

# IMPLIED LICENSE DOCTRINE AS A SHIELD FOR COPYRIGHT INFRINGEMENT CLAIMS INVOLVING EMBEDDING CONTENT

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## I. INTRODUCTION

In early March 2022, the US District Court for the Southern District of New York (“Southern District of New York”), in *McGucken v. Newsweek, LLC*, added to a growing uncertainty of what constitutes copyright infringement in the digital environment.<sup>1</sup> Instead of relying on the Ninth Circuit’s holding from more than fifteen years ago that embedding website content is not a copyright violation, the Southern District of New York joined its previous opinions in concluding that embedding violates the copyright owner’s exclusive right to display.<sup>2</sup>

This decision carries a significant meaning not only because it has the potential to result in a circuit split if it reaches the Second Circuit but also because embedding is such a common practice among online publishers.<sup>3</sup> In fact, a 2016 study found that almost one in four online news articles contained social media embeds.<sup>4</sup> A more recent study confirmed this trend, which found that “[t]he inclusion of social media posts—tweets, in particular—in digital news stories, both as commentary and increasingly as news sources, has become commonplace in recent years.”<sup>5</sup>

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<sup>1</sup> No. 19 Civ. 9617, 2022 WL 836786, at \*5–6 (S.D.N.Y. Mar. 21, 2022); see Dori Ann Hanswirth et al., *Newsweek Ruling Offers Copyright Lessons on New Tech*, LAW360 (Apr. 5, 2022, 5:15 PM), [https://www.law360.com/articles/1480766?from\\_lnh=true](https://www.law360.com/articles/1480766?from_lnh=true).

<sup>2</sup> Hanswirth et al., *supra* note 1.

<sup>3</sup> See *id.*

<sup>4</sup> See SAMDESK, THE STATE OF SOCIAL EMBEDS 3 (2016), <https://cdn.samdesk.io/static-content/The-State-of-Social-Embeds.pdf>.

<sup>5</sup> Munif Ishad Mujib et al., *NewsTweet: A Dataset of Social Media Embedding in Online Journalism*, ARXIV PREPRINT (Aug. 6, 2020), <https://arxiv.org/pdf/2008.02870.pdf>. (“In the data collected from Google News, 13% of all stories were found to include embedded tweets . . .”).

The question here is what would happen if social media posts embedded in news articles included a copyrighted photo or video without express authorization. Whether the news media would be liable for copyright infringement by violating the owner of the social media post's display right is a burning issue raising concerns and conflicting views among online publishers, social media and web users, and legal practitioners.

The uncertainty over embedding arises from the recent rulings in the Southern District of New York, which conflict with the Ninth Circuit's decision in *Perfect 10, Inc. v. Amazon.com, Inc.*<sup>6</sup> *Perfect 10*, a 2007 opinion, held that embedding website images could not violate a copyright holder's exclusive display right.<sup>7</sup> The Ninth Circuit's server test approach, which California district courts follow, states that embedding is permissible when the embedding party does not save a copy of the image on their server or directly transmit the image to users because such conduct is not equivalent to displaying the image.<sup>8</sup> But the Southern District of New York rejected this approach arguing that the server test is not appropriate as a matter of the statutory text and legislative history of the Copyright Act of 1976 ("Copyright Act").<sup>9</sup> Their view is that embedding social media content is the same as displaying it, which is against copyright law.

With the Southern District of New York's *McGucken* case "continuing to proceed along the path to jury trial," a circuit split is possible if the case is not resolved and the Second Circuit rejects the server test for the first time.<sup>10</sup> If this were to happen, the embedding issue addressed in this Comment would be ever more important and relevant as it "could eventually get the attention of the [US] Supreme Court."<sup>11</sup> Regardless of which approach prevails in the future, this Comment argues that courts need to protect embedding parties under the circumstances by recognizing a proper defense, such as the doctrine of implied license. More specifically, this Comment, after exploring the issue of embedding content in two divisive views,

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<sup>6</sup> 508 F.3d 1146, 1160 (9th Cir. 2007).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 1159–60.

<sup>9</sup> See *Goldman v. Breitbart News Network, LLC*, 302 F. Supp. 3d 585, 593 (S.D.N.Y. 2018); *Nicklen v. Sinclair Broad. Grp., Inc.*, 551 F. Supp. 3d 188, 195 (S.D.N.Y. 2021); *McGucken v. Newsweek, LLC*, No. 19 Civ. 9617, 2022 WL 836786, at \*5–6 (S.D.N.Y. Mar. 21, 2022).

<sup>10</sup> Hanswirth et al., *supra* note 1.

<sup>11</sup> See *id.*

contends that a failure to implement a technological measure that prohibits embedding equates to implied permission for embedding, pursuant to the implied license doctrine. For example, the new Instagram feature that allows users to disable embedding their posts is one such measure. When users choose not to employ this feature, their conduct implies a nonexclusive license, which can function as a defense for embedding parties who may face copyright infringement liability. Therefore, courts should recognize the implied license doctrine when evaluating copyright infringement claims involving the display right.

Part II of this Comment explains how the hyperlinking technique works, introduces the types of hyperlinks, including embedded links, and examines the Copyright Act in detail, such as its statutory language and legislative history, to understand congressional intent with the right to display publicly. Part III showcases various court opinions to show the judicial treatment over the years of whether embedding causes a violation of the display right. This Part considers the controversial server test, accepted by the Ninth Circuit but rejected in recent years by the Southern District of New York. Part IV of this Comment carefully examines the implied license doctrine both in general and in the context of copyright law. This Part posits the main argument of this Comment—the implied license doctrine may be a legal defense under the circumstances for those who embed the copyright owner’s content without permission. Finally, Part V summarizes and concludes.

## II. UNDERSTANDING HYPERLINKS AND THE DISPLAY RIGHT

This Part provides background information necessary to understand the overall argument of this Comment regarding copyright infringement in the context of embedding. Followed by Section A, which provides an overview of the hyperlinking technique and different forms of hyperlinks, Section B explores the Copyright Act, especially its statutory language and legislative history.

