512(k)(1).
12. 17 U.S.C. § 512(i)(1).
13. *Corbis*, 351 F. Supp. 2d at 1106.
14. *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1201 (N.D. Ca. 2004).

Section 512(k)(1) provides:

(A) As used in subsection (a), the term "service provider" means an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received.

(B) As used in this section, other than subsection (a), the term "service provider" means a provider of online services or network access, or the operator of facilities therefor, and includes an entity described in subparagraph (A). 17 U.S.C. § 512.

15. 17 U.S.C. § 512(k)(1)(A).
16. 17 U.S.C. § 512(k)(1)(B).
17. *Diebold*, 337 F. Supp. 2d at 1201.
18. *Aimster II*, 334 F.3d at 655 (affirming the lower court decision finding that Aimster was a service provider for the purposes of DMCA). "The definition of Internet service provider is broad and Aimster fits it." *Id.*
19. *Id.*
20. Cf. 47 U.S.C. 231(e) (mentioning broad range of online services that an "Internet access service" could also provide).
21. *Ellison*, 357 F.3d at 1081 (affirming district court ruling that AOL was eligible for safe harbor protection as "conduit service provider").
22. *Hendrickson v. eBay, Inc.*, 165 F. Supp. 2d 1082, 1088 (C.D. Ca. 2001) ("eBay clearly meets the DMCA's broad definition of online 'service provider.'").
23. *Corbis*, 351 F. Supp. 2d at 1100 ("There is no doubt that Amazon fits within the definition.").
24. *Perfect 10, Inc. v. CCBill, LLC*, 340 F. Supp. 2d 1077, 1088 n.8 (C.D. Cal. 2004) [hereinafter "*CCBill I*"] ("There is no dispute between the parties that IBill is an internet service provider under the DMCA."), *aff'd in part, rev'd in part by, remanded by Perfect 10, Inc. v. CCBill LLC*, 481 F.3d 751 (9th Cir. 2007) [hereinafter "*CCBill II*"].
25. *Id.* at 1099 (holding that age verification service qualified under DMCA's mere conduit and information location tool provisions).
26. See *LoopNet, Inc.*, 373 F.3d at 556. But see *Arista Records, Inc. v. Flea World, Inc.*, 356 F. Supp. 2d 411 (D. N.J. 2005). In *Arista*, the defendants cited to § 512, asserting that they were similar to an Internet service provider for which the Copyright Act carved out safe-harbor provisions from liability. The defendants were not ISPs, nor did they deal with Internet services. Yet the defendants argued that they perform a function very similar to an ISP and thus, their liability should be judged by a similar standard. The court rejected the argument, holding that a flea market was not a "service provider."
27. 252 F. Supp. 2d 634.
28. *Id.* at 658.
29. *Id.*
30. *Id.*
31. *Id.*
32. The conditions for limited liability eligibility under § 512(i) state:

(1) Accommodation of technology. The limitations on liability established by this section shall apply to a service provider only if the service provider—

(A) has adopted and reasonably implemented, and informs subscribers and account holders of the service provider's system or network of, 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; and

(B) accommodates and does not interfere with standard technical measures.

(2) Definition. As used in this subsection, the term "standard technical measures" means technical measures that are used by copyright owners to identify or protect copyrighted works and—

(A) have been developed pursuant to a broad consensus of copyright owners and service providers in an open, fair, voluntary, multi-industry standards process;

(B) are available to any person on reasonable and nondiscriminatory terms; and

(C) do not impose substantial costs on service providers or substantial burdens on their systems or networks.

17 U.S.C. § 512(i). *Ellison*, 357 F.3d at 1080; *Corbis*, 351 F. Supp. 2d at 1100; *CCBill I*, 340 F. Supp. 2d at 1093.

33. See *Corbis*, 351 F. Supp. 2d at 1100-01 (holding that Amazon adopted a termination policy where those who violated Amazon's policies would face restricted access, suspension, or termination, and repeated violations would result in permanent suspension); *CCBill I*, 340 F. Supp. 2d at 1089, 1094 (holding that defendants respectively adopted policies that terminated repeat infringers where their policies stated that the service provider would terminate or disable accounts of users accused of infringement); *Aimster I*, 252 F. Supp. 2d 657-58 (holding that the service provider adopted a repeat infringer policy because, in part, the service provider's policy stated that users found to repeatedly violate copyright rights of others would have their access to all services terminated).
34. *CCBill I*, 340 F. Supp. 2d at 1089 (citing *Perfect 10 v. Cybernet Ventures, Inc.*, 213 F. Supp. 2d 1146, 1177 (C.D. Cal. 2002); *CoStar Group, Inc. v. LoopNet, Inc.*, 164 F. Supp. 2d 688, 704 (D. Md. 2001)).
35. *CCBill I*, 340 F. Supp. 2d at 1088 (emphasis added).
36. *Corbis*, 351 F. Supp. 2d at 1100.
37. *Id.*
38. *Id.* at 1101.
39. *Id.*
40. 340 F. Supp. 2d 1077.
41. *Id.* at 1087. Cf. "Section 512(i) provides little guidance on what constitutes reasonable implementation of an infringement policy." *Corbis*, 351 F. Supp. 2d at 1102.
42. *Ellison*, 357 F.3d at 1080; *Aimster I*, 252 F. Supp. 2d at 657.
43. See *Corbis*, 351 F. Supp. 2d at 1102; *CCBill I*, 340 F. Supp. 2d at 1096. ("If the notice is substantially DMCA-compliant then [the plaintiff] has raised a genuine issue of material fact that [the defendant] has not[] reasonably implemented its termination policy.").
44. 357 F.3d 1072.
45. *Id.* at 1080.
46. *Id.*
47. *Id.*
48. *Id.*
49. *Id.*
50. 351 F. Supp. 2d at 1104.

51. *Id.* at 1104.

52. *Id.*

53. 340 F. Supp. 2d at 1096.

54. *Id.* (ruling on defendant's motion for summary judgment).

55. *Id.* at 1097.

56. Indeed, the court appears to have substituted § 512(c)(3) notification analysis for § 512(i) reasonable implementation analysis. In doing so, the court made the plaintiff's showing of proper notification a predicate to the defendant's burden of showing satisfaction of the threshold requirements of § 512(i). Typically, the plaintiff's burden of showing proper notification does not arise until the defendant has demonstrated absence of knowledge under § 512(c)(1)(A). See *Corbis*, 351 F. Supp. 2d at 1107 ("[T]he service provider may attempt to refute this knowledge by showing that the notice failed to substantially comply with the DMCA's notice requirements."). See also *Corbis*, 351 F. Supp. 2d at 1105 n.9 (disagreeing with the significance the court in *CCBill* placed upon proper notice in its reasonable implementation analysis).

57. *Id.* at 1109.

58. *Id.* at 1110.

59. *Id.* at 1110-11, distinguishing *Ellison* and *Aimster*.

60. Or, as in this case, if the plaintiff fails to show that the service provider did not implement a policy.

61. *CCBill II*, 488 F.3d 1102.

