CONCLUSION

Conventional copyright doctrine views copyright from a “top down” perspective where copyright holders possess the power and control over their exclusive rights, expecting potential users to seek permission for any and all protected uses. However, this viewpoint does not map onto what is occurring in our “share this” society. Disney, which is one of the largest and most litigious companies in the world, purposely chose not to pursue individuals posting Frozen commentary, interpretations, and parodies on YouTube and other social media platforms. Instead of viewing these uses of Disney-owned material as infringement, this powerful copyright owner views these forms of user

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* Georgetown Law, J.D. expected 2017; University of Florida, B.S. Journalism 2014. The author would like to thank Professor Julie E. Cohen for her help in developing, editing, and providing commentary on this piece. © 2016, Cassandra G. Vangellow.

expression as a form of advertising and promotion. Disney’s commitment to the new opportunities available through Internet interaction may be best illustrated by its purchase of Maker Studios, which provides the largest content network on YouTube. In recent years, media giant Viacom has also loosened its hold on some of its intellectual property by encouraging the creation of parody. What propelled this momentous shift in behavior on the parts of powerful IP holders such as Disney and Viacom?

Part I describes how current copyright law, especially the damages regime, fails to address user-generated content (UGC) that borrows from or bases itself on copyrighted works. Part II explores how copyright owners are tolerating some UGC, which is creating ‘soft’ law customs and practices. Part III assesses how informal acceptance of certain practices should result in flexible no-action policies while acknowledging the ethical obligations facing courts, intellectual property attorneys, and their clients.

**PART I – COPYRIGHT REGIME IS ILL-EQUIPPED TO ADDRESS CURRENT USES**

*Personal Use Problem*

The public-private dichotomy used to be unequivocal on the face of the law and in practice – users would face potential infringement claims for displays and performances in public and avoid such claims for displays and performances occurring in private. Personal use seemed to reach its apex in the Supreme Court’s famous “Betamax” case. As Justice Stevens so eloquently expounded:

One may search the Copyright Act in vain for any sign that the elected representatives of the millions of people who watch television every day have made it unlawful to copy a program

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for later viewing at home, or have enacted a flat prohibition against the sale of machines that make such copying possible.

Personal use can be defined as use that an individual makes for herself, her family, or her close friends, which can occur in a range of places, such as at home, at work, or on the street. It can be expected that some personal uses will be clearly legal, some uses will be clearly illegal, and some will operate in a gray area that includes uses neither expressly allowed nor explicitly precluded by existing law. An example of a lawful personal use is a private performance of a copyrighted work. A young woman watching a lawfully acquired digital or physical copy of *Titanic* in her apartment for the umpteenth time will certainly not be pursued for copyright infringement. The limitation of the copyright owner’s exclusive rights to distribute, perform, and display various works to the public setting eliminates any concern about this private personal use. In addition, other statutory exemptions and privileges protect users’ personal uses, including the distribution and display to the public of owned, lawfully created copies associated with the first sale doctrine and the ability to modify and produce computer program backup copies.

However, the statutory privileges and exemptions only extend so far, especially as technological development and innovation occur at increasingly faster rates. The internet gives users the opportunity to be news providers, publishers, television networks, movie studios, radio stations, or all of the above, often as part of the collaborative UGC network. This peer production phenomenon allows users to select the activities and tasks they are best suited for, which effectively allocates human capital.

That UGC has been allowed to flourish and be shared has facilitated a burst of creativity in the adaptation arena. The internet features fan fiction for everything from *Grey’s Anatomy* to *Harry Potter*, where one wizard-dedicated fan-fiction portal claims to house 84,577 stories and 38,570 authors.

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8 *Id.* at 1894.
9 *Id.* at 1895.
13 Lee, *supra* note 1, at 1501.
Instead of causing harm to a given work, these creative uses are making the original work more valuable by serving as a complement rather than a replacement.\(^17\) These complements are in sharp contrast to succeeding works that borrow from the work’s original owner without adding a significant contribution, as demonstrated by the *Harry Potter* fan who attempted to publish a guidebook to the series, predominantly appropriating material directly from author J.K. Rowling’s books.\(^18\) Some individuals favoring a staunch copyright regime postulate that copyrighted works have no complements because anything based upon the original work would be a derivative work, which the original owner has the exclusive right to exploit.\(^19\) Alternatively, the stronger argument seems to be that instead of a work being “recast, transformed, or adapted” when a complement is created, a new and distinct work results with associated benefits of this separate identity.\(^20\) While *Fifty Shades of Grey* may be an extreme example because of its commercial success, the series began as fan-fiction inspired by Stephenie Meyer’s vampire saga, *Twilight*.\(^21\) It is difficult to argue that an erotic novel emblematic of the “mommy porn” genre should be viewed as a substitute for a young adult novel about vampires and werewolves because the intended audiences and impacts are categorically dissimilar.\(^22\)

**Incompleteness of Fair Use**

As the law is largely static because of its need to exist in perpetuity, this complicates matters when external changes occur that are not addressed by the law. If we were to use a fair use analysis of a given personal use, we would typically proceed through the four factors: (1) the purpose and character of the


\(^18\) John Eligon, *Rowling Wins Lawsuit Against Potter Lexicon*, N.Y. TIMES (Sept. 8, 2008), http://www.nytimes.com/2008/09/09/nyregion/09potter.html (“I went to court to uphold the right of authors everywhere to protect their own original work. The proposed book took an enormous amount of my work and added virtually no original commentary of its own.”).

\(^19\) 17 U.S.C. § 106 (2012) (“Derivative work” is defined in § 101 as “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”).

\(^20\) Wu, *supra* note 17, at 631.


\(^22\) See id.
use, focusing specifically on whether the use was transformative, (2) the nature of the involved copyrighted work, (3) the amount and substantiality of the segment used in relation to the copyrighted work as a whole, and (4) the effect of the use upon the potential market or value of the copyrighted work. However, the fair use framework is an inadequate tool for protecting activities “at the core of ordinary uses of copyrighted works,” especially because these uses do not tend to have a commercial purpose or impact the market or value of the copyrighted works. It is difficult to see how the nature of the work and the amount used should cut in the personal use context because the goal is for users to enjoy the copyrighted materials. Legislators and courts seem to forget that for these creative works to mean anything, someone needs to “read the book, view the art, hear the music, watch the film, listen to the CD, run the computer program, and build and inhabit the architecture.” Related to the consumption is how people interact, celebrate, and critique these creative works.

Instead of looking to fair use to determine a personal use’s lawfulness, the use should be evaluated for where it would fall on a continuum between enjoyment and exploitation. While it can be convincingly argued that technology has generated more avenues and forums for dissemination that can detract from copyright owners’ ability to maintain control over their works, new technologies have simultaneously provided these owners with greater abilities to control and prevent unlawful uses. If these technological developments are to preserve the equilibrium between enabling fair use and allowing copyright holders to limit fair use, balance is essential because copyright is supposed to serve and protect both the copyright creators and consumers. Clearly, “A Frozen Father,” which is a YouTube parody video based on Disney’s blockbuster Frozen, is on the enjoyment side of the spectrum.

Copyright owners rightfully have a claim to the profits generated by their creative works. While the copyright system should protect copyright owners from those uses that are capturing the financial gain that should be attributed to the copyright owner, it is questionable whether copyright owners should pursue the average YouTube user classified in the entertainment category who is averaging 9,816 views per video. However, copyright owners

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25 Litman, supra note 7, at 1880.
26 Id. at 1911.
27 Andrew Leonard, supra note 3.
could express concern about whether YouTube uploaders are getting rich by using the owner’s content in mash-up creations because users will make about $2,000 for every one million views.  

