ARTICLES

Fair Play: Copyright Issues and Fair Use in YouTube “Let’s Plays” and Video Game Livestreams

Sebastian C. Mejia

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What’s All the Hype about Hyperlinking?: Connections in Copyright

Dawn Leung
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FAIR PLAY: COPYRIGHT ISSUES
AND FAIR USE IN YOUTUBE “LET’S PLAYS”
AND VIDEOGAME LIVE STREAMS.................. Sebastian C. Mejia 1

THE FIFTY STATES OF SWAY
& THE EUROPEAN CHEESE UNION:
WHY THE UNITED STATES AND THE
EUROPEAN UNION STRUGGLE WITH THE
IMPLEMENTATION OF GEOGRAPHICAL
INDICATIONS IN THEIR TTIP NEGOTIATIONS....Lando M.C. Hermann 44

WHAT’S ALL THE
HYPE ABOUT HYPERLINKING?:
CONNECTIONS IN COPYRIGHT.................Dawn Leung 59
FAIR PLAY: COPYRIGHT ISSUES AND FAIR USE IN YOUTUBE "LET'S PLAYS" AND VIDEOGAME LIVESTREAMS

SEBASTIAN C. MEJIA*

INTRODUCTION

While videogames used to be a small, niche hobby, they have become a worldwide, multi-billion dollar industry.¹ Games like *Call of Duty: Black Ops II* and *Grand Theft Auto V* are not only the biggest sellers in the videogame industry, but are also among the biggest entertainment properties in the world, both reaching the $1 billion sales milestone in record times.² The high level of success has caused the growth of a large

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fan-base. Videogame franchises have grown to include not only the games themselves, but a wide variety of merchandise as well. Rovio Entertainment Ltd. provides an apt example. The company was a relatively small and unknown developer until December 2009, when it launched its massively successful Angry Birds franchise on the iPhone, which has since been downloaded over one billion times. In 2012, Rovio managed to double its revenue from $98.25 million in 2011 to $197.8 million. What is interesting about this figure is that forty-five percent of that revenue came from merchandise sales.

Along with bringing publishers and developers larger income streams, another manifestation of the growing popularity of videogames has manifested itself in the advent of the Let's Play-style of videos hosted on YouTube as well as live game-streams on sites such as Twitch.tv. Let's Plays came to prominence through a forum on the popular comedy website, Something Awful, entitled "Let's Play!" These Let's Plays vary in length and content but almost all feature two common characteristics: gameplay footage and some form of simultaneous commentary by the Let's Play producer. The purposes of the Let's Plays also differ. Some streamers are more concerned with honoring the early days of videogames and only stream retro games (usually games from the late 1980s to early 1990s). Other videos focus on bringing attention to unknown "indie" titles, while

1:22 P.M.), http://www.forbes.com/sites/erikkain/2013/09/20/grand-theft-auto-v-crosses-1b-in-sales-biggest-entertainment-launch-in-history/ ("[T]he first three days, the game has crossed the 1 billion mark. . . . And that's not just videogames. Black Ops 2 topped all media launches, including blockbuster films [in 2012]. Grand Theft Auto V topped the previous record [550 million in day-one sales] by $300 million.").


5. Id.

6. For the purposes of the note, "Let's Play videos" refers to archived video footage (usually on YouTube) featuring a player providing commentary or walkthroughs while playing a videogame. In these videos, the majority of the screen is taken up by the video of the actual game with a video feed of the streamer provided in a corner. The streamer will play the game and provide either a literal commentary on the game and its mechanics, or the streamer may lean towards the comedic side, with the streamer lampooning the game itself.

others try to grow a following by creating over-the-top personalities who focus on creating an entertaining way to play games vicariously.\(^8\) In many ways, as PBS Game/Show says, Let's Play videos are so popular because they have "reinvigorated [a] sense of community [amongst gamers]."\(^9\) The Let's Play producers, in some cases, have struck internet gold. The most prolific and famous of these is a YouTube user who goes by the name PewDiePie (born Felix Arvid Ulf Kjellberg) who currently has 14,596,559 subscribers to his channel with 2,662,372,429 views spread across his 1,518 uploaded videos.\(^10\) Many of these YouTube stars have become "professional fans" who hold a significant amount of sway in and outside the videogame industry.\(^11\) They have turned the simple acts of playing a videogame while talking to an audience into a full-blown career.

But archived Let's Play videos are not the only booming phenomenon in the gaming industry; Twitch.tv—an online streaming service—has seen massive growth in the past two years,\(^12\) with a business model deeply tied to the eSports community.\(^13\) During the Evo fighting game championships held in the summer of 2013, Twitch attracted a record-breaking 1.7 million unique viewers over the course of the weekend in which the tournament was held,\(^14\) and more recently, the Dota 2 International had several million


\(^11\) Danny Wadeson, *Gamertube: Pewdiepie and the Youtube Commentary Revolution*, POLYGON (Sept. 6, 2013, 12:00 P.M.), http://www.polygon.com/features/2013/9/6/4641320/pewdiepie-youtube-commentary. In some cases, these individuals have capitalized on their fame and have managed to raise significant amounts of money for charity. Felix "Pewdiepie" Kjellberg recently raised $450,529 for Charity: Water to celebrate reaching 10 million subscribers. Id.

\(^12\) See Paul Tassi, *Talking Livestreams, eSports and the Future of Entertainment with Twitch*, FORBES (Feb. 5, 2013, 12:13 P.M.), http://www.forbes.com/sites/insertcoin/2013/02/05/talking-livestreams-esports-and-the-future-of-entertainment-with-twitch-tv/. In December of 2012, Twitch revealed that it had almost 25 million unique viewers in that month alone and more than 300,000 unique broadcasters. The average viewer on twitch watched more than 1.5 hours per day.

\(^13\) eSports refers to competitive tournaments amongst professional gamers for monetary prizes. Often these teams have corporate sponsorships, and the money they earn allows the players to devote their time solely to practicing and competing.

concurrent viewers watching teams compete for a prize pool of over $18 million.\textsuperscript{15} But these large-scale events and tournaments are only a piece of the traffic that Twitch generates. The company has stated that these types of large tournaments create "huge spikes" in traffic, which Twitch has used to generate steady growth in its broadcasting base.\textsuperscript{16} These numbers are likely to continue to grow with the integration of Twitch streaming built into the new generation of console hardware as well as certain flagship videogame titles like \textit{Call of Duty: Black Ops 2}.\textsuperscript{17}

Unfortunately, the rise in popularity of Let's Plays and livestreams has brought its fair share of problems. The Digital Millennium Copyright Act ("DMCA") allows for the holder of a copyright to issue a takedown notice to an online "service provider," such as YouTube.\textsuperscript{18} The service provider must respond "expeditiously to remove, or disable access to, the material that is claimed to be infringing."\textsuperscript{19} To sidestep some of these issues, YouTube enacted its "Content ID" system, which allows copyright holders to register their content with YouTube in order to monitor use of their copyrighted material on that platform.\textsuperscript{20} This issue was brought to the forefront of the videogame industry when Nintendo—the popular game developer and publisher known mostly for its popular mascot Mario—made "content ID match" claims to YouTube for Let's Play videos featuring its games.\textsuperscript{21} The main argument by Let's Play producers and their

\begin{itemize}
\item \textsuperscript{16} See Tassi, \textit{supra} note 12.
\item \textsuperscript{17} See Tassi, \textit{supra} note 12 at 2; see also Samit Sakar, \textit{Twitch Secures $20M investment to Prepare for PS4, Xbox One}, POLYGON (Sept. 30, 2013, 11:00 A.M.), http://www.polygon.com/2013/9/30/4786450/twitch-series-c-20m-investment-ps4-xbox-one. The next generation of consoles has made it so that any game can be easily streamed directly from the console straight to Twitch.tv. Whereas before, when streamers had to purchase capture kits or download specific capture programs to their computers, the consoles will allow all players to easily stream with the push of a button.
\item \textsuperscript{18} See generally 17 U.S.C.A. §512 (West 2010).
\item \textsuperscript{19} 17 U.S.C.A. §512 (b) (2) (E) (West 2010).
\item \textsuperscript{20} \textsc{YouTube Content ID}, http://www.youtube.com/t/contentid. The Content ID system that YouTube has in place allows a copyright holder to assert their copyrights in a video and derive advertising revenue from that content. The copyright holder is also entitled to block the video or to block the revenue an infringing person generates.
\end{itemize}
fans was that Nintendo was usurping advertising revenue that the Let's Play producers had properly earned. 22 Furthermore, some smaller, independent game developers stood by the Let's Play producers and claimed that without Let's Play streams their games would not have had success. 23 The backlash against Nintendo was immediate and led to an eventual reversal of the company's policies a few weeks later. 24 Nintendo released statements in the wake of this controversy that provide an apt synopsis of the competing viewpoints stating that the company "love[s] [its] fans" but that protecting their intellectual property is a necessary step for their business. 25

Another concern with YouTube, the DMCA, and the Content ID program is that developers may use these tools to censor unfavorable impressions of their games. That is precisely what happened in the case of YouTuber John Bain, more popularly known as TotalBiscuit. In late October 2013, Bain posted a very negative review of Wild Games Studio's Day One: Garry's Incident on YouTube. 26 In response, Wild Games filed a takedown notice alleging that, since Bain's video had an advertisement in front of it, Bain illegally appropriated the game's images and wrongfully gained advertising revenue through his video. 27 Wild Games quickly reversed their position and rescinded their takedown notice, but this type of behavior shows some

See Cheong, supra note 21. One popular YouTuber, Zack Scott, became a rallying point for outspoken fans and Let's Play producers. Scott main contention was that Nintendo's actions "jeopardize[] [his] channel's copyright standing and the livelihood of all Let's Play producers." 23

Id. The developer of the hit independent game Thomas Was Alone took to Twitter claiming, "Thomas [Was Alone] – youtubers = flop." 24

See Stephen Totilo, Nintendo's Turn For a 180? 'Let's Play' Drama Might Have Happy Ending, KOTAKU (Jun. 24, 2013, 11:10 A.M.), http://kotaku.com/nintendos-lets-play-drama-might-have-a-happy-ending-513818999. Nintendo did not release a public statement that it would stop making Content ID claims, but Let's Play producers such as Zack Scott saw advertising revenue from their Nintendo videos resume.


Id.
of the legitimate fears that Let's Play producers—particularly those who make a living off of their YouTube channels—face.

While Nintendo challenged Let's Play producers by claiming advertising revenue, some publishers have taken a more direct approach by exercising their rights under the DMCA in regards to livestreaming. On October 18, 2013, UMG Gaming (a tournament organizer) was broadcasting its Dallas tournament for Call of Duty: Black Ops 2 through Twitch.tv with all proceeds from the Twitch stream to be donated to Children’s Miracle Network Hospitals.28 However, a few hours into the tournament, the livestream was blocked by Twitch after receiving a DMCA takedown notice from Activision, the game's publisher.29 Since a livestream's success is predicated upon the number of concurrent viewers, it poses a unique set of problems different from pre-recorded Let's Play series. If a copyright holder issues a takedown against someone livestreaming, it effectively nullifies the streamer's creative efforts. In the case of a charity livestream, a copyright holder asserting its rights could cut funding being raised for noble causes, such as the massively successful Extra-Life charity, which gets users to play games (and in many cases livestream them) for a period of twenty-four hours to raise money for the Children's Miracle Network.30 More livestreaming issues will continue to arise as Google has recently launched its YouTube Gaming platform, which is subject to automatic ContentID claims for streamers who do not have the option to edit their videos to avoid the system.31

However, while the game industry has finally become a mainstream form of entertainment, and advances in technology have allowed gamers to connect and create in unprecedented ways, the law has lagged behind. This note will address the various copyright issues surrounding Let's Play videos and videogame livestreams. Part I32 will address the statutory rights of display, public performance, and distribution that a copyright holder is entitled to, and it will focus on analyzing whether Let's Plays and

29. Id.
32. See infra pp. 7-16.
livestreams violate these rights. Part II will look at the statutory right of creating derivative works and whether Let’s Play videos and livestreams are, in fact, derivative works of the games they show. Part III will provide a detailed analysis of Let’s Plays and livestreams under the doctrine of fair use. Finally, Part IV will conclude with proposed recommendations for allowing a more flexible fair use standard that takes into consideration the beneficial effects the videogame industry receives from Let’s Plays and livestreams while still protecting developers and publishers interests.

PART I – LET’S PLAYS AND LIVESTREAMS UNDER THE RIGHTS OF REPRODUCTION, DISPLAY, PUBLIC PERFORMANCE AND DISTRIBUTION

The Constitution of the United States provides content creators copyrights in their works in order to “promote the Progress of Science and useful Arts.” The Copyright Act of 1976 went on to codify some of the exclusive rights alluded to in Article I; these include the rights of reproduction, display, public performance, distribution, and the right to create derivative works. However, in order to successfully prevail in a copyright infringement claim plaintiffs need to show ownership of the allegedly infringed material as well as some violation of the copyright holder's exclusive rights. The creation of YouTube videos and livestreams that use the images of a videogame become problematic because it is then necessary to determine whether videos with no interactive qualities violate any statutory rights. The first four rights—reproduction, display, public performance and distribution—may be addressed with a more straightforward, objective analysis. This is in contrast with an evaluation of whether a work is a derivative due to the highly subjective factors (substantiality of the previous work and whether it is sufficiently transformative) that are contemplated when making that determination.

33. See infra pp. 16-21.
34. See infra pp. 22-42.
35. See infra pp. 42-45.
38. Therapeutic Research Faculty v. NBTY, Inc., 488 F. Supp. 2d 991, 994 (E.D. Cal. 2007). For the purposes of this note, it is assumed that publishers and developers have ownership of the games displayed in the Let's Play videos or game livestreams.
39. See infra Part II pp. 16-21.
A. Right of Reproduction

The most basic of the exclusive rights codified in the Copyright Act of 1976 is the right of reproduction, which is concerned with making copies of an original work. However, Congress has recognized that while the original 1976 Copyright Act was drafted in order to be flexible, "technology has a habit of outstripping even the most flexible statutes." Therefore, while the statute provides an appropriate starting point for analysis, case law is the best way to assess what constitutes a reproduction in such a new medium of expression. For example, in Twin Peaks, the court held that the right of reproduction, essentially, grants the copyright owner the exclusive right to control how and when a work is reproduced in different forms. In Twin Peaks, the issue at hand was whether direct quotations of a teleplay in Defendant's guidebook to the popular television show, Twin Peaks, constituted a violation of Plaintiff's exclusive right to reproduce. The District Court found (and the Second Circuit affirmed) that "literally similar" works constitute copyright infringement. Since the guidebook contained direct quotations from the teleplay, it was "literally similar" and was an infringement of the Plaintiff's exclusive right of reproduction. More recently, in Advance Magazine, the court found that digital copies made without permission constitute copyright infringement. While Let's Play videos do provide a direct copy of a game’s visual images, they are not likely to be in violation of a copyright holder's reproduction rights. There is certainly an argument to be made that the purpose and primary characteristic of a videogame is its interactive nature, and, since Let's Play videos deny this interactivity, there is no reproduction. However, this argument fails due to the fixed form of the Let's Plays. In order to be a copy, the work must be "fixed" in a way that allows it to be reproduced and

43. Id. at 1249.
44. Id. at 1250
45. Id.
46. Advance Magazine Publishers, Inc. v. Leach, 466 F. Supp. 628, 637 (D. Md. 2006). In Advance Magazine, Plaintiff was the owner and publisher of more than 500 book-length stories which had been featured in pulp fiction serial magazines in the 1930s and 1940s. Defendant was the operator of two websites which distributed copies of these works that were obtained by scanning Plaintiff's stories and posting them online (or via CD or DVD) for sale. The court reasoned that scanning was essentially like copying, and thus Defendant violated Plaintiff's right to reproduce. See id.
communicated either as a standalone object or with the help of some device.\(^\text{47}\) Furthermore, courts have held that videogames are copyrightable.\(^\text{48}\) Therefore, it stands to reason that a video recording of gameplay in a fixed form, such as a YouTube video, could be seen as violating a copyright holder's right to reproduce in a similar fashion to *Advance Magazine*.\(^\text{49}\)

While pre-recorded Let's Play videos may violate the right of reproduction, videogame livestreams might not. This difference is due to the transitory nature inherent in a livestream of data. In *Cartoon Network*, the Second Circuit answered the question, "[i]f a work is only 'embodied' in a medium for a period of transitory duration, can it be 'fixed' in that medium, and thus a copy? And what constitutes a period 'of more than transitory duration'?\(^\text{50}\)" This was a case of first impression for the court in *Cartoon Network*; while the district court initially ruled that *MAI Systems* was controlling precedent, the Second Circuit held that the facts in *Cartoon Network* were distinguishable.\(^\text{51}\) In *Cartoon Network*, the defendant, Cablevision, did not dispute that the material stored on its Remote Storage Digital Video Recorder ("RS-DVR") systems was copyrighted, only that the data buffer stream did not constitute a copy.\(^\text{52}\) The Ninth Circuit went


\(^{48}\) *Incredible Technologies, Inc. v. Virtual Technologies, Inc.*, 284 F. Supp. 2d 1069, 1075-76 (N.D. Ill. 2003) (relying upon 17 U.S.C. §101 which states "Audiovisual works [are] works that consist of a series of related images which are intrinsically intended to be shown by use of machines or devices . . . together with accompanying sounds, if any, regardless of the material . . . in which the work is embodied."); see also *Midway Mfg. Co. v. Artic Intern. Inc.*, 704 F.2d 1009,1012 (7th Cir. 1983) ("Recording images and sounds in circuit boards does not destroy their copyrightability any more than does recording them on rolls of celluloid film.").

\(^{49}\) *See Advance Magazine*, 466 F. Supp. at 637.

\(^{50}\) *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121, 127 (2d Cir. 2008).

\(^{51}\) *See id.* at 127-130 (distinguishing from *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511 (9th Cir. 1993)). *MAI* was different than the facts in *Cartoon Network* because of the nature in which the data was handled. In *MAI*, the data was stored directly on the computers' RAM while maintenance was done by a technician. In that scenario, the Ninth Circuit concluded that a copy was actually made and resided in the system. Because the data was stored in that way, the court in *MAI* did not have to answer the question of the "transitory duration" that was at issue in *Cartoon Network*.

\(^{52}\) *Id.* at 124-5. Cablevision, like other cable companies, gathers programming from many content providers and then transmits that content to subscribers via coaxial cable. The way this data is initially transmitted is through one unified data stream "processed and transmitted" to subscribers in real time. However, the RS-DVR modified this method by creating two separate streams. The first is funneled directly to customers, but the second goes to a Broadband Media Router ("BMR"), this buffers the data stream, formats it, and
on to hold that the term “fixed” connotes embodiment and durational requirements. Due to the nature of the RS-DVR system (the ability for the BMR buffer to reformat or transmit and the primary ingest buffer’s ability to be copied onto the Arroyo hard disks), the court determined that the embodiment of the work was permanent and stable in nature, falling within the statutory definition of a copy. However, the data stored in the primary buffer and the BMR were found to be within the buffer for only a "transitory" period that did not meet the durational requirement. Therefore, these data streams did not amount to unauthorized copies. In the case of a livestream conducted via Twitch.tv or YouTube, a court might find that the streamer is not creating an unauthorized copy. Both services allow the person recording a particular event to choose whether or not a copy is archived. In this way, similar to the RS-DVRs in Cartoon Network, the stream data itself (the images and audio paired with or without the streamers' commentary) would be transitory in nature and not produce an unauthorized copy. So, while a prerecorded Let's Play video hosted on YouTube (or a similar service) would constitute a violation of a copyright holder's right to reproduce because it embodies a fixed form that is not transitory in nature, a court may find that a livestream—provided the stream is not being archived—does not constitute an infringement of the right of reproduction.

sends it to an "Arroyo Server". This server is comprised of two data buffers and many high-capacity hard drives. Then, the data stream moves to the "primary ingest buffer" which causes the serve to automatically check if any customers want to record any of the programming contained within the buffer. If a customer does want to record the program, the stream moves to the secondary buffer and is placed on a hard drive allocated to that customer. As new data is placed into the primary buffer, it overwrites a corresponding quantity of data so that the primary buffer never holds more than 0.1 seconds of each channel's programming. Meanwhile, the BMR holds no more than 1.2 second of programming at a time. Cartoon Network's main contention with this practice was the housing of the recorded programs on remote serves, rather than in the set top box. Furthermore, Cartoon Network only alleged direct infringement, not contributory infringement, limiting the scope of the court's opinion solely to whether the streams to the primary and secondary buffers constituted an unauthorized copy. See id.

53. Id. at 129.
54. See id.; see also supra note 39.
55. Cartoon Network, 536 F.3d at 130. The court reasoned that since the data resided in the buffer for no more than 1.2 seconds at a time before being overwritten that it was not sufficiently embodied for more than a "transitory duration".
56. Id.
57. See id.
B. Display Rights

The Copyright Act of 1976 also provides a rights holder the exclusive right to display their copyrighted work publicly.\(^{58}\) Put simply, displaying a work means showing a copy directly or through other means such as film, television image, or through any other device or process.\(^{59}\) Furthermore, displaying non-sequential images from a motion picture would also be considered a display.\(^{60}\) The Ninth Circuit has narrowed this definition stating that the statute provides plain language that an image on a computer screen from a copy fixed in the computer's memory is also a display.\(^{61}\) However, the Court focused on the fixed nature and location of the stored copy, holding that because the computer in question did not actually store the images, the infringer did not have a copy of the images "for purposes of the Copyright Act."\(^{62}\) Like the right of reproduction, the question of whether Let's Plays and livestreams violate the right of display is split. Due to the fixed form inherent in archived Lets Plays that are later uploaded to YouTube (or a similar service), Let's Plays likely violate the right of display. The act of storing and displaying the image amounts to the Let's Play producer having material objects that put the work in a fixed form which can be perceived, reproduced or communicated.\(^ {63}\) Similar to the analysis under the right of reproduction,\(^ {64}\) a livestream might not be seen as violating this right to display. The statutory rights embodied in section 106 are allowed to overlap, and in some cases certain rights must be infringed before a claim of infringement can arise.\(^ {65}\) A video game livestream's lack of fixed form causes some difficulty in the analysis of whether a livestream could violate the right of display. If the livestream’s images cannot be said

60. Id.
61. *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1160 (9th Cir. 2007) [hereinafter *Amazon*].
62. Id.
63. Id. at 1160-1 (quoting 17 U.S.C. §101).
64. See supra Part I.A.
65. *Amazon*, 508 F.3d at 1161 (citing *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d, 965, 967 (9th Cir. 1992)). The court referred to *Galoob* where it had previously held that a derivative work could not have been made since the alleged derivative work did not "incorporate a protected work in some concrete or permanent 'form' ". The court went on to explain that "in some contexts, the claimant must be able to claim infringement of its reproduction right in order to claim infringement of its right to prepare derivative works. See *id.*
to be violating the right of reproduction since they are not "copies" under the Copyright Act, it might be that a claim over violation of the right of display is precluded since the alleged infringer would not have a "copy" that is being shown. However, this argument can be countered by stating that using a livestreaming service like Twitch qualifies as a device or process under the language of the statute.

