Drawing a Line between Direct and Contributory Copyright Infringement: The Second Circuit's Take on a Copying Service Provider's Direct Liability in Cartoon Network v. CSC Holdings

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DRAWING A LINE BETWEEN DIRECT AND CONTRIBUTORY COPYRIGHT INFRINGEMENT: THE SECOND CIRCUIT’S TAKE ON A COPYING SERVICE PROVIDER’S DIRECT LIABILITY IN CARTOON NETWORK LP v. CSC HOLDINGS

I. INTRODUCTION

There has been a lack of significant copyright litigation concerning television time-shifting technology since the Supreme Court cleared video-cassette recorder (“VCR”) manufacturers of liability in 1984. The more recent development of set-top digital video recorders (“DVR”s) as the analogous digital counterparts to VCRs was met with almost no resistance from film studios and broadcast networks. Major cable television providers now offer their customers the option of renting a DVR in conjunction with their cable package.

The relatively non-contentious story of DVR technology finally took a turn toward the courts when Cablevision announced its new Remote Storage Digital Video Recorder (“RS-DVR”) service in 2006. The service acts as a virtual DVR, allowing customers to copy and replay television content to and from equipment in

2. Peter S. Menell & David Nimmer, Legal Realism in Action: Indirect Copyright Liability’s Continuing Tort Framework and Sony’s De Facto Demise, 55 UCLA L. REV. 143, 194 (2007). While ReplayTV, an early player in the DVR market, was challenged for its introduction of commercial-skipping functionality, the courts never had the chance to weigh in as the feature was eventually discontinued. Id. at 194-195.
Cablevision's server rooms rather than by the use of a stand-alone set-top device in the customers' homes. In *Twentieth Century Fox Film Corp. v. Cablevision Systems Corp.*, the major movie studios and broadcast networks sued to enjoin the rollout of the service in the absence of separately negotiated licenses for Cablevision's role in copying the copyrighted content with the RS-DVR. Rather than allege contributory infringement, the copyright owners brought a direct infringement case. The case resulted in a fascinating discussion of several specific infringement claims, and an injunction in favor of the plaintiffs in the district court. However, in *Cartoon Network LP v. CSC Holdings, Inc.*, the Court of Appeals for the Second Circuit reversed the district court, and granted summary judgment in favor of Cablevision.

This case note focuses on one of the plaintiffs' three claims of infringement: the issue of whether the RS-DVR's making of playback copies constitutes a direct, rather than a contributory, infringement claim. In answering that question, the determinative factor is who actually makes the copy under copyright law: Cablevision's customers or Cablevision itself. The note first lays out the history of cases that informed the *Cartoon Network* decision. It then analyzes the legal implications and specifics of the Second Circuit's opinion in light of case law and policy considerations. This note argues that the Second Circuit correctly developed the framework for a broadly applicable rule to limit direct liability of copying technology providers, but failed to establish such a rule by neglecting to fully discuss case law and ruling only on the facts of the RS-DVR system.

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5. Id.
6. The plaintiffs included: Twentieth Century Fox Film Corp., Universal City Studios, Paramount Pictures, Disney Enterprises, ABC, CBS and NBC. Id. at 609-610.
7. Id. at 609.
8. Id. at 618.
9. Id. at 624.
11. Id. at 130.
II. BACKGROUND

A. Cablevision's RS-DVR System and the Infringement Claims

In order to fully understand the significance of the case law relevant to the Cartoon Network decision, an initial explanation of the RS-DVR system and the plaintiffs' claims is necessary. The RS-DVR system provides the same basic functionality as an ordinary, set-top DVR device by allowing subscribing customers to record and replay television programming, and it is available to Cablevision customers for an extra service charge on top of their normal cable bill.\(^{12}\) Both the recording and playback options are triggered by the customer's use of his or her remote control.\(^{13}\) A remote command to record or play is received by the customer's set-top cable box and then communicated to the RS-DVR system housed on Cablevision's premises.\(^{14}\) When copying video for a customer, the system diverts Cablevision's programming stream from the requested channel to create a playback copy on a partition of a Cablevision hard drive set aside for each particular subscribing customer.\(^{15}\) Instead of limited the number of channels available, Cablevision chose to make all of its 170 television channels recordable by RS-DVR customers.\(^{16}\)

The plaintiff broadcasters and producers hold copyrights for much of the content broadcast to television viewers via Cablevision's service.\(^{17}\) They sought to enjoin Cablevision from rolling out the RS-DVR system without first negotiating separate licenses for the copying functionality.\(^{18}\) The plaintiffs claimed that without separate licenses, the RS-DVR system directly infringed their copyrights in three ways: (1) the creation of playback copies violated their right to reproduce their work; (2) temporary buffer copies used to create the playback copies violated the same right;

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12. Twentieth Century Fox, 478 F. Supp. 2d at 612.
15. Id. at 615.
16. Id. at 613.
17. Cartoon Network, 536 F.3d at 124.
18. Twentieth Century Fox, 478 F. Supp. 2d at 616.

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and (3) the transmissions made when playing back the copies violated their right to publicly perform their work.\textsuperscript{19} Although the latter two claims also merit extensive analysis, this note will discuss the facts and rulings surrounding the playback copy claim.