62. *Id.* at 1111. Interestingly, the court also affirmed the principle that it is the plaintiff's burden to demonstrate compliance with the notice requirement before reaching the issue of whether the service provider's policy was reasonable. *Id.* at 1113.

63. *Corbis*, 351 F. Supp. 2d at 1102. "Amazon need only put users on notice that they face exclusion from the service if they repeatedly violate copyright laws. Amazon has done so, and has satisfied this prong of the *Ellison* test." *Id.*

64. 17 U.S.C. § 512(c)(1)(A)(i). See *eBay*, 165 F. Supp. 2d at 1082.

65. See 17 U.S.C. § 512(c)(1); *Corbis*, 351 F. Supp. 2d at 1106-07.

Section 512(c) in full provides:

(c) Information residing on systems or networks at direction of users.

(1) In general.—A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider

(A)

(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;

(ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or

(iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;

(B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and

(C) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.

66. *ALS Scan*, 239 F.3d at 625.
67. *Hendrickson v. Amazon.com, Inc.*, 298 F. Supp. 2d 914, 917-18 (N.D. Ill. 2004). See 17 U.S.C. § 512(c)(3)(B)(i)& (ii).
68. See *Corbis*, 351 F. Supp. 2d at 1107.
69. *Recording Indus. Ass'n of Am. v. Univ. of N.C. at Chapel Hill*, 367 F. Supp. 2d 945 (M.D. N.C. 2005).
70. *Id.*
71. See 17 U.S.C. § 512(c)(3).
72. (1) a physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed;
(2) identification of the copyrighted work claimed to have been infringed;
(3) identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit the service provider to locate the material;
(4) information reasonably sufficient to permit the service provider to contact the complaining party;
(5) 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 owner, its agent, or the law; and
(6) a statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the copyright owner. See *eBay*, F. Supp. 2d at 1084; *Univ. of N.C. at Chapel Hill*, 367 F. Supp. 2d at 949.
73. 351 F.3d 1229 (D.C. Cir. 2003) (citing S. Rep. No. 105-190, at 47 (1998); H.R. Rep. No. 105-551 (II), at 56 (1998)).
74. *CCBill II*, 488 F.3d 1112.
75. 351 F.3d at 1236.
76. *Id.*
77. See § 512(c)(3)(A)(ii).
78. *ALS Scan*, 239 F.3d at 625.
79. 351 F. Supp. 2d at 1108.
80. *Id.*
81. *Id.*
82. *Id.*
83. *Id.* (citing H.R. Rep. No. 105-551, pt. 2, at 42).
84. *ALS Scan*, 239 F.3d at 623.
85. *Corbis*, 351 F. Supp. 2d at 1107 (“If a service provider does obtain either actual or apparent knowledge, it may still invoke the § 512(c) safe harbor if it acts expeditiously to remove or disable access to the infringing material.”); *Diebold*, 337 F. Supp. 2d at 1201; *Loopnet*, 164 F. Supp. 2d at 703; *Fatwallet, Inc. v. Best Buy Enter. Servs.*, 2004 U.S. Dist. LEXIS 6153, *5 (N.D. Ill. 2004).
86. *Loopnet*, 164 F. Supp. 2d at 703.
87. 17 U.S.C. § 512(c)(1)(A)(iii) or § 512(c)(1)(C).
88. 165 F. Supp. 2d at 1093.
89. *Id.*; see also *Loopnet*, 164 F. Supp. 2d at 704; *CCBill I*, 340 F. Supp. 2d at 1099 (holding that the defendant-service provider’s type of control is not sufficient, under the DMCA, to demonstrate a “right and ability to control” the infringing activity where its right and ability to control infringing activity was limited to disconnecting the webmasters’ access to its service).
90. *eBay*, 165 F. Supp. 2d at 1093.
91. 298 F. Supp. 2d at 918.
92. *Id.*
93. 213 F. Supp. 2d 1146.
94. *The Football Association Premier League Limited v. Youtube, Inc.*, Amended Compl., 07-cv-03582 at ¶ 55 [hereinafter “The Premier League Compl.”].
95. *Id.*
96. *Tur v. YouTube, Inc.*, No. 06-cv-04436 (CD Cal. July 14, 2006); *Viacom Int’l, Inc. v. YouTube, Inc.*, 07-cv-02103 (S.D.N.Y. March 13, 2007); *The Football Association Premier League Limited v. YouTube, Inc.*, 07-cv-03582 (S.D.N.Y. May 4, 2007); *Cal IV Entertainment, LLC v. YouTube, Inc.*, 07-cv-00617 (M.D. Tenn. June 7, 2007). *Universal Tube & Rollform Equipment Corp. v. YouTube, Inc.*, No. 06-cv-02628 (N.D. Ohio December 1, 2006) asserted claims generally sounding in unfair competition, except for criminal copyright infringement under 18 USC § 2319.
97. On July 5, 2007, plaintiff Cal IV filed its Notice of Voluntary Dismissal, pursuant to which Judge Echols dismissed the action without prejudice on July 10, 2007. On October 19, 2007, Judge Florence-Marie Cooper granted plaintiff Tur’s Motion to Voluntarily Dismiss Complaint Without Prejudice.
98. See *Cybernet Ventures*, 213 F. Supp. 2d at 1177-78; *Corbis*, 351 F. Supp. 2d at 1102.
99. *Corbis*, 351 F. Supp. 2d at 1104, citing *Cybernet Ventures*, 213 F. Supp. 2d at 1177, *Loopnet*, 164 F. Supp. 2d at 703.
100. *Ellison*, 357 F.3d at 1080.
101. *Aimster I*, 252 F. Supp. 2d at 659.
102. *CCBill I*, 340 F. Supp. 2d at 1096.
103. See *Corbis*, 351 F. Supp. 2d at 1107.
104. *Viacom Int’l, Inc. v. YouTube, Inc.*, Compl., 07-cv-02103 at ¶ 36 [hereinafter “Viacom Compl.”].
105. *Viacom Compl.* ¶ 36.
106. *Id.*
107. *The Football Association Premier League Limited v. Youtube, Inc.*, Amended Compl., 07-cv-03582 at ¶ 72 [hereinafter “The Premier League Compl.”].
108. *Id.* at ¶ 71.
109. *CCBill II*, 488 F.3d at 1113 (“Since Perfect 10 did not provide effective notice, knowledge of infringement may not be imputed to [the service providers] based on [the plaintiff’s] communications.”).
110. *CCBill II*, 488 F.3d at 1113.
111. *Id.* at 1112.
112. *Verizon*, 351 F.3d at 1229.
113. *Id.*
114. *ALS Scan*, 239 F.3d at 625.
115. *CCBill I*, 340 F. Supp. 2d at 1097.
116. *CCBill II*, 488 F.3d at 1113. The Ninth Circuit remanded for determination of whether the service providers implemented its repeat infringer policy in an unreasonable manner with respect to any copyright holder other than the plaintiff because the district court did not consider any evidence relating to copyright holders other than the plaintiff.
117. *Id.*
118. *The Premier League Compl.* ¶ 62.
119. *Id.* at ¶ 60.
120. *Id.* at ¶ 60.

