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### COMMENT

## THE CHALLENGES FOR FASHION DESIGNERS UNDER *LENZ* AND THE DIGITAL MILLENNIUM COPYRIGHT ACT

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### INTRODUCTION

The Ninth Circuit recently decided in *Lenz*<sup>1</sup> that a copyright holder must consider whether a content-user is protected by fair use before issuing a takedown notice under the Digital Millennium Copyright Act (DMCA). This comment applies *Lenz* to the flourishing 3D printing world and explains the new law's potential to burden small copyright holding companies, particularly those in the fashion industry. This comment discusses the relevant sections of the DMCA and the *Lenz* decision, and applies *Lenz* to current and future 3D printing issues.

### I. DMCA, *LENZ*, AND FAIR USE

In 1998, Congress enacted the DMCA in order to update copyright laws for the digital age.<sup>2</sup> Specifically, Congress enacted Title II of the DMCA, the Online Copyright Infringement Liability Limitation Act (OCILLA), to limit liability for Internet service-providers hosting user-generated

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<sup>1</sup> *Lenz v. Universal Music Corp.*, 801 F.3d 1126, 1133 (9th Cir. 2015).

<sup>2</sup> *Ellison v. Robertson*, 357 F.3d 1072, 1076 (9th Cir. 2004).

content, and to ensure copyright holders could still effectively protect their intellectual property.<sup>3</sup> Sections 512(c), (f), and (g) of OCILLA are pertinent to the takedown procedures at issue in *Lenz*.<sup>4</sup>

Service providers like YouTube and Reddit can avoid copyright infringement liability if they remove the potential infringing content from their site after the copyright holder notifies them of infringement.<sup>5</sup> This notice is referred to as a “takedown notification.”<sup>6</sup> Section 512(c)(3)(A) provides that a copyright holder must include certain information in the takedown notice, including identification of the copyrighted work, and the material that is allegedly causing infringement. Importantly, the copyright holder must state that it “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>7</sup>

Furthermore, to avoid liability, the service provider must notify the content-user of the takedown.<sup>8</sup> The user has a right to appeal the takedown, which involves sending a counter-notification to the service provider stating that the user believes in good faith that the content “was removed . . . as a result of mistake or misidentification . . . .”<sup>9</sup> As the intermediary in this process, the service provider must relay this counter-notification to the copyright holder and restore the content online in no more than fourteen days. These steps are often referred to as the DMCA’s put-back procedures.

If a copyright holder or a content user does not act in good faith throughout the DMCA’s takedown or put-back procedures, they may be subject to liability. Section 512(f) provides, in pertinent part, that “[a]ny person who knowingly materially misrepresents under this section (1) that material or

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<sup>3</sup> *Lenz*, 801 F.3d at 1131; 17 U.S.C. § 512.

<sup>4</sup> *Lenz*, 801 F.3d at 1131.

<sup>5</sup> 17 U.S.C. § 512(c).

<sup>6</sup> *Lenz*, 801 F.3d at 1131.

<sup>7</sup> *See id.* § 512(c).

<sup>8</sup> *See id.* § 512(g)(1)-(2).

<sup>9</sup> *See id.* § 512(g)(3)(C).

activity is infringing, or (2) that material or activity was removed or disabled by mistake or misidentification, shall be liable for any damages . . . .”<sup>10</sup> This threat of liability may be a catalyst for copyright holders to expend resources to ensure sufficient takedown notices.

In *Lenz*, the Ninth Circuit evaluated the sufficiency of a takedown notice, specifically, whether the copyright holder had a good faith belief that the law did not authorize the content’s use.<sup>11</sup> The lawsuit was sparked by a takedown notice from Universal Music Corp. (“Universal”) to YouTube regarding a 29-second home video of Lenz’s one-year-old son dancing to *Let’s Go Crazy* by Prince, which was playing on Lenz’s stereo in the background.<sup>12</sup> A Universal legal assistant assigned to monitor YouTube for potential infringement on Prince’s copyrighted music found the video.<sup>13</sup> After receiving Universal’s takedown notice, YouTube removed the video from the website and notified Lenz, who then filed a counter-notification.<sup>14</sup> Lenz argued that although Universal’s notice contained a “good faith” statement, as required by section 512(c), the statement did not address whether Lenz’s use was protected by fair use, and therefore Universal did not actually form a good faith belief about the legality of her use.<sup>15</sup> The court narrowed the issue to whether “copyright holders have been abusing the extrajudicial takedown procedures provided for in the DMCA by declining to first evaluate whether the content qualifies as fair use.”<sup>16</sup>

The Ninth Circuit held that the DMCA takedown procedures require a copyright holder to evaluate fair use before sending a takedown notice under section 512(c).<sup>17</sup> The court reasoned that the DMCA’s fair use provision, as set forth in 17 U.S.C. § 107, is a type of non-infringing use, and that such use is

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<sup>10</sup> *See id.* § 512(f)

<sup>11</sup> *Lenz*, 801 F.3d at 1129.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 1130.

