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Social media companies have a boring but effective weapon in defeating copyright claims — well-drafted "terms of use" agreements

By Daniel Schnapp, Aaron Brian, and Staci Jennifer Riordan

For roughly the past decade, social media companies often relied on the exotic sounding "server test" when defending claims of copyright infringement for "unauthorized" images visible on their websites. Under the *server test*, a website owner was not liable for merely showing an image that was transmitted via embedded link if the digital copy of that image was actually "hosted" on another entity's server. The *server test* was first articulated in *Perfect 10 v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007), and has been relied on in numerous copyright infringement cases since then.

The server test, however, has taken a few blows in the courts. Perhaps the most notable one was in *Goldman v. Breitbart*, the 2018 case from Southern District of New York, involving a photo of Tom Brady and Danny Ainge.[1] The photographer, Justin Goldman, plaintiff, took the picture and uploaded it to his Snapchat Story. From there, the photo went viral, and led to numerous articles and widespread speculation that Brady was trying to help the Boston Celtics land NBA free agent Kevin Durant. Goldman sued various online publishers that had included the picture in their articles about the potential deal.

Relying on the *server test*, the defendants moved for summary judgment claiming they did not possess a digital copy of the photograph, instead only providing in-line embedded links to the actual image that was hosted elsewhere. The court disagreed. After analyzing the purpose of the Copyright Act, including the amendments in 1976, which expressly noted new technologies and new ways of "displaying" copyrighted works, the court found that the image was visible on the defendant's website, and therefore it was irrelevant that the image was only "embedded" there. The defendants "displayed" the image on their website, and thus the court found that it was a violation of Goldman's exclusive display rights and denied the motions for summary judgment.[2]

[1] *Goldman v. Breitbart News Network, LLC*, No. 17-03144 (S.D.N.Y. Feb. 15, 2018).

[2] The request for interlocutory appeal was denied, and the case settled before trial, so we do not know if the Second Circuit would agree with the court's ruling.

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The *Goldman* court concluded its decision by noting that "in many cases there are likely to be factual questions as to licensing and authorization." These questions were not answered in *Goldman*, as the case settled before trial.[3] However, the court's comment was a precursor for the present moment.

In a recent decision in the United States District Court in New York, *Sinclair v. Mashable, et al.*, Judge Kimba Wood found that "linking" to and showing on a website content that had been placed online by a user of the social media platform did not give rise to a claim of copyright infringement where the original poster, even if somewhat unwittingly, agreed to a sub-license, allowing a third party to use the content.

In the suit, Sinclair, a renowned photographer, whose work has been featured in the *New York Times*, *Time* magazine, and *National Geographic*, uploaded a photograph of a mother and child in Guatemala to Instagram. After Sinclair denied the news website Mashable's request to license the photograph for $50, Mashable embedded Sinclair's Instagram post in its own story.

The court only noted the "server test" in passing and came to a new, and not surprising conclusion. According to the decision, the court found that Sinclair granted Instagram the right to sublicense the photograph, and Instagram "validly exercised that right by granting Mashable a sublicense to display the [p]hotograph." Indeed, Sinclair agreed to Instagram's Terms of Use when creating her account. Those terms granted to Instagram "a non-exclusive, fully paid and royalty-free, transferable, sub-licensable, worldwide license to the [c]ontent."

Nevertheless, Sinclair argued "that it is unfair for Instagram to force a professional photographer like [her] to choose between 'remain[ing] in "private mode" on one of the most popular public photo-sharing platforms in the world,' and granting Instagram a right to sub-license her photographs to users like Mashable."

The court, relying heavily on straightforward contract law, determined that "[u]nquestionably, Instagram's dominance of photograph- and video-sharing social media, coupled with the expansive transfer of rights that Instagram demands from its users, means that Plaintiff's dilemma is a real one. But by posting the Photograph to her public Instagram account, Plaintiff made her choice. This Court cannot release her from the agreement she made."

So what are the lessons from this ruling, assuming that the decision becomes non-appealable? For users of social media who are within the geographic and legal reach of the New York federal court, whether professional photographers or others, when you sign up for a social media platform, you are likely agreeing to the terms of use, and your content may be sub-licensed to a third party. Subscribers can no longer assume that liability will be established and that the "server test" will control in the face of unambiguous contractual provisions.

For social media companies, the lesson is even more straightforward: check your terms of use, and for third-party media companies (like Mashable in the *Sinclair* case) who are appropriating content,

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[3] In 2019, Goldman filed a second round of lawsuits regarding the same photograph, and made the same allegations that defendants unlawfully "displayed" the photograph on their websites. *Goldman v. Cox Media Group, LLC*, Case No. 19-cv-02954 (SD NY 2019). This case, still in its early stages, may provide further insight into the use of user agreement language as defense to copyright infringement. We will continue to follow this case and report on any relevant rulings.

also check the terms of use. Had the sub-license in *Sinclair* been ambiguous, or if it had failed to convey a sub-license, then Sinclair's copyright claims may very well have proceeded.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Daniel Schnapp, 212-940-3026, dschnapp@nixonpeabody.com
- Aaron Brian, 213-629-6033, abrian@nixonpeabody.com
- Staci Jennifer Riordan, 213-629-6041, sriordan@nixonpeabody.com
- Kristin Jamberdino, 212-940-3152, kjamberdino@nixonpeabody.com
- Ellie Heisler, 213-629-6097, eheisler@nixonpeabody.com