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## FAIR USE ANALYSIS IN DMCA TAKEDOWN NOTICES: NECESSARY OR NOXIOUS?\*

### I. INTRODUCTION

A mother uploads a video of her toddler dancing to a video hosting site with a popular song playing in the background. Prior to the passage of the Digital Millennium Copyright Act (DMCA),<sup>1</sup> the owner of the song playing in the background could initiate an infringement action against either the hosting site or the woman who uploaded the video. Subsequent to the passage of the DMCA, the copyright holder could send the hosting site a notice saying that the content was infringing, and the site would have to take down the content or be liable for copyright infringement.

But what does such a takedown notice require? How thoroughly must a copyright holder examine the alleged infringement before sending a notice? *Lenz v. Universal Music Corp.*<sup>2</sup> held that the copyright owner had to perform a fair use analysis before sending a notice or he could be held liable for misrepresentation.<sup>3</sup> This Comment discusses this fair use analysis requirement in the context of the purpose of the DMCA and the effect of such a requirement on copyright holders' abilities to respond rapidly to instances of infringement on the Internet.

Part II.A discusses the history and purpose of the DMCA. Part II.B discusses the legal claim created by § 512(f) of the DMCA.<sup>4</sup> Part II.B.1 discusses the statutory process behind § 512(f) misrepresentation claims. Part II.B.2 discusses two cases that articulate conflicting standards for a misrepresentation claim: *Online Policy Group v. Diebold, Inc.*,<sup>5</sup> which creates an objective standard, and *Rossi v. Motion Picture Ass'n of America Inc.*,<sup>6</sup> which articulates a subjective good faith requirement. Part II.C discusses the fair use doctrine and the factors used to determine fair use. Part II.D discusses the practical concerns raised by scholars that the current takedown notice procedure creates. Part II.D.1 discusses some of the free speech concerns raised by scholars. Part II.D.2 highlights the potential for abuse of the takedown provision. Part II.D.3 lays out the practical difficulties of using takedown notices to protect copyrighted material.

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\* Rebecca Alderfer Rock, J.D., Temple University Beasley School of Law, 2014. I would like to express my gratitude to the staff and editors of the *Temple Law Review*, especially Eleanor Bradley and Patrick Huyett, for their hard work and time spent on this Comment. I'd like to thank Professor David Post for his ideas and guidance. Finally, I would like to thank my family, especially Dave, for their continuing support and patience over the last three years.

1. Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).

2. 572 F. Supp. 2d 1150 (N.D. Cal. 2008).

3. *Lenz*, 572 F. Supp. 2d at 1155-56.

4. 17 U.S.C. § 512(f) (2012).

5. 337 F. Supp. 2d 1195 (N.D. Cal. 2005).

6. 391 F.3d 1000 (9th Cir. 2004).

Part II.E discusses the *Lenz* decision, where the court held that a fair use analysis is required to have a good faith belief that the content is infringing and that failure to perform a fair use analysis creates a cognizable claim for misrepresentation under § 512(f).<sup>7</sup> Part II.F summarizes the largely positive scholarly response to this decision, as well as the few negative comments, and explains how the few courts who have subsequently cited *Lenz* have applied its holding in post-*Lenz* cases.

In Section III, this Comment analyzes and ultimately rejects the reasoning of the *Lenz* court. Part III.A shows that requiring a fair use analysis is inconsistent with the subjective good faith standard that was articulated in the *Rossi* decision. Part III.B argues that a fair use requirement would not address the concerns articulated by commentators and critics of the DMCA takedown provisions. Part III.B.1 suggests that a fair use prerequisite inadequately addresses free speech concerns, and Part III.B.2 shows that the *Lenz* fair use requirement would not address concerns about improper motives.

Part III.C shows that a fair use analysis should not be implemented because such implementation would go beyond *Rossi*'s subjective standard. Finally, Part III.D shows that because such a prerequisite would place too great a burden on copyright holders, a fair use requirement would be inconsistent with the purpose of the DMCA.

## II. OVERVIEW

### A. *The DMCA—Copyright for the Digital Age*

The DMCA was passed in 1998 “to adapt copyright law to the digital age.”<sup>8</sup> Because it is so easy to disseminate copyrighted material online, Congress was worried that “copyright owners [would] hesitate to make their works readily available on the Internet without reasonable assurance that they [would] be protected against massive piracy.”<sup>9</sup> Moreover, lawmakers were concerned that, “without clarification of their liability, service providers may hesitate to make the necessary investment in the expansion of the speed and capacity of the Internet.”<sup>10</sup> That is, Internet service providers (ISPs) wanted to avoid liability for copyright infringement when users unlawfully shared copyrighted material through their services.<sup>11</sup> Without an explanation of their potential liability, ISPs may have been unwilling to expand such services because of the threat of infringement lawsuits.

Section 512 of the Act was created as a compromise between ISPs and the copyright industry.<sup>12</sup> Section 512 was designed to foster cooperation between copyright

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7. *Lenz*, 572 F. Supp. 2d at 1154–55.

8. Amy P. Bunk, Annotation, *Validity, Construction, and Application of Digital Millennium Copyright Act*, 179 A.L.R. FED. 319, 319 (2002).

9. S. REP. NO. 105-190, at 8 (1998).

10. *Id.*

11. *Id.* at 2.

12. Jennifer M. Urban & Laura Quilter, *Efficient Process or “Chilling Effects”? Takedown Notices Under Section 512 of the Digital Millennium Copyright Act*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 621, 621 (2006). Section 512 was originally known as the Online Copyright Infringement Liability Limitation Act (OCILLA). *Id.*

owners and ISPs to deal with infringement issues on the web, while “balanc[ing] the need for rapid response to potential infringement with the end-users['] legitimate interests in not having material removed without recourse.”<sup>13</sup>

To accomplish this tricky balancing act, § 512 creates “safe harbors” that protect ISPs from copyright liability for content stored in their systems at the direction of their users, so long as they comply with takedown notices sent by copyright holders.<sup>14</sup> In order for an ISP to obtain safe harbor, it must remove or disable access to infringing material once it is notified of the infringing material’s existence by the copyright holder.<sup>15</sup> A copyright holder may send an ISP a takedown notice, which must include the following:

- (i) A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.
- (ii) Identification of the copyrighted work claimed to have been infringed, or, if multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site.
- (iii) Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit the service provider to locate the material.
- (iv) Information reasonably sufficient to permit the service provider to contact the complaining party, such as an address, telephone number, and, if available, an electronic mail address at which the complaining party may be contacted.
- (v) A statement that the complaining party has a *good faith belief* that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.
- (vi) A statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.<sup>16</sup>

Once an ISP has complied with a takedown notice and removed or disabled access to the allegedly infringing material, the user who has provided the allegedly infringing material may send a counter notification to the ISP and to the identifying copyright holder.<sup>17</sup> The counter notification must contain a statement of good faith that the user believes that the material has been mistakenly removed or misidentified.<sup>18</sup> Once an ISP has received such a notice, it must reinstate the material within ten to fourteen days.<sup>19</sup> The copyright holder can then choose to allow the content to remain available or proceed with an infringement suit against the user.<sup>20</sup>

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13. *Rossi v. Motion Picture Ass’n of Am. Inc.*, 391 F.3d 1000, 1003 (9th Cir. 2004) (citing S. REP. NO. 105-190, at 21).

14. 17 U.S.C. § 512(c) (2012); *Ellison v. Robertson*, 357 F.3d 1072, 1076–77 (9th Cir. 2004).

15. 17 U.S.C. § 512(c)(1)(C).

16. *Id.* § 512(c)(3)(A) (emphasis added).

17. *Id.* § 512(g)(3).

18. *Id.* § 512(g)(3)(C).

19. *Id.* § 512(g)(2)(C).

20. *Id.*

While admittedly easier than filing an infringement suit against either the ISP or the infringing user, this process is nonetheless quite onerous for copyright holders. They are required to police the Internet, searching for infringing uses of their content, while the sites that are hosting infringing content can remain free from liability so long as they remove content when properly asked.<sup>21</sup> The alternative to such a process—allowing a copyright holder to directly sue ISPs for infringement through the doctrine of third party liability—would likely be much more successful in keeping infringing material off the web by ensuring that ISPs police their own content.<sup>22</sup>

### B. Section 512(f) and Knowing Misrepresentation

#### 1. Section 512(f) Claims

Section 512(f) allows a user whose content has been removed as a result of another's knowing material misrepresentation to sue for damages that result from that misrepresentation.<sup>23</sup> Section 512(f) reads:

Any person who *knowingly materially misrepresents* under this section . . . that material or activity is infringing . . . shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged infringer, by any copyright owner or copyright owner's authorized licensee, or by a service provider, who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.<sup>24</sup>

On its face, § 512(f) appears to require *actual* knowledge of a material misrepresentation on the part of the copyright holder that is alleging infringement in order for that copyright holder to be liable to an alleged infringer.<sup>25</sup> The legislative history of this provision of the DMCA further confirms this reading, noting that

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21. If a service provider is not eligible for protection under the safe harbor provision, it can be held liable under secondary liability through the doctrine of "vicarious infringement":

When a widely shared service or product is used to commit infringement, it may be impossible to enforce rights in the protected work effectively against all direct infringers, the only practical alternative being to go against the distributor of the copying device for secondary liability on a theory of contributory or vicarious infringement.

One infringes contributorily by intentionally inducing or encouraging direct infringement, and infringes vicariously by profiting from direct infringement while declining to exercise a right to stop or limit it. Although "[t]he Copyright Act does not expressly render anyone liable for infringement committed by another," these doctrines of secondary liability emerged from common law principles and are well established in the law.

Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913, 929–30 (2005) (internal citations omitted) (quoting Sony Corp. v. Universal City Studios, 464 U.S. 417, 434 (1984)).

22. See *infra* Part III.D for a discussion of why the fair use requirement would place too high a burden on rights holders and is thus inconsistent with the DMCA. The DMCA was motivated by the ISPs' fear of liability stemming from the infringement of their users and Congress's concern that liability would inhibit the growth of the Internet. S. REP. NO. 105-190, at 8 (1998).

23. 17 U.S.C. § 512(f).

24. *Id.* (emphasis added).