121. *Id.* at ¶ 60.
122. *CCBill II*, 488 F.3d at 1112 (“Compliance is not “substantial” if the notice provided complies with only some of the requirements of § 512(c)(3)(A).”).
123. *Id.* at 1113-14.
124. *Id.* at 1114.
125. 351 F. Supp. 2d at 1108.
126. 488 F.3d at 1113-14.
127. *Id.*
128. *Id.* at 1117.
129. *eBay*, 165 F. Supp. 2d at 1093; *Amazon.com*, 298 F. Supp. 2d at 918.
130. Viacom Compl. ¶ 37.
131. *Id.*
132. Viacom Compl. ¶ 69.
133. *Id.* at ¶ 70. The plaintiffs allege that YouTube intends to introduce a “business model to share advertising revenue with YouTube’s users, which will in effect reward and encourage even more infringement.”
134. 213 F. Supp. 2d at 1181.
135. *Id.*
136. *Id.*
137. 357 F.3d at 1079.
138. Viacom Compl. ¶ 69.
139. 213 F. Supp. 2d at 1172.
140. 252 F. Supp. 2d at 655 (citing *Napster*, 239 F.3d at 1023 (“Financial benefit exists where the availability of infringing material ‘acts as a draw’ for customers.”) (quoting *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996))).
141. *Cybernet Ventures*, 213 F. Supp. 2d at 1181, quoting H.R. Rep. 105-551(II), at 54 (“In determining whether the financial benefit criterion is satisfied, courts should take a common-sense, fact-based approach, not a formalistic one.”).
142. 213 F. Supp. 2d at 1172. *See generally Hendrickson*, 298 F. Supp. 2d at 918 (finding that the service provider, Amazon, received a financial benefit from its third party sellers).
143. *Aimster I*, 252 F. Supp. 2d at 655 (“Defendants’ direct financial interest in the infringing activities of its users is without question.”)
144. *Ellison*, 357 F.3d at 1079 (plaintiff failed to show that the service provider attracted or retained subscriptions because of the infringement or lost subscriptions because of the service provider’s obstruction of the infringement).
145. *CCBill II*, 488 F.3d at 1118 (allegation that service provider hosted Web sites for a fee found insufficient).
146. *Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828, 857 (C.D. Cal. 2006).
147. *Cybernet Ventures*, 213 F. Supp. 2d at 1181.
148. *Id.*
149. *Tur v. YouTube, Inc.*, No. 06-cv-04436, at *9.
150. *Cybernet Ventures*, 213 F. Supp. 2d at 1181 (“this indefinite language trying to identify when there is sufficient involvement to infer [control] adequately captures the nature of the inquiry”).
151. *eBay*, 165 F. Supp. 2d at 1093.
152. Viacom Compl. ¶ 43.
153. *Id.* at ¶ 43.
154. The Premier League Compl. ¶ 37.
155. *Id.*
156. Viacom Compl. ¶ 43.
157. *Id.* at ¶ 43.
158. The Premier League Compl. ¶ 59.
159. *Id.*
160. *Id.*
161. *Id.*
162. 298 F. Supp. 2d at 918.
163. 213 F. Supp. 2d 1182.
164. 165 F. Supp. 2d at 1094.
165. *Id.*
166. 298 F. Supp. 2d at 918.
167. 351 F. Supp. 2d at 1110.
168. The Premier League Compl. ¶ 69.
169. Viacom Compl. ¶ 8.
170. The Premier League Compl. ¶¶ 37, 69.
171. *Tur v. YouTube, Inc.*, No. 06-cv-04436, at *9.
172. *Id.* (emphasis added).
173. Viacom Compl. ¶ 38.
174. *Id.*
175. The Premier League Compl. ¶ 66.
176. *Id.*
177. YouTube users must agree to Terms of Use prior to posting video clips to YouTube’s service. The Terms of Use contain certain content-based restrictions on the types of videos users may upload and store on the service, and reserves YouTube’s right to remove from the service material uploaded in violation of YouTube’s Terms of Use. *See Viacom Int’l, Inc. v. Youtube, Inc.*, Answer, 07-cv-02103 at ¶ 38.
178. Viacom Compl. ¶ 45.
179. *Id.*
180. *Id.*
181. *Id.*
182. *See eBay*, 165 F. Supp. 2d at 1094; *Hendrickson*, 298 F. Supp. 2d at 918.
183. 213 F. Supp. 2d at 1182.
184. 213 F. Supp. 2d at 1173.
185. *Id.*
186. *Cf. id.* (discussing ability to control in terms of vicarious copyright infringement).
187. *Tur v. YouTube, Inc.*, No. 06-cv-04436, at *10.
188. The “VeRO” program refers to the “Verified Rights Owner” program. The decision explained that program includes: (1) access to a customer support group dedicated to servicing the VeRO participants; (2) dedicated priority e-mail queues for reporting alleged infringing activities; and (3) ability to use a special feature called “Personal Shopper,” which allows users to conduct automatic searches for potentially infringing items. *eBay*, 165 F. Supp. 2d at 1085.
189. 165 F. Supp. 2d at 1094.
190. *Tur v. YouTube, Inc.*, No. 06-cv-04436, at *9-10.

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Software, CDs, and eBay: The First-Sale Doctrine on the Internet

By Mark J. Fiore

I. Introduction

The growth of the Internet over the past decade has forced courts not only to delve into new areas of law but also to revisit—and in some cases redefine—long-standing legal doctrines. The latter has occurred with some regularity with the burgeoning of e-commerce, as online marketplaces have emerged as alternatives to traditional distribution channels.

One of the most prominent e-commerce Web sites—eBay, which bills itself as “the world’s online marketplace”¹—has prompted several shapings and re-shapings of intellectual property law, most notably in the closely watched suit against eBay by high-end jewelry manufacturer Tiffany & Co. In that case, a New York federal court rejected Tiffany’s claim that eBay should be held liable for contributory trademark infringement based on the offering for sale of counterfeit Tiffany silver jewelry by third parties on eBay’s Web site.²

eBay also has engendered litigation involving assertions of copyright infringement on the part of eBay users who have offered for resale products that were lawfully made and acquired. In two such cases decided recently—*Vernor v. Autodesk, Inc.*³ and *UMG Recordings, Inc. v. Augusto*⁴—courts addressed the scope of the first-sale doctrine as a defense to infringement claims asserted by copyright owners. In both cases, the courts closely analyzed the terms on which the copyright owner originally had transferred the copies in question and held that the first-sale doctrine precluded the infringement claims, thus defeating the copyright owner’s effort to restrict the online secondary market. The last word surely has not been spoken, however, in the battle to define the scope of resale rights in copyrighted works.

II. The First-Sale Doctrine

The first-sale doctrine is codified in section 109 of the Copyright Act,⁵ which provides, in relevant part, that “the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.”⁶ In other words, anyone who owns a lawfully made copy of a copyrighted work can sell or otherwise dispose of that copy without committing copyright infringement.

