



THE COPYRIGHT INFRINGEMENT RISKS FOR FACEBOOK IN ALLOWING USER-GENERATED CONTENT (UGC) TO BE POSTED ON THEIR SITES AND IN INTRODUCING GIF BUTTON

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Abstract: Internet content is distributed, hosted and located by online intermediaries. Content or services often carry with them legal liability. In other words, it may infringe the copyright of the rightsholder, if the host, publisher has made an unauthorized copy or breached other recognized rights under copyright law. On the other hand, online intermediary liability has become increasingly controversial in relation to copyright material as a result of two key developments: the rise in unauthorized downloading of digital music, film and video since the beginning of the P2P revolution; and the arrival of Web 2.0 or Social networking interactive user generated content (UGC) sites¹ such as Facebook, MySpace, Youtube etc. Users can post or repost their own or anyone else's content on social media sites, including copyrighted content. However, posting other people's content is not without implication, particularly when it comes to copyright infringement. Verifying liability of hosts of UGC for copyright infringement is a proper step to mitigate legal risks.

Keywords: *GIF, IP law, Facebook*

1. Introduction

Potential liability of Facebook for copyright infringement when providing mass publication of content in relation to copyright material and when applying GIF button on its messenger will be explored in depth below. The first section issues the explanation of what a GIF is and how it is created. The second section looks at the legal risks for Facebook associated with allowing UGC to share copyrighted content. To begin with, Facebook liability will be examined under § 512 of the United States

¹ Lilian Edwards, 'Role and Responsibility of Internet Intermediates in The Field of Copyright and Related Rights'

<https://www.wipo.int/export/sites/www/copyright/en/docs/role_and_responsibility_of_the_internet_in_intermediaries_final.pdf> accessed 08 March 2024.

Digital Millennium Copyright Act (DMCA). This section also canvasses the issue by looking at Article 12 to 15 of the Europe E-Commerce Directive (ECD). The third part concerns about the ability of GIFs to infringe copyright. The matter will be analysed 1) under the Fair use inquiry of the US as well as 2) under the Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (the Copyright Directive).

2. What is a GIF? How to create it?

Facebook has added a dedicated GIF-finder button to Messenger which allows easy GIF sharings. In the past, users had to download a separate app before searching for and sharing GIFs. Now we should expect an increasing availability of GIFs as the button is accessible without any extra software.

An animated GIF which stands for graphic interchange format is a graphic image that moves.² It is a combination between an emoticon and a video clip and looks like a short video file that plays over and over again.³

A GIF is created from any video file which can be added caption, subtitle and text.⁴ For instance, you can make a GIF from a specific scene in your favorite film with quotation added. In another word, a GIF is produced by using a copy of an original work. Hence, the creation of a GIF could possibly infringe copyright law as the author of the original work has the exclusive right to reproduce that work

3. Facebook liability in allowing UGC to share copyrighted content

3.1 US approach: the DMCA

In the US, two federal statues of immunities for ISPs and hosts were created including the Communications Decency Act (CDA) and the DMCA.⁵ The first regime relating to all types of liability material except for intellectual property is found in section

² Margaret Rouse, 'Animated GIF (Graphics Interchange Format)' (*Searchsoa Techtarget*, September 2005) <<https://www.techopedia.com/definition/2002/graphics-interchange-format-gif>> accessed 08 March 2024.

³ Eleonora Rosati, 'Can GIFs infringe copyright? In Europe the answer is potentially 'yes' (*Ipkitten blogspot*, 4 February 2016) <<http://ipkitten.blogspot.co.uk/2016/02/can-gifs-infringe-copyright-in-europe.html>> accessed 08 March 2024.

⁴ <<http://giphy.com/create/gifmaker>> accessed 08 March 2024.

⁵ Robert McHale, ESQ. with Eric Garulay, *Navigating Social Media Legal Risks: Safeguarding Your Business* (Pearson Education 2012) 6.

230(c) of the CDA.⁶ The other regime relating to liability for material infringing copyright, found in the DMCA § 512⁷ will be examined later.

