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Making Circumstantial Proof of Distribution Available

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Cover Page Footnote

Thanks to David Carson, Jane Ginsburg, and Jessica Litman for their thoughtful comments.

Making Circumstantial Proof of Distribution Available

Robert Kasunic*

In a recent case that made national headlines, Capitol Records and a number of other record companies sued Jammie Thomas, a single mother from Brainerd, Minnesota, for copyright infringement of numerous sound recordings that resided on her computer.¹ Much of the press coverage focused on the fact that this was the first record company law suit against an individual to go to a jury.² Making the case even more newsworthy was the jury's award of \$222,000 against Thomas for the twenty-four sound recordings found to have been infringed.³ Given that these songs could have been purchased lawfully for under twenty five dollars, some claimed that the award was disproportionate to the harm.⁴ But the jury award was not the only newsworthy event in the trial.

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* © Robert Kasunic 2008. Adjunct Professor, Georgetown University Law School and the Washington College of Law at American University; Principal Legal Advisor, United States Copyright Office. Nothing in this article expresses the views of the United States Copyright Office. Thanks to David Carson, Jane Ginsburg, and Jessica Litman for their thoughtful comments.

¹ See Complaint for Copyright Infringement, *Capitol Records, Inc. v. Thomas*, No. 06-CV-1497, 2006 WL 1431921 (D. Minn. Apr. 19, 2006).

² See, e.g., Posting of David Kravets to Wired Threat Level Blog, *RIAA Jury Finds Minnesota Woman Liable for Piracy, Awards \$222,000*, <http://blog.wired.com/27bstroke6/2007/10/riaa-jury-finds.html> (Oct. 4, 2007, 17:34 EST).

³ See *id.* Apparently, it took the jury only five minutes to reach this decision of willful infringement, but it then spent another five hours on the proper amount of the damage award. See Posting of David Kravets to Wired Threat Level Blog, *RIAA Juror: 'We Wanted to Send a Message'*, <http://blog.wired.com/27bstroke6/2007/10/riaa-juror-we-w.html> (Oct. 9, 2007, 13:17 EST).

⁴ In fact, the defendant alleged that the amount of the award was unconstitutional. See Defendant's Motion for New Trial, Or In the Alternative, for Remittitur, *Thomas*, No. 06-

There was another controversy created by the testimony of Jennifer Pariser, an attorney at Sony Music, who stated that “[w]hen an individual makes a copy of a song for himself, I suppose we can say he stole a song,” and that “[m]aking ‘a copy’ of a purchased song is just a nice way of saying ‘steals just one copy.’”⁵ Whether ripping songs from a CD that had been lawfully purchased onto a hard drive constituted an infringing act became the subject of much controversy.⁶ An article published in the *Washington Post* attacked the record companies for changing their tune on ripping.⁷ Whereas the record companies had previously stated that it was “great” to rip songs for use on portable devices like iPods⁸ they were now calling it “stealing.”⁹ The president of the Recording Industry Association of America (“RIAA”), Cary Sherman, explained the not-so-subtle distinction that arose in the *Thomas* case by stating that ripping for personal use is acceptable in most cases, but ripping to a hard drive that contains peer-to-peer (P2P) software, such as the KaZaA software installed on Jammie

CV-1497, 2007 WL 4586690 (D. Minn. Oct. 15, 2007). The Plaintiff opposed the motion. *See* Plaintiffs’ Response in Opposition to Defendant’s Motion for New Trial, or in the Alternative, for Remittitur, *Thomas*, No. 06-CV-1497, 2007 WL 4586692 (D. Minn. Nov. 8, 2007). The government also filed a brief supporting the constitutionality of the statutory damage provisions of the Copyright Act. *See* Pike and Fischer Internet Law and Regulation, http://www.ilrweb.com/viewILRPDF.asp?filename=virgin_thomas_071203USBrief (last visited Mar. 1, 2008).

⁵ Eric Bangeman, *Sony BMG’s Chief Anti-Piracy Lawyer: “Copying” Music You Own is “Stealing”*, ARS TECHNICA, Mar. 1, 2008, <http://arstechnica.com/news.ars/post/20071002-sony-bmgs-chief-anti-piracy-lawyer-copying-music-you-own-is-stealing.html>.

⁶ *See* Marc Fisher, *Download Uproar: Record Industry Goes After Personal Use*, WASH. POST, Dec. 30, 2007, at M05, available at <http://www.washingtonpost.com/wp-dyn/content/article/2007/12/28/AR2007122800693.html>.

⁷ *Id.*

⁸ An archived version of frequently asked questions on the RIAA’s website, available at the Internet Archive, states in response to the question “What is your stand on MP3?”:

If you choose to take your own CDs and make copies for yourself on your computer or portable music player, that’s great. It’s your music and we want you to enjoy it at home, at work, in the car and on the jogging trail. But the fact that technology exists to enable unlimited Internet distribution of music copies doesn’t make it right.

Ask the RIAA, Internet Archive, <http://web.archive.org/web/20070516072606/http://www.riaa.com/issues/ask/default.asp#stand> (last visited Apr. 7, 2008).

⁹ Fisher, *supra* note 5 (internal quotation marks omitted).

Thomas' computer, is a different matter.¹⁰ Songs ripped to hard drives containing P2P software are not personal copies, because those digital files are available to all other P2P users.¹¹ In that manner, another newsworthy issue was born.

The "making available" of a file, whether it is an authorized or unauthorized copy, on a hard drive connected to a peer-to-peer network was claimed, by the record companies, to be an infringement of the copyright owner's exclusive right of distribution.¹² The law on this point was far from clear.

¹⁰ *Talk of the Nation: Rip This, and Sue That?*, (NPR.org audio archive of debate between Marc Fisher and Cary Sherman), available at http://www.npr.org/blogs/talk/2008/01/rip_this_and_sue_that.html (last visited Mar. 3, 2008).

