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INTERNET LAW UPDATE – 2015 COPYRIGHTS AND TRADEMARKS

PBI Seminar Pittsburgh, PA – April 16, 2015

Peter Watt-Morse



Introduction

- Copyright and Trademark Law and the Internet
 - Yellow Book
 - PDF Available
 - ➢ Blog:

http://blogs.morganlewis.com/sourcingatmorganlewis



Introduction

- Updates
 - Copyright Law
 - New Copyright Compendium Web Impact
 - Public Transmission Cable TV Aereo
 - Google Books
 - DCMA
 - Trademark Law
 - General Internet Issues
 - Specific Uses:
 - Google Adwords; Use on EBay
 - Domain Name Activity
 - .bank; Dispute Resolution Decisions

Copyright Compendium

- U.S. Copyright Office released the third edition of the Copyright Compendium on December 22, 2014: <u>http://copyright.gov/comp3/</u>
- Compendium serves as a guide to copyright law and copyright registration for U.S. Copyright Office.
- Last edition of the Compendium was published 20 years ago – many provisions updated to apply copyright law to the Internet.

Copyright Compendium

Electronic Publication

- Temporary digital copying of a work insufficient authorization for a work to be deemed "Published" for copyright purposes.
 - E-mail, pdf,, internal networks etc.
- Copyright owner must clearly authorize the reproduction or distribution of that work.

- Posting content to a website accessible to general public

- Rights to Comments
 - > Website users are "authors" of their user generated content ("UGC").
 - > To obtain copyright, website needs written assignment of user's rights

Include an assignment in "click-through" terms of service.

Copyright Compendium

Registration Issues

- Website registration only covers material perceptible to users content perceptible only after download not included.
- > Website registration only covers content must exist at the time the application is received applicant should identify version.
- Domain names and hyperlinks are not protected by copyright and cannot be registered – however website content that contains URLs can be protected and registered.
- Website photographs and graphics can be registered copyright office will not register lay-out of website (arrangement of text boxes, windows and borders) - not original works of authorship.

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Copyright Law – Public Performance

<u>ABC v. Aereo, Inc</u>. 134 S. Ct. 2498 (2014)

- Aereo captures broadcast TV transmissions in NYC over the air, and stores them for Internet transmission; Users watch recorded copies (even live); each user gets one antenna at Aereo and one copy; Aereo charges a monthly fee.
- Based on Cablevision decision (remote DVRs are individual copies not public performance), lower courts in 2d Circuit find it is a means for storage of private performances rather than public performance.

Copyright Law – Public Performance

- Supreme Courts reverses finds Aereo's activities constitute a "public performance " of ABC's works – cites provisions of 1976 Copyright Act that found cable companies provided a public performance of ABC programs and could not retransmit without permission.
- Supreme court limits ruling to "cable-like services" to distinguish from remote DVRs or new cloud technologies – court held that new technologies would be considered in a separate case.
- > Potential copyright legislation cable provision.

Copyright Law – Google Books

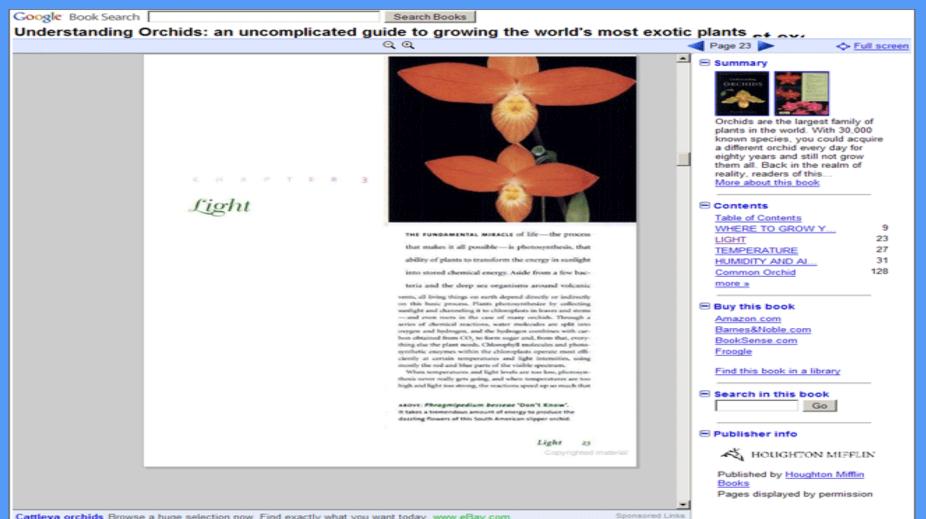
• Google Library

- Create Digital Copies of books in libraries to allow search and create electronic card catalog
- LOC turns down Google University of Michigan Library first now consortium of major libraries (including Harvard, Princeton, Stanford, Cornell, Oxford)
- Display Search Results in Four Manners
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Google Books - Litigation

