INTERNATIONAL MUNICIPAL LAWYERS ASSOCIATION

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Title: Municipal Websites: Copyright and Related Legal Liability

by

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IMLA'S MID-YEAR SEMINAR

"Hear ye! Hear ye! Local Government Law from Washington to Your Community"

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Municipal Websites: Copyright and Related Legal Liability

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Adrian E. Herbst

Adrian Herbst heads the Minneapolis office of The Baller Herbst Law Group. For more than 25 years he has been on the cutting edge of cable and telecommunications matters, providing regular consulting and legal assistance to municipalities throughout the United States. This has included the initial franchising processes for cable communications as well as renewals, transfers of ownership, and a wide-range of administrative enforcement matters and development of local programming and issues related to local programming. Recently, his work has expanded with the broadband services offered in cable and telecommunications systems to include planning, competition policy, and internet services.

He has served as a key member of many national organizations in programs to provide assistance to local governments, including International Municipal Lawyers Association (IMLA), National Association of Telecommunications Officers and Advisors (NATOA), the Alliance for Community Media and the National League of Cities (NLC). He has served in many capacities on behalf of these national organizations, including developing model ordinances for IMLA and chairing a specialized rights-of-way taskforce for NATOA that developed policies and guidelines for local units of governments throughout the country. He has served as President of the Minnesota Trial Lawyers Association and Vice President of the League of Minnesota Cities and is also a member of various other legal organizations including the Federal Communications Bar Association, and the Telecommunications Committee of the Minnesota State Bar Association.

Mr. Herbst has a unique background in municipal and governmental law and policy, having been a full-time City Attorney and elected City Councilman for 16 years for the City of Bloomington, Minnesota. While serving as City Attorney, Mr. Herbst led a group that was instrumental in the development of the initial franchises for cable services. As a result of this experience, he advised many municipal organizations both on the state and national level to help initiate procedures and guidelines for cable franchising. Further, because of this unique background, he was selected to serve as General Counsel for the Economic Development Authority for the City of Bloomington, Minnesota and was instrumental in the acquisition of land for development, public financing, and spearheaded the creation, development, and negotiation of a development agreement that led to the development of the Mall of America, the largest single shopping mall and attraction center in the country.

Mr. Herbst's cable television and telecommunications services to clients include the following:

- Initial franchising
- Refranchising/renewals
- Franchise administration and enforcement
- Transfer or sale of ownership
- Feasibility studies of construction of municipal fiber optic networks

- Municipal ownership
- Performance audit
- Technical review
- Financial audits
- Franchise fee audit
- Rate regulation
- Litigation
- Negotiation
- Ordinance drafting
- Non-profit access corporations
- Public, educational and governmental operations
- Institutional network, voice, video, and data systems operations
- Programming agreements
- Community needs assessment
- Customer service standards
- Municipal rights-of-way issues
- Telecommunications planning
- Municipal websites and “E” Government
- Internet related matters, including voice over IP
- Wireless services and local ordinances and zoning
- FCC Proceedings
- Cable and Telecommunications Legislation

What is "copyright"?

"Copyright" is a form of protection granted by the laws of the United States (Art. I Sec. 8 of the U.S. Constitution; 17 U.S.C. §§ 101-810) to creators of "original works of authorship."[1] Section 106 of the 1976 Copyright Act gives the owner of copyright the exclusive right to do and to authorize others to do the following:

- To ***reproduce*** the work;
- To ***prepare derivative works*** based upon the work;
- To ***license*** the work***;***
- To ***perform the work publicly***; and
- To ***display the work publicly.***

It is illegal for anyone to violate any of the rights provided by the copyright law to the owner of copyright.

Who may claim copyright?

- The creator of a work possesses copyright protection from the moment the work is created in fixed form ("tangible form of expression"), and ***immediately*** becomes the property of the author who created the work.. The work need not be "published."
    - Exception: copyright in "works for hire" are held by the employer of the person who creates it

- Transfer of ownership of material does not itself convey copyright.