The DMCA § 512 provides that an intermediary service provider (ISP) might be exempt from liability for copyright infringement stemming from transmitting, caching, hosting, or linking to infringing materials.⁸ The DMCA safe harbor apply only if an ISP ‘adopt and reasonably implement a policy’⁹ of addressing and terminating accounts of users who are ‘repeat infringers’.¹⁰ In addition, the ISP must accommodate and not interfere with ‘standard technical measures’.¹¹ Moreover, there are another requirements under § 512(c) which ISPs must also comply: i) not have actual knowledge or be aware of facts or circumstances from which infringing activity is apparent; ii) not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity, and iii) upon obtaining such knowledge or awareness or receiving notice from copyright owners or their agents, acts expeditiously to remove or disable access to the purported infringing material. The notion of ‘actual knowledge or be aware of facts or circumstances from which infringing activity is apparent’ requires ‘knowledge of specific and identifiable infringements of particular individual items’ and that ‘General knowledge that infringement is ubiquitous does not impose a duty on the service provider to monitor or search its service for infringements’.¹²

In relation to Facebook, firstly, they states in section 5 in their Statement of Rights and Responsibilities that i) they can remove any content or information posted if they believe that it violates the Statement or Facebook policies; ii) users have an opportunity to appeal if they believe Facebook removed the content by mistake and iii) Facebook will disable the account of ‘repeat infringers’. It can be seen that by introducing those policies, Facebook must have accommodated technical protection measures corresponding to them. Additionally, Facebook does not know which content has been uploaded with permission and which has not so that it has no actual

⁶ (n 1) 7.

⁷ Ibid.

⁸ Seagull Haiyan Song, ‘A Comparative Copyright Analysis of ISP Liability in China Versus the United States and Europe’ (2010) Legal Studies Paper No.2012-25, 27 <<http://ssrn.com/abstract=2118961>> accessed 08 March 2024.

⁹ 17 U.S.C. § 512(i)(1)(A).

¹⁰ Ibid.

¹¹ 17 U.S.C. § 512(i)(1)(B).

¹² (n 1) 57.

knowledge of circumstances from which infringing activity is apparent. When it receives copyright claims from the rightholders, it acts expeditiously to disable access to the infringing material. In practice, by blocking the infringing post first and thereafter let the infringing users to appeal, Facebook does a reasonable step to prevent further communication of that notified content. Moreover, for UGC hosts in general and Facebook in particular, it is unclear under what circumstances the site is drawing in new customers to receive a direct financial benefit.¹³ As a result, Facebook has fulfilled most immunity criterias except for the confusing financial benefit requirement. To be conclude, it is remained doubtful whether Facebook is found liable for copyright infringement under the United Nations of America approach.

3.2 European approach: the ECD

In Europe, a harmonized regime exists in the ECD, covering liability for all kinds of content, except gambling and privacy/data protection, which are exempted.¹⁴ The ECD intermediary service provider liability regime broadly covers not only the traditional ISP sector, but also a much wider range of actors including hosting services, ecommerce merchants, social network sites, cloud computing services, mobile providers, etc.¹⁵ Although a number of online intermediaries liability cases have been decided under the specific provisions of Article 12-14 of the Directive, there seem to be no clearly labeled secondary liability theories to ISPs under the EU case law.¹⁶

Based on the Directive, an ISP is exempt from liability when it acts as a ‘mere conduit’, i.e, merely transmitting content originated by and destined for other parties¹⁷ (Article 12) or provides ‘temporary caching’ (Article 13). According to Edwards:

Caching is a ubiquitous technical process whereby local copies of remote web pages are made by hosts when requested, in order to speed up delivery of those pages on subsequent request to speed up the Web for all users. Immunity is also subject to the ISSP taking down cached copies once they obtain actual knowledge that the originalsource of the information has been removed or access to it disabled, or removal or blocking of access has been ordered by a competent court or authority.¹⁸

¹³ (n 5).

¹⁴ (n 1) 7.

¹⁵ (n 1) 8.

¹⁶ (n 8) 6.

¹⁷ (n 1) 9.

¹⁸ Ibid.