25. *Id.*

§ 512(f) “is intended to deter *knowingly* false allegations to service providers in recognition that such misrepresentations are detrimental to rights holders, service providers, and Internet users.”<sup>26</sup> Black’s Law Dictionary’s definition of “knowledge” supports this interpretation; it defines knowledge as “[a]n awareness or understanding of a fact or circumstance; a state of mind in which a person has no substantial doubt about the existence of a fact.”<sup>27</sup>

Reading an objective “should have known” requirement into a claim for knowing material misrepresentation is at odds with this interpretation of knowing.<sup>28</sup> In general, negligence is insufficient to meet the standard for “knowing misrepresentation.”<sup>29</sup> Courts have acknowledged that “‘knowledge’ means different things in different contexts,”<sup>30</sup> and that “[a]ctual knowledge, as the term implies, reduces the need for inference; it suggests the presence of particular evidence which, if credited, establishes conclusively that the person in question knew of the existence of the fact in question.”<sup>31</sup>

However, courts have also applied the willful blindness doctrine to knowledge standards in copyright law: “willful blindness is knowledge, in copyright law . . . as it is in the law generally.”<sup>32</sup> In copyright law, the willful blindness standard has generally been applied to defendants accused of copyright infringement. Courts have stated that “it may be enough that the defendant *should* have known of the direct infringement.”<sup>33</sup> The Supreme Court has articulated a twofold requirement for determining whether willful blindness has occurred: “(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact.”<sup>34</sup> Applying the willful blindness standard to § 512(f), therefore, would require showing both that the defendant deliberately tried to avoid learning that there was a material misrepresentation in a takedown notice *and* that the defendant *subjectively* thought that there was likely a material misrepresentation in such a takedown notice.<sup>35</sup>

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26. H.R. REP. NO. 105-551(II), at 59 (1998) (emphasis added).

27. BLACK’S LAW DICTIONARY 950 (9th ed. 2009).

28. The highest court to have considered this standard, the Ninth Circuit, has rejected this objective standard and has instead required actual knowledge, regardless of reasonableness. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1004 (9th Cir. 2004). *But see* Lydia Pallas Loren, *Deterring Abuse of the Copyright Takedown Regime by Taking Misrepresentation Claims Seriously*, 46 WAKE FOREST L. REV. 745, 772–75 (2011) (suggesting that an objective, reasonable “should have known” standard should be sufficient to satisfy this requirement). See also *infra* Part II.B.2 for a discussion of the subjective and objective standards articulated by different courts.

29. *E.g.*, *Pearson v. Voith Paper Rolls, Inc.*, 656 F.3d 504, 510 (7th Cir. 2011).

30. *E.g.*, *United States v. Spinney*, 65 F.3d 231, 236 (1st Cir. 1995); *see also, e.g.*, *United States v. DiSanto*, 86 F.3d 1238, 1257 (1st Cir. 1996) (describing knowledge as a continuum with actual and constructive knowledge at the two poles).

31. *Spinney*, 65 F.3d at 236.

32. *In re Aimster Copyright Litig.*, 334 F.3d 643, 650 (7th Cir. 2003) (citation omitted); *see also* *Casella v. Morris*, 820 F.2d 362, 365 (11th Cir. 1987) (noting that in the contributory copyright infringement context “[t]he standard of knowledge is objective: ‘Know, or have reason to know’”).

33. *In re Aimster Copyright Litig.*, 334 F.3d at 650; *see also* *Casella*, 820 F.2d at 365 (articulating an objective standard of knowledge for contributory copyright infringement).

34. *Global-Tech Appliances, Inc., v. SEB S.A.*, 131 S. Ct. 2060, 2070 (2011).

35. 17 U.S.C. § 512(f) (2012); *Global-Tech Appliances*, 131 S. Ct. at 2070.

If § 512(f)'s requirement of knowing material misrepresentation is in fact a requirement for *actual* knowledge, then a mere allegation that a sender of a takedown notice *should* have known that material was not infringing would not alone be sufficient to state a claim. Even if the willful blindness doctrine were to be applied in this context, there would still be a subjective knowledge element that must be met. An allegation that the sender took deliberate actions to avoid learning a fact would have to be coupled with an allegation that the defendant subjectively knew that there was a high probability that he or she was materially misrepresenting a fact in order to state a claim.

## 2. *Diebold, Rossi*, and the Knowledge Requirement for § 512(f) Claims

Section 512(c) requires that a takedown notice to a service provider include “[a] statement that [the party alleging infringement] has a *good faith belief* that use of the material . . . is not authorized.”<sup>36</sup> Section 512(f) creates a cause of action against one who “knowingly materially misrepresents . . . that material or activity is infringing.”<sup>37</sup> Two major cases, *Online Policy Group v. Diebold, Inc.*,<sup>38</sup> and *Rossi v. Motion Picture Ass’n of America*,<sup>39</sup> have examined what constitutes a good faith belief and knowing material misrepresentation. *Diebold* held that an objective standard must be used to determine whether a party was making a knowing material misrepresentation, while *Rossi* overruled that holding, requiring subjective bad faith for a misrepresentation claim to survive.<sup>40</sup>

In the 2004 case *Diebold*, several plaintiffs, including an online newspaper, its ISP, and two college students, obtained internal emails and other information from Diebold, Inc. and Diebold Election Systems, Inc. (collectively Diebold).<sup>41</sup> The reliability of Diebold’s products—voting machines—had been questioned in the media.<sup>42</sup> After the plaintiffs posted the email archive and links to the archive on various websites, the defendants sent them takedown notices pursuant to § 512(f).<sup>43</sup> The plaintiffs then sought declaratory, injunctive, and monetary relief, alleging that Diebold’s takedown notice contained a “knowing material misrepresentation.”<sup>44</sup>

The District Court for the Northern District of California held that “knowingly” in § 512(f) “means that a party actually knew, [or] *should have known* if it acted with reasonable care or diligence . . . that it was making misrepresentations.”<sup>45</sup> The court cited the Black’s Law Dictionary’s definitions of “knowledge,” “actual knowledge,”

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36. 17 U.S.C. § 512(c)(3)(A)(v) (emphasis added).

37. *Id.* § 512(f).

38. 337 F. Supp. 2d 1195 (N.D. Cal. 2004).

39. 391 F.3d 1000 (9th Cir. 2004).

40. *Compare Rossi*, 391 F.3d at 1007 (holding that the good faith belief requirement “encompasses a subjective, rather than objective, standard of conduct”), with *Diebold*, 337 F. Supp. 2d at 1204 (holding the statutory language “knowingly” is satisfied if a party “actually knew, [or] should have known if it acted with reasonable care or diligence”).

41. *Diebold*, 337 F. Supp. 2d at 1197–98.

42. *Id.* at 1197.

43. *Id.* at 1198.

44. *Id.*

45. *Id.* at 1204 (emphasis added).

and “constructive knowledge” as authority for its determination.<sup>46</sup> Applying this standard to the facts of the case, the court concluded “that Diebold knowingly materially misrepresented that Plaintiffs infringed Diebold’s copyright interest, at least with respect to the portions of the email archive clearly subject to the fair use exception,” because “[n]o reasonable copyright holder could have believed that the portions of the email archive discussing possible technical problems with Diebold’s voting machines were protected by copyright.”<sup>47</sup> *Diebold* created an objective standard for determining whether a copyright holder’s allegation was a knowing misrepresentation.<sup>48</sup>

A few months later, the Ninth Circuit rejected this objective standard in *Rossi*. There, the Motion Picture Association of America (MPAA) sent a takedown notice to the ISP of the website “internetmovies.com.”<sup>49</sup> The MPAA alleged that the website was infringing MPAA members’ movies.<sup>50</sup> The MPAA based this claim on the website’s advertisement of “Full Length Downloadable Movies” next to pictures of MPAA copyrighted films.<sup>51</sup> *Rossi*, the owner of internetmovies.com, asserted that the MPAA did not have a “good faith belief” that his website was infringing their copyrights because a “good faith belief” requires the copyright holder “to conduct a reasonable investigation into the allegedly offending website.”<sup>52</sup> *Rossi* argued, consistent with *Diebold*, that there should be an “objective standard of review for gauging the reasonableness of [the copyright holder’s] conduct.”<sup>53</sup>

The Ninth Circuit rejected this argument, finding that “case law and the statutory structure of § 512(c) support the conclusion that the ‘good faith belief’ requirement in § 512(c)(3)(A)(v) encompasses a subjective, rather than objective, standard.”<sup>54</sup> The court noted that traditionally, federal laws requiring “good faith belief” are interpreted as having a subjective standard, and it saw no reason to deviate from this standard construction.<sup>55</sup> The court also noted that in § 512(f), Congress imposed liability for “improper infringement notifications . . . only if the copyright owner’s notification is a *knowing* misrepresentation.”<sup>56</sup> The court found that in order for a copyright holder to be liable for a knowing misrepresentation “there must be a demonstration of some *actual* knowledge of misrepresentation on the part of the copyright owner.”<sup>57</sup> *Rossi* rejected the objective constructive knowledge standard of *Diebold* for a subjective actual knowledge standard.

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46. *Id.* (citing BLACK’S LAW DICTIONARY (8th ed. 2004)).

47. *Id.*

48. *See id.* (concluding that “[a] party is liable if it ‘knowingly’ and ‘materially’ misrepresents that copyright infringement has occurred”).

49. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1002 (9th Cir. 2004).

50. *Id.*

51. *Id.*

52. *Id.* at 1003.

53. *Id.* at 1003–04.

54. *Id.*

55. *Id.*

56. *Id.* at 1004–05 (emphasis added).

57. *Id.* at 1005 (emphasis added).

C. *Fair Use Under § 107*

Generally, substantial use of a copyrighted work in a new work is considered infringement, but the fair use doctrine allows for use of copyrighted works in new works in certain instances. Codified in 17 U.S.C. § 107, the doctrine states that fair use of a copyrighted work is not an infringement.<sup>58</sup> The statute lists four factors to consider when determining if a particular use should be considered a 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.<sup>59</sup>

The first factor focuses on whether the new work (that is, the work that is using material from the previously existing work) “adds a further purpose or different character.”<sup>60</sup> It asks “whether and to what extent the new work is ‘transformative.’”<sup>61</sup> The second factor examines whether the work is “closer to the core of intended copyright protection.”<sup>62</sup> The Supreme Court has generally interpreted this factor to require an examination of whether the work is creative or fact based, on the assumption that creative works fall closer to the core of intended protection than do factual works.<sup>63</sup> The third factor compares the amount copied to the copyrighted work as a whole.<sup>64</sup> The final factor, the effect on the potential market, asks the court to analyze both the potential market for the copyrighted work itself and for derivative works based on the copyrighted work and examines how the use in question has affected or could

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58. 17 U.S.C. § 107 (2012).

59. *Id.*

60. *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1015 (9th Cir. 2001). The Ninth Circuit upheld the district court’s conclusion that downloading MP3 files did not consist of a “transformation,” noting that “[c]ourts have been reluctant to find fair use when an original work is merely retransmitted in a different medium.” *Id.* In *Campbell v. Acuff-Rose Music, Inc.*, the Supreme Court concluded that “parody has an obvious claim to transformative value” because as a form of criticism “it can provide social benefit, by shedding light on an earlier work, and, in the process, creat[e] a new one.” 510 U.S. 569, 579 (1994). For a more in-depth explanation of the four fair use factors, see Cattleya M. Concepcion, Note, *Beyond the Lens of Lenz: Looking To Protect Fair Use During the Safe Harbor Process Under the DMCA*, 18 GEO. MASON L. REV. 219, 223–35 (2010), and Joseph M. Miller, Note, *Fair Use Through the Lenz of § 512(c) of the DMCA: A Preemptive Defense to a Premature Remedy?*, 95 IOWA L. REV. 1697, 1714–17 (2010).

61. *Campbell*, 510 U.S. at 579.