29 “Sesame Street: Share It Maybe,” which parodies the Carly Rae Jepsen song “Call Me Maybe” with lyrics including “Hey, me just met you, and this is crazy, but you got cookie so share it maybe,” currently has more than 20 million views.  

30 It seems highly unlikely that Jepsen would pursue a case against Sesame Workshop’s nonprofit Cookie Monster rendition that celebrates Jepsen’s song. Various other groups made parodies of “Call Me Maybe,” including the Miami Dolphins Cheerleaders and the Harvard baseball team. A YouTube user transformed Adele’s “Hello” into a Star Wars video called “Hello (from the dark side),” which features images of Darth Vader and other notable characters and lyrics like “Can’t say that I’m sorry, for blowing up Alderaan. We could have ruled the galaxy as father and son.”  

31 More than 8.5 million viewers have watched this video. While this user utilized copyrighted information owned by Adele and Disney, this still seems to be on the enjoyment side of the spectrum. Although from the user perspective these uses appear to be on the enjoyment side, the value of the generated publicity for the holders should not be overlooked.  

However, many examples exist of personal use expanding into exploitation. In Mattel, Inc. v. Pitt, the Southern District of New York looked at whether a defendant’s use of a Barbie head on another doll wearing sadomasochistic clothing and accessories and being featured in a sexually explicit story constituted fair use. In recognizing the viability of the fair use defense, the court noted the Dungeon Dolls’ transformative character as demonstrated by the selected apparel, doll figure, and associated context, as

(Revealing that, on average, How-to and Style videos receive about 8,332 views per video, pet/animal videos receive about 6,542 views per video, people/blogs videos receive 2,354 views per video).


32 ADELE – HELLO (FROM THE DARK SIDE) [PARODY], https://www.youtube.com/watch?v=UAMyh8DjCrQ (last visited May 14, 2016).

well as the considerable improbability that these altered dolls would ever usurp demand for Mattel’s dolls in the toy market. Although the defendant’s website provided free access, Mattel may have been victorious in its motion for summary judgment if the defendant earned a profit from the altered dolls. Another close case involved T-shirts and tank tops featuring a copyrighted photo used to comment on the local mayor’s desire to terminate the annual University of Wisconsin Mifflin Street Block Party. Due to the T-shirts and tank tops not serving as substitutes for the original photo and because what was ultimately used on the products was a stripped down facial outline that could not receive copyright protection, Judge Frank Easterbrook determined this predominantly personal use fell under the fair use umbrella. This case raises the exploitation question because Sconnie Nation earned a small profit on the sold apparel, and the creators had other options, such as taking their own photo of the mayor instead of using the photographer’s copyrighted version. The somewhat conflicting and counterintuitive nature of these cases demonstrate why fair use alone cannot address these expanded personal uses.

**Damages and Willful Infringement**

Much of the consternation associated with copyright law results from the damages regime. The Copyright Act is notable for granting expansive rights to copyright owners, including its principal vehicle, section 106, which grants holders the broad rights of reproduction, distribution, performance, display, and the preparation of derivative works. However, users’ rights are much more restricted as the law delineates exactly what users can do as compared to the copyright holders’ expansive rights. For example, if libraries and archives want to engage in any sort of copying so as to avoid infringement, they are allowed to make limited copies (one to three depending on the underlying work), but only if the institutions are open to the public, available to scholars who are part of the library, archives, or institution, or available to people pursuing research in a particular field. The internet introduces new avenues

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34 Pitt, F.Supp.2d at 324.
35 Kienitz v. Sconnie Nation LLC, 766 F.3d 756, 758-59 (7th Cir. 2014).
36 Id. at 759-60.
37 See id. at 759-60.
39 Id.
for sharing copyrighted material, while simultaneously compounding opportunities for infringement. However, a disparity exists between user expression, possible infringement, and available copyright remedies because the lines separating these phenomena are blurred and ever-changing based on what users are doing with the protected material.

The copyright system is marked by several developments of the damages regime. An 1856 amendment to the Copyright Act marked a shift in statutory damages because it introduced an available range.41 As could be expected, resulting damages often did not match the infringement’s scope, particularly because of the per-sheet infringement approach. The defendants in **Falk v. Heffron** made 2,400 copies of an infringing photograph, but because they put multiple photographs on 115 sheets, the sustained statutory damages were only $115.42 **Bolles v. Outing Co.**, which involved a defendant making a photogravure of plaintiff’s photograph, resulted in statutory damages of $1 because the plaintiff could only prove that one copy of his work—the photograph—was ultimately sold.43 These two cases indicate how the damages calculation shied away from its intended purposes: providing full compensation to the copyright holder for any incurred damages and deterring subsequent infringement.44

The Copyright Act of 1909 aimed to address the penalizing nature of the per-sheet remedy.45 The Act distinguished between the compensatory, deterrent, and penal functions for damages by fashioning a new criminal provision to punish infringements that were both willful and profitable and by creating a compensatory regime for when actual damages were difficult to prove.46 In addition to section 101(b) unequivocally stating that statutory damages “shall not be regarded as a penalty,” some courts refused to award statutory damages when actual damages or profits could be shown.47 However, the legislation also featured the arbitrary and cryptic phrase “as the court shall appear to be just.”48 Although in **F.W. Woolworth Co. v. Contemporary Arts**, 41 Joe Donnini, *Downloading, Distributing, and Damages in the Digital Domain: The Need for Copyright Remedy Reform*, 29 SANTA CLARA COMPUT. & HIGH TECH. L.J. 413, 418 (2013).


44 Brady v. Daly, 175 U.S. 148, 154-56 (1899) (Rationalizing that in the event actual damages are difficult to prove, the statutory scheme allows for at least minimum recoveries).


46 Id. at 444.

47 Id. at 449.

48 Donnini, *supra* note 41, at 424.
Inc. the infringer only made a gross profit of approximately $900 from the infringing cocker spaniel statuettes, the Court awarded $5,000 in statutory damages.\textsuperscript{49} This arguably excessive award appears to be in penalty territory, which is outside the stated purposes of statutory damages.

The Copyright Act of 1976 further complicated the damages issue by combining statutory damages’ compensatory and penal functions by calling for limited damages in innocent infringement cases, a broad range for ordinary infringement, and heightened damage levels for willful infringement.\textsuperscript{50} The 1976 Act continues to struggle with the awarding of actual damages and profits, when to award statutory damages, and how to address willful versus innocent infringers, which is crucial in the UGC context.

Section 504(b) allows the copyright holder to recover his or her actual damages and any of the profits received by the infringer as a result of the infringing act.\textsuperscript{51} Congress viewed actual damages as compensating the copyright holder for losses incurred due to the infringement and the recovery of the defendant’s profits as a way to preclude the infringer from unfairly benefitting from a wrongful act.\textsuperscript{52} While actual damages and profits may be difficult to assess in some situations, this regime seemed to preserve the idea of making the plaintiff whole.