¹¹ This distinction begs the question of whether ripping for personal use is "noninfringing." Record companies have claimed that ripping is an "unauthorized" use, but unauthorized uses may be noninfringing uses if they are outside the scope of the copyright owner's rights or if an applicable exemption applies. Ripping, involving converting a file within a CD into another format on a user's hard drive, is also known more generally as "space-shifting" for personal use. There is no explicit exemption for the reproduction involved in ripping. While the Audio Home Recording Act contains an exemption for noncommercial personal recording in 17 U.S.C. § 1008 (2006), the use of a computer and a hard drive takes this activity outside of the scope of that exemption. Ripping may therefore be deemed as a tolerated use under certain circumstances, even though it is technically infringing. See, e.g., Tim Wu, *Tolerated Uses*, 32 COLUM. J.L. & ARTS (forthcoming 2008). A tolerated use is in part based on the choice of the copyright owner and in part a normative principle. But what is the status of the use if copyright owners change their mind? To use a phrase from Jessica Litman (made in relation to other uses): "Purists may want to claim that they're illegal, but if they tried to take that principle to court, they would lose." Jessica Litman, *Billowing White Goo*, 32 COLUM. J.L. & ARTS (forthcoming 2008).

¹² 17 U.S.C. § 106 (2000) states:

Subject to sections 107 through 122 [17 U.S.C. §§ 107–22], the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: . . . (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending.

Article 6 of the WIPO Copyright Treaty and Article 8 of the WIPO Performances and Phonograms Treaty require member countries to provide similar rights. The Copyright Treaty states: "Authors of literary and artistic work shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their works through sale or other transfer of ownership." WIPO Copyright Treaty, art 6, Dec. 20, 1996, available at http://www.wipo.int/treaties/en/ip/wct/trtdocs_wo033.html. The Performances and Phonograms Treaty similarly states: "Performers shall enjoy the exclusive right of authorizing the making available to the public of the original and copies of their performances fixed in phonograms through sale or other transfer of

Traditionally, the distribution right has required proof of the transfer of a copy of a work in order for infringement to be established.¹³ Only one appellate decision has clearly based its holding on the theory of “offering to distribute” in the absence of proof of actual distribution.¹⁴

ownership.” WIPO Performances and Phonograms Treaty, art. 8, Dec. 20, 1996, available at http://www.wipo.int/treaties/en/ip/wppt/trtdocs_wo034.html.

¹³ See 2 MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8.11[A](2005) (“Infringement of this right requires the actual dissemination of either copies or phonorecords.”) [hereinafter NIMMER ON COPYRIGHT]. Nimmer also points out in a footnote that actual *authorization* may result in a finding of secondary liability, and states: “But note that an offer to distribute copies or phonorecords to the public may in itself constitute a ‘publication,’ while the right of distribution apparently is not infringed by the mere offer to distribute to members of the public.” *Id.* at § 8.11[A] n.2 (citation omitted). See also 2 PAUL GOLDSTEIN, COPYRIGHT § 5.5.1 (2002) (“The crux of the distribution right lies in the transfer, not the receipt, of a copy or phonorecord. Consequently, someone who simply buys or otherwise acquires a copy or phonorecord does not violate the distribution right. Further, an actual transfer must take place; a mere offer of sale will not violate the right. Actionable transfers include not only sales and other dispositions of title, but also ‘rental, lease, or lending.’”) (citations omitted); 4 WILLIAM PATRY, PATRY ON COPYRIGHT § 13:9, 13:12–13 (2007) (“[W]hile the mere offering to sell copies of a novel to bookstores for subsequent sale to customers constitutes publication *due to the statutory definition of publication*, without actual distribution of copies of the work, there is no violation [sic] the distribution right. The emphasis on copies is statutorily based: the right granted is not to distribute the work, but rather, to distribute copies of the work, that is material embodiments, seen in the definition of ‘copies.’”) (citations omitted).

¹⁴ See *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199, 203 (4th Cir. 1997). The court stated:

The Hotalings assert that the Church’s libraries infringed their copyrights by distributing unauthorized copies of their works to the public. The libraries did not record public use of the microfiche. Consequently, the Hotalings concede that the record does not contain any evidence showing specific instances within the limitations period in which the libraries loaned the infringing copies to members of the public. But, they argue that proving the libraries held unauthorized copies in their collections, where they were available to the public, is sufficient to establish distribution within the meaning of the statute.

The Church, on the other hand, argues that holding a work in a library collection that is open to the public constitutes, at most, an offer to distribute the work. In order to establish distribution, the Church argues, the evidence would need to show that a member of the public accepted such an offer.

On this issue, we agree with the Hotalings. When a public library adds a work to its collection, lists the work in its index or catalog system, and makes the work available to the borrowing or

The “making available” issue arose in the *Thomas* case when it came time to draft the jury instructions. Judge Michael J. Davis sought the views of counsel on the proper instructions for infringement of the distribution right.¹⁵ The recording industry’s attorney, Richard Gabriel, argued that the distribution right encompasses the “making available” of a work. In making this point, he cited a letter from Marybeth Peters, the Register of Copyrights, written to Representative Howard Berman.¹⁶

browsing public, it has completed all the steps necessary for distribution to the public. At that point, members of the public can visit the library and use the work. Were this not to be considered distribution within the meaning of [17 U.S.C.] § 106(3), a copyright holder would be prejudiced by a library that does not keep records of public use, and the library would unjustly profit by its own omission.

Id. The posture of this Fourth Circuit decision was a motion for summary judgment, and the court’s determination appeared to be influenced by particular facts, e.g., (1) the statute of limitations barred consideration of prior evidence of reproduction and distribution, and (2) the defendant did not keep records of actual lending for particular works. *Id.* at 204–05.