The first-sale doctrine is “a narrow limitation on a copyright holder’s rights,”⁷ including the exclusive right to distribute copies of the copyrighted work.⁸ Thus, when

a copyright holder sells a copy of a work, the exclusive right to control its distribution is exhausted, and third parties thereafter are “not restricted by statute from further transfers of that copy.”⁹ The first-sale doctrine does not, however, exhaust other exclusive rights of the copyright holder, such as the right to prohibit copying of the work. As a result, the first-sale doctrine “permits a consumer who buys a lawfully made DVD copy of ‘Gone With the Wind’ to resell the copy, but not to duplicate the copy.”¹⁰

“The growth of the Internet over the past decade has forced courts not only to delve into new areas of law but also to revisit—and in some cases redefine—longstanding legal doctrines.”

The central issue with respect to the first-sale doctrine in both *Autodesk* and *Augusto* was whether the copyright holders in those cases had, in fact, sold the computer software and music CDs at issue, such that the first-sale doctrine was implicated. The copyright holders asserted that they had not sold but, rather, had licensed the works and that “[w]ithout a sale, there can be no ‘first sale.’”¹¹ Both courts concluded, however, that the transactions were sales, and the eBay users could, accordingly, resell the items online.

III. Autodesk

Autodesk was a declaratory judgment action commenced in the Western District of Washington by one Timothy Vernor, who made his living selling items on eBay. Vernor possessed two lawfully acquired copies of Autodesk’s copyrighted “AutoCAD” software, which he hoped to sell on eBay. On prior occasions when he had tried to sell copies of the software on eBay, Autodesk had responded by sending eBay a DMCA “take down” notice, claiming that the listings infringed Autodesk’s copyright.

The first such notice concerned a listing for authentic, used software that Vernor had purchased at a garage sale. After eBay removed the listing upon receipt of Autodesk’s notice, Vernor responded with a DMCA counter-notice to Autodesk stating that the sale was lawful. After Autodesk did not respond, eBay reinstated the listing, and Vernor sold the copy without further interference from Autodesk. On the second occasion, Vernor attempted to offer four copies of the software—again authentic and used—that he had purchased from a local office sale. The attempts re-

sulted in exchanges of DMCA notices and counternotices by Vernor and Autodesk and, ultimately, a one-month suspension of Vernor's eBay account for the alleged repeat infringement.¹²

Thereafter, wishing to sell two additional copies of the software, Vernor initiated a declaratory judgment action, and Autodesk moved for dismissal or, in the alternative, summary judgment. The issue was whether Autodesk had exhausted its distribution rights in the software. In addressing that question, the court found that the software originally had been transferred from Autodesk to a third party as part of a settlement of an unrelated dispute in which the third party had paid just over \$44,000 for multiple copies of the software. The settlement included a license agreement prohibiting further transfers of the software.¹³

Based on these facts, Autodesk asserted that because "mere possession of a copyrighted copy pursuant to a license is not a sale, and thus not a basis to invoke the first sale doctrine,"¹⁴ Vernor could not claim the protection of the first-sale doctrine. The court agreed with the legal proposition advanced by Autodesk, but it concluded that the facts failed to support the proposition and denied Autodesk's motion. The court noted the Supreme Court's observation that "[t]he first sale doctrine would not provide a defense to . . . any non-owner such as a bailee, a licensee, a consignee, or one whose possession of the copy was unlawful"¹⁵ and pointed out that the Copyright Act provides that the doctrine does not "extend to any person who has acquired possession of the copy or phonorecord from the copyright owner, by rental, lease, loan, or otherwise, without acquiring ownership of it."¹⁶ The court, however, ultimately was not persuaded by Autodesk's argument that the transfer of the AutoCAD software from Autodesk to the third party constituted a license.

While noting that "[n]o bright-line rule distinguishes mere licenses from sales," the court, relying on the Ninth Circuit's decision in *United States v. Wise*, recognized that "[s]everal principles govern" and that "[t]he label placed on a transaction is not determinative."¹⁷ *Wise* involved several contracts between movie studios and recipients of movie prints. The dispositive factor in determining whether the studios had merely licensed the prints was whether the contracts required the recipients to return them. As the *Autodesk* court explained, "the critical factor is whether the transferee kept the copy acquired from the copyright holder"; in *Wise*, "[e]ven a complete prohibition on further transfer of the print . . . or a requirement that the print be salvaged or destroyed, was insufficient to negate a sale where the transferee was not required to return the print."¹⁸ Thus, "[w]hen the film studios required that prints be returned, the [*Wise*] court found no sale. When the studios did not require the transferee to return the prints, the court found a sale."¹⁹

Following *Wise*, the *Autodesk* court concluded that Autodesk's transfer of the software to the third party as part of their settlement constituted a sale. The third party was "allowed [under the settlement] to retain possession of the software copies in exchange for a single up-front payment," and although the settlement prohibited the third party from further transferring the software, there was no requirement that it be returned.²⁰ Therefore, the court concluded that, under the first-sale doctrine, Vernor had the right to sell the AutoCAD software on eBay.

The court acknowledged that contrary results had been reached in three Ninth Circuit decisions issued after *Wise*: *MAI Sys. Corp. v. Peak Computer, Inc.*,²¹ *Triad Sys. Corp. v. Southeastern Express Co.*²² and *Wall Data Inc. v. Los Angeles County Sheriff's Dep't*.²³ In each of those cases, the Ninth Circuit—construing section 117 of the Copyright Act, which permits "the owner of a copy of a computer program" to make a limited copy of the program²⁴—concluded that the transactions at issue were licenses. The *Autodesk* court found the three cases to be in "irreconcilable conflict" with *Wise*,²⁵ but it found it was obliged to follow *Wise* on the ground that "[w]here opinions of three-judge Ninth Circuit panels conflict, the court must rely on the earliest opinion."²⁶

IV. Augusto

Less than a month after the *Autodesk* decision came down, another federal court, in *Augusto*, tackled a similar question—this time involving the sale of promotional music CDs on eBay. The plaintiff, UMG Recordings, had created the CDs to promote new albums and had distributed them to music industry insiders. Each CD contained language prohibiting further transfer of the CD.²⁷

The court explained that Augusto was not an industry insider but instead had obtained promotional CDs from music shops and other sources. He subsequently sold the CDs on eBay, prompting UMG to send him a cease-and-desist letter which asserted that the sales infringed UMG's copyrights. UMG also notified eBay of Augusto's listings, which led eBay to remove the listings and temporarily suspend Augusto's eBay account. When Augusto continued to sell the CDs, UMG sued in the Central District of California, alleging that it retained the exclusive right to distribute the CDs.²⁸

Granting summary judgment to Augusto, the court held that the first-sale doctrine barred UMG's infringement claim. The court first observed that the doctrine applies not only after a first sale, but, more broadly, "after the 'first authorized disposition by which title passes.'"²⁹ The pertinent question for the court thus was whether UMG transferred title to the music industry insiders when it mailed them the promotional CDs. The court explained: "If the answer is yes, then UMG transferred ownership of the CDs and Augusto lawfully owned the CDs

at the time he sold them, which permitted Augusto to sell the CDs under the first sale doctrine.” Alternatively, the court added, “[i]f the answer is no, then UMG retained title to, and ownership of, the CDs and Augusto was not the lawful owner of those CDs at the time he sold them, which excludes Augusto’s actions from the protection of the first sale doctrine.”³⁰