62. *Id.* at 586. Fair use is more difficult to establish for works that are closer to the core. *Id.*

63. *See, e.g., id.* (listing prior Supreme Court cases that draw a distinction between factual and creative works under the fair use doctrine).

64. *Napster*, 239 F.3d at 1016. When examining this factor, courts look not only to the quantity taken but also to whether the portions of the copyrighted work taken are part of the “heart” of the work. *Campbell*, 510 U.S. at 587. When examining whether a rap parody of the song “Oh, Pretty Woman” by Roy Orbison was a fair use, the court noted that, when dealing with a parody, quotation or use “of the original’s most distinctive or memorable features” is often necessary in order to “‘conjure up’ at least enough of that original to make the object of its critical wit recognizable.” *Id.* at 588. However, the Court noted that a parody should use “no more . . . than necessary” for such recognition. *Id.* at 589.

affect those markets.<sup>65</sup>

Fair use is not easy to identify. The Supreme Court has suggested that “no generally applicable definition [of fair use] is possible, and each case raising the question must be decided on its own facts.”<sup>66</sup> Furthermore, at least one Supreme Court Justice has stated that “[t]he doctrine of fair use has been called, with some justification, ‘the most troublesome in the whole law of copyright.’”<sup>67</sup> Determining whether or not a particular use is a fair use is neither simple nor straightforward, and experienced judges often disagree over whether a particular case constitutes fair use.<sup>68</sup>

At least one commentator has suggested that unequivocal fair use does not exist.<sup>69</sup> Unequivocal fair use theoretically could occur “when an evaluation of the use reveals facts that fit so squarely within the fair use test so as to yield only one reasonable conclusion—that the use is fair use.”<sup>70</sup> Those who support the concept of clear or unequivocal fair use suggest that unequivocal fair use “is the most critical type of use to protect.”<sup>71</sup> But even those who believe that unequivocal fair use can exist understand that such use is rare due to the fact-intensive nature of the fair use analysis, which allows for “reasonable minds . . . [to] differ as to whether there is fair use.”<sup>72</sup>

Fair use is a vital doctrine in the copyright world to ensure that commentary and dialogue are not stifled and copyright holders do not use their rights to suppress speech and creativity.<sup>73</sup> However, its application is fraught with difficulty, and it is often tricky or impossible to determine whether a use will be determined to be fair use.<sup>74</sup>

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65. See *Castle Rock Entm’t, Inc. v. Carol Publ’g Grp., Inc.*, 150 F.3d 132, 145 (2d Cir. 1998) (explaining that a trivia book based on creative material from a television show was a derivative market that the copyright holder would want to develop). In *Campbell*, the court examined the effect of the parody not only on the market for the original Roy Orbison song but also for a rap version of “Pretty Woman.” 510 U.S. at 592–93.

66. *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985).

67. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 475 (1984) (Blackmun, J., dissenting) (quoting *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939)).

68. *Compare Sony Corp.*, 464 U.S. at 447–56 (concluding that the record supports the finding that home time-shifting is fair use), with *id.* at 475–86 (Blackmun, J., dissenting) (arguing that time shifting cannot be considered fair use). In *Sony Corp.*, owners of copyrighted television programs sued manufacturers of VCRs for copyright infringement. *Id.* at 421–25. In order to determine whether VCRs could be used for non-infringing purposes, the Court analyzed the taping of television programming by individual VCR owners under the fair use doctrine. *Id.* at 447–56. The Court split 5-4, with five justices concluding that such use did fall under the umbrella of fair use, while four justices concluded that taping did not constitute fair use. *Id.* at 457.

69. Matt Williams, *The Truth and the “Truthiness” About Knowing Material Misrepresentations*, 9 N.C. J.L. & TECH. 1, 39 (2007).

70. Jordan Koss, Note, *Protecting Free Speech for Unequivocal Fair Users: Rethinking Our Interpretation of the § 512(f) Misrepresentation Clause*, 28 CARDOZO ARTS. & ENT. L.J. 149, 153 (2010).

71. *Id.*

72. *Id.*

73. See Miller, *supra* note 60, at 1713 (describing the fair use doctrine as an attempt “to balance the economic incentive of a copyright with the public benefit derived from allowing certain uses of the copyrighted work”).

74. See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 476 (1984) (noting that the issue of fair use had come up twice before the Supreme Court and that in both cases “the Court was equally divided and no opinion was forthcoming” (citing *Williams & Wilkins Co. v. United States*, 420 U.S. 376 (1975); *CBS, Inc. v. Loew’s Inc.*, 356 U.S. 43 (1958))).

D. *Practical Concerns Under the Current Takedown Notice Procedure*

Both prior and subsequent to the passage of the DMCA, commentators voiced concerns about both the possible free speech implications of the DMCA and the potential for the abuse of the takedown notice provision.<sup>75</sup> Specifically, because the takedown process occurs largely outside of judicial supervision, it may be used to unconstitutionally silence Internet-users' speech.<sup>76</sup> Further, commentators worried that the process would be used to support spurious claims of infringement by companies against competitors' websites or against material critical of their organization.<sup>77</sup>

1. Free Speech Concerns

Commentators have argued that the extrajudicial takedown process outlined in § 512 creates an unfair and perhaps unconstitutional burden on the free speech rights of Internet users whose content is removed.<sup>78</sup> Users whose content is removed pursuant to a § 512 takedown notice are often unaware of the removal until after it occurs.<sup>79</sup> Moreover, even if the material was mistakenly removed, and the user correctly files a counter notice to have it reinstated, an ISP cannot reinstate the material for ten to fourteen days following the filing of the counter notice.<sup>80</sup> Depending on the timeliness of the content, this time period "may greatly diminish the value of the call to a protest, the competitive price, or the newsworthy blog entry."<sup>81</sup>

Consider an example. PETA attempts to organize a demonstration outside of a factor farm by posting information on its own website, perhaps including information from the farm's internal documents about animal handling procedures. The owner of the farm sends a takedown notice to the website hosting PETA's content. The hosting ISP would be required to remove the content and would not be permitted to repost the information for at least ten days, even if PETA immediately files a counter notice and

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75. See e.g., Amanda Beshears Cook, *Copyright and Freedom of Expression: Saving Free Speech from Advancing Legislation*, 12 CHI.-KENT J. INTELL. PROP. 1, 26 (2013) (arguing that "[t]he DMCA takedown notice procedure has as much 'chilling effect' on free speech as a prior restraint, and should be struck down as unconstitutionally restrictive"); R. Terry Parker, Note, *Sold Downstream: Free Speech, Fair Use, and Anti-Circumvention Law*, 6 PIERCE L. REV. 299, 305–06 (2007) (citing various critics that have argued that the anti-circumvention measures of the DMCA chill constitutionally protected speech); Derek J. Schaffner, Note, *The Digital Millennium Copyright Act: Overextension of Copyright Protection and the Unintended Chilling Effects on Fair Use, Free Speech, and Innovation*, 14 CORNELL J.L. & PUB. POL'Y 145, 147 (2004) (arguing that DMCA "grants too much power to the copyright holder and thus creates a chilling effect on fair use, free speech, future innovation, and competition").

76. See Cook, *supra* note 75, at 17 (noting that the absence of judicial supervision over the DMCA takedown procedures "leaves this process open to certain abuse").

77. See *infra* Section II.D.2 for a discussion of the potential for abuse of the DMCA takedown notice provisions.

78. Urban & Quilter, *supra* note 12, at 633–34. "Removal of speech from the Internet, with very little or no process, is a strong remedy for allegations of infringement, especially where there are so few recourses available to the targeted speaker." *Id.* at 682.

79. See 17 U.S.C. § 512(g) (2012) (requiring notification of user by ISP only after ISP receives takedown notification from copyright holder).

80. *Id.* § 512(g)(2)(C).

81. Urban & Quilter, *supra* note 12, at 637.

the farmer's claim has no underlying merit.<sup>82</sup> Whenever such time-sensitive material is posted on the Internet, similar time-lag issues could arise. Such time lags implicate free speech concerns because they limit the voice of speakers who are using the Internet as their medium.<sup>83</sup>

## 2. Potential for Abuse

Moreover, there is a potential for abuse of the takedown notice provision. A copyright holder may allege infringement in a takedown notice in order to have competitors' websites removed, or to block fair use of their copyrighted material in order to silence criticism of their organization. In 2006, the Chilling Effects Project collected takedown notices from a variety of sources, including all the notices received by Google and analyzed the content of those notices.<sup>84</sup> They found that thirty-one percent of notices sent under § 512(c) and (d) presented "significant questions related to the underlying copyright claim, including fair use defenses, other substantive defenses, very thin copyright, or non-copyrightable subject matter."<sup>85</sup> They concluded that almost one-third of the takedown notices that they reviewed had issues with the underlying infringement claim.<sup>86</sup> Of special concern to the authors of the study was the apparent use of the § 512 takedown process for other purposes: to gain a competitive advantage in the marketplace, to assert rights beyond those created by copyright, and to suppress fair use, commentary, and criticism.<sup>87</sup>

The authors suggested several changes to § 512 to help remedy these issues. They recommended "delaying the takedown until *after* an opportunity for counter notice has been offered" to avoid some of the constitutional concerns associated with the ten to fourteen day window in which the material must remain down.<sup>88</sup> They further proposed

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82. See 17 U.S.C. § 512(g)(2) (excepting ISPs from infringement liability when the ISP removes the offending content for at least ten days upon receipt of a takedown notice, among other requirements).

83. Urban & Quilter, *supra* note 12, at 682.

84. The Chilling Effects Clearinghouse is a self-described "unique collaboration among law school clinics and the Electronic Frontier Foundation." *About Us*, CHILLING EFFECTS, <http://www.chillingeffects.org/about> (last visited Aug. 15, 2014). Chilling Effects was created to assist users in "understand[ing] the protections that the First Amendment and intellectual property laws give to [their] online activities." CHILLING EFFECTS, <http://www.chillingeffects.org> (last visited Aug. 15, 2014). It is supported by the Berkman Center for Internet and Society, DePaul University College of Law, the Electronic Frontier Foundation, George Washington University Law School, Samuelson Law, Technology and Public Policy Clinic, Santa Clara University School of Law High Tech Law Institute, Stanford Center for Internet and Society, University of Maine School of Law, and USF Law School-IIP Justice Project. *Id.* During the time of Urban and Quilter's study, Google did not own YouTube or a similar hosting site. See Urban & Quilter, *supra* note 12, at 680 (noting during their study that Google's "hosting services are relatively new, and constitute a minority of notices from Google in our data set"). These statistics focus on takedown notices sent to Google's search engine to remove infringing sites from search results. *Id.* at 642. They also include notices sent to Chilling Effects by concerned citizens. *Id.* at 641–42.

85. Urban & Quilter, *supra* note 12, at 667. Section 512(c) lists the requirements to qualify for immunity under the DMCA for storage of user-generated content, and § 512(d) lists the same requirements for information location tools (search engines). 17 U.S.C. § 512 (c)–(d).

86. Urban & Quilter, *supra* note 12, at 667.

87. *Id.* at 687.