- 2005 Authors Guild (as a class action) and Association of American Publishers file copyright infringement lawsuits vs. Google.
 - Creating digital copies without author/publisher permission is massive copyright infringement.
 - Google argues that is fair use since required to provide searching capabilities and only showing snippets unless have permission from author ad suspends scanning.
- Original Settlement Rejected by District Court 3/2011
- October, 2012 Publishers enter into settlement with Google
 - Settlement confidential and outside of court approval.

Google Books – Decision

<u>Authors Guild v. Google</u> 2013 U.S. Dist LEXIS 162198 (S.D.N.Y. 2013)

- Held Google's use of copyrighted book is fair use: the scanning for search was "highly transformative"; "provides significant public benefits", is a "invaluable research tool," "preserves out-of-print books," "facilitates access to books for print-disabled" and "creates new sources of income for authors and publishers."
- Authors Guild appealed to 2d Circuit
 - Argued on December 3, 2014
- Authors Guild lobbying Congress to create a non-profit organization similar to ASCAP for libraries paying subscription fee.

Google Books – HathiTrust Decision

<u>Authors Guild v. Hathitrust</u> 902 F.Supp.2d 445 (S.D.N.Y. 2012)

- Libraries form HathiTrust, consortium to hold digital copies from Google Book
- Court approves libraries meets four part test for Fair Use
 - Transformative use (allows search, disabled access)
 - Nature of Work (Library purposes research and scholarship)
 - Amount of Use (Search impossible unless copy entire work)
 - Effect of Use on Market for Work (Not distributing copies)
 - Section 108 permits libraries to make copies for preservation, damaged works, orphaned, out of print works, serving disabled patrons and providing transformative uses

Digital Millennium Copyright Act (DMCA)

- Section 512 Protections
 - Service Providers
 - Registration of Agents
 - <u>http://www.copyright.gov/onlinesp/agent.pdf</u>
 - Filing Fee \$105 for first agent/ \$35 for up to 10 additional

DMCA – You Tube

<u>Viacom Int'l v. YouTube, Inc.</u> 2010 WL 2532404(S.D.N.Y. 2010); Rev in part 2010 WL 1130851 (2nd. Cir. 2012); Affd 2013 WL 1689071 (S.D.N.Y. 2013).

- District Court dismissed Viacom's complaint while YouTube had general knowledge that copyright materials was uploaded by users, it did not know which clips had been uploaded with permission and which had not
- Specifically held that requiring sites to police every uploaded video would contravene operation of DMCA, noting that YouTube had successfully addressed a mass take-down notice issued by Viacom in 2007 for specific videos cited in a DMCA notice.

DMCA – You Tube

- Second Circuit reverses stating that knowledge of specific infringing activity not necessary – YouTube can be liable if "willfully blind" to specific infringement – facts precluded summary judgment.
- On remand, District Court again finds for YouTube no actual knowledge of specific infringements and did not have ability to control infringing activity – You Tube's response to DMCA notices was proper and Viacom's evidence were You Tube quotes taken out of context.
- March 18, 2014 Viacom and YouTube settle seven year lawsuit with no money exchanging hands – other terms confidential.
- > Lesson: Be careful if setting up policing activities.

DMCA – False Notices

• Section 512(f):

Any person who knowingly materially misrepresents in a DCMA notice that material is infringing or that material was removed by mistake is liable for damages, including costs and attorneys' fees, incurred based on the notice.