### A. *Overview of Hyperlinks*

Before delving into the issue of embedding content more closely, an overview of hyperlinks is necessary for a better understanding of the issue. Hyperlinks, “the threads with which the [w]eb is spun,” are critical to the internet because without them the World Wide Web would lack the qualities that make it so compelling.<sup>12</sup> Hyperlinks enable linking webpages to others, the practice which “helps users, by means of successive references, to find the information that they are seeking . . . .”<sup>13</sup> Without hyperlinks and search engine sites that rely on the hyperlinking technique, the information posted on the web would be harder to find and lose its value as a result.<sup>14</sup>

The hyperlinking technique involves hypertext markup language (HTML) and hypertext transfer protocol (HTTP).<sup>15</sup> HTML, written instructions that a webpage includes, “supports the use of links to connect to another webpage or source” like a “document, image, video[,] or sound clip.”<sup>16</sup> This operation of linking follows HTTP, which is a “request-response communication protocol that governs information exchange between servers and clients: a client sends a request message to a server; and the server, in turn, returns a response message to the client.”<sup>17</sup> In practice, most users do not observe this information exchange; they only interact with hyperlinks, which can appear in the form of a “highlighted word or phrase, or an icon that ‘conceals’ the [i]nternet address (“URL”) of a linked-to site.”<sup>18</sup> When a person clicks on a hyperlink, they are transported to another webpage or “document located elsewhere on the [w]eb, with its own URL address.”<sup>19</sup>

Hyperlinks can take different forms depending on the linking technique used.<sup>20</sup> Surface links transfer the webpage viewer to the homepage of another site when the viewer clicks to see the linked

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<sup>12</sup> Alain Strowel & Nicolas Ide, *Liability with Regard to Hyperlinks*, COLUM.-VLA J.L. & ARTS 403, 404 (2001).

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 404–05.

<sup>15</sup> See Jie Lian, *Twitters Beware: The Display and Performance Rights*, 21 YALE J.L. & TECH. 227, 233 (2019).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 233–34.

<sup>18</sup> *Id.* at 234.

<sup>19</sup> Strowel & Ide, *supra* note 12, at 407.

<sup>20</sup> *Id.*

content.<sup>21</sup> Instead of connecting the webpage viewer to another website's homepage, deep links refer them to an interior page of another website, such as any webpage other than the homepage.<sup>22</sup> Deep links, just like surface links, require clicking to see the linked content.<sup>23</sup> Framed links present a viewer the content of a linked site's webpage, framed by the logo and the name of the company that operates the linking site's webpage.<sup>24</sup> Finally, inline links or embedded links differ from the other hyperlinks in the way they deliver the linked content to a webpage viewer.<sup>25</sup> Embedded links allow a viewer to see elements (like an image or a graphic) from another webpage without requiring the viewer to click.<sup>26</sup> Embedding refers to a "special type of linking that enables a webpage to make remote content appear as an integral part of its own content."<sup>27</sup>

## B. *Understanding the Display Right*

This Part examines both the statutory text and legislative history of the Copyright Act to better understand congressional intent in terms of what the display right covers and how it relates to the issue of whether embedding content is a violation of the right.

### 1. The Copyright Act of 1976

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."<sup>28</sup> Works of authorship include common social media content like photographs and videos, referred in the statute as pictorial works and audiovisual works.<sup>29</sup> The Copyright Act grants copyright owners six exclusive rights, including the right to reproduce the work, prepare derivative works, distribute copies of the work to the public, perform

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<sup>21</sup> *Id.*; see also Saumya Vaishampayan, Note, *Displaying Lenity: Why Courts Should Adopt a Presumption Against Copyright Infringement for Embedding and the Display Right*, 74 RUTGERS L. REV. 807, 808–09 (2022).

<sup>22</sup> Strowel & Ide, *supra* note 12, at 407.

<sup>23</sup> Vaishampayan, *supra* note 21, at 809.

<sup>24</sup> Strowel & Ide, *supra* note 12, at 407–08; Vaishampayan, *supra* note 21, at 809.

<sup>25</sup> Vaishampayan, *supra* note 21, at 808.

<sup>26</sup> See Strowel & Ide, *supra* note 12, at 408.

<sup>27</sup> Lian, *supra* note 15, at 233.

<sup>28</sup> 17 U.S.C. § 102(a).

<sup>29</sup> *Id.*

the work publicly, display the work publicly, and perform the work publicly by means of a digital audio transmission in the case of sound recordings.<sup>30</sup> The right to “display the copyrighted work publicly”<sup>31</sup> is most relevant to the issue presented throughout this Comment because the act of embedding makes content appear.<sup>32</sup> Courts reviewing the embedding issue under the Copyright Act must determine whether the embedding party satisfies “the statutory standard for (1) displaying a copyrighted work and (2) doing so publicly.”<sup>33</sup> As noted in House Report 1476, the display right did not exist until explicit statutory recognition in 1976.<sup>34</sup> Subsection i examines the statutory meaning of “display” and “publicly,” the two keywords of the display right in the Copyright Act. Subsection ii discusses the legislative history of the Copyright Act, as laid out in House Report 1476, to understand the congressional intent.

i. Statutory Text of the Copyright Act

The two keywords of the display right statutorily defined in the Copyright Act are “display” and “publicly.”<sup>35</sup> First, the definition of “to display a work” explains the word “display,” which means “to show a copy of [work], either directly or by means of . . . any other device or process . . . .”<sup>36</sup> Instead of defining what “copy” means, the Copyright Act defines the plural form “copies” as “material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.”<sup>37</sup> The Copyright Act specifies that a device, machine, or process is “one now known or later developed.”<sup>38</sup> In short, a party who shows a copy of their copyrighted work by means of a device or process “displays” the work for the purposes of the Copyright Act.<sup>39</sup> For example, under the definitions above, a photo posted on Instagram constitutes the meaning of a “displayed” work.

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<sup>30</sup> *Id.* § 106.

<sup>31</sup> *Id.* § 106(5).

<sup>32</sup> *See* Strowel & Ide, *supra* note 12, at 408.

<sup>33</sup> Vaishampayan, *supra* note 21, at 809.

<sup>34</sup> *See* H.R. REP. NO. 94-1476, at 63 (1976).

<sup>35</sup> *See* Vaishampayan, *supra* note 21, at 811.

