

Copyrights, Metadata, and the “Double-Scienter Requirement” in the Eleventh Circuit

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DMCA

DIGITAL MILLENNIUM COPYRIGHT ACT

Last month, the Court of Appeals for the Eleventh Circuit weighed in for the first time on the scienter requirement for copyright infringement under Section 1202(b) of the Digital Millennium Copyright Act or “DMCA.” In *Victor Elias Photography, LLC v. Ice Portal, Inc.*, the Eleventh Circuit held that the DMCA has a “double scienter requirement” – not only does an alleged infringer need to know that so-called “copyright management information” or “CMI” has been removed or altered, the infringer *also* has to know that the removal would likely result in copyright infringement. In this decision, the Eleventh Circuit joined the Second and Ninth Circuits in holding that the defendant has to know that removing CMI would *likely* lead to future infringement, and not just make infringement possible or easier to accomplish.

Victor Elias, the sole owner of the plaintiff (“Elias”), is a professional photographer who specializes in taking photographs of hotels and resorts throughout the U.S., Mexico, and the Caribbean, which he then licenses to these hotels and resorts. Elias registers his photographs for copyright and embeds CMI in the metadata of the images, which identifies Elias as owner and is used to find instances of copyright infringement. The defendant, a division of Shiji (US), Inc., acts as an intermediary between hotels and online travel agents, such as Expedia, by providing images of the hotels to these agents. In order to optimize the quality of the photographs, Shiji converts them to a different format, which sometimes erases metadata, including the CMI.

Like any conscientious copyright owner, Elias regularly monitors the internet for evidence of copyright infringement. When, in 2016, he found unauthorized copies of his photographs on websites (including some non-online travel agent websites) from which his CMI had been stripped, Elias sued Shiji for violation of the DMCA. After discovery,

the district court granted summary judgment to Shiji, concluding that Elias could not satisfy the “second scienter requirement” of Section 17 U.S.C. § 1202(b) of the DMCA. In other words, Elias had not established that Shiji “knew or had reason to know that its actions would induce, enable, facilitate, or conceal infringement.” Elias then appealed to the Eleventh Circuit.

On appeal, the court noted that interpretation of Section 1202(b) of the DMCA was an issue of first impression in the Eleventh Circuit. That section prohibits a person from intentionally removing or altering CMI, or distributing works from which CMI has been removed or altered, “knowing, or . . . having reasonable grounds to know, that it will induce, enable, facilitate, or conceal [copyright infringement].” It was the last part of that provision that was at the crux of this dispute, and that the Eleventh Circuit sought to interpret.

The court looked to its sister Circuits for guidance, as both the Second and the Ninth Circuits had previously addressed this provision. In *Mango v. BuzzFeed, Inc.*, 970 F.3d 167 (2d Cir. 2020), the Second Circuit had held that, to establish a violation of Section 1202(b), a plaintiff must prove that the defendant distributed works originally containing CMI while (i) knowing that the CMI had been removed or altered without authorization and (ii) knowing or having reasonable grounds to know that such distribution “will induce, enable, facilitate, or conceal an infringement.” Those two knowledge elements are known as the “double-scienter requirement” of Section 1202(b). In *Stevens v. Corelogic, Inc.*, 899 F.3d 666 (9th Cir. 2018), the Ninth Circuit had similarly held that a violation of Section 1202(b) requires the defendant to possess the mental state of knowing, or having a reasonable basis to know, that the defendant’s actions “will induce, enable, facilitate, or conceal an infringement.”

Given the express language of the statute, Elias conceded that Section 1202(b) had a double-scienter requirement. Elias nonetheless argued that a defendant should be held liable if it knows, or has reasonable grounds to know, that its actions “make infringement generally possible or easier to accomplish.” Shiji, on the other hand, argued that a defendant must know or have reasonable grounds to know that removing CMI would *likely* lead to future infringement. In other words, the fight here was essentially about the probability of future infringement – does it have to be likely or just generally possible?

Following the reasoning of the Ninth Circuit in *Stevens*, the court concluded that Shiji had the better of the argument. As the court noted, under Elias’s proposed standard, “the defendant would always know that its actions would ‘induce, enable, facilitate, or conceal’ infringement because distributing protected images wrongly cleansed of CMI would always make infringement easier in some general sense.” The court reasoned that such an interpretation would “effectively collapse the first and second scienter requirements.” (It would also mean we wouldn’t get to use the fun phrase “double-scienter requirement!”).

Applying its statutory interpretation to this case, the court affirmed the district court, holding that Elias had failed to submit evidence sufficient to create a genuine issue of material fact as to whether Shiji knew or had reason to know that its actions “will induce,

enable, facilitate, or conceal infringement” of Elias’ copyrighted works. Elias had argued that Shiji’s involvement in a 2016 arbitration involving allegations of CMI removal, as well as examples of images of Elias’ photographs on non-party websites that had been stripped of his CMI, reflected that Shiji had or had reason to have such knowledge. The court, however, found that the arbitration was factually distinguishable and would not have given Shiji any reason to know that its software’s effects on CMI would make copyright infringement “likely.” Similarly, the court held that there was no evidence linking Shiji’s actions of removing CMI with the instances of infringement Elias had discovered online.

Did the court get it right? It seems so, at least on these facts, since there doesn’t appear to have been any evidence that Shiji knew or should have known that its action would make copyright infringement likely. The Eleventh Circuit’s statutory interpretation seems on the mark too – and is in accord with the conclusions reached by the Second and Ninth Circuits. What’s beyond doubt is that plaintiffs alleging a violation of Section 1202(b) have a very high burden indeed in these Circuits. Not just scienter – double-scienter!!