

DMCA provides pitfalls and remedies

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The Digital Millennium Copyright Act (DMCA) contains many remedies, as well as some pitfalls, for copyright owners. However, it also provides protections for alleged infringers.

Among other things, if an Internet service provider (ISP) — which has been broadly construed by the courts to include most website owners/operators — has designated with the U.S. Copyright Office an agent to receive notifications of claimed infringement, then the DMCA provides a safe harbor provision shielding the ISP from liability for copyright infringement under certain circumstances.

If your company has not recorded a DMCA designated agent filing with the U.S. Copyright Office, and receives a valid DMCA notice, without any misrepresentations, it may be liable for the copyright damages available to the copyright owner. But, if your company complies with the DMCA, has done the requisite filing, and acts promptly and appropriately upon receipt of the notice, then it may avoid liability for damages for copyright infringement on your company's website.

In addition, the DMCA provides a sword to the ISP in the form of a damages remedy available to the ISP, and the alleged infringer, for misrepresentations by a copyright owner in a takedown notice under the DMCA.

The DMCA defines a "service provider" broadly to mean "an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received." 17 U.S.C. Sec. 512(k).

An ISP is generally a "service provider" under the DMCA, but many other website owners/operators have found refuge in the

broad variety of Internet activities included under Sec. 512(k)(1)(B).

Recently, the U.S. District Court for the Southern District of New York considered the DMCA notices sent by a copyright owner to two ISPs and issued a preliminary injunction *against the copyright owner*, stopping the copyright owner from sending further takedown letters without court approval.

In *Biosafe-One Inc., et al. v Hawks, et al.*, the plaintiffs alleged that the defendants copied the plaintiffs' website, among other things. The plaintiffs, prior to the preliminary injunction hearing, submitted two DMCA notices to the defendants' web hosting companies, resulting in the shutdown of the defendants' website, and ultimately forcing them to host it overseas at a higher cost.

The defendants argued that filing these notices violated the DMCA's prohibition against misrepresentation. Both parties moved for preliminary injunctions, including a request by the defendants for damages based on alleged misrepresentations in the plaintiffs' DMCA notices.

The court held that the plaintiffs failed to demonstrate that they are likely to prevail on their infringement claim, and denied their motion for a preliminary injunction. The court then granted the defendants' motion for a preliminary injunction and ordered the ISP to reinstate the defendants' website.

The court then turned its attention to the defendants' request for damages under DMCA 17 U.S.C. Sec. 512(f), which provides:

"Any person who knowingly materially misrepresents ... 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."

The court, after reviewing the test of 17 U.S.C. Sec. 512(f), held that the defendants failed in their motion for a preliminary injunction to present sufficient evidence to prove a violation of Sec. 512(f): "While defendants have not demonstrated their likely success on the merits, they have demonstrated sufficiently serious questions going to the merits to make them fair grounds for litigation and a balance of hardships tipping in their favor. To succeed on their claim, defendants need only prove plaintiffs knew defendants were not infringing when they submitted the DMCA notices. Defendants have not yet had the opportunity to fully develop this theory."

The court went on to say that portions of a plaintiff's testimony lacked credibility, and a fair issue exists as to whether his statements that the defendants' website infringed when the plaintiff sent the DMCA notices were intentionally and knowingly false.

This opens the door to the defendants' potentially receiving a Sec. 512 damages award upon a full hearing on the merits. As in some other cases, the copyright owner in this case may find itself liable for damages for misrepresentations made in the copyright owner's DMCA takedown notice.

The bottom line is that while the DMCA provides some powerful remedies to copyright owners, it also presents some potential pitfalls, and potential liabilities. ■

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