<sup>36</sup> 17 U.S.C. § 101.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

The second keyword in the display right is “publicly,” which the Copyright Act defines in two clauses as applied to both performance and display rights in the analog and digital context.<sup>40</sup> Under the first clause, to display a work publicly means to “display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered.”<sup>41</sup> The second definition of displaying a work publicly, which applies to the digital world, is “to transmit or otherwise communicate a performance or display of the work to . . . the public, by means of any device or process . . . .”<sup>42</sup> Finally, the Copyright Act states that “to transmit” means “to communicate [a display] by any device or process whereby images or sounds are received beyond the place from which they are sent.”<sup>43</sup> Although the broad scope of the second definition of “publicly” may cover many activities, only the ones that meet the definition of “display” infringe the display right.<sup>44</sup>

## ii. Legislative History of the Copyright Act

Although the lengthy legislative history of the Copyright Act shows no clear evidence of congressional intent regarding many provisions of the statute,<sup>45</sup> courts rely on the history when interpreting the display right.<sup>46</sup> In fact, the Southern District of New York in *Goldman v. Breitbart News Network, LLC* and *Nicklen v. Sinclair Broadcast Group, Inc.* discuss the legislative history after laying out the statutory definitions of the display right.<sup>47</sup>

Some key points in House Report 1476 are worth noting to better understand the legislative history. First, the drafters of the Copyright Act were concerned with public digital transmissions as indicated in

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<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> § 101. “Courts have relied on the second definition, known as the ‘Transmit Clause,’ in cases involving the internet.” Vaishampayan, *supra* note 21, at 812.

<sup>43</sup> § 101.

<sup>44</sup> Vaishampayan, *supra* note 2121, at 813.

<sup>45</sup> See Jessica D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857, 865 (1987). (“Indeed, even the sponsors of copyright revision demonstrated little knowledge and few opinions about the substance of the bills they introduced.”).

<sup>46</sup> See *Goldman v. Breitbart News Network, LLC*, 302 F. Supp. 3d 585, 589 (S.D.N.Y. 2018); *Nicklen v. Sinclair Broad. Grp., Inc.*, 551 F. Supp. 3d 188, 193–94 (S.D.N.Y. 2021).

<sup>47</sup> *Goldman*, 302 F. Supp. 3d at 589; *Nicklen*, 551 F. Supp. 3d at 193–94.

their description of the display right.<sup>48</sup> Granting copyright owners an exclusive right to display for the first time in American copyright law, the drafters described in the report that this right is to “show a copyrighted work, or an image of it, to the public.”<sup>49</sup> The drafters further explained that a display would include “the projection of an image on a screen or other surface by any method” or “the transmission of an image by electronic or other means.”<sup>50</sup> Note that the definition of “display” in the legislative history, unlike the statutory definition, includes transmissions.<sup>51</sup>

Second, regarding the public nature of the display, the drafters stated in House Report 1476 that the definition of transmission is a broad one that includes “all conceivable forms and combinations of wired or wireless communications media” as a means of a device or process for transmitting a display.<sup>52</sup> This shows that the drafters likely envisioned “a far-reaching right that would allow the copyright owner to sue any party that subsequently transmitted its legally cognizable display to the public for infringement.”<sup>53</sup> But the drafters noted that “[t]he existence or extent of [the right of public display] under the present statute is uncertain and subject to challenge.”<sup>54</sup> The drafters most likely acknowledged this uncertainty because they forecasted the public display right would evolve with technological progress and thus intended copyright protection to broadly encompass new and yet-to-be-understood technologies.<sup>55</sup> The drafters did “not intend either to freeze the scope of copyrightable subject matter at the present stage of communications technology.”<sup>56</sup>

As evident in the statutory text and legislative history of the Copyright Act, the scope of the right to display publicly is not narrow as it encompasses any device or process now available or later developed as a means to display a copyrighted work publicly. The rather broad scope, on top of fast-paced technological developments

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<sup>48</sup> See Vaishampayan, *supra* note 21, at 814.

<sup>49</sup> H.R. REP. NO. 94-1476, at 63 (1976).

<sup>50</sup> *Id.* at 64.

<sup>51</sup> Vaishampayan, *supra* note 21, at 814.

<sup>52</sup> H.R. REP. NO. 94-1476, at 64.

<sup>53</sup> Vaishampayan, *supra* note 21, at 815.

<sup>54</sup> H.R. REP. NO. 94-1476, at 63.

<sup>55</sup> Jane C. Ginsburg & Luke Ali Budiardjo, *Embedding Content or Interring Copyright: Does the Internet Need the “Server Rule”?*, 42 COLUM. J.L. & ARTS 417, 419 (2019); Goldman v. Breitbart News Network, LLC, 302 F. Supp. 3d 585, 589 (S.D.N.Y. 2018).

<sup>56</sup> H.R. REP. NO. 94-1476, at 51.



like the internet and social media, is likely one reason new copyright conflicts concerning embedding arise.<sup>57</sup> As of now, the fate of the server test is uncertain as various courts view differently the issue of whether embedding constitutes infringement of the display right.<sup>58</sup>

### III. JUDICIAL INTERPRETATIONS OF THE ISSUE

Some courts have been reluctant to fully apply the public display right “to the evolving infrastructure of the [i]nternet.”<sup>59</sup> For example, in *Perfect 10, Inc. v. Amazon.com, Inc.*, the Ninth Circuit introduced and adopted the server test, designed to limit the public display right as its application may curtail technological progress.<sup>60</sup> This test removes unauthorized online displays of content embedded with hyperlinks from the scope of the Copyright Act’s exclusive display right.<sup>61</sup> Under the server test, “a website does not display a copy of a work if it does not communicate the work to viewers from an image file stored on its own servers.”<sup>62</sup> This Part provides a detailed review of various cases to show how courts, including the Ninth Circuit, have decided copyright infringement claims involving embedded content.

#### A. *Server Test*

Subsection 1 explores the server test through the Ninth Circuit’s decision in *Perfect 10*, and Subsection 2 discusses additional caselaw that adopted the server test.

##### 1. *Perfect 10, Inc. v. Amazon.com, Inc.*

The Ninth Circuit was the first circuit court that considered whether embedding constituted infringement of the display right.<sup>63</sup> Detailed facts about this case are helpful to understand the court’s decision. In *Perfect 10*, Google, a search engine operator, had access to thousands of websites and indexed them within a database stored on Google’s computers.<sup>64</sup> When a user typed in a search query on the

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<sup>57</sup> See Lian, *supra* note 15, at 232–33.

<sup>58</sup> Hanswirth et al., *supra* note 1.

<sup>59</sup> Ginsburg & Budiardjo, *supra* note 55, at 419.

<sup>60</sup> See *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1159–61 (9th Cir. 2007); Ginsburg & Budiardjo, *supra* note 55, at 419–20.

<sup>61</sup> Ginsburg & Budiardjo, *supra* note 55, at 419–20.

<sup>62</sup> Hanswirth et al., *supra* note 1.

<sup>63</sup> Vaishampayan, *supra* note 21, at 824.

<sup>64</sup> *Perfect 10*, 508 F.3d at 1155.