C. Public Performance Rights

Whereas the right to display focuses on showing a copy of the copyrighted work, a publically performed work requires performance in a location open to the public where a substantial number of people that are not family or friends are present. A performed work is also public if the performance is communicated to a public venue regardless of whether the audience is receiving the display at the same or separate times and places. The court addressed the issue of public performance in videogames in Red Baron. In that case, a Japanese corporation, Taito, sold videogames—specifically the coin-operated arcade game Double Dragon. Red Baron, a company that operated coin-operated arcades, purchased circuit boards that allowed Double Dragon to be played on its arcade cabinets. However, these circuit boards were not purchased directly from Taito, and Red Baron had no license from Taito (or its American subsidiary) to use Double

68. See supra part I. B.
69. 17 U.S.C.A. §101 (West 2010) ("(1) . . . a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or (2) to transmit or otherwise communicate a performance or display of the work to place specified in clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or different times.").
70. Id. 17 U.S.C.A. §101 (West 2010) ("(1) . . . a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or (2) to transmit or otherwise communicate a performance or display of the work to place specified in clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or different times.").
72. Id. at 276-77.
73. Id. at 277.
Dragon for profit. Taito claimed that its rights of distribution and public performance were violated by Red Baron’s unlicensed use of its circuit boards. The court determined that Red Baron’s use of the Double Dragon circuit boards constituted a public performance. The court focused on the repetitive visual and auditory sequences that the game produced to determine whether the game was being publicly performed. The court also noted that the very nature of the arcade as a public place made the performance “public.” In the arcade setting, the distinction between a display and public performance rested on the sequence of the images. The court also noted that the very nature of the arcade as a public place made the performance “public.”

In Valve, the court looked to the question of whether a cyber-café that allows players to pay-for-play violated public performance rights. Ultimately, the court determined that this model—allowing users to play and “perform” the game in a store open to the public—indeed was a public performance. It held that a claimant has the burden to show that its copyrighted work is being transmitted to the public. However, a claimant does not need to show that a transmission is being viewed by a substantial number of people, but rather that “the challenged transmission [is] capable
of being viewed by a substantial number of people.”

Taking case law into account, it is likely that both archived Let's Plays and videogame livestreams both violate a copyright holder’s right of public performance. Even if the Internet is not a public place, it still falls within §101’s definition as a device or process that would allow members of the public to see the performance or display at same place and time or in separate places and times. The repetitive visual and auditory sequences make Let's Plays fall within the public performance definition and violate display rights. While livestreams may not violate display rights due to their lack of a fixed form, they are sequential in nature and can be seen as a public performance. Livestreams likely fall within the holding of Valve as well; they would not be seen as rentals, but more like the in-store performance of a video store that does not sell, rent, or dispose of the copyrighted material. By using such large platforms like Twitch and YouTube, it is likely that both Let's Plays and videogame livestreams are “capable of being viewed by a substantial number of people.”

D. Right of Distribution

In addition to the rights of reproduction, display, and public performance, §106 provides the exclusive right of distribution. Specifically, this right entitles the copyright owner to decide when, how, and for what price, copies of his work will be released to the public. However this is not an absolute right. It is subject to the first sale doctrine

84. Id. at 161-2 (emphasis added). The court also addressed the holding in L.A. News Service v. Reuters Television Int’l, Ltd., 942 F. Supp. 1265 (C.D. Cal. 1996), where summary judgment was granted when the plaintiff did not show evidence from which the court could determine that a substantial number of people could have seen the footage in question. The Time Warner Court specifically notes that in that the dispositive fact in L.A. News was that without proper evidence the court could only surmise that an insubstantial number could have viewed the transmission. See id.
86. See supra note 73.
87. See supra part I. A.
88. See supra note 74.
89. See Valve, 431 F. Supp. 2d at 1096-97.
90. See supra note 12.
91. See supra note 10.
95. Id.
that is codified in §109.96 Infringement can only be committed when copies are actually distributed. 97 Furthermore, the right of distribution would not be violated by making an unauthorized copy available to the public because the original copy had already been distributed. 98 The Supreme Court has recently held that under the first sale doctrine the owner of a copy receives first sale protection so long as the copy was lawfully made. 99

With this in mind, Let's Plays and videogame livestreams are probably not in violation of a game publisher or developer's right of distribution. As a medium, videogames are unique because they are not simply a "phonorecord" that can be quickly copied and distributed. A videogame is defined as "an electronic game in which players control images on a television or computer screen." 100 Since a videogame requires "player control," a simple copy of a game's audiovisual components likely does not constitute a "distribution" of a game. Furthermore, without the control aspect, a Let's Play or livestream would, at most, be an unauthorized copy which cannot violate the right of distribution. 101 However, even if the audiovisual components would be considered a distribution, the first sale doctrine likely applies. 102 Assuming, arguendo, that a Let's Play producer or streamer purchased the game (or was given a lawfully made copy), the copyright owner already received the full value of the copy. 103 Additionally, there would be no actual "dissemination" present in a Let's Play or videogame stream. 104

96. 17 U.S.C.A. § 109 (a) (West 2008). An owner of a lawfully made copy of a copyrighted work, or anyone authorized by that owner, may sell or dispose of that copy without the authorization of the copyright holder.
98. Id. at 983; see also Capitol Records, Inc. v. Thomas, 579 F. Supp. 2d 1210, 1218-19 (D. Minn. 2008) ("[D]istribution does not includ[e] making available and, instead, requires actual dissemination.").
99. Kirtsaeng v. John Wiley & Sons, Inc., 133 S.Ct. 1351, 1361 (2013) ("Section 109 (a) now makes clear that a lessee of a copy will not receive 'first sale' protection but one who owns a copy will receive 'first sale' protection, provided, of course that the copy was 'lawfully made' and not pirated.") (emphasis in the original).
101. See Atlantic Recording, 554 F. Supp. 2d. at 983; see also Capitol Records, 579 F. Supp. 2d at 1221 ("Equating making available with distribution would undermine settled case law holding that merely inducing or encouraging another to infringe does not, alone, constitute infringement unless the encouraged party actually infringes.") (internal citations omitted).
102. See supra note 91.
103. See Parfums, 832 F. Supp. at 1389; see also Kirtsaeng, 133 S.Ct. at 1361.
PART II – LET'S PLAYS AND LIVESTREAMS AS DERIVATIVE WORKS

The rights of reproduction, display, public performance, and distribution are concerned with protecting a copyright holder’s profits and rights in their current work. In contrast, a copyright holder’s right to create derivative works is more concerned with protecting the rights-holder’s monopoly on his own creations.\(^{105}\) In order to constitute an infringement of this right, a work must, typically, incorporate a portion of the original work.\(^{106}\) Unlike the requirement of fixation necessary to show infringement of the right of reproduction,\(^{107}\) the Copyright Act does not explicitly reference fixation in determining whether a work is derivative.\(^{108}\) The court in \textit{Galoob} held that “[i]t makes no difference that the derivation may not satisfy certain requirements for statutory copyright registration itself.”\(^{109}\) While fixation is not necessary, in order to be a derivative work, the work must have "some concrete or permanent form".\(^{110}\) As has been previously discussed, Let's Plays and livestreams both have permanent forms (even though Let's Plays are the only one to satisfy the durational requirement of a fixed form),\(^{111}\) however the substantiality of the incorporated work and

105. \textit{Castle Rock Entm't v. Carol Pub. Group, Inc.}, 150 F.3d 132, 146 (2d Cir. 1998) (“It would . . . not serve the ends of the Copyright Act—\textit{i.e.}, to advance the arts—if artists were denied their monopoly over derivative versions of their creative works merely because they made the artistic decision to not saturate those markets with variations of their original.”) (internal citations omitted).

106. H.R. Rep. No. 94-1476 at 62 (1976). The legislative history provides some direction into what constitutes an infringing, derivative work. First, the derivative work must be "based upon the copyrighted work," and it must "incorporate a portion of the copyrighted work in some form; for example, a detailed commentary on a work or a programmatic musical composition inspired by a novel would not normally constitute infringements under this clause."

107. See 17 U.S.C.A. §101 (West 2010) (stating that a work is fixed "by any method . . . from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.").

108. See \textit{Galoob}, 964 F.2d at 968

109. Id. (“[T]he [Copyright] Act does not require that the derivative work be protectable for its preparation to infringe.”) (citing Paul Goldstein, \textit{Derivative Rights and Derivative Works in Copyright}, 30 J. Copyright Soc'y U.S.A. 209, 231 n. 75 (1983)).

110. \textit{Micro Star v. Formgen, Inc.}, 154 F.3d 1107, 1110 (9th Cir. 1998) (citing \textit{Galoob}, 964 F.2d at 967).

111. See supra Part I. A. Both mediums are fixed in a concrete form (as audiovisual display files), but due to the transitory nature of a livestream, it is not "fixed" in such a way to constitute a reproduction.
the transformative nature of that incorporation may not make these types of videos derivative works.

In addition to the "incorporation" of a part of the original work and the requirement of permanence, a derivative work must have substantially copied a previous work and not just have surface-level comparisons. Just because a work is "based upon" other preexisting works does not make it a derivative work. Two works must be substantially similar in idea and mode of expression for the subsequent work to be considered derivative. This similarity of ideas may be shown by looking at objective details such as plot, theme, setting, mood, characters, or dialog; similarity in expression is more about if an ordinary, reasonable person would look at both works and decide they are substantially similar. Said in another way, the derivative work must take a preexisting work and "recast, transform, or adapt" it.

In Warner Bros., the court analyzed the issue of "recasting" the work of another. In that case, Steven Vander Ark (the defendant) created, owned, and operated a website called "The Harry Potter Lexicon," which served as an in-depth guide to the popular Harry Potter series written by J.K. Rowling. The site grew in popularity alongside the book series; it was even used by the creators of the Harry Potter movies in order to maintain continuity and by Ms. Rowling, herself, while she was finishing the series. When Vander Ark entered into a publication deal with RDR

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112. See Litchfield v. Speilberg, 736 F.2d 1352, 1357 (9th Cir. 1984). In Litchfield, plaintiff sued defendant (popular film director Steven Speilberg) for, among other things, copyright infringement and the creation of a derivative work. Litchfield claimed that Speilberg's 1982 classic, E.T. the Extra-Terrestrial was based upon her play, Lokey from Maldemar. After reading scripts of both works, the court decided that there was not "substantial similarity." While there were some very general similarities between the two (both have aliens visiting Earth who have extraordinary powers), overall the two works had vastly different themes and execution. This degree of similarity was not nearly enough to constitute infringement. See id.


114. Litchfield, 736 F.2d at 1356.

115. See Micro Star, 154 F.3d at 1113.

116. SHL Imaging, Inc. v. Artisan House, Inc., 117 F. Supp. 2d 301, 305 (S.D.N.Y. 2000). In explaining what the "recast, transform, or adapt" language, the court used photography as an example. "A photograph of Jeff Koons' "Puppy" sculpture in Manhattan's Rockefeller Center, merely depicts that sculpture; it does not recast, transform, or adapt Koon's sculptural authorship." However, the court held that "[a] cropped photograph of an earlier photograph is a derivative work." As is the "[r]e-shooting [of] an earlier photographic work with some alteration of the expressive elements." See id.

117. See Warner Bros., 545 F. Supp. 2d at 520.

118. Id. at 520-21.
Books, Rowling and Warner Brothers brought suit claiming copyright infringement in the form of a derivative work. The published Lexicon styled itself as an "A-to-Z guide" to the various characters, creatures, events, places, and overall mythology of the *Harry Potter* universe. Thus, the Lexicon included encyclopedic entries covering spells, potions, creatures, and characters from the books, as well as citations (in some cases) to where the information is located within the books. However, the Lexicon also included direct quotation and close paraphrasing of Rowling's prose. When assessing the Lexicon's status as a derivative work, the court focused on the amount of material from Rowling's *Harry Potter* series and the Lexicon's transformative nature. The court eventually held that the Lexicon was not a derivative work because:

> [A]lthough [it] 'contain[s] a substantial amount of material' from the *Harry Potter* works, the material is not merely 'transformed from one medium to another.' Instead, by "condensing, synthesizing, and reorganizing the preexisting material in an A-to-Z reference guide, the Lexicon [did] not recast the material in another medium to retell the story of *Harry Potter*, but instead gives the copyrighted material another purpose.

By changing the purpose and expression of the ideas contained within Rowling's *Harry Potter* books, Vander Ark's Lexicon was an original work of authorship in and of itself. This standard demands a "distinguishable variation" but is "concededly a low threshold." Furthermore, the only

119. *Id.* at 522-24.
120. *Id.* at 524.
121. *Id.* at 525.
122. *Id.* at 527.
123. *See Warner Bros.*, 454 F. Supp. 2d at 539.
124. *Id.*
125. *See id.; see also SimplexGrinnell, LP v. Integrated Systems & Power, Inc.*, 642 F. Supp. 2d 206, 210 (S.D.N.Y. 2009) ("[I]n order to qualify for protection as a derivative work, and be separately copyrightable, the new contributions must, when analyzed as a whole, . . . display sufficient originality so as to amount to an 'original work of authorship.'"); *see also Fred Riley Home Bldg. Corp. v. Cosgrove*, 864 F. Supp. 1034, 1037 (D. Kan. 1994) ("[In order to be a derivative work,] [t]he work must not consist of actual copying and must include more than mechanical copying. Fundamentally, the work must be the original product of the claimant.").
126. *See SimplexGrinnell*, 642 F. Supp. 2d at 210. The District Court went on to state that to be original in the copyright context simply requires that a work was created independently by a different author, and that there is "some minimal degree of creativity." In *SimplexGrinnell*, the court came to the conclusion that even slight alterations and iterations
protectable portion of a derivative work is for whatever incremental changes that are contributed by the author of the derivative work.\textsuperscript{127}

Therefore, in assessing Let's Plays and livestreams as derivative works one must look at the substantiality of the copying, the similarity in expression, and whether or not the new work is simply recasting the original work. As previously defined, video games are "game[s] in which players control images on a television or computer screen."\textsuperscript{128} There is an argument to be made, then, that no amount of video capturing or streaming can ever truly replicate the videogame experience. While the court in Williams held that the images in a game like Defender were capable of repetition and thus copyrightable, Let's Plays and livestreams are distinguishable.\textsuperscript{129} Unlike other audiovisual media—\textit{i.e.}, television and movies—playing a videogame is much more than just the sights and sounds the player sees. The interaction itself is what the experience is derived from, therefore it's possible that there is no substantial copying because the full experience is not being copied. However, if viewed in a less flexible manner, substantial copying may be present. For example, a popular variant of the Let's Play genre is the speedrun; the goal of these videos is "to play a game from beginning to end as fast as you can."\textsuperscript{130} Since the entirety of a game (usually older games or newer games that aren't more than a few hours) is shown during the course of the speedrun, one might argue that Let's Plays or livestream have "been substantially copied from the prior work."\textsuperscript{131} But not all Let's Plays and livestreams are complete runs of a game; in many instances a Let's Play or livestream can take a large game of Plaintiff's fire alarm system software could be protected as derivative works, and that each version was potentially a separate, derivative work. See \textit{id}.

\textsuperscript{127} See \textit{Canal+ Image UK Ltd. v. Lutvak}, 773 F. Supp. 2d 419, 430 (S.D.N.Y. 2011); \textit{see also} \textit{Psihoyos v. Nat'l Geographic Soc'y}, 409 F. Supp. 2d 268, 278 (S.D.N.Y. 2005) ("Only the original elements of a derivative work, \textit{i.e.} the non-trivial additional matter transforming a prior work, are protected by copyright.") (emphasis added).

\textsuperscript{128} See \textit{supra} note 97 (emphasis added).

\textsuperscript{129} See \textit{Williams Electronics, Inc. v. Artic Int'l., Inc.}, 685 F.2d 870, 873-74 (3d Cir. 1982).

\textsuperscript{130} Andrew Webster, \textit{Don't Die: Livestreaming Turns Video Game Speedruns into a Spectator Sport}, \textit{THE VERGE} (Jan. 21, 2013, 4:00 P.M.), http://www.theverge.com/2013/1/21/3900406/video-game-speedruns-as-live-spectator-sport. As an example of how popular this subset of Let's Plays and livestreams can be, on January 21, 2013, Adam ak, a Twitch user, attempted a speedrun of \textit{Amnesia: The Dark Descent}. The speedrun of the horror game brought in a live audience of 11,000 viewers. Jared Rea, community manager for Twitch, explains that live speedruns are compelling because they "humanizes inhuman abilities. . . . [I]t's not just about watching this flawless run anymore, it's about going on the journey towards it with this player." See \textit{id}.

\textsuperscript{131} See \textit{Litchfield}, 736 F.2d at 1357.
and condense it into highlights and smaller pieces. Moreover, some of the most popular games on the market in the past few years range from four to twenty hours. Substantial copying is likely present if the Let's Play producer or streamer captures footage of the whole game, but if they are simply capturing a small percentage, that would be likely be de minimus. In that case, the archived or live video would be but a small portion of the total work, if one concedes that a videogame can be fully experienced simply by watching its audiovisual components.

The presence of substantial copying of a preexisting work, though, does not automatically make a secondary work derivative. To be derivative, the two works must be "substantially similar in both ideas and expression." A derivative work will take these similarities and simply "recast, transform, or adapt" the original work. In these ways, Let's Plays and livestreams are analogous to the Harry Potter Lexicon from Warner Bros. There, the Lexicon boiled down Rowling's seven book series into one encyclopedic book, and the court ultimately held that even though a "substantial amount of material" was copied, the Lexicon was not a derivative work. In that case, and here, the expression is key. By repurposing Rowling's work, Vander Ark had created something new that did not "represent [the] original work[s] of authorship"; the Lexicon gave the copyrighted material a different purpose. Let's Plays and livestreams are similar: they borrow elements of other works (in this case videogames) to create a new work. Let's Plays and livestreams might still be for entertainment purposes, like videogames are, however the expression is different in that the draw is as much the producer or streamer—and their personality—as it is the game itself. In many instances, the commentary provided by a Let's Play

132. Timothy J. Seppala, The Incredible Shrinking Game: The Truth of Game Length in the Modern Industry, ARS TECHNICA (Apr. 14, 2011, 12:30 A.M.), http://arstechnica.com/gaming/2011/04/the-incredible-shrinking-game-the-truth-of-game-length-in-the-modern-industry/. This number refers to time average time played, not the actual length of the game. Furthermore, there are some outliers such as Call of Duty: Black Ops which clocked in at 67.1 hours or Fallout: New Vegas which averaged 27.5 hours of playtime per player.

133. Newton v. Diamond, 388 F.3d 1189, 1195-7 (9th Cir. 2003). In Newton, popular hip-hop group, The Beastie Boys, were sued over their sampling of a six second portion of James W. Newton's Choir. The court held that the Beastie Boys usage was de minimus because the infringing segment "last[ed] six seconds and [was] roughly two percent of the four-and-a-half minute 'Choir'." See id.

134. See id. at 1356.

135. See SHL Imaging, 117 F. Supp. 2d at 305.

136. See Warner Bros., 575 F. Supp. 2d at 539.

137. See id.

138. See supra note 10. With over fourteen million subscribers and one billion views, it
producer or a streamer is in direct contradiction with the goal of a game's atmosphere.\textsuperscript{139} It is in this way that the "total concept and feel of the works" is different.\textsuperscript{140}

PART III – LET'S PLAYS AND LIVESTREAMS VIEWED THROUGH A FAIR USE FRAMEWORK

Parts I and II focused on identifying whether Let's Plays and livestreams infringe the statutory rights embodied within 17 U.S.C. §106, however Part III will shift focus and address defending a claim against copyright infringement. One defense, discussed above, is the first sale doctrine.\textsuperscript{141} Once a videogame has been purchased, the copyright holder extinguishes certain rights: namely the right to distribute.\textsuperscript{142} Another defense that may be raised when addressing an issue of copyright infringement is \textit{de minimis} use. The term \textit{de minimis} is derived from the legal tenet "\textit{de minimis non curat lex}" (commonly translated to mean "the law does not concern itself with trifles").\textsuperscript{143} The concept of \textit{de minimis} use is relevant to copyright law in three respects: (1) the technical violation is so trivial that there is no reason to attach legal consequences; (2) copying is present, but it does not meet the substantial similarity threshold necessary to maintain an action for copyright infringement; and (3) as a component of a fair use defense due to the amount being copied.\textsuperscript{144} \textit{De minimis} use may be a valid defense for other forms of copyright infringement, but it is doubtful that it provides much protection for the Let's Play producer or videogame livestreamer due to the significant amount of game footage typically needed in those works. However, \textit{de minimis} use should certainly be kept in mind when assessing the Let's Play producer and livestreamer's strongest defense: fair use.\textsuperscript{145}

is clearly evident that Let's Play producers like Pewdiepie are the draw in their videos, more so than the games they record themselves playing.

\textsuperscript{139} Pewdiepie, \textsc{YouTube} (Nov. 12, 2013), http://www.youtube.com/user/PewDiePie/videos?sort=p&view=0&flow=grid. A look at PewDiePie's most popular videos shows that horror games are some of the most viewed titles. This is, in large part, because he has over-the-top reactions to the horror elements that lead to some comedic moments. Whereas the game developer seeks to invoke fear and unease in players, the Let's Plays are entertaining due to the fact that they can be quite funny.

\textsuperscript{140} \textit{See} \textit{Micro Star}, 154 F.3d at 1112.
\textsuperscript{141} \textit{See supra} Part I. D.
\textsuperscript{142} \textit{See Capitol Records}, 579 F. Supp. 2d at 1218-19.
\textsuperscript{143} \textit{See} \textit{Ringgold v. Black Entertainment Television, Inc.}, 126 F.3d 70, 74 (2d Cir. 1997).
\textsuperscript{144} \textit{See id. at} 74-76.
\textsuperscript{145} \textit{See id. at} 75.
Fair use is an affirmative defense that was formulated, in part, to “serve the copyright objective of stimulating productive thought and public instruction without excessively diminishing the incentives for creativity.” However, fair use presents some problems due to the fact-specific inquiry that is necessary for each dispute. In order to grant some direction in undertaking these inquiries, Congress outlined examples that might fall within the scope of a fair use defense such as “criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.” However, this list is not exhaustive and serves only to provide an idea of the types of activities that the legislature had in mind when codifying the fair use defense. With those examples in mind, Congress provided four factors that must be weighed together when assessing fair use:

1. the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
2. the nature of the copyrighted work;
3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
4. the effect of the use upon the potential market for or value of the copyrighted work.