Regarding the playback copies, Cablevision claimed that the customer would actually be making the copy, and the cable provider could not be held liable for direct infringement.\textsuperscript{20} Thus, they argued that the claim could only be considered under a contributory infringement doctrine, and that, under \textit{Sony}, Cablevision simply "provid[ed] customers with the machinery to make copies."\textsuperscript{21} The plaintiffs forewent a contributory liability argument, and the parties stipulated to waive any claims of indirect infringement or fair use.\textsuperscript{22} Instead, the plaintiffs argued that due to Cablevision's ownership and control of the RS-DVR system, the cable company, and not the customer, would actually make the copies.\textsuperscript{23} Because the merit of the claim was based on direct infringement, the relevant case law does not fall under \textit{Sony}'s contributory infringement reasoning; rather, appropriate cases include those that considered whether a copying product or service provider could be treated as directly infringing.

\section*{B. Cases Leading up to Cartoon Network}

Two lines of cases before the \textit{Cartoon Network} decision considered providers of copying technology and the line between direct and contributory liability. These cases can be separated into two general categories: (1) copy shop cases that have weighed the direct liability of stores at which copyrighted material is copied by or for customers, and (2) Internet service provider (ISP) cases that have weighed the direct liability of ISPs and website maintainers whose equipment hosts copyrighted material uploaded by users.

\begin{itemize}
\item \textsuperscript{19} See \textit{id.} at 617.
\item \textsuperscript{20} \textit{Id.} at 617-18.
\item \textsuperscript{21} \textit{Id.} at 618.
\item \textsuperscript{22} \textit{Id.} at 616.
\item \textsuperscript{23} \textit{Id.} at 617.
\end{itemize}
1. Copy Shop Cases


   Princeton University Press v. Michigan Document Services, Inc.24 is the leading case in a line of judgments concerning copy shops that made course packets for college professors.25 Professors first selected material that they provided to the shop. The copy shop then assembled the material and re-printed it into course packets, which were sold directly to students.26 Princeton University Press involved a copy shop that explicitly refused to follow the customary practice of requesting permission from publishers and paying royalties before printing compilations of copyrighted materials.27 When several publishers sued the shop, the Court of Appeals for the Sixth Circuit found the shop liable for directly infringing on the copyrights because the shop’s use of the copyrighted materials did not fall under the fair use safe harbor.28

   b. Elektra Records v. Gem Electronic Distributors

   Elektra Records Co. v. Gem Electronic Distributors, Inc.29 held that a store was the direct infringer when it allowed customers to use its equipment and reproduce copyrighted works.30 The store sold blank 8-track tapes that could be used in their “Make-A-Tape” copy machine, which allowed customers to copy commercial, copyrighted tapes from an in-store library.31 Despite a lack of proof that the store employees participated in operating

27. Id.
28. Id. at 1383.
30. Id. at 825.
31. Id. at 822-23.
the Make-A-Tape machine, the store was found to be a direct infringer. The *Elektra* court stated that whether the store employees or the customers loaded the tapes into the deck or pushed the record button was not determinative of direct liability. The fact that the store profited from the sale of the infringing tapes, however, did contribute to the finding.

2. ISP Cases

a. Religious Technology Center v. Netcom On-Line

In *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*, the District Court for the Northern District of California ruled out direct infringement liability for an ISP providing server space that was used by a customer to copy and distribute copyrighted material. The *Netcom* plaintiffs held copyrights for L. Ron Hubbard books, excerpts from which were posted to a computer bulletin board (BBS) that was connected to the Internet through the ISP Netcom. The BBS allowed its users to post material by saving it to its servers, and the service held the postings for several days, during which time the postings could be downloaded by other users.

The *Netcom* court granted summary judgment in favor of Netcom, finding that the ISP did not directly infringe the plaintiff's copyrights. In coming to its conclusion, the court determined that there must be "some element of volition or causation" in the infringing conduct to hold an actor directly liable. The court

32. *Id.* at 823.
33. *See id.* ("Regardless of the precise role played by defendants' employees, the above-described operation of Make-A-Tapes clearly evidences their commercial exploitation by defendants for profit in derogation of the plaintiffs' rights of exclusive publication.").
35. *Id.* at 1373.
36. *Id.*
37. *Id.* at 1367.
38. *Id.* at 1373.
39. *Id.* at 1370.
specifically pointed out that Netcom “did not take any affirmative action that directly resulted in the copying plaintiffs’ works”, and that there was no “human intervention [by Netcom] beyond the initial setting up of the system.” Concluding its ruling, the court said that “[w]here the infringing subscriber is clearly directly liable for the same act, it does not make sense” for the owners of the servers to also be held directly liable. Because content passes through many servers as it travels the Internet, such a rule would also “lead to the liability of countless parties.” The large-scale liability and the massive amount of information passing through the Internet made such an extension of liability unworkable. The decision thus considered Netcom’s lack of an active role in copying beyond the mere provision of its automated system, the underlying logic of extending direct liability to multiple parties, and the policy implications of duplicate liability under conditions in which such liability would extend to countless individuals.

b. Playboy v. Russ Hardenburgh

In Playboy Enterprises, Inc. v. Russ Hardenburgh, Inc., a district court found a BBS maintainer directly liable for infringing content posted through its system. The defendant BBS provided incentives for its users to upload material, some of which was copyrighted, by allowing increased download capabilities in exchange. Because many of the uploaded files were “adult” images, a BBS employee would briefly review each file to ensure it was not pornographic or blatantly infringing upon a copyright. In analyzing the legitimacy of a direct infringement claim, the