Google website, Google's software found in its database websites responsive to that search query and sent relevant information to the user's computer.<sup>65</sup> Google's search results could be "in the form of text, images, or videos."<sup>66</sup> Amazon was a party here because it generated revenues for Google by embedding Google's search results.<sup>67</sup>

Perfect 10 operated a subscription website where subscribers paid a monthly fee to view Perfect 10's images of nude models in a members' area of the site.<sup>68</sup> These password-protected images from the members' area were not part of Google's index or database.<sup>69</sup> At times, Perfect 10's images became available on the internet as some website publishers republished them without permission.<sup>70</sup> When this happened, Google's search engine, which "may automatically index the webpages containing [such] images," provided "thumbnail versions of images in response to user inquiries."<sup>71</sup> Upon clicking on the thumbnail image, "the user's browser accesse[d] the third-party webpage and [embedded] the full-sized infringing image stored on the website publisher's computer."<sup>72</sup>

Perfect 10 argued that Google's search engine operation directly violated the exclusive right to display.<sup>73</sup> The Ninth Circuit applied the server test, which works in the following manner: if a computer owner who stores an image as electronic information serves that electronic information directly to the user, the owner displays the information and thus violates a copyright holder's exclusive display right.<sup>74</sup> Conversely, the computer owner who "does not store and serve the . . . information to a user [does] not display[] that information, even if such owner [embeds] the electronic information."<sup>75</sup>

Applying the server test, the court held that Google's thumbnail images constituted direct infringement but that the embedded full-size

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<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.* at 1157.

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Perfect 10*, 508 F.3d at 1157.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* at 1159.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

images were not infringing.<sup>76</sup> The court stated that the plain language of the Copyright Act indicates that a person displays an image “by using a computer to fill a computer screen with a copy of the . . . image fixed in the computer’s memory.”<sup>77</sup> Because Google’s computers stored thumbnails of Perfect 10’s copyrighted images and communicated copies of those thumbnails to Google’s users, Google directly infringed Perfect 10’s display right.<sup>78</sup> Google, however, did not display a copy of full-size images for purposes of the Copyright Act because instead of storing those images in its computers, Google only embedded them, “provid[ing] HTML instructions that direct[ed] a user’s browser to a website publisher’s computer that store[d] the full-size . . . image[s].”<sup>79</sup> The court added that providing these HTML instructions did not equate to showing a copy.<sup>80</sup>

## 2. Cases Following the Ninth Circuit Approach

Although few courts outside the Ninth Circuit have adopted the server test, the Seventh Circuit and some district courts have embraced the logic in *Perfect 10*.

In *Flava Works, Inc. v. Gunter*, Flava Works, which produced and distributed videos of men engaging in homosexual acts, sued myVidster, an online social bookmarking service provider, for copyright infringement.<sup>81</sup> Through social bookmarking, individuals who have similar interests can direct one another to online materials like videos that cater to their likings by bookmarking materials on the website like myVidster’s.<sup>82</sup> Once myVidster received a bookmark, they embedded the video’s code onto its website, but the video remained hosted on the original server.<sup>83</sup> As with *Perfect 10*, a visitor to the myVidster website would see thumbnails, and when they clicked on one, they would retrieve content from a third-party’s website.<sup>84</sup>

Flava Works claimed that even though myVidster did not host the video on its website, embedding the content infringed the copyright

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<sup>76</sup> *Perfect 10*, 508 F.3d at 1159–60.

<sup>77</sup> *Id.* at 1160.

<sup>78</sup> *Id.*

<sup>79</sup> *Id.* at 1160–61.

<sup>80</sup> *Id.* at 1161.

<sup>81</sup> 689 F.3d 754, 754–56 (7th Cir. 2012).

<sup>82</sup> *Id.* at 756.

<sup>83</sup> *See id.*

<sup>84</sup> *Id.*

because when a user clicked on a thumbnail on the myVidster website, the video appearing in a frame seemed like it was playing on the myVidster website when a third-party server actually played it.<sup>85</sup>

The Seventh Circuit cited the decision in *Perfect 10* and held that myVidster did not infringe “in the form of copying” copyrighted work because the myVidster server did not contain a copy of the videos and the website merely linked to a third-party website or server that contained the copyright-infringing material.<sup>86</sup> The court noted that embedding a video hosted by another website did not transmit or communicate the video because embedding merely transmitted or communicated a web address.<sup>87</sup> The court emphasized that “myVidster [was] giving web surfers addresses where they [could] find entertainment.”<sup>88</sup>

Similarly, in *Leveyfilm, Inc. v. Fox Sports Interactive Media, LLC*, “several Chicago Bears football players participated in the creation of a rap song and related video entitled the ‘Super Bowl Shuffle.’”<sup>89</sup> Later, a “record album recording of the song and a . . . DVD edition of the video” used the group photo of the players that photographer Levey took as the cover.<sup>90</sup> After one of the copyright owners of the video “filed a complaint against certain defendants for unauthorized use of the video[,]” Danielle Wysocki “posted an article on [her] website commenting on the lawsuit.”<sup>91</sup> In her post, she also included a photo of the DVD cover.<sup>92</sup> In the month prior to this incident, she signed an agreement with one of Fox Sports Interactive Media’s affiliates requiring the affiliate to include links to her articles.<sup>93</sup>

Fox argued that it could not be “liable for any illegal copying of the DVD cover photo” that Wysocki posted because “the photo was never contained on a Fox-owned server.”<sup>94</sup> Citing *Flava Works* and *Perfect 10*, the US District Court for the Northern District of Illinois considered whether the Fox-owned affiliate site violated photographer

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<sup>85</sup> *See id.* at 756.

<sup>86</sup> *See id.* at 757–58.

<sup>87</sup> *Flava*, 689 F.3d at 761.

<sup>88</sup> *Id.*

<sup>89</sup> No. 13 C 4664, 2014 WL 3368893, at \*1 (N.D. Ill. July 8, 2014).

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* at \*3.

Levey's display right by linking to Wysocki's website that contained Levey's copyrighted photo.<sup>95</sup> Due to a lack of evidence that Fox saved the photo on its servers, the court held that it could not find a violation of the display right.<sup>96</sup>

B. *Rejecting the Server Test*

More than a decade after the *Perfect 10* decision, the Southern District of New York rejected the server test in three different opinions. In determining liability, the New York district court focused on the textual interpretation and legislative history of the Copyright Act.

