

How to Achieve (Some) Balance in Anti-Circumvention Laws

Should users of technically protected content be able to give notice and require content owners to take down the technical measure to enable fair uses?

The World Intellectual Property Organization Copyright Treaty (WCT), concluded in 1996, recognizes “the need to maintain a balance between the rights of authors and the larger public interest, particularly education, research, and access to information” in updating international copyright norms to respond to challenges arising from advances in information and communications technologies, including global digital networks.

The treaty calls upon nations to “provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights,” although such rules should not impede acts that are “permitted by law” or otherwise beyond the authority of copyright owners. Unfortunately, the treaty gives no guidance about how nations might implement an anti-circumvention norm that can enable public interest uses of copyrighted works.

IMBALANCED NATIONAL IMPLEMENTATIONS

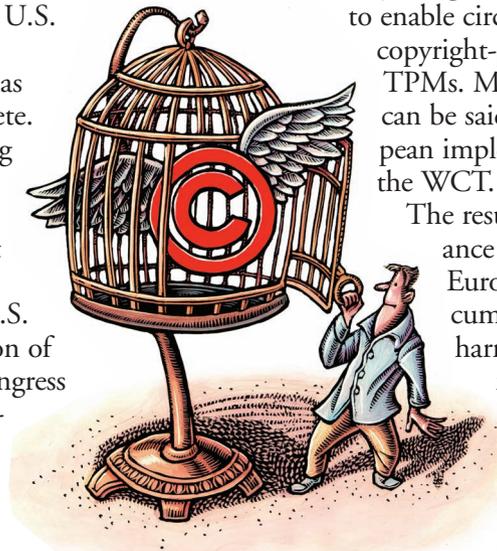
While the WCT embodies a negotiated balance between copyright owners and users of digital works, the translation of this balance into the domestic laws of the U.S. and European Union (EU) has been incomplete. When enacting the Digital Millennium Copyright Act (DMCA) of 1998 as the U.S. implementation of the WCT, Congress achieved a reasonable balance of competing interests in its creation of safe harbors from copyright liability for Internet service providers and other intermediaries for the infringing acts of others.

Congress failed to achieve a similar balance of interests, however, when establishing new rules

forbidding circumvention of technical protection measures (TPMs) used by copyright owners to control access to their works and in regulating the manufacture and distribution of technologies primarily designed or produced to enable circumvention of copyright-protective TPMs. Much the same can be said of the European implementation of the WCT.

The resulting imbalance in U.S. and European anti-circumvention rules harms legitimate interests of the public in making fair uses, privileged uses, and other non-

infringing uses of copyrighted works (collectively designated as “public interest uses”). We believe that practical judicial and administrative measures can and should be devised to implement the balanced spirit of the WCT without



reopening the contentious debates leading up to enactment of the DMCA and the EU Directive.

THE REVERSE NOTICE AND TAKEDOWN CONCEPT

To this end, we propose a “reverse notice and takedown” procedure to achieve some of the balance in anti-circumvention rules the WCT endorsed, but which implementing legislation has thus far failed to deliver. Under this regime, users would be able to give copyright owners notice of their desire to make public interest uses of technically protected copyrighted works, and rights holders would have the responsibility to take down the TPMs or otherwise enable these lawful uses.

We call this a reverse notice and takedown procedure because, in an inversion of the notice and takedown procedure first developed through common law adjudication to determine ISP liability for wrongful acts of users, it is the user who will be giving notice and the content owner who will have a responsibility to take something down. It would effectuate the nascent, but not fully realized, legislative intent to permit public interest uses of technically protected digital content, while at the same time protecting copyright owners against circumvention of TPMs likely to facilitate massive infringements.

A reverse notice and takedown mechanism is a principle capable of numerous implementations. In the U.S., this goal can be achieved through judicial interpretation of

the anti-circumvention rules on a case-by-case basis. It was, after all, the judicial branch that introduced the fair use doctrine into U.S. law and also pioneered the notice and takedown rules to govern ISP liability.

In the heated political climate in which the DMCA was enacted, the measured analysis developed in *Religious Technology Center v. Netcom* was invaluable in shaping ISP liability rules. Unfortunately, no similarly careful judicial assessment was available in the late 1990s to guide Congress about how to achieve an appropriate balance in the anti-circumvention rules.

We believe courts in the U.S. can and should be enlisted in bringing about a balanced approach for dual-use circumvention technologies akin to that developed for the dual-use technologies and services of ISPs. Recent decisions, moreover, provide a basis for this case law evolution. EU member states could implement the reverse notice and takedown regime in their national implementations of the EU Directive.

CIRCUMVENTION FOR FAIR USES?

The case law in the U.S. is mixed on the question whether it is lawful to circumvent a TPM for fair use purposes. The first judicial opinion to consider this question, *Universal City Studios, Inc. v. Reimerdes*, concluded that Congress had considered, and decided against, allowing circumventions

for fair use or other privileged purposes. It further opined that anti-circumvention rules were consistent with the First Amendment guarantee of free speech, even though the U.S. Supreme Court has said fair use and other limitations are important for the compatibility of copyright and freedom of expression.