¹⁵ See Eric Bangeman, *Debate Over “Making Available” Jury Instruction as Capitol v. Thomas Wraps Up (Updated)*, ARS TECHNICA, Oct. 4, 2007, <http://arstechnica.com/news.ars/post/20071004-debate-over-making-available-jury-instruction-as-capitol-v-thomas-wraps-up.html>. One of the first courts to assess the “making available” argument was a California district court in Judge Marilyn Hall Patel’s Memorandum Order on the Defendants’ Motion for Summary Judgment in the long-running Napster litigation and Napster’s successors in interest. *In re Napster, Inc. Copyright Litig.*, 377 F. Supp. 2d 796, 802–05 (N.D. Cal. 2005). In that order, Judge Patel discussed *Hotaling* and responded to the question of whether indexing file names in the Napster server was sufficient to infringe the distribution right. Judge Patel stated: “to the extent that *Hotaling* suggests that a mere offer to distribute a copyrighted work gives rise to liability under section 106(3), that view is . . . inconsistent with the text and legislative history of the Copyright Act of 1976 . . .” *Id.* at 803. She also stated: “There is no dispute that merely listing a copyrighted musical composition or sound recording in an index of available files falls short of satisfying these ‘actual dissemination’ and ‘actual transfer’ standards.” *Id.* at 802. Further, in distinguishing *Hotaling*, Judge Patel stated that Napster never had the unauthorized works in its collection. *Id.* Finally, in addressing the argument that the legislative history of the Artists’ Rights and Theft Protection Act of 2003 (“ART Act”) demonstrated Congress’s intent to equate distribution with “making available,” Judge Patel stated: “If Congress wanted to make clear that the distribution right was broad enough to encompass making a work available to the public without proof of actual distribution, it was perfectly capable of doing so.” *Id.* at 804.

¹⁶ Plaintiffs’ Response in Opposition to Defendants’ Motion for Judgment on the Pleadings at 6, *Atl. Recording Corp. v. Njuguna*, No. 4:06-CV-02341-CWH (D.S.C. Nov. 15, 2007), available at http://www.ilrweb.com/viewILRPDFfull.asp?filename=atlantic_njuguna_071115MotDisComplaintOppos. The letter was written in response to

Ultimately, Judge Davis instructed the jury on what became Jury Instruction Number 15: [t]he act of making copyrighted sound recordings available for electronic distribution on a peer-to-peer network, without license from the copyright owners, violates the copyright owners' exclusive right of distribution, regardless of whether actual distribution has been shown.¹⁷

The jury found that Ms. Thomas infringed the distribution right as it was defined by the court, and assessed monetary damages based on her willful infringement of twenty-four songs. The jury appeared to want to send a message to the defendant; one juror stated that Thomas "lied" and that "[h]er defense sucked."¹⁸

In addition to the *Thomas* case, a number of courts have been grappling with the question of whether the distribution right extends to merely "making [a work] available" online.¹⁹ This

a question by Representative Berman about an assertion made in written testimony by Gigi Sohn, on behalf of Public Knowledge, for the Subcommittee on Internet, Courts and Intellectual Property's hearing on "Piracy of Intellectual Property on Peer-to-Peer Networks." That testimony stated that U.S. copyright law does not give copyright owners a separate exclusive right of "making available." While this is obviously true by examining 17 U.S.C. § 106, the question is whether the distribution right includes an offer to distribute. The Register responded:

In the case of a peer to peer network user uploading a copyrighted work onto his or her computer, making it available for other users of the peer to peer network to download, it is simply incorrect to suggest that the person performing the download is the only person legally responsible for infringement. Making the work available in this context constitutes an infringement of the exclusive distribution right, as well as the reproduction right (where the work is uploaded without the authorization of the copyright holder).

Id. at 6–7. In the Ninth Circuit's decision in *A&M Records, Inc. v. Napster, Inc.*, the court held that "Napster users who upload file names to the search index for others to copy violate plaintiff's distribution rights." 239 F.3d 1004, 1014 (9th Cir. 2001). It's worth noting that the Register's letter specifically included the term "uploading" which is unclear in the context used. Similarly, the Ninth Circuit also included "upload" as a decisive activity, but did so in the context of uploading file names to a search index. *Cf. supra* text accompanying note 15 (discussing Judge Patel's later memorandum order).

¹⁷ Jury Instructions at 18, *Capitol Records v. Thomas* No. 06-CV-1497, 2007 WL 2826645 (D. Minn. Oct. 1, 2007).

¹⁸ Posting of David Kravets to Wired Threat Level Blog, RIAA Juror: 'We Wanted to Send a Message,' <http://blog.wired.com/27bstroke6/2007/10/riaa-juror-we-w.html> (Oct. 9, 2007, 13:18 EST).

¹⁹ *See, e.g.*, Brief for Electronic Frontier Foundation as Amicus Curiae in Opposition of Plaintiff's Motion for Summary Judgment, *Atl. Recording Corp. v. Howell*, No. CV06–

dispute about “making available” begs the question—is it necessary in order to prove infringement of the distribution right? Are there other avenues of proof that avoid a conflict with the statutory language?

Having taught law students the fundamentals of copyright infringement for many years, I have always instructed them that copyright infringement may be proven by direct or by circumstantial evidence. After making a prima facie showing of ownership of a valid copyright (which may be presumed from a registration of the work within five years of publication), a plaintiff must then prove “copying” by the defendant. I’ve told students that courts’ use of the term “copying” is really shorthand for a violation of any of the exclusive rights. That was clearly true in regard to direct evidence. If a defendant admits violating any exclusive right, or there is a witness to the infringing act, such direct evidence will be prima facie proof of the plaintiff’s direct claim of infringement. But is this true for circumstantial evidence? Can circumstantial evidence be used to prove infringement of the distribution right?