88. *Id.* at 688. Urban and Quilter acknowledge that "[t]he drawback to this suggestion is that the complainant would not get the nearly-immediate resolution of a copyright infringement problem that she does

“strengthening the § 512(f) defense” by “strengthening the remedies for abuses of [the takedown] process.”<sup>89</sup> As an example, they recommended permitting the recovery of punitive damages in addition to actual and nominal damages and attorneys’ fees.<sup>90</sup>

There is no doubt that the takedown notice provision of the DMCA creates concerns about free speech and abuse. But these concerns and the proposed remedies must be examined in context; that is, whether these concerns would be ameliorated or expanded without the DMCA, and whether the weight of these concerns outweighs the good that the DMCA does and the expression that it promotes by limiting the liability of ISPs.

### 3. The Difficulties of Takedown Notices in Practice

Today, much of the commentary on the DMCA focuses on takedown notices that are directed at sites that host user-generated content. User-generated content is defined as online content that is created with or disseminated by “tools specific to the online environment.”<sup>91</sup> Blog posts, wikis, and videos uploaded to YouTube or other sharing sites are all examples of user-generated content. With the growth of user-generated content online, the use of § 512 takedown notices has increased exponentially in the fourteen years since the passage of the DMCA.<sup>92</sup> For example, the recent case of *Viacom International, Inc., v. YouTube, Inc.*<sup>93</sup> stemmed from 79,000 alleged instances of copyrighted material owned by Viacom that Viacom alleged YouTube had hosted without authorization.<sup>94</sup>

Every minute, 100 hours of video are uploaded to YouTube<sup>95</sup>—more material than any company, even a large multinational corporation, could possibly monitor effectively without the assistance of technology.<sup>96</sup> As a result, large-scale holders of

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now.” *Id.* at 688–89. However, they concluded that because of “the substantial number of notices where judicial review is clearly necessary in [their] dataset . . . it seems that . . . [b]uilding some due process into the system is necessary.” *Id.* at 689.

89. *Id.* at 689–90. Section § 512(f) allows a user who has received a takedown notice to file a misrepresentation suit against a sender of a takedown notice who has made a “knowingly material misrepresentation” in his notice. 17 U.S.C. § 512(f).

90. Urban & Quilter, *supra* note 12, at 690.

91. Daniel Gervais, *The Tangled Web of UGC: Making Copyright Sense of User-Generated Content*, 11 VAND. J. ENT. & TECH. L. 841, 842 (2009).

92. Chilling Effects examined a set of fewer than 1,000 takedown notices sent to Google between March 2002 and August 2005—the total number of notices that Google received during that period. Urban & Quilter, *supra* note 12, at 641. By contrast, in the one-month period from June 2, 2014, to July 2, 2014, alone, Google received 25,612,218 URL takedown requests. *Transparency Report*, GOOGLE, <http://www.google.com/transparencyreport/removals/copyright/> (last visited Aug. 15, 2014).

93. 676 F.3d 19 (2d Cir. 2012).

94. *Viacom*, 676 F.3d at 26. The *Viacom* court held that only “actual knowledge or awareness of facts or circumstances that indicate specific and identifiable instances of infringement,” rather than mere awareness or knowledge that an ISP’s services are used for infringement, “will disqualify [an ISP] from the safe harbor.” *Id.* at 32.

95. *Statistics*, YOUTUBE, [http://www.youtube.com/t/press\\_statistics](http://www.youtube.com/t/press_statistics) (last visited Aug. 15, 2012).

96. *See How Content ID Works*, YOUTUBE, <https://support.google.com/youtube/answer/2797370?hl=en> (last visited Aug. 15, 2014) (calculating that it would take 36,000 employees working around the clock to keep up with the review of all the material uploaded to YouTube); Steven Seidenberg, *Copyright in the Age of*

copyrighted materials, such as telecom companies and music companies, use automated processes to scan large quantities of uploaded material in order to search for infringing content.<sup>97</sup> These programs are often referred to as copyright “bots.”<sup>98</sup> Some hosting sites, such as YouTube, have developed their own copyright-bot programs.<sup>99</sup> Other sites use third party companies to automatically remove material that appears to be infringing before a takedown notice has ever been sent.<sup>100</sup> Some large-scale copyright holders also use these third party companies in order to search hosting sites for their content.<sup>101</sup>

YouTube began development of its copyright-bot program, Content ID, in 2007.<sup>102</sup> Content ID and other similar programs work by creating a virtual fingerprint for audio content, visual content, or both, and matching it against a reference fingerprint database.<sup>103</sup> Google, YouTube’s parent company, spent over \$30 million and 50,000 engineering hours to develop this technology.<sup>104</sup> The amount of infringing material that exists and the number of DMCA takedown requests that are sent are staggering. YouTube’s Content ID program scans over 400 years of video every day.<sup>105</sup> YouTube has removed over 200 million videos as a result of their Content ID program.<sup>106</sup> In a recent report to the House Judiciary Committee, Google reported that it received 3 million DMCA takedown notices across all of its products in 2010, and 5 million by mid-November of 2011.<sup>107</sup>

The number of takedown notices sent to ISPs is growing at a staggering rate. Google maintains a database of takedown requests they receive for URLs in their search content.<sup>108</sup> From June 6, 2014, to July 4, 2014, Google received takedown

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*YouTube*, 95 A.B.A.J. 46, 49 (2009) (discussing the difficulties copyright owners face in policing sites featuring user-generated content due to the overwhelming volume of posts).

97. See Seidenberg, *supra* note 96, at 48 (speculating that Universal Music Group may have used an automated program to search for the allegedly infringing video that was the subject matter of its suit against Youtube).

98. Geeta Dayal, *The Algorithmic Copyright Cops: Streaming Video’s Robotic Overlords*, WIRED (Sept. 6, 2012, 6:00 AM), <http://www.wired.com/threatlevel/2012/09/streaming-videos-robotic-overlords-algorithmic-copyright-cops/2/>.

99. See *How Content ID Works*, *supra* note 96 (explaining YouTube’s Content ID system, which permits users to submit their content in order to have it scanned against content submitted by other users).

100. See Dayal, *supra* note 98 (explaining that streaming sites such as Ustream have third party companies provide tech solutions to screen streaming and uploaded content).

101. *Id.*

102. GOOGLE, HOW GOOGLE FIGHTS PIRACY 9 (2013), <https://docs.google.com/file/d/0BwxyRPFduTN2dVFqYml5UENUeUE/edit>.

103. Dayal, *supra* note 98.

104. *Stop Online Piracy Act: Hearing on H.R. 3261 Before the H. Comm. on the Judiciary*, 112th Cong. 108 (2011) [hereinafter *SOPA Hearing*] (statement of Katherine Oyama, Copyright Counsel, Google Inc.), available at [http://judiciary.house.gov/\\_files/hearings/printers/112th/112-154\\_71240.PDF](http://judiciary.house.gov/_files/hearings/printers/112th/112-154_71240.PDF).

105. *Statistics*, *supra* note 95.

106. Lauren Hockenson, *YouTube Co-founder Hurley: Loosen Copyright Rules Around Video*, GIGAOM (Aug. 2, 2013, 3:04 PM), <http://gigaom.com/2013/08/02/youtube-co-founder-hurley-loosen-copyright-rules-around-video/>.

107. *SOPA Hearing*, *supra* note 104, at 108 (statement of Katherine Oyama, Copyright Counsel, Google Inc.).

108. *Transparency Report*, *supra* note 92. This database does not include the data for takedown requests

requests for over 25,764,375 URLs on 40,438 domains from 4,446 copyright owners.<sup>109</sup> Google often receives more than one million removal requests each month from an individual organization or copyright holder—for example, BPI Ltd., the British Recorded Music Industry member group, sent Google 5,058,475 URL removal requests from June 19, 2014, to July 17, 2014.<sup>110</sup> Member companies of the Recording Industry Association of America sent Google 2,911,143 during the same period.<sup>111</sup>

The inherent nuances involved in identifying fair use, combined with the necessary limitations of an automated algorithm, suggest that it will be difficult, if not impossible, for a computer program to consistently and accurately identify fair use.<sup>112</sup> YouTube's official blog notes that its program to identify unauthorized use of copyrighted material, Content ID, "[cannot] identify context (like 'educational use' or 'parody') . . . [so] two videos . . . using the exact same audio clip . . . might be treated identically by Content ID . . . even though one may be fair use and the other may not."<sup>113</sup> Because of the complexity of the fair use doctrine, and because the importance of each factor is often context-dependent, even judges and copyright experts can disagree on what is fair use.<sup>114</sup> The decision in *Lenz v. Universal Music Corp.*, combined with the extent of copyright infringement on the Internet and the limits of human manpower to examine potentially infringing content, means that copyright holders cannot possibly hope to both comply with the fair use requirement and exercise their right to ensure infringing content is removed expeditiously.

#### E. *The Lenz Decision*

In *Lenz*, the United States District Court for the Northern District of California held that, even when applying *Rossi's* subjective good faith standard, § 512 requires a fair use analysis of allegedly infringing material prior to the issuance of a takedown notice and that an allegation that a takedown notice sender failed to perform such an analysis is sufficient to state a claim for misrepresentation under § 512(f).<sup>115</sup>

In 2007, Stephanie Lenz videotaped her young child dancing and uploaded the video to YouTube.<sup>116</sup> The song "Let's Go Crazy," by the artist Prince, played in the background of the video for approximately twenty seconds.<sup>117</sup> Universal Music

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for content hosted on YouTube, and timely data on the amount of takedown requests for YouTube content is difficult to obtain.

109. *Id.* (numbers as of July 4, 2014).

110. *Transparency Report: Copyright Owners*, GOOGLE, <http://www.google.com/transparencyreport/removals/copyright/owners/?r=last-month> (last visited Aug. 15, 2014).

111. *Id.*

112. See Williams, *supra* note 69, at 39 (arguing that there is no such thing as unequivocal fair use); Shenaz Zack, *Content ID and Fair Use*, YOUTUBE OFFICIAL BLOG (Apr. 22, 2010), <http://youtube-global.blogspot.com/2010/04/content-id-and-fair-use.html> (noting that "[r]ights holders are the only ones in a position to know what is and is not authorized use of their content").

113. Zack, *supra* note 112.

114. See *supra* note 67 and accompanying text for an example of a 5-4 Supreme Court split on whether a particular use was fair use.

115. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1154-55 (N.D. Cal. 2008).

116. *Id.* at 1151-52.

117. *Id.* at 1152.