<u>Crossfit v. Alvies</u> 2014 U.S. Dist. LEXIS 7930 (N.D.Cal 2014) (submitted copyright notice for trademark dispute) <u>Flava Works v. Gunter</u>, 2013 U.S. Dist. LEXIS 125294 (N.D.III. 2013) (submitted DCMA notice for removed items)

Copyright Law – First Sale Doctrine

- Kirtsaeng v. John Wiley & Sons, Inc.
 - > U.S. Supreme Court, 133 S.Ct. 1351 (2013)
- Background:
 - Kirtsaeng bought copies of U.S. texts made and sold in Thailand, imported them to the U.S. and sold them in the U.S. – made profit of \$100,000
- Supreme Court holds:
 - "lawfully made under this title" means made with permission granted pursuant to U.S. copyright law
 - > Wiley's license provided copyright rights

Agreement consistent with world-wide copyright laws
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Copyright Law – First Sale Doctrine

- Strategies for copyright holders:
 - First Sale only applies to copies made and sold by or on behalf of the copyright owner
 - > Does not apply to *licensed* copies
 - > Put clickwraps and shrinkwraps around content
 - DMCA provides cause of action against breaking of digital rights management
 - DVD movies are region-encoded

Trademarks on Internet

- Internet Issues
 - International issues:
 - Unlike copyright, trademark protection does not extend outside country
 - Individual country registrations
 - First to file system
- Lesson: Obtain O.U.S. protection
- Trademark Use Issues:
 - Some use not protected by trademark law:
 - Descriptive Use vs. Trademark Use
 - Use in Domain names
- Lesson: Domain name part of trademark protection
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<u>Rosetta Stone v. Google</u> 730 F. Supp.2d 531 (E.D. Vir. 2010); Rev. in Part 676 F.3d 144 (4th Cir. 2012); Settled (10/31/2012)

- Claim of trademark infringement in allowing purchase of competitors trademarks as keywords as part of AdWords program (Program started in 2000) Google claims use functional.
- Ath Circuit potential claims of contributory trademark infringement and dilution allowed to go forward – no need to prove actual confusion.

- Settled on October 31, 2012 with Joint Announcement
- Current Google Adword Policy:
 - https://support.google.com/adwordspolicy/answer/6118
 - > Allows purchases of trademarks as keywords without restriction
 - > Reviews use of trademarks in text of advertisements
 - Complaint process for trademark owner
 - Investigate whether permitted use of trademark (Informational, Descriptive, Distributors, etc.)

<u>Tiffany Inc. v. eBay Inc.</u> 600 F.3d 93 (2d Cir. 2010)

- Tiffany brought a trademark infringement action against eBay
 - Sold Tiffany jewelry using the Tiffany trademark. Purchased sponsored links that advertised eBay listings for Tiffany items and assisted sellers to sell fake Tiffany products.
 - Study showed that of Tiffany items for sale on eBay, 73% were fake, 5% were authentic and 22% were not identifiable.

- Second Circuit holds:
 - The fair use defense protected eBay activities because eBay needed to reference the Tiffany name to identify the jewelry
 - Bay did not have the requisite level of knowledge of specific counterfeit activity for contributory infringement and when specific sellers were identified, eBay suspended them.
 - Bay had no affirmative duty to search for potentially infringing items without specific knowledge –Tiffany was responsible to police its own mark
 - eBay was not liable for trademark dilution because eBay did not try to confuse the Tiffany trademark with its own product

- Add Top Level Domains
 - > 8 Prior (1980's): .com. .edu. .gov, .org, .net, .int, .mil, .arpa –
 - > 7 added in 2000: .aero, .biz, .coop, .info, .museum, .name, .pro
 - > 6 added in 2009: .asia, .cat, .jobs, .mobi, .tel, .travel
 - .xxx added 2011
 - Not much 50 domain names used more than xxx

- 2014 Add over 60 additional Top Level Domains
 - Including .christmas, .coffee, .email, .house, .photo, .shoes, .today, and .wiki.
 - Experience Majority use original 8 over 50% use .com
- 2015 .bank to be added in Summer 2015
 - > Only banks can use name allow for enhanced security
 - > 70% of phishing attacks are using .com bank domain names

- Uniform Domain-Name Dispute Resolution Policy use Arbitration Panel
 - Issues "Bad Faith" Limited Remedy
 - Panels concerned will be Pro-Trademark Owner
 - Experience generally not pro-trademark owner
 - Appeal file lawsuit in 10 days to prevent transfer

- "____sucks" / "f***___" are not confusingly similar and are not
 transferred to TM owner.
- > "SpeedTest" and "Reliance" not exclusive to trademark owner.
- > Needs evidence of bad faith: "DeltaDentalofPA" "Snickersclothing"
- > Decision records:

http://arcive.ican.org/en/udrp/proceedings-list-name.htm



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