As we have been told by courts on numerous occasions, circumstantial proof of “copying” may be proven by demonstrating: (1) access to the work by defendant, or a reasonable possibility that the defendant could have perceived the work, and (2) probative similarity between the two works.²⁰ These factual inquiries, if proven, allow the court or the jury to proceed to the mixed question of law and fact—whether there is “substantial similarity” between the two works or whether there has been an improper appropriation of copyrightable elements of the plaintiff’s work. It is obvious from the articulation of the requirements of

02076 (PHX) (NVW), 2007 WL 2409549 (D. Ariz. Aug 20, 2007), available at http://www.eff.org/files/filenode/atlantic_v_howell/EFF_amicus_atlantic_howell.pdf. For a dispute on this issue that precedes the *Thomas* instruction, see Defendant’s Reply Memorandum in Support of Motion to Dismiss Complaint, Elektra Entm’t Group v. Barker, No. 05-CV7430, 2008 WL 857527 (S.D.N.Y. Mar. 31, 2008).

²⁰ There are, of course, variations on this Second Circuit analysis first articulated in *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946), such as the intrinsic/extrinsic test first articulated in *Sid & Marty Krofft Television Prods., Inc. v. McDonalds Corp.*, 562 F.2d 1157 (9th Cir. 1977). For purposes of this discussion, it is unnecessary to enter the debate on the optimal test.

proof through circumstantial evidence that it accommodates the reproduction right, but these inquiries—access and probative similarity—do not substantiate infringement of the distribution right. First, the distribution right may be infringed without a violation of the reproduction right. Second, proof of infringement of the distribution right entails additional elements. Based on the language of § 106, the exclusive right of distribution involves a distribution of copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending. Some form of distribution must be proven and not just any distribution, but a public distribution. Proof that a copy or phonorecord of plaintiff's work was unlawfully distributed is an element of the claim, but distribution cannot be proven by access or probative similarity alone.

We know that direct evidence may be preferred, because it provides more certainty and is much easier for lawyers to present in court. However, circumstantial evidence is a valid form of proof if it is relevant.²¹ It would seem that anything that can be proven by direct evidence could also be proven by sufficient circumstantial evidence.

The rationale for use of circumstantial evidence to prove infringement of the reproduction right is the absence, unavailability, or limited availability of direct evidence of copying. In cases where the defendant will not admit copying and there is no witness to the act of reproduction, the use of circumstantial evidence may be the only option for proof of infringement of the reproduction right. Moreover, even an element of circumstantial proof of infringement, e.g., access, can be proven by circumstantial evidence if there is no direct evidence of access. For instance, access may be proven by showing a reasonable relationship and the customary practice in a chain of intermediaries,²² the widespread availability of a work in an area in which the defendant could reasonably have viewed or heard the work,²³ or by striking similarity.²⁴ Without resort to circumstantial evidence, most

²¹ FED. R. EVID. 402 (“All relevant evidence is admissible . . .”).

²² *See, e.g.*, *Bouchat v. Baltimore Ravens, Inc.*, 241 F.3d 350 (4th Cir. 2000).

²³ *See, e.g.*, *ABKCO Music Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971 (2d Cir. 1991).

²⁴ *See, e.g.*, *Arnstein*, 154 F.2d 464.

copyright infringement claims of the reproduction right would be impossible. We now seem to find ourselves in a similar situation with the distribution right. But why has the law not addressed this?

Direct evidence of infringement of the distribution right was usually not problematic given that in order to violate this exclusive right, the distribution has to be “to the public.” The public nature of this exclusive right was typically transparent—someone gave and someone received. Often, such a distribution occurred on a large scale and there might be many recipients who could directly substantiate how they received a copy and from whom. However, this was not always the case. The situation in *Hotaling v. Church of Jesus Christ of Latter-Day Saints*²⁵ is a case in point. Although the book was publicly “available,” the absence of an admission or a witness who saw the copy of the work being borrowed negated the opportunity of direct proof.²⁶ Moreover, in *Hotaling*, the absence of records retained by the library documenting who borrowed particular books was noted with concern by the court.²⁷ It would appear that such a record would constitute circumstantial evidence of distribution—it leads to the inference that if the record exists, the book was actually borrowed by the patron listed.²⁸

Proof by circumstantial evidence also appeared to be suggested by the Ninth Circuit in *Perfect 10, Inc. v. Amazon.com, Inc.* when the court characterized the *Hotaling* and *A&M Records, Inc. v. Napster, Inc.* decisions as holding that “the owner of a collection of works who make them available to the public may be *deemed* to have distributed copies of the works.”²⁹ This concept of “deemed

²⁵ *Hotaling v. Church of Jesus Christ of Latter Day-Saints*, 118 F.3d 199 (4th Cir. 1997).

²⁶ *Id.* at 204.

²⁷ *Id.*

²⁸ Thus the Fourth Circuit was faced with a situation in which it was clear that the defendant library had unlawfully reproduced the work and distributed that work in the past, yet those claims were barred by the statute of limitations. There was no admissible direct evidence relating to the unlawful copy that was not time-barred and no circumstantial proof available that led to an inference of distribution. The court appears to have strained to find a theory on which to find what it considered a just result.