Although the 1976 Act attempted to constrain statutory damages, it actually expanded their power. Section 504(c) indicates that statutory damages are only available in place of actual damages and the defendant’s profits.\textsuperscript{53} Online infringement cases often involve statutory damages because the infringement’s scope may not be discernible.\textsuperscript{54} The 1976 Act attempted to limit statutory damages in several ways, including by limiting the statutory damages remedy to those who register their copyright claims within three months of the copyrighted work’s publication, and by providing that infringement of a compilation should be treated as a single work for statutory damages purposes.\textsuperscript{55} In another attempt to limit statutory damage awards, Congress adopted a “per infringed work” rule to replace the “per infringement” rule.\textsuperscript{56}

\textsuperscript{50} Samuelson & Wheatland, \textit{supra} note 45, at 444-45.
\textsuperscript{52} Donnini, \textit{supra} note 41, at 433.
\textsuperscript{53} Samuelson & Wheatland, \textit{supra} note 45, at 451.
\textsuperscript{54} U.S. DEP’T OF COM., INTERNET POL’Y TASK FORCE, COPYRIGHT POL’Y, CREATIVITY, AND INNOVATION IN THE DIGITAL ECON.: WHITE PAPER ON REMIXES, FIRST SALE, AND STATUTORY DAMAGES, 70 (Jan. 2016).
\textsuperscript{55} Samuelson & Wheatland, \textit{supra} note 45, at 452-53.
\textsuperscript{56} Id. at 453.
However, this rule fails to map onto content sharing through the Internet and other platforms. Other provisions in the 1976 Act functioned to expand the power of statutory damages. In addition to increasing the statutory damage maximum to $30,000, plaintiffs have the right to elect statutory damages at any time during litigation up until the entry of a final judgment.\(^57\) Section 504(c) also does not include section 101(b)’s language that statutory damages are not supposed to serve a penalty function.\(^58\) Finally, the introduction of a new category of “willful infringers” with a higher damages cap is likely the predominant impetus for the broadening of statutory damages.\(^59\)

While the “innocent infringer” and “willful infringer” labels seem like they would be instructive in awarding statutory damages, they are typically misconstrued. Although section 504(c)(2) references both types of infringers, neither classification is defined in the Act.\(^60\) As the Second Circuit complained in *Fitzgerald Pub. Co. v. Baylor Pub. Co.*, “[w]illfully’ infringing and ‘innocent intent’ are not the converse of one another. Thus it is possible in the same action for a plaintiff not to be able to prove a defendant’s willfulness, and, at the same time, for the defendant to be unable to show that it acted innocently.”\(^61\) Innocent infringer and willful infringer are not mutually exclusive terms. As sharing and sampling become increasingly commonplace, it appears that the impermissible line between willful and innocent infringement is only becoming more blurred. While a user might consciously be selecting to include part of a Beyoncé or Jay-Z song in a video mash-up, whether this user is willfully infringing a protected right involves another determination that the current framework does not address.

Unfortunately, the innocent infringer provision, which gives courts the discretion to reduce a statutory damages award to a minimum of $200,\(^62\) is effectively useless for defendants.\(^63\) This is primarily because courts are extremely strict about defendants indicating both a good-faith belief that their conduct was non-infringing and that the defendants had a reasonable basis for that belief.\(^64\) Only two cases involve a court awarding statutory damages in an amount lower than the ordinary infringement minimum.\(^65\) The Southern District

\(^{58}\) Samuelson & Wheatland, *supra* note 45, at 457.
\(^{59}\) *Id.* at 458.
\(^{63}\) Samuelson & Wheatland, *supra* note 45, at 452.
\(^{64}\) *Id.* at 475 n.174.
\(^{65}\) *Id.* at 474-75.
of New York levied a $100 statutory damages award against a small shop for unknowingly selling infringing toys, but the damages reduction was likely a result of the inappropriate tactics of the plaintiffs’ lawyer.\textsuperscript{66} In \textit{D.C. Comics, Inc. v. Mini Gift Shop}, the Second Circuit affirmed a $200 statutory damage award against a defendant who did not have the business acumen or notice that the copyrighted works were infringing.\textsuperscript{67} Although it would seem that many users, particularly those expressing themselves in a non-commercial way, could qualify as innocent, this is not shown in the case law.

Willful infringer was supposed to apply to “exceptional cases” involving repeat infringers, counterfeiters, and the like, but recent case law indicates that this undefined term is resulting in arbitrary and excessive damages awards.\textsuperscript{68} In \textit{Capitol Records, Inc. v. Thomas-Rasset}, the three separate trials yielded statutory damage awards of $222,000 (equates to $9,250 per work), $1.92 million (equates to $80,000 per work), and $1.5 million (equates to $62,500 per work).\textsuperscript{69} \textit{Sony BMG Music Entertainment v. Tenenbaum} also resulted in a high damages award; although the district court claimed the $675,000 statutory damages amount was excessive and unconstitutional, the appellate court reinstated the original award.\textsuperscript{70} The First Circuit reasoned that if Congress contemplated a commercial/non-commercial user dichotomy, it would have indicated this distinction expressly as it did in the Sound Recording Act of 1971 and the Audio Home Recording Act of 1992.\textsuperscript{71} \textit{Maverick Recording Company v. Whitney Harper} involved a high school student who downloaded thirty-seven songs from a file-sharing program, infringing several labels’ copyrighted sound recordings.\textsuperscript{72} Unfortunately for Harper, she could not invoke the innocent infringer defense. Section 402(d) of the Copyright Act states that if the published phonorecord includes a copyright notice, “then no weight shall be given to such a defendant’s interposition of a defense based on innocent infringement in mitigation of actual or statutory damages.”\textsuperscript{73} The court did not grant much credence to the fact that while the plaintiffs included the requisite copyright notice on their physical CDs and other physical embodiments of the

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\textsuperscript{66} Id. at 475 (citing Warner Bros., Inc. v. Dae Rim Trading Inc., 677 F. Supp. 740 (S.D.N.Y. 1988)).
\textsuperscript{67} Id. at 475 n.175.
\textsuperscript{68} Id. at 459.
\textsuperscript{69} \textit{White Paper on Remixes, First Sale, and Statutory Damages}, supra note 54, at 71 n.414.
\textsuperscript{70} Sony BMG Music Ent. v. Tenenbaum, 660 F.3d 487, 509 (1st Cir. 2011).
\textsuperscript{71} Id. at 499.
\textsuperscript{72} Maverick Recording Co. v. Harper, 598 F.3d 193, 195 (5th Cir. 2010).
\textsuperscript{73} 17 U.S.C. § 402 (2012).}
music, they did not include such notice on the downloadable recordings infringed by Harper.\footnote{Doninni, \textit{supra} note 41, at 440-41.}

Although ignorance of the law is no excuse, and the public is much more aware of copyright because of the Grokster and Napster litigation, the damages framework treats UGC creators in a draconian manner. While creative expression that is seen as honoring or celebrating a work by contributing something new is likely to be viewed as not harmful, courts are still unlikely to view this behavior as innocent. This is especially true if defendants cannot formulate a reasonable basis for their belief that their activity was not infringing. This harmless conduct is distinct from deliberate infringement that shows an awareness of protection coupled with a blatant attempt to avoid the ramifications, such as uploading an entire copyrighted work to BitTorrent.\footnote{Interview with Michelle M. Wu, Law Library Director and Professor or Law, Georgetown University Law Center (Mar. 30, 2016).} While the BitTorrent user should be subject to the penalties associated with this willful action, users’ actions are unlikely to be either objectively innocent or expressly willful. A mismatch exists between user action and potential damages exposure, and the pre-Internet framework must be changed to account for all involved stakeholders.