Corporation, which owns the copyright to the song, sent YouTube a takedown notice pursuant to § 512 alleging copyright infringement.<sup>118</sup> YouTube removed the content and subsequently sent Lenz an email notifying her that it had done so in response to Universal's takedown notice.<sup>119</sup> Lenz then responded by sending a counter notification to YouTube pursuant to § 512(g), asserting that her video constituted fair use and was therefore not infringing.<sup>120</sup> YouTube eventually reposted the video.<sup>121</sup> Lenz sued Universal, alleging misrepresentation pursuant to § 512(f).<sup>122</sup>

The court framed the issue as whether the takedown provision “requires a copyright owner to consider the fair use doctrine in formulating a good faith belief that ‘use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.’”<sup>123</sup> That is, the court in *Lenz* sought to determine whether a fair use analysis is required to meet the subjective good faith standard established in *Rossi*.<sup>124</sup>

Universal argued first that fair use is an “excused infringement” rather than a use authorized by the copyright owner.<sup>125</sup> The court rejected this argument, reasoning that fair use, whether or not authorized by the copyright owner or by law, is clearly authorized by § 107.<sup>126</sup>

Universal next argued that any duty to evaluate fair use under the DMCA “would arise only *after* a copyright owner receives a counter-notice and considers filing suit.”<sup>127</sup> The court rejected this construction, finding instead that a good faith belief that use of the material is infringing requires a copyright owner to conduct a fair use analysis before issuing a § 512 takedown notice.<sup>128</sup> Therefore, the court held that “[a]n allegation that a copyright owner acted in bad faith by issuing a takedown notice without proper consideration of the fair use doctrine . . . is sufficient to state a misrepresentation claim pursuant to Section 512(f) of the DMCA.”<sup>129</sup>

The court dismissed Universal's argument that the fact-intensive nature of fair use analysis would prevent copyright owners from being able to react quickly to potential infringements if such an analysis must be done prior to issuing a takedown notice,<sup>130</sup> instead concluding that, in most cases, requiring a fair use analysis “will not be so complicated as to jeopardize a copyright owner's ability to respond rapidly to potential infringements.”<sup>131</sup> The court further noted that the “DMCA already requires copyright owners to make an initial review of the potentially infringing material prior to sending

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118. *Id.*

119. *Id.*

120. *Id.*

121. *Id.*

122. *Id.* at 1153.

123. *Id.* at 1154 (quoting 17 U.S.C. § 512(c)(3)(A)(v) (2000)).

124. *Id.*

125. *Id.*

126. *Id.*

127. *Id.*

128. *Id.*

129. *Id.* at 1154–55.

130. *Id.* at 1155.

131. *Id.*

a takedown notice; indeed, it would be impossible to meet any of the requirements of Section 512(c) without doing so.”<sup>132</sup> It thus concluded that while it doubted whether Lenz would ultimately show that “Universal acted with the subjective bad faith required by *Rossi*,” Lenz had nonetheless stated sufficient allegations to survive Universal’s 12(b)(6) motion for dismissal.<sup>133</sup>

*Lenz* opens the door to potential misrepresentation claims based on lack of a fair use analysis. *Rossi*’s subjective good faith standard appeared to make it more difficult to state a § 512 representation claim, but *Lenz* created a new opportunity for misrepresentation suits merely if a copyright holder fails to perform a fair use analysis.

#### F. *Post-Lenz Scholarship and Cases*

##### 1. The Scholarly Response

Many articles on the *Lenz* case have praised the decision either as a victory for creators of user-generated content over the large copyright conglomerates or as a step toward a better balance of power between users and copyright owners.<sup>134</sup> One commentator suggested that a fair use evaluation requirement is “an appropriate first step towards creating adequate protection for user-generated content on the Internet.”<sup>135</sup> She argues that § 512(f) fails to provide adequate protection for end users against abuse of the takedown provision because the subjective bad faith standard articulated by *Rossi* “makes it exceedingly difficult for an end-user to succeed in a claim for misrepresentation against a copyright holder.”<sup>136</sup> She suggests that *Lenz*’s fair use requirement properly enables the notice and takedown procedures under § 512 to maintain the crucial balance between a copyright owner’s monopoly rights and the rights of the public.<sup>137</sup> Furthermore, she suggests that the burden that a fair use analysis puts on copyright holders would not open them up to “unmanageable liability” because “[t]he user still has a significant hurdle to prove that the copyright holder acted in subjective bad faith when it determined that the use was not protected under fair use.”<sup>138</sup>

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132. *Id.*

133. *Id.* at 1156.

134. See, e.g., Koss, *supra* note 70, at 168 (praising *Lenz*’s reasoning because it provides support for replacing the § 512(f) subjective standard with an objective standard); Kathleen O’Donnell, Note, *Lenz v. Universal Music Corp. and the Potential Effect of Fair Use Analysis Under the Takedown Procedures of § 512 of the DMCA*, 2009 DUKE L. & TECH REV. 10, ¶ 1 (2009) (arguing that the *Lenz* holding strikes the appropriate balance between copyright protection and public access). But see Mareasa M. Fortunato, Note, *Let’s Not Go Crazy: Why Lenz v. Universal Music Corp. Undermines the Notice and Takedown Provisions of the Digital Millennium Copyright Act*, 17 J. INTELL. PROP. L. 147, 150 (2009) (arguing that *Lenz* should be overruled because it is contrary to the structure and purpose of the DMCA); Michael S. Sawyer, Note, *Filters, Fair Use & Feedback: User-Generated Content Principles and the DMCA*, 24 BERKELEY TECH. L.J. 363, 377–80 (2009) (arguing that the good faith standard in *Lenz* will inevitably ensnare fair uses of content).

135. O’Donnell, *supra* note 134, at Abstract.

136. *Id.* ¶¶ 18, 19.

137. *Id.* ¶ 1.

138. *Id.* ¶ 28.

Other scholarship suggests that, in order for the fair use analysis requirement to have any teeth, it must be accompanied by an objective standard for determining good faith, which *Lenz* takes an incremental step toward providing.<sup>139</sup> One commentator suggests that *Lenz*, coupled with the subjective *Rossi* standard, is “unlikely to deter overreaching copyright holders from curbing fair use or free speech in any significant way.”<sup>140</sup> He articulates the concept of “unequivocal fair use,” defining it as a use where “no reasonable copyright holder . . . could conclude that the use is anything but fair use under the four-factor test set out in 17 U.S.C. § 107.”<sup>141</sup> He argues that requiring an objective rather than a subjective standard for good faith belief would be sufficient to deter overreaching copyright holders in instances of unequivocal fair use.<sup>142</sup>

Still others argue that ISPs, content-hosting sites, and copyright holders should internalize and share the costs of having human review of content.<sup>143</sup> One commentator suggests that the burden of identifying potentially infringing content should be borne by content-hosting sites, while copyright owners should be responsible for providing the human review and fair use analysis before sending a takedown notice.<sup>144</sup> He notes, however, that “it seems that neither industry would agree to such a compromise because it forces both to internalize the large cost of considering fair use.”<sup>145</sup> As an alternative, he suggests that Congress could amend the DMCA to create liability for bad faith removal of content containing fair use by sites hosting user-generated content.<sup>146</sup>

All of these commentaries focus on the (very real) need to ensure that the extrajudicial processes of the DMCA do not result in chilling effects on speech and that the copyright protection provisions of the DMCA are not used for purposes such as stifling competition and criticism rather than protection of intellectual property. In contrast, only a few commentators consider the burden that *Lenz* places on copyright holders.<sup>147</sup>

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139. Koss, *supra* note 70, at 173–74; *see also, e.g.*, Miller, *supra* note 60, at 1725 (arguing that to give *Lenz* “teeth,” Congress should, among other things, revisit § 512(c) and require an objective good faith analysis); Matthew Schonauer, Note, *Let the Babies Dance: Strengthening Fair Use and Stifling Abuse in DMCA Notice and Takedown Procedures*, 7 *IS: J.L. & POL’Y FOR INFO. SOC’Y* 135, 161 (2011) (suggesting that Congress or the courts adopt an objective “known or should have known” standard). Andre Bleech suggests instead a modified “hybrid subjective/objective good faith standard that allows for the notice giver’s actual subjective good faith to satisfy the statute only in those situations where the community or society at large would acknowledge that good faith effort.” Andre Menko Bleech, Comment, *What’s the Use? Good Faith Evaluations of ‘Fair Use’ and Digital Millennium Copyright Act ‘Takedown’ Notices*, 18 *COMMLAW CONSPECTUS* 241, 266 (2009).

140. Koss, *supra* note 70, at 173.

141. *Id.* at 152–53.

142. *Id.* at 173–74.

143. *E.g.*, Sawyer, *supra* note 134, at 403.

144. *Id.*

145. *Id.* at 403–04.

146. *Id.* at 404.

147. *E.g.*, Warren B. Chik, *Paying It Forward: The Case for a Specific Statutory Limitation on Exclusive Rights for User-Generated Content Under Copyright Law*, 11 *J. MARSHALL REV. INTELL. PROP. L.* 240, 256–57 (2011) (noting that the case-by-case nature of fair use analysis makes it “quite burdensome for the copyright owners to make [a fair use] assessment”).

Following the *Lenz* decision, one commentator argued that requiring a fair use analysis before a takedown notice is sent “creates an improper burden on copyright owners to discharge what would be an affirmative defense in a potential infringement action.”<sup>148</sup> She contended that *Lenz* was incorrectly decided because its holding is inconsistent with the purpose of the DMCA, disregards federal pleading requirements, and disrupts the DMCA’s balance between copyright protection and free speech.<sup>149</sup> She concluded that “[s]ection 512 . . . cannot continue to provide protection for copyright holders, facilitate the free speech of internet users, and contribute to the continued growth and innovation of the internet if its procedures are undermined by the encouragement of the use [of] section 512(f) as a means of obtaining recourse.”<sup>150</sup>

Even prior to the *Lenz* decision, commentators worried about the effect of a fair use analysis on the notice and takedown provision of the DMCA.<sup>151</sup> Fair use is a nebulous concept, and learned judges disagree when determining whether or not use of a copyright should be considered fair use.<sup>152</sup> One commentator suggested that “[i]f copyright owners and Internet users are exposed to liability where a use is potentially fair or unfair, a chilling effect will often prevent them from exercising their rights.”<sup>153</sup>

## 2. Response of the Courts

Although the *Lenz* decision has been widely discussed, both in legal circles and beyond, only some courts have relied on its holding in their reasoning.<sup>154</sup> In *Ouellette v. Viacom International, Inc.*,<sup>155</sup> Todd Ouellette used Viacom’s copyrighted videos in

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148. Fortunato, *supra* note 134, at 150.

149. *Id.* at 167–71.

150. *Id.* at 172.