²⁹ *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1162 (9th Cir. 2007) (emphasis added) (citing *Hotaling*, 118 F.3d 199 and *A&M Records, Inc. v. Napster, Inc.* 239 F.3d 1004 (9th Cir. 2001)).

distribution” appears to be virtually identical to circumstantial evidence of distribution. The Ninth Circuit did not appear to embrace “making available,” in and of itself, as a violation of the distribution right. The Ninth Circuit noted that the district court’s conclusion on distribution—“that distribution requires an ‘actual dissemination’ of a copy”—“is consistent with the language of the Copyright Act.”³⁰ The court further added that deemed distribution applies only where a work can be deemed to have been communicated to other computer users or where “the owner of a collection of works who makes them available to the public may be deemed to have distributed copies of the works.”³¹

“Deem” is a verb that is defined as “to judge or consider something in a particular light.”³² Synonyms of “deem” include “suppose,” “reason,” “judge,” or “consider.”³³ Synonyms for “suppose” are to “presume,” “assume,” “deduce,” or “infer.”³⁴ All of these definitions and synonyms lead to the unmistakable conclusion that the Ninth Circuit was articulating a doctrine of inferential distribution. “Making available” can be an evidentiary component of circumstantial evidence of distribution even if it is not found to constitute direct evidence of distribution.³⁵

³⁰ *Perfect 10*, 508 F.3d at 1162.

³¹ *Id.*

³² MSN ENCARTA DICTIONARY, available at http://encarta.msn.com/dictionary/_deem.html.

³³ MSN ENCARTA THESAURUS, available at http://encarta.msn.com/thesaurus/_deem.html.

³⁴ *Id.*

³⁵ As this article was going to press, a thoughtful 52-page opinion on a motion to quash was handed down in *London-Sire Records, Inc. v. Doe 1-4*, No. 04-CV-12434 (D. Mass. Mar. 31, 2008), available at http://www.eff.org/files/filenode/riaa_v_people/London-Sire%20v%20Doe.pdf. Judge Gertner held that infringement of the distribution right does require proof that a distribution actually took place, but that a court “can draw from the Complaint and the current record a reasonable inference in the plaintiffs’ favor—that where the defendant has completed all of the necessary steps for a public distribution, a reasonable fact-finder may infer that the distribution *actually took place*.” *Id.* at 26. Thus, there is express judicial support in this decision for circumstantial proof of infringement of the distribution right. The opinion is also notable for the similarities and differences from an opinion of Judge Karas on the same day in *Elektra Entm’t Group v. Barker*, No. 05-CV7430, 2008 WL 857527 (S.D.N.Y. Mar. 31, 2008). Like Judge Karas, Judge Gertner rejected the argument that § 106(3) included an independent right “to authorize” distribution, finding that “to authorize” was included in § 106 to cover secondary liability and requires an infringing act to occur after the authorization. *London-*

So what would comprise a circumstantial case of infringement of the distribution right? We would need to identify facts or circumstances that would indicate that it is more likely than not that an unauthorized public distribution occurred. One inferred act of infringement of the distribution right for any particular work would lead to a prima facie case of liability. For multiple statutory damage awards, sufficient proof of infringement of multiple works and/or proof of willfulness would also be required.³⁶

Although an offer to distribute a work in some form does not prove that a copy was actually distributed, an offer to distribute would be relevant information about whether a distribution could have occurred. For example, placing a work within a folder on a computer that offers the contents of that folder to other users of a peer-to-peer network would demonstrate that distribution to many people was possible, and may have been desired. Not only would this fact establish the reasonable possibility of distribution, but it would establish that the distribution could have been to a wide

Sire Records, at 21; see also *Elektra*, 2008 WL 857527, at *9–10. Both Judge Gertner and Judge Karas also limited the significance of the *Hotaling* precedent. Judge Karas stated that the Fourth Circuit was “apparently motivated by equitable principles” and stated that the great majority of courts have stopped short of endorsing the making available right. *Elektra*, 2008 WL 857527, at *6–7. Judge Gertner’s characterization of *Hotaling* went further. Judge Gertner stated that there is “a lacuna in the Fourth Circuit’s reasoning” and that completing “the steps necessary for distribution does not mean that distribution actually occurred. It is a ‘distribution’ that the statute plainly requires.” *London-Sire Records*, at 23–24 (citation omitted). Where Judge Karas and Judge Gertner disagree is on the relationship between the distribution right and the statutory definition of “publication” contained in 17 U.S.C. § 101 (2006). Judge Gertner found that the two terms are not congruent and that while all distributions to the public are publications, “not all publications are distributions to the public—the statute explicitly creates an additional category of publications that are not themselves distributions.” *London-Sire Records*, at 25. She concludes: “Plainly, ‘publication’ and ‘distribution’ are not identical.” *Id.* at 26. Judge Karas came to the opposite conclusion, finding that distribution and publication are congruent. *Elektra*, 2008 WL 857527, at *4–6. Yet, Judge Karas “hesitate[d] in equating this avenue of liability with the contourless ‘make available’ right proposed by the Plaintiff.” *Id.* at *6. Judge Karas held that a Plaintiff seeking to use the offer to distribute prong of the definition of publication, must also fulfill the further pleading requirement of alleging that the offer to distribute was for the purpose of further distribution, public performance or display. *Id.* at *8. It would appear that even if plead properly, the Plaintiff would have the obligation of proving such an allegation. It is hard to conceive of direct proof of an offer for the purpose of further distribution, and therefore likely that circumstantial evidence will be necessary to sustain the burden of proof on this point.

³⁶ 17 U.S.C. § 504(c) (2000).

range of people. Moreover, frequent or longstanding use of such peer-to-peer services and the number of works offered could be relevant as circumstantial evidence, as could statements or communications by the party making a work available. Log files or other forensic computer evidence may yield direct or circumstantial evidence of distribution activity and destruction of such evidence by a defendant may provide circumstantial evidence to further other circumstantial evidence established. The particular circumstances surrounding the creation of a shared folder are also relevant: did the defendant affirmatively create or place files within a shared folder or were the contents of the shared folder something that was the result of default settings or background operations of the peer-to-peer program itself?³⁷ The circumstances that could further a circumstantial claim to infringement will likely vary with the facts, but if courts approach the evidentiary burden from the perspective of both direct and circumstantial evidence, precedential guidance could develop.