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

The analysis is made more difficult, however, by the subjective nature of some of the factors. Determining how much is too much under the third

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146. H.R. REP No. 102-836, at 3 (1992). The Judiciary Committee explains that when the 1976 Copyright Act was enacted courts had “considered and ruled upon the fair use doctrine over and over again, [however] no real definition of the concept had ever emerged. . . . [S]ince the doctrine is an equitable rule of reason, no generally applicable definition is possible, and each case . . . must be decided on its own facts.”

147. See id. at 4 (“[F]air use litigation will always be piecemeal: no legislative solution can answer in advance the outcome of a given dispute.”); see also Sony Computer Entmt't Am., Inc. v. Bleem, LLC, 214 F.3d 1022, 1026 (9th Cir. 2000) [hereinafter Sony] (“The process of applying these fair use factors to the facts of any particular scenario calls for case-by-case analysis, and the 'task is not to be simplified with bright-line rules.'”).


149. H.R. REP. No. 95-1476, at 65 (1976) (“The examples enumerated at page 24 of the Register’s 1961 Report [which was later codified within 17 U.S.C. §107], while by no means exhaustive, give some idea of the sort of activities the courts might regard as fair use.”); see also Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 577 (1994) (“The text employs the terms 'including' and 'such as' in the preamble paragraph to indicate the 'illustrative and not limitative' function of the examples given.”).

factor becomes especially tricky because there is no bright line test. The same is true for market impact and when a use actually becomes "commercial".

To complicate matters more, the very nature of a Let's Play or videogame stream is often perplexing. These works are not just a means to generate money for their creators; they also serve as a creative outlet to express love for the medium as a whole. These types of fan-based activities serve an important purpose for many game developers—large and small—as well as fans of the medium. They can act as an additional, low-cost marketing arm for developers, while simultaneously informing the consumer as to what games are coming out and if they are worth their time and money. However, some companies have countered this argument saying that use of their copyrighted works by others can weaken the public perception of their intellectual property. This tension has been addressed in cases like Warner Bros. where the court commented on a rights holder's interest in protecting their intellectual property weighed against subsequent authors, artists, and creators who might be trying to break into mainstream recognition by making reference to works that have inspired and are a point of reference. That is why so much flexibility was built into the doctrine,

151. Greg Lastowka, All Your Nintendo Let's Plays Are Belong to Nintendo?, GAMASUTRA (May 17, 2013, 12:26 A.M.), http://www.gamasutra.com/blogs/GregLastowka/20130517/192424/All_Your_Nintendo_Lets_Plays_Are_Belong_To_Nintendo.php. In many cases, Let's Play producers are upset not only because of their loss of money when a company makes a ContentID claim, but they also feel "betrayed". For many Let's Play producers they feel as though they are helping "to sustain the community of enthusiasts," for these products. It seems a betrayal that the entities they are helping would turn around and attack their livelihood. See id.

152. Nathaniel T. Noda, Note, When Holding on Means Letting Go: Why Fair Use Should Extend to Fan-Based Activities, 2008 DEN. U. SPORTS & ENT. L.J. 64, 84-88 (2008); Nathaniel T. Noda, Copyrights Retold: How Interpretive Rights Foster Creativity and Justify Fan-Based Activities, 20 SETON HALL J. SPORTS & ENT. L. 131 (2010). Nathaniel Noda first coined the term "fan-based activities" in 2008 and later expanded upon the concept in 2010. In analyzing the fan-conducted subtitling of anime and creation of doujinshi (fan-created comics that typically take from existing properties and introduce new stories), Noda posited that there are four characteristics that help delineate what a fan-based activity is: (1) shared interest between copyright holder and fan-creators; (2) fans acting as evangelists for the original works; (3) a shared community culture; and (4) the fans interest in separating canon from non-canon works. Noda then went on to define a fan-based activity as an activity that is "(1) undertaken as a complement to, rather than in competition with, the underlying work, and (2) enhances, in aggregate, the creator's economic and creative interests." See id.

153. See Totilo supra notes 23-24 and accompanying text.

154. Warner Bros., 575 F. Supp. 2d at 540 ("The fair-use doctrine mediates between the two sets of interests, determining where each set of interests ceases to control.")
so that courts do not have to adhere to rigid standards that could curb the
type of creative endeavors the Copyright Act is designed to promote. Thus, the ultimate test for fair use is whether the law is fulfilling its
constitutional mandate to promote "the Progress of Science and useful
Arts."156

A. The First Fair Use Factor: Purpose and Character of the Use

The first fair use factor is often times referred to as the "heart" of the fair
use analysis.157 This examination is focused upon whether the new work
simply replaces the original creation—if it is a superseding work—or if it
adds something new and transformative such as applying a different
purpose or character, modifying the expression or message.158 So long as a
work is highly transformative, other factors weighed against it will have
less significance and bolster the argument for fair use protection.159 The
question of whether a work is sufficiently transformative has been tackled
by courts many times, however there is not one definitive answer.

One of the more recognized ways in which to prove transformative
nature is to claim parody. Parody is "[a] transformative use of a well-
known work for purposes of satirizing, ridiculing, critiquing, or
commenting on the original work, as opposed to merely alluding to the
original to draw attention to the later work."160 While the more obvious
forms of parody tend to be satire and ridiculing of an original, it is
important to note that critique and comment are also both valid ways to fall
within the definition of a protected parody. For example, in Campbell,
when the court was considering the first factor it came to the conclusion
that 2 Live Crew's Pretty Woman was a parody of the 1964 Roy Orbison
original.161 This ruling was mainly due to the "critical element" in 2 Live

156. Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 608 (2d Cir. 2006)
[hereinafter Graham].
157. See Carion v. Prince, 714 F.3d 694, 705 (2d Cir. 2013) (citing Blanch v. Koons,
467 F.3d 244, 251 (2d Cir. 2006)).
158. See Campbell, 510 U.S. at 579 (internal citations omitted).
159. See Nunez v. Caribbean Int'l. News Corp., 235 F.3d 18, 21 (1st Cir. 2000); see also
Warner Bros., 575 F. Supp. 2d at 541. ("[A secondary work is protected if it] adds value to
the original—if [the original] is used as raw material, transformed in the creation of new
information, new aesthetics, new insights and understandings; because such a work
contributes to the enrichment of society.")
161. See Campbell, 510 U.S. at 582-4.
Crew's version; while the court claimed that it would "not assign a high rank to the parodic element" present in the song, the song could certainly be perceived as commenting and criticizing the original by "juxtapos[ing] the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility."162 This combination of reference and ridicule levied at the original's naïve conception of the world placed 2 Live Crew's parody in a markedly different form "from the other types of comment and criticism that traditionally have had a claim to fair use protection as transformative works."163

Another method of proving transformative nature is through using the previous work for a wholly different purpose. In Nunez, a copyright dispute arose from photographs taken by a photographer for use in the modeling portfolio of the winner of Miss Puerto Rico Universe 1997.164 Due to the fact that at least one photo depicted the pageant winner either naked or nearly naked led to a controversy and the eventual loss of her crown.165 The case came about when the photographer, Nunez, saw the pictures he took in a newspaper, El Vocero.166 Nunez claimed that he did not authorize the reprinting and sued the newspaper.167 The court ultimately held that the reprinting was fair use because the pictures served an informative purpose, evidenced by the articles and interviews which were published alongside the photographs.168 But the fact that the pictures in this context were informative did not create an exception for newsworthiness.169 Rather, it showed that the original photographs were intended to appear in modeling portfolios. The transformative function the newspaper employed—combining the photographs with commentary—reframed Nunez's work and created a "meaning, or message."170

A similar issue was raised in Hofheinz, where the plaintiff brought suit against the television network, A&E, for copyright infringement in an episode of its Biography series on Peter Graves (widely known for his

162. See id. at 582-3. The court does point out that "[t]he threshold question when fair use is raised in defense of parody is whether a parodic character may be reasonably perceived." The question of whether the parody is in good or bad taste does not matter when assessing fair use.
163. See id.
164. See Nunez, 235 F.3d at 21.
165. Id.
166. Id.
167. Id.
168. Id. at 22.
169. Id. at 23.
170. See Nunez, 235 F.3d at 23.
work on the late 1960s television show*Mission Impossible*). During the course of the program, much of Graves' early acting work was shown, including footage from the 1956 science fiction film*It Conquered the World.* Hofheinz owned the rights to the film, and when A&E displayed footage, he brought suit. Like in *Nunez*, the court decided that the use was transformative because it was a part of a "scholarly biography." The court went on to say that the twenty seconds shown during the biography did not attempt to recreate the "creative expression" of Hofheinz's film, its transformative purpose was to enable the viewer to fully appreciate the trajectory of Graves' career and his humble beginnings.

The court in *Graham* took the idea of a historical or scholarly work a step further. There, the defendant created a biographical work entitled*Grateful Dead: The Illustrated Trip* ("Illustrated Trip") which was a large, coffee table book that documented the history of the Grateful Dead with a continuously running timeline which combined over 2,000 images that represented significant dates in the bands history. Plaintiff sued over the inclusion of seven event posters which were not licensed by the defendant. There was a strong presumption in favor of fair use due to the biographical nature of the work, furthermore the Second Circuit affirmed the district court's finding of fair use due to the works being shown to celebrate historic events, the creative style in which the images were arranged, and the significantly reduced size of the pictures when compared to the originals. In rebutting the argument that the use of the images was not transformative, the Court went on to explain that there are no presumed categories of fair use, but fair use protection is "frequently afforded" when a work appropriates copyrighted material to create biographies because they are works of scholarship, criticism, or comment that require incorporation of source material. Moreover, the court held that the reduced size of the images was did not provide an adequate

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172. *Id.* at 444.
173. *Id.* The court noted that although the footage that A&E showed of "It Conquered the World" was technically from the film's trailer, footage was from the film and therefore covered under Hofheinz registered copyright.
174. *Id.* at 446-7.
175. *See id.*
176. *See Graham*, 448 F.3d 605.
177. *Id.* at 607.
178. *Id.*
179. *Id.* at 609.
180. *Id.*
When viewed alongside other decisions, a narrative starts to form that comment and critique is highly valued in society, and that at times the only way to create these types of works is to appropriate a certain amount of another individuals work. However unfair this framework might seem, it falls in line with the broad constitutional goals of promoting creativity in the arts and sciences.

While there are legitimate societal benefits tied to parody, editorial news content, biographies and historical scholarship, courts have also had to address whether something as workaday as a search engine appropriating copyrighted images in its search results is infringement. In Amazon, Perfect 10—a company who markets and sells images of nude models—brought suit against Google and Amazon for infringing on its copyrighted works by producing thumbnail size images and linking to infringing websites. Perfect 10 argued that this approach was not a transformative use, and that Google and Amazon should not be protected under fair use. However, the court disagreed and argued that although an image's original purpose might have been for entertainment, aesthetic, or informative purposes, a search engine transforms the image to become a "pointer" that directs a user to a source of information. This new function of incorporating an original work into an electronic reference provides a similar type of societal benefit that parody and scholarship do. The court went on to point out that Google using the entirety of the copyrighted work was immaterial and did not diminish the transformative nature of the use because even an exact copy is capable of being transformative if it serves a different function than the original.

While the transformative nature of the fair use may be "at the heart" of the inquiry, courts must also assess whether a work is commercial or non-commercial. While commercial nature is "an explicit part of the first fair-use test," courts consider whether the fair use is commercial or non-commercial.

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181. Id. at 611.
182. See U.S. Const. art. I §8, cl. 8.
183. See Amazon, 508 F.3d at 1164-7
184. See id. at 1157. The claims against Google were focused on the popular search engine's ability to display thumbnail images that are posted throughout the internet. Perfect 10 claimed that some website publishers would post unauthorized copies of "members only" photographs online which Google would then index and display upon a user searching for the images. The claims against Amazon were different and centered around an advertising agreement between Google and Amazon in which Amazon would "in-line link" to Google's search results. These links would then route users to Google's search engine. See id.
185. See id. at 1165
186. See id.
187. Id.
188. Id.
189. See Cariou, 714 F.3d at 705.
use factor ... courts 'often do not make much of this point." The inquiry itself is not focused primarily on the lucrative potential of a work, but more on the potential for unfairness when a subsequent creator incorporates the work of another and gains financial benefit from the copying. The Campbell court discussed commercial uses in its opinion and noted that §107 uses the term "including" when addressing commercial use. The Supreme Court construed this choice of language to mean that commercial use is but one factor to be taken into account when determining the first fair use factor. The Supreme Court also held that simply because a use is a not for profit, educational use does not shield it from a finding of infringement.

In light of these court decisions, the purpose and character of the use in Let's Plays and livestreams should fall in favor of their producers. While this type of program might seem superficial, it is actually multi-faceted, fitting within a wide range of the categories already discussed. This multi-faceted nature is due to the different dispositions of the creators themselves. Like 2 Live Crew's Pretty Woman, most would probably "not assign a high rank to the parodic element[s]" within the videos of a producer like PewDiePie, but there is certainly commentary on the games themselves and the state of the industry as a whole. As a burgeoning medium that has finally become more than just an enthusiast market, many look to games to handle serious issues, and others are writing deep thought-provoking pieces on their meaning. Against these discussions, PewDiePie's videos provide a stark contrast, they are silly and nonsensical, but that is part of the point: to focus on videogames as a fun, escapist medium. Let's Plays and livestreams also serve similar societal purposes like those found within Nunez, Hofheinz, and Graham. While the popularity of the Let's Play and livestream producers may wane, they are

190. Warner Bros., 575 F. Supp. 2d at 545 (citing Castle Rock, 150 F.3d at 141).
191. Id.; see also Graham, 448 F.3d at 612 ("[T]he crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.").
192. See Campbell, 510 U.S. at 584.
193. See id.
194. See id.
195. Id. at 583.
197. See Wadeson, supra note 11.
contributing to the larger body of work that surrounds the industry. These videos—whether they are silly, informative, or provocative—are helping to curate a historical record of the medium in more ways than one. By providing criticism, Let's Plays and livestreams serve a similar purpose to book reviews which not only help present-day consumers make decisions, but may eventually provide a unique glimpse into what the medium was like in its current state of flux. They might also allow younger gamers to see older games from the past that they may not have access to so that they might further appreciate the medium. Furthermore, it is certainly arguable that Let's Plays and livestreams are similar to the incorporated images in Graham.¹⁹⁸ Just like the reduced size of the images in Graham did not properly convey the artistic expression of the original concert posters, by removing the interactivity from a videogame a Let's Play producer is merely presenting "a glimpse of their expressive value."¹⁹⁹

Much of the criticism levied at Let's Play and livestream producers is the inherent "unfairness" of deriving a profit off of someone else's work, but these are not just exploitative works attempting to "profit from [the] exploitation of the copyrighted material without paying the customary price."²⁰⁰ In fact, unless the game is a free release, players have already helped the game publisher realize the only profits they are entitled to.²⁰¹ These works are the result of many hours of planning, recording, and editing to deliver a product that then requires even more hours to find an audience receptive to the expressions the Let's Plays and livestreams contain. They are no more exploitative of the medium than any of the other types of widely accepted fair uses.

B. The Second Fair Use Factor: The Nature of the Copyrighted Work

The second factor looks to the nature of the copyrighted work and requires the court to decide the amount of protection that should be afford to a person who engages in acts of creation or authorship that copyright seeks to promote, and whether the individual has a reasonable expectation for protection.²⁰² In other words, the court must determine if the original work is the type of work which is typically considered as being close to the

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198. See Graham, 448 F.3d at 611
199. See id.
200. See id. at 612.
201. See supra Part I. D.
202. See Graham, 448 F.3d at 612.
core of copyright protection. In *Graham*, for example, the court stated that this factor weighed against the defendant because the images which were incorporated into the secondary work were creative endeavors which are typically afforded copyright protection. However this did not prove fatal to the defendant's fair use defense because the posters in question had already been published. Furthermore, the second factor was granted limited weight because the subsequent use had a different goal than the original—emphasizing the historical significance of the original images rather than their artistic value. The court in *Amazon* provides additional insight into the issue of publication. There, the court held that authors of creative works have the right of first publication which grants creators control over the first public appearance of their work. This right, therefore, allows a content creator to choose when, where, and in what form their creative works will be published, but once the first publication is distributed, the right is exhausted for that specific medium. As has been previously noted, videogames are a large industry with an equally large reach, so it stands to reason that this factor would also have limited weight when assessing fair use in the case of Let's Plays and livestreams. Developers and publishers have the right of first publication, but once the product is out in the wild, they lose a considerable amount of control over what is done with the work. That said, this factor would still likely weigh against creators of Let's Plays and livestreams.

C. The Third Fair Use Factor: The Amount and Substantiality of the Portion Used

The third factor courts look at when assessing a fair use defense is the amount and substantiality of copying present from the original. This

203. *See Amazon*, 508 F.3d at 1167.
204. *Graham*, 448 F.3d at 612.
205. *Id.*
206. *Id.* The court makes the distinction that had the images been used for the same decorative purposes as the original, then this factor would have weighed heavily against the defendant. However, the highly transformative use provides the subsequent work with protection because it is within the vein of what copyright is in place to protect. *See id.*
208. *See Amazon*, 508 F.3d at 1167.
209. *See supra* notes 1-5 and accompanying text.
factor is arguably the most subjective of the group, because it asks whether
the portions of the original used are reasonable to the purpose of the
copying. When assessing the amount and substantiality used, courts must
scrutinize not only the quantitative amount of copying, but also the
qualitative results of the copying. The quantitative analysis can be
instructive because of the potential of revealing a lack of transformative
color character or purpose, which weighs against fair use. However, too much
importance cannot be placed on a simple quantitative analysis of how much
of the original was borrowed, the "quality and importance" are of more
significance because even a small portion—directly copied—can amount to
"the heart of the [work]" i.e. the portion most likely to draw a consumer in
and define the original work. To further muddy the waters, a complete
facsimile of the original does not preclude a finding of fair use. That
said, copying an entire work very rarely favors a ruling of fair use, although
some courts have held that complete copying is sometimes necessary to
create a new, original work.

Due to the highly subjective nature of this analysis, a few examples may
be instructive. For example, in *Campbell*, the court found that the amount
and substantiality of 2 Live Crew's use weighed in favor of fair use. While
the opening bass riff and first line of the Roy Orbison version were
appropriated, these elements did not necessarily go to the heart of the
original. However, even if they did, "the heart" is also what calls the
original to mind, and "the heart" is what the parody intends to lampoon.
In the case of 2 Live Crew's *Pretty Woman*, the distinctive portions taken

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211. *Campbell*, 510 U.S. at 586; see also *Chicago Bd. Of Educ. v. Substance, Inc.*, 354
F.3d 624, 629 (7th Cir. 2003) ("The general standard, however, is clear enough: the fair use
copier must copy no more than is reasonably necessary (not strictly necessary—room must
be allowed for judgment . . . ) to enable him to purpose an aim that the law recognizes as
proper.").

212. See *Graham*, 448 F.3d at 613 (citing *Campbell*, 510 U.S. at 586).

213. See *Campbell*, 510 U.S. at 587

214. See id.

215. *Hustler Magazine, Inc. v. Moral Majority, Inc.*, 796 F.2d 1148, 1155 (9th Cir.
1986); see also *Campbell*, 510 U.S. at 586-7 ("[The court] recognize[s] that the extent of
permissible copying varies with the purpose and character of the use.").

216. See *Graham*, 448 F.3d at 613 (emphasis in the original); see also *Kelly v. Arriba
Soft Corp.*, 336 F.3d 811, 820-1 (9th Cir. 2002) ("If the secondary user only copies as much
as is necessary for his or her intended use, then this factor will not weigh against him or her.
. . . It was necessary for Arriba to copy the entire image . . . [otherwise] it would be more
difficult to identify, thereby reducing the usefulness of the visual search engine.").

217. See *Campbell*, 510 U.S. at 588-89.

218. See id.

219. See id. at 589.
were absolutely necessary to provide recognizability for their parodic purpose.\footnote{220} Another case which required an analysis of substantiality in relation to parodic value involved Mattel's popular Barbie dolls.\footnote{221} Thomas Forsythe, a photographer, caught the attention of the popular toy manufacturer through his series of photos \textit{Food Chain Barbie}.\footnote{222} In analyzing the substantiality of the original used, the court noted that Forsythe "did not simply copy the work verbatim with little added or changed," as Mattel alleged, because a verbatim copy would be an "exact three dimensional reproduction of the doll."\footnote{223} Furthermore, unlike songs, video, or written works, the copyrighted material—the character of the Barbie doll—could not easily be severed so that Forsythe could somehow use less of Mattel's doll to create his photographs.\footnote{224} The court went on to say that short of physically severing the doll, the only way for Forsythe to make a successful parody would be to add context and to capture the expression that context provides on film.\footnote{225} Lastly, the court explicitly stated that there is no requirement for a parody to use the bare minimum possible, but—citing \textit{Campbell}—a parodist may take what is necessary to ensure proper identification.\footnote{226}

This same rationale can apply when a complete work is appropriated without a parodic use, and led to the court holding in favor of the fair use in \textit{Graham}, but not in \textit{Warner Bros}. In \textit{Graham}, the court noted that while the entire work was being appropriated—the Grateful Dead tour tickets and posters—the manner in which they were used negated the substantiality of the original that was copied.\footnote{227} Because the copies were reduced to small versions that combined visuals, text and the original art, the visual impact of the originals was "significantly limited" due to reduction in size.\footnote{228}

\begin{itemize}
\item \footnote{220} See id.
\item \footnote{221} Mattel, Inc. v. Walking Mountain Productions, 353 F.3d 792 (9th Cir. 2003).
\item \footnote{222} See id. at 796-7. The series depicted the pop culture icon in "various absurd and often sexualized positions". The works, for the most part, involved a fully nude Barbie doll alongside kitchen appliances. For example, \textit{Malted Barbie} was a photograph of a nude Barbie doll inside of a vintage malt machine; another \textit{Fondue a la Barbie} displayed a group of Barbie heads in a fondue pot. In a declaration attached to a motion for summary judgment, Forsythe said his work was an attempt "to critique [ ] the objectification of women associated with [Barbie] and [ ] to lambast [ ] the conventional beauty myth and the societal acceptance of woman as objective because this is what Barbie embodies." See id.
\item \footnote{223} See id. at 803-04 (internal citations and quotation marks omitted).
\item \footnote{224} See id. at 804.
\item \footnote{225} Id.
\item \footnote{226} See Mattel, 353 F.3d at 804.
\item \footnote{227} See Graham, 448 F.3d at 613.
\item \footnote{228} See id.
\end{itemize}
Therefore, while there were exact copies being used, the limited visual impact combined with the transformative use to make a wholly new work, weighed in favor of the book publisher.\footnote{229 See id.} A similar analysis occurred, in \textit{Warner Bros.}, when the court looked to the substantiality of J.K Rowling's \textit{Harry Potter} series present within Steven Vander Ark's \textit{Harry Potter Lexicon}.\footnote{230 See \textit{Warner Bros.}, 575 F. Supp. 2d 513.} The court was tasked with determining how much copying was necessary in order for the Lexicon to properly act as a reference guide to the \textit{Harry Potter} works.\footnote{231 See id. at 546.} While substantial copying was certainly necessary in order for the Lexicon to be as complete as possible, the court ultimately decided that this factor weighed against Vander Ark.\footnote{232 See \textit{id.} at 547.} The court decided that Vander Ark went too far because of the amount of verbatim copying and minimal paraphrasing of passages from Rowling's works.\footnote{233 See id.} However, it was not the act of copying, but rather specific "aesthetic expressions" that raised questions as to whether the amount copied was reasonably necessary to create a complete reference guide.\footnote{234 See id.} Even more fatal to Vander Ark's argument was the "wholesale" copying from Rowling's companion books, where the court found little transformative purpose.\footnote{235 See id. at 548-9.}

One more small case of note concerned a software emulator of Sony's Playstation console.\footnote{236 See \textit{id.} at 548-9. The two companion books in question, \textit{Quidditch Through the Ages} and \textit{Fantastic Beasts & Where to Find Them}, are real-life equivalents of the same texts referenced in \textit{Harry Potter}'s fictional universe. Each reads in a textbook-like nature, not in narrative form. Therefore, when Vander Ark was copying directly from these books, his transformative purpose was slight because he was using reference materials to create a larger reference material. See \textit{id.}.} The suit revolved around the use of comparative
screenshots in Bleem's advertising. On appeal, the court only looked at
the issue of whether Bleem's use of screenshots from Sony videogames was
a violation of Sony's copyright. The court began its analysis of the third
factor by emphasizing that "the greater degree of copying involved and the
closer those copies are to the essence of the copyrighted work, the less
likely the copying is fair use." The court stated noted that, in cases
involving screenshots, the third factor will tend to weigh against the
videogame publisher since a screenshot is a minimal portion of as a whole,
complex copyrighted work.