In *Goldman v. Breitbart News Network, LLC*, the plaintiff, Justin Goldman, took and uploaded a photo of Tom Brady and others on a street to his Snapchat story.<sup>97</sup> Soon the photo went viral on various social media platforms, including Twitter, "where it was uploaded by several users."<sup>98</sup> Defendants, who were online news outlets and blogs, published articles on their websites and featured the photo by embedding the tweet into the articles.<sup>99</sup> In other words, "[n]one of the . . . websites copied and saved the [p]hoto onto their own servers."<sup>100</sup> As a result, the full-size photo was visible as part of the articles on all the websites "without the user having to click on a hyperlink or a thumbnail . . . to view the [p]hoto."<sup>101</sup>

Claiming that "he never publicly released or licensed" his photo, the plaintiff sued the websites for infringement of "his exclusive right to display his photo."<sup>102</sup> The defendants argued the court should apply the server test to "define the scope of the display right."<sup>103</sup> They claimed that embedding the photo from Twitter did not constitute a display because "they simply provided 'instructions' for the user to navigate to a third-party server on which the photo resided."<sup>104</sup>

The court agreed with the plaintiff, reasoning that within the plain language and the legislative history of the Copyright Act, "the

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<sup>95</sup> *Leveyfilm*, 2014 WL 3368893, at \*4–5.

<sup>96</sup> *Id.* at \*5.

<sup>97</sup> *Goldman v. Breitbart News Network, LLC*, 302 F. Supp. 3d 585, 586 (S.D.N.Y. 2018).

<sup>98</sup> *Id.* at 587.

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*

<sup>102</sup> *Id.* at 586.

<sup>103</sup> *Goldman*, 302 F. Supp. 3d at 590.

<sup>104</sup> *Id.* at 593.

physical location or possession of an image” cannot be the basis for determining what constitutes a display.<sup>105</sup> The court added that the defendants’ websites actively took steps to transmit the photo so that it could be visible on their webpages in full size.<sup>106</sup> This process of embedding sufficiently satisfied the statutory meaning of displaying a work publicly.<sup>107</sup>

Similarly, in *Nicklen v. Sinclair Broadcast Group, Inc.*, photographer Paul Nicklen took a video “of a starving polar bear and posted [it] to his Instagram and Facebook accounts.”<sup>108</sup> The caption directed people to contact Caters News, which exclusively managed the video, if they sought to license or use the video in a commercial player.<sup>109</sup> Later, numerous outlets and online publishers, including Sinclair Broadcast Group, embedded the video in online articles without obtaining a license.<sup>110</sup> Because of embedding, “[t]he [v]ideo appeared within the body of the Sinclair article even when a reader took no action to retrieve the [v]ideo or to navigate to Nicklen’s Facebook or Instagram account. . . .”<sup>111</sup>

Nicklen sued Sinclair for copyright infringement, arguing that the defendant violated his exclusive right to display the video publicly.<sup>112</sup> Analyzing the plain meaning of the Copyright Act, the court found that Sinclair violated Nicklen’s exclusive display right when it caused a copy of the work—the video footage—to be seen without authorization.<sup>113</sup> The court explained that “[t]he display right in its final form encompasses ‘not only the initial rendition or showing, but also any further act by which that rendition or showing is transmitted or communicated to the public.’”<sup>114</sup> The court added that “an infringer

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<sup>105</sup> *Id.*

<sup>106</sup> *Id.* at 594.

<sup>107</sup> *Id.* Section 101 of the Copyright Act defines to display a work publicly as “to transmit . . . a . . . display of the work . . . by means of any device or process.” *Id.* at 593 (citing 17 U.S.C. § 101). “To transmit a display is to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent.” *Id.* (citing 17 U.S.C. § 101).

<sup>108</sup> *Nicklen v. Sinclair Broad. Grp., Inc.*, 551 F. Supp. 3d 188, 191–92 (S.D.N.Y. 2021).

<sup>109</sup> *Id.* at 192.

<sup>110</sup> *Id.*

<sup>111</sup> *Id.*

<sup>112</sup> *Id.* at 193.

<sup>113</sup> *Id.* at 194.

<sup>114</sup> *Nicklen*, 551 F. Supp. 3d at 194 (quoting H.R. REP. NO. 94-1476, at 63 (1976)).

displays a work by showing ‘a copy’ of the work,” meaning not the first or only copy, but any copy of the work.<sup>115</sup>

Despite Sinclair’s argument that the server test in *Perfect 10* should apply, the court rejected this test because it contradicts the text and legislative history of the Copyright Act.<sup>116</sup> The court noted that the statutory definition of “to display” is “to show a copy of a work . . . not ‘to make and then show a copy of the copyrighted work.’”<sup>117</sup>

Most recently, the Southern District of New York rejected the server test in its decision in *McGucken v. Newsweek, LLC*.<sup>118</sup> This case involved McGucken’s photographs of a rare ephemeral lake at Death Valley National Park that he posted to his Instagram account.<sup>119</sup> When Newsweek published an article about the lake, it embedded one of the photos without McGucken’s permission.<sup>120</sup> McGucken then filed a suit for copyright infringement, alleging that Newsweek had displayed his photo without consent.<sup>121</sup>

Newsweek argued it was not liable for copyright infringement because the photo embedded in its article was not a “display” under copyright law.<sup>122</sup> Newsweek added that Instagram, not Newsweek, showed a copy of McGucken’s work posted on his Instagram and that Newsweek “merely copied Instagram’s embed code, which consists of HTML directions to the Instagram post.”<sup>123</sup>

The court rejected Newsweek’s server test argument because what Newsweek did by embedding was in fact a display of McGucken’s photograph.<sup>124</sup> The court pointed out that outside the Ninth Circuit, the server test has not been widely adopted and that such a test “may be ‘contrary to the text and legislative history of the Copyright Act.’”<sup>125</sup> It cited the same reasoning as the *Nicklen* court, which explained that the server test makes no display possible “unless the alleged infringer

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<sup>115</sup> *Id.*

<sup>116</sup> *Id.* at 194–95.

<sup>117</sup> *Id.* at 195 (quoting 17 U.S.C. § 101).

<sup>118</sup> Hanswirth et al., *supra* note 1.

<sup>119</sup> *McGucken v. Newsweek, LLC*, No. 19 Civ. 9617, 2022 WL 836786, at \*1–2 (S.D.N.Y. Mar. 21, 2022).

<sup>120</sup> *Id.*

<sup>121</sup> *Id.* at \*1.

<sup>122</sup> *Id.* at \*5.

