

# MITCHELL

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## Public and Private Copyright Infringement

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Practical Wisdom™

## Fundamentals

- Public infringement: The kinds of infringement that involve public exploitation of the work
  - Publication
  - Performance
  - Display
- Private infringement: Noncommercial, consumer infringement of a work
  - Copying

# History

- Historically, copyright was about public infringement
  - Statute of Anne: A publishers' bill
  - Between 1790 and 1909, no reported cases of “private” infringement
- Difficult to imagine litigation over private infringement until recently
  - Hard to discover
  - Minimal damages from any single defendant
  - Judgment-proof defendants

## Primary and Secondary Liability

- Public infringement is most often linked to primary liability
  - no provision for secondary liability in the statutes, including the 1976 Act
- But judgment-proof infringers sometimes resulted in searches for solvent parties
  - Facilitators of public infringement

## Growth of Private Infringement

- 1976: private, non-commercial acts of consumers, facilitated by technology, started to become important in formulating copyright enforcement strategy
- But suing private infringers is problematic
- Cases against the technological facilitators made more strategic sense

## The New Secondary Liability

- Application of secondary liability to facilitators of private, infringing conduct resulted in rapid development of the doctrine
  - Efficiency: sue a single facilitator of widespread, hard-to-detect private conduct
  - Customer relations: avoid suing the public at large (unless you are the RIAA)

## Pre-*Grokster* Secondary Liability

- *Fonovisa v. Cherry Auction*, 76 F.3d 259 (9<sup>th</sup> Cir. 1996)

### Vicarious Liability

- Right and ability to control direct infringer, plus
- Direct financial benefit from infringement

### Contributory Liability

- Knows of infringement, plus
- Causes, or materially contributes to, infringement

## Private Infringement Landmarks

- Sony v. Universal City Studios, 464 U.S. 417 (1984)
  - assumed availability of some theory of secondary liability
  - unclear as to distinctions between contributory and vicarious liability
  - applied “staple article of commerce” to copyright

## Private Infringement Landmarks

- Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., Inc., 180 F.3d 1072 (9th Cir. 1999)
  - To avoid *Sony*, industry claimed a failure to comply with the Audio Home Recording Act, mandating serial copy protection
  - Ninth Circuit held that MP3 players are legal, because MP3 files are not “digital musical recordings”

## Private Infringement Landmarks

- A&M Records, Inc. v. Napster, Inc. 239 F.3d 1004 (9th Cir. 2001)
  - P2P service that hosted an index of user files was secondarily liable for the infringing copying done by its users

## Private Infringement Landmarks

- In re Aimster Copyright Litig., 334 F.3d 643, 649 (7th Cir. 2003)
  - Aimster tried unsuccessfully to work around Napster
  - Minimized ability to control users; required encryption of user transactions
  - Still hosted an index, which resulted in liability

## Private Infringement Landmarks

- MGM Studios v. Grokster, 545 U.S. 913 (2005)
  - Grokster P2P system was designed to avoid the Napster/Aimster decisions
  - Grokster provided no index, no hosting—only supplied software
  - S. Ct. created new form of secondary liability: “intent to induce infringement”

## *Grokster* Liability

- Based on intent: “unlawful purpose”
- Source in common law
- “[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.”

## *Grokster* Questions

- What kind of “expression” or “steps” will suffice?
- Is bad intent enough, or must it be coupled with bad conduct?

## Most Recent Application

- *Columbia Pictures v. Fung*, No. 06-5578 (C.D. Cal. December 21, 2009)
  - Involved a BitTorrent site
    - P2P protocol
    - Many legitimate uses
  - Fung’s sites were shut down
  - Case was not brought against the BitTorrent developer