



# ©opyright World

May 2002 issue 120

## **United States**

**Infringing Buildings: Protection of  
architecture rights in the US after  
Sturdza v. United Arab Emirates**

## **United Kingdom**

**Commissioned Designs  
- Who owns them?**

## **Brazil**

**Notes on Author's Rights**

**Plus - International news, In brief, Case comment, Book reviews**

The author is a partner in Cleary & Komen, LLP, 600 Pennsylvania Ave., SE, Washington, D.C. 20003 (telephone: 202-675-4700; fax: 202-675-4716; email: ekomen@cleary-komen.com) and chair of the Copyright Committee of the Bar Association of the District of Columbia.

- 1 Docket numbers 00-3933/3962 and 01-3345, 6th Circuit decided March 20, 2002. Reported at 62 USPOQ 2d 1217.
- 2 808 F.2d 1316 (9th Cir. 1986).
- 3 MTV, 152 F.3d 1209 (9th Cir. 1998).
- 4 Kodadek at 1212.

## United States Appeals Court Rules that Inline Linking is Copyright Infringement

United States web sites that display and link to third party images and content should pay careful attention to an important copyright infringement and fair use decision in February by a federal appeals court in California. In *Kelly v. Arriba Soft Corporation*,<sup>1</sup> the United States Court of Appeals for the Ninth Circuit covering California, held that an Internet image search engine's copying and displaying of thumbnail images in response to a user's query was not a copyright infringement but rather a fair use. Additionally, in addressing an issue of first impression, the court ruled that the website's use of inline linking and frames to display full-sized images residing on a third party's server was a copyright infringement.

### Image search engine provided access to plaintiff's images

Plaintiff Kelly is a professional photographer who displays images on his website and on authorised third party sites. Defendant Arriba [now doing business as Ditto.com], operates an Internet image search engine that permits users to enter a search query and then returns and displays images matching the query.

Arriba built its database by using a web crawler that searched the web for images and then downloaded full-sized copies of the images to its computers. Arriba then generated smaller, low resolution images – known as 'thumbnails' – for display, and deleted the originals.

When a user entered a search term into the query box, Arriba's servers displayed thumbnails responsive to the search, as well as an Arriba banner, advertising and text describing the size of the image. If the user clicked on a thumbnail or a view 'source' link, the user saw a full-sized version of the

same image that would be displayed in the user's browser. Although the full-sized image appeared to the user to be part of the Arriba site, the images were actually delivered to the user's computer from a third party site through an inline link or frame from Arriba's site.

After Arriba's crawler copied Kelly's images into Arriba's database and made them returnable by search on the Arriba site, Kelly sued for copyright infringement. Kelly claimed infringement arising from: 1) Arriba's copying and display of the thumbnail images served from Arriba's servers; and 2) Arriba's display of the full-sized images served from third party servers that were displayed to users through Arriba's inline links and frames.

### Arriba's use of the thumbnail images was a fair use

The court described fundamental United States copyright law that provides that the copyright owner has the exclusive right to reproduce, distribute and publicly display copies of their work.<sup>2</sup> Kelly established a prima facie case of copyright infringement of the thumbnails because it was undisputed that Kelly owned the copyright to the images and that Arriba copied them.

The court found, however, that there was no copyright infringement of the thumbnails because Arriba's use in this context was protected by fair use. Fair use is a statutory exception to copyright infringement that 'permits courts to avoid the rigid application of the copyright statute when, on occasion, it would stifle the very creativity which [the copyright] law is designed to foster.'<sup>3</sup>

Determining whether a particular use is a 'fair use' is very fact specific, and depends upon the following factors set forth in the Copyright Act:

- 1) The purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- 2) The nature of the copyrighted work;
- 3) The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- 4) The effect of the use upon the potential market for or value of the copyrighted work.<sup>4</sup>

The *Arriba Soft* court balanced the four factors and, relying heavily on the first factor, determined that Arriba's use of the thumbnails was a fair use. The court found that the purpose and character of Kelly's images was to illustrate the American west in an aesthetically pleasing manner; in contrast, the purpose and character of Arriba's search

engine was a means of providing an index and access to images on the Internet. The search engine 'add[ed] something new, with a further purpose or different character, altering [Kelly's images] with new expression, meaning, or message.'<sup>5</sup>

The court found fair use, even though Arriba made commercial use of the images by selling advertising on its site. Although a commercial application weighs against fair use, the United States Supreme Court has rejected the concept that a commercial use can never be a fair use, and a commercial use is less important where a use is significantly 'transformative.'<sup>6</sup>

The court found that Arriba's use of Kelly's images did not harm the market for, or the value of, Kelly's images. Arriba did not directly exploit the images by selling them or using them to promote the Arriba site. Because Arriba used small, low resolution images that would significantly lose their clarity when enlarged, it was unlikely that a user could use the thumbnails for illustrative or esthetic purposes. The court found that there was no way to view, create or sell a full-sized image without going to the originating site, and Arriba's search engine actually increased traffic to Kelly's site.

The court relied on a recent fair use decision by the United States Court of Appeals for the First Circuit in *Nunez v. Caribbean International News Corp.*<sup>7</sup> In *Nunez*, the court found that a newspaper's use of a photograph created to be used in a modelling portfolio was a transformative fair use. The newspaper used the photograph only after the model and the photograph became the subject of a news story, and therefore 'the work was transformed into news, creating a new meaning or purpose for the work.'<sup>8</sup>

Similarly, the *Arriba Soft* court found that Arriba's use was 'transformative,' and the 'public benefit' of the image search engine technology outweighed the 'minimal loss of integrity to Kelly's images.'