<sup>123</sup> *Id.*

<sup>124</sup> *Id.* at \*6.

<sup>125</sup> *McGucken*, 2022 WL 836786, at \*6 (citing *Nicklen v. Sinclair Broad. Grp., Inc.*, 551 F. Supp. 3d 188, 195 (S.D.N.Y. 2021)).

has also stored a copy of the work” on their computer server.<sup>126</sup> According to the court, this “would seem to make the display right merely a subset of the reproduction right.”<sup>127</sup>

#### IV. DOCTRINE OF IMPLIED LICENSE AS AN ALTERNATIVE APPROACH FOR COURTS

The implied license doctrine, which is not a new concept, has the potential to play a significant role in copyright caselaw.<sup>128</sup> The implied license doctrine “may serve as a means to define the rules of conduct in the digital environment by maintaining the freedom of dissemination of information on the [i]nternet while keeping enough flexibility to protect other interests, such as proprietary interests, on a case-by-case basis.”<sup>129</sup> This Part begins with an overview of the doctrine in patent law, then copyright law, and discusses how the doctrine can provide a shield for those who face copyright infringement liability due to their unauthorized act of embedding content.

##### A. *Implied License Doctrine Overview*

The implied license doctrine developed from contract law to track the contracting parties’ intent for purposes of supplementing their agreement.<sup>130</sup> Patent law initially adopted this doctrine, and copyright law later implemented it.<sup>131</sup> This Part discusses the use of the doctrine in patent law.

The implied license doctrine originated in nineteenth-century patent law.<sup>132</sup> Generally, the concept of this doctrine infuses “reasonableness into the enforcement of patent rights.”<sup>133</sup> Under this doctrine, “a purchaser of a tangible good which incorporates a patented invention is permitted to use such good in the natural and normal way it was intended to be used.”<sup>134</sup> If the good is a medication, for example, the natural and normal way to use it would include

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<sup>126</sup> *Id.*

<sup>127</sup> *Id.*

<sup>128</sup> Orit Fischman Afori, *Implied License: An Emerging New Standard in Copyright Law*, 25 SANTA CLARA COMPUT. & HIGH TECH. L.J. 275, 276 (2009).

<sup>129</sup> *Id.* at 278.

<sup>130</sup> *Id.* at 276.

<sup>131</sup> *Id.*

<sup>132</sup> *Id.* at 279.

<sup>133</sup> *Id.*

<sup>134</sup> Afori, *supra* note 128, at 280.



swallowing the pill.<sup>135</sup> This is because the patent owner's mere act of selling the patented medication is deemed implicitly to have been permission for such use.<sup>136</sup> By authorizing the sale of their patented product, the patent owner exhausts their control over the product—a rule known as the “patent exhaustion” theory.<sup>137</sup>

The implied license doctrine is also used as a defense against claims involving patent infringement.<sup>138</sup> Depending on the conduct of the patent owner, “[t]he implied license defense may be based upon different common law tests, . . . such as estoppel or acquiescence.”<sup>139</sup> An implied license is formed by the patent owner's conduct, whether it is their language or some other form of conduct.<sup>140</sup> From the patent owner's conduct, the person to whom the conduct is exhibited may infer that they have the owner's consent to using the patent.<sup>141</sup> Therefore, the implied license results from both the patent owner's conduct and the user's reasonable reliance on that conduct.<sup>142</sup> Unlike the patent exhaustion theory, the implied license defense “shifts the focus ‘from the product itself toward the circumstances of the transaction between the parties.’”<sup>143</sup>

#### B. *Implied License Doctrine in Copyright Law*

Copyright law subsequently incorporated the implied license doctrine to resolve two conflicts: (1) the tension between the copyright owner of a work and the owner of a tangible object in which the work is incorporated; and (2) the tension between the creator of a work and their transferee.<sup>144</sup> In both cases, the doctrine serves as a means to allow reasonable use of a work by the owner of the object or the transferee, based on implicit consent from the work's creator or the copyright owner for such use.<sup>145</sup> In this regard, implied licenses in the copyright context function as “an outgrowth of basic contract law

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<sup>135</sup> *Id.*

<sup>136</sup> *Id.*

<sup>137</sup> *Id.*

<sup>138</sup> *Id.*

<sup>139</sup> *Id.*

<sup>140</sup> Afori, *supra* note 128, at 280.

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.* at 280–81.

<sup>144</sup> *Id.* at 276–77.

<sup>145</sup> *Id.* at 277.

principles where agreements are sometimes implied between two or more people in circumstances where a judge or jury believes that those people would have made a contract if [they had] turned their minds to it.”<sup>146</sup> An example of this situation would arise if a student who mows their neighbor’s lawn for three weeks, and gets paid twenty dollars per week, does not receive payment for mowing the lawn in the fourth week.<sup>147</sup> Even though the two parties did not enter into a formal contract, an implied contract likely existed based on their conduct.<sup>148</sup>

The above example applies in copyright law. Even where no explicit license exists to use a copyrighted work, copyright law would recognize an implied license given by the copyright owner if the parties would have created a license under the circumstances.<sup>149</sup> An implied license, if it exists, must be nonexclusive because exclusive licenses must be in writing pursuant to the Copyright Act.<sup>150</sup> As a result, nonexclusive licenses “may therefore be granted orally, or may even be implied from conduct.”<sup>151</sup> When a nonexclusive license exists, the copyright owner has no standing to sue for copyright infringement, meaning “there is no such thing as ‘breach’ of a nonexclusive license.”<sup>152</sup>

When interpreting the implied license doctrine, courts take into account various policy considerations to give effect to the intent of reasonable parties.<sup>153</sup> Hence, the doctrine not only tracks the subjective intent of the contracting parties but also enables “the introduction of an *objective* standard of reasonability into the parties’ relationship.”<sup>154</sup>

In determining whether the implied license doctrine applies, courts have employed different tests, such as the three-step test and the totality of conduct test.<sup>155</sup>

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<sup>146</sup> Jacqui Lipton, *Implied Licenses in Copyright Law*, AUTHORS ALL. (May 27, 2020), <https://www.authorsalliance.org/2020/05/27/implied-licenses-in-copyright-law>.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Id.*

<sup>151</sup> 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 10.03[A][7] (1989).

<sup>152</sup> *Id.*

<sup>153</sup> Afori, *supra* note 128, at 284.

<sup>154</sup> *Id.*

<sup>155</sup> Lipton, *supra* note 146.