41. Id. at 1369.
42. Id. at 1372.
43. Id.
44. See id. at 1372-73 (“Billions of bits of data flow through the Internet and are necessarily stored on servers throughout the network and it is thus practically impossible to screen out infringing bits from noninfringing bits.”).
46. Id. at 512.
47. Id. at 506.
48. Id.
Hardenburgh court first cited Netcom in stating that such liability requires "some element of direct action or participation."\textsuperscript{49} It based this conclusion on the fact that the Copyright Act is written in terms of activities, and because the existence of contributory liability allows a remedy against parties who have not directly acted or participated in the alleged infringement.\textsuperscript{50} However, the court found that the nature of the defendant’s role did satisfy such a standard for direct liability based on two aspects of its conduct: the defendant encouraged its subscribers to upload files, and the defendant reviewed all submitted photographs before posting them on the website.\textsuperscript{51} The Hardenburgh court thus suggested that a sufficient volitional action could come in the form of both a brief human intervention in the actual copying process, or in a more general way by encouraging infringing conduct on a system already in place.

c. Perfect 10 v. Cybernet Ventures

Perfect 10, Inc. v. Cybernet Ventures, Inc.\textsuperscript{52} held that a website that provided access to unlicensed copyrighted images could not be held directly liable for infringement.\textsuperscript{53} Cybernet was an online service that provided access to member “adult” websites through a central age verification and payment site.\textsuperscript{54} Perfect 10 was a magazine that sued when its copyrighted images were found on several of Cybernet’s member’s websites.\textsuperscript{55} The Perfect 10 court relied on Hardenburgh in stating that a service provider must engage in specific activities in order to directly infringe.\textsuperscript{56} The court based its finding against direct infringement liability on two factors that prevented Cybernet’s role from rising to the volitional level of the Hardenburgh defendant.\textsuperscript{57} First, the court noted that

\textsuperscript{49} Id. at 512.
\textsuperscript{50} Id. at 512-13.
\textsuperscript{51} Hardenburgh, 982 F. Supp. at 513.
\textsuperscript{53} See id. at 1168-69.
\textsuperscript{54} Id. at 1158.
\textsuperscript{55} Id. at 1162.
\textsuperscript{56} Id. at 1168.
\textsuperscript{57} See id.
Cybernet did not store infringing material on its own hardware.\footnote{58} Second, Cybernet did not move the infringing files from one location to another.\footnote{59} Thus, the \textit{Perfect 10} court focused on both a lack of human intervention in the copying process and the extent of involvement of the defendant's equipment in the infringing conduct.

d. \textit{CoStar Group, Inc. v. Loopnet}

In \textit{CoStar Group, Inc. v. Loopnet, Inc.},\footnote{60} the Court of Appeals for the Fourth Circuit considered the volition requirement for direct liability provided by the district court in \textit{Netcom}. The plaintiff, CoStar, was a national real estate listing service with a large database of copyrighted photographs of property.\footnote{61} LoopNet was an ISP that maintained a website containing thousands of real estate listings.\footnote{62} LoopNet's subscribers could upload real estate listings, including pictures, to the website.\footnote{63} Before actually posting the listings, a LoopNet employee briefly checked the content to ensure it was not obviously copyrighted material.\footnote{64} CoStar filed its direct infringement suit against LoopNet when hundreds of its copyrighted photos were discovered on LoopNet's website.\footnote{65}

CoStar argued that \textit{Netcom}'s broad protection of ISPs was preempted by the ISP safe harbor provided by the Digital Millennium Copyright Act, and thus the earlier case's strong endorsement of holding the customer as the direct infringer was not binding precedent.\footnote{66} The Fourth Circuit not only rejected CoStar's argument, but also took the opportunity to elaborate on the meaning of the earlier holding. The Fourth Circuit reaffirmed the volitional act requirement and stated that the volitional conduct aspect of direct liability, rather than the avoidance of unlimited

59. \textit{Id.}  
61. \textit{Id.} at 546.  
62. \textit{Id.} at 547.  
63. \textit{Id.}  
64. \textit{Id.} at 556.  
65. \textit{Id.} at 547.  
66. \textit{See CoStar}, 373 F.3d at 548.}
liability, was the crux of the Netcom holding.\textsuperscript{67} CoStar held that “automatic copying, storage, and transmission of copyrighted materials, when instigated by others, does not render an ISP strictly liable for copyright infringement.”\textsuperscript{68} Therefore, in determining the necessary volitional action in making copies on an automated system, the Fourth Circuit focused primarily on what person triggered the actual copying. Its decision noticeably minimized the policy factors discussed in Netcom, and ignored the cursory intervention by the system maintainer in the copying process, similar to that which was viewed as significant in Hardenburgh.