Of course, neither Reimerdes nor his co-defendant Eric Corley had attempted to bypass the Content Scramble System (CSS) to make fair uses of DVD movies; rather they had posted DeCSS, software designed to bypass CSS, on their Web sites as part of a protest against the anti-circumvention rules. Judge Kaplan ruled that posting and linking to DeCSS violated the DMCA anti-circumvention rules. Judge Kaplan regarded the anti-circumvention laws to have “fundamentally altered the landscape of copyright” as to technology provider liability.

Reimerdes set forth a framework for analyzing anti-circumvention claims that, if followed in subsequent cases, would exclude consideration of virtually all public interest concerns. Under Judge Kaplan’s interpretation, anti-circumvention liability would arise: if a copyright owner has adopted a TPM to control access to its copyrighted works (even if they are persistent access controls such as CSS); and if an unauthorized person has developed a technology that bypassed this TPM (relying, if necessary, on an inference that if the defendant’s technology

bypasses the TPM, it must have been primarily designed or produced to do so).

Under this decision, it is irrelevant whether copyright infringement has occurred—or is even possible—from the availability of a challenged technology. Nor does it matter whether the tool might enable consumers to tinker with a copyrighted work they have purchased. Harm to the copyright owner's interests was presumed.

CIRCUMVENTING LOCK-OUT MEASURES

It did not take long after the *Reimerdes* decision for canny technology developers to realize that the anti-circumvention rules, as interpreted in that case, could be used to attack competitors in the market for uncopyrightable products and services.

Lexmark, a manufacturer of printers and toner cartridges, claimed that the authentication protocol (or digital handshake) component of copyrighted computer programs installed on chips in its printers and toner cartridges was an access control. Because Static Controls made chips designed and produced to bypass this access control for other printer cartridge manufacturers, Lexmark charged it with violating the DMCA. The trial court, relying heavily on *Reimerdes*, issued a preliminary injunction against Static Controls' manufacture of these chips.

The Sixth Circuit eventually reversed, seemingly on the ground the DMCA does not apply to digital fences limiting access to func-

tional aspects of the printers. The court's reasoning on the anti-circumvention claim is, unfortunately, neither very coherent nor persuasive.

A concurring judge would more forthrightly have invoked the misuse doctrine, so as to "make clear that in the future companies like Lexmark cannot use the DMCA in conjunction with copyright law to create monopolies of manufactured goods for themselves just by tweaking the facts of [a] case."

Chamberlain, the maker of electronic garage-door opening (GDO) devices, made an analogous attempt to use the anti-circumvention rules to foreclose competition in the market for GDOs. It sued Skylink for DMCA violations because it made a universal GDO that bypassed the digitized "lock-out" (access control) components of programs Chamberlain had installed in its GDOs and transmitters. Chamberlain argued that the "plain language" of the DMCA and precedents such as *Reimerdes* and the lower court decision in *Lexmark* provided compelling support for its claim against Skylink. The Federal Circuit strongly disagreed.

FINDING BALANCE IN THE DMCA

A fundamental premise of the Federal Circuit's interpretation was its perception that Congress had intended the DMCA anti-circumvention rules to be balanced:

The most significant and consistent theme running throughout

the entire legislative history of the anti-circumvention and anti-trafficking provisions of the DMCA...is that Congress attempted to balance competing interests, and "endeavored to specify, with as much clarity as possible, how the right against anti-circumvention would be qualified to maintain balance between the interests of content creators and information users." [citation omitted] The Report of the House Commerce Committee concluded that § 1201 "fully respects and extends into the digital environment the bedrock principle of 'balance' in American intellectual property law for the benefit of both copyright owners and users."

The court observed:

Statutory structure and legislative history both make clear that § 1201 applies only to circumventions reasonably related to [copyright] protected rights. Defendants who traffic in devices that circumvent access controls in ways that facilitate infringement may be subject to liability under § 1201(a)(2)...[D]efendants whose circumvention devices do not facilitate infringement are not subject to § 1201 liability.

Without proof of a nexus between the availability of an allegedly unlawful circumvention tool and the existence, or grave threat, of copyright infringement, § 1201 liability should not be imposed. Thus, it was relevant that Chamberlain had not alleged that Skylink's GDO infringed its copyrights or contributed to any

other infringement.

Under Chamberlain's interpretation of the DMCA, "the owners of a work protected *both* by copyright *and* a technological measure that effectively controls access to that work ... would possess *unlimited* rights to hold circumventors liable ... *merely for accessing that work* even if that access enabled only rights that the Copyright Act grants to the public." The Federal Circuit found this construction of the DMCA "problematic for a number of reasons."

For one thing, Chamberlain's construction of the DMCA "borders on the irrational." Construing the DMCA as though it was concerned only about control over access, and not about rights protected by copyright law, would, moreover, be "both absurd and disastrous," for it would "allow any manufacturer of any product to add a single copyrighted sentence or software fragment to its product, wrap the copyrighted material in a trivial 'encryption' scheme, and thereby gain the right to restrict consumers' rights to use its products in conjunction with competing products." This would "allow virtually any company to attempt to leverage its sales into aftermarket monopolies," even though this would be unlawful under the antitrust laws and the copyright misuse doctrine.