One of the strongest criticisms against Let's Plays and livestreams as fair
use is that they appropriate so much of the original work in order to create
their own. In the case of a Let's Play that only shows off a portion of a
game, one could argue that the Let's Plays are similar to the facts of
Bleem. This small portion of an otherwise large game could be seen as
having some temporal similarities to the screenshots which were the
subject of that case. While a ten-to-fifteen-minute video may seem long,
in the greater context of a large game that can span tens (or even hundreds,
in the case of massively multiplayer online role playing games such as
World of Warcraft) of hours, a Let's Play may actually fall within the
"insignificant portion" language articulated by Ninth Circuit. Assuming
one understands the inherent parodic value that Let's Plays contain, then,
like with 2 Live Crew's Pretty Woman, the Let's Play producer needs to be
able to show enough of the game in order to provide a level of
recognizability. The Let's Play or livestream producer can then provide

wanted to play Playstation games but not pay for the console and (2) those who owned
Playstations but wanted to play them on their PCs. See id.

237. See id. at 1024.
238. See id. at 1025.
239. Id. at 1028. The court noted that each screenshot was about 1/30th of a second's
worth of the game, and that "temporally . . . there can be no doubt that a screen shot [sic] is
a small amount of a video game." Furthermore, since games involve interactive plots that
take place over a span of several hours, a screenshot is "of little substance to the overall
copyrighted work."

240. Id.
241. For example, a game like the recently released Grand Theft Auto V has generated a
pretty significant Let's Play community where producers simply drive around aimlessly
cause chaos and avoiding police for as long as possible. During these videos the main
narrative of the game is abandoned and viewers rarely see any significantly large portion of
the map.

242. See Sony, 214 F.3d at 1028.
243. See id.
244. See discussion supra Part III. A. on the purpose and character of use.
245. See Campbell, 510 U.S. at 589.
sufficient context around the footage in order to provide whatever commentary they wish to disseminate, not unlike the photographer in Mattel and his Food Chain Barbie series.246 In this way, the commentary itself would be the draw, not necessarily the gameplay footage, in a way that would ensure that the Let's Play did not become a superseding work that replaces demand for the original.247

But this does not address the question of Let's Play or livestream series that encompass the entirety of a game. However, as the various courts have stated, a verbatim copy does not preclude the assertion of fair use as a defense.248 The very nature of some of these online programs necessitates complete copying of the original. Certainly, some Let's Play series or livestreams may only show a portion of a game, but it's not uncommon to see a producer of these programs create a series of videos devoted to one game. By watching these playlists, a viewer could, in theory, experience the whole game. It is for this reason why it is important for to weigh the transformative nature of the use against the amount and substantiality of the use.249 Viewed with the transformative use present in most Let's Plays and livestreams,250 these programs are like Graham, in which the entire work is indeed being taken, but where that fact is mitigated by the manner in which the original work is being used.251 There is a danger of not providing a sufficient amount of transformative use, in the case of a Let's Play with no commentary. However, producers are likely not going to fall within the holding of Warner Bros. because their "wholesale copying" actually has a transformative effect since the purpose of the original (providing interactive media for entertainment) is very different from the purpose of the Let's Play (providing entertainment via an audiovisual program with parodic qualities).252

D. The Fourth Fair Use Factor: The Effect of the Use Upon the Market

The final factor in a fair use inquiry requires an analysis of the effect of

246. See supra notes 218-223.
248. See Hustler, 796 F.2d at 1155; see also Graham, 448 F.3d at 613; Kelly, 336 F.3d at 820-21.
249. Warner Bros., 575 F. Supp. 2d. at 546 (internal citations and quotation marks omitted).
250. See discussion supra Part III. A. on the purpose and character of use.
251. See Graham, 448 F.3d at 613.
252. See Warner Bros., 575 F. Supp. 2d at 548-49.
the use upon the market or value of the original, copyrighted work. While the purpose and character of the use is the "heart" of a fair use analysis, the market effect of a subsequent work is the most important element of fair use. Courts must consider not only the market harm caused by an alleged infringer, but also the potential for an adverse impact on the potential market for the original if the type of copying in question is left unrestricted and becomes widespread. However, the main focus is not on the secondary use's potential suppression, or destruction, of the market for the original, but instead if it "usurps" the original's market. To further complicate the analysis, these inquiries must be balanced with the public benefit that comes from permitting the secondary use. There is a direct relationship between the amount of adverse effect on the original copyright owner's expectation of gain and the amount of public benefit that must be shown to validate a secondary use. As fair use is an affirmative defense, the party asserting fair use has the burden to prove that their secondary work does not usurp the market for the original or its derivative works.

While some may argue that a commercial purpose would create a "presumption" that a likelihood of future harm exists, the Supreme Court has held that no such presumption is created. That was the reasoning the Court of Appeals outlined in its opinion for when it weighed the fourth factor against 2 Live Crew. But Justice Souter rebutted that argument by saying it was a misreading of a previous Supreme Court opinion; what that previous case said was that "when a commercial use amounts to mere duplication of the entirety of an original, it clearly "supersede[s] the objects of the original and serves as a market replacement for it," which will probably result in market harm to the original." Therefore, unless the secondary use truly replaces the original, there cannot be a finding of

254. See supra Part III. A.
255. See Harper & Row, 471 U.S. at 266; see also Stewart, 495 U.S. at 238 ("The fourth factor is the most important, and central fair use factor.") (internal citations and quotation marks omitted).
256. Campbell, 510 U.S. at 590 (internal citations and quotation marks omitted).
257. See Cariou, 714 F.3d at 708.
258. Mattel, 353 F.3d at 805 (citing Dr. Seuss Enter., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1403 (9th Cir. 1997)).
259. See id.
260. See Campbell, 510 U.S. at 590.
261. See id. at 591.
262. See id.
263. See id. (citing Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 450 (1984) [hereinafter Universal]).
"cognizable" market harm within the definition of §107. Thus, in certain circumstances, it is entirely possible for a secondary work to kill the market for the primary work and not cause cognizable harm.

But, a secondary work can also avoid cognizable harm by operating in a completely new market from the original. In the case of Cariou, the defendant, Prince, was creating art by taking the plaintiff's photographs from his Yes Rasta series and adding different elements to make wholly new works. When analyzing the fourth factor, the court noted that Prince's works had a "very different" audience than Cariou; this helped Prince's case because it led to an absence of evidence to show that Prince's work affected the market for Cariou's at all. Whereas Prince's work was highly sought after—attracting wealthy and famous individuals such as Robert DeNiro and Tom Brady—and could sell for more than two million dollars per piece, Cariou did not attempt to market or sell his work for any significant sum. The disparity in their respective audiences led to the court weighing this factor in favor of Prince; however the result may have been different if Cariou's work had been in the same market as Prince's—commanding impressive guest lists to art exhibits and generating significant profits.

This factor, in many ways, defines the contemporary discussions of fair use in not only Let's Plays and livestreams, but in the ever-growing remix culture thriving on YouTube. For this reason, it is helpful to revisit the definition of a fan-based activity. The second and fourth principles outlined by Noda are particularly instructive: the fan as a proselytizer and

264. See id. ("[When analyzing the potential of market harm,] [w]e do not, of course, suggest that a parody may not harm the market at all, but when a lethal parody, like a scathing theater review, kills demand for the original, it does not produce a harm cognizable under the Copyright Act. Because parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically, the role of the courts is to distinguish between [b]iting criticism [that merely] suppresses the demand [and] copyright infringement[, which] usurps it.") (citing Fisher v. Dees, 794 F.2d 432, 4387 (9th Cir. 1986)) (internal citations and quotation marks omitted) (emphasis added).

265. See Cariou, 714 F.3d 694.

266. See id. at 699-700. The exhibits attached to the opinion show the types of changes that Prince made to the original photos.

267. See id. at 709.

268. See id.

269. See id.


271. See Noda supra note 149 and accompanying text.
the fan's desire to contribute to and be part of a larger community. 272 Fan-based works, such as Let's Plays, aim to grow the greater community surrounding the medium, not only by providing an outlet for discussion and community, but also in showcasing oftentimes lesser-known titles. 273 In this way, the Let's Play producers are not trying to claim that their videos are somehow a part of or a substitute for the actual videogame, rather they are simply trying to spread the word and share the medium that they are passionate about. However, even videos that portray particular games in a negative light have value. As the courts have pointed out, this factor is focused not on the harm to the primary market so much as it is the danger of the secondary work usurping the market for the original. 274 Furthermore, there is a recognition that comment or parody may kill demand for the original work, but that is irrelevant in the fair use analysis so long as no cognizable harm arises. 275 Therefore a Let's Play may very well be dismissive of, or openly hostile to, a game and still not cause cognizable harm, which is exactly what happened in the case of Let's Play producer TotalBiscuit's videos of Wild Games Studio's Day One: Garry's Incident. 276 However, the argument propounded by those in favor of a strict interpretation of the fair use doctrine is that these types of extended videos can disincentivize consumers from purchasing a game for themselves. While there very well may be a portion of the consumer base that does prefer watching games, rather than playing them, it is likely that these consumers were never going to purchase the game in the first place.

Another strong argument against Let's Plays and livestreams causing cognizable harm is that they cater to an entirely new market with a

272. See id.
273. See Mike Rose, The Blissfully Awkward Controls of Surgeon Simulator 2013, GAMASUTRA (Apr. 25, 2013), http://www.gamasutra.com/view/news/191120/. On its face, Surgeon Simulator 2013 does not seem like the type of game that would become widely popular. Initially developed during a 48 hour timespan during the 2013 Global Game Jam, the game places players in the shoes of a surgeon, requiring them to commit various procedures. The hallmark component of the game is its control scheme, players control move the surgeon's hand with the mouse and need to control the individual digits on the left hand in order to perform the surgery using the "A," "W," "E," "R," and "Space" keys. The result is a "bumbling" surgeon due to the game's awkward control scheme. Once gamers got their hands on the game and began streaming it, its popularity exploded. Luke Williams, one of the games designers states, "YouTube is the reason the game is where it is," adding that "part of the appeal of watching . . . is that non-gamers can easily understand the absurdity of the game." This then makes it more likely that videos of the game will be shared, creating a viral campaign for the game itself. See id.
274. See Cariou, 714 F.3d at 708.
275. See Campbell, 510 U.S. at 591.
276. See Ligman supra notes 25-26 and accompanying text.
completely different product, not unlike the art discussed in Cariou.\textsuperscript{277} Whereas games are an interactive medium best experienced by controlling the game itself, Let's Plays and livestreams are non-interactive works. The enjoyment is derived from the Let's Play producer or person running the livestream, not necessarily the game itself. The commentary and interaction via comments or live chat are the draw. In this way, Let's Plays and livestreams do not "supersede" the original work and create a "market replacement," instead they constitute a completely different type of product.\textsuperscript{278} These new works are analogous to Prince's art in Cariou where the audiences are "very different".\textsuperscript{279} It's unlikely that a person in the market to play a specific game would instead go to YouTube or Twitch.tv and watch footage of someone else playing rather than playing the game themselves. There are certainly some games whose primary draw is their narrative,\textsuperscript{280} and Let's Plays or livestreams of these games are more likely to be viewed as constituting cognizable harm. However, there is an argument to be made that the experience might be similar, but without the viewer actually making the narrative choices a Let's Play of this type would probably not serve as a superseding work.

\textbf{PART IV – RECOMMENDATIONS}

The ultimate question when addressing Let's Plays and livestreams and the many competing interests involved is finding a middle ground where all parties are hopefully satisfied, but, at the least, protected. The original purpose of the DMCA was to address the exponential growth of technology and safeguard rights holders' interest, it has been argued that the DMCA ultimately harms fair use.\textsuperscript{281} Professor Miriam Bitton argues that the DMCA's protection measures are focused on technical measures to protect digital copyrighted information.\textsuperscript{282} However, these measures were not

\begin{itemize}
  \item \textsuperscript{277} See \textit{supra} notes 262-266 and accompanying text.
  \item \textsuperscript{278} See \textit{Campbell}, 510 U.S. at 590 (citing \textit{Universal}, 464 U.S. at 450). There is an argument to be made that this new product/market theory raises a whole host of trademark issues, but that is not being addressed because it is outside of the scope of this article.
  \item \textsuperscript{279} See \textit{Cariou}, 714 F.3d at 709.
  \item \textsuperscript{280} Certain games spring to mind such as TellTale's \textit{The Walking Dead} episodic adventure series which focuses on providing an interactive story with the player making meaningful choices throughout. \textit{Telltale’s The Walking Dead}, https://www.telltalegames.com/walkingdead/ (last visited Feb. 4, 2014).
  \item \textsuperscript{282} See \textit{id}.
\end{itemize}
designed with fair use in mind. The DMCA's technical measures, Bitton argues, are enforced "without regard to what the law says." Certainly there are positive aspects to the DMCA—the safe harbor provision being one of them, allowing service providers and owners of content platforms that ability to rectify infringement on the part of a user so as to avoid liability—yet even these need revision. The safe harbor provision protects a third party service provider from monetary liability due to the infringement of another, but that protection is predicated upon the service provider complying with the takedown notice. This scheme works in theory, however, in practice it incentivizes content platforms like YouTube to find the most efficient ways to avoid liability, rather than actively policing content for truly infringing material. It also creates a presumption of culpability for the party who is allegedly infringing without any factual investigation.

Fine-tuning the safe harbor provision in a way that calls for actual policing is the first step in fixing the problem. By actually policing, rather than taking down anything that could be infringing, platform owners like YouTube would begin to create an environment where creativity could thrive without fear of liability. As the statute currently stands, a service provider is required to "expeditiously remove or disable access to" the allegedly infringing material or face potential penalties. This effectively forces a service provider like YouTube to act immediately without engaging in an inquiry to see if the content actually is infringing. The language of the statute requires "expeditious" action, but that term is never defined. This vague and subjective choice of language can lead to issues for a service provider because while the party seeking to have the material removed or disabled may think a day or two is expeditious, properly assessing whether something is a fair use may take longer. By not

283. See id.
284. See id. Professor Bitton main contention with the DMCA is not that it provides protection to digital information, but that it is so focused on technical measures—such as YouTube's automated Content ID system—that it can ultimately hinder fair use. Content owners could employ such measures prior to the DMCA, but once the DMCA was enacted it made the circumvention of these technical measures a criminal offense. Bitton argues that this is ultimately harmful not only to fair use, but the digital public domain as a whole. See id. (citing Pamela Samuelson, Mapping the Digital Public Domain: Threats and Opportunities, 66 LAW & CONTEMP. PROBS. 147, 163-66 (2003)).
providing a bright line definition which clearly outlines how long a service provider has to comply, the statute places too much burden on not only the alleged infringer but the service provider as well. However, the safe harbor provision could be amended to provide protection to a service provider while an assessment is performed to see whether the material in question is actually an infringing use. This amendment would prevent some of the innate unfairness between a Let's Play producer or livestreamer who has limited funds and a large publisher that is able to leverage the possibility of litigation to seek prompt compliance from the service provider.

But the DMCA is not alone in needing an update to properly function in the post-YouTube world. A certain level of flexibility in how the law is interpreted is necessary to avoid rigid policies put into place that ultimately favor whoever has the deepest pockets. By tweaking the existing fair use standards to create more flexibility, innovation would have an opportunity to grow. Two of the fair use factors in particular—the purpose and character of the use\(^\text{287}\) and the effect of the use upon the market\(^\text{288}\)—require more attention. Part of the reason Nintendo made copyright claims on YouTube videos containing their properties was because there a financial component involved.\(^\text{289}\) The analysis, in those instances, began and ended with the fact that the individuals were receiving advertising revenue, money that, in theory, was being siphoned away from Nintendo.\(^\text{290}\) While Nintendo was fully within its rights under YouTube's Terms of Service and copyright policies, this example exposes some of the deep-seated problems in the fair use doctrine as it currently stands.

The wording of the statute itself is problematic, and it should be amended to rid itself of the distinction between commercial and non-commercial use. Section 107 (1) states that the first factor in the analysis is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes."\(^\text{291}\) Even courts recognize that this distinction in the statute does not amount to much, and that they "often do not make much of [that] point,"\(^\text{292}\) and the Supreme Court has held that commercial use is only one factor to be taken into account when assessing the purpose and character of use.\(^\text{293}\) By removing the second clause in §107 (1) courts would still be required to engage in the

\(^{287}\) See supra Part III. A.

\(^{288}\) See supra Part III. D.

\(^{289}\) See supra notes 20-24 and accompanying text.

\(^{290}\) See Cheong supra note 20.


\(^{292}\) See Warner Bros., 575 F. Supp. 2d at 545.

\(^{293}\) See Campbell, 510 U.S. at 584.
same inquiry, however the potential for commercial or non-commercial use to be given too much weight, simply for the fact that it is specifically referenced in the statute, would be lowered.

Subsection 4 would also benefit from a few changes to clarify what "market effect" means.\(^{294}\) This provision presents another situation where the language of the statute is contradictory to the way it has been interpreted.\(^{295}\) Rather than just tasking courts to look at the effect of the use on the market, the statute should be tailored to come closer into line with Justice Souter's definition which requires a negative finding against a subsequent user only when the new work supersedes the original.\(^{296}\) Furthermore, the analysis of the fourth factor should take into account when a subsequent use actually bolsters the original from which it borrows. In the case of Let's Plays and livestreams, the extra publicity generated from these videos has, at times, been shown to make up for the copying and whatever advertising revenue a video producer may make.\(^{297}\)

The problem of fair use interpretation is compounded when viewed alongside the DMCA because a fair use inquiry is most often not "expeditious" as the DMCA requires. These time-consuming inquiries lead service providers to be as efficient as possible, and one solution which has come forth is the prevalence of automation in copyright policing. By putting the content provider in a constantly defensive position, it only makes sense that programs such as YouTube's Content ID—or any automated search program for that matter—would gain prominence. However, as should be evident, copyright infringement and fair use are anything but black-and-white issues. By automating the system, one removes the subjective component of the analysis and essentially replaces it with an if/then statement; "if there is copyrighted content, then it is certainly infringing and must be taken down." While in many situations this if/then statement is effective, it opens itself to abuse. As seen above, systems such as, YouTube's Content ID, can then be used to censor legitimate criticism,\(^{298}\) abruptly end charitable events,\(^{299}\) or silence any undesirable content.

The automation itself is not the problem, but rather the lack of oversight in the removals themselves. If the DMCA were amended to allow for a reasonable amount of time for inquiry, a component of discretionary

\(^{295}\) See supra Part IV. D.
\(^{296}\) See Campbell, 510 U.S. at 591.
\(^{297}\) See supra note 22 and accompanying text.
\(^{298}\) See supra notes 25-26 and accompanying text.
\(^{299}\) See supra notes 27-28 and accompanying text.
oversight could be added which would serve the interest of all parties involved. By injecting a human element to the process, subjective determinations would be factored in, rather than the presence of copyrighted material being immediately flagged and removed. The problem is that this would likely be very expensive. But, added oversight would help protect a Let's Play producer's financial interests when she makes content covered by fair use and places it on YouTube in hopes of monetizing it. One way to accommodate the extension of time might be to cap a Let's Play producer's revenues to a certain limit while the fair use inquiry is being conducted. The Content ID system, like the DMCA, is not in and of itself bad, but currently, neither provides enough flexibility to address the spontaneous creativity that technology has afforded society.

Finally, the gaming industry, specifically, would benefit from actively seeking out partnerships with prominent as well as up-and-coming producers and streamers so that all parties may benefit. A large amount of Let's Play-friendly developers do exist, but some remain leery of the harm that could be done to their intellectual property rights. These are fair concerns, however, embracing these creative fans could lead to a mutually beneficial relationship. Videogame budgets are higher than they have ever been, thanks in no small part to massive marketing campaigns. There are studies, though, that claim that YouTube videos can influence purchases, with one study showing that fifty-three percent of consumers claimed that a YouTube video had influenced their purchase. By leveraging an

300. "Let's Play"-Friendly Developers Wiki,
http://letsplaylist.wikia.com/wiki/%22Let%27s_Play%22-friendly_developers_Wiki#Master_List (last updated Dec. 15, 2013). This list is helpful simply for the fact that it aggregates and lists a large number of publishers' and developers' publicly stated stances on the creation of Let's Plays and whether monetization is allowed.