C. Cartoon Network in the District and Circuit Courts

The Copyright Act gives a holder of a copyrighted work, inter alia, the exclusive right to reproduce the work.\textsuperscript{69} As the parties in Cartoon Network agreed in lower court proceedings that a work is reproduced in the making of a playback copy,\textsuperscript{70} the central question in determining liability was who copied the work: the customer or Cablevision?\textsuperscript{71} “If it is Cablevision, plaintiffs’ theory of direct infringement succeeds; if it is the customer, plaintiffs’ theory fails because Cablevision would then face, at most, secondary liability, a theory of liability expressly disavowed by plaintiffs.”\textsuperscript{72}

\textsuperscript{67} See id. at 549 ("While the court in Netcom did point out the dramatic consequences . . . , the court grounded its ruling principally on its interpretation of § 106 of the Copyright Act as implying a requirement of ‘volition or causation.’").

\textsuperscript{68} Id. at 555.


\textsuperscript{71} See Cartoon Network, 536 F.3d at 130 (“[T]he core of the dispute is over the authorship of the infringing conduct.”); Twentieth Century Fox, 478 F. Supp. 2d at 617 (“[T]he question is who makes the copies.”).

\textsuperscript{72} Cartoon Network, 536 F.3d at 130.
1. District Court – Twentieth Century Fox v. Cablevision

The District Court for the Southern District of New York pointed to the complexity of the RS-DVR system and the "ongoing relationship between Cablevision and its customers" in ruling that Cablevision was directly liable for copyright infringement.73 In its analysis, the district court distinguished the RS-DVR from the VCRs that were the subject of contributory liability analysis in Sony.74 Highlighting the VCR's design as a stand-alone piece of equipment,75 the complexity of the RS-DVR system,76 the ongoing service required for the system to function,77 and the selection by Cablevision of which channels may be recorded,78 the district court found that the RS-DVR was less similar to a VCR or set-top DVR than to Cablevision's Video on Demand (VOD) service.79 Noting that the RS-DVR was based on the VOD system, which Cablevision already used in conjunction with purchased licenses, the district court declared that the system was more akin to a copy service than to a time-shifting device covered by the Sony ruling.80

The district court next compared the plaintiffs' claim to the direct infringement claim in Princeton University Press.81 In drawing this analogy, the court stated that "Cablevision, through its RS-DVR, would not merely house copying machinery on its premises for customers to engage in copying.82 Rather it would be 'doing' the copying, notwithstanding that the copying would be done at the customer's behest."83

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73. Twentieth Century Fox, 478 F. Supp. 2d at 609.
74. Id. at 618 ("[A]part from their time-shifting functions, the RS-DVR and the VCR have little in common.").
75. Id.
76. Id. ("The various computers and devices owned and operated by Cablevision . . . are needed to produce a recording.").
77. Id.
78. Id. at 619 ("Cablevision . . . would also decide which programming channels to make available for recording.").
79. Twentieth Century Fox, 478 F. Supp. 2d at 619.
80. See id. ("[T]he RS-DVR bears a striking resemblance to VOD-a service that Cablevision provides pursuant to licenses negotiated with programming owners.").
81. Id. at 620.
82. Id.
83. Id.
Finally, the district court discussed the applicability of the *Netcom* case on the direct infringement question.\(^{84}\) It limited *Netcom* 's specific holding to ISPs due to the "unique attributes of the internet" which influenced the decision.\(^{85}\) The court distinguished the situations of the defendants in the two cases by contrasting the "free flow of information that takes place on the Internet" to Cablevision's "unfettered discretion" in its selection of programming.\(^{86}\) The district court concluded that copies made by the RS-DVR were actually made by Cablevision.\(^{87}\) It also ruled for the plaintiffs on the other two infringement claims, resulting in summary judgment.\(^{88}\)

The district court's decision on sufficient volitional action focused on the degree of Cablevision's involvement in the copying process, rather than on a final triggering act by the customer. In considering the facts, the district court treated the relationship between Cablevision and customer as fundamentally different than that of a general ISP or BBS operator based on its involvement in the RS-DVR maintenance and its control over the content copied.

2. Second Circuit - *Cartoon Network* v. *CSC Holdings*

The Second Circuit Court of Appeals reversed the lower court's ruling on all three claims and granted summary judgment in favor of Cablevision.\(^{89}\) Regarding the direct infringement claim for the playback copies, the Second Circuit's decision stressed the *Netcom* concept of volition in determining that Cablevision's customers, rather than the company itself, would actually be making the copies.\(^{90}\) The Second Circuit first reasoned that *Netcom* and *CoStar* called for direct liability to be based on a discrete, volitional act.\(^{91}\) It found the requisite element of volition in "the

\(^{84}\) *Id.*

\(^{85}\) *Twentieth Century Fox*, 478 F. Supp. 2d at 620.

\(^{86}\) *Id.*

\(^{87}\) *Id.* at 621.

\(^{88}\) *Id.* at 621-24.

\(^{89}\) *Cartoon Network LP* v. *CSC Holdings*, Inc., 536 F.3d 121, 123 (2d Cir. 2008).

\(^{90}\) See *id.* at 131-33.