151. Williams, *supra* note 69, at 39–40.

152. See *supra* Part II.C for a discussion of the fair use doctrine under § 107.

153. Williams, *supra* note 69, at 39–40.

154. As of February 2014, eight cases have cited the *Lenz* decision in their reasoning. See *Teller v. Dogge*, No. 2:12-CV-00591-JCM, 2013 WL 5492693, at \*5 (D. Nev. Oct. 1, 2013) (supporting the proposition that the DMCA authorizes the take-down of copyrighted materials); *Disney Enters., Inc. v. Hotfile Corp.*, No. 11-20427-CIV, 2013 WL 6336286, at \*47 (S.D. Fla. Sept. 20, 2013) (citing the *Lenz* reasoning to deny copyright owners’ motion for summary judgment); *Tuteur v. Crosley-Corcoran*, No. 13-10159-RGS, 2013 WL 4832601, at \*7 (D. Mass. Sept. 10, 2013) (declining to follow *Lenz* and instead adopting the Ninth Circuit’s reasoning in *Rossi*); *Lenz v. Universal Music Corp. (Lenz II)*, No. 5:07-CV-03783-JF, 2013 WL 271673, at \*5 (N.D. Cal. Jan. 24, 2013) (citing *Lenz* for the proposition that a copyright owner must consider fair use before proceeding with a takedown notice under the DMCA); *Does 1-4 v. Arnett*, No. SACV 12-96-JST (ANX), 2012 WL 3150934, at \*3 (C.D. Cal. Aug. 1, 2012) (citing *Lenz* for the proposition that there is a valid misrepresentation claim under § 512(f) if a copyright owner acts in bad faith by issuing a takedown notice without considering the fair use doctrine); *Ouellette v. Viacom Int’l, Inc.*, No. CV 10-133-M-DWM-JCL, 2012 WL 850921, at \*3–4 (D. Mont. Mar. 13, 2012) (following the reasoning of the *Lenz* court), *adopted by*, No. CV 10-133-M-DWM-JCL, 2012 WL 1435703 (D. Mont. Apr. 25, 2012); *Shropshire v. Canning*, 809 F. Supp. 2d 1139 1148 n.3 (N.D. Cal. 2011) (following *Lenz* but noting that neither party directly employed its fair use defense); *Shropshire v. Canning*, No. 10-CV-01941-LHK, 2011 WL 90136, at \*6 (N.D. Cal. Jan. 11, 2011) (using the *Lenz* good faith analysis to determine whether certain material made fair use of the copyright).

155. No. CV 10-133-M-DWM-JCL, 2012 WL 850921 (D. Mont. Mar. 13, 2012) (quoting *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1154 (N.D. Cal. 2008)), *adopted by*, No. CV 10-133-M-DWM-JCL, 2012 WL 1435703 (D. Mont. Apr. 25, 2012).

critiques of Viacom programs that he posted on hosting websites such as YouTube.<sup>156</sup> Viacom sent him several § 512 takedown notices, to which he responded by sending counter notices pursuant to § 512(g).<sup>157</sup> After receiving the counter notices, Viacom chose not to file any actions to seek a court order to keep the material off of the host site as required by § 512(g)(2)(C).<sup>158</sup> Ouellette alleged that Viacom's § 512(c) notices were knowing material misrepresentations and filed a § 512(f) misrepresentation suit.<sup>159</sup>

The United States District Court for the District of Montana in *Ouellette*, purporting to apply *Lenz*'s reasoning, noted that "in asserting its good faith belief of a copyright infringement under 17 U.S.C. § 512(c)(3)(A)(v), a copyright owner 'must evaluate whether the material makes fair use of the copyright.'"<sup>160</sup> The court explained that the knowing material misrepresentation standard in § 512(f) and the good faith belief requirement of § 512(c)(3)(A)(v) must be read in conjunction with one another.<sup>161</sup> Accordingly, the court concluded that "liability for a misrepresentation under § 512(f) may be imposed only upon a showing of a copyright owner's subjective bad faith . . . where the owner makes 'a knowing misrepresentation.'"<sup>162</sup>

Based on the information provided in the pleadings, the court determined that the record failed to demonstrate that Ouellette's conduct clearly qualified as fair use of Viacom's materials.<sup>163</sup> It further concluded that "Viacom's mere failure to use human oversight with the scanning software does not render it plausible that Viacom had actual knowledge that the software failed to identify a user's fair use of copyrighted material," and therefore granted Viacom's motion for judgment on the pleadings.<sup>164</sup>

### 3. *Lenz* Revisited

In January 2013, the United States District Court for the Northern District of California handed down another decision in the *Lenz* case, this time responding to both sides' motions for summary judgment.<sup>165</sup> The court explained more of the facts surrounding Universal's decision to send *Lenz* a takedown notice.<sup>166</sup> Universal's head of business affairs had instructed an employee, Sean Johnson, to monitor YouTube.<sup>167</sup> Johnson searched for titles of popular Prince songs, and reviewed each video "to determine whether it used one or more of the songs in an unauthorized or infringing

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156. *Ouellette*, 2012 WL 850921, at \*1.

157. *Id.* at \*1, \*4.

158. *See id.* at \*4 (explaining that Ouellette's claim alleged that "each time YouTube properly processed his counter notices '[Viacom] admitted (via acts not direct wording) [that Ouellette's] video was Fair Use'").

159. *Id.* at \*1.

160. *Id.* at \*3.

161. *Id.*

162. *Id.*

163. *Id.* at \*4.

164. *Id.* at \*5–6.

165. *Lenz II*, No. 5:07-CV-03783-JF, 2013 WL 271673 (N.D. Cal. Jan. 24, 2013).

166. *Id.* at \*1.

167. *Id.*

manner.”<sup>168</sup> If he determined that a video clip contained infringing content, he placed that clip on a list that another employee incorporated into an email that Universal sent to YouTube asking them to remove the infringing videos.<sup>169</sup>

Discussing Lenz’s material misrepresentation claim, the court reviewed its holding on the fair use doctrine in its previous decision—that a fair use analysis is required prior to sending a takedown notice under § 512, and failure to perform such a fair use analysis is sufficient to state a claim for misrepresentation under § 512(f).<sup>170</sup> The court noted that the guidelines that Universal used to determine whether or not to send a takedown notice did not explicitly mention or analyze fair use.<sup>171</sup> Universal argued that, although it “did not consider fair use *per se*, [it] did consider a number of factors that would be relevant to a fair use determination.”<sup>172</sup> Universal further suggested that “requiring anything more would be inconsistent with the relatively uncomplicated review process envisioned by this Court [in the previous *Lenz* opinion].”<sup>173</sup> The court rejected this argument:

[T]he Court disagrees that it is sufficient for a copyright holder to consider facts that might be relevant to a fair use analysis without making any effort to evaluate the significance of such facts in the context of the doctrine itself. Because the question of whether something constitutes fair use is a “legal judgment,” proper consideration of the doctrine must include at least some analysis of the legal import of the facts. The Court concludes that at a minimum, for the reasons discussed at length in its prior order, a copyright owner must make at least an initial assessment as to whether the fair use doctrine applies to the use in question in order to make a good faith representation that the use is not “authorized by law.”<sup>174</sup>

The court, in clarifying the fair use analysis it prescribed in its previous holding, held that prior to the issuing of a takedown notice, not only must the individual fair use factors be considered, but the copyright holder must perform a legal evaluation of the facts that inform a fair use analysis in order to come to a good faith belief that content is infringing.<sup>175</sup>

The court went on to reject Lenz’s argument that Universal’s admission that it failed to consider fair use is sufficient to establish liability under § 512(f).<sup>176</sup> It held instead that in light of the subjective good faith belief requirement articulated in *Rossi*, “it appears that Universal’s mere failure to consider fair use would be insufficient to

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168. *Id.*

169. *Id.* Universal first unsuccessfully argued that the DMCA should not apply in this case because their notice did not constitute a “notification of claimed infringement” under § 512 and therefore “any misrepresentations contained therein cannot give rise to DMCA liability.” *Id.* at \*3. The court also rejected Universal’s argument that “YouTube is ineligible for the protection of the DMCA’s safe harbor provision.” *Id.* at \*4. The court rejected this argument in large part because similar reasoning was also rejected by the Second Circuit in *Viacom International, Inc. v. YouTube, Inc.*, 676 F.3d 19 (2d Cir. 2012).

170. *Lenz II*, 2013 WL 271673, at \*4–5.

171. *Id.* at \*5.

172. *Id.* at \*6.

173. *Id.*

174. *Id.* (citations omitted).

175. *Id.*

176. *Id.*

give rise to liability under § 512(f).<sup>177</sup> Instead, for liability to attach, Lenz “must demonstrate that Universal had some *actual knowledge* that its Takedown Notice contained a material misrepresentation.”<sup>178</sup>

The court next considered Lenz’s contention “that Universal could not have formed a good faith belief that her use of Prince’s song was not fair use because Universal’s takedown procedures ignored the question of fair use entirely.”<sup>179</sup> Lenz argued that “a showing of willful blindness would be sufficient to show an absence of good faith under *Rossi*’s subjective standard.”<sup>180</sup>

In addressing the second willful blindness factor,<sup>181</sup> the Court determined that a trier of fact could conclude that “Universal took deliberate actions to avoid learning whether any particular use of one of Prince’s works was protected by the fair use doctrine.”<sup>182</sup> The court based its holding on the fact that the Universal employee reviewing YouTube postings for infringement was not trained on or informed of fair use.<sup>183</sup> However, the court also concluded that “Lenz [did] not present evidence suggesting that Universal subjectively believed either that there was a high probability that any given video might make fair use of a Prince composition or that her video in particular made fair use of Prince’s song.”<sup>184</sup> The court therefore concluded that neither Lenz nor Universal was entitled to summary judgment.<sup>185</sup>

### III. DISCUSSION

This Section shows that the good faith belief requirement of § 512(c)(3)(A)(v) cannot be read to require a fair use analysis of every allegedly infringing piece of content before a takedown notice is sent. Such a requirement is inconsistent both with the purpose of the DMCA and with the Ninth Circuit’s decision in *Rossi* that a subjective standard must be applied to the good faith belief requirement. In addition, such a requirement would render the takedown notice provision of the DMCA effectively toothless because of the amount of infringing content that exists on the Internet and the necessary limitations of the technologies used to detect such content.

#### A. *A Fair Use Prerequisite Is Inconsistent with the Subjective Good Faith Standard Articulated in Rossi*

In the first *Lenz* decision, the court paid lip service to the subjective good faith standard articulated in *Rossi*.<sup>186</sup> *Rossi* held that “[a] copyright owner cannot be liable

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177. *Id.*

178. *Id.* (emphasis added).

179. *Id.* at \*7.

180. *Id.*

181. See *supra* notes 32–35 and accompanying text for a discussion of copyright law’s willful blindness standard and its application to § 512(f).

182. *Lenz II*, 2013 WL 271673, at \*7.

183. *Id.*

184. *Id.*

185. *Id.* at \*8.

