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New Guidance for Digital Content Creators' Metadata from the U.S. Court of Appeals

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The U.S. Court of Appeals for the Eleventh Circuit recently held that merely removing copyright management information (CMI),¹ without showing that that defendant knew or would have reason to know that its actions would induce, enable, facilitate, or conceal a copyright infringement is insufficient to meet the Digital Millennium Copyright Act's (DMCA) requirements for liability for wrongful removal of CMI.²

COPYRIGHT MANAGEMENT INFORMATION

CMI typically consists of items such as title and authorship. In the digital world, CMI frequently is provided in metadata, essentially background technical data about a digital work. Metadata is a set of data that describes and provides information about other data. CMI typically is included in the metadata embedded in photographs, videos, documents, and other digital media. When distributing a digital work, the metadata, including CMI, may be altered

in the course of reformatting the work, typically to reduce the size of the work.

BACKGROUND

In 2021, photographer Victor Elias brought suit against Ice Portal Inc., an affiliate of Shiji Information Technology Co. Elias claimed Shiji removed the CMI from photographs he sold to a pair of hotels, thus violating the DMCA and entitling him to recovery. Years earlier, Elias extended broad licenses to those hotels to reproduce and distribute his photographs. The licenses allowed the hotels to use his photographs to promote their properties in unlimited quantities, for an unlimited time, and in any format. The license's breadth ensured the hotels could market their properties using Elias's photographs on third-party booking websites (OTAs).

Shiji acts as an intermediary between hotel chains and OTAs by gathering copies of photographs from hotels and offering them to booking websites.

From 2013 to 2018, Shiji housed approximately 1.5 million different hotel images in its system. Elias took 220 of the more than 9,400 images that Shiji processed for the Elias-licensed hotels. Typically, Shiji's software downloaded copies of image files from the hotels' servers and stored them its own. After receiving the image files, Shiji's software converted the files into JPEGs, thus making copies of

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the photos in various sizes. JPEG formatting optimized the image files for faster display on OTA websites; however, it sometimes erased the metadata on the image file – which included Elias’s CMI.

Elias alleged Shiji violated 17 U.S.C. Section 1202 (b). In order to prevail, Elias would need to demonstrate that:

- (a) Shiji knowingly – and with the intent to enable, facilitate, or conceal infringement – provided false CMI or distributed or imported false CMI; and
- (b) Shiji – without authorization – intentionally removed or altered embedded CMI.

DISTRICT COURT DECISION

Relying on *Stevens v. Corelogic, Inc.*,³ the district court held that Elias could not satisfy the second scienter requirement because Elias had not established that Shiji “knew or had reason to know that its actions would induce, enable, facilitate, or conceal infringement” and had failed to present any evidence “demonstrating that [Shiji] was aware or had reasonable grounds to be aware of the probable future impact of its actions.”

The district court further explained that Elias had not shown that Shiji’s removal of CMI

“is the reason, or even the likely reason, for the infringing use of the images [Mr. Elias] has found on the internet.”

Further, Elias fell short of demonstrating that Shiji was aware that searching for CMI embedded in metadata was a method used by copyright holders to find infringement on the internet. As a result, the court dismissed Elias’s case and granted Shiji summary judgment.

Elias, by contrast, argued to the Eleventh Circuit that when a defendant non-consensually and knowingly removes CMI, the defendant could be liable if the defendant knows, or has reasonable grounds to know, that its actions “make infringement generally possible or easier to accomplish.”

ELEVENTH CIRCUIT RULING

In its written decision affirming the district court, the Eleventh Circuit reasoned that merely

removing CMI in a manner that exposes creators to potential infringement is insufficient to meet the DMCA’s double scienter requirement. According to the court, “the statute does not state that a violation occurs if a defendant knows, or has reason to know, that its actions ‘may’ or ‘might’ enable infringement.”

Rather, “[t]he defendant must have actual knowledge that CMI ‘has been removed or altered without authority of the copyright owner or the law,’ as well as actual or constructive knowledge that such distribution ‘will induce, enable, facilitate, or conceal an infringement.’”

As a result, Shiji won on appeal.

LESSONS

There are practical lessons here for both licensees and licensors. Licensors should focus on whether there is a reasonable likelihood of showing that CMI removal might induce, enable, facilitate, or conceal copyright infringement. If there is such a likelihood, counsel should direct discovery requests to that point. If not, the 1202(b) claim will fail. Licensees should consider obtaining the contractual right to alter or remove CMI. For those without that option, including attribution information (essentially, replacing the CMI) when and where possible is a strategic tactic that may help avoid liability.

PETITION FOR CERTIORARI

In a petition for certiorari docketed December 19, 2022, Elias is seeking U.S. Supreme Court review of the Eleventh Circuit’s decision. The Question Presented in the petition is:

Whether a plaintiff alleging a violation of § 1202(b) is required to demonstrate that the defendant’s “intentional [] remov[al] or alter[ation]” of CMI “conveyed in connection with copies of [the plaintiff’s] work” was connected, linked or associated in some identifiable way to known instances of infringement, even though the plain language of the statute contains no such requirement.

On December 20, 2022, counsel for Shiji filed a waiver of Shiji’s right to respond. On January 17, 2023, the U.S. Supreme Court denied the petition for writ of certiorari.

Notes

1. CMI is defined in 17 USC 102(c).

2. *Victor Elias Photography L.L.C. v. Ice Portal Inc.* (11th Cir. Aug. 12, 2022).

3. 899 F3d 666 (9th Cir. 2018).

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