\section*{PART II – USER-GENERATED CONTENT, TOLERATED USES, AND THE EMERGENCE OF A SOFT LAW FRAMEWORK}

UGC opportunities have exploded with the growing interactive capabilities of the Internet, and this content is a major contributor to the development of tolerated uses and the emerging non-enforcement norms. UGC can be separated into two main categories: (1) pure UGC where all content is produced by the user and (2) mashup/remixed UGC, which involves the user’s content being mixed with content created by others.\footnote{Lee, \textit{supra} note 1, at 1506.} This paper does not implicate the first category because the user has not taken material from copyrighted works, thus eliminating the copyright infringement concerns. However, mashups are concerning because they may infringe the copyright holder’s exclusive rights protected by the Copyright Act.\footnote{See id. at 1509.} UGC is rampant in the computer game industry because the gaming community encourages “modding,” which is where players alter the original games.\footnote{Rafi Letzter, \textit{Online communities are changing video games to make them better, weirder, and much more wonderful}, BUS. INSIDER (Jul. 20, 2015, 11:49 AM),}
game and hardware development company, is now allowing users to modify and redistribute user-augmented versions of classic games. Users also produce movie trailers through a combination of studio-released footage and other creative contributions. Although using copyrighted material, user-created trailers may benefit the movie studios by manifesting what aspects of a movie that fans deem to be particularly salient. Users uploading lip-sync and lip-dubbing versions of popular songs, such as Harvey Danger’s “Flagpole Sitta,” raises complex copyright questions. Parodies are also complicated because, in order to be successful in making a point, they must use a good amount of the original work. At the same time, parodies tend to be less likely to displace the market for the original material because consumers are much less likely to buy the criticizing version if they actually want the original. Consider the fan who reimagined the dramatic thriller *The Shining* into a romantic comedy. *The Shining* is not likely to receive reduced viewership because of this parody. A fan of the video game *Mass Effect 2* and Donald Trump created a parody called the “Trump Effect” that the presidential candidate endorsed by circulating on social media. Although these mashups implicate copyright, rights holders and the existing framework are struggling with how to address UGC.

The tolerated use moniker, which can be applied to the technically infringing yet nonetheless tolerated uses of protected works, is contributing to the emergence of a soft law framework that attempts to fill in copyright law’s gaps. These uses are largely tolerated because of the mass quantity of use combined with low value ascribed to each transaction.


tolerated uses, owners are likely motivated by a variety of incentives and disincentives, such as enforcement costs, the desire to formulate goodwill, and the determination that the use generates an economic complement to the copyrighted work.\(^8^6\) Just as Carly Rae Jepsen has little incentive to sue Sesame Workshop, bringing an action against Harvard University and the Miami Dolphins would be extremely costly, both in terms of legal fees and negative publicity. Additionally, these videos appeared to highlight and promote Jepsen’s work by drawing increased attention to the original song and lyrics.\(^8^7\)

Although this practice of tolerated use began in science fiction and other niche areas, the strategy expanded to the higher revenue arenas of television, movies, and fictional works because of the Internet.\(^8^8\) Today, this strategy is often employed by companies that have an entire portion of their legal department dedicated to searching for copyright and trademark infringement, yet these owners often deliberately decide not to sue and may actually “hype” the uses as a way to monetize other branding opportunities.\(^8^9\) Even Disney, a notoriously litigious company, is viewing viral videos for Frozen as free advertising.\(^9^0\) Disney will likely continue its strategy of non-enforcement with its other works, especially Star Wars, because of creator George Lucas’ emphasis on open access and sharing throughout his career.\(^9^1\) Rj Idos, who is the content creator of Idos Media, created “Taylor Swift – Shake It Off Disney Style” and “Disneyfied Star Wars.”\(^9^2\) Although these videos geared toward children and young adults respectively have more than 19.5 million and 57,000 views, no one affiliated with Taylor Swift or Disney contacted Idos Media

\(^8^6\) Id. at 619.
\(^8^7\) Email Interview with Anne Gilson LaLonde, Author, GILSON ON TRADEMARKS (May 6, 2016) (Explaining in the trademark context, the explosion of new domain name extensions is causing trademark owners to reevaluate their priorities because it is impossible to stop all mark uses and variations in all spaces. The trademark owners are also cautious about not offending those who have so much affection for a brand that they create their own fan websites and other creations).
\(^8^8\) Interview with Michelle M. Wu, Law Library Director and Professor or Law, Georgetown University Law Center (Mar. 30, 2016).
\(^8^9\) Id.
\(^9^1\) Interview with Michelle M. Wu, Law Library Director and Professor or Law, Georgetown University Law Center (Mar. 30, 2016).
\(^9^2\) Idos Media, YOUTUBE: IDOS MEDIA, https://www.youtube.com/channel/UCuXy7lKI0AVWDU4WI0EzPOw (last visited May 15, 2016).
regarding its UGC.\textsuperscript{93} Idos explained that while the Channel generates some income through Google AdSense, whatever is earned is used for song studio fees, costume rentals, and other costs that go toward the creation of more videos.\textsuperscript{94} Users’ experiences with copyright owners vary greatly. Although Universal Music Group contacted YouTube user John Smith\textsuperscript{95} about ownership of the song used in his video, which has more than 24 million views, UMG chose to profit from the video by keeping it available on YouTube.\textsuperscript{96} For the same video, Disney reached out to Smith and coordinated a trip to California, a private studio tour, and a professional audition.\textsuperscript{97} While Smith acknowledges that none of his subsequent videos have been as popular as the initial video that caught Disney’s attention, the small amount of income he earns goes into the creation of additional impression videos.\textsuperscript{98} Although liability likely exists for many of these tolerated uses, a policy of non-enforcement seems to be coalescing.

While some have hypothesized a chilling effect from uncertainty in how owners and the copyright system will ultimately address these uses,\textsuperscript{99} it appears that if anything, a ‘warming phenomenon’ is taking place, where “users make unauthorized uses of copyrighted works based on the belief that it is acceptable because it is a larger-scale practice engaged in by others.”\textsuperscript{100} This phenomenon can be classified as a bandwagon effect – if users see other people in the marketplace engaging in these practices that are either ignored or encouraged by the copyright owners, they take these indicators as a sign that the behavior is legitimate and proceed accordingly.\textsuperscript{101} If users see that the Idos Media and John Smith videos remain on YouTube and continue to receive views and positive feedback, they are likely encouraged to create their own content. This warming is likely a major contributing factor for why blogs, fan-fiction creations, and other mashups have grown at such an expeditious rate.\textsuperscript{102}

Gap fillers that serve as “soft law” are addressing gray areas by establishing acceptable practices among the involved parties.\textsuperscript{103} In some circumstances, copyright holders like to hedge by adopting a “wait and see”

\textsuperscript{93} Email Interview with Rj Idos, Content Creator, Idos Media (May 4, 2016).
\textsuperscript{94} Id.
\textsuperscript{95} Name has been changed at the creator’s request to remain anonymous.
\textsuperscript{96} Email Interview with John Smith, Content Creator (May 3, 2016).
\textsuperscript{97} Id.
\textsuperscript{98} Id.
\textsuperscript{100} Lee, \textit{supra} note 1, at 1544.
\textsuperscript{101} Id. at 1545.
\textsuperscript{102} Id.
\textsuperscript{103} Id. at 1462-63.
approach for how their works will be used.\textsuperscript{104} Companies, including Apple, may appreciate and celebrate what users generate, even if what the users do technically infringes and violates the owners’ intellectual property rights.\textsuperscript{105} Even if a company wants a particular activity or behavior to cease, the UGC can still provide informative case studies for what is occurring in the marketplace.\textsuperscript{106}