\(^{91}\) In so doing, the court argued that *Netcom* 's conclusion was not dependent on its specific role as an ISP. See *id.* at 131 ("Like the Fourth Circuit, we reject
person who actually presses the button to make the recording.” 92

The Second Circuit directly contradicted the analogies and distinctions drawn by the district court. According to the Second Circuit, the RS-DVR is more similar to a VCR or a standard copy shop than it is to VOD or the copy shop in *Princeton University Press*. 93 The opinion went on to criticize the district court’s consideration of continuing relationship, instrumentality, and control, which it argued were relevant to contributory, but not direct, infringement. 94 The Second Circuit reversed the district court, and granted summary judgment in favor of Cablevision. 95

### III. Analysis

Throughout its analysis, the Second Circuit adopted the interpretation of *Netcom* and *CoStar* that suggested a general rule, clearing providers of automated copying systems from direct liability claims when the users of such systems triggered the making of the infringing copies. The conclusions that the Second Circuit drew in its analysis clearly endorse such a rule, and directly contradict the district court’s reasoning that a high level of involvement can establish the element of volition necessary to maintain a direct infringement claim. Rather than explicitly ruling out any consideration of the degree of a service provider’s involvement, the Second Circuit ended its decision by refusing to rule on the relevance of the involvement factor, and instead, indicated that conflicting case law on the issue would remain unresolved. Had the Second Circuit more thoroughly discussed the case law, it could have shown that its decision did not materially conflict with any significant precedents.

The *Cartoon Network* decision first extended *Netcom*’s and *CoStar*’s conclusions to the RS-DVR system, suggesting a

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92. Id.
93. See id. at 131-132.
94. Id. at 132 ("Cablevision’s ‘continuing relationship’ with the RS-DVR customers, its control over recordable content, and the ‘instrumental[ity]’ of the copying to the RS-DVR system seem to us more relevant to the question of contributory liability.") (citation omitted).
95. *Cartoon Network*, 536 F.3d at 133.

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uniform, broadly applicable rule for providers of copying technologies.\textsuperscript{96} Second, the Second Circuit discussed, and dismissed, consideration of some of the factors that the district court found determinative of direct liability.\textsuperscript{97} Next, the opinion reflected on the desirability of dealing with similar cases using contributory, rather than direct, infringement theory.\textsuperscript{98} Finally, the Second Circuit limited its ruling to the facts of the case, failing to affirmatively set forth the uniform rule it argued for throughout its opinion.\textsuperscript{99} The following analysis will discuss these four segments of the opinion in turn, contemplating the validity and implications of the Second Circuit’s conclusions.

\textbf{A. Expansion of Netcom and CoStar to a Broader, More Uniform Rule}

The Second Circuit began its discussion of Cablevision’s potential direct liability by invoking the volitional action requirement applied in Netcom.\textsuperscript{100} The analysis interpreted Netcom’s decision as a general rule, applicable when infringing copies are made on a system owned by one party and triggered by another.\textsuperscript{101} The Second Circuit concluded that under Netcom’s reasoning, the only actor involved in the RS-DVR process that may be viewed as making the copy in a method sufficient for direct liability is the user who pushes the record button on its remote control.\textsuperscript{102} The acceptance of this general rule depended on a different interpretation of the extent of Netcom’s holding than that relied upon by the district court and in some prior cases.

\textsuperscript{96} See id. at 131.
\textsuperscript{97} See id.
\textsuperscript{98} See id. at 133.
\textsuperscript{99} See id.
\textsuperscript{100} Id. at 130.
\textsuperscript{101} See Cartoon Network, 536 F.3d at 130-131 ("[S]omething more must be shown than mere ownership of a machine to make illegal copies." (quoting CoStar Group, Inc. v. LoopNet, Inc., 373 F.3d 544, 550 (4th Cir. 2004))).
\textsuperscript{102} Id. at 131 ("Netcom and its progeny direct our attention to the volitional conduct that causes the copy to be made. There are only two instances of volitional conduct in this case . . . designing, housing, and maintaining a system that exists only to produce a copy, and . . . ordering that system to produce a copy . . .").
While all the relevant cases since *Netcom* have agreed with its requirement for a volitional element, the decisions on liability in each case have centered on what type of conduct may satisfy that element.\textsuperscript{103} The district court's focus on the degree of Cablevision's involvement in the copying process may be compatible with some of the earlier applications of *Netcom*, but the Second Circuit tellingly criticized the lower court for "pigeon-hol[ing]" the *Netcom* holding.\textsuperscript{104} By treating the district court decision as if it failed to apply *Netcom*, rather than simply arguing that it incorrectly analyzed the facts regarding *Netcom*’s volition element, the Second Circuit clearly interpreted *Netcom* more broadly than some earlier cases.

The *Hardenburgh*, *Perfect 10*, and district courts read *Netcom* merely as requiring a sufficient volitional act by any involved party to bring about direct liability. Under this method of analysis, the extent of a copying technology provider’s involvement in the overall copying process could be weighed, and if significant enough, substituted for the user’s volitional act of triggering the copy. The Second Circuit, on the other hand, interpreted the principles of *Netcom* to not only require a volitional act to establish direct liability, but also to determine that in cases of automated copying technologies, that volitional act can only be attributed to the user triggering the copy. The Second Circuit stated that *Netcom*’s "reasoning and conclusions . . . transcend the Internet . . . , and we find it ‘a particularly rational interpretation of § 106,’ rather than a special-purpose rule applicable only to ISPs."\textsuperscript{105} Thus, the *Cartoon Network* decision envisions a broadly applicable rule limiting the parties to whom direct liability can be assigned when any copying technology is triggered by an end user.