301. See Brendan Sinclair, GTA V Dev Costs Over $137 Million, Says Analyst, GAMES INDUSTRY INTERNATIONAL (Feb. 1, 2013, 4:19 P.M. GMT), http://www.gamesindustry.biz/articles/2013-02-01-gta-v-dev-costs-over-USD137-million-says-analyst; Cf. Mark Serrels, Grand Theft Auto V is the Most Expensive Video Game Ever Made, KOTAKU (Sept. 9, 2013, 10:30 A.M.) http://www.kotaku.com.au/2013/09/grand-theft-auto-v-is-the-most-expensive-video-game-ever-made/ [hereinafter Serrels, Grand Theft Auto V]. Analysts projected that Grand Theft Auto V would have a development budget of approximately $137.5 million back in February with an estimated marketing budget of between $69 and $109.3 million dollars; however, leading up to the game's release, information was obtained in September that the game's cost was more likely closer to $266 million. While the exact marketing budget is unknown, if analysts conservative predictions are any indication, the game's actual marketing cost likely added between twenty-five to forty percent of the development costs to the total budget. See Serrels, Grand Theft Auto V.

302. See Christopher Rick, 53% Say a YouTube Video Influenced a Purchase at Least Once?, REELSEO (Dec. 10, 2013, 2:00 P.M.), http://www.reelseo.com/youtube-video-influenced-purchase/#utm_content=buffer35710. While the study only makes one mention
enthusiastic, early-adopter group of players, developers could feasibly extend their marketing campaigns with very little cost, while Let's Play producers and livestreamers would be able to continue monetizing their efforts.

CONCLUSION

As with most copyright infringement issues—specifically those involving fair use—the question of whether Let's Plays and videogame livestreams infringe on their source material is not clear. In regards to the five exclusive rights granted to a copyright holder under the Copyright Act of 1976—the rights of reproduction, display, public performance, distribution, and creating derivative works—these types of video programming may infringe one or more rights. The fixed form of a Let's Play, for example, may cause it to infringe the right of reproduction, whereas a livestream's transitory nature may protect it from that same cause of action. There is simply no clear answer as to whether infringement is present. The same goes for a fair use analysis, especially in light of its highly subjective factors. While these programs tend to borrow substantially from the original works—under the second fair use factor—this may be mitigated by either the purpose or character of the secondary use or by the lack of cognizable market harm under the fourth factor. With technology's exponential rate of growth, a more flexible legal standard—one that allows for commercial uses, especially when the use bolsters the market for the original—is necessary to evaluate these issues. Otherwise there is a risk of stagnation of the very creative spirit copyright law was designed to foster.

Of videos, and it is in relation to YouTube, if true the importance of the platform in consumer decision making cannot be discounted.
THE FIFTY STATES OF SWAY & THE EUROPEAN CHEESE UNION

WHY THE UNITED STATES AND THE EUROPEAN UNION STRUGGLE WITH THE IMPLEMENTATION OF GEOGRAPHICAL INDICATIONS IN THEIR TTIP NEGOTIATIONS

LANDO M.C. HERMANN

I. INTRODUCTION

What makes a Roquefort cheese a Roquefort cheese? Is there a difference between a Greek Feta cheese and a Feta cheese produced in the United States? Under EU law, only cheeses aged in the caves of Roquefort-sur-Soulzon in Southern France can bear the name Roquefort and only those cheeses from specific regions in Greece made entirely from sheep’s milk or from a mixture of sheep’s milk and up to 30% of goat’s milk of the same geographical area can bear the name Feta.¹

Although European cheese manufacturers are proud of their

traditions and their heritage, some countries like the United States of America are producing similar cheese and labeling it as cheeses produced by their European counterparts. Is the Greek sheep farmer worried about the Wisconsin cheesehead? Probably not, but the European Union is, because it has implemented the world’s most sophisticated system for protecting cheeses and other foodstuff as Geographical Indications (“GIs”).

As the negotiations on the largest free trade agreement in history are going on, cheese suddenly becomes an important economic factor.

II. BACKGROUND

The European Union (“EU”) and the United States of America are by far the world’s largest economies by Gross Domestic Product (GDP). In 2014, the EU’s GDP totaled more than $18,495,349 billion dollars, accounting for 23.93% of the world’s GDP. In the same year, the US economy had been equally successful with a GDP of $17,418,925, which corresponds to 22.53% of the world’s GDP.

The Transatlantic Trade and Investment Partnership (TTIP) is a

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2. See infra Part II. B.
3. EU Geographical Indications worth about €54 billion worldwide, European Commission (Apr. 3, 2014), http://ec.europa.eu/agriculture/newsroom/106_en.htm (stating that GIs represented 15% of the EU’s total food and drink exports, extra-EU exports represented some € 11.5 billion and In average GI products were estimated to be sold 2.23 times as high as compared to non-GI products); See Italian bank’s piles of edible gold, CNN (Aug. 16, 2013), http://www.cnn.com/2013/08/15/business/parmesan-cheese-bank-mpe/ (mentioning that in 2013 a cheese bank stacked up 430,000 Parmesan wheels, worth around € 190 million, and supporting the idea that in Italy Parmesan cheese is considered to be an investment).
6. WEOD, supra note 4.
controversial free-trade agreement between the European Union and the United States, which if enacted, would create the world’s largest free trade agreement, covering nearly half of the world’s economic power. Proponents argue that the agreement would bring significant boosts to both economies. Opponents, however, criticize its nontransparent process and fear it will garnish limited benefits for the general public in lieu of increased corporate power.

The TTIP negotiations were officially announced on June 17, 2013 by the former president of the European Commission, José Manuel Barroso, at a joint EU–US press conference at the margins of the thirty-ninth G8 summit. The proposed scope of TTIP is gigantic, covering: market access, several industry-specific regulations, and broader rules, principles and modes of cooperation, including Intellectual Property Rights and Geographical Indications.


8. See The Economic Analysis Explained, EUROPEAN COMMISSION at 2 (Sept. 2013), http://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151787.pdf (stating in a study by the Center for Economic Policy Research (CEPR) that, predictably, an ambitious TTIP deal would increase the size of the EU economy around €120 billion (or 0.5% of the GDP) and the United States by €95 billion or 0.4% of the GDP); See also Ken Clarke, This EU-US trade deal is no ‘assault on democracy’, THE GUARDIAN (Nov. 11, 2013), http://www.theguardian.com/commentisfree/2013/nov/11/eu-us-trade-deal-transatlantic-trade-and-investment-partnership-democracy (stating that according to the best estimates available, the TTIP could economy grow the UK’s economy by an extra £10bn per annum).

9. George Monbiot, This transatlantic trade deal is a full-frontal assault on democracy, THE GUARDIAN (Nov. 4, 2014), http://www.theguardian.com/commentisfree/2013/nov/04/us-trade-deal-full-frontal-assault-on-democracy.

10. G8 Summit, Lough Erne, June 17–18, 2013, Statement by President Barroso on the EU-US trade agreement with U.S. President Barack Obama, the President of the European Council Herman Van Rompuy and UK Prime Minister David Cameron (June 17, 2013) (announcing the launch of TTIP negotiations).

11. See EU negotiating texts in TTIP, EUROPEAN COMMISSION (Feb. 10, 2015), http://trade.ec.europa.eu/doclib/press/index.cfm?id=1230 (showing regulatory coherence, technical barriers to trade, specific sectoral agreements about textiles, chemicals, pharmaceuticals, cosmetics, medical devices, vehicles, electronics, machinery, pesticides and sanitary measures as examples of topics to be discussed in the TTIP).
A. Geographical Indications

The term “Geographical Indications” is defined in Article 22 (1) of the Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPS Agreement”). Article 22 provides, “Geographical indications are, for the purposes of this Agreement, indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.” Although Geographical Indications have a long history, the effort to include Geographical Indication in the TRIPS Agreement was advanced mainly by Europe, which aimed to shield its agricultural industry from price-based competition with other WTO member states.

B. The European Approach

The EU bases the protection of GIs on the idea of terroir, the essential link between location of production and a specific quality or attribute of a product. This idea has scientific, as well as cultural, roots including

12. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is an international agreement administered by the World Trade Organization (WTO) that sets minimum standards for various forms of intellectual property regulation as applied to nationals of other WTO Members. It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994 and became effective on January 1, 1996; See Agreement on Trade Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C 108 Stat. 4809, 1869 U.N.T.S. 299.

13. See MEMO 03/160 Why do Geographical Indications matter to us?, EUROPEAN COMMISSION (Jul. 30, 2003), http://europa.eu/rapid/press-release_MEMO-03-160_en.pdf (stating “[t]he EU has entered, in good faith, in negotiations with its partners in the WTO with a view to further liberalising world trade in agricultural commodities. This will mean, in practice, less export subsidies to our farmers. This policy is embodied in the Commission’s proposed review of the Common Agricultural Policy: compete internationally on quality rather than quantity. Yet, efforts to compete on quality would be futile if the main vehicle of our quality products, GIs, are not adequately protected in international markets.”); see also Gail E. Evans and Michael Blakeney, The Protection of Geographical Indications After Doha: Quo Vadis?, 9 J. INT’L ECON. L. 575 (2006); Michael Blakeney, Stimulating Agricultural Innovation (2005); see generally Bernard O’Connor, THE LAW OF GEOGRAPHIC INDICATIONS (2004) (stating that the term Geographical Indications was first mentioned in international law in the 1883 Paris Convention on Industrial Property); see also Kal Raustiala & Stephen R. Munzer, The Global Struggle over Geographic Indications, 18 EUR. J. INT’L L. 337, 339 (2007) (discussing the fact that in national and regional practice it could date much further back, perhaps to the ancient Greeks and Romans).

climate, temperature, altitude, soil, vegetation, and other factors relevant to a specific geographical location.\textsuperscript{15}

The EU recognized two different types of GIs: (1) Protected Designations of Origin (“PDO”), covering agricultural products and foodstuffs which are produced, processed, and prepared in a given geographical area using recognized know-how; and (2) Protected Geographical Indications (“PGI”) covering agricultural products and foodstuffs closely linked to the geographical area. At least one of the stages of production, processing or preparation has to take place in that area.\textsuperscript{16}

The European Commission administers a comprehensive GI database.\textsuperscript{17} As of April 2015, the database contained 659 PDO and 739 PGI and includes cheese GIs like Feta, Asiago and Munster.

\textit{C. The US-American Approach}

The United States integrated a TRIPS-compliant GI protection in their existing framework of trademarks, using trademarks, certification marks

\textsuperscript{15} John T Cross, Amy Landers, Michael Mireles, & Peter Yu, \textit{Global Issues in Intellectual Property Law} 211, THOMSON REUTERS (2010) (discussing, in the example of Feta cheese, the fact that the specific vegetation had been a result of the specific climate which led to a special native breed of sheep whose milk – and therefore final cheese products – combine the very special taste and aroma. Additionally, the interplay between these natural factors and specific human factors like a traditional production method, leads to Feta’s final reputation) [hereinafter Cross].

\textsuperscript{16} Geographical Indications and Traditional Specialties, EUROPEAN COMMISSION, http://ec.europa.eu/agriculture/quality/schemes/index_en.htm (last visited Oct. 5, 2015). See Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs, EUROPEAN COMMISSION (Nov. 21, 2012), http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012R1151; Council Regulation 510/06, Art. 2(1)(a) (EC), WIPO, http://www.wipo.int/wipolex/en/details.jsp?id=1458 (last visited Nov. 6, 2015) (defining destination of origin as: The name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: Originating in that region, specific place or country; The quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors; and The production, processing and preparation of which take place in the defined geographical area); Council Regulation 510/06, Art. 2(1)(b) (EC), WIPO, http://www.wipo.int/wipolex/en/details.jsp?id=1458 (last visited Nov. 6, 2015) (defining geographical indication as: “The name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff: Originating in that region, specific place or country; and Which possesses a specific quality, reputation or other characteristics attributable to that geographical origin; and The production and/or processing and/or preparation of which take place in the defined geographical area.”).

\textsuperscript{17} Database of Origin and Registration, EUROPEAN COMMISSION, http://ec.europa.eu/agriculture/quality/door/list.html?locale=en (last visited Oct. 5, 2015),
and collective marks.\textsuperscript{18} Examples include “Florida oranges” or “Idaho potatoes.”\textsuperscript{19}

A certification mark can certify (1) a geographic origin; (2) the materials used, quality or method of manufacture; or (3) products made under the auspices of, or by members of a specific trade union or organization.\textsuperscript{20} Roquefort, for example, is used to indicate that the cheese has been manufactured from sheep’s milk and cured in the caves of Roquefort in accordance with their long established methods and processes.\textsuperscript{21} Certification marks differ from trademarks because certification marks do not indicate commercial source nor distinguish the goods or services of one person from another person. The purpose is to inform purchasers that the goods possess certain characteristics or meet certain qualifications or standards.\textsuperscript{22} Collective marks indicate commercial origin of goods or services but indicate origin in members of a group rather than origin in any one member or party.\textsuperscript{23} Furthermore GIs can be protected as trademarks if they are not geographically descriptive or geographically misdescriptive for the specific goods.\textsuperscript{24}

\section*{III. Analysis}

Widespread adoption of “generic” products terms in the US is the main difficulty facing US adoption of EU GIs. In the US, some product terms, like Feta cheese, have been used so widely that consumers view them as representing a category of goods of the same type rather than a specific product. This may have arisen because European immigrants brought the names with many products to the US and used them to promote their own products in their new home.\textsuperscript{25} Regardless, of how, or why generic use of

\begin{itemize}
\item[18.] Cross, supra note 16 at 214 (explaining that an party may obtain a trademark using a place name upon a showing of distinctiveness).
\item[19.] See Deborah J. Kemp and Lynn M. Forsythe, Trademarks and Geographical Indications: A Case of California Champagne, 10 \textit{CHAP. L. REV.} 257, 271 (2007).
\item[21.] U.S. Reg. No. 0571798; GIPUS, supra note 21.
\item[22.] GIPUS, supra note 21.
\item[23.] \textit{Id}.
\item[24.] See 15 USC § 1052(e)
\item[25.] Alan Matthews, \textit{Geographical Indications (GIs) in the US-EU TTIP negotiations}, \textit{CAP REFORM.EU} (June 19, 2014), http://capreform.eu/geographical-indications-gis-in-the-us-eu-ttp-negotiations/ (explaining that the use of the name Fontina as a certification mark indicating regional origin was refused as it was held to be a generic name of a type of cheese, in view of the fact that non-certified producers outside that region use the term to
specific indications became so commonplace in the United States, American jurisprudence has limited the staunch protections desired by the EC.

D. The Position of the European Commission on GIs and IPR in TTIP

This leads to the different views on the importance of Geographical Indications. One of the biggest criticisms of TTIP opponents has been the lack of transparency miring of the process.26 During the early stages of the TTIP negotiations, the content of the agreement remained nebulous to the public. In January 2015, however, the European Commission bowed to public pressure and published initial position papers, further textual proposals, and factsheets detailing negotiated topics.27 The EC’s publication included a short factsheet about Intellectual Property Rights, Geographical Indications, and a position paper on Intellectual Property.28

Although the information contained in these publications is not particularly detailed, it provides a foundation for understanding the European Commission’s position, including the EC general policy reasons for negotiating Intellectual Property Rights (IPR): the belief that innovation

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and creativity drive economic growth in both the US and the EU.\textsuperscript{29} IPR, including patent, trademarks, designs, copyright and Geographical Indications, reward individuals and firms who innovate or put their creativity to work.\textsuperscript{30} This protection allows firms or individuals who invent, improve, brand or create new products or services to stop their unauthorized use and make money from their effort and investment.\textsuperscript{31} According to a recent study, the contribution of IPR-intensive firms estimates nearly 40 percent of the EU economy and 35 percent of the EU’s workforce.\textsuperscript{32}

Furthermore, the European Commission argues that it has developed modern rules to protect IPR, which help generate growth and jobs and ensure the right balance between the interests of (1) those who hold the rights to intellectual property and (2) those who use that property.\textsuperscript{33} Despite the fact that the EU and the US are already exporting and importing a lot of goods and services which depend heavily on intellectual property, the European Commission sees “room for improvement” on the US approach to the following topics in TTIP.\textsuperscript{34}

The outcome of the negotiations should “raise awareness of the role of IPR in encouraging innovation and creativity; protect the people and firms that come up with new ideas and use them to make high quality products by enforcing IPR rules in a balanced way; encourage investment in research and development that produces new ideas, and branding of products and services”\textsuperscript{35}

Moreover, the European Commission defines four main goals for the TTIP agreement with the US: (1) a list of international IPR agreements which both the EU and US have signed, (2) shared principles that are based on existing rules and practice in the EU and US and stress the importance of IPR in generating innovation, growth and jobs, (3) binding commitments on issue like Geographical Indications or specific aspects of copyright that are protected in the EU like resale rights for visual artists, and public performance, and broadcasting rights, (4) getting governments and stakeholders to work together on areas where they share interests.\textsuperscript{36}

The European Commission wishes to commit the US on the issue of Geographical Indications. Although, GIs seems to be one small part of the

\begin{itemize}
  \item \textsuperscript{29} See IPR/GI, supra note 28.
  \item \textsuperscript{30} Id.
  \item \textsuperscript{31} Id.
  \item \textsuperscript{32} See id. at 1 (“[W]hich is worth about €4.7 trillion each year.”).
  \item \textsuperscript{33} Id.
  \item \textsuperscript{34} Id.
  \item \textsuperscript{35} Id.
  \item \textsuperscript{36} Id.
\end{itemize}
IPR protection envisioned by the EC. The EC factsheet includes a sensitive or controversial issues demonstrates that the EU considers GIs as to be a very important factor in their TTIP negotiations.\(^\text{37}\)

The European Commission outlines that many food and drink products originating in the EU are produced, processed or prepared in specific regions and bear names of origin linked to where they originate.\(^\text{38}\) Alas, names of origin are protected differently in the EU and the US, creating tension between the each party’s economic and intellectual property interests. While EU law protects them as GIs, US law allows producers to protect these names as trademarks.\(^\text{39}\) The current US trademark system allows products to use names of origin from a particular region in the EU, including Feta, or Roquefort, even though those products were not actually produced in that geographical area.\(^\text{40}\) The EU argues that the U.S. trademark system leads to consumer confusion in the US, and squeezes out European producers.\(^\text{41}\) Accordingly, the EU aims to improve the US system by protecting a specific list of EU Geographical Indications, and establishing enforceable rules to prevent producers from misusing those indications.\(^\text{42}\)

In its newest position paper, the European Commission mentions that “the EU has an extensive acquis that includes EU-wide sui generis systems of protection of agricultural products and foodstuffs, wines and spirits,” and sets a list of six more specific goals to be sought regarding the implementation of GIs in TTIP: (1) “Rules guaranteeing an appropriate level of protection for EU GIs,” (2) “Administrative enforcement against the misuse of EU GIs,” (3) the “[e]stablishment of list(s) of GI names, to be protected directly through the agreement.”\(^\text{43}\) This list explicitly could include not only European but also US-American GI names, (4) “Specific arrangements for certain specific GI names,” (5) “Exclusive protection for the seventeen EU wine names” included in Annex II of the EU and the U.S. agreement concluded in 2006 on trade in wine,” and (6) “Protection for additional EU GI spirits names.”\(^\text{44}\)

\(^{37}\) Id. at 1 (showing the percentage of TTIP negotiations dedicated to GIs).

\(^{38}\) Id. at 3 (listing: “Tiroler Speck, a special kind of ham from Austria; Grappa, a spirit from Italy; and Beaufort, a cheese from France.”).

\(^{39}\) See infra Part III. C for detailed differentiation.

\(^{40}\) IPR/GI, supra note 29.

\(^{41}\) Id.

\(^{42}\) Id.

\(^{43}\) EU-US Trade Deal, supra note 29.

\(^{44}\) Id. (listing Burgundy, Chablis, Champagne, Chianti, Claret, Haut Sauterne, Hock, Madeira, Malaga, Marsala, Moselle, Port, Retsina, Rhine, Sauterne, Sherry and Tokay).
E. The Position of the United States on GIs and IPR in TTIP

The official negotiation position of the United States is more difficult to determine because very few official position papers, factsheets, or drafts have been released. The only publicly available official position from the Office of the United States Trade Representative on the protection of Intellectual Property Rights states that they “seek to obtain appropriate commitments that reflect the shared U.S.-EU objective of high-level IPR protection and enforcement, and to sustain and enhance joint leadership on IPR issues;” as well as “new opportunities to advance and defend the interests of U.S. creators, innovators, businesses, farmers, and workers with respect to strong protection and effective enforcement of intellectual property rights, including their ability to compete in foreign markets.”

To get a better idea what the US position about Geographical Indications in TTIP might be, a look at a business interest group representation might be useful, in this case, the American Chamber of Commerce to the European Union (AmCham EU). The AmCham EU released a comprehensive position paper that largely agrees with both the EU and US general policy statements aimed to strengthen IPR protection and enforcement. The position paper also mentions combating counterfeit goods, preventing attempts by third countries to weaken IP protection, addressing increased requests for compulsory technology transfers licensing and/or disclosure of trade secrets, preventing theft of valuable knowledge and information and adapting the discrepancies of the patentability provisions in the EU and US that induce significant financial costs, addressing inefficiencies in the EU patent system.

Finally, as one of many recommendations, Geographical Indications are mentioned. The AmCham EU explicitly recognizes that the US and the EU take different approaches in the protection of GIs, but takes the view that the primary internationally traded spirits of greatest economic interest to
the EU and US are already mutually protected, but recommends expanding the geographical indications list to include products that are of significant value or that are commonly exported.49

In the following sections it will be assumed that this position is relatively close to the actual US position, as it is derived from one of the most influential US lobby groups.50 The EU’s and US’s differing approaches to Geographical Indications, creates a tension between whether and how to protect this IPR during TTIP negotiations. Although the EU has explicitly addressed the importance of GIs, the US has remained more tepid on the topic, prioritizing other aspects of the agreement. According to the US Dairy Export Counsel, the majority of GIs would probably not cause many conflicts, but cheeses like Feta, Asiago, and Gruyere are now generic, posing a problem in the US.51 A European attempt to claw back those cheese names would have a significant impact on the internal market and the industry.52

F. Approach of the Comprehensive Economic and Trade Agreement

The Comprehensive Economic and Trade Agreement (CETA) is a free trade agreement between the European Union and Canada. Although negotiations, have concluded in an agreement, the text still needs approval from the Council of the European Union, the European Parliament, the Parliament of Canada, and the Canadian Provinces.53 Generally considered a blueprint for the TTIP negotiations, its economic value and impact is

49. E.g., id. at 37 (regarding Scotch Whisky, Irish Whiskey, and Cognac).
52. See e.g., CORPORATE EUROPE OBSERVATORY, supra note 50 (noting the aggressiveness of lobbying efforts).
53. See CETA, Towards a Comprehensive Economic and Trade Agreement (CETA), CANADIAN CHAMBER OF COMMERCE (Sept. 22, 2015), http://eeas.europa.eu/delegations/canada/eu_canada/trade_relation/ceta/index_en.htm (stating at the EU-Canada Summit in Prague on 6 May 2009, the launch of negotiations was announced and CETA negotiations started in October 2009, Delegation of the European Union to Canada) [hereinafter Towards CETA]; e.g., Émilie Potvin, CETA is the Beginning of a New Era in Canada-EU Relations; CANADIAN CHAMBER OF COMMERCE (Oct. 18, 2013), http://www.chamber.ca/media/news-releases/131018-CETA-is-the-beginning-of-a-new-era-in-Cdn-EU-relations/ (regarding another recently negotiated free trade agreement including Geographical Indications is the ‘European Union – South Korea Free Trade Agreement’).
expected to surpass the North American Free Trade Agreement (NAFTA).\textsuperscript{54}

After the final draft of the CETA treaty leaked to the public in August 2014,\textsuperscript{55} the European Commission published the consolidated text in September 2014.\textsuperscript{56} Accordingly, how tension regarding Geographical Indications has been resolved can be investigated in some detail. CETA Article 7, of the chapter on Intellectual Property Rights, regulates the treatment of GIs. It can be summarized as follows: Canada granted protection to a list of 145 European GIs, reserving the partial exception of twenty-one names; which conflicted with names already in use in Canada.\textsuperscript{57} In such cases, individual treatments were created.