Five factors that make the development of an informal copyright practice more likely and legitimate include: (1) absence of litigation and settled case law deeming the practice to be an infringement, (2) existence of a novel issue of law, (3) colorable defense or exemption potentially available, (4) high transaction costs in obtaining permission or formal licenses, and (5) no express objection by the rights holder.\textsuperscript{107} Before delving into the UGC context, tolerated use developing into informal copyright practice is seen in other areas of the law. Photocopying for personal use is a prime example of how a practice outside of the law’s strict confines has developed into an informal practice. First, the case law is unsettled because of the existing Supreme Court split in Williams & Wilkins Co. v. U.S. about whether limited photocopying should qualify as fair use; second, although a commonly known practice, the limited library photocopying exemption does not mention individuals; third, fair use seems like it would be an appropriate affirmative defense of this practice; fourth, obtaining permission before making any personal photocopies would be a time consuming and likely unsuccessful endeavor; fifth, copyright holders failed to decry this practice when it first began and have generally ignored it.\textsuperscript{108} This is in contrast to the unauthorized sharing of music files, which is an illegitimate practice that copyright holders continue to combat. First, record labels and music industry stakeholders pursue thousands of lawsuits against individuals and other entities related to this practice; second, this practice is widely disfavored and generally recognized as infringement; third, existing law clearly establishes that fair use and other defenses do not apply; fourth, inexpensive music files are available, which eliminates arguments about prohibitive

\textsuperscript{104} Id. at 1486.
\textsuperscript{105} See Stuart Elliot, Student’s Ad Gets a Remake, and Makes the Big Time, N.Y. TIMES (Oct. 25, 2007), http://www.nytimes.com/2007/10/25/business/media/26apple-web.html?_r=0 (Revealing how Apple worked with user to professionalize a commercial originally uploaded to YouTube).
\textsuperscript{106} See Sam Savage, “SNL” skit puts YouTube on map, REDORBIT (Mar. 21 2006), http://www.redorbit.com/news/entertainment/436839/snl_skit_puts_youtube_on_map/ (Discussing how NBC introduced YouTube largely because of uploaded “Lazy Sunday” clip, which was a parodic rap about The Chronicles of Narnia).
\textsuperscript{107} Lee, supra note 1, at 1494.
\textsuperscript{108} Id. at 1496-97.
transaction costs; fifth, the major labels and the Recording Industry Association of America maintain strong public positions against this practice.\textsuperscript{109}

Applying these factors to modding, trailers, lip syncs, and parodies indicates how these UGC activities are emerging into generally tolerated informal copyright practices. First, although various jurisdictions have addressed modding, the jurisprudence is largely unsettled because of the wide variation of modding techniques.\textsuperscript{110} Partial modding, which includes tweaks to the game’s storyline and characters like what was at issue in \textit{Micro Star v. FormGen. Inc.}, is viewed as an infringing derivative work,\textsuperscript{111} but total conversions, which focus on the game’s functional elements instead of the creative content, unsettle the modding case law.\textsuperscript{112} Second, modding began more than thirty years ago when players started manipulating circuit boards,\textsuperscript{113} but enhanced technological capabilities now allow players to completely replace a game’s artwork, characters, plot, story, and music.\textsuperscript{114} Third, as total-conversion modding depends on a game’s functional aspects, a strong argument exists for why this practice should be distinguished from the partial mods that are designated as derivative works. Even if courts find that total-conversions are derivative works, fair use would be an appropriate defense to raise as these versions transform the game’s content, the emphasis is on the game’s functional aspects not the artwork, only the underlying functionalities are being utilized for modding, and the market for the original game is unlikely to be usurped.\textsuperscript{115} Fourth, while a licensing regime exists that may provide source code and other networking details,\textsuperscript{116} end user licensing agreements tend to include boilerplate language that limits users’ modding abilities.\textsuperscript{117} Fifth, although some copyright holders expressed their objections through litigation, Sega’s Mega Drive

\textsuperscript{109} \textit{Id.} at 1497-98.
\textsuperscript{110} Note, \textit{Spare the Mod: In Support of Total Conversion Modified Video Games}, 125 HARV. L. REV. 789, 802-803 (2012).
\textsuperscript{111} \textit{Id.}
\textsuperscript{112} \textit{Id.} at 808.
\textsuperscript{113} Midway Mfg. Co. v. Artic Intern., Inc., 704 F.2d 1009, 1010-11 (7th Cir. 1983) (Holding defendant’s selling of circuit boards that speed up \textit{Galaxian’s} sounds and images violated plaintiff’s copyrights because boards created a derivative work).
\textsuperscript{114} \textit{Spare the Mod, supra} note 110, at 789.
\textsuperscript{115} See \textit{id.} at 806-10; see also Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510, 1523 (9th Cir. 1992) (Emphasizing how video game players generally purchase multiple games).
\textsuperscript{116} David B. Nieborg & Shenja van der Graaf, \textit{The mod industries? The industrial logic of non-market game production}, 11 EUR. J. CULTURAL STUD. 177, 183-84 (2008).
Classics Hub encouraging the sharing of modified versions demonstrates this informal practice may become more common and supported by other owners.\footnote{118} Fan-created movie trailers follow a similar trajectory to that of modding. First, little to no litigation has addressed this practice likely because of its promotional appeal at no additional cost for the movie studios. Second, this practice is somewhat novel, especially because it can also involve a hybrid creation where fans combine their own contributions with stock images and video, such as the Harry Potter inspired trailer for \textit{Voldemort: Origins of the Heir}.\footnote{119} This trailer begins with a banner message: “The following fan film was created with no intention of profit. The character of Voldemort and his likeness are exclusive properties of Warner Brothers Entertainment Inc. and J.K. Rowling.”\footnote{120} Third, even without a blatant message, it seems like these noncommercial enterprises could raise a fair use defense. A fair use defense is more likely to be successful when the trailer involves a larger ratio of UGC to protected material. Fourth, obtaining permission or formal licenses is a complicated process that is likely to be cost prohibitive for fans and users. For example, users interested in using Walt Disney Studios clips and stills must fill out a detailed form about the requested programming and specifics about how Disney’s materials will be used.\footnote{121} Separate Disney employees serve as the contacts for different programming, which presumably complicates the process for users wanting to access clips and stills of various types.\footnote{122} Fifth, while owners, such as \textit{Twilight} author Stephenie Meyer and film company Summit Entertainment, maintain the ability to go after fans who create misleading trailers, overall the fan-created trailers are left alone for public consumption.\footnote{123}


\footnote{119}{Sam Haysom, \textit{‘Harry Potter’ fans create epic trailer for film about Voldemort’s school days}, \textit{MASHABLE} (Mar. 15, 2016), http://mashable.com/2016/03/15/voldemort-film-trailer/#MmLzGfIZPmqk.}

\footnote{120}{Brinton Parker, \textit{This Voldemort Origin Story Looks Like the Coolest Harry Potter Film Yet}, \textit{POP SUGAR} (May 9, 2016), http://www.popsugar.com/tech/Voldemort-Origins-Heir-Fan-Film-40940848 (Complicating the fair use argument is the creator’s Kickstarter campaign that has raised more than $15,000).}

\footnote{121}{\textsc{The Walt Disney Studios}, http://disneystudiolicensing.com/ (last visited May 14, 2016).}


\footnote{123}{Lipton, \textit{supra} note 81, at 37-38.
Lip syncs and lip dubbing are another area where fans and users are contributing to the creation of an informal practice, particularly because the publishing of this behavior is somewhat novel and appears to qualify for fair use protections. First, lip syncing case law is unsettled, especially because Capitol Records’ case against Vimeo is currently being appealed.  