The Second Circuit’s vision of a broadly applicable rule has appealing logical implications. First, it forecloses the possibility of multiple parties facing direct liability. Even outside the

\textsuperscript{103} For example, *Russ Hardenburgh* and *Perfect 10* prescribed to follow *Netcom*, but considered such factors as the BBS’s encouragement of copying and physical storage of hard drive on which the infringing images were copied. See *supra* Part II.B.2.b-c.

\textsuperscript{104} *Cartoon Network*, 536 F.3d at 131.

\textsuperscript{105} *Id.* (quoting *CoStar*, 373 F.3d at 551) (emphasis added) (citations omitted).
circumstances of the Internet, in which information may pass through many different servers implicating an unlimited number of parties, it is better to impose direct infringement liability on a single individual. If Cablevision's role in the copies made by the RS-DVR system was judged to satisfy the Netcom standard for volitional action, it would be difficult to argue that the RS-DVR user's act of engaging the system to copy a specific copyrighted program would not also satisfy the standard. Under the strict liability imposed by the Copyright Act, the situation would result in two direct infringers. Such a result necessarily takes the focus off of finding a party who actually made the copy, and instead punishes multiple individuals that may have various degrees of culpability.

Furthermore, standardizing a rule for establishing volition across all copying technologies is desirable. Volition itself is a concept that should be determined independently of the specific features of a given technology. A service provider's knowledge of, or interest in, its customer's specific infringing use of a copying technology may lead to a greater culpability in a copyright violation.\(^{106}\) A greater involvement by the service provider, however, does not change the nature of an end user's volitional act of triggering the copy. The following hypothetical illustrates the problem with allowing a service provider's involvement to alter the overall determination of volition: consider an arrangement in which an ISP makes a deal with cable television channels to broadcast programming feeds to subscribers over the ISP's Internet connection. Subscribers could use separately purchased utilities to copy the programming feeds and later post individual copyrighted programs to the ISP's bulletin board service. Under the district court's framework for analysis, a determination must first be made as to whether the facts present an ISP case, or a case more like a cable provider with RS-DVR. If it is an ISP case, the CoStar ruling would strongly suggest that only the customer may be directly liable, regardless of the ISP's role; if more analogous to the RS-DVR system, the identity of the direct infringer(s) would be determined by an examination of the extent of the ISP's

\(^{106}\) Such culpability may be punishable under contributory liability. The advantages to limiting punishment to contributory infringement doctrine are discussed later. See infra Part III.C.
involvement in its own service. Such a divergent analysis does not make sense, as the volitional element provided by the end user is identical under the facts of Netcom, the hypothetical, and Cartoon Network. Therefore, the Second Circuit’s vision of a rule that establishes not only the requirement for volition in direct infringement claims, but also a standard for what constitutes that volition in copying technology situations, is an improvement on the district court’s analysis.

B. Discussion of the District Court’s Determinative Factors

After setting out a rule under which it would analyze the question of direct liability, the Second Circuit turned to a discussion of specific factors that the district court used in holding Cablevision liable. Notably, the Second Circuit first rejected an analogy to Princeton University Press, and then discounted the district court’s emphasis on Cablevision’s control over the content that the RS-DVR could copy. The analysis of these arguments not only dismissed the district court’s conclusion on the specific facts of the RS-DVR situation, but also diminished the importance of cases that appear to conflict with the Second Circuit’s broad reading of Netcom.

I. The Significance of Human Intervention as a Triggering Act

The Second Circuit criticized the district court’s reliance on Princeton University Press. The district court analogized the two fact patterns, claiming that in each, the service providing defendants were the parties making the copies, though it was “at the customer’s behest.” Discrediting the analogy, the Second Circuit pointed to the element of human intervention. In Princeton University Press, the defendant actually took the copy request from the customer and then processed the packets himself.

108. See id.
109. Id. at 131.
Cablevision customers, on the other hand, input their record commands directly into the automated RS-DVR system.111

The human intervention by the defendant in Princeton University Press clearly distinguishes the case under the Second Circuit’s reading of Netcom, which pins direct liability on the single actor who triggered the copy. Although the Cartoon Network decision does not relate other case law to the topic, the distinction of human intervention also presents interesting questions about prior cases that appear to conflict with the Second Circuit’s reading of Netcom. While the Hardenburgh court clearly proposed the analysis of more factors in determining sufficient volition than did the Cartoon Network court, the first of the two factors it found determinative of direct liability was the human intervention by the defendant’s employees: triggering the post of the copyrighted images.112 Viewed in light of the Second Circuit framework, such a factor seems more relevant to defining a triggering act than it does to measuring the service provider’s involvement in the copying process. The second decisive factor that the Hardenburgh court pointed to was the fact that the service provider encouraged its users to upload the infringing material.113 This aspect of the defendant’s role may now more clearly fall under the contributory liability doctrine of inducement,114 leaving the remainder of the Hardenburgh decision less distinguishable from that of the Second Circuit. Despite the fact that both decisions use different forms of analysis, reflection on Hardenburgh and Cartoon Network in terms of human intervention minimizes the extent to which the decisions actually conflict.