186. See *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1155 (N.D. Cal. 2008) (noting that a copyright owner’s belief that something is not fair use will rarely meet the subjective bad faith requirement

simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake.”<sup>187</sup> Instead, *Rossi* requires a “demonstration of some *actual* knowledge of misrepresentation on the part of the copyright owner.”<sup>188</sup>

Section 512(c)(3)(a)(v) requires a takedown notice to contain “[a] statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”<sup>189</sup> Section 512(f) further creates a cause of action against a person who “*knowingly materially misrepresents . . . that material or activity is infringing.*”<sup>190</sup> The *Rossi* court analyzed these two provisions together:

Juxtaposing the “good faith” proviso of the DMCA with the “knowing misrepresentation” provision of that same statute reveals an apparent statutory structure that predicated the imposition of liability upon copyright owners only for knowing misrepresentations regarding allegedly infringing websites. Measuring compliance with a lesser “objective reasonableness” standard would be inconsistent with Congress’s apparent intent that the statute protect potential violators from *subjectively* improper actions by copyright owners.<sup>191</sup>

*Rossi* required that the complaining party have *actual* knowledge that the alleged material was not infringing.<sup>192</sup> Thus, if the allegedly infringing party showed that a sender of a takedown notice knew that a particular use was fair use, it follows that such a showing would be sufficient to state a misrepresentation claim under § 512(f). The *Lenz II* court confirmed this when it held “[i]n light of *Rossi*, it appears that Universal’s mere failure to consider fair use would be insufficient to give rise to liability under § 512(f).”<sup>193</sup> The court concluded, “*Lenz* thus must demonstrate that Universal had some actual knowledge that its Takedown Notice contained a material misrepresentation.”<sup>194</sup>

In contrast, by requiring a copyright holder to perform a fair use analysis prior to sending a takedown notice, the original *Lenz* decision essentially created an objective standard for determining whether a copyright holder had a good faith belief that material was infringing.<sup>195</sup> The *Lenz* court effectively read a constructive knowledge standard into the good faith belief and knowing material representation language of § 512.<sup>196</sup>

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needed to prevail in a misrepresentation action).

187. *Rossi v. Motion Picture Ass’n of Am., Inc.*, 391 F.3d 1000, 1005 (9th Cir. 2004).

188. *Id.* (emphasis added).

189. 17 U.S.C. § 512(c)(3)(A)(v) (2012).

190. *Id.* § 512(f) (emphasis added).

191. *Rossi*, 391 F.3d at 1005.

192. *Id.*

193. *Lenz II*, No. 5:07-CV-03783-JF, 2013 WL 271673, at \*6 (N.D. Cal. Jan. 24, 2013). The second *Lenz* decision went on to hold that because *Lenz* may still be able to show at trial that Universal was willfully blind, her claim could withstand Universal’s motion for summary judgment. *Id.* at \*8.

194. *Id.*

195. See *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1154–55 (N.D. Cal. 2008) (explaining that a copyright owner must conduct a fact-intensive fair use analysis in order to proceed under the DMCA with a subjective “good faith belief” of infringement).

196. *Id.*

A good faith belief is based on subjective belief.<sup>197</sup> Therefore, if a copyright owner subjectively believes that material is infringing, it should not matter whether the owner applied the fair use doctrine—the owner may not know about the existence of the doctrine or may have incorrect knowledge about the requirements of fair use. Regardless, the owner could form a good faith belief that there is an infringement without an analysis of the fair use factors. This is, in fact, what happened in *Lenz*.<sup>198</sup> An employee of Universal viewed Stephanie Lenz’s video clip and determined that there was infringement based on the following facts: “[I]t was titled ‘Let’s Go Crazy #1’; he recognized the song in the background ‘right off the bat’; the song was loud and played through the entire video; and the audio track included a voice asking the children whether they liked the music.”<sup>199</sup> The employee also said that he “considered whether Lenz’s video made ‘significant use’ of Prince’s song and whether the song was the ‘focus’ of the video.”<sup>200</sup> Despite this review, and despite the fact that the employee actually incorporated some of the factors relevant to the fair use doctrine, the *Lenz II* court held that the employee’s review did not satisfy its previously articulated fair use analysis prerequisite because such an analysis must “include at least some analysis of the legal import of the facts.”<sup>201</sup> The *Lenz II* court suggested that in order to satisfy its fair use analysis requirement, a copyright owner must perform some legal synthesis of the facts and factors of the fair use doctrine.<sup>202</sup>

Such a fair use analysis, while it utilizes subjective factors, is partially an objective test—it mandates the consideration of four specific factors.<sup>203</sup> Further, it requires analysis of the factors based on the facts of the specific case in order to form a “legal judgment.”<sup>204</sup> Requiring a copyright owner to go through a specific fair use analysis and make such a legal judgment in order to form her opinion on whether or not material is infringing *is* an objective standard for “good faith” because it requires a copyright owner to apply an objective test in order to come to its good faith belief. Therefore, the *Lenz* requirement of a fair use analysis and the *Rossi* application of a subjective good faith standard simply cannot be reconciled, and *Rossi*’s interpretation of the text and the purpose of the DMCA are simply more convincing than the *Lenz* court’s. Nowhere in the DMCA is an objective standard articulated. As Part III.D shows, a fair use requirement is inconsistent with the purpose of the DMCA.

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197. *Rossi*, 391 F.3d at 1004.

198. *Lenz II*, 2013 WL 271673, at \*5.

199. *Id.*

200. *Id.* at \*6.

201. *Id.*

202. *Id.*

203. See 17 U.S.C. § 107 (2012) (requiring the analysis of “(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”).

204. *Lenz II*, 2013 WL 271673, at \*6 (citing *Monge v. Maya Magazines, Inc.*, 688 F.3d 1164, 1183 (9th Cir. 2012)).

B. *A Fair Use Prerequisite Fails To Address the Concerns of Users*

The scholarly response to the reasoning in the original *Lenz* decision has been largely positive.<sup>205</sup> Commentators have framed the decision as a step in the right direction.<sup>206</sup> They have concluded that the fair use requirement begins to address some of the free speech concerns and worries about abuse that the DMCA has raised.<sup>207</sup> This Part shows, instead, that while the fair use analysis required by *Lenz* puts a new burden on copyright holders, it fails to adequately address either of these concerns.

1. A Fair Use Prerequisite Inadequately Addresses Free Speech Concerns

The *Lenz* decision does nothing to address the concern identified by the Chilling Effects Project—that the lag between the takedown of allegedly infringing material and its reinstatement following the user’s filing of a counter notice raises free speech concerns.<sup>208</sup> When making an initial judgment, a copyright holder is likely to err on the side of infringement rather than fair use.<sup>209</sup> Therefore, she will likely file a takedown notice for cases she believes could go either way. Copyright holders often do not like critical uses of their work; conversely, if they see a use of their work as positive or market enhancing, they are unlikely to send a takedown notice.<sup>210</sup> Even if the copyright holder declines to litigate after a counter notification is filed, § 512 still requires the video to remain offline for ten to fourteen days.<sup>211</sup> A misrepresentation suit would occur after this ten to fourteen day window; therefore, any change to the requirements to state a claim for such a suit would obviously be unable to remedy the damage caused during the offline period.

For most fair users, the nominal damages that they might be awarded based on a § 512(f) misrepresentation claim are unlikely to be a sufficient incentive to bring such a suit.<sup>212</sup> While the statute does authorize recovery of attorneys’ fees in a misrepresentation suit, the actual damages, in terms of lost revenue, are likely to be minimal.<sup>213</sup> To remedy some of these concerns, the Chilling Effects Project has suggested allowing users whose content is taken down to sue for punitive as well as nominal and actual damages under § 512(f).<sup>214</sup> *Lenz* does not change the fact that no punitive damages are permitted under the statute. Because the *Lenz* holding is unlikely

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205. See *supra* Part II.F.1 for a discussion of the positive scholarly response to *Lenz*.

206. See, e.g., O’Donnell, *supra* note 148, ¶ 1 (arguing that the *Lenz* holding strikes the appropriate balance between copyright protection and public access).

207. E.g., *id.* ¶ 29.

208. See *supra* Part II.D.1 and accompanying footnotes for an explanation of the Chilling Effects Project’s free speech concerns.

209. See Urban & Quilter, *supra* note 12, at 652–53, for examples of copyright holders sending takedown notices to users who were critical of the holder’s work.

210. Cf. *id.* at 652, 662 (describing incidents where copyright holders sent takedown notices to users whose work was critical of their copyrighted material).

211. 17 U.S.C. § 512(g)(2)(C) (2012).

212. See Concepcion, *supra* note 60, at 233 (arguing that the current damages structure in the DMCA does not offer the opportunity for sufficient damages to be awarded to encourage users to file misrepresentation suits).

213. *Id.*

214. Urban & Quilter, *supra* note 12, at 690.

to incentivize users who receive takedown notices to bring misrepresentation claims, and because any such remedy that will eventually occur will happen well after the window is over, the *Lenz* decision is unlikely to address the time-lag issue.

## 2. A Fair Use Prerequisite Inadequately Addresses Inappropriate Motives

Requiring a fair use analysis addresses only the issue of the improper takedown of material that constitutes fair use; therefore, all of the other issues identified by commentators, including takedown notices sent with flimsy claims of ownership, or notices sent to get rid of competitors' websites, would still exist.<sup>215</sup> Furthermore, a fair use prerequisite may discourage a copyright holder from filing a takedown notice if she is worried about liability under § 512(f).<sup>216</sup> Because the court may find fair use, a copyright holder may decide that costs associated with the risk of a § 512(f) suit are not worth sending a particular takedown notice. The results of such a cost-benefit analysis are inconsistent with the purpose of the DMCA.<sup>217</sup>

Another major issue identified by the Chilling Effects Project was the abuse of the takedown notice provision, either to stifle criticism or commentary or to attack competitors' materials.<sup>218</sup> Although at first glance *Lenz* appears to address the first of these complaints, a close examination makes it clear that it is unlikely the *Lenz* decision will deter either of these types of abuse. If a copyright holder alleges copyright infringement to attack competitors or silence critics, a user may already state a claim of subjective bad faith and actual knowing material misrepresentation under § 512.<sup>219</sup> If the user is able to show bad faith, a requirement of a fair use analysis would be unnecessary for such a user to state a misrepresentation claim.<sup>220</sup> A fair use analysis requirement in such a case would not create a claim that would not otherwise exist. Requiring an analysis in such a case would not offer a rights holder any additional protection. Therefore, rather than being a step toward more effective protection of users, like many scholars suggest, the fair use doctrine will often create an additional burden for copyright holders without any corresponding protections for users.

### C. A Fair Use Prerequisite Cannot Be Realistically Implemented

The *Lenz* court makes two unsubstantiated claims in response to Universal's argument that requiring fair use analysis at the initial takedown notice phase would

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215. See *supra* Part II.D and accompanying footnotes for a discussion of the inadequacies of the fair use prerequisite.

216. See *supra* Part II.F.1 for a discussion of the chilling effect posed by the possibility of liability pursuant to § 512(f).

217. See *supra* notes 8–13 and accompanying text for a discussion of the history and purpose of the DMCA.

218. Urban & Quilter, *supra* note 12, at 687.

219. See *Online Policy Grp. v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1204–05 (N.D. Cal. 2004) (holding that the defendant's knowing material misrepresentation of copyright infringement in order to prevent the publication of embarrassing content was sufficient to state a § 512(f) representation claim).

220. See *id.* at 1204 (explaining that a party is liable under § 512(f) if it knowingly and materially misrepresents that an infringement occurred, which would be readily satisfied by a showing of bad faith).

prevent copyright owners from being able to quickly take action against infringers.<sup>221</sup> First, the court suggests that the DMCA “already requires copyright owners to make an initial review of the potentially infringing material prior to sending a takedown notice.”<sup>222</sup> Second, the court claims that “in the majority of cases, a consideration of fair use prior to issuing a takedown notice will not be so complicated as to jeopardize a copyright owner’s ability to respond rapidly to potential infringements.”<sup>223</sup> This Part examines each of these claims in turn.