In combination with circumstantial evidence of distribution, plaintiffs may seek to establish some evidentiary basis through direct evidence. In other legal contexts where unlawful activity is suspected, there has been a role for “stings” and undercover agents

³⁷ This information may be significant since copyright infringement is a strict liability statutory tort. While secondary liability considers the level of knowledge by the defendant, liability based on direct infringement does not require knowledge. *See* *ABKCO Music Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971 (2d Cir. 1991) (holding that the lack of knowledge or intent to copy is not a defense to infringement). By assessing circumstantial evidence, scienter enters into the analysis even if it does not provide a defense to the elements of direct infringement (the case based on circumstantial evidence is nevertheless one of “direct infringement” even if it is not based on “direct evidence”). In the case where the software company is the proximate cause of the harm to copyright owners based on the intentional design of the software, an action against the software company on the basis of secondary liability may be preferable to a suit for direct liability against an unwitting user of the software. Traditionally, it was believed that an action for secondary liability is predicated upon an underlying direct infringement. The reasoning was that the congressional use of the term “authorize” in § 106 was intended by Congress to address secondary liability and not direct liability. *See* *Subafilms, Ltd. v. MGM-Pathe Commc’ns Co.*, 24 F.3d 1088, 1093 (9th Cir. 1994) (“Consequently, we believe that ‘to authorize was simply a convenient peg on which Congress chose to hang the antecedent jurisprudence of third party liability.’”) (quoting 3 DAVID NIMMER & MELVILLE B. NIMMER, *NIMMER ON COPYRIGHT*, § 12.04[A][3][a], at 12–84 (1993) (internal quotation marks omitted).

to document what otherwise might be concealed activity. Entrapment concerns are present, but where the agent is not enticing a defendant into wrongful activity, but rather simply duplicating unlawful activity by bad actors, such a sting serves a legitimate purpose. In the distribution context, there has been the use of agents by plaintiffs to request copies or phonorecords of works from entities that were not authorized by the copyright owner. In the case of *Atlantic Recording Corp. v. Howell*, the plaintiffs utilized the services of an agent, MediaSentry, to request downloads from a peer-to-peer user.³⁸ The use of an agent in this manner would appear to provide some direct evidence of distribution. Together with other circumstantial evidence of distribution, this direct evidence would provide additional value.

It has been argued, however, that “it is axiomatic that a copyright owner cannot infringe her own copyright. By the same token, an authorized agent acting on behalf of a copyright owner also cannot infringe any rights held by that owner.”³⁹ Does the second proposition follow from the first? May actions by an agent of a copyright owner provide additional direct and/or circumstantial evidence to claim of infringement of the distribution right?

In *Olan Mills, Inc. v. Linn Photo, Inc.*, an agent of Olan Mills asked Linn Photo to make copies of copyrighted works.⁴⁰ Linn Photo provided copies, but its lawyers argued that such reproductions were “authorized” through the agent by the plaintiff copyright owner. The district court accepted this theory and held that Olan Mills had, through its agent, authorized Linn Photo to make copies of the plaintiff’s copyrighted works.⁴¹ The Eighth Circuit disagreed with this conclusion and stated: “It is well-established that the lawful owner of a copyright cannot infringe its own copyright. Nor can a copyright owner authorize copying but

³⁸ *Atl. Recording Corp. v. Howell*, No. CV06-02076 (PHX) (NVW), 2007 WL 2409549, at *1 (D. Ariz. Aug. 20, 2007).

³⁹ Brief for Electronic Frontier Foundation as Amicus Curae Opposing Plaintiff’s Motion for Summary Judgment at 12, *Howell*, No. CV06-02076 (PHX) (NVW), 2007 WL 2409549 (D. Ariz. Aug. 20, 2007), available at http://www.eff.org/files/filenode/atlantic_v_howel/EFF_amicus_atlantic_howell.pdf (internal citations omitted).

⁴⁰ 23 F.3d 1345, 1347 (8th Cir. 1994).

⁴¹ *Id.*

subsequently revoke its consent, thereby entrapping an otherwise innocent party into infringement. In our view, however, the licensing theory advanced by Linn Photo is inapplicable.”⁴²

As the Eighth Circuit clarified in a footnote, Olan Mills did not authorize the investigator to waive its copyright, but rather authorized its third party agent “to act as if he were a customer who owned a copy of a copyrighted work.”⁴³ Whether or not the agent was authorized was irrelevant to the question of Linn Photo’s authority to engage in infringing acts. The Eighth Circuit found this view to be consistent with investigative schemes upheld by other courts.⁴⁴

The Eighth Circuit explained the agent’s activity as follows:

The investigator in this case merely approached Linn Photo in a conventional manner and offered Linn Photo an opportunity to infringe upon four clearly marked copyrights. Olan Mills did not authorize the investigator to validate Linn Photo’s unlawful conduct. Indeed, the investigator’s assignment was part of Olan Mills’ attempt to stop

⁴² *Id.* at 1348 (internal citations omitted).

⁴³ *Id.* at n.1.

⁴⁴ *Id.* at 1348 (citing *RCA/Ariola Int’l Inc. v. Thomas & Grayston Co.*, 845 F.2d 773 (8th Cir. 1988); *RCA Records v. All-Fast Sys. Inc.*, 594 F. Supp. 335 (S.D.N.Y. 1984)). In *RCA/Ariola Int’l*, the agents’ activity was described by the court:

Beginning in 1983 and continuing through 1985, the investigators of the RIAA Anti-Piracy Unit took musical tapes copyrighted by RCA and the other appellants to the businesses of the various retailers. The investigators would present a copyrighted tape marked with a P copyright notice to one of the retailers’ clerks. The investigators would ask the clerk for the proper length blank tape to copy the particular copyrighted tape presented. Then the investigator would feign ignorance of how the Rezound copier worked in order to persuade the clerk to do as much of the copying as possible. In some instances the investigators received assistance ranging from putting the originals in the appropriate slot in the machine to completing the entire copying process. The deposition of investigator Vaughan reveals that Vaughan made no effort to observe whether or not any of the bona fide customers copied copyrighted recordings. In oral argument, counsel for RCA stated that such an investigation would have been too time-consuming.