Perfect 10 was the only other case decided since Netcom that suggested consideration of a service provider’s involvement in the copying process when a user triggers an infringing copy. The Perfect 10 court similarly used human intervention as a determinative factor in assigning direct liability, though it used the

111. Cartoon Network, 536 F.3d at 131-32.
113. Id.
lack of intervention to support a lack of liability.\textsuperscript{115} Also, pointing to the fact that its defendant did not own the servers storing the infringing images, the \textit{Perfect 10} analysis considered factors that the Second Circuit framework deemed irrelevant.\textsuperscript{116} However, as the \textit{Perfect 10} court discussed this issue to show a lack of volitional action, it did not suggest that a change in this fact alone would alter its decision on liability.\textsuperscript{117} Therefore, though \textit{Perfect 10}'s analysis did not completely square with the framework utilized by the Second Circuit, the holdings of the two cases do not directly conflict.

The Second Circuit’s rejection of the \textit{Princeton} analogy is easily explained by its focus on the need for a single, triggering act. Consideration of this triggering act being established by a human intervention raises questions as to how incompatible the \textit{Hardenburgh} and \textit{Perfect 10} rationales really are with the Second Circuit’s interpretation of \textit{Netcom}. It is noteworthy that the \textit{CoStar} court chose to dismiss consideration of its defendant’s intervention in the copying process.\textsuperscript{118} The RS-DVR system does not require any intervention similar to that of \textit{CoStar}, \textit{Hardenburgh}, or \textit{Princeton University Press}, and thus the Second Circuit did not discuss the issue of determining what type of intervention would suffice to become a triggering act. The Second Circuit’s emphasis on a triggering act, however, naturally magnifies the importance of any human intervention, and simultaneously provides a different framework for viewing the earlier decisions.

2. Content Control as a Potential Factor to Volition

The Second Circuit next dismissed the weight that the district court gave to Cablevision’s control over the copyrighted content that the RS-DVR can record.\textsuperscript{119} Admitting that a degree of control over the content makes Cablevision “more proximate” in the

\textsuperscript{116} \textit{Id.}
\textsuperscript{117} \textit{Id.} at 1168-1169.
\textsuperscript{118} \textit{CoStar Group, Inc. v. LoopNet, Inc.}, 373 F.3d 544, 556 (4th Cir. 2004).
\textsuperscript{119} \textit{Cartoon Network LP v. CSC Holdings, Inc.}, 536 F.3d 121, 132 (2d Cir. 2008).
copying process, the Second Circuit reasoned that the limited role was not "sufficiently proximate to the copying to displace the customer as the person who 'makes' the copies."120 While the Second Circuit’s wording did not explicitly foreclose the consideration of content control in any instance, it went on to hint at what degree of content control would be necessary to remove a service provider from general immunity and into the realm of direct liability. Rather than continuous streams of programming in the form of television channels, the Second Circuit indicated that a potential for direct liability would require control over the availability and timing of individual copyrighted programs.121 Thus the Second Circuit implies that the general protection from liability exists for service providers as long as they do not control the specific copyrighted works that their customers may copy.

There is little case law contradicting the Second Circuit’s decision not to consider Cablevision’s control over the channels available to the RS-DVR. The main precedent case supporting consideration of content control in assigning direct liability to a service provider is Elektra Records. The Elektra Records court focused on the provision of copyrighted music by the store to its customers, but it would be inappropriate for the Second Circuit to consider Elektra Records as authority towards a different conclusion.122 First, the store in Elektra Records made the tapes of individual copyrighted works available, which goes beyond the scope of the Second Circuit’s ruling.123 Second, the Elektra Records court did not specifically assert that the store’s control of the content was a determinative factor of analysis.124 In fact, a footnote in the opinion suggests that there was evidence that store employees may have participated in the actual operation of the copying device.125 Such evidence could have persuaded the

120. Id.
121. See id. ("But this control is limited to the channels of programming available to a customer and not to the programs themselves. Cablevision has no control over what programs are made available on individual channels or when those programs will air, if at all.").
123. Id.
124. See id.
125. See id. at 822 n.3 ("Plaintiffs affidavits aver that defendants’ employees..."
Elektra Records court to consider other factors with less stringency than they otherwise would have. Finally, Elektra Records has since been criticized for considering the provision of content in a direct, rather than contributory infringement claim. Therefore, there is no strong precedent that contradicts the Second Circuit’s reasoning, which excluded the consideration of content control in similar cases.

C. Argument for a Meaningful Distinction Between Direct and Contributory Liability

After explaining its framework for analysis and specific rationale, the Second Circuit supported its conclusions by pointing to its interpretation of the Supreme Court and Congress’s intent in the treatment of different categories of infringement. The Second Circuit suggested that both authorities express a “desire to maintain a meaningful distinction between direct and contributory copyright infringement.” The Second Circuit argued that the Supreme Court’s modes of analysis in Sony and other cases “strongly signaled its intent to use contributory infringement doctrine, not direct infringement” to address cases in which liability is imposed on one individual after another makes a copy. It further argues that a similar desire on the part of Congress is evident in the fact that the Patent Act includes a statutory assignment of liability on a party who induces infringement, while the Copyright Act noticeably does not.

Weighing Cablevision’s involvement in maintaining the RS-DVR...

... extract the tapes after duplication, and test the newly recorded tape for fidelity before delivery to the customer.”)