### 1. Three-Step Test

The three-step test emerged from situations where the parties had an express agreement in place but later deviated from its terms in practice.<sup>156</sup> An example would be where a contract requires invoice generation and payments prior to engaging in a licensed use, but where the parties engaged in a course of dealing that allowed invoices and payments after the use of licensed works.<sup>157</sup> In these kinds of cases, courts review different factors and hold that “an implied nonexclusive license applies ‘when (1) a person (the licensee) requests the creation of a work, (2) the creator (the licensor) makes that particular work and delivers it to the licensee who requested it, and (3) the licensor intends that the licensee-requestor copy and distribute his work.’”<sup>158</sup>

For example, in *Effects Associates, Inc. v. Cohen*, the defendant, Larry Cohen, wrote, directed, and produced a horror movie, which included special effects footage that the plaintiff, Effects Associates, created.<sup>159</sup> When Cohen, unhappy with the footage, paid the plaintiff only half of what he initially promised and still incorporated the footage into his film, the plaintiff sued Cohen for copyright infringement, claiming that Cohen had no right to use the footage.<sup>160</sup> The issue was whether Cohen had a nonexclusive license to use the plaintiff’s footage.<sup>161</sup>

Cohen argued that although he did not receive a written or oral license from the plaintiff, their conduct created an implied license to use the footage in his film.<sup>162</sup> Applying the three-step test, the court ruled in favor of Cohen.<sup>163</sup> The court concluded that the plaintiff impliedly granted Cohen and his production company nonexclusive licenses to incorporate the footage into his film because they created a work at Cohen’s request and handed it over, with the intention that Cohen copy and distribute it.<sup>164</sup>

Similarly, in *Latimer v. Roaring Toyz, Inc., Kawasaki Motors Corp., U.S.A.* (“Kawasaki”) hired Todd Latimer, a professional photographer,

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<sup>156</sup> *Id.*

<sup>157</sup> *Id.*

<sup>158</sup> 3 NIMMER & NIMMER, *supra* note 151, § 10.03[A][7].

<sup>159</sup> 908 F.2d 555, 555 (9th Cir. 1990).

<sup>160</sup> *Id.* at 556.

<sup>161</sup> *Id.* at 558.

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> *Id.* at 558–59.

to take photos of Kawasaki motorbikes for promotional materials connected to a bike show.<sup>165</sup> Media kits at a press event, magazine articles, and websites from Roaring Toyz, Inc. (“Roaring Toyz”) later used Latimer’s photos.<sup>166</sup> Latimer argued that Roaring Toyz and Kawasaki committed copyright infringement by displaying, including, and publishing his photos in places that he did not authorize.<sup>167</sup> Kawasaki and Roaring Toyz argued that they had an implied license to use the photos in those contexts.<sup>168</sup>

The court took the side of Kawasaki and Roaring Toyz, agreeing that they had an implied license to use Latimer’s photos for the bike show but finding that “Kawasaki’s use might have exceeded the scope of that license.”<sup>169</sup> The court explained that Kawasaki and Roaring Toyz had an implied license to use Latimer’s photos because Latimer’s conduct satisfied all three prongs of the three-step test.<sup>170</sup> First, Latimer created the photos at Kawasaki’s request after Kawasaki asked Roaring Toyz to provide it with photos of the motorbikes, and Roaring Toyz in turn asked Latimer to create those photos.<sup>171</sup> Second, Latimer delivered the photos to Kawasaki and Roaring Toyz.<sup>172</sup> Third, Latimer intended for Kawasaki to use the photos during the press event for promotion purposes.<sup>173</sup>

## 2. Totality of Conduct Test

Instead of relying on the three-step test, some courts take a more holistic approach to determine whether an implied license exists and apply the totality of conduct test.<sup>174</sup> These courts oppose the idea that there can be no implied license when one of the three factors is absent.<sup>175</sup> They criticize the three-step test as too rigid and take the position that implied licenses can be found even if one or more factors are lacking.<sup>176</sup> Some courts, like the Fifth Circuit, “ha[ve] made

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<sup>165</sup> 601 F.3d 1224, 1228–30 (11th Cir. 2010).

<sup>166</sup> *Id.* at 1230–31.

<sup>167</sup> *Id.* at 1231.

<sup>168</sup> *Id.* at 1236.

<sup>169</sup> *See id.*

<sup>170</sup> *Id.*

<sup>171</sup> *Latimer*, 601 F.3d at 1236.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

<sup>174</sup> *See* Lipton, *supra* note 146; 3 NIMMER & NIMMER, *supra* note 151, § 10.03[A][7].

<sup>175</sup> *See* 3 NIMMER & NIMMER, *supra* note 151, § 10.03[A][7].

<sup>176</sup> *Id.*

explicit that those factors are not all-encompassing; what matters is whether the totality of the parties' conduct supports the existence of a non-exclusive license."<sup>177</sup>

For example, in *Joseph Luis Pelaez, Inc. v. McGraw-Hill Global Education Holdings LLC*, Jose Pelaez, a commercial photographer, contended that McGraw-Hill's use of his photos without authorization constituted copyright infringement.<sup>178</sup> McGraw-Hill, on the other hand, argued that it had an implied license to use Pelaez's photos beyond the scope specified in their agreements with Corbis.<sup>179</sup> Corbis was a non-party who had an agreement with Pelaez to issue limited licenses to third-parties, like McGraw-Hill, to use Pelaez's photos.<sup>180</sup>

The court concluded that McGraw-Hill did not satisfy the test.<sup>181</sup> The court reasoned that an implied license cannot be granted based on the unilateral belief of one party and that McGraw-Hill's subjective belief that it had an implied license was not sufficient.<sup>182</sup> Moreover, McGraw-Hill's failure to provide evidence to show that Corbis's knew of their unauthorized use of Pelaez's photos led the court to conclude that no implied license existed.<sup>183</sup>

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<sup>177</sup> *Id.* Under the totality of conduct test, an implied license can be found "based on 'any conduct on [the part of the copyright owner] exhibited to another, from which that other may properly infer that the owner consents to his use of the [work].'" See Ginsburg & Budiardjo, *supra* note 55, at 469 (alteration in original).

<sup>178</sup> 399 F. Supp. 3d 120, 125–26 (S.D.N.Y. 2019).

<sup>179</sup> *Id.* at 141.

<sup>180</sup> *Id.* at 125.

<sup>181</sup> *Id.* at 141–42. Most courts of appeals, as well as several decisions from the Southern District of New York, have adopted this test. *Id.* at 141.

<sup>182</sup> *Id.* at 142–43.

