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INTELLECTUAL PROPERTY

Cases Make Evidentiary Use Of Copyrighted Materials Easier



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In this digital age, electronic evidence is ubiquitous. Websites, blog postings, social media pages and e-mails abound. Even in the “real world” a video or still camera is almost always at hand—most smartphones and tablets have such a function. For lawyers, these materials are rich with potential evidence in a wide variety of cases.

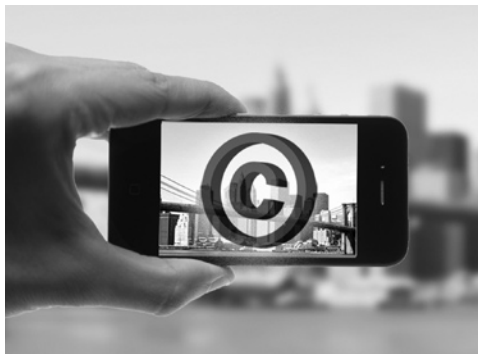
But what about rights to copyright? Under the Copyright Act, copyright vests as soon as copyrightable expression is fixed in a tangible medium—no registration being required. As soon as someone snaps a picture (or videos an event) on their iPhone, they are an author and hence copyright owner. Is a lawyer who gathers such evidence and submits it in a court or arbitration proceeding without permission an infringer?

Two recent cases in the U.S. Court of Appeals for the Second Circuit have fact patterns illustrative of how copyrighted materials can be used as evidence. *Hollander v. Steinberg*, 419 Fed.Appx. 44 (2d Cir. 2011) and *Scott v. Worldstarhiphop Inc.*, 2011 WL 5082410 (S.D.N.Y. 2011). These cases strongly suggest that such use will often be protected by the doctrine of fair use, codified at 17 U.S.C. §107.

‘Hollander’ and ‘Scott’

In *Hollander*, the plaintiff, an attorney acting pro se, had previously been a plaintiff in one federal gender-discrimination case and two state court cases (involving defamation and nuisance claims). The defendants in the copyright case, Paul Steinberg and Deborah Donovan, were attorneys who had represented the defendants in the earlier cases. The defendants-attorneys had obtained six essays from Roy Hollander’s website which conveyed Hollander’s “aggressively anti-Feminazi” worldview, and introduced the essays into evidence.

The essays were submitted (1) in opposition to Hollander’s motion to disqualify the judge in the federal gender-discrimination case, to show that the motion was really based on the fact that the judge was a woman; and (2) in the state cases in support of orders of protection in favor of Hollander’s neighbors and other persons.



Notably, the district judge in the later copyright case was unimpressed with the purported relevance of the essays—the court’s opinion squarely stating that the purpose of the submissions was to prejudice the judges in those prior proceedings.

Hollander sued the two attorneys for copyright infringement for their copying and submission of the essays in the earlier proceedings.

In *Scott*, plaintiff, Robert Scott, was a student at Berkeley College, who intervened in an altercation between his then-current and ex-girlfriends. Another student at the college observed the fight and video-recorded it on his mobile phone. The video was distributed to the college, various students, and a website, worldstarhiphop.com, where it was displayed to viewers. The plaintiff

Fair Use Analysis

In both cases, the district court dismissed the copyright infringement claims based on a fair use defense; in *Hollander*, that ruling was affirmed by the Second Circuit. *Scott* contains little analysis—it simply cited several cases and one treatise that held that evidentiary use of copyright materials is fair. *Hollander*, on the other hand, was more thorough, noting that “determination of fair use is an open-ended and context-sensitive inquiry.”

The fair use defense, originally a creature of common law, is now codified at 17 U.S.C. §107. The statute directs a court to consider four factors:

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include:

- (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.

On the first factor, the Second Circuit noted that the “purpose and character” of the use was not commercial, but part of a litigation

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and two girlfriends were disciplined for the fight, the plaintiff eventually being expelled. Meanwhile, Scott also purchased the copyright in the video for \$1 and registered it with the Copyright Office.

Scott brought a discrimination complaint against the college with the New York State Division of Human Rights. As part of its defense, the college submitted the video, and the claims were eventually dismissed.

Scott then brought a federal case, including two counts of discrimination against the college under Title IX of the Civil Rights Act, and one count of copyright infringement for use of the video in the Division of Human Rights proceeding.

proceeding. It relied on a congressional note to the statute that indicated that fair use would include “reproduction of the work in legislative or judicial proceedings or reports.”

On the second factor, the court was dubious as to whether Hollander’s posting of the essays on his website rendered them “published” works (as opposed to unpublished works for which fair use is harder to prove), but avoided the issue by holding that the other factors were sufficient.

On the third factor, the court noted that the full manuscripts were used, not merely excerpts, which would ordinarily weigh against a finding of fair use. However, it noted that in applying

this factor, the court is to “consider whether the quantity of the material used was reasonable in relationship to the purpose of the copying.” Here, the purpose was to prevail in litigation, and “litigants regularly produce documents in full.” The use, even if in full, appeared reasonable, and hence did not weigh against finding fair use.

On the fourth factor, the Second Circuit noted that “the focus is on whether the defendants are offering a market substitute for the original.” In evaluating this factor, both Supreme Court and Second Circuit law have emphasized that the harm to the original market work must come through diversion of its natural market, and not through, for example, harming demand through criticism. As the Supreme Court observed in a case involving parody and fair use:

[W]hen a lethal parody, like a scathing theater review, kills demand for the original; it does not produce a harm cognizable under the Copyright Act. Because “parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically,” the role of the courts is to distinguish between “[b]iting criticism [that merely] suppresses demand [and] copyright infringement, [which] usurps it.”