Evaluating the language on the CDs restricting further transfers, the court concluded that it did not create a license. The court first noted that the “‘fact that the agreement labels itself a “license” . . . does not control [the] analysis.’”³¹ Of greater relevance was that UMG did not require the music industry insiders who received the CDs to return them to UMG. The court stated: “The right to perpetual possession is a critical incident of ownership. Accordingly, the distributor of a copyrighted product’s intent to regain possession is strong evidence that the product was licensed, not sold, to the recipient. The absence of this intent is strong evidence that the product was sold.”³² Relying on *Wise*, the court continued: “Here, UMG gives the Promo CDs to music industry insiders, never to be returned. The recipients are free to keep the Promo CDs forever. Nothing on the packaging of the Promo CDs or in the licensing label requires that the recipient return the Promo CDs to UMG.”³³

“Looking to the economic realities of the transaction,” the court concluded, “UMG’s distribution of Promo CDs to the music industry insiders is properly characterized as a gift or sale, not a license, and title to the CDs transferred to the insiders. Augusto is thus protected by the first sale doctrine.”

V. Conclusion

The *Autodesk* and *Augusto* decisions are a potential boon for sellers and others involved in secondary markets for copyrighted goods and a setback for copyright holders seeking to restrict those markets—particularly the growing online markets. UMG promptly filed a notice of appeal in *Augusto*, giving the Ninth Circuit another opportunity to clarify its view of the first-sale doctrine. In the meantime, courts will continue to grapple with the precise contours of the doctrine.

Endnotes

1. See About eBay, <http://pages.ebay.com/aboutebay.html>.
2. See *Tiffany (NJ) Inc. and Tiffany & Co. v. eBay Inc.*, No. 04 Civ. 4607(RJS), 2008 WL 2755787 (S.D.N.Y. July 14, 2008). Other cases in which eBay has prevailed against charges that it facilitates infringement of intellectual property rights include: *Robespierre, Inc. a/k/a “Nanette Lepore” v. eBay Inc.*, 05 CV 10484 (GBD), slip op. (S.D.N.Y. Mar. 29, 2006) (denying preliminary injunction motion claiming trademark infringement on grounds that eBay’s procedures for dealing with potentially counterfeit items on its site are “adequate” and “reasonable”); *Hendrickson v. eBay Inc.*, 165 F. Supp. 2d 1082, 1093 (C.D. Cal. 2001) (rejecting copyright claims on grounds that eBay did not have “actual or constructive knowledge that particular listings were involved in infringing

activity”); *Gentry v. eBay, Inc.*, 99 Cal. App. 4th 816 (Cal. Ct. App. 2002) (rejecting unfair competition claims under California state law arising from sale of counterfeit autographed sports goods on eBay); *Stoner v. eBay Inc.*, 56 U.S.P.Q. 2d 1852 (Cal. Super. Ct. 2000) (rejecting California unfair competition claims arising out of listing of bootleg sound recordings on eBay).

3. No. C 07-1189 RAJ, 2008 WL 2199682 (W.D. Wash. May 20, 2008).
4. No. CV 07-03106 SJO, 2008 WL 2390037 (C.D. Cal. June 10, 2008).
5. 17 U.S.C. § 101 *et seq.*
6. *Id.* § 109(a).
7. See *Autodesk*, 2008 WL 2199682, at *4.
8. See 17 U.S.C. § 106(3).
9. *United States v. Wise*, 550 F.2d 1180, 1187 (9th Cir. 1977). Because the distribution right is exhausted, the first-sale doctrine is also commonly referred to as the “exhaustion” doctrine. See 4 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 13:15 (“Since the principle [of the first-sale doctrine] applies when copies are given away or are otherwise permanently transferred without the accoutrements of a sale, ‘exhaustion’ is the better description.”). The doctrine exists in the fields of trademark and patent law as well. See *Allison v. Vintage Sports Plaques*, 136 F.3d 1443, 1448 (11th Cir. 1998) (“The first-sale doctrine limits the three principal forms of intellectual property rights: (1) copyright; (2) patent; and (3) trademark.”) (citations omitted).
10. See *Autodesk*, 2008 WL 2199682, at *4; *Wise*, 550 F.2d at 1187 (recognizing that “other copyright rights (reprinting, copying, etc.) remain unimpaired”).
11. *Autodesk*, 2008 WL 2199682, at *4.
12. See *id.* at *1.
13. See *id.* at **1-2. Because of the contractual prohibition, the court pointed out that even if the first-sale doctrine did not apply, Autodesk would still have a cause of action for breach of contract against the third party. See *id.* at *5 (citing *Denbicare U.S.A. Inc. v. Toys “R” Us, Inc.*, 84 F.3d 1143, 1152 (9th Cir. 1996) (stating that “‘first sale’ buyer’s disregard of restriction on resale does not make buyer—or subsequent buyer—an infringer” and that “copyright holder’s remedy is suit for breach of contract containing the restrictions”).
14. *Autodesk*, 2008 WL 2199682, at *4.
15. *Quality King Distribs., Inc. v. L’Anza Research Int’l, Inc.*, 523 U.S. 135, 146-47 (1998).
16. 17 U.S.C. § 109(d).
17. *Autodesk*, 2008 WL 2199682, at *5. See also *Wise*, 550 F.2d at 1190-93.
18. *Autodesk*, 2008 WL 2199682, at *6.
19. *Id.*
20. *Id.*
21. 991 F.2d 511 (9th Cir. 1993).
22. 64 F.3d 1330 (9th Cir. 1995).
23. 447 F.3d 769 (9th Cir. 2006).
24. 17 U.S.C. § 117.
25. *Autodesk*, 2008 WL 2199682, at *8. The court considered four “possibilities for avoiding the conflict.” It first rejected distinguishing the cases on the basis that *Wise* was decided under the statutory predecessor to section 109 of the Copyright Act because the “difference in language has no substantive impact.” It next rejected distinguishing the cases on the basis that they considered section 117 instead of section 109 because both sections use the same operative phraseology. The court also declined to distinguish the cases on the grounds that *Wise* was a criminal case. Finally, the court found no basis for distinguishing the cases on the grounds that a “tsunami of technological change” had occurred

since the *Wise* decision. The court noted that it declined to choose between the different authority “based on a policy judgment” and that, in any event, “although technology has changed, the question at the core of this case is not technological.” *Id.* at **8-9.

26. *Id.* at *8.
27. *Augusto*, 2008 WL 2390037, at *1.
28. *See id.*
29. *Id.* at *2 (quoting 2 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8.12[B][1][a]).
30. *Augusto*, 2008 WL 2390037, at *3.
31. *Id.* at *3 (quoting *Microsoft Corp. v. DAK Indus.*, 66 F.3d 1091, 1095, 1095 n.2 (9th Cir. 1995)).
32. *Augusto*, 2008 WL 2390037, at *3.
33. *Id.* The court also pointed out that UMG received no recurring benefit from the recipients’ continued possession of the CDs.