- The copyright owner *need not* register the work, nor take any other action, to possess the exclusive rights above. (Registering the work with the Copyright Office provides certain benefits in case of legal recourse, including establishing a public record of the copyright claim serving as prima facie evidence of the validity of the claim, and potential statutory damages and attorneys fees in case of infringement.)

- Notice of copyright (e.g., "© 2005 Adrian Herbst") generally is *not* required to protect a copyrighted work, but can be beneficial.

How long does the copyright last?

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1. [1] Categories of copyrightable material include: literary works (including computer programs and compilations); musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.

A work that is created (fixed in tangible form for the first time) on or after January 1, 1978, is automatically protected from the moment of its creation and is ordinarily given a term enduring for the author's life plus an additional 70 years after the author's death.

What is *not* protected by copyright?

- Works that have not been fixed in a tangible form of expression
- Titles, names, short phrases or slogans, lists of ingredients, etc.
- "Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration"
- "Works consisting ***entirely*** of information that is common property and containing no original authorship (for example: standard calendars, height and weight charts, tape measures and rulers, and lists or tables taken from public documents or other common sources)"
- Typical Web links are not protected by copyright – they are merely references to other works (but be careful about inadvertently creating a derivative work on your website)

"Fair Use" exception – 17 U.S.C. § 107

- "Fair use" is a doctrine that allows the public to make limited use of a copyrighted work without permission. The "fair use" of a work is not an infringement of copyright.
- Classic example of fair use: book review
- A fuzzy determination, meant to balance need for unfettered discourse and educational purposes with the copyright interests of the owner of the work
- Fair use factors: Section 107 provides --

  " . . . In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —

  (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

  (2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work."

- *Los Angeles Times v. Free Republic,* 2000 U.S. Dist. LEXIS 5669 (C.D. Cal. 2000)
    - Website allowed users to post full articles from newspapers.
    - Even though website was non-profit endeavor, court found that non-transformative posting of entire articles deprived the copyright owner of commercial value. Website's use of newspaper articles found not to be fair use.

Government work exemption

- Works by the U.S. government are *not* protected by copyright, *but* works by state and local governments are generally protected by copyright.

"Public Domain"

- "Public domain" is generally a function of time, not of location. Materials globally available on the Internet are not necessarily "in the public domain." Copyright still applies even if anyone in the world may freely access and copy the work as a technical matter.
    - However, by placing material on the Internet the copyright owner has probably granted an *implied license* to copy the work for purposes of accessing it over the Internet, and printing out personal copies. (Printing numerous copies may be a copyright violation.)

- Works whose copyright term has expired, or works by the U.S. government, are said to be "in the public domain," and may be used freely.

Digital Millennium Copyright Act of 1998 (DMCA)

- Limits to some degree copyright infringement liability of Internet service providers for simply transmitting information over the Internet. (Also see 47 U.S.C. § 220).

- Provides "safe harbors" for website operators and hosting services provided they (1) register an agent with the U.S. Copyright Office, and (2) comply with the notice-and-takedown procedures set forth in the Act.
    - Service providers are expected to remove material from web sites if the provider receives a notification of alleged infringement from the copyright

holder. Failure to do so could subject the service provider to contributory infringement liability.

- Makes it a crime to circumvent anti-piracy measures built into most commercial software (subject to exceptions for research purposes)

- Numerous other changes and additions to copyright law, including requiring webcasters to pay royalty fees to record companies, provisions concerning distance education and fair use, outlawing code-cracking devices, etc.

- However, state entities should consider *not* registering with the Copyright Office, as that could be argued to be a waiver of 11th Amendment immunity, and they may still rely on common law copyright defenses. Check with counsel on this issue.