PRESERVING FAIR USES IN THE DMCA

At least as problematic were the implications of Chamberlain's

interpretation of the DMCA for the rights of consumers to make fair uses:

Chamberlain's proposed construction would allow copyright owners to prohibit exclusively fair uses even in the absence of any feared foul use. It would therefore allow any copyright owners through a combination of contractual terms and technological measures, to repeal the fair use doctrine with respect to an individual copyrighted work—or even selected copies of that copyrighted work ... Consumers who purchase a product have the inherent legal right to use that copy of the software. What the law authorizes, Chamberlain cannot revoke.

Contrary to Chamberlain's contention, "the DMCA emphatically did not 'fundamentally alter' the legal landscape governing the reasonable expectations of consumers or competitors; did not 'fundamentally alter' the ways that courts analyze industry practices; and did not render the pre-DMCA history of the GDO industry irrelevant." The Federal Circuit consequently rejected Chamberlain's interpretation of § 1201 "in its entirety."

The Federal Circuit deserves considerable praise for recognizing that balance is a bedrock principle of intellectual property law and for developing a framework for interpreting § 1201 that enables courts to develop a balanced approach to interpretation of the DMCA's anti-circumvention rules

insofar as copyright owners try to use them to block fair and other non-infringing uses of technically protected copyrighted works. Courts interpreting § 1201 should reject *Reimerdes*' unbalanced and overly broad interpretation of § 1201 in favor of the framework set forth in *Chamberlain* and *StorageTek*, which we believe is far more consistent with the letter and spirit of the WCT and with Congressional intent in enacting the anti-circumvention rules.

FROM CHAMBERLAIN TO REVERSE NOTICE AND TAKEDOWN

Building on the insights of *Chamberlain*, courts faced with public interest challenges to the DMCA anti-circumvention rules should develop a notice and takedown approach to facilitate a balancing of the interests of copyright owners and the public in order to enable privileged uses of technically protected works.

Under our proposed approach, a user wanting to make non-infringing uses of technically protected material could demand a right to bypassing of TPMs for legitimate purposes, such as extracting a fair use clip of a movie in order to complete a specified non-infringing project. Copyright owners could be given 14 days either to deny the limited circumvention proposal or to allow it by silence, without prejudice. In case of denial, the user would be entitled to seek a declaratory judgment to vindicate its claim to an entitlement to circumvent a TPM for the

purpose of engaging in specified non-infringing uses.

To become fully operational, this proposal would benefit from standardized procedures concerning the form in which notice should be given to copyright owners in a “reverse notice and take down” demand. It would also require courts to allow those providing needed decryption skills and technology to benefit from the same privileged use exception that a demandant had ultimately vindicated either in court or by silent acquiescence of the copyright owner. Above all, such a regime would particularly benefit from the kind of expeditious, low-cost administrative tribunals proposed in other contexts.

These long-term considerations should not, however, obscure the feasibility or desirability of immediately instituting ad hoc case-by-case judicially devised reverse notice and take down procedures to promote the formation of a jurisprudence of permissible non-infringing uses of technically protected content to complement and supplement the jurisprudence of infringing uses discussed here. Reverse notice and takedown procedures could attenuate the tension between the DMCA anti-circumvention rules and the public interest uses that Congress meant to preserve.

BENEFITS OF REVERSE NOTICE AND TAKEDOWN

A reverse notice and takedown procedure would contribute to making the DMCA into an instrument that adequately pro-

tects copyrighted works against circumvention that would lead to infringement without creating barriers to entry that thwart new technologies for sharing non-protected matter. It could facilitate licensing to non-profit entities on reasonable terms and conditions, and it could help to frustrate growing tendencies to put public domain matter off limits by enclosing it in impenetrable electronic fences.

It could also attenuate the systematic use of digitized, electronic prior restraints on speech, which are likely to eventually provoke constitutional challenges. Indeed, an extension of the reverse notice and take down model could present would-be users of public domain material with a workable choice between sustaining the costs of securing and implementing judicially approved circumvention or purchasing the public domain matter from the vendor at reasonable prices for the sake of convenience.

Once the courts develop normative baselines for dealing with reverse notice and takedown requests an administrative procedure could evolve over time to apply and refine this normative framework. This development could also induce copyright owners to engage in private initiatives consistent with this framework, such as designating circumvention services to which putative public interest users might go to achieve circumvention for non-infringing purposes.

We believe that courts will be able to discern putative public

interest users who are not acting in good faith in making reverse notice and takedown requests and to put in place safeguards to ensure that the reverse notice and takedown regime does not bring about the increased infringements that the DMCA was enacted to avoid.

CONCLUSION

Although it is not possible in either the U.S. or the EU to write anti-circumvention rules on a completely blank slate, there is flexibility in the legal cultures of both entities to implement a reverse notice and takedown procedure to achieve needed balance in anti-circumvention regulations. Nations that have yet to implement the WCT may find our proposed reverse notice and takedown regime provides a far more balanced way to comply with the treaty than the approach being promoted by U.S. trade negotiators. **C**

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