Moreover, ISPs that provide content storage, *i.e.*, ‘hosting services’ (Article 14), are exempt from liability provided that they do not have ‘actual knowledge or awareness of facts or circumstances’ of illegal activities and ‘expeditiously remove or disable’ access to content upon receipt of such knowledge or awareness.¹⁹ Article 15 of the ECD restrains member states from placing ‘general obligations’ to monitor content on intermediaries. Without such new duties, content industries are effectively limited either to abiding by ‘notice and take down’ regime (NTD) as their best remedy, possibly seeking to have such sites blocked by ISPs as havens for infringement or reaching voluntary arrangements with sites.²⁰ Notwithstanding, it does not prevent courts or administrative authorities of member states from imposing a monitoring obligation in a specific, defined individual case as stated in recital 48: ‘to apply duties of care which can reasonably be expected from them and which is specified by national law, in order to detect and prevent certain types of illegal activities’.

As in the ECD, immunity is provided subject to material being taken down or access blocked expeditiously (Article 14). No guidance is given in the Directive as to what ‘expeditious’ means and whether it allows enough time to, e.g. check facts, consult an in house lawyer, find an external lawyer or request counsel’s opinion.²¹ Article 14, furthermore, seems to imply that once notice has been given and the expedient period of grace expired, liability is strict even if takedown presents technical or administrative problems. It is suggested that once an ISSP has received a takedown notice, its duty should not be an absolute requirement to remove but merely to do what is reasonable to prevent further communication of that notified content.²²

According to OECD classification, Facebook is a participative networking platforms, which do not create or own the content being published and its activities are providing help in creating content and social networking.²³ In this regard, Facebook acts as a ‘mere conduit’ as its role solely consists in the transmission of information originating from third parties and the provision of access through a communication network.²⁴ In Facebook networking system, users are the one who initiate the transmission, select

¹⁹ (n 16).

²⁰ (n 1) 56.

²¹ (n 1) 10.

²² *Ibid.*

²³ Denis Sparas, ‘EU regulatory framework for e-commerce’ (WTO Workshop Geneva, 18 June 2013) <https://www.wto.org/english/tratop_e/serv_e/wkshop_june13_e/sparas_e.pdf> accessed 08 March 2024.

²⁴ *Ibid.*

the receiver of the transmission and select or modify the information transmitted. Therefore, it cannot be held liable for third party illegal content.²⁵

4. The ability of GIFs to infringe copyright

4.1 Fair use enquiry into GIFs

Recently, the National Football League (NFL) has allegedly sent take down requests to Twitter requesting that they disable links and GIFs that infringe the NFL's copyright.²⁶ Twitter provided a platform and allowed different dependent GIF providers post different GIFs including the ones infringing NFL's copyright. Similarly, Facebook unleashed a GIF button from a third party.²⁷ If the case was to progress, would the GIF providers potentially have a defence in the US of the fair use doctrine? It is important to note that Fair use is covered by section 107 of the Copyright law of the United States of America (USC) as shown below:

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.

Firstly, the use of Facebook GIFs is often for non-commercial. In order to share GIFs, after clicking at the GIF button users can choose from a list of GIFs randomly appear or type in the Messenger chat box the 'character' of the GIF they want to collect. For example, an user wants to show the expression of crying face and types 'crying face' then a range of different GIFs related that topic will pop up. Similar to using emoticons, using the GIF button in Facebook Messenger is a great way to express emotion and entertain of most individuals rather than to earn some profits. Secondly, creative works are more likely to be closer to the core of intended copyright

²⁵ Ibid.

²⁶ Shan Wang, 'Fair use or copyright infringement? Deadspin and SB Nation get tossed off Twitter for NFL GIFs' (*Niemanlab*, 13 October 2015) <<http://www.niemanlab.org/2015/10/fair-use-or-copyright-infringement-deadspin-and-sb-nation-get-tossed-off-twitter-for-nfl-gifs/>> accessed 08 March 2024.