<sup>15</sup> *Id.* at 1134.

<sup>16</sup> *Id.* at 1129.

<sup>17</sup> *Id.* at 1133.

a content user's right as "authorized by the law."<sup>18</sup> The court explained that "[f]air use is not just excused by the law, it is wholly authorized by the law."<sup>19</sup>

Fair use is a nebulous doctrine. It means that an entity may use another's copyrighted material without permission in certain circumstances. The *Lenz* court seemed to acknowledge that, in the DMCA context, although difficult fair use cases might not arise frequently, human review was necessary when such issues did arise.<sup>20</sup> The court quelled fears that fair use consideration would place a large burden on copyright holders, by emphasizing that the statute only requires a good faith and subjective belief that the use is not fair. The court stated that the consideration of fair use "need not be searching or intensive."<sup>21</sup> The court also stated in dicta, that copyright holder algorithms that scan the internet for infringing material may be sufficient to fulfill the fair use consideration requirement.<sup>22</sup> However, if a copyright holder provides insufficient notice to satisfy the fair use requirement, and there is strong evidence to the contrary, such notice could likely result in section 512(f) liability.<sup>23</sup> In the wake of *Lenz*, questions remains as to how a copyright holder satisfies the fair use consideration requirement.

## II. APPLICATION OF *LENZ* TO 3D PRINTING

Fashion designers who wish to protect their copyrights from infringement by the ever-growing 3D printing community will have to search through service provider websites for potentially infringing content. These designers are subject to the takedown procedures, as set forth in 17 U.S.C. § 512(c)-(g) and *Lenz*. The takedown process for designers is similar to the process detailed in *Lenz*; however, fashion industry designers may have fewer resources to devote to policing their copyrights than entertainment companies such as Universal. Copyrightable

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<sup>18</sup> *Id.* at 1133; 17 U.S.C. § 512(c)

<sup>19</sup> *Lenz*, 801 F.3d at 1132.

<sup>20</sup> *Id.* at 1135-36.

<sup>21</sup> *Id.* at 1135.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 1134-35.

fashion designs, which may be expensive and valued in the free market, could be transformed into computer-aided design (“CAD”) files, and those files may become available online. Many fashion designers could struggle to police these infringements. Algorithms, like those used by the entertainment industry to scour the internet for infringing content, will surely be available to fashion designers in the future, but at a cost. Even with such a tool, *Lenz* indicated that an algorithm alone would not always (if ever) fulfill the takedown notice requirements. Adding fair use consideration to the DMCA’s takedown procedure is a positive step toward protecting content users from harassment by big copyright holders, but it appears that it will also be an additional hurdle for small copyright holders, such as fashion designers. These designers now face a higher risk of liability for sending takedown notices.

### III. THE DMCA AND 3D PRINTING

How the DMCA applies to sites, such as Reddit and YouTube, is identical to how it applies to 3D printing-focused sites, such as Shapeways and Thingiverse. These sites, also termed “service providers,” host digital CAD files, which users can create, alter, and upload to the site. Those files are then available to download to home 3D printers. The 3D printer is then able to create a growing array of objects. If, and when, a CAD file on a 3D printing site infringes on a copyright holder’s work, that copyright holder is able to initiate the DMCA takedown procedure. The application of the DMCA to 3D printing sites, such as Shapeways, is evidenced by the site’s legal policy page, which clearly warns users to not infringe on others’ copyrights, provides a basic background on fair use, and also details the takedown process under the DMCA.<sup>24</sup> Although Shapeways’ legal page provides the language of sections 512(c) and (g), it does not specify that a takedown notice must include consideration of fair use.<sup>25</sup> Moreover, Thingiverse does not offer any guidance on the DMCA.<sup>26</sup>

A key case in copyright law offers an example of a

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<sup>24</sup> *Shapeways Content Policy and Notice Takedown Procedure*, SHAPEWAYS, [http://www.shapeways.com/legal/content\\_policy](http://www.shapeways.com/legal/content_policy) (Dec. 12, 2015).

