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Southern District of New York's Controversial Decision Creates East Coast/West Coast Rift in Approach to Embedded Photographs

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For the past ten years, the copyright law addressing the legalities of a website's provision of "inline" links to photos that reside on another website's server seemed to be relatively well-settled and straightforward. Courts faced with the issue appeared to agree that the party from whose server a particular photograph emanates – let's call that person "Party A" – should be deemed the party who "displays" the photograph for copyright purposes. In contrast, where a downstream website ("Party B") provides an inline link to Party A's website, causing the photo to appear on Party B's website without actually creating a copy of the photo, the courts historically have agreed that there is no new "display" of the photo by Party B for copyright purposes, and hence Party B has not committed copyright infringement.

But all that potentially changed last week when Judge Katherine B. Forrest of the Southern District of New York threw out the playbook and re-wrote the rules of the game, at least within the Second Circuit and until her opinion is reviewed. In *Goldman v. Breitbart News Network, LLC, et al*., Case No. 1:17-cv-03144-KBF (SDNY, Feb. 15, 2018), the court denied defendants' motion for partial summary judgment and found that the defendant news agencies could be liable for copyright infringement for embedding a Tweet containing a copyrighted image of football star, Tom Brady.

The court's decision is a surprising departure from what had been considered the standard established by the Ninth Circuit in *Perfect 10, Inc. v. Amazon.com, Inc*., 508 F.3d 1146 (9th Cir. 2007), commonly known as the "Server Test." (Note: Attorneys from this law firm represented Amazon in that case.) In *Perfect 10*, plaintiff, an adult entertainment magazine, sued Google, as well as Amazon.com, claiming that, among other things, Google's thumbnail image results from user search inquiries infringed on plaintiff's nude photographs. However, the Ninth Circuit disagreed and found that Google had not infringed because Google did not store the images on its server, but instead merely provided an inline link to the website actually storing the image. In other words, under the Server Test, a party is directly liable for infringement if an unauthorized image is hosted on the party's own server, but a party is not liable if the image is embedded or linked from a third-party server. Now, by rejecting the Server Test, the Southern District's decision inserts uncertainty for news agencies and internet-content providers faced with the difficult task of determining the boundaries of copyright liability across the nation, as well as potentially exposing the everyday social media user to copyright liability by Retweeting or posting an embedded link. The Second Circuit will, of course, ultimately have an opportunity to review this decision if the case does not settle.

The case centers around a photograph from Justin Goldman's Snapchat story. Goldman took a photo of New England Patriots football star Tom Brady strolling through East Hampton, New York, together with Boston Celtics General Manager Danny Ainge and NBA star Kevin Durant, who was at the time a coveted free agent. The photograph ended

up on Twitter via multiple unrelated users' Tweets. Various news outlets then embedded links to the Tweets into stories reporting on whether Tom Brady would help the Celtics recruit Durant. Based on the embedded links to the Tweets in the news stories, Goldman brought suit claiming copyright infringement of his photograph by Time, Yahoo, Vox Media, the Herald, and the Boston Globe, among others. Defendants, relying on the Server Test, claimed that because they had only embedded a link to the Tweet and Twitter was the actual server, they were not liable. (It should be noted here that if *Goldman* himself had uploaded the photo to Twitter, he may have forfeited any copyright claim against these defendants. The reason is that Twitter's Terms of Use provide Twitter with a broad license to make user content available to third parties and to allow others to do the same. It is always important for content users to check carefully a social media platform's Terms of Use before reposting or reusing content on that platform.)

The Southern District, in its surprise decision, disagreed with the defendants and found that unless defendants could establish a viable affirmative defense – and the opinion noted that several affirmative defenses may be available – they would be liable for infringement because embedding the link in their stories was a violation of Goldman's exclusive right of display.

In its analysis of Goldman's claims, the court refused to apply the Server Test, and interpreted the Supreme Court's 2014 decision in *American Broadcasting Cos., Inc. v. Aereo, Inc*., 134 S. Ct. 2498 (2014), to support its holding. In *Aereo*, the Supreme Court found that the defendant had engaged in an unauthorized public performance of television content, notwithstanding the defendant's creation of a complex content delivery system whereby it used thousands of separate antennas – each dedicated to a specific user – to transmit programming to customers. Aereo argued, unsuccessfully, that its system created only private one-to-one performances. In *Goldman*, Judge Forrest reasoned that although *Aereo* was only "obliquely" on point, it stood for the proposition that "purely technical distinctions" are not sufficient to avoid liability when the result appears to be the same to the subscriber or user, i.e., defendants may have technically "embedded" the link, but the result was the display of the copyrighted image to the reader of the article.

Furthermore, the court reasoned that the Server Test as enunciated in the Ninth Circuit's *Perfect 10* case was inapplicable here for two reasons. First, the court was "skeptical that *Perfect 10* correctly interprets the display right of the Copyright Act." Second, even if the Ninth Circuit correctly interpreted the Copyright Act, the Server Test didn't apply here because defendants were news outlets, not "search engines," like Google, and the viewer didn't make an active choice to click on an image before it was displayed, unlike in a Google search where users click thumbnails displayed to bring them to a third-party server. In other words, because the link to the Tweet was embedded by defendants, the court reasoned defendants had violated Goldman's "exclusive display right" and "the fact that the image was hosted on a server owned and operated by an unrelated third party (Twitter) d[id] not shield them from this result." Therefore, the court appears to have created a technical distinction with the Server Test, where the focus rests on user-choice or its "volitional act." Under the court's analysis, when a link is displayed in a manner in which a user has the choice to click a URL link or a thumbnail linking it back to the original content, then liability may not attach to the embedding party, but where an image is embedded so as to be on display without the need for the user or reader to click back to the third-party server, the embedding party risks engaging in an unauthorized display.

Accordingly, a line has been seemingly drawn between the Southern District of New York and the Ninth Circuit (as well as the Seventh Circuit, which embraced the Server Test in *Flava Works, Inc. v. Gunter*, 689 F.3d 754 (7th Cir. 2007)). In today's fast paced social-media environment, where Tweets and posts have become ubiquitously intertwined with breaking news, this decision potentially raises the stakes for the media industry, not to mention

opening the door to infringement claims against millions of average internet users embedding links to content every day on various social media platforms. Parties who regularly use photographs online should take note of the *Goldman* decision and assess whether it impacts their practices.

Kilpatrick Townsend's copyright attorneys have extensive experience in internet and social media issues. Please feel free to contact us for more information about the issues contained in this Alert.

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