RCA/Ariola Int’l, 845 F.2d at 777.

Linn Photo's infringement. Accordingly, the copies made by Linn Photo at the request of the investigator were copyright violations.⁴⁵

Thus, while a copyright owner (including a joint owner) may not infringe his or her own copyright,⁴⁶ and authorization by such an owner to another may be interpreted as a license or permission to engage in an exclusive right, it does not necessarily follow that a copyright owner's authorization to an agent extends to another entity. A copyright owner may indemnify an agent without granting rights, and thus, an agent would have no authority to authorize another.⁴⁷ The fact that a third party receives indemnification from an agent of the copyright owner is insufficient to avoid liability.⁴⁸ Moreover, even in the case of a licensee, that licensee cannot give more than he or she received.⁴⁹ If an agent's authority is limited and the agent's conduct does not entrap a third party, the use of an agent to substantiate infringing activity is consistent with prevailing precedent.⁵⁰ The agent can

⁴⁵ *Olan Mills*, 23 F.3d at 1348.

⁴⁶ *See, e.g., Cortner v. Israel*, 732 F.2d 267, 271 (3d Cir. 1984) ("Infringement is the violation of an owner's copyright interest by a non-owner. The purpose of an infringement suit is to protect the owner's property interest. It is elementary that the lawful owner of a copyright is incapable of infringing a copyright interest that is owned by him; nor can a joint owner of a copyright sue his co-owner for infringement.") (internal citations omitted).

⁴⁷ In many cases an agent doesn't have clear authority to authorize the infringing act of a third party. A copyright owner can explicitly limit the scope of the agent's authority by merely providing written assurance that the copyright owner will not sue the agent for direct or indirect acts of copyright infringement in the course of investigating abuses of the copyright owner's intellectual property.

⁴⁸ *Olan Mills*, 23 F.3d at 1348 ("Linn Photo's indemnity agreement does not constitute a good faith effort to avoid copyright infringement. Therefore, Linn Photo cannot rely on that agreement to avoid statutory liability.").

⁴⁹ *See Gilliam v. Am. Broad. Cos.*, 538 F.2d 14 (2d Cir. 1976).

⁵⁰ A reference in the Nimmer treatise appears to have been interpreted too broadly by some courts. Nimmer states: "Likewise, it has been held that plaintiff may not claim to have been damaged by reason of defendant's sale of infringing copies if the copies were sold to plaintiff's agent, because such sale prevented the distribution of such copies to the general public." 4 NIMMER ON COPYRIGHT, *supra* note 13, at § 14.02. While this may appear to indicate that an agent's purchase is not a distribution to the public, on closer inspection, it becomes clear that this statement is more narrowly focused. The statement cites *Shapiro, Bernstein & Co. v. Bleeker* (Shapiro I), 243 F. Supp. 999, 1001 (D. Cal. 1965), *aff'd, Shapiro, Bernstein & Co. v. 4636 S. Vermont Ave., Inc.* (Shapiro II), 367

provide evidence of the infringement by third parties⁵¹ or the defendant in a suit.⁵²

The production of evidence of a defendant's distribution of a copyrighted work to an agent constitutes direct evidence of infringement of the work or works distributed to the agent. But such evidence may also be used as circumstantial evidence of additional infringement. As one court stated in relation to such direct evidence: "the evidence establishes a strong inference, which defendant has done nothing to rebut, that the employees would and did do exactly the same copying for customers unconnected with plaintiffs."⁵³

The production of direct evidence of distribution of a copyrighted work to an agent by a defendant need not be limited to direct evidence. Such direct evidence may be circumstantial evidence of a pattern of distribution of works, and as such a basis for a broader circumstantial case of distribution of other works. As with all circumstantial cases, it is the totality of the evidence that must be assessed. Making a work available is clearly one piece of circumstantial evidence that may be joined with other links in the chain of circumstances necessary to prove infringement. The ultimate question is whether all of the evidence, taken as a whole, tends to prove that a proposition is more likely than not. The fact

F.2d 236 (9th Cir. 1966). That case dealt with the infringement of a book containing fifty-five copyrighted songs within the book. *Shapiro I*, 243 F. Supp. at 1000. The plaintiff argued for damages for twelve works contained in the book. *Id.* Based on the price of the book, the court found that not only would the plaintiff be compensated for the book's price, but would receive an additional \$13,750 over the gross amount received by the defendant. *Id.* at 1001. Thus, in context, the Nimmer statement relates to the appropriate amount of damages when an agent paid for a particular lawful copy (the copyright owner thereby not being entitled to a recovery based on that copy since the first sale doctrine would apply). "There is no evidence of any damage to the plaintiff. Indeed, it is difficult to see how the plaintiff could be damaged by the sale because plaintiff's own agent bought the book, and thus prevented the circularization of the copyrighted material to the public." *Id.* The Nimmer quote is thus irrelevant to authorization to engage in an act that falls within the exclusive rights.

⁵¹ *Polygram Int'l Publ'g v. Nevada/TIG, Inc.*, 855 F. Supp. 1314, 1319 (D. Mass. 1994).

⁵² *RCA/Ariola Int'l Inc. v. Thomas & Grayston Co.*, 845 F.2d 773, 777, 781 (8th Cir. 1988).