<sup>25</sup> *Id.*

<sup>26</sup> THINGIVERSE, <https://www.thingiverse.com> (last visited Dec. 12, 2015).

copyrighted object that could be susceptible to infringement by 3D printers—the belt buckle in *Kieselstein-Cord*. In *Kieselstein-Cord*, the court held that a belt buckle possessed sufficient design qualities, aside from its practical uses, to warrant it being copyrightable.<sup>27</sup> There are many more decorative belt buckles, aside from Kieselstein-Cord's, that are ripe for infringement. Michael Lynch mentions that Ray Kurzweil, Head of Engineering at Google, believes that 3D printing technology will soon allow consumers to print their own fabrics and clothing at home. While such an advancement would trigger a major paradigm shift in the clothing industry, it should not be overlooked that consumer-grade 3D printers already have the technology to print metals and heavy plastics—perfect for making belt buckles.<sup>28</sup> Additionally, as evidenced by the Game of Thrones phone charger, designed by a private user and prepared for sale online without the permission of HBO, the issue of the DMCA and 3D printing extends far beyond the realm of fashion design.

Imagining a scenario where a belt buckle designer's copyright could be infringed is not too difficult. A person could find a beautiful, historical, and justifiably valuable, Western-style belt buckle while antiquing in Bisbee, Arizona for the weekend. Imagine a scenario where a person has advanced knowledge of CAD programing, such that she can effectively recreate most designs into CAD files just by looking at them. She then recreates the fine design of the belt buckle into a CAD file, and uploads it to a 3D printing design host site. She then posts the replica up for sale. This would likely be a violation of the original designer's rights, and assuming the designer finds the newly infringed content, he can initiate the DMCA takedown process with little worry. An attorney may not even be necessary. But what if the antique aficionado and CAD programmer significantly altered the buckle design, and the designer still believes that it infringes on his copyright? In such

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<sup>27</sup> See *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993-94 (2d Cir. 1980).

<sup>28</sup> Cite for capabilities of current 3D printing technology.

a scenario, the outcome is less certain.

#### IV. CHALLENGES FOR FASHION DESIGNERS UNDER *LENZ*

The challenge for designers prior to *Lenz* included policing protected content and locating a copyright infringement. In *Lenz*, Universal appointed an assistant in the legal department to monitor YouTube for infringements on Prince's copyrights. It is unlikely designers will have the resources to police their copyrights so tenaciously. Moreover, many entertainment industry copyright holders now employ algorithms to search for infringing content, which dramatically reduces the cost of policing their copyrights. Again, it is unlikely that even the top designers will have such algorithms working for them in the near future. Ultimately, the first challenge is devoting time, a precious resource, to policing these designs.

*Lenz* leaves open the question: once the potentially infringing material is located, does the new fair use consideration require legal insight before a proper takedown notification under the DMCA can be issued? Uncertainties as to what constitutes fair use are sure to arise. Under *Lenz*, this uncertainty is not a major obstacle for copyright holders because they only need to form a subjective, good faith belief that the content is not protected by fair use.<sup>29</sup> These uncertainties may easily be alleviated with the help of an attorney, but with the added complexities brought about by *Lenz*, the uncertainties pose an additional cost and burden. Although the standard for forming a good faith belief remains relatively low under *Lenz*, the complexity of the fair use doctrine requires legal counsel, which may be a burdensome expense. Without an attorney, now more than ever, designers may be more susceptible to liability under section 512(f) for misrepresenting that their copyright is being infringed by a 3D printing CAD file user. Although the cost of an attorney may not be excessive in some circumstances, it is nevertheless another expense in what is already an expensive task—ensuring protection of a valuable copyright.

#### CONCLUSION

*Lenz* holds that fair use must be considered prior to issuing a takedown notification under the DMCA.<sup>30</sup> This is

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<sup>29</sup> *Lenz v. Universal Music Corp.*, 801 F.3d 1126, 1133 (9th Cir. 2015).

<sup>30</sup> *Id.* at 1133.

likely positive news for many content-users, both on sites like YouTube and Reddit, and on the growing number of sites that host 3D printing designs. This requirement could save users from unwarranted harassment by certain copyright holders who send takedown notifications using only an algorithm to identify potential infringing content. However, *Lenz* may also place a burden on the smaller copyright holders, who will have to place additional resources into their takedown notifications so that they can avoid liability under section 512(f)—the enforcement arm of OCILLA. This is an additional strain on the fashion industry, one that already has the short end of the stick in the realm of intellectual property law. Small designers, such as the successful Western belt buckle crafter, must now hire an attorney in order to reduce the risk of liability under OCILLA. Although the end-user may benefit, it is an additional cost for the designers.