Capitol Records took issue with the lip-dub videos housed on Vimeo that show fans mouthing the words to various copyrighted songs. Second, the practice is novel and complex largely because it also has ramifications for the Digital Millennium Copyright Act safe harbor provisions that aim to protect the platforms, such as Vimeo, as long as they remove the infringing content. Third, these lip sync videos are prime candidates for a fair use defense because users are often attempting to create a transformative work that lacks a commercial purpose. Fourth, although identifying and negotiating with copyright owners currently imposes high transaction costs, a micro-licensing platform that would create a one-stop licensing shop is currently in development by the recording and music publishing industries. If such a platform were to come to fruition, an informal lip sync practice would presumably be replaced. Fifth, apart from Capitol Records, copyright holders have not vehemently expressed objection to this lip sync practice likely because it is generally harmless to the underlying copyrighted work.

Although the Supreme Court’s decision in *Campbell v. Acuff Rose Music* remains the authoritative precedent on parodies, this case is not necessarily instructive in the UGC context because it involved a commercial parody. First, many of the fan-created parodies are made for pure entertainment purposes without a profit motive, such as “Brokeback to the Future,” a parody that utilizes the music from *Brokeback Mountain* to tell a love story between Doc Brown and Marty McFly. Second, while fan-created parodies are not a recent development, many of these parodies involve mash-ups that may implicate multiple works and different copyright holders. Third, creators would likely be able to raise a fair use defense, especially if the parody’s

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125 Id. at 546.
127 *WHITE PAPER ON REMIXES, FIRST SALE, AND STATUTORY DAMAGES*, supra note 55, at 20.
emphasis is commenting on or criticizing the underlying work. Fourth, in addition to the costs and burden of licensing copyrighted content, it is extremely unlikely that owners would be interested in providing licenses to those who are going to criticize their work. Fifth, although copyright holders may not encourage parody creation, express objections are unlikely to preclude users from commenting on creative works because of the free speech implications. While tolerated uses and informal practices are benefitting both the copyright owners and creators, the accompanying arbitrariness creates enforcement hurdles for the owners and creation concerns for users.

PART III – FROM WARMING TO FORMALIZATION IN A NO-ACTION POLICY

No-Action Strategy

With the advent of UGC, the discussion typically focuses on whether copyright owners should adopt an opt-in or opt-out approach to protection, but a no-action policy would simultaneously allow owners to protect their works and users to express themselves. An ex-post notice scheme would dictate that uses are not unlawful or illegal until the owner takes some action. For example, under this framework, Disney fanatics’ use of the Frozen material would be excused unless and until Disney contacted them regarding allegedly infringing behavior. One of the major benefits of placing the onus on the rights holder to act is the notice indicates what uses owners do not think detracts from the actual work’s value, as well as uses that are consistent with common practice. Although this approach seems counterintuitive, as copyright owners are presumed to have the rights that protect their expressions and ensuing derivative works, requiring action on the part of the copyright owner has been demonstrated in other contexts. Search engines and other content hosts are shielded from copyright liability until they are sent clear notice of the infringing use, and fail to respond to the removal request in an appropriate manner.

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132 Wu, supra note 17, at 621.
133 Id. at 626.
Additionally, non-profit entities are free to utilize non-dramatic works unless and until they receive notice of an objection.\textsuperscript{135} As copyright owners want to maintain as much control as possible while also limiting transaction costs, owners may allow users to create their works but only choose to go after individuals whose use of the work is harmful or damaging.\textsuperscript{136} While this non-enforcement is encouraging for users, it likely is not indicative of movement toward an “opt-in” system where owners must provide notice before the work’s usage amounts to infringement.

An opt-out regime contains some benefits, but copyright owners are unlikely to relinquish their rights on the front end. While an opt-out regime is laudable for allowing rights holders to determine what rights they want to keep as compared to what rights they are willing to surrender, this approach seems to assume that copyright owners will know a given right’s individual worth.\textsuperscript{137} This value assessment would be particularly difficult when a work is first created and does not yet have an established following or market. Google Books originally based its project on an “opt out” process where authors could specifically elect to not participate in the full-work scanning or choose to only include snippets.\textsuperscript{138} However, from the early stages of the litigation, stakeholders expressed their discontent with the burden being placed on authors to take added steps when Google copied their works without first obtaining consent.\textsuperscript{139} While these examples demonstrate the pros and cons of opt-in and opt-out approaches, many copyright holders are unwilling to commit to a hardened method, especially given the ever-changing digital landscape.\textsuperscript{140}

Instead of forcing users to infer whether a practice will be permitted, copyright owners should specify or even encourage uses that will be permitted and not pursued for infringement.\textsuperscript{141} This “No Action” policy would provide clarity to users who want to use these works without fear of receiving an ominous cease and desist letter or facing litigation, while also serving as an efficient method for the owners in only going after the economically significant infringements. These “No Action” policies will prevent holders from

\textsuperscript{135} 17 U.S.C. § 110 (2012).
\textsuperscript{136} Wu, supra note 17, at 628.
\textsuperscript{140} Wu, supra note 17, at 622.
\textsuperscript{141} See id. at 633.
establishing precedents that impede their ability to pursue the cases involving more money and more prominent copyrights. Similar to the Securities and Exchange Commission’s “No Action Letters” addressing any doubts that might impede investment, Rj Idos, John Smith, and other content creators would be cognizant of what behavior is okay without harming creative expression. SEC No-Action Letters are specifically restricted to the requester’s particular facts and situation as indicated in the letter, and SEC staff maintain the ability to deviate from prior no-action letters. If a similar policy were implemented in the copyright context, owners would have flexibility as technologies and uses change. This flexibility would be particularly advantageous if it took the format of a revocable license limited to certain categories of works, such as non-commercial online encyclopedias and noncommercial character artwork.

This “no action” policy must be distinguished from other types of open frameworks, such as end user license agreements and Creative Commons licenses. Creative Commons licenses are premised on the copying and distribution of works, especially when the licensing works are noncommercial. However, no-action policies are more limited than the expansive Creative Commons licenses because the business models for many of these owners are dependent upon maintaining control over reproduction and distribution. Using a Creative Commons license would be unlikely to address the fears of such owners. The Creative Commons framework also includes a firm irrevocability policy, which can make copyright owners anxious about allowing a use that they will later want to exploit or limit because of economic implications or other reasons. By contrast, the no-action policies enable an owner to revoke or adjust a given policy based on changing conditions. Although a creative commons license can be somewhat restricted based on the

142 Id.
143 See id.
145 Id. at 634.
147 Wu, supra note 17, at 634.
148 See CREATIVE COMMONS – CONSIDERATIONS FOR LICENSORS AND LICENSEES, https://wiki.creativecommons.org/wiki/Considerations_for_licensors_and_licensees#Irrevocability (last visited Mar. 29, 2016) (“Once you apply a CC license to your material, anyone who receives it may rely on that license for as long as the material is protected by copyright and similar rights, even if you later stop distributing it”).
149 Wu, supra note 17, at 634.
work, no-action policies can be limited to specific categories of work joined with additional requirements, such as express disclaimers. This combination of factors is presumably why the Creative Commons framework has been employed by individuals and small firms. The no-action policies can serve a similar function for the larger entities with the more commercially valuable works. As long as this framework does not foreclose the ability of these copyright owners to respond to individual product and market changes, these no-action policies have a possibility of being adopted and becoming institutionalized.