²⁷ Jon Russell, 'Facebook Tests Features That Make Sharing GIFs In Messenger Easier Than Ever' (*TechCrunch*, 5 July 2015) <<http://techcrunch.com/2015/07/05/facebook-really-wants-you-to-use-gifs-inside-messenger/>> accessed 08 March 2024.

protection than factual works and merit a higher level of protection in fair use cases.²⁸ Additionally, Facebook GIFs are created from a wide range of content whether they are creative or factual works hence the specific GIF posted will decide whether this factor weighs for or against a fair use defence.³⁰ Thirdly, a GIF reproduces very short extracts of films or other materials, however, even if a small portion of the work is taken, the GIF will not be a fair use if such portion is the essence of the work.³¹ Lastly, GIFs could potentially benefit the rightholders by increasing demand for the original works as GIFs are now more popular. The more attention a work gets by appearing on a GIF, the greater chance its rightholder reaches potential market. To conclude, it is an open-ended question whether GIFs are violating the fair use doctrine or not.

4.2 The European approach

Under EU law, Article 2 of the Copyright Directive provides the exclusive right for authors 'to authorise or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part' of their works. The notion of 'reproduction in part' was interpreted by the Court of Justice of the European Union (CJEU) in *Infopaq*.³² The CJEU held that there is 'reproduction in part' any time extracts that contain 'an element of the work which, as such, expresses the author's own intellectual creation'.³³

At this point, it is noticeable that GIFs contain protectable elements of a work hence there are reproductions in part and infringements of copyright. However, we should continue considering the closed list of exceptions and limitations in Article 5 of the Copyright Directive which provides a possible defence for GIF providers. Some GIFs contain a very short quotation from a film and in this instance the defence that the GIF is a quotation within Article 5(3)(d) could apply.³⁴ For this defence to apply the quotation must be fair dealing, the extent of the quotation must be no more than is

²⁸ Holland and Hart, 'Sharing copyrighted content on social media – fair use or infringement?' (*Lexology*, 4 April 2014) <<http://www.lexology.com/library/detail.aspx?g=7357b483-8524-433a-968a-792e5414144c>> accessed 08 March 2024.

²⁹ Also, because the dissemination of facts or information benefits the public, you have more freedom to copy from factual works than you do from fictional works. Rich Stim, 'Measuring Fair Use: The Four Factors' <<http://fairuse.stanford.edu/overview/fair-use/four-factors/>> accessed 08 March 2024.

³⁰ *Ibid.*

³¹ *Ibid.*

³² Case C-5/08 *Infopaq International A/S v Danske Dagblades Forening* [2009] ECDR 16, Judgment of the Court (Fourth Chamber) of 16 July 2009.

³³ Judgment, para 48.

³⁴ (n 3).

required for the purpose and the quotation should be accompanied by acknowledgement of the author, unless this is not reasonably practice. In a nutshell, from the EU perspective, whether or not a GIF is found to be infringing copyright could depend on whether enough of the infringing work is replicated.

However, when we are trying to examine the liability of Facebook throughout complicated regimes and find no certain answer, Facebook has taken a move to protect itself from any coyright claims, as we can find in its Statement of Rights and Responsibilities under section 15 as follow:

Although we provide rules for user conduct, we do not control or direct users' actions on Facebook and are not responsible for the content or information users transmit or share on Facebook. We are not responsible for any offensive, inappropriate, obscene, unlawful or otherwise objectionable content or information you may encounter on Facebook. We are not responsible for the conduct, whether online or offline, of any user of Facebook.

As regards, Facebook is trying to control the copyright infringement risks as much as it can but would this be good enough? The answer is not in any way conclusive.

5. Conclusion

Facebook liability in allowing UGC to share copyrighted content has different results when examine it under US and EU legislation. Under US law, Facebook has fulfilled most immunity criterias such as i) adopt and reasonably implement a policy of addressing and terminating accounts of users who are 'repeat infringers'; ii) have accommodated technical protection measures; iii) not have actual knowledge or be aware of facts or circumstances from which infringing activity is apparent and iiiii) acts expeditiously to remove or disable access to the purported infringing material, except for the confusing financial benefit requirement. To be conclude, it is remained doubtful whether Facebook is found liable for copyright infringement under the United Nations of America approach. Conversely, Facebook cannot be held liable for third party illegal content as it falls under the notion of 'mere conduit' in the EU approach.

The creation and provision of GIFs under the US doctrine of fair use and the law of EU does not appear necessarily a safe enterprise from a copyright standpoint. This means that both direct creation and making available of GIFs and the hosting of GIFs like Facebook have the potential to generate some copyright headaches.

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