In this regard, the court noted that “[g]enerally, licenses provide recurring benefits for the copyright owner,” but UMG was “not guaranteed to get anything in return” for its distribution of the CDs to the music industry insiders. *Id.* at *4. The only possible benefit, identified by the court, was a restraint on trade of UMG’s music, but the court rejected that benefit as inconsistent with the law’s aversion to restraints on trade. *See id.*

Mark J. Fiore is an associate in the New York office of Weil, Gotshal & Manges LLP. Among other matters, he represented eBay in the *Tiffany* litigation and counseled eBay in connection with the *Augusto* litigation. He would like to thank Jaime Loda, a summer associate at the firm, for her assistance in the preparation of this article.

NEW YORK STATE BAR ASSOCIATION

Save the Dates

NYSBA

Annual Meeting

January 26–31, 2009

**New York Marriott Marquis
New York City**

**Intellectual Property Law Section
Program**

Tuesday, January 27, 2009

The Copyright Office Comes to New York 2008



**Hon. Pierre N. Leval,
U.S. Court of Appeals**



**Prof. R. Anthony Reese,
New York University**

On April 16, 2008, NYSBA's Intellectual Property Law Section, in association with the U.S. Copyright Office and the *Cardozo Arts & Entertainment Law Journal*, presented "The Copyright Office Comes to New York 2008" at the Benjamin N. Cardozo School of Law in New York City. Register of Copyrights Marybeth Peters and other top officials from the U.S. Copyright Office spoke about the latest developments in copyright law and policy. Speakers from the Copyright Office and the private sector discussed important aspects of copyright law and practice, including significant recent litigation, the copyright registration process, current legislative activity, and developments in fair use. Program co-chairs were Paul M. Fakler, Moses & Singer LLP, New York City; Richard L. Ravin, Hartman & Winnicki, P.C., Paramus, NJ and New York City; and David Carson, United States Copyright Office, Washington, D.C.



**Marybeth Peters
U.S. Copyright Office**



**Richard Ravin and
Joyce L. Creidy**



**David Carson and Marybeth Peters,
U.S. Copyright Office**



**Tanya Sandros, Marybeth Peters, David Carson, and
Prof. Justin Hughes, Cardozo Law School**



Tanya Sandros and Marybeth Peters of the U.S. Copyright Office address questions following the program



Hon. Pierre N. Leval, U.S. Court of Appeals; William Patry, Google Inc.; and Program Co-Chair Paul M. Fakler



William Patry, Google, Inc.; Richard Dannay, Cowan, Liebowitz; and Robert Kasunic, U.S. Copyright Office



Attendees

Women in Intellectual Property Law

On June 11, 2008, NYSBA's Intellectual Property Law Section presented "Women in Intellectual Property Law," hosted by Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York City. The issues discussed were: "Strategies for Success"; "How the Intellectual Property Field Has Changed"; "Developing a Client Base"; "Creating Mentoring Relationships"; "Reaching Equality in Compensation"; and "Achieving a Balance Between Work and Home." The program co-chairs were Joyce Creidy, Thomson CompuMark, New York City and Erica D. Klein, Kramer Levin Naftalis & Frankel LLP, New York City. Speakers included: Joy J. Wildes and Brooke Erdos Singer, Davis & Gilbert LLP, New York City; Angie M. Hankins, Stroock & Stroock & Lavan LLP, New York City; Ayala Deutsch, NBA Properties, Inc.; New York City; and Allison M. Villafane, National Football League, New York City. The program began with a wine & hors d'oeuvres reception and ended with a dessert and coffee reception.



**Section Chair and Program Co-Chair
Joyce Creidy**



**WWE Inc. gift bag winner
with Erica D. Klein**



**Rachel Leeds, Aimee Lynn Kaplan
and Sheila Francis**



Debra Resnick, Joyce Creidy and Erica D. Klein



Joyce Creidy with Fawn Horvath of Macy's



**Erica D. Klein, Allison M. Villafane, Angie M. Hankins,
Joyce Creidy, Joy Wildes, Ayala Deutsch
and Brooke Erdos Singer**



**Lois Matterson, Grace Yang, Rachel Avan,
Gloria D'Souza and Nancy Brown Delain**



Section Chair

Joyce L. Creidy, Esq.
Thomson CompuMark
New York City

Program Chairs

Marc A. Lieberstein, Esq.
Day Pitney LLP
New York City

Troy R. Lester, Esq.
Acushnet Company
Fairhaven, MA

NYSBA

*The World Series of IP Law: How
Current Intellectual Property Laws
Are Changing the Way Corporate &
Outside Counsel Play the Game*

Intellectual Property Law Section

Fall Meeting

The Otesaga

Cooperstown, New York

October 16 - 19, 2008



Attendance at this meeting offers up to
9.5 MCLE credit hours— including 7.5 in
Professional Practice and 2.0 in Ethics.

For more information go to: www.nysba.org/IPFallMtg2008

SCHEDULE OF EVENTS

Thursday, October 16

7:00 – 9:30 pm **Buffet Dinner for Otesaga Hotel Guests** - Hawkeye Grill
All Registrants, Spouses, Guests & Children Staying at the Otesaga are Welcome!

Friday, October 17 *All Sessions will be held in the Ballroom*

7:00 – 9:30 am **Breakfast for Otesaga Hotel Guests** - Main Dining Room
All Registrants, Spouses, Guests & Children Staying at the Otesaga are Welcome!

8:00 am – 12:00 pm **Golf** - Leatherstocking Golf Course
Join us on the links for a round of golf at the resort's award-winning course.
A pre-paid greens fee of \$106.00 is required. Meet at the Pro-Shop by 8:00 am.
Preregistration on meeting registration form required.

9:00 am **Private Guided Tour: National Baseball Hall of Fame**
Join us on a 1 1/2 hour private tour of the recently renovated Hall of Fame.
Meet at the Entrance to the Hall of Fame, 25 Main Street, Cooperstown.
Preregistration on meeting registration form required.

9:30 am – 12:00 pm **Registration** – Conference Center Lobby

12:00 – 1:00 pm **Lunch for Otesaga Hotel Guests** – Main Dining Room

12:30 pm **Registration** – Ballroom Foyer

GENERAL SESSION - Ballroom

1:00 – 1:10 pm **New York State Bar Association Welcome**
Bernice K. Leber, Esq., President
New York State Bar Association
Arent Fox PLLC
New York, NY

Welcome & Introductory Remarks
Joyce L. Creidy, Esq.
Intellectual Property Law Section Chair
Thomson CompuMark
New York, NY

SCHEDULE OF EVENTS

Friday, October 17, *Continued*

1:10 – 2:00 pm **CHANGING CORPORATE TEAMS: WILL THE NEW TEAM INEVITABLY GET TO USE THE OLD TEAM'S PLAYBOOK?**

Learn valuable tips from both dugouts during a match between two top trade secret clean-up hitters/litigators.