**Ethical Implications and Guidelines**

Empirical research revealed that “repeat players” who are constantly involved in disputes over copyrights and trademarks assert weak claims because the pursued parties are consumed by the uncertainty surrounding their activities. According to the American Bar Association Model Rules of Professional Conduct, “A lawyer shall not bring or defend a proceeding, or assert or controvert an issue therein, unless there is a basis in law and fact for doing so that is not frivolous.” Arguably, a powerful licensing company going after a small bobblehead manufacturer with a strong free speech argument seems to indicate a frivolous claim and one that further demonstrates the unequal bargaining power between repeat IP players and ordinary users.

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150 See CREATIVE COMMONS – CONSIDERATIONS FOR LICENSORS AND LICENSEES, https://wiki.creativecommons.org/wiki/Considerations_for_licensors_and_licensees#Scope_of_the_license (last visited Mar. 29, 2016) (“The licensor should have marked which elements of the work are subject to the license and which are not. For those elements that are not subject to the license, you may need separate permission”).

151 Wu, supra note 17, at 634.

152 Id.

153 Email Interview with Anne Gilson LaLonde, Author, GILSON ON TRADEMARKS (May 6, 2016) (Indicating that while this approach could be adopted for copyright owners, trademark owners may be less amenable to a formal no-action policy because an owner generally has to enforce its mark to maintain its associated rights).

154 See Interview with Michelle M. Wu, Law Library Director and Professor or Law, Georgetown University Law Center (Mar. 30, 2016).


156 MODEL RULES OF PROF’L CONDUCT r. 3.1 (AM. BAR ASS’N 1983).

157 Gallagher, supra note 155, at 457-58 (Discussing case involving Arnold Schwarzenegger’s licensing company and an Ohio retailer producing and selling bobbleheads featuring Schwarzenegger wearing a suit and holding a rifle that culminated in settlement, which left often the question whether the use was protected).
Although norms of professionalism and decorum underlie the legal profession, whether these norms are complied with is an oversight issue. In actuality, most intellectual property rights enforcement occurs in the everyday practices of the rights holders and their lawyers, such as through the sending of cease and desist letters, phone calls, and negotiations, as compared to the court system with its accompanying supervisory functions.\footnote{Id. at 456.} In these situations, what is to stop an attorney from asserting rights and claims that may deviate from what the law actually says?

In addition to the ethical concerns involved with aggressive cease and desist and litigation practice, copyright owners must also be concerned with the possibilities of resulting publicity. While the media attention may reveal a compromise that allows a user to continue promoting his or her expression, such as what happened with Amplive permitting purchasers of Radiohead’s In Rainbows to receive his remixed “Rainydayz Remixes” for no charge,\footnote{Eliot Van Buskirk, \textit{MP3s: Amplive’s ‘Rainydayz’ Remix of Radiohead’s ‘In Rainbows’ Album}, WIRED (Feb. 13, 2008), http://www.wired.com/2008/02/mp3s-amplives-r/.} response from both the copyright owner and the media is not always so favorable. Chilling Effects Clearinghouse, which is now called the Lumen Database,\footnote{LUMEN DATABASE, https://lumendatabase.org/ (last visited Mar. 31, 2016).} collects and publicizes demands and notices that it considers to be overly aggressive of IP rights.\footnote{Gallagher, \textit{supra} note 155, at 495.}

What is particularly instructive about this concern for ensuing publicity and maintaining positive relationships with current and future fans is Lumen’s inclusion of a “No Action” category.\footnote{LUMEN DATABASE – NO ACTION, https://lumendatabase.org/topics/30 (last visited Mar. 31, 2016).} Although this category does not seem to have as many notices and helpful guidance as some of the other categories, including DMCA Notices and DMCA Safe Harbor, for how recipients should react to a complaint, the addition of this analysis could mean that copyright owners are sending these demand or cease and desist letters more as a warning. The owners may think it is sufficient to notify users that they are aware of their behavior. However, if these owners create a flexible no-action policy, this approach would allow the rights holder to take further action once a greater consensus is reached, both internally within a given company and externally in a given industry.

While all attorneys generally operate under the constraints of the Federal Rules of Civil Procedure and the ABA Model Rules of Professional Conduct, these formalized structures are not as helpful outside of the courtroom.
Although Federal Rules of Civil Procedure Rule 11 provides for sanctions if an attorney submits a pleading, motion, or other paper based on an improper purpose, frivolous reason, or on contentions lacking in evidentiary support, how can attorney conduct be regulated if it is predominantly occurring in private?\textsuperscript{163} Attorneys typically defend their aggressive demand letter and associated tactics by pointing to their responsibilities of policing and protecting their clients’ intellectual property, which involves zealous representation.\textsuperscript{164} Rule 1.3 of the Model Rules of Professional Conduct, which specifies that lawyers “shall act with reasonable diligence and promptness in representing a client” only references a “zeal in advocacy” within the commentary.\textsuperscript{165} While it is admirable that an attorney will ferociously protect the client’s property, an ethical question remains how attorneys should go about fulfilling this responsibility. If the American Bar Association was concerned with lawyers being driven by zealousness, it can be argued that this would have been included in the actual rule instead of being relegated to the commentary. There is a fine line between behavior that qualifies as zealous advocacy and behavior that can only be characterized as abuse.

While it would clearly be cost prohibitive for work owners to assert every copyright or trademark claim that exists, the general norm is to evaluate a combination of legal and non-legal factors.\textsuperscript{166} Although a rights holder is much more likely to pursue a potential infringement if it pertains to the client’s “core” protected expression, the owners, and more specifically, their legal teams, will likely be focused on whether the unauthorized use may tarnish or disparage the expression.\textsuperscript{167} Generally, enforcement is much less likely when the users are fans who are not attempting to commercialize or to create unflattering portrayals of a work or its characters.\textsuperscript{168} Idos Media’s experience demonstrates this point. If a YouTube video disparaging Frozen began gaining traction in terms of viewership and other buzz, there is a high likelihood that Disney would have pursued the user with all of the intellectual property

\textsuperscript{163} \textit{FED. R. CIV. P.} 11 (“An attorney or unrepresented party certifies that to the best of the person’s knowledge, information, and belief, formed after an inquiry reasonable under the circumstances: the claims, defenses, and other legal contentions are warranted by existing law or by a nonfrivolous argument for extending, modifying, or reversing existing law or for establishing new law.”).

\textsuperscript{164} Gallagher, \textit{supra} note 155, at 490.

\textsuperscript{165} \textit{MODEL RULES OF PRO’L CONDUCT} r. 1.3 and cmt. 1 (AM. BAR ASS’N 1983).

\textsuperscript{166} Gallagher, \textit{supra} note 155, at 472.

\textsuperscript{167} \textit{Id.} at 476, 479.

\textsuperscript{168} \textit{Id.} at 481.
protections within its arsenal. Similarly, this is often why trademark owners are more likely to focus their efforts to combat infringement on users creating gripe or “.sucks” websites.