Government Liability for Infringement and 11th Amendment Sovereign Immunity

Unless the state has specifically consented to suit for copyright claims (we know of none that have), state entities are immune from suit for copyright infringement. The Eleventh Amendment to the U.S. Constitution[2] embodies the notion that the states have "sovereign immunity." This means that a state and its agencies may not be sued by persons in the federal courts unless the state entity consents to being sued there (which states have done for a variety of purposes, torts, for instance, but not generally for intellectual property disputes). Suits against a state entity for copyright infringement are typically heard in federal court, therefore states generally are immune from suit for copyright infringement. *See, Chavez v. Arte Publico,* 204 F.3d 601 (5th Cir. 2001). In 1999, the U.S. Supreme Court struck down an attempt by Congress to end this immunity. *Florida Prepaid Postsecondary Education Expense Board v. College Savings Bank,* 527 U.S. 627 (1998)

Compliance and Safe Harbors

Nevertheless, it makes obvious sense for government websites to be good copyright citizens because, among other reasons, (1) the 11th Amendment state immunity from copyright infringement may not last forever (bills are periodically introduced in Congress to eliminate it), and (2) copyright owners can employ tactics other than a conventional copyright claim in federal court for monetary damages (they can sue the alleged infringer individually, they can seek an injunction, and they may be able to pursue a breach of contract action in state court).

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[2] "The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. Const. amend. XI.

While a comprehensive review of copyright law as it relates to government websites is beyond the scope of this document, we recommend that website operators and policymakers obtain a working understanding of copyright law generally, and in particular that they are familiar with the Digital Millennium Copyright Act of 1998, which provides certain safe harbors for online service providers. We also recommend that government entities obtain counsel experienced in copyright issues to ensure that website policies and practices are in compliance, to take full advantage of protections against liability, and, especially, to respond to any allegations of direct or contributory copyright infringement.

In brief, government website policymakers should consider at least the following:

- Understand and adhere to copyright obligations in the government's own use of, and presentation of information on, the government website. For example:
  - Design the site so that any links to external pages open in their own window, not in a frame of the public website (which may create an unauthorized derivative work).
  - Warning boxes for leaving the site are not user-friendly, and probably are unnecessary.
  - But *do* include a disclaimer addressing liability for linking to a website that contains infringing or illegal content.
  - "Deep linking" directly to copyrighted works of another website may infringe the copyright owner's exclusive rights to display and reproduce such works. This typically comes into play when the other website wishes to have users enter through a front page, for advertising or other purposes.

- Understand the doctrine of **fair use** – 17 U.S.C. §§ 106-107 – which provides an absolute defense to a claim for copyright infringement. § 107 sets out four factors for a court to consider in determining whether the use in a particular case is a fair use: (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. *See Kelly v. Arriba Soft,* 336 F.3d 811 (9th Cir. 2003).

- Sovereign immunity can be waived, explicitly or in some cases by implication. *See Parden v. Terminal Ry. of Ala. State Docks Dept.*, 377 U.S. 184, 84 S. Ct. 1207 (1964). Congressional abrogation of a state's U.S. 11th Amendment immunity turns on an express statement of intent by Congress and a constitutionally valid exercise of power. *Chavez v. Arte Publico Press,* 204 F.3d

601 (5th Cir. 2000)(Congressional attempt to abrogate state government copyright liability held invalid.)

Other tips

- Draft a general copyright policy / disclaimer for the website, including the email address of a single point of contact to receive permissions for duplication, to receive complaints of infringement, etc. Good (and bad) examples are plentiful.

- Adopt language addressing copyright issues in **appropriate website policies** (disclaimers, copyright policy, advertising agreements, etc.).

- Execute ASCAP/BMI blanket license agreements, if intend to broadcast music.

- Consider obtaining broadcast/copyright infringement insurance; or verify coverage by current liability insurance.

- If the portion of website where the alleged infringement occurs is a non-moderated public forum, the government entity operating the site probably will *not* be liable for contributory infringement, under evolved common law copyright principles. (But beware of First Amendment implications of providing such a public forum)

- An excellent starting point is the website for the United States Copyright Office, http://www.copyright.gov/