Under CETA, five European GIs, which conflict with existing Canadian trademarks would coexist with existing trademarks.\textsuperscript{58} This solution establishes for the first time in a common law country, like Canada and the US, a deviation from the \textit{first in time, first in right} principle.\textsuperscript{59} In fact, prior to the new solution, use of the original EU GIs was lawful, since the GI conflicts with the Canadian trademark.\textsuperscript{60} Now, eight names will be protected as GIs, and the use of English or French translations of these terms\textsuperscript{61} will be allowed, provided the use does not mislead the consumer about the true origin of the product.\textsuperscript{62}

\begin{itemize}
\item \textsuperscript{54} Markus Beckedahl, \textit{EU-Handelskommissar de Gucht bestätigt: CETA ist die Blaupause für TTIP}, NETZPOLITIK.ORG (Sept. 25, 2014), https://netzpolitik.org/2014/eu-handelskommissar-de-gucht-bestaetigt-ceta-ist-die-blaupause-fuer-ttip/ (stating if CETA will come into effect, there will be less chances to stop the equally nontransparently negotiated TTIP); See Towards CETA, supra note 53.
\item \textsuperscript{56} Consolidated CETA Text, at 1, (Sept. 26, 2014), http://trade.ec.europa.eu/doclib/docs/2014/september/tradoc_152806.pdf.
\item \textsuperscript{57} CETA, \textit{Summary of the Final Negotiating Results}, 14, \textsc{European Commission} (2014) (stating both parties agree to protect both EU and Canadian GIs, while the list of Canadian GIs in the Annex is still empty in the consolidated draft) [hereinafter CETA Summary].
\item \textsuperscript{58} Von Thomas Otto, \textit{Sag mal, wo kommst du denn her?}, \textsc{Deutschlandfunk Blog} (July 1, 2015), http://blogs.deutschlandfunkde/berlinbruessel/wp-content/uploads/sites/5/2015/01/en_JGP_4c.jpg (listing Canards à foie gras du Sud-Ouest (Périgord), Szegedi téliszalámi/Szegedi szalámi, Prosciutto di Parma, Prosciutto di S. Daniele, Prosciutto Toscano).
\item \textsuperscript{59} CETA Summary, supra note 57, at 14.
\item \textsuperscript{60} Id. at 15.
\item \textsuperscript{61} Id. (listing Black Forest Ham/Jambon Forêt noire, Tiroler Bacon, Parmesan, Bavarian Beer/Bière Bavaroise, Munich Beer/Bière Munich, St. George, Valencia orange, Comté /County in association with Canadian names of counties).
\item \textsuperscript{62} Id.
\end{itemize}
For another three European GIs the solution involves *grandfathering* the use of these names by certain pre-existing Canadian producers, together with a “phase-out period” for others. Producers who already produced goods using these names for a minimum number of years, and began producing before a specified cut-off-date, may remain on the market. GIs brought to market in a shorter period prior to the cut-off date are given a “transitional period” to “phase out” production.

Interestingly Canada agreed to protect the name of five cheeses (Asiago, Gorgonzola, Fontina, Munster and – Feta) of particular importance, even though the names are considered *generic* and therefore not deserving any protection in Canada. Under CETA, the use of these cheese GIs would be protected in Canada with an exception for continued use of grandfathered products. On the other hand, new entrants to the Canadian market could either label their cheeses with new creative or generic names like *salty white cheese* or *creamy stinky cheese*. Or new entrants could sell their products under the five GI names if they are accompanied by additional indications such as “style”, “type”, “kind”, or “imitation.” This will clearly distinguish between the genuine Greek Feta and a Feta-style cheese produced outside of Greece.

Finally, under CETA, the use of flags with symbols evoking the GI or the product’s county or origin is prohibited as it is considered misleading. Applied to Feta sold in Canada, packaging for Feta-style cheese could not use letters of the Greek alphabet, depictions of ancient ruins, or a blue and white color scheme resembling the Greek flag. Additionally, all products must bear an “accurate and visible indication of their true origin.”

**IV. RECOMMENDATIONS AND ADDITIONAL OBSTACLES**

The CETA agreement between Canada and the EU demonstrates the economic importance of protecting GIs to the EU. The European Union would probably be pleased by a similar outcome in TTIP. However, there are additional obstacles getting in the way. Above all, in terms of economic performance, the US is – contrary to Canada – an equal partner to the EU and therefore has significantly more negotiating leverage.  

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63. *E.g.*, *id.* (listing Nürnberger Bratwürste, Jambon de Bayonne, and Beaufort).
64. *Id.*
65. *CETA Summary, supra* note 57 at 15.
66. *Id.*
67. *See also id.* (stating regional food names must identify a product based off the territory, region, or reputation of the geographical origin).
68. *WEOD, supra* note 6, at 54.
Furthermore, several US politicians and industry representatives made clear that the solutions presented in the CETA would not be acceptable to the US.69 The CETA would impact around 21 billion dollars of cheeses.70 Both politicians and industry representatives prefer a ‘compound system’ with a specific name combined with a geographical designation.71 Under this approach, “Greek Feta” could be protected but “Feta” would remain generic. Countries like Italy or Greece insist on the protection of Gorgonzola and Feta because their economic interest is tied to protection of the GIs.72 There are, however, dairy representatives in small European countries that are backing down, realizing that protecting their interests in the EU greatly outstrip similar protections in US markets.73

Even if the EU and the US come to a mutually acceptable solution, the treaty needs ratification from all of the 28 EU member states to come into effect. As of April 2015, the vast majority of EU governments support TTIP,74 but the sheer number of political fractions in Europe could frustrate the ratification process. Several influential political parties or recently elected governments like Greece – notwithstanding their economic interest in Feta cheese – have expressed significant concerns about ratifying TTIP.75

69. See Mark Astley, Canada-Style EU GI Cheese Compromise ‘Entirely Unacceptable’: USDEC, THE DAIRY REPORTER (July 24, 2014, 17:49 GMT), http://www.dairyreporter.com/Markets/Canada-style-EU-GI-cheese-compromise-entirely-unacceptable-USDEC (“[CETA] was entirely focused on GI protections while ignoring the elephant in the room – the EU’s creeping restrictions on common food names in its own market and in other markets around the world. Perhaps this is not a concern for Canada, but it is a major problem for the US.”).

70. See also Mark Astley, USDEC, CCFN ‘Absolutely Reject’ Canadian GI Compromise as ‘Model for TTIP,’ THE DAIRY REPORTER (Feb. 5, 2015), http://www.dairyreporter.com/content/view/print/1047577 [hereinafter Reject GI].

71. Astley, Reject GI, supra note 70.

72. See id.

73. See id. (stating as a small country, economic impact would not be high in the US but high in the European Union).


75. See Sarantis Michalopoulous, Syriza-led Greek Parliament ‘Will Never Ratify TTIP’, EURACTIV.COM (Feb. 2, 2015, 8:52), http://www.euractiv.com/sections/trade-society/syriza-led-greek-parliament-will-never-ratify-ttip-311719 (“I can ensure you that a Parliament where Syriza holds the majority will never ratify [TTIP]. And this will be a big gift not only to the Greek people but to all the European people.”); see also Greece crisis: PM Alexis Tsipras Quits and Calls Early Polls, BBC (Aug. 20, 2015), http://www.bbc.com/news/world-europe-34007859 (stating Greek Prime Minister Alexis
TTIP, which took place in February 2015 in Brussels, included IPR and GIs, at the time of this paper’s drafting, no official documents have been released by either the Office of the United States Trade Representative, or the European Commission.

V. CONCLUSION

Geographical Indications in TTIP are still a controversial topic, but finding a balanced outcome should not be beyond the ingenuity of the negotiators. While both parties’ economic and cultural interests are understandable, CETA goes to show that the EU is willing concede significant exceptions from its desired level of protection in order to come to a mutually beneficial consensus.

Altogether, like TRIPS itself, the conclusion of GIs requires a compromise between the European concerns to protect domestic industries and “new world interests.” EU success establishing a CETA-like arrangement concerning Geographical Indications in TTIP will mainly depend on what other areas of interest within TTIP, the EU is willing to compromise for GIs.

Tsipras recently called an early election on September 20, 2015 after announcing his resignation after being in office only since January 2015).


WHAT’S ALL THE HYPE ABOUT HYPERLINKING?:
CONNECTIONS IN COPYRIGHT

DAWN LEUNG*

I. INTRODUCTION

The Internet today undeniably revolves around hyperlinking. Whether people use the Internet for business promotion, news reporting, social networking, or anything else, up-to-the-minute ‘sharing’ and dissemination of information dominate and are the norm for businesses and consumers alike, and hyperlinks are an enormous part of that. The rules and customs of hyperlinks shape the way we interact with the world and with each other every day. For example, millions of items of Internet content now come with clickable ‘buttons’ that allow users to share, tweet, “like”, or otherwise post the item on multiple social media outlets. However, the average person does not bother to verify whether the websites or files they linked to are from a company’s official website or from an infringing user’s website. People often do not consider whether there is any copyrighted material in what they post or whether they are allowed to share the website or file in the first place. They have no idea that their simple act of posting a hyperlink or clicking a “share” button involves an issue that has riled rightsholders, businesses, lawyers, and courts all over the world.

Ever since the Internet and the World Wide Web became available for mainstream use, legal controversies concerning hyperlinks have constantly

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1. See, e.g., Andrea Caumont, 12 Trends Shaping Digital News, PEW RESEARCH CENTER (Oct. 16, 2013) http://www.pewresearch.org/fact-tank/2013/10/16/12-trends-shaping-digital-news (finding 50% of the public cite the Internet as their main news source; 71% of people ages 18 to 29 cite the Internet as the main news source).
arisen in areas such as copyright, trademark, tort, defamation, or invasion of privacy. Some have argued that hyperlinking alone should be considered infringement of rights and that laws should be implemented to restrict such activity. Others have argued that implementing restrictions on (or requiring authorization for) hyperlinking could create a chilling effect on use of the Internet, restrict the fundamental right of free speech, and severely limit what are now the normal everyday practices of hundreds of millions of Internet users.

This article analyzes the current status of copyright law as related to hyperlinks and the various ways these issues have been dealt with both internationally and in the U.S. Part II provides some background information about the technology and terminology of hyperlinks. Part III explores how foreign governments and courts have viewed hyperlinks and copyright. It examines the legality of hyperlinks and whether liability may change if a party links to infringing content. The article particularly focuses on key cases such as Shetland Times v. Wills, Warman v. Fournier, Universal Music Australia Pty. Ltd. v. Cooper, and the recent Nils Svensson v. Retriever Sverige AB. Part IV follows by discussing how the WIPO Internet Treaties have affected international treatment of hyperlinks and copyright, particularly as related to the “making available” rights. Part V then examines how the U.S. has viewed hyperlinks and

2. See generally, Michael Dockins, Internet Links: The Good, the Bad, the Tortious, and a Two-Part Test, 36 U. Tol. L. Rev. 367 (2005) (surveying hyperlink-related legal issues in various legal fields).

3. See generally, Jonathan B. Ko, Para-Sites: The Case for Hyperlinking As Copyright Infringement, 18 Loy. L.A. Ent. L.J. 361 (1998) (arguing that hyperlinking should be considered copyright infringement, and “[a]lthough increased protection may impede the progress of the Internet, inasmuch as prohibiting or limiting hyperlinking decreases its overall efficiency, offering better copyright protection to authors will increase the use of the Internet as a medium of expression”).


8. Case C-466/12, Nils Svensson v. Retriever Sverige AB (Svensson), 2014 CURIA 76.
copyright, including in cases such as *Pearson Education, Inc. v. Ishayev*,
In examining the legality of hyperlinks in the U.S., the article also
looks at related issues such as implied license and secondary liability.
Finally, in Part VI, this article compares and contrasts the U.S. and foreign
treatment of copyright and hyperlinks and looks deeper at the practical
considerations users and their lawyers face today.

I. THE TECHNOLOGY AND TERMINOLOGY BEHIND
HYPERLINKS

The Internet at its most basic level is a global system of interconnected
computer networks, and the World Wide Web is a system of connected
documents, i.e., websites or webpages, accessed over the Internet.
Websites contain hyperlinks, which are text, images, and other elements
that allow connections to other websites, text, pictures, videos, sound files,
or other content. As the court said in *American Civil Liberties Union v. Reno*,
“These links from one computer to another, from one document to
another across the Internet, are what unify the Web into a single body of
knowledge, and what makes the Web unique.”
Websites and other files
on the Internet are linked to each other using HTML (Hypertext Markup
Language), which tells the user’s Internet browser (e.g., Microsoft Internet
Explorer or Mozilla Firefox) to go to another document (an external link)
or to another part of the same document (an internal link). The actual
HTML code is hidden, though a user can view the code in a hyperlink by
right-clicking the hyperlink and then clicking on “View Source” or
“Inspect Element” or other similar commands on the drop-down menu.
HTTP (Hypertext Transfer Protocol) allows computers to communicate

(S.D.N.Y. 2013).
10. *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).
part rev’d in part, remanded, 239 F.3d 1004 (9th Cir. 2001).
521 U.S. 844 (1997); see also European Copyright Society, *Opinion on the Reference to the
CJEU in Case C-466/12 Svensson*, at *1, para 2 (Feb. 15, 2013), http://blog.iri.uni-
hannover.de/wp-content/upload_tmp/European-Copyright-Society-Opinion-on-Svensson-
First-Signatoriespaginated.pdf ("Although hyperlinking takes many forms and has multiple
functions, there can be no doubt that it is the single most important feature that differentiates
the Internet from other forms of cultural production and dissemination").
with one another and seek information on distant servers. The URL (Uniform Resource Locator) acts as a website or file’s address (e.g., www._____.com). The websites or files that are connected through a hyperlink are sometimes called “anchors.” The hyperlink entry point is called the “source anchor,” and the destination is called the “target anchor.”

When the typical user thinks of a hyperlink, he or she often thinks of the element on the website in the form of an image or highlighted text that the user can click on to access the requested website or file. However, there are actually several different types of hyperlinks.  

- **Surface Links or Simple Links** – A surface link or simple link takes the user from the “source anchor” website to the homepage of the “target anchor” website. The target anchor website is shown in its original form with no reference to the source anchor website. For example, www.nyt.com takes you to the New York Times homepage.

- **Deep Links** – A deep link takes the user from the source anchor website to an interior page or subpage of the target anchor website, not the homepage. For example, one could have a deep link to a particular article within the New York Times website.

- **Framed Links** – A framed hyperlink shows the target anchor website literally framed within the borders of the source anchor website. The target anchor website appears within the source anchor website’s margins, which often include the source anchor website’s title, logo, menu, advertising banners, and other elements. Although it appears that the user has not fully left the source anchor

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14. See, e.g., Shetland Times v. Wills, [1997] S.L.T. 669 (Sess. Cas. 1996). (Shetland Times claimed deep links on Shetland News’ website violated their copyright and bypassed their homepage advertising revenue); Ticketmaster Corp. v. Microsoft Corp., No. 97-3055 DDP (C.D. Cal., complaint filed Apr. 28, 1997) (Microsoft’s “Seattle Sidewalks” website deep linked to Ticketmaster subpages, allegedly bypassing homepage advertising revenue, but Microsoft drove additional business to the Ticketmaster website, and Ticketmaster received all revenue from ticket sales.” The case settled, and Microsoft agreed to remove the deep links and instead link only to Ticketmaster’s homepage).
website, the source anchor website has not created a copy of the target anchor but rather is displaying the original target anchor website. The framed website could be an internal link within the source website or it could be an external link from a completely separate website. The primary URL displayed in the user’s browser is based in the source anchor website, though the URL may include a reference to the target anchor.

- **Embedded Links or Inline Links** – An embedded or inline link allows a source anchor website to show a file (e.g., an image, sound file, or video) that is hosted (i.e., stored) on another target anchor website (e.g., a YouTube video embedded on a website). The target file appears to be part of the source anchor webpage, but like framed links, the source anchor website has not created a copy of the file but instead is showing the original file. The user does not have to leave the current website, and they do not need to click on the hyperlink in order to see the file, other than maybe clicking “play” if it is a video or sound file.

As one commentator noted, simple and deep links “push” or redirect a user from one webpage to another, while framed and embedded links “pull” or retrieve content from another server and allow the user to stay on the same webpage.15

II. **FOREIGN TREATMENT OF HYPERLINKS AND COPYRIGHT**

Hyperlinks have been at the forefront of copyright-related legal controversies around the world, both in and out of court. Some foreign governments have become involved in hyperlinking controversies. In France, a group of publishers went to the French government claiming they had lost readership and revenue because Google News hyperlinked to their articles and allegedly profited from them. Google eventually agreed to create a €60 million Digital Publishing Innovation Fund to support French digital publishing initiatives.16 The Spanish government recently passed

15. Tsoutsanis, supra note 13, at 496-98.
legislation that said if a user is found to repeatedly link to unlawful content in a way that goes beyond a mere “technical intermediation,” he or she may be subject to fines up to €600,000. The legislation also said it would be considered an infringement to provide indexed lists of hyperlinks to allegedly unlawful content, irrespective of whether the hyperlinks were provided by third parties.\textsuperscript{17}

Hyperlinking issues have also been heavily litigated in various foreign courts over the years. The 1996 Scottish court case \textit{Shetland Times v. Wills} is often cited as the first notable hyperlinking court case. The Shetland Times alleged that deep links to Shetland Times articles on the Shetland News’ website violated the Shetland Times’ copyright.\textsuperscript{18} At the time of the case, the Shetland Times gained much of their website’s revenue from advertisements on its homepage. The court said there was potential for loss of revenue because many of the deep links bypassed the Shetland Times’ homepage and went straight to the articles themselves. The court found “no substance… in the suggestion that the [Shetland Times was] gaining an advantage by their newspaper items being more readily available through the [Shetland News’] web site.”\textsuperscript{19} The court then issued an interim interdict – the Scottish equivalent of a preliminary injunction – against the Shetland News. The case was settled before the final verdict with an agreement that allowed the Shetland News to link to the Shetland Times web pages as long as the hyperlinks clearly identified the Shetland Times as the originator of the linked articles.\textsuperscript{20}

The use of hyperlinks and the related legal policies have evolved since also agreed to help French publishers increase their online revenue by using Google’s advertising technology at a reduced cost).


\textsuperscript{19} \textit{Id.}

\textsuperscript{20} \textit{Id.}
the *Shetland Times v. Wills* case. More recently, foreign courts have generally taken the view that hyperlinks, in and of themselves, do not infringe on a content owner’s copyright. For example, in *Warman v. Fournier*, the defendant posted a hyperlink to a photograph on the plaintiff’s website.21 The Federal Court of Canada held that, where the copyrighted work was legally uploaded or posted, linking to the work does not create a reproduction of the work, and such activity does not amount to copyright infringement.22

In the Australian case *Universal Music Australia Pty. Ltd. v. Cooper*, hyperlinks on the Cooper website led to downloadable infringing copies of music files on a third party website.23 The Australian Federal Court noted that “the downloaded subject matter is not transmitted or made available from the Cooper website and nor does the downloading take place through the Cooper website.”24 Rather, the infringement happened on the third party website. Thus, the court found that hyperlinks themselves do not constitute an infringing communication to the public.25

By contrast, in *Copiepresse SCRL v. Google Inc.*, a Belgian court considered allegations that Google had violated the plaintiff’s copyright by storing and providing access to cached copies of the plaintiffs’ website and articles.26 The court ultimately held that, where Google had stored cached copies of the plaintiffs’ webpages and articles, Google had committed copyright infringement by making those cached copies available through hyperlinks.27

22. *Id.* (noting that the plaintiff could remove the photo if he did not want people to link to it); *see also*, *Crookes v. Newton*, [2011] SCC 47, [2011] 3 S.C.R. 269 (Can.) (stating that in a defamation case that hyperlinks “communicate that something exists, but do not, by themselves, communicate its content…. A hyperlink, by itself, should never be seen as ‘publication’ of the content to which it refers.”).
24. *Id.*
25. *Id.*; *See also* *Cooper v. Universal Music Australia Pty. Ltd.* [2006] FCAFC 187. On appeal, Cooper was found to have authorized the infringement on the third party website; Copyright Act 1968 (Cth) § 10 (Austl.) (stating that the right of communication to the public includes the right “to make available online”).
26. Tribunal de Première Instance [Civ.] [Tribunal of First Instance] Brussels, Feb 13, 2007, No. 06/10.928/C (*Copiepresse SCRL v. Google Inc.*), (Belg.). The Belgian court put aside the question of whether deep links to the original articles were infringing because the plaintiffs did not raise the issue in their complaint.
27. *Id.*; *See also* Steven Musil, *Google Settles Copyright Dispute with Belgium Newspapers*, CNET (Dec. 13, 2012) http://www.cnet.com/news/google-settles-copyright-
The most high-profile recent case involving hyperlinking was *Nils Svensson v. Retriever Sverige AB* (“Svensson”), where a group of Swedish journalists alleged that news aggregator Sverige had infringed the journalists’ exclusive right to make their works available to the public by providing Sverige clients with hyperlinks to the articles. The right to make works available to the public – known as the “making available” right or the “communication to the public” right – is in the European Union’s (EU) Directive 2001/29/EC (the “InfoSoc Directive”), which provides that EU Member States “shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works… including the making available to the public of their works.”