While limited scholarship has been written on the litigation that does occur in the IP context, patent litigators claim that pretrial discovery is one of the prominent areas of ethical concerns within the field. Surveyed patent litigators claim that while they focus on playing by the rules, they do not feel required to surpass this low bar. One indication of this phenomenon was the revelation by interviewed patent lawyers that ethical lawyering is about zealously protecting and preserving a client’s interests, and duties to the legal system and commitment to a “just” result are secondary afterthoughts, if they are considered at all. Similar to defendants in criminal cases who are more likely to plead guilty than to go to trial because of information asymmetries, a comparable dynamic exists for defendants in copyright infringement cases. Instead of focusing on the discovery rules, such as Federal Rule of Civil Procedure Rule 26 and ABA Model Rule 3.4(d), ethical duties should be woven into guidelines. An approach to introduce ethical standards addressing pre-plea discovery of exculpatory and impeachment information in the prosecutorial arena could be instructive. Like the suggestion that prosecutorial ethical rules should be construed to require pre-plea discovery, plaintiffs in copyright suits should have to support infringement claims prior to filing motions for summary judgment. While plaintiffs should not have to share their entire theory of the case, this sharing of infringement information may encourage agreement or settlement without wasting court resources and exorbitant amounts on attorney’s fees. In the alternative, if parties are unable to come to an agreement, defendants would have access to some material that could be used for their defenses, including fair use. This framework would help ensure that only those defendants who actually infringed an owner’s IP rights are punished, not just those who do not have access to evidence or resources.

169 Interview with Michelle M. Wu, Law Library Director and Professor or Law, Georgetown University Law Center (Mar. 30, 2016).
170 Email Interview with Anne Gilson LaLonde, Author, GILSON ON TRADEMARKS (May 6, 2016).
172 Id. at 320.
173 Id. at 324.
175 Id.
176 See id. at 950-51.
177 See id. at 950.
Although the lawyer’s role is influential in determining the scope and role of infringement and discovery requests, the level of client deference is high because the clients know their works best and are paying the ever-increasing fees of large law firms and litigators. However, lawyers must be mindful of potential sanctions that courts and ethics bodies can issue for discovery and other sorts of infractions. Fortunately for lawyers, though unfortunately for copyright users more generally, threats of consequences or reprimand are often deemed too abstract to significantly impact how IP lawyers conduct themselves on a regular basis. While Qualcomm Inc. v. Broadcom Corp., which involved a complex patent case in the Southern District of California, may have served as a cautionary tale for lawyers and clients who attempt to subvert the process, its impact was diminished because the individual attorney sanctions were lifted. Clients, their attorney representatives, and the judiciary should take on a more active role in ensuring a just process, especially in the remedies context.

Ethical standard reforms are even more sorely needed in the damages regime. Arbitrariness and excessiveness are rampant as indicated by a judge wanting to award $118 million in statutory damages even without any evidence of actual harm or infringement-related profits. To rein in this abuse, the courts should return to the original premise underlying statutory damages that they should be awarded only when plaintiffs are unable to prove actual damages or defendant’s profits. In looking to other IP regimes for example, especially to patents and trademarks, punitive damages should also be limited to no more than two or three times the damage award for willful infringements. As courts pursue these individual users for behavior indicative of a larger trend, concern for these popular practices seems to permeate the ultimate decisions. However, the guidelines need to emphasize that the damages calculation cannot take into account other hypothetical infringement claims that are not before the court.

Although other UGC creators may view the award as a warning, these awards should not be used for the stated purpose of deterring other users’ future

178 Gallagher, supra note 155, at 335-36.
179 Id. at 338.
180 Id. at 359-60.
181 Samuelson & Wheatland, supra note 45, at 442 (Discussing how trial judge in UMG Recordings, Inc. v. MP3.com wanted to award $25,000 per infringed CD in case involving 4,700 CDs. Although this case involves a commercial enterprise, it demonstrates the excessiveness of statutory damages awards).
182 Id. at 510.
183 See id. at 473 n.171.
184 Id. at 469-70 (citing State Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408, 410 (2003)).
conduct. To prevent this overreaching, judges should state on the record why a particular award is “just.”185

One way to push both attorneys and clients in the direction of appropriate and ethical conduct is to tie such conduct to the potential damages to be awarded. If the plaintiff or the plaintiff’s lawyer engages in misconduct, such as discovery abuse, only minimum statutory damages should be awarded.186 If clients and attorneys face a potential sanction that would impact the bottom line, they are much more likely to comply with such requirements. Ultimately, attorneys have duties to their clients to represent their interests, but this practice cannot be done at the expense of an efficient discovery and overall enforcement system.

The Model Rules’ lack of clarity and enforcement related to discovery and other infractions further indicates that these necessary ethical guidelines must be supplied from somewhere else.187 In order to adequately address the intricacies of practice in the IP realm, the American Intellectual Property Law Association (AIPLA) and the International Trademark Association (INTA) should spearhead the promulgation effort. To prevent these guidelines from taking on a one-sided approach that harms unrepresented stakeholder groups, they should take the form of negotiated guidelines that include feedback from both rights holders and users.188 The Principles for User Generated Content Services propagated by CBS, Disney, Sony Pictures and several other entities could function as a starting point.189 Although copyright holders maintain a strong interest in pursuing infringers, the propagated ethical guidelines should utilize the guideposts from BMW of North America, Inc. v. Gore as inspiration for ways to evaluate the reprehensibility of defendant’s actions and other remedies that have been awarded in similar cases.190 In terms of reprehensibility, the copyright owner bringing the infringement claim should consider various factors, including whether a reasonable person would think the actions were lawful, whether a non-infringement defense was conceivable, the infringement’s scale, and whether the defendant was a first-time or repeat

185 Id. at 504.
186 Id. at 502.
187 Hashimoto, supra note 174, at 961-62.
188 WHITE PAPER ON REMIXES, FIRST SALE, AND STATUTORY DAMAGES, supra note 55, at 14-15.
190 See Samuelson & Wheatland, supra note 45, at 464-65.
offender.\textsuperscript{191} AIPLA and INTA’s subject-matter expertise coupled with the generally un-harmful user behavior will help ensure that no course of action is pursued if the likelihood of an award is slim and also that the assessed remedy fits the situation. Like the pre-plea disclosures in the prosecutorial context being a first step toward more equitable process, these guidelines could be an instrumental part of the framework in a more ethical and just IP enforcement regime.\textsuperscript{192}

\textbf{Conclusion}

As users of creative expression assume a more active role in the consumption of existing works, the development of additional works, and the dissemination of both, current copyright law is insufficient to address these evolving norms. If copyright owners continue to tolerate more of these uses, they should clearly indicate their positions in no-action policies that are flexible enough to adapt to changing economic conditions in particular industries or for particular works. Instead of seeing a resulting chilling effect because of the uncertainty, users will feel comfortable sharing their expression, which will be a beneficial addition to our society’s creative corpus. Negotiated guidelines generated by both UGC creators and rights holders will allow promulgated ethical standards to underlie and support the no-action policies. As Judge Leval said, “While authors are undoubtedly important beneficiaries of copyright, the ultimate, primary intended beneficiary is the public.”\textsuperscript{193}

\textsuperscript{191} \textit{Id.} at 472.

\textsuperscript{192} Hashimoto, \textit{supra} note 174, at 963.

\textsuperscript{193} Authors Guild v. Google, Inc., 804 F.3d 202, 212 (2d Cir. 2015).