Moderator: **Eric E. Bensen, Esq.**, Visiting Professor of Law, Hofstra University School of Law, New York, NY

Panelists: **Victoria A. Cundiff, Esq.**, Paul, Hastings, Janofsky & Walker LLP, New York, NY
Michael A. Bucci, Esq., Day Pitney LLP, Hartford, CT

2:00 – 2:50 pm **ETHICS OF OUTSOURCING**

Think you can hire a “designated hitter” to do your legal services and save money? Hear details on ethics opinions regarding legal outsourcing from the New York City, San Diego, Los Angeles and Florida bar associations. Common ethical issues related to legal outsourcing including the unauthorized practice of law, confidentiality, attorney-client privilege, conflicts of interest and export control compliance will also be discussed.

Speaker: **David Perla, Esq.**, Co-Founder and Co-CEO, Pangea3 LLC, New York, NY

2:50 – 3:00 pm **Coffee Break** – The Oak Room
Sponsored By: HISCOCK & BARCLAY LLP

3:00 – 3:50 pm **THE LATEST AND GREATEST FROM USER GENERATED CONTENT**

Advertising has become a conversation, and consumers are now doing a lot of the talking. Brands are increasingly looking to user generated content (UGC) – consumer-created advertising contests judging consumer submissions, viral marketing, and sites featuring consumer content – to bolster their advertising efforts. This session will discuss balancing the rewards of incorporating UGC into marketing with the risk of IP and other claims.

Panelists: **Jeffrey A. Greenbaum, Esq.**, Frankfurt Kurnit Klein & Selz PC, New York, NY
Edward H. Fallon, Esq., T-Mobile USA, Inc., Bellevue, WA

5:00 – 7:15 pm **Scenic Train Ride and Cocktail Reception Aboard the Historic Cooperstown & Charlotte Valley Railroad**

Trolleys to Railroad Depot depart from the Hotel Lobby at **4:30 pm sharp!**
Event Sponsored by: THOMSON COMPUMARK

7:30 pm **Picnic/Barbecue** – The Hawkeye Patio
Enjoy a casual evening with family and friends. Sample local ales and hard cider produced by local Cooperstown Brewery Ommegang, the Cooperstown Brewery & Fly Creek Cider Mill.
Hosted Bar Sponsored by: GOODWIN PROCTER LLP

SCHEDULE OF EVENTS

Friday, October 17, *Continued*

9:30 – 11:00 pm **Join us for After Dinner Drinks** – Downstairs in the Templeton Lounge
Sponsored by: DAY PITNEY LLP

Saturday, October 18 *All Sessions will be held in the Ballroom*

7:00 – 9:30 am **Breakfast for Otesaga Hotel Guests** – Main Dining Room
All Registrants, Spouses, Guests & Children Staying at the Otesaga are Welcome!

8:00 am **Registration and Coffee** – Ballroom Lobby
Sponsored by: FULBRIGHT & JAWORSKI LLP

MORNING SESSION – Ballroom

8:50 – 9:40 am **CAVEAT TRANSMITOR: WI-FI HOTSPOTS CAN LAND YOU ON THE “DISABLED LIST” AND IN ETHICAL HOT WATER**
Use of Wi-Fi hotspots found at hotels, airports, train stations, cafés, libraries and other public places can result in the lawful interception of attorney-client privileged communications and other confidential information such as user names, passwords, Social Security numbers, account and credit card numbers and trade secrets. Learn why the use of these wireless networks is bad for your professional health and how you can avoid the ethics blues.

Speaker: **Richard L. Ravin, Esq.**, Hartman & Winnicki, PC, Paramus, NJ and New York, NY

9:40 – 9:50 am **Coffee Break** – The Oak Room
Sponsored by: ROUSE & COMPANY INTERNATIONAL

9:50 – 11:55 am **TRADEMARKS AROUND THE WORLD**
A distinguished “line up” of international trademark practitioners will discuss the most pressing hot topics from their respective regions – U.S., Latin America, the European Union and China – including fame, geographical indications, counterfeiting, the Madrid Protocol, and other trademark matters.

Moderator: **Chehrazade Chemcham, Esq.**, Fulbright & Jaworski LLP, New York, NY

Panelists: **Steven M. Rosenthal, Esq.**, Diageo North America, Inc., Norwalk, CT

Lisa Rogan, Acushnet Company, Fairhaven, MA

Danilo Romero, Esq., Romero Raad, Bogota, Columbia

Sandra Sophia Bormann, Esq., Noerr Stiefenhofer Lutz, New York & Munich

Nicholas Redfearn, Esq., Rouse & Company International, Hong Kong, China

SCHEDULE OF EVENTS

Saturday, October 18, *Continued*

11:55 – 12:45 pm **ARE PATENTS WORTH IT?**

Recently the blogs and economists have been writing that patents are not worth the paper they are written on in view of the recent Supreme Court decisions reigning in the scope of patent protection for patent owners. Our panel will provide you with the corporate counsel and outside counsel perspectives.

Panelists: **Rory J. Radding, Esq.,** Morrison & Foerster LLP, New York, NY
Troy R. Lester, Esq., Acushnet Company, Fairhaven, MA

12:45 – 1:50 pm **Lunch for Otesaga Hotel Guests** – Main Dining Room

1:55 – 3:35 pm **NEGOTIATING THE “DEAL”: A WORKSHOP**

The SAB Group will present a practical look at the ins and outs of negotiating intellectual property deals, and allow you to participate in a sample negotiation to test and sharpen your skills for “the next game.”

Panelists: **Marc A. Lieberstein, Esq.,** Day Pitney LLP, New York, NY
Francesca Kaplan, The SAB Group, LLC, New York, NY

4:15 – 5:45 pm **Softball Game** – Clark Sports Center, Susquehanna Avenue, Cooperstown Fun for all ages! Equipment Provided. Sign up in advance on meeting registration form. **Baseball Hats Sponsored by: OSTROLENK, FABER, GERB & SOFFEN LLP**

6:30 – 9:30 pm **Children’s Dinner** – Council Rock Room Drop off your children for dinner, crafts, games and videos.

6:30 – 7:30 pm **Cocktail Hour** – Veranda

7:30 – 9:00 pm **Private Dinner** – Main Dining Room Join us for dinner and music on our final evening at the Otesaga. **Music Sponsored by: NOERR STIEFENHOFER LUTZ** **Wine Sponsored by: SILLS CUMMIS & GROSS PC** **Gentlemen: Jackets are required for Dinner in the Main Dining Room**

9:00 pm – 12 mid. **Casino Night** – Main Dining Room The fun and games continue...Try your luck at blackjack, craps and roulette. **Sponsored by: CHECK MARK NETWORK**

Sunday, October 19

7:00 – 9:30 am **Breakfast for Otesaga Hotel Guests** - Fenimore Dining Room *All Registrants, Spouses, Guests & Children Staying at the Otesaga are welcome!*

11:00 am – 1:00 pm **Boxed Lunches for Otesaga Hotel Guests** Pick up in the Main Lobby for your Journey home.



We wish to express special thanks to our
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Sills Cummis & Gross P.C.