The original articles at issue did not have a paywall, subscription, or other access restrictions but rather were freely accessible on the *Göteborgs-Posten* newspaper website. In response to the plaintiff journalists, Sverige argued that providing lists of hyperlinks to works communicated to the public and freely available on other websites does not constitute copyright infringement of the works. The Court of Justice of the European Union (CJEU) said that it is sufficient for an “act of communication” that a work is made available to a public “in such a way that the persons forming that public may access it, irrespective of whether they avail themselves of that opportunity.” Additionally, the term “public” refers to an indeterminate number of potential recipients. The court found that Sverige’s hyperlinks were “acts of communication” because they made the works available, and the hyperlinks were “to the public” because they were aimed at all their website’s users. However, because the original articles were “freely
available” on the newspaper’s website to all potential Internet users, the public that would access the articles through Sverige’s hyperlinks were not a “new public” that the rightsholders had not taken into account when they initially posted the articles online. Thus, the CJEU held that providing hyperlinks to works that are “freely available” on another website does not constitute an infringing “communication to the public.” The Court noted that it would have come to the same conclusion whether or not it was obvious to the user that they were viewing content hosted by the same or another website (i.e., where the content was framed or embedded). However, where a hyperlink allows users to bypass or circumvent any access restrictions – such as a paywall, subscription, or other technical barrier – that the originating website put in place so the work would not otherwise be freely available, those users are a “new public” that the rightsholders did not take into account when they authorized the initial communication. In such a case, the hyperlinks would require the rightsholder’s authorization in order to avoid infringement.

III. THE WIPO INTERNET TREATIES AND THE “MAKING AVAILABLE” RIGHTS

The InfoSoc Directive, on which the CJEU based its Svensson ruling, was implemented in part in response to the WIPO (World Intellectual Property Organization) Internet Treaties, which include the WIPO Copyright Treaty (“WCT”) and the WIPO Performances and Phonograms Treaty (“WPPT”). The WIPO Internet Treaties require signatory states to recognize the rights of “making available” and “communication to the public” in their national laws. The WCT, for example, stipulates that authors have the right to authorize “any communication to the public of their works, by wire or wireless means, including the making available to

33. Case C-466/12, Svensson, para. 24-28 (“[S]ince there is no new public, the authorisation of the copyright holders is not required for a communication to the public such as that in the main proceedings”).
34. Case C-466/12, Svensson, para. 29-30.
35. Case C-466/12, Svensson, para. 31 (noting that such a circumventing link “constitutes an intervention without which those users would not be able to access the works transmitted”).
the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.”37 The Basic Proposal that led to the WCT stated: “The relevant act is the making available of the work by providing access to [the work]. What counts is the initial act of making the work available, not the mere provision of server space, communication connections, or facilities for the carriage and routing of signals.”38 The key act under the “making available” right is the mere offering of the work so the public may access it if and when they choose. With the ever-growing amount of content made available on the Internet, signatory nations have to consider what the potential implications are for the use of hyperlinks under their nation’s laws.

The U.S. implemented the WIPO Internet Treaties through the Digital Millennium Copyright Act (“DMCA”) in 1998,39 but Congress did not include any explicit references to “making available” or “communication to the public.” Congress concluded that the U.S. Copyright Act already covered those rights because it provides copyright owners with the right to reproduce or copy their work, to distribute copies of the work, to publicly

37. WCT art. 8, Dec. 20, 1996, 36 I.L.M. 65; see also WPPT art. 10, Dec 20, 1996, 36 I.L.M. 76 (“Performers shall enjoy the exclusive right of authorizing the making available to the public of their performances fixed in phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.”); WPPT art. 14, Dec 20, 1996, 36 I.L.M. 76 (“Producers of phonograms shall enjoy the exclusive right of authorizing the making available to the public of their phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them.”).

38. WIPO, Chairman of the Committees of Experts, Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to be considered by the Diplomatic Conference, WIPO Doc. CRNR/DC/4, 30 August 1996, p. 44, para 10.10.; see also WIPO, Copyright in the digital environment: the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), WIPO/CR/KRT/05/7, February 2005, p. 13, para. 56 (“[T]he concept extends not only to the acts that are carried out by the communicators, the transmitters themselves… but also to the acts which only consist of making the work or object of neighboring rights accessible to the public.”); WIPO, Chairman of the Committees Of Experts, Basic Proposal for the Substantive Provisions of the Treaty for the Protection of the Rights Of Performers And Producers Of Phonograms To Be Considered By The Diplomatic Conference, WIPO Doc. CRNR/DC/5, 30 August 1996, p. 54, para. 11.03 (the right of making available applies to situations “where members of public may access fixed performances from a place and at a time individually chosen by them. Thus, availability is based on interactivity and on on-demand access”).

display the work, and to perform the work.  Although there is still some
debate as to whether that is truly the case, in the course of the U.S.
Copyright Office’s current study on the “making available” issue,
some commenters have expressed concern that making the “making available” or
“communication to the public” rights more explicit or restricted under U.S.
copyright law would have negative effects on the use of hyperlinks or the
Internet in general, particularly if such rights impose copyright liability on
Internet users for their everyday activities.

40. 17 U.S.C. § 106 (enumerating the exclusive rights under U.S. copyright; U.S.
copyright law explicitly delineates the right to perform the work and, in the case of sound
recordings, to perform the work publicly through digital transmission; the copyright law
also gives a copyright owner the right to prepare derivative works); see H.R. REP. No. 105-
551, at 9 (1998) (“The treaties do not require any change in the substance of copyright rights
or exceptions in U.S. law.”); see also WIPO Copyright Treaties Implementation Act and
Online Copyright Liability Limitation Act: Hearing on H.R. 2281 & H.R. 2180 Before the
H.R. Subcomm. on Courts and Intellectual Property of the Comm. on the Judiciary, 105th
Cong. 43 (1997) (the Register of Copyrights advised Congress there was “no need to alter
the nature and scope of the copyrights and exceptions, or change the substantive balance of
rights embodied in the Copyright Act”); Piracy of Intellectual Property on Peer-to-Peer
Networks: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property
of the H. Comm. on the Judiciary, 107th Cong. 114 (2002) (citing to a letter from Marybeth
Peters, Register of Copyrights, United States Copyright Office) (“While Section 106 of the
U.S. Copyright Act does not specifically include anything called a “‘making available’ right,
the activities involved in making a work available are covered under the exclusive rights of
reproduction, distribution, public display and/or public performance.”); Supplementary
Register’s Report on the General Revision of the U.S. Copyright Law 14 (1965) (noting the
potential for “transmission of works by… linked computers, and other new media of
communication” that “may be expected to displace the demand for authors’ works by other
users from whom copyright owners derive compensation”)


42. See, e.g., Andrew Bridges, Comments Submitted in Response to U.S. Copyright Office’s Feb. 25, 2014 Notice of Inquiry at 11 (April 4, 2014),
http://copyright.gov/docs/making_available/comments/docket2014_2/Andrew_Bridges.pdf
(expressing concern that making linking into an act of “making available” could
“criminalize the fundamental building blocks of the Internet”); Digital Public Library of
America (DPLA), Comments Submitted in Response to U.S. Copyright Office’s Feb. 25,
2014 Notice of Inquiry at 2 (April 4, 2014),
http://copyright.gov/docs/making_available/comments/docket2014_2/DPLA.pdf (saying
that a broad “making available” right could create a chilling effect and impose liability on
libraries for linking to copyrighted content in their collections, while “free and open linking”
would avoid hampering development of legitimate library initiatives and the Internet as a
whole); Public Knowledge and Electronic Frontier Foundation, Comments Submitted in
Response to U.S. Copyright Office’s Feb. 25, 2014 Notice of Inquiry at 6-8 (April 4, 2014),
http://copyright.gov/docs/making_available/comments/docket2014_2/Public_Knowledge_E
IV. U.S. TREATMENT OF HYPERLINKS AND COPYRIGHT

A. U.S. Treatment of Hyperlinks Generally

Similar to some of their foreign counterparts, U.S. courts today generally agree that hyperlinking “does not itself involve a violation of the Copyright Act… since no copying is involved.” A New York federal court in *Pearson Education, Inc. v. Ishayev (Pearson I)* recently said that providing hyperlinks, “without more, is insufficient to establish an act of infringement.” “A hyperlink does not itself contain any substantive content… Because hyperlinks do not themselves contain the copyrighted works, providing them does not infringe on any of a copyright owner's five exclusive rights.” Similarly, in *Ticketmaster Corp. v. Tickets.com, Inc.*, a federal court in California, examining Tickets.com’s deep links to FF.pdf (expressing concern that a making available right would outlaw "desirable behaviors that are currently lawful" and put users at risk of copyright liability for the "simple and ubiquitous act of hyperlinking").

43. *Ticketmaster Corp. v. Tickets.com, Inc.*, No. CV 99–7654 HLH(BQRX), 2000 WL 525390 at *2 (C.D. Cal. March 27, 2000) (also dismissing Ticketmaster's breach of contract claim because their website’s “Terms and Conditions,” which stated that deep linking was prohibited, were not prominently displayed; Ticketmaster did not require users to click the “Agree” button next to the “Terms and Conditions”; the court said Ticketmaster could amend its complaint to claim that Tickets.com knew about the “Terms and Conditions” and impliedly agree to them); *see also Online Policy Group v. Diebold, Inc.*, 337 F.Supp. 2d 1195, n. 12 (N.D. Cal. 2004) (“[H]yperlinking per se does not constitute direct copyright infringement because there is no copying, [although] in some instances there may be a tenable claim of contributory infringement or vicarious liability.”); *Strowel, supra note 13*, at 420-421. Some have speculated that, although a single hyperlink cannot be copyrighted in itself, a non-alphabetical index or compilation of hyperlinks that is the result of original expression and creative choices may constitute the “indexer’s own intellectual creation” and thus be copyrightable.

44. *Pearson Educ., Inc. v Ishayev (Pearson I)*, 963 F.Supp. 2d 239, 250 (S.D.N.Y. 2013). Defendant Ishayev emailed a hyperlink to a file sharing website where a user could access unauthorized copies of copyrighted material, but the link itself was not a digital copy of any protected materials, and “sending an email containing a hyperlink to a site facilitating the sale of a copyrighted work does not itself constitute copyright infringement”; the court noted things would be different if the defendant himself had illegally uploaded the copyrighted materials to the linked website; *see also MyPlayCity, Inc. v. Conduit Ltd.*, No. 10 Civ. 1615(CM), 2012 WL 1107648, at *12 (S.D.N.Y. Mar. 30, 2012) (stating that “merely providing a 'link' to a site containing copyrighted material does not constitute direct infringement of a holder's distribution right”).

45. *Pearson I*, 963 F.Supp. 2d at 250-51 (stating that a hyperlink is “the digital equivalent of giving the recipient driving directions to another website on the internet.”).
Ticketmaster’s website, said that a URL lacks the originality required for copyright protection. The court also held that Tickets.com's deep linking to Ticketmaster's subpages did not violate Ticketmaster's public display rights under 17 U.S.C. § 106(5) because Tickets.com made it clear to the user that he or she was being directed to a page that was owned by Ticketmaster, not Tickets.com.

Although the U.S. did not explicitly include the “making available” rights in the Copyright Act, some U.S. courts have looked at similar issues through the lens of an implied license. As a Nevada federal district court said in Field v. Google Inc., “An implied license can be found where the copyright holder engages in conduct ‘from which [the] other [party] may properly infer that the owner consents to his use.’” In Field, the plaintiff had posted 51 of his copyrighted works on his website. He argued that Google had violated his exclusive rights to reproduce and distribute his works by allowing users to access cached copies of the works through links to Google’s online repository. The court found that the plaintiff knew that Google automatically provides cached links for webpages included in its index and search results, and he knew that users could instruct Google not to provide a cached link to a given webpage by using a “no-archive” meta tag. Despite this knowledge, the plaintiff chose not to use the “no-archive” meta tag when he posted his works on his website, which was

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46. Ticketmaster Corp. v. Tickets.com, Inc., No. CV997654HLHVBKX, 2003 WL 21406289 at *4-6 (C.D. Cal. Mar. 7, 2003) (the court analogized hyperlinks to a street address that merely enables a person to find a desired location); see also Ticketmaster Corp. v. Tickets.com, Inc., No. CV 99–7654 HLH(BQRX), 2000 WL 525390 at *2 (C.D. Cal. Mar. 27, 2000) (analogizing hyperlinks to a library card index system that directs you to the original work); Dan L. Burk, Proprietary Rights in Hypertext Linkages, 2 J. INFO. L. & TECH. (1998), http://www2.warwick.ac.uk/fac/soc/law/elj/jilt/1998_2/burk (“In the case of hypertext, the user's browser or other application can then retrieve the material from its location, a process that is not only hidden from the user, but far more convenient than physically venturing into library stacks to retrieve hardcopy referenced in a plain footnote”).

47. Ticketmaster Corp. v. Tickets.com, Inc., 2003 WL 21406289 at *6. Tickets.com’s website stated, “Although we can't sell them to you, the link above will take you directly to the other company's web site where you can purchase them”; Tickets.com also extracted basic event information - event, location, date, time, ticket price - from Ticketmaster's interior web pages and displayed the information on Tickets.com's website, but the court noted that such purely factual information is not protectable under copyright.


49. Field, 412 F.Supp. 2d at 1109.

50. Field, 412 F.Supp. 2d at 1113-14, 1116.
“accessible, for free, to the world.” \footnote{Id.; see Id. at 1116 (citing Keane Dealer Servs., Inc. v. Harts, 968 F.Supp. 944, 947 (S.D.N.Y. 1997)) (“Consent to use the copyrighted work need not be manifested verbally and may be inferred based on silence where the copyright holder knows of the use and encourages it.”).} Thus, the court held that the plaintiff had granted Google an implied license to reproduce and distribute his works through the cached links.\footnote{Field, 412 F.Supp. 2d at 1109, 1113-14, 1116.}

In \textit{Righthaven LLC v. Klerks}, the same court considered an article that was freely available on the \textit{Las Vegas Review–Journal’s} website; a third party posted the entire article on a non-commercial website that the defendant maintained.\footnote{Righthaven LLC v. Klerks, No. 2:10–cv–00741–GMN–LRL, 2010 WL 3724897, at *1 (D. Nev. Sept 17, 2010).} The defendant was found to reasonably argue that the copyright holder “offered the article to the world for free, encouraged people to save and share the article with others without restrictions, and permitted users to ‘right-click’ and copy the article from its website.”\footnote{Righthaven LLC v. Klerks, 2010 WL 3724897, at *4  (the court also looked at the defendant’s fair use argument but only went as far as saying that such a defense was “reasonably assertable”).} Even though the plaintiff contended that it had not given such license to anyone, the court found an implied license because the defendant “may have properly inferred that the owner consented to the use, especially in light of the established and accepted custom of users freely and openly sharing certain information posted on the internet.”\footnote{Righthaven LLC v. Klerks, 2010 WL 3724897, No. 2:10–cv–00741–GMN–LRL, 2010 WL 3724897, at *4; see also Batesville Servs., Inc. v. Funeral Depot, Inc., No. 1:02–CV–01011–DFH–TA, 2004 WL 2750253, at *1 (S.D. Ind. Nov. 10, 2004) (a third party, the Veterans Society, had an implied license to use plaintiff Batesville’s photos to advertise the Veterans Society; defendant Funeral Depot had a contract with the Veterans Society whereby defendant maintained some control over some Veterans Society subpages that displayed plaintiff’s pictures; defendant attempted to use the Veterans Society’s implied licenses from plaintiff for advertising and links; on defendant’s website, defendant used thumbnail versions of plaintiff’s photos to link to Veterans Society subpages; plaintiff alleged that the Veterans Society violated the implied license by using the photos to promote Funeral Depot’s business; there was an issue of fact about whether the Veterans Society’s implied license allowed the advertising of another company’s business; the court said if the implied license did not apply to defendant, then the linking might be infringement because of defendant's participation in creating the content to which it then linked; the court said there is no per se exclusion of linking from copyright liability, and deliberately encouraging the use of infringing websites, by posting links to those sites, may result in copyright infringement liability; where a party posts links to an infringing site and controls and modifies the infringing site, liability for copyright infringement is possible).}

As mentioned earlier, surface linking takes you to a website’s homepage,
while deep linking takes you to an internal webpage, such as a particular article on a news website. In the 1990s and early 2000s - the early days of the modern mainstream Internet - some people expressed concern that deep linking to a subpage allows users to bypass homepage commercial advertising — and thus a site owner’s revenue — or gives the impression that the two sites endorse each other. Others see deep linking as a necessary and useful vehicle for steering users to the linked websites, particularly now in the age of Twitter and other social media outlets where such deep linking has become somewhat the norm.

Surface linking and deep linking usually involve reasonably clear redirection to a completely different webpage, but with framed or embedded links, the copyrighted work from the target anchor website appears to be within the source anchor website. There is some concern that the frame


57. See, e.g., Shetland Times v. Wills, [1997] S.L.T. 669 (Sess. Cas. 1996) (Shetland Times claimed deep links on Shetland News’ website violated their copyright and bypassed their homepage advertising revenue); Ticketmaster Corp. v. Microsoft Corp., No. 97-3055 DDP (C.D. Cal., complaint filed Apr. 28, 1997) (hyperlinks on Microsoft’s “Seattle Sidewalks” website linked to Ticketmaster subpages where users could view detailed event and ticket information; using a search engine on the Microsoft site, users could search for “Ticketmaster” and see results listing the physical locations of Ticketmaster outlets and links to pages for each location; each of the linked pages included advertisements placed by Microsoft that contained links to various local attractions; Ticketmaster asserted it “must maintain control of the manner in which others utilize and profit from its proprietary services, or face the prospect of a feeding frenzy diluting its content,” but “Microsoft was driving additional business to the Ticketmaster [website], and Ticketmaster received all of the revenue from ticket sales;” the case settled).

58. See Hypertext Linking and Copyright Issues, AMERICAN LIBRARY ASSOCIATION, http://www.ala.org/advocacy/copyright/copyrightarticle/hypertextlinking (last visited Nov. 14, 2015) (discussing practical and legal concerns related to deep linking); see also Michael Gorman, EU Court of Justice: hyperlinks to copyrighted content are legal, if both sites let users see it for free, ENGADGET (Feb. 13, 2014) http://www.engadget.com/2014/02/13/eu-court-copyright-infringement-hyperlinks-ruling (“It’s common practice for those of us who make our living on the internet to link out to other websites in the stories we publish -- in fact, we here at Engadget consider it a necessary part of good reporting.”); Ben Zigterman, EU court decides not to ruin the Internet, BOY GENIUS REPORT (Feb. 13, 2014) http://bgr.com/2014/02/13/hyperlink-copyright-infringement-court-ruling (discussing the CJEU’s decision in Nils Svensson v. Retriever Sverige AB that hyperlinks to freely available articles are not copyright infringement; noting that the decision is “good news for anyone who has ever posted a link to Twitter or Facebook, which is just about everyone”).
alters the content’s appearance or creates the impression that the framed target anchor website voluntarily associates with the source anchor website. However, rather than focusing on how the work simply appeared to the average user, courts have often focused more on the technological process of whether an actual copy of the work was made and, if there was a copy, who actually made it. For example, in the high-profile case of Perfect 10, Inc. v. Amazon.com, Inc., Google’s image search framed images from an infringing third party website. The court used a “server test” that defined “display” as the act of serving and storing online content. The court also said that “distribution” requires “actual dissemination” of a copy. The infringing third party website, not Google, stored the full-size images. In framing the full-size images, Google did not copy the images but instead communicated HTML instructions that told a user's browser where to find the full-size images on the third party website. Thus, the court held that the framed full-size images at issue did

59. Raymond T. Nimmer, Law of Computer Technology § 15:7 (2014) (noting the concern that the altered appearance may create an unauthorized display or a derivative work under 17 U.S.C § 106); see, e.g., Washington Post Co. v. TotalNews, Inc., No. 97 Civ. 1190 (S.D.N.Y. complaint filed Feb. 20, 1997), dismissed upon settlement (June 5, 1997) (plaintiff publishers alleged that Total News' framing of the publisher’s websites prevented readers from seeing the publishers’ advertisements, banners, and URLs and covered them with Total News’ banners and ads in violation of the publisher’s copyright and bypassing its revenue; the parties settled four months after filing with an agreement requiring Total News to obtain a “linking license” to authorize the links and stipulating requirements as to how Total News could display the link without framing with Total News’ banners).

60. See Hard Rock Café Int’l v. Morton, No. 97 Civ. 9483(RPP), 1999 WL 717995, at *1 and *25-27 and n.16 (S.D.N.Y. Sept. 9, 1999) (noting the source anchor website and the framed target anchor website were combined into a “single visual presentation” and a user could be unaware that she or he had left the source anchor website because the browser displayed the framing website's URL; also noting that framing was a “flexible device” and that there may be instances where the user would easily be able to distinguish the framed website from the framing website; the court interpreted a license agreement between the parties and found that the defendant's framing violated the terms of the agreement).

61. Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146 (9th Cir. 2007).

62. Perfect 10, Inc., 508 F.3d at 1159-62 (“the Copyright Act... does not protect a copyright holder against acts that cause consumer confusion”); but see The Copyright Alliance, Comments of the Copyright Alliance, 3-4 (April 4, 2014) http://copyright.gov/docs/making_available/comments/docket2014_2/reply/Copyright_Alliance.pdf (arguing that the Perfect 10 court’s view incorrectly “tied” the reproduction right and the display right under 17 U.S.C. § 106 and, as a result, improperly narrowed the “making available” or “communication to the public” rights).

63. Perfect 10, Inc., 508 F.3d at 1159-61 (HTML instructions directed a user's browser to a third party website publisher's computer where the infringing image was stored; the
Google was liable for direct infringement where their computers stored or cached thumbnail versions of Perfect 10's copyrighted images and communicated copies of those thumbnails to users; however, the court found fair use.

Similarly, in *Flava Works, Inc. v. Gunter*, the Seventh Circuit considered whether Gunter’s social video website, myVidster, violated Flava Works’ copyright by embedding infringing videos of Flava Works’ content from third party websites. Judge Posner said that, because myVidster did not directly host the infringing video but rather linked to versions of the video hosted elsewhere, myVidster did not commit copyright infringement. The infringer was the Flava Works customer who copied Flava Works' copyrighted video by uploading it to the third party non-Flava Works websites. The court compared linking to content hosted elsewhere to *The New Yorker* listing theatrical plays and giving contact information for the relevant theaters where the plays are performed. In such a case, the magazine or the website is not performing, transmitting, or communicating the plays. Judge Posner said that to suggest that a website like myVidster was transmitting or communicating the work would “make the provider… an infringer even if he didn’t know that the work to which he was directing a visitor to his website was copyrighted.”

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64. *Perfect 10, Inc.*, 508 F.3d at 1159-63 (merely “indexing” the Internet and allowing users to find information should not constitute infringement).