### Arriba's links to full-sized images violated Kelly's exclusive right to display

The court reached a contrary conclusion, however, with regard to the full-sized images that were displayed as part of Arriba's site through inline links and framing.

Although most people understand that copyright protects against unlawful copying, the Copyright Act also protects against unlawful public display.<sup>10</sup> Because Kelly's full-size images were not copied onto Arriba's servers, Kelly's right of reproduction was not violated. Nonetheless, the court held

that Kelly established a *prima facie* case for copyright infringement because Arriba violated Kelly's exclusive right to publicly display his images when Arriba made them appear as part of Arriba's site through an inline link or frame.

The court noted that the Copyright Act's legislative history stated that 'display' includes 'the projection of an image on a screen or other surface by any method, the transmission of any image by electronic or other means, and the showing of an image on a cathode ray tube, or similar viewing apparatus connected with any sort of information storage and retrieval system.'<sup>11</sup> A display made 'publicly' includes the transmission of a display of a work to the public 'by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or different times.'<sup>12</sup>

The court stated that a 'display is public even if there is no proof that any of the potential recipients was operating his receiving apparatus at the time of the transmission.'<sup>13</sup> That the images were available for viewing was sufficient; the fact that no one may have seen the images goes to damages, not liability.

The court noted that it was the first case to address the issue of whether inline linking or framing violated a copyright owner's public display rights.<sup>14</sup> The court analogised to *Playboy Enterprises, Inc. v. WorldWideWeb, Inc.*,<sup>15</sup> where that court held that the owner of an Internet site that downloaded images and made the images available from defendant's servers violated plaintiff's exclusive right to display its works, noting that a display included allowing subscribers to view copyrighted works on their computer monitors.<sup>16</sup>

The court also held that Arriba's display of the full-sized images in this manner was

not a fair use. Unlike the thumbnail images that were necessary to index and provide access to images, the full-size display did not enhance the search engine function. Arriba did not add any new expression to the images to make its use transformative, but rather Arriba's display of the full-sized images served the same illustrative and artistic purpose of, and therefore superseded, Kelly's original images. Because Arriba displayed the full-sized images as part of the Arriba site, users would have no reason to visit Kelly's site, and Arriba thereby harmed Kelly's ability to license images in all of its markets.

**Decision may threaten all internet linking**

In some respects this decision represents a coming of age for Internet jurisprudence. The court handled the technical concepts of crawlers and linking in an intelligent and matter-of-fact way. It also recognised the unique value of Internet search engines; by giving users indexing and access capability they provide value very different than the underlying content. Internet businesses that use third party content in ways very different from the originally intended use may find this decision justifies their actions.


At the same time, the court may have unwittingly opened a challenge to all Internet linking. If Arriba's links to Kelly's images constitute a violation of Arriba's exclusive right to display, then any web link to third party content is arguably a similar violation. If the decision stands, websites with links facing such a challenge will be forced to argue that their linking is a fair use. Relying on such arguments, both Arriba and the Electronic Frontier Foundation, on Arriba's behalf, have filed briefs for a rehearing before the Ninth Circuit.

© Stephen Filler, 2002.

*The author has been the principal of Law Offices of Stephen Filler since 1993. His practice focuses on the legal issues concerning the information and technology industries, such as copyright, trademark, intellectual property, electronic commerce, Internet law, and general business law.*

*He is co-chairman of the Intellectual Property Committee of New York County Lawyers Association and co-chairman of the Law and Business Special Interest Group of New York New Media Association.*

- 1 Kelly v. Arriba Soft Corporation, \_\_\_ F.3d \_\_\_ (No. 00-55521, 9th Cir., Feb. 6, 2002) ("Arriba Soft")
- 2 17 U.S.C. Section 106.
- 3 Arriba Soft, quoting Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1399 (9th Cir. 1997).
- 4 17 United States Code Section 107.
- 5 Arriba Soft, quoting Campbell v. Acuff-Ross Music, Inc., 510 U.S. 569, 579 (1994).
- 6 Id.
- 7 235 F.3d 18 (1st. Cir. 2000).
- 8 Arriba Soft.
- 9 Id.
- 10 17 U.S.C. Section 106.
- 11 Arriba Soft, quoting H.R. Rep. No. 94-1476, at 64 (1976) reprinted in 1976 U.S.C.C.A.N.
- 12 17 U.S.C. Section 101.
- 13 H.R. Rep. No. 94-1476, at 64-65 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5678.
- 14 Arriba Soft.
- 15 991 F.Supp. 543 (N.D. Texas 1997).
- 16 991 F.Supp. at 549-552. See also *Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc.*, 982 F. Supp. 503 (N.D. Ohio 1997).



## E-MAIL ALERT SERVICE

Copyright World has launched an e-mail alert service which will provide our subscribers with a free monthly update of the news and features to appear in the forthcoming issue of the journal. In addition, this service will enable us to communicate any groundbreaking legislative developments to you immediately.

If you wish to take advantage of this free service please complete the form below:

Name \_\_\_\_\_

Company \_\_\_\_\_

Job Title \_\_\_\_\_

E-mail Address \_\_\_\_\_

Please return the form to the Editor, fax: +44 (0) 20 7017 5152, or e-mail your details to vicky.irish@informa.com