Ostrolenk, Faber, Gerb & Soffen LLP

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Intellectual Property Law Section's
ANNUAL LAW STUDENT WRITING COMPETITION

To be presented at the **Annual Meeting of the Intellectual Property Law Section, January 27, 2009, New York, NY** to the authors of the best publishable papers on subjects relating to the protection of intellectual property **not published elsewhere, scheduled for publication, or awarded another prize.**

First Prize: \$2,000
Sponsored by Weil, Gotshal and Manges LLP

Second Prize: \$1,000
Sponsored by Morrison & Foerster LLP

COMPETITION RULES ARE AS FOLLOWS:

To be eligible for consideration, the paper must be written solely by students in full-time attendance at a law school (day or evening program) located in New York State or by out-of-state students who are members of the Section. One hard copy of the paper and an electronic copy in Word format on a 3.5" H.D. or CD disk must be submitted by mail, postmarked no later than November 6, 2008 to the person named below. As an alternative to sending the disk or CD, the contestant may e-mail the electronic copies, provided that they are e-mailed before 5:00 p.m. EST, November 6, 2008.

Papers will be judged anonymously by the Section and must meet the following criteria or points will be deducted: no longer than 35 pages, double-spaced, including footnotes; and one file with a cover page indicating the submitter's name, law school and expected year of graduation, mailing address, e-mail address, telephone number, and employment information, if applicable.

Winning papers may be published in the Section's publication *Bright Ideas*. Reasonable expenses will be reimbursed to the author of the winning paper for attendance at the Annual Meeting to receive the Award.

The judges reserve the right to: not consider any papers submitted late or with incomplete information, not to publish papers, not award prizes, and/or to determine that no entries are prizeworthy or publishable.

Entries by hard copy and e-mail to: Naomi Pitts, NYSBA, One Elk Street, Albany, NY 12207 (e-mail: npitts@nysba.org). Comments and/or questions may be directed to the Co-Chair of the Young Lawyers Committee: Lindsay Martin, McKool Smith, 399 Park Avenue, Suite 3200, New York, NY 10022, (212) 402-9414, lmartin@mckoolsmith.com.

Trade Winds

Trade Winds offers Section members a way to keep up on the comings and goings of their colleagues and upcoming events of interest. Has there been a change in your practice? Any recent or forthcoming articles or lecture presentations? Won any awards recently? Please e-mail submissions to Jonathan Bloom at jonathan.bloom@weil.com.

Welcome New Members:

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Erica Brooke Tunick
Nneka N. Udoh
Mona Wasserman
Bernadette Williams
Aaron Kyle Williamson

Request for Articles



If you have written an article you would like considered for publication, or have an idea for one, please contact *Bright Ideas*, Editor:

Jonathan Bloom, Esq.
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Articles should be submitted in electronic document format (pdfs are NOT acceptable), along with biographical information.

www.nysba.org/BrightIdeas

MEMBERSHIP APPLICATION

New York State Bar Association

INTELLECTUAL PROPERTY LAW SECTION

Membership in the New York State Bar Association's Intellectual Property Law Section is a valuable way to:

- enhance professional skills;
- keep up-to-date with important developments in the legal profession;
- join colleagues in exciting Section events.

OPPORTUNITIES FOR EDUCATION

The Intellectual Property Law Section offers both the experienced and novice practitioner excellent opportunities to enhance their practical and legal knowledge and expertise. Through Section activities, including conferences on intellectual property (an annual fall event), members may examine vital legal developments in intellectual property law. The Section's Web site provides current information regarding Section events and offers "members only" access to current issues of *Bright Ideas* and current Committee bulletins providing updates on intellectual property law. The Section sponsors continuing legal education (CLE) credit-bearing programs for Section members at reduced rates. Recent programs offered by the Section related to computer software and biotechnology protection, conducting intellectual property audits, and practical considerations in trade secret law. Now, with Mandatory Continuing Legal Education (MCLE) requirements, Intellectual Property Law Section membership is more valuable than ever before! The Section also sponsors joint programs with Law Schools including an annual writing contest for law students wherein the winning articles appear in an issue of *Bright Ideas*.

OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT

Intellectual Property Law Section committees address unique issues facing attorneys, the profession and the public. The Section offers opportunities to serve on committees such as Copyright Law; Diversity Initiative; Ethics; International IP Law; Internet & Technology Law; Legislative/Amicus; Litigation; Meetings and Membership; Patent Law; Pro Bono and Public Interest; Trademark Law; Trade Secrets; Transactional Law and Young Lawyers.

Committees allow you to network with other attorneys from across the state and give you the opportunity to research issues and influence the laws that can affect your practice. Committees are also an outstanding way to achieve professional development and recognition. Law students are automatically members of the Young Lawyers Committee. Section members may join more than one committee.

A VOICE IN THE ASSOCIATION

The Intellectual Property Law Section takes positions on major professional issues that affect practitioners and advocates those positions within the New York State Bar Association, the legislature, and the public.

See page 42 to become a member of the Intellectual Property Law Section

COMMITTEE ASSIGNMENT REQUEST

Please designate, from the list below, those committees in which you wish to participate. For a list of Committee Chairs and their e-mail addresses, please refer to page 43 of this issue.

- | | |
|---|--|
| ___ Copyright Law (IPS1100) | ___ Meetings and Membership (IPS1040) |
| ___ Diversity Initiative (IPS2400) | ___ Patent Law (IPS1300) |
| ___ Ethics (IPS2600) | ___ Pro Bono and Public Interest (IPS2700) |
| ___ International Intellectual Property Law (IPS2200) | ___ Trademark Law (IPS1600) |
| ___ Internet and Technology Law (IPS1800) | ___ Trade Secrets (IPS1500) |
| ___ Legislative/ Amicus (IPS2300) | ___ Transactional Law (IPS1400) |
| ___ Litigation (IPS2500) | ___ Young Lawyers (IPS1700) |

Please e-mail your committee selection(s) to Naomi Pitts at: npitts@nysba.org

* * *

To be eligible for membership in the Intellectual Property Law Section, you first **must** be a member of the NYSBA.

- ☐ As a member of the NYSBA, I enclose my payment of \$30 for Intellectual Property Law Section dues.
(Law student rate: \$15)
- ☐ I wish to become a member of the NYSBA and the Intellectual Property Law Section. I enclose both an Association and Section application with my payment.
- ☐ Please send me a NYSBA application. No payment is enclosed.

Name _____

Office _____

Office Address _____

Home Address _____

E-mail Address _____

Office Phone No. _____

Office Fax No. _____

Home Phone No. _____

Please return payment and application to:

Membership Department
New York State Bar Association
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Telephone: 518/487-5577
FAX: 518/487-5579
<http://www.nysba.org>

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The Intellectual Property Law Section encourages members to participate in its programs and to contact the Section Officers or Committee Chairs for information.

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Submission of Articles

Anyone wishing to submit an article, announcement, practice tip, etc., for publication in an upcoming issue of *Bright Ideas* is encouraged to do so. Articles should be works of original authorship on any topic relating to intellectual property. Submissions may be of any length.

Submissions should preferably be sent by e-mail to Jonathan Bloom, Editor-in-Chief, at the address indicated on this page. Submissions for the Winter 2008 issue must be received by October 15, 2008.

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