65. *Id.* at 1159-68 (“a search engine provides social benefit by incorporating an original work into a new work, namely, an electronic reference tool”); *compare Field*, 412 F.Supp. 2d at 1113-14, 1116 (the plaintiff knew he could instruct Google not to provide cached links to copies of webpages by using a “no-archive” meta tag, but he declined to use the “no-archive” meta tag on his website; thus, the court found that Google had an implied license to reproduce and distribute the plaintiff’s works through the cached links).

66. *Flava Works, Inc. v. Gunter*, 689 F.3d 754 (7th Cir. 2012). Flava Works only allowed legal access to its videos through a paywall; under Flava Works’ terms of use, the user must agree not to copy, transmit, or sell the video; the user may download the content to his or her computer for “personal, noncommercial use” only.

67. *Flava Works, Inc.*, 689 F.3d at 759-61 (noting that myVidster did not touch the video data stream; neither myVidster nor the myVidster user made an infringing copy of the work).

68. *Flava Works, Inc.*, 689 F.3d at 758-61 (noting that if myVidster invited people to post copyrighted videos without authorization, it would then be liable for contributory infringement).

69. *Flava Works, Inc.*, 689 F.3d at 761 (noting this would “blur the distinction between direct and contributory infringement”).
the DMCA’s “safe harbor” for Internet service providers (ISPs), which provides that ISPs are not liable for copyright infringement if they link to material they do not know is infringing.\footnote{See 17 U.S.C. § 512. To avoid liability, ISPs must also be unaware of facts that would make the infringement apparent, act quickly upon learning of such conduct to remove or disable access to the infringing material, not receive direct financial benefit from the infringing activity, and terminate repeat infringers.}

While the courts in \textit{Perfect 10} and \textit{Flava Works} focused on the technological process of whether an actual copy of a work was made, the court in the now withdrawn opinion of \textit{Kelly v. Arriba Soft Corp.} seemed to focus more on how the work appeared to the average user on the defendant’s website.\footnote{\textit{Kelly v. Arriba Soft Corp.} (\textit{Kelly I}), 280 F.3d 934 (9th Cir. 2002).} The court noted that “the user typically would not realize that the image actually resided on another web site.”\footnote{\textit{Kelly I}, 280 F.3d at 939 (the full-size image was not technically located on defendant's website but was taken directly from the originating website; an “Image Attributes” page, which the user accessed by clicking on a thumbnail image, displayed the original full-size image, a description of its dimensions, a link to the originating web site, and the defendant's banner and advertising).} The court held that the inline linking or framing of full-sized images of the plaintiff’s copyrighted photographs as displayed in the context of defendant’s image search was in direct competition with the plaintiff’s website and thus violated the plaintiff’s public display rights.\footnote{\textit{Kelly I}, 280 F.3d at 944-48 (“Kelly’s images on a computer screen would constitute a display;” and “Arriba is showing Kelly's original works without his permission”).} However, the court said that the inline or framed thumbnail images of the photographs were not infringing because the "thumbnail" images were a "transformative" fair use in that they served a different function than the original images. Specifically, the thumbnails did not supplant the use of the owner's original images; instead, they benefited the public by enhancing Internet information gathering techniques.\footnote{\textit{Kelly I}, 280 F.3d at 940-44 (noting the small, low quality thumbnail images would not likely be used for the same "illustrative or artistic purposes" as the original images); see \textit{also Field v. Google Inc.}, 412 F.Supp. 2d 1106 (D. Nev. 2006) (finding fair use where Google allowed access to works through “cached” links because the search engine served a different, socially beneficial purpose and did not merely supersede the original works, there was no evidence that the search engine operator profited from such use, the images’ creator had sought to make his works available to widest possible audience for free, the operator used no more of works than necessary, and there was no evidence of impact on the potential market for the creator’s works).} After some harsh criticism, the Ninth Circuit withdrew this opinion on procedural grounds, saying that the \textit{Kelly} district court should not have reached the issue of the legality of the full-
sized framed images because neither party had moved for summary judgment on that issue.\textsuperscript{75}

\section*{B. U.S. Treatment of Secondary Liability and Hyperlinks}

Where a party links to infringing content on a third party website, U.S. courts often view hyperlinks through the secondary liability doctrines of contributory and vicarious infringement.\textsuperscript{76} Contributory infringement is a legal doctrine under which a person is liable if he or she knowingly or intentionally induces, encourages, or materially contributes to the infringing conduct of another.\textsuperscript{77} For example, the Supreme Court in \textit{Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.} said, “[O]ne who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”\textsuperscript{78} To find

\textsuperscript{75}. \textit{Kelly v. Arriba Soft Corp. (Kelly II)}, 336 F.3d 811 (9th Cir. 2003) (“[T]he district court should not have reached the issue [of whether Arriba’s framing of full-size images constitutes direct infringement] because neither party moved for summary judgment as to the full-size images”); \textit{see also Perfect 10 v. Google Inc.}, 416 F.Supp. 2d 828, 841-42 (C.D. Cal. 2006), aff’d in part, rev’d in part, \textit{Perfect 10, Inc. v. Amazon.com, Inc.}, 508 F.3d 1146 (9th Cir. 2007) (describing how the \textit{Kelly I} opinion was withdrawn after harsh criticism).

\textsuperscript{76}. \textit{See also Sony Corp. of Am. v. Universal City Studios, Inc.}, 464 U.S. 417, 435 (1984). While the U.S. Copyright Act itself does not expressly provide for secondary liability, “[t]he absence of such express language in the copyright statute does not preclude the imposition of liability for copyright infringements on certain parties who have not themselves engaged in the infringing activity. For vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another”.

\textsuperscript{77}. \textit{See Arista Records LLC v. Lime Group LLC}, 715 F.Supp. 2d 481 (S.D.N.Y. 2010) (ruling that, to establish inducement of copyright infringement, a plaintiff must show that the defendant engaged in purposeful conduct that encouraged copyright infringement with the intent to encourage such infringement).

\textsuperscript{78}. \textit{Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.}, 545 U.S. 913, 918-19, 923-26, 936-38 (2005). Grokster and StreamCast Networks actively encouraged direct infringement by distributing links to articles “promoting its software’s ability to access popular copyrighted music,” responding to requests for help in “locating and playing copyrighted materials,” and targeting a known market of infringing use; \textit{see also Bernstein v. JC Penney, Inc.}, No. 98-2958 R EX, 1998 WL 906644, at *1 (C.D. Cal. Sept. 29, 1998) (rejecting plaintiff’s “multiple linking” theory alleging liability where the website linked to a site that linked to several other sites, one of which contained infringing material; dismissing a contributory infringement claim where defendant successfully argued that (a) Internet users viewing of the material at issue was not infringing; (b) linking is capable of substantial non-
contributory infringement, the plaintiff must first establish that a third party had committed direct infringement, and the contributorily infringing party must know or have reason to know that the direct infringer had reason to know the material was copyright protected. The Supreme Court said that “mere knowledge of infringing potential” would not be enough to subject a party to liability. Similarly, “An allegation that a defendant merely provided the means to accomplish an infringing activity is insufficient to establish a claim for copyright infringement. Rather, liability exists if the defendant engages in personal conduct that encourages or assists the infringement.” As the Ninth Circuit Court said in Perfect 10, “[A]n actor’s contribution to infringement must be material to warrant the imposition of contributory liability.” A person can also be found liable under the doctrine of vicarious infringement when he or she supervises the directly infringing activities of others, profits from those activities, and fails to “exercise the right to stop or limit” them, as in the tort doctrine of respondiat superior.

79. See A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1013-14, n. 2 (9th Cir. 2001) (“Secondary liability for copyright infringement does not exist in the absence of direct infringement by a third party.”).

80. See Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d at 1172 (citing Napster, Inc., 239 F.3d at 1022) (holding that “a computer system operator can be held contributorily liable if it ‘has actual knowledge that specific infringing material is available using its system’”).


83. Perfect 10, Inc., 508 F.3d at 1172 (citing Gershwin Pub’g Corp. v. Columbia Artists Mgmt., Inc., 443 F.2d 1159 (2d Cir. 1971)); Grokster Ltd., 545 U.S. at 942 (Ginsburg, J., concurring) (concurring opinion identifying two categories of contributory liability: 1) actively or intentionally encouraging or inducing infringement through specific acts or 2) distributing a product that is used to infringe copyrights “if the product is not capable of ‘substantial’ or ‘commercially significant’ noninfringing uses”).

84. Grokster, 545 U.S. at 914, 930 (“One infringes contributorily by intentionally inducing or encouraging direct infringement, and infringes vicariously by profiting from direct infringement while declining to exercise the right to stop or limit it.”); see also Arista Records, Inc., et al. v. MP3Board, Inc., No. 00 CIV. 4660(SHS), 2002 WL 1997918, at *10 (S.D.N.Y. Aug. 29, 2002) (“A company may be found vicariously liable for copyright
For example, in the famous case of *A&M Records, Inc. v. Napster, Inc.*, Napster linked users to copyrighted musical works other users had posted.\(^85\) The court found that Napster knew about and had the ability to supervise the use of the website for illegal copying. Napster had provided the software, search engine, and servers that allowed users to engage in the infringing conduct, and it financially benefited from users who engaged in this activity. Thus, the court held that Napster was liable for contributory and vicarious copyright infringement.\(^86\)

In *Intellectual Reserve, Inc. v. Utah Lighthouse Ministry, Inc.*, the defendants had made directly infringing copies of copyrighted material available on their own website, and the court issued an order to take down the infringing copies, with which defendants complied.\(^87\) However, the defendants then provided links to other websites where the infringing materials were available and sent out e-mails actively encouraging others to download the infringing materials from those websites. In response, the plaintiffs claimed that such activity constituted contributory infringement.\(^88\)

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\(^{86}\) *Napster, Inc.*, 114 F.Supp.2d at 918-22 (the court issued a preliminary injunction against Napster); see also *In re Aimster Copyright Litigation*, 334 F.3d 643 (7th Cir. 2003), cert. denied, *Deep v. Recording Indus. Ass’n of Am., Inc.*, 540 U.S. 1107 (Jan. 12, 2004) (defendant Aimster claimed that, unlike Napster, communication between users was by encryption, so he could not possibly know what people were transmitting through Aimster; court noted that Aimster’s tutorial only gives examples of file sharing copyrighted music); Compare, *Perfect 10, Inc. v. Yandex N.V.*, 962 F.Supp.2d 1146 (N.D. Cal. 2013), amended and superseded by, No. C 12–01521 WHA, 2013 WL 4777189 (N.D. Cal. Sept. 6, 2013) (full-size versions of copyrighted images hosted on third-party websites could not be direct copyright infringement, thus links from Internet search engines that connected to those third-party websites could not contributorily infringe creator’s copyrights, particularly given lack of evidence that operator intentionally tried to circumvent copyright liability).


\(^{88}\) *Id.*
The court agreed and issued a preliminary injunction.89

In *Arista Records, Inc. v. MP3Board, Inc.*, MP3Board allegedly posted hyperlinks to thousands of pirated music files.90 The court denied the plaintiff record companies’ motion for summary judgment under contributory or vicarious infringement because there was insufficient evidence of direct infringement as a result of MP3Board’s conduct. However, the court also denied MP3Board’s motion for summary judgment for non-infringement because there was sufficient evidence for a fact-finder to conclude that MP3Board had engaged in activity that “materially contributed” to copyright infringement. The court found that MP3Board 1) used a search engine specifically for finding hyperlinks for sites with audio files, 2) encouraged others to post such hyperlinks to other sites, 3) had its employees personally search for audio files requested by users, 4) solicited users to provide files that employees were unable to find, and 5) posted passwords for users to access audio files.91

More recently, in *Pearson Education, Inc., v. Ishayev (Pearson II)*, the publishers alleged that Ishayev was secondarily liable for copyright infringement because he knowingly sold hyperlinks that allowed others to download unauthorized copies of their copyright protected solutions manuals from an infringing website.92 The court said that, where such knowledge of infringing conduct is proven, “sending hyperlinks that permit others to download protected materials would plainly amount to conduct that encourages or assists in copyright infringement.”93 The court found that Ishayev had “reason to know” the copyright protected status of the materials, but, when considering evidence as to whether Ishayev himself was responsible for providing the hyperlinks, such evidence was conclusive against Ishayev only as to one of the eight claims at issue.94

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89. Id. at 1294-96.
91. *Arista Records*, 2002 WL 1997918 at *3-12 (there were also issues of fact as to whether MP3Board had the actual or constructive knowledge required for contributory infringement or “the right and ability to supervise infringing activity” and “a direct financial interest” in such activity as required for vicarious infringement); see also *Live Nation Motor Sports, Inc. v. Davis*, No. CIV.A.3:06-CV-276-L, 2007 WL 79311, at *1 (N.D. Tex. Jan. 9, 2007) (defendant was liable for copyright infringement when he provided links to Internet audio webcast link of plaintiff's racing events).
94. Id. at 338-341.
Courts have similarly issued injunctions against defendants who knowingly linked to DeCSS software, which allowed users to overcome DVD protective encryption systems. This software violated the DMCA’s anti-circumvention provisions, which prohibit circumvention of a copyright owner’s technological protection measures for controlling access to a copyrighted work. For example, in *Universal City Studios, Inc. v. Reimerdes*, a New York federal district court said, “To the extent that defendants have linked to sites that automatically commence the process of downloading DeCSS upon a user being transferred by defendants' hyperlinks… defendants are engaged in the functional equivalent of transferring the DeCSS code to the user themselves.” Judge Kaplan, careful to avoid a chilling effect on hyperlinking and the related freedom of speech issues, held that “there may be no injunction against, nor liability for, linking to a site containing circumvention technology… absent clear and convincing evidence that those responsible for the link (a) know at the relevant time that the offending material is on the linked-to site, (b) know that it is circumvention technology that may not lawfully be offered, and (c) create or maintain the link for the purpose of disseminating that technology.” In response to this test on appeal, however, the Second

95. See Pokotilow, supra note 85, at 45-6 (“The material on DVDs is encrypted to prevent unauthorized copying,” using a system called “Content Scrambling System” (“CSS”)); see, e.g., *Universal City Studios, Inc. v. Reimerdes*, 111 F.Supp. 2d 294 (S.D.N.Y. 2000), aff’d sub nom., *Universal City Studios, Inc. v. Corley*, 273 F.3d 429 (2d Cir. 2001) (motion picture studios brought action enjoining defendants from posting DeCSS circumventive software and related links to such software).

96. See 17 U.S.C. § 1201 (anti-circumvention provisions; these also prohibit the creation and making available of technologies that defeat technological protections against unauthorized access to a copyrighted work); see S. REP. NO. 105-190, at 2-9, 27-8 (1998) (the DMCA was created in response to the WCT, which required signatory nations to “provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights… and that restrict acts… which are not authorized by the authors concerned or permitted by law”).

97. *Reimerdes*, 111 F.Supp. 2d at 325 (“Substantially the same is true of defendants' hyperlinks to web pages that display nothing more than the DeCSS code or present the user only with the choice of commencing a download of DeCSS and no other content. The only distinction is that the entity extending to the user the option of downloading the program is the transferee site rather than defendants, a distinction without a difference”; “Defendants urged others to post DeCSS in an effort to disseminate DeCSS and to inform defendants that they were doing so”).

98. *Reimerdes*, 111 F.Supp. 2d at 340-41 (“Anything that would impose strict liability on a web site operator [for using hyperlinks] would raise grave constitutional concerns, as web site operators would be inhibited from linking for fear of exposure to liability.”).
Circuit said that it saw “no need… to determine whether a test as rigorous as Judge Kaplan’s is required to respond to First Amendment objections to the linking provision of the injunction that he issued.” In contrast to the New York and Second Circuit courts in Reimerdes, a California court in DVD Copy Control Association, Inc. v. McLaughlin refused to enjoin the defendants from linking to sites containing DeCSS because hyperlinks “to other websites are the mainstay of the Internet and indispensable to its convenient access to the vast world of information.”

V. SUMMARY AND CONCLUSION

Countries and courts around the world have grappled to keep up with the continuously evolving, increasingly ubiquitous use of hyperlinks. Users today and their lawyers must consider the global nature of the Internet when they create or use hyperlinks. As a result, it has become essential to know what the U.S. and other countries and jurisdictions say about copyright law as related to hyperlinks in order to navigate the Internet and avoid liability.

When a party creates a hyperlink to legally created content, courts such as the Canadian court in Warman v. Fournier and the U.S. courts in Pearson Education, Inc. v. Ishayev and Ticketsmaster Corp. v. Tickets.com seem to generally agree that hyperlinks by themselves do not infringe on a rightsholder’s copyright, particularly when the hyperlink is a surface link or a deep link. Even when the content is framed or embedded, some courts, at least in the U.S., seem to focus on the fact that

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99. Corley, 273 F.3d at 456-57 (“It suffices to reject the Appellants’ contention that an intent to cause harm is required and that linking can be enjoined only under circumstances applicable to a print medium.”).
100. DVD Copy Control Ass’n, Inc. v. McLaughlin, No. CV 786804, 2000 WL 48512 (Cal. Super. Ct. Jan 21, 2001) (saying that an order to enjoin defendants from linking to websites with DeCSS would be “overbroad and extremely burdensome… A website owner cannot be held responsible for all of the content of the sites to which it provides links. Further, an order prohibiting linking to websites with prohibited information is not necessary since the Court has enjoined the posting of the information in the first instance”; the court still enjoined defendants from posting the DeCSS software on their websites).
framing or embedding a website or file through a hyperlink does not create an infringing copy but rather displays the original website or file.\textsuperscript{104}

Under the rights of “making available” and “communication to the public,” the CJEU in \textit{Nils Svensson v. Retriever Sverige AB} said that anyone may link to freely available content when there are no access restrictions.\textsuperscript{105} However, the court still left questions as to what “freely available” truly means and what “access restrictions” are sufficient to protect a content owner’s right of “communication to the public.” In the U.S., although the Copyright Act does not explicitly include “making available” rights, the Nevada federal district court in \textit{Field v. Google Inc.} and \textit{Righthaven LLC v. Klerks} was in line with the reasoning in \textit{Svensson} when it said that the copyright holders in those cases had given others implied licenses to use or link to their content by making their works accessible to the world for free, without restrictions.\textsuperscript{106} But like in \textit{Svensson}, the court in \textit{Righthaven} had little to say about what measures are sufficient to prevent the inference of an implied license or how a user might violate the ‘terms’ of such a license. The plaintiff in \textit{Field} knew about Google’s option not to be included in its cached link repository, and he declined to use it;\textsuperscript{107} but other linking websites may not offer such options to content owners. Additionally, the CJEU in \textit{Svensson} and the Nevada federal court in \textit{Field} and \textit{Righthaven} put much of the burden of ascertaining whether content was really “freely available” on the party who creates the hyperlink. However, it is not always easy, practicable, or even reasonably possible for the average user to ascertain whether a target website, even a respected one, was authorized or licensed to include specific content. Putting the burden of this risk on end users could create a chilling effect in itself.

When a hyperlink leads to infringing content, the issue of liability becomes more complex, and there seems to be less consensus about how

\begin{itemize}
\item \textsuperscript{104} See, e.g., \textit{Perfect 10, Inc. v. Amazon.com, Inc.}, 508 F.3d 1146 (9th Cir. 2007) (the court found that Google did not commit copyright infringement when it framed the images at issue; Google did not copy the images but instead communicated HTML instructions that told a user’s browser where to find the images on a third party website); \textit{Flava Works, Inc. v. Gunter}, 689 F.3d 754 (7th Cir. 2012) (defendant did not commit copyright infringement by embedding the videos at issue; defendant’s website did not directly host the video but rather linked to versions of the video hosted elsewhere).
\item \textsuperscript{105} Case C-499/12, \textit{Nils Svensson v. Retriever Sverige AB} (Svensson), 2014 CURIA 76.
\item \textsuperscript{107} \textit{Field}, 412 F.Supp. 2d at 1113-14, 1116.
\end{itemize}
copyright law should view such hyperlinking activity. In *Universal Music Australia v. Cooper*, where the hyperlink led to infringing copies of music, the Australian court still found that hyperlinks themselves do not constitute infringement.\textsuperscript{108} On the other hand, where the hyperlink led to cached copies of copyrighted materials, both the Belgian court in *Copiepresse SCRL v. Google Inc.*\textsuperscript{109} and the Ninth Circuit in *Perfect 10, Inc. v. Amazon.com, Inc.*\textsuperscript{110} found liability for copyright infringement. However, the Ninth Circuit also found fair use.\textsuperscript{111} Furthermore, under the secondary liability doctrines of contributory and vicarious liability in the U.S., there is potential liability on some level for those who post a hyperlink and actively encourage the infringement or have “reason to know” that what they are linking to or how they are linking to it may be unauthorized or illegal.\textsuperscript{112}

The laws and policies behind hyperlinking are still developing and evolving. Although there is some evidence of agreement on certain copyright and hyperlink-related issues, many of the cases and legal principles mentioned here in this article are, of course, specific to their jurisdiction. However, due to the global nature of the Internet and the ‘online community,’ some wider legal consensus on these issues may be needed soon.

Meanwhile, in order to avoid liability, it might be wise for users and others who create hyperlinks to verify whether they are authorized to link to the target content, ascertain who created the target anchor website (i.e., whether the creator was an official company, content owner, or infringer), read a target anchor website’s terms of service and other relevant disclaimers, or obtain permission to link to the target website content. Additionally, the source anchor website operator should periodically review the hyperlink to make sure the target content or access to it has not


\textsuperscript{109} Tribunal de Première Instance [Civ.] [Tribunal of First Instance] Brussels, Feb 13, 2007, No. 06/10.928/C (Copiepresse SCRL v. Google Inc.), (Belg.).

\textsuperscript{110} *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

\textsuperscript{111} Id.

\textsuperscript{112} See, e.g., *A&M Records, Inc. v. Napster, Inc.*, 114 F.Supp. 2d 896 (N.D. Cal. 2000), aff’d in part rev’d in part, remanded, 239 F.3d 1004 (9th Cir. 2001). Where Napster linked users to copyrighted musical works other users had posted, the court found Napster liable for contributory and vicarious copyright infringement because Napster knew about and had the ability to supervise the use of the website for illegal copying; Napster provided the software, search engine, and servers that allowed the infringing conduct; and it financially benefited from the activity.
changed or been removed.113 At the same time, rightsholders and content owners might consider using some kind of access restriction to protect their content, such as a paywall or subscription requirement. They will have to decide how “freely available” they want their copyrighted content to be on the World Wide Web.

Twenty or thirty years ago, few could have imagined how hyperlinks would become such a pervasive, second-nature, and essential part of our everyday lives. New Internet or connectivity-related technologies, and thus new uses for hyperlinks, come into our lives with increasing regularity. Although the law should not to restrict hyperlinks in a way that hampers such innovation, businesses and consumers will require more and more legal guidance in order to know how to effectively and thoroughly promote and protect their interests online. Therefore, hyperlinks are guaranteed to be at the forefront of copyright controversies for a long time to come.