Campbell v. Acuff-Rose Music Inc., 510 U.S. 569, 591-92 (1994).

Applying the fourth factor, the Second Circuit noted that in the event that Hollander would ever offer his essays for sale, it was highly unlikely that potential customers would even be aware that copies could be found in court files, let alone go through the trouble of finding and copying them. There was no indication that the evidentiary use of the essays, in any way usurped the market for the essays, if such a market even existed.

Accordingly, the Second Circuit affirmed summary judgment based on the fair use defense.

The *Hollander* and *Scott* decisions are generally consistent with decisions outside the Second Circuit holding that use of copyrighted materials as evidence in legal proceedings is a fair use. See *Shell v. DeVries*, 2007 WL 4269047 (10th Cir. 2007); *Bond v. Blum*, 317 F.3d 385 (4th Cir. 2003); *Jartech Inc. v. Clancy*, 666 F.2d 403, 406-07 (9th Cir. 1982).

Another interesting and consistent case is *Healthcare Advocates Inc. v. Harding, Earley, Follmer & Frailey*, 497 F. Supp. 2d 627 (E.D. Pa. 2007), where the court held that the defendant law firm’s downloading of the plaintiff’s website pages from the “Wayback” service to investigate and defend a prior lawsuit brought by the same plaintiff against the firm’s client was a fair use.

Different Results

While generally reproducing a copyrighted work to use as evidence in litigation has been held to be a fair use, a few cases have reached a different conclusion where the creator was a professional whose purpose was to create a record of the events at issue.

In *Images Audio Video Prods. Inc. v. Perini Bldg. Co.*, 91 F. Supp. 2d 1075 (E.D. Mich. 2000), the defendant was a construction company that had been hired to build a casino and resort complex for a local Native American tribe. Construction industry custom was to retain a commercial photographer to document the progress of construction, and it was understood that a major

purpose of that was for use in any later disputes about the construction. The construction company hired the plaintiff photographer to make periodic pictures, and there was a detailed contract about charges, including hiring an airplane for use in the photography, number and delivery times of proofs and charges for extra copies. The construction company paid for the initial work and received the proofs. Later, the tribe was unsatisfied with the progress of the work and terminated it; the company filed an arbitration demand seeking millions of dollars in damages.

At that point, the construction company needed six sets of photographs, totaling some 1,800 in total, for use in the arbitration. The construction company balked at paying the copying charge (\$10 per copy), and unilaterally determined that it could simply make photocopies of the proofs it had in its possession. The photographer then brought suit for copyright infringement.

In reviewing the four statutory factors for fair use, the court noted the photographer had been hired for precisely the purpose of documenting the progress of construction for use in a potential later dispute. The “purpose and character” of the use was thus the same as that of the original work—use in litigation. The lack of any transformation of the work to a different purpose weighed against a finding of fair use.

Courts have rejected application of the fair use defense where the work involved a photographer whose job was to document events and charged a fee for copies, and application of the fair use defense would deprive the photographer of her customary fee.

Turning to the other factors, the court noted that (1) although the photographs were not artistic, the construction company apparently had thought it important enough to use a professional—who would add additional quality not available if simply assigned to a random, amateur employee; (2) most of the photographs were copied in toto, and the copies were nearly exact; and (3) since the original contemplated purpose of the original photography was to document the construction, the use of the photographs as evidence was an example of acting as a “market replacement” for the original. In essence, the photocopying of the proofs, rather than ordering copies, wholly “supplanted” the photographer’s exclusive right to reproduce the photographs guaranteed by the Copyright Act. Based on these factors, the fair use defense was thus rejected.

Other courts have also rejected application of the fair use defense where the work involved a photographer whose job was to document events and charged a fee for copies, and application of the fair use defense would deprive the photographer of her customary fee. See *Arkansas Democrat-Gazette Inc. v. Brantley*, 359 Ark. 75, 194 S.W.3d 748 (2004) (Arkansas Supreme Court ordered subpoena quashed, where subpoena was

issued in a personal injury lawsuit regarding an auto accident, and was directed to newspaper whose staff photographer had documented the accident, and photographs were available for a fee; court noted that photographs were newspaper’s property under Copyright Act and fair use would be unavailable); *Ross v. Miller’s Rexall Drugs Inc.*, 1990 WL 314290, 1991 Copr. L. Dec. P 26,786 (Ga. Super. 1990) (where plaintiff hired a “Certified Professional Evidence Photographer” to take pictures of defendant’s place of business for use in litigation, the defendant was not entitled to subpoena those pictures without paying his fee, and the fair use doctrine was not applicable).

Conclusion

Fair use is an “equitable rule of reason,” *Sony Corp. v. Universal City Studios Inc.*, 464 U.S. 417, 448 (1984), which “presupposes good faith and fair dealing.” *Harper & Row, Publishers Inc. v. Nation Enterprises*, 471 U.S. 539, 548 (1985). An important consideration is “whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.” *Id.* at 562. The results of cases involving use of copyrighted materials for litigation are consistent with the overall theme of equity and fairness.

Thus, generally, use of copyrighted work as evidence in litigation or arbitration will be held a “fair use,” so long as the use in litigation is a different use from that for which the owner generally employs the work, and thus the litigation use does not act as a “market substitute” for the original work. On the other hand, fair use generally will not apply where the work was created for the very purpose of documenting the events or objects in question in the litigation, and applying fair use would deprive a professional of his customary fee for his work.