The *Lenz* court asserts that the DMCA requires review of infringing material before a takedown notice.<sup>224</sup> However, based on a close analysis of the text of the statute, this assertion must be qualified. The court’s framing of the issue appears to be an amalgamation of two different requirements of a takedown notice. First, § 512(c)(3)(A)(iii) requires that the notice sender provide “[i]dentification of the material that is claimed to be infringing or to be the subject of infringing activity . . . and information reasonably sufficient to permit the service provider to locate the material.”<sup>225</sup> Second, § 512(c)(3)(A)(v) requires the sender of the takedown notice to make “a statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”<sup>226</sup> However, neither of these provisions requires *human* review of allegedly infringing content before a copyright holder sends a takedown notice.

Copyright holders, ISPs, and third party companies have developed computer technology that is able to identify potentially infringing content with greater and greater accuracy.<sup>227</sup> Because these copyright bots are automated, their ability to quickly scan large amounts of material far surpasses human capabilities to review the same material.<sup>228</sup> Copyright bots can identify both the allegedly infringing material and the information necessary for the ISP to locate the content, thus fulfilling the § 512(c)(3)(A)(iii) requirement.<sup>229</sup> No human review of the material identified by the copyright bots is required for such identification.<sup>230</sup>

While human review of allegedly infringing content would generally be sufficient to fulfill the “good faith belief” requirement embodied in § 512(c)(3)(A)(v) and *Rossi*, it is not a necessary condition.<sup>231</sup> One could imagine a circumstance that exists where

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221. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1155 (N.D. Cal. 2008).

222. *Id.*

223. *Id.*

224. *Id.*

225. 17 U.S.C. § 512(c)(3)(A)(iii) (2012).

226. *Id.* § 512(c)(3)(A)(v).

227. See *supra* Part II.D.3 for a discussion of large-scale copyright holders’ use of automated technologies to monitor online material for infringement.

228. See *supra* Part II.D.3 for a discussion of copyright bots’ ability to scan a large volume of uploaded content very quickly.

229. See *supra* Part II.D.3 for a discussion of the automated process of identifying potentially infringing material and notifying ISPs of its existence.

230. 17 U.S.C. § 512(c)(3)(A)(iii).

231. See *id.* § 512(c)(3)(A)(v) (providing that notification of claimed infringement must include a statement that the complaining party has “a good faith belief” that the material’s use is not authorized); *Rossi v. Motion Picture Ass’n of Am.*, 391 F.3d 1000, 1004 (9th Cir. 2004) (finding that the statute’s “good faith

YouTube's Content ID or a similar program found a 100% fingerprint match between a copyrighted video clip and a user-uploaded clip. Considering the time and money used to develop Content ID and the admitted accuracy and efficiency of such programs, a copyright holder could develop a good faith belief that the user-uploaded clip was infringing, even without viewing the video himself. Therefore, while the DMCA does require some review of content before the requirements of the takedown notice are satisfied, the law, as it is worded, does not require *human* review of such content. *Lenz*'s implication that it does is simply incorrect.<sup>232</sup>

The *Ouellette* court's suggestion that the use of scanning software without accompanying human review "does not render it plausible that Viacom had *actual* knowledge that the software failed to identify a user's fair use of copyrighted material" evinces both a misunderstanding of the limitations of automated software and a failure to take into account the willful blindness doctrine.<sup>233</sup> The original *Lenz* case clearly holds that an allegation of a failure to take into account fair use is sufficient to state a claim.<sup>234</sup> *Lenz II* contends that the willful blindness doctrine may be applied to takedown notices in a § 512(f) misrepresentation claim.<sup>235</sup> Had *Ouellette* argued that scanning software cannot accurately take into account fair use of content when searching for infringement, he could have claimed that Viacom's failure to have human oversight of its scanning software rendered it willfully blind to his fair use, therefore satisfying the knowledge requirement of *Rossi* and § 512.<sup>236</sup> The *Ouellette* court erred when it failed to consider the abilities and deficiencies of scanning software and the willful blindness doctrine.<sup>237</sup>

The *Lenz* court's second claim, that in most cases a fair use analysis "will not be so complicated as to jeopardize a copyright owner's ability to respond rapidly to potential infringements" falls apart once it is clear that human review would not otherwise be required to fill the § 512(c) takedown notice review requirements.<sup>238</sup> Two separate hypothetical examples will illustrate this.

First, imagine an independent recording artist who owns the full copyright in all of her songs. Assume again that she uses third party software to scan files on various torrent sites and YouTube and comes up with a list of several matches for her songs. After reviewing these matches, she concludes that some, such as a complete upload of her music video to YouTube and a torrent file of her entire album, are clearly infringement. But she also finds several other artists covering her songs, some using her songs within a home video with original content, and parodies of her songs. For

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belief" requirement contains a subjective standard).

232. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1155 (N.D. Cal. 2008) (noting that the DMCA "requires copyright owners to make an initial review of the potentially infringing material").

233. *Ouellette v. Viacom Int'l, Inc.*, No. CV 10-133-M-DWM-JCL, 2012 WL 850921, at \*5 (D. Mont. Mar. 13, 2012) (emphasis added), *adopted by*, No. CV 10-133-M-DWM-JCL, 2012 WL 1435703 (D. Mont. Apr. 25, 2012).

234. *Lenz*, 572 F. Supp. 2d at 1154-55.

235. *Lenz II*, No. 5:07-CV-03783-JF, 2013 WL 271673, at \*7 (N.D. Cal. Jan. 24, 2013).

236. *Ouellette*, 2012 WL 850921, at \*5. *Ouellette* was a pro se petitioner, and so he did not argue this in the pleadings.

237. *Id.*

238. *Lenz*, 572 F. Supp. 2d at 1155.

each of these, after deciding that she thinks the videos contain infringement of her copyright, she will have to go through the complex and unclear fair use analysis and then make a best guess before sending a takedown notice.<sup>239</sup> She may decide that a particular use is not fair use, and a court may ultimately agree with her. However, such a use may still be sufficient to state a misrepresentation claim under § 512(f) for the infringer alleging fair use.<sup>240</sup> As a result, the artist would have to go through costly discovery and file additional motions because under *Lenz*, such an assertion is sufficient to state a claim and withstand a 12(b)(6) motion to dismiss.<sup>241</sup> Far from not jeopardizing her ability to use the takedown notice provision, the *Lenz* reasoning would require this artist to consider the likelihood of a § 512(f) suit every time she sends a takedown notice for any content that the user might argue is a fair use of her copyrighted material.<sup>242</sup>

Second, consider the videos at issue in the recently decided case of *Viacom International, Inc., v. YouTube, Inc.*<sup>243</sup> Viacom alleged that over 79,000 clips on YouTube infringed their copyrighted material.<sup>244</sup> If each of those videos were only one minute in length, it would still take an employee working full time over thirty-two weeks to review all that material—and that does not take into account the time that would inevitably be necessary to perform a fair use analysis on any of those videos.<sup>245</sup> Requiring such human review would clearly interfere with a company's ability to respond quickly to infringement.

The Viacom case is by no means an outlier when it comes to the amount of extensive infringement of copyrighted content that exists online. Based on Google's transparency reports (which do not include takedown notices sent to YouTube), some large-scale individual copyright holders send several hundred thousand to over one million takedown notices per month to Google—more than could possibly be reviewed by a human in a cost-efficient and timely way.<sup>246</sup> To create such a human review requirement, then, is to essentially render impotent the purpose of the takedown notice provision of the DMCA.

*D. Because It Places Insurmountable Burdens on Rights Holders, a Fair Use Prerequisite Is Inconsistent with the Purpose of the DMCA*

The *Lenz* court asserted that “[a] good faith consideration of whether a particular use is fair use is consistent with the purpose of the [DMCA].”<sup>247</sup> Specifically, it suggested that a fair use analysis requirement would help increase the “efficiency of the

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239. See *supra* Part II.C. for an explanation of the fair use factors and the fair use analysis.

240. *Lenz*, 572 F. Supp. 2d at 1155.

241. *Id.* at 1156.

242. See *supra* Part III.C for a discussion of *Lenz*'s flawed proposition that a fair use analysis will not jeopardize a copyright owner's ability to respond quickly to potential infringement.

243. 676 F.3d 19 (2d Cir. 2012).

244. *Viacom*, 676 F.3d at 26.

245. Assuming an employee works a forty-hour week, 79,000 videos, divided by sixty minutes in an hour, further divided by forty hours in a week, equals 32.917 weeks.

246. See *Transparency Report*, *supra* note 110 (citing amount of takedown notices sent per month).

247. *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1156 (N.D. Cal. 2008).

Internet” and to expand “the variety and quality of services” available while ensuring that copyright owners’ rights are protected.<sup>248</sup> However, the *Lenz* court provided no authority for these statements.<sup>249</sup> More broadly, the purpose of the DMCA was to “adapt copyright law to the digital age” by assuring that copyright holders would have the tools necessary to protect their works from online piracy while also creating certain safe harbors for Internet service providers who were worried about vicarious liability.<sup>250</sup>

In order for a fair use analysis to fit into this legislative purpose, it would have to be shown that such an analysis does not tie the hands of copyright holders to the extent that the takedown provision is no longer an efficient means to address large-scale infringement on the web quickly and cheaply.<sup>251</sup> Contrary to the *Lenz* court’s claim, a fair use requirement does in fact tie the hands of copyright holders and effectively renders the takedown notice provision toothless.

#### IV. CONCLUSION

The *Lenz* court’s holding that a fair use analysis is required under § 512 is incorrect. Such a prerequisite is incompatible with the subjective good faith standard articulated in *Rossi*.<sup>252</sup> It is also inconsistent with the purpose of the DMCA—such a standard would render the takedown provision cumbersome and ineffective.<sup>253</sup> Moreover, it fails to provide the additional protections for users that its proponents believe it does.

The alternatives to the DMCA and subjective good faith standard articulated in *Rossi* are not palatable. With the *Lenz* decision, it is impossible for owners of large amounts of copyrighted material to protect themselves from large-scale infringement online without exposing themselves to liability under § 512(f). Without the safe harbors created by the DMCA, copyright holders could sue ISPs directly because of their users’ infringing activity under the vicarious liability copyright doctrine. While admittedly imperfect, the current contours of the DMCA provide the best alternative to balancing the rights of content owners with the free speech concerns of end users.

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248. *Id.* (quoting SEN. REP. NO. 105–190, at 2 (1998)).

249. *Id.*

250. See *supra* Part II.A for a discussion of the purpose of the DMCA.

251. See *supra* Part II.A for a discussion of the history and purpose of the DMCA.

252. See *supra* Part III.A for a discussion of the subjective good faith belief standard enunciated in *Rossi* and its discordance with *Lenz*’s proffered fair use prerequisite.

253. See *supra* Parts III.C–D for a discussion of the impossibility of implementing a fair use prerequisite in a practicable way that accords with the purpose of the DMCA.