126. See, e.g., RCA Records v. All-Fast Sys., Inc., 594 F. Supp. 335, 337 (S.D.N.Y. 1984) (“It is true that . . . the defendant in Elektra provided the originals as well as the machine for copying, but this distinction is of no import under these circumstances. The significant element of a copyright violation is the copying. . . . Supplying the original creates a more egregious case of contributory infringement . . . .”).


128. Id.

129. Id.

130. Id.
system and its control over the copyrighted content, the district
court examined factors that are normally addressed by contributory
infringement.\textsuperscript{131} Thus, by adopting a general rule that does not
weigh factors of involvement, the Second Circuit took a step
toward distinguishing the two forms of liability.

Whether or not the Second Circuit’s conclusion about Supreme
Court and Congressional intent are correct, the goal of more
clearly distinguishing contributory liability from direct liability is a
valid one. First of all, a clear distinction provides a measure of
predictability and certainty to both providers of copying
technologies and copyright holders alike. While the same cases
will still present potentially complex analyses under the
contributory infringement doctrine, the elimination of direct
liability consideration from a large number of fact patterns would
at least provide potential litigants with a single doctrine on which
to focus.

Second, a rule that clearly directs a single form of liability for all
providers of emerging copying technologies allows for the
application of the most “up-to-date” laws to the changing
landscape of media. Copyright cases involving specific copying
products, services, or systems necessarily respond to unique
factual situations that will often be created by the evolution of
technology. Designating a single doctrine under which to consider
all such cases would keep the law under that doctrine more current
in terms of new technologies. \textit{Cartoon Network} is a good example
in that the plaintiffs seem to be avoiding the implications of the
\textit{Sony} ruling by using a direct, as opposed to contributory,
infringement claim.\textsuperscript{132} \textit{Sony} fails to give adequate protection to
copyright holders in light of modern technologies, though, it would
best serve the body of law to reform contributory infringement
doctrine rather than to leave it static. By creating a clear

\textsuperscript{131} \textit{Id.} at 132.

\textsuperscript{132} \textit{See} Steven Seidenberg, \textit{Recording Restrictions}, \textit{INSIDE COUNSEL}, Dec.
g-Restrictions.aspx (“The likely reason [why the plaintiffs made no contributory
infringement claim], according to many experts, is that the plaintiffs were trying
to get around the Supreme Court’s seminal ruling in \textit{Sony Corp. v. Universal
City Studios, Inc.”}).
distinction between the use of direct and contributory infringement, courts can best attain a single, consistent, and up-to-date body of case law through which copyright holders can enforce their rights.

D. Holding on the Facts of the Case

After laying out the framework for a broad and helpful rule, the Second Circuit diminished the strength of its own holding by ruling only on the facts of the RS-DVR system. In concluding its analysis of the direct infringement claim, the Second Circuit surmised that the district court followed a line of cases that allow a critical mass of involvement by a service provider to substitute for the volitional element required by Netcom.133 Instead of rejecting the district court’s mode of analysis in favor of the broad rule that the Second Circuit claimed to endorse at the beginning of its opinion, it abstained from ruling on whether a service provider could be deemed directly liable for infringement based on involvement with the copying process alone.134 The opinion concluded only that “based on the facts of this case, copies produced by the RS-DVR system are ‘made’ by the RS-DVR customer, and Cablevision’s contribution to this reproduction by providing the system does not warrant the imposition of direct liability.”135 The Second Circuit’s limitation of its holding is puzzling because its earlier analysis laid out the framework for a clear, broadly applicable rule.

The Second Circuit also does readers a disservice by leaving the relevance of a service provider’s involvement as an open question. By specifically mentioning the existence of conflicting case law, yet refusing to rule on the issue, the Cartoon Network opinion leaves the impression that there is an active debate over the subject.136 Rather than refusing to enter the debate, the Second Circuit could have discussed the reasoning behind the earlier

133. Cartoon Network, 536 F.3d at 133.
134. Id.
135. Id.
136. The Second Circuit specifically cites Hardenburgh as conflicting in regard to using involvement by the service provider to establish a volitional element, but notes that the earlier case is not binding precedent. Id.
decisions. Such an endeavor would only serve to bolster the Cartoon Network analysis by showing a lack of strongly conflicting authority.

IV. CONCLUSION

The early discussion of Netcom suggested that direct copyright infringement liability should generally not be considered for providers of automated copying technologies when a user of that technology is ultimately responsible for triggering the infringing copy. The discussion of particular aspects of the case limited exceptions to the rule to rather understandable situations. First, the immunity from liability may not be appropriate if the service provider engages in a volitional act after the user orders a copy to be made. This could, in effect, supersede the user’s volition and establish the service provider as the one who actually makes the infringing copy. Second, the rule may not apply if the service provider, rather than the user, selects the individual copyrighted works to be copied. While the exceptions may arise in future cases, requiring more intricate analysis, the general rule is based on sound principles and would eliminate the need for analyzing ambiguous situations under a doctrine not developed for the task.

Cartoon Network’s insightful analysis of the line between direct and contributory infringement claims will likely provide solid guidance to courts pondering the question of direct versus contributory liability for automated copying technologies. While the Second Circuit ruled correctly on the facts of the case, it is unfortunate that it did not base its holding on the framework built over the course of its opinion. By holding only on the facts of the RS-DVR system, the Cartoon Network decision failed to foreclose direct infringement claims against mere providers of copying technology.

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