⁵³ *RCA Records, Div. of RCA Corp. v. All-Fast Sys., Inc.*, 594 F. Supp. 335, 338 (S.D.N.Y. 1984).

that a defendant has made works available for distribution, when assessed together with direct evidence of distribution of some works in the defendants' shared drive, creates a factual question of broader infringement of the distribution right. The presence of forensic computer evidence, such as log files, or the destruction or corruption of hardware or software by the defendant, as well as the timing of such tampering, may lead to additional inferences.⁵⁴ The credibility of the defendant or the defendant's witnesses will also be a consideration in a circumstantial case.

There is truth in the claim that direct evidence of distribution of a few works does not lead to the inference that all of the other works in a shared folder were actually distributed, particularly given the fact that at any given time there may be over two million file-sharers on a peer-to-peer network, sharing close to 300 million files.⁵⁵ Yet, this argument proves too much. The enormous

⁵⁴ Log files may be particularly relevant to a case of circumstantial evidence of distribution. It appears that some peer-to-peer software create log files that may reveal what particular files were transmitted and the IP address of the recipient. Such forensic electronic evidence, or the tampering of such evidence, could be important links in the circumstantial chain. See, e.g., Frank Adelstein and Robert A. Joyce, *Fire Marshall: Automatic Extraction of Peer-to-Peer Data*, 4S DIGITAL INVESTIGATION 43 (2007), available at <http://dfrws.org/2007/proceedings/p43-adelstein.pdf>.

⁵⁵ Brief for Electronic Frontier Foundation as Amicus Curae Opposing Plaintiff's Motion for Summary Judgment at 13, *Atl. Recording Corp. v. Howell*, No. CV06-02076 (PHX) (NVW), 2007 WL 2409549 (D. Ariz. Aug. 20, 2007), available at http://www.eff.org/files/filenode/atlantic_v_howell/EFF_amicus_atlantic_howell.pdf.

The EFF stated:

Nor have Plaintiffs established that MediaSentry's downloads constitute circumstantial evidence that the Howell's computer disseminated copies of the eleven songs in question to any other KaZaA user. In fact, Plaintiffs' own evidence makes this seem particularly unlikely. According to Plaintiffs' expert, during the period that MediaSentry performed its investigation, there were 2,282,954 KaZaA users online, sharing 292,532,420 files. Every one of the eleven songs at issue came from multi-platinum hit records. Even accepting Plaintiffs' hearsay testimony as true, these facts together suggest that it is highly unlikely that, among the millions of KaZaA users who are likely to be sharing them at any time, these eleven songs would have been downloaded from Defendants' computer. At any instant, KaZaA users are likely to have thousands of sources for these particular songs to choose from and no reason to choose the Defendants' computer over any other. And while Plaintiffs may be correct that, in the aggregate, KaZaA users engage

volume of unlawful distributors does not serve to insulate the defendant from circumstantial liability. While the particular circumstances are relevant, if a defendant has taken part in a file-sharing network for any sustained period of time, this sheer volume may easily lead to an inference that it is more likely than not that, at some time, the files were in fact distributed. That is, in fact, the primary advantage of circumstantial evidence of distribution—there need not be direct evidence of the direct infringement. All that is necessary to prove direct infringement is that there is a reasonable likelihood that direct infringement occurred—that it is more likely than not. The circumstantial evidence can be further narrowed by determining how many users were distributing the particular works at issue during a given period. Such evidence may reduce the ratio in order to support an inference. In those cases where a higher number of users are sharing particular works, i.e., the most popular works, those works could be the focus of the direct evidence by agents of the copyright owner.⁵⁶ While any such inferences are rebuttable, the credibility of witnesses and the development of additional threads of circumstantial proof of distribution can be proffered.⁵⁷

in a prodigious amount of infringing activity, that general statement tells us nothing about the crucial issue in this case: whether these Defendants transmitted (i.e., uploaded) any of these eleven songs during the time period in question. Plaintiffs evidence simply cannot bridge the chasm between ‘making available’ and ‘actual dissemination’ to anyone other than Plaintiffs’ authorized agents.

Id. (internal citations omitted).

⁵⁶ It may also be noted that in addition to direct and circumstantial evidence of distribution, the copyright owner attempting to combat unlawful distribution of copyrighted works may also allege a case for contributory infringement of the reproduction right. *See, e.g.,* MGM Studios, Inc. v. Grokster, Ltd. 545 U.S. 913, 929–30 (2005). The direct evidence of the distribution of unauthorized copyrighted works on a peer-to-peer network will very likely support a claim that the defendant knowingly and materially contributed to the unauthorized reproduction of works by third parties, as demonstrated by the agents’ reproduction. Such a claim would extend to every work downloaded by the agents.

⁵⁷ As discussed *supra* in the text accompanying footnote 37, the use of agents and forensic computer evidence could transform a weak circumstantial case into a compelling totality of reasonably likely inferences. A circumstantial case does not rest on any one inference, but rather on the combination of circumstances that tend to prove that an event was more likely than not.

Circumstantial evidence is not a panacea for the dramatic problem of infringement over peer-to-peer networks, but it, together with direct evidence and secondary liability, can be utilized in a situation where “making available” or mere “authorization” are incapable of supporting a claim for direct infringement. Even though the nature of proof for circumstantial evidence for the distribution right has not undergone the same level of development that circumstantial evidence for the reproduction right has achieved, the circumstances which gave rise to the latter are now present for the distribution right. Circumstantial evidence is an essential tool in all forms of litigation. It provides avenues of proof to effectively protect a right where direct evidence is lacking or unavailable. Moreover, to the extent that U.S. copyright law encompasses circumstantial evidence of distribution, there is an unassailable argument that the United States fulfills its treaty obligations regarding “making available” through the penumbra of U.S. legal doctrines and jurisprudence. It is essential that the law in this area be developed in order to provide reasonable and effective protection for the rights of copyright owners.