<sup>183</sup> *Id.* at 144; *see also* Foad Consulting Grp., Inc. v. Azzalino, 270 F.3d 821, 824, 828 (9th Cir. 2001) (holding that based on the amount of money GenCom, Inc. paid Foad Consulting Group, Inc. for its development plan of a shopping center and because Foad and GenCom created an agreement for Foad to help GenCom with its city application to build the shopping center, Foad granted GenCom an implied license to use the revised development plan without Foad's permission).

C. *Implied License as a Defense to Copyright Infringement*

This Comment's argument that the implied license doctrine should function as a defense to copyright infringement claims involving embedded content arises out of Instagram's new feature that rolled out in December 2021.<sup>184</sup> The feature allows users to turn off embeds so that others cannot freely embed their content without permission.<sup>185</sup> Instagram's decision to prevent unauthorized embedding resulted from "a concerted effort by the American Society of Media Photographers (ASMP) and the National Press Photographer's Association (NPPA)."<sup>186</sup> For several months, the ASMP and the NPPA were in contact with Facebook and Instagram executives to address the embedding issue, which the ASMP called "'the rampant problem' of third-parties using the embedding feature to bypass copyright protections."<sup>187</sup> The option to disable embedding is available to any user.<sup>188</sup> Subsection 1 discusses how to use this Instagram feature, followed by Subsection 2, which discusses the relationship between the feature and the implied license doctrine.

1. How the Feature Works on Instagram

Instagram lists the feature on its Help page and explains that even a public account holder can prevent third-party sources, like blogs and articles, from embedding their content by turning off the embeds setting.<sup>189</sup> The Help page posts instructions on how to disable embedding for Android and iPhone users.<sup>190</sup>

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<sup>184</sup> Jaron Schneider, *Instagram Users Can Now Prevent Others from Embedding Their Photos*, PETAPIXEL (Dec. 17, 2021), <https://petapixel.com/2021/12/17/instagram-users-can-now-prevent-others-from-embedding-their-photos>.

<sup>185</sup> *Id.*

<sup>186</sup> *Id.*

<sup>187</sup> *Id.*

<sup>188</sup> *Id.*

<sup>189</sup> *Turn Off Embed Settings on Instagram*, INSTAGRAM HELP CTR., [https://help.instagram.com/252460186989212/?cms\\_platform=android-app&helpref=platform\\_switcher](https://help.instagram.com/252460186989212/?cms_platform=android-app&helpref=platform_switcher) (last visited Feb. 17, 2024).

<sup>190</sup> *Id.*

## 2. How the Feature Relates to the Implied License Doctrine

Posting content without utilizing technological measures like the Instagram feature constitutes an invitation to embed that content. The totality of conduct test, rather than the three-step test, is relevant here because the user's *conduct* (copyright owner), whether they choose to disable embedding, determines the existence of an implied license. Using the totality of conduct test, courts can likely interpret the copyright owner's failure to employ the feature as an implied license to allow embedding and hold that the copyright owner cannot make a viable claim for copyright infringement against those who embed without permission. Adopting this view minimizes the concern that copyright owners who post their work online surrender their display right—control over how, when, and by whom their work is subsequently shown.<sup>191</sup>

Similar to disabling embeds on social media, most websites can block links, hence preventing embedding, if site owners choose to do so.<sup>192</sup> If site owners decide not to exercise this capability, then a visitor may infer that the owner has granted an implied license to provide a simple reference link.<sup>193</sup> Additionally, some commentators argue that posting images on a website equates to authorizing other web users to reference this material.<sup>194</sup> Essentially, these commentators argue “for an implied right to embed content posted without contractual or technical restriction on the internet via in-line links.”<sup>195</sup> In other words, “a platform or user sued for embedding content from an authorized source site, which contained no language addressing copyright rights[,] may escape liability through an implied license defense.”<sup>196</sup>

Some caselaw indicates that courts might recognize an implied license to embed where website operators decline to use well-known technical measures that prevent online copyright infringement.<sup>197</sup> For example, in *Field v. Google Inc.*, Field sued Google for unauthorized copying and distribution of his copyrighted works published on his

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<sup>191</sup> See Hanswirth et al., *supra* note 1.

<sup>192</sup> See Ginsburg & Budiardjo, *supra* note 55, at 469.

<sup>193</sup> *Id.* at 469–70.

<sup>194</sup> *Id.* at 470.

<sup>195</sup> *Id.*

<sup>196</sup> *Id.*

<sup>197</sup> *Id.*

personal website.<sup>198</sup> Field argued that by presenting cached links to his works to internet users, Google violated his copyrights.<sup>199</sup> Caching involves locating and analyzing copies of webpages and storing the HTML code from those pages in an online repository called a cache.<sup>200</sup> Once a webpage is in the cache, Google can include it as a cached link in the search results that users see in response to their search queries.<sup>201</sup> Website owners who do not want their webpages in search results can opt out of Google's search algorithm by asking Google not to provide a cached link via instructions within the HTML code of each page.<sup>202</sup> Although aware of Google's caching and the option to opt out, Field did not communicate his preference with Google.<sup>203</sup>

While considering Google's implied license defense, the court noted that Field made a conscious decision to permit Google's caching and providing cached links to his copyrighted works because even though he knew about Google's practice, he did not prevent it.<sup>204</sup> The court concluded that Field's conduct was reasonably interpreted as an implied license for Google to present cached links to Field's webpages in search results.<sup>205</sup>

Using similar logic to the court's reasoning in *Field*, this Comment argues that by declining to take advantage of technological measures, like the Instagram feature that prevents embedding content, a copyright owner implies a license for others to freely embed that content on their websites.<sup>206</sup> Like Field—who chose not to provide Google with HTML instructions to opt out and therefore deemed to have granted an implied license—the copyright owner's decision to disregard the Instagram feature is implicit conduct that courts can interpret as an implied license for embedding. This means that if courts were to follow *Field* in a future *McGucken v. Newsweek, LLC* opinion, they could review McGucken's conduct of not disabling the embedding functionality on his Instagram account and decide whether it constitutes an implied license. One important factor to consider, however, would be whether McGucken knew about the

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<sup>198</sup> 412 F. Supp. 2d 1106, 1110 (D. Nev. 2006).

<sup>199</sup> *Id.* at 1114.

<sup>200</sup> *Id.* at 1110.

<sup>201</sup> *Id.* at 1110–11.

<sup>202</sup> *Id.* at 1112 & n.4.

<sup>203</sup> *See id.* at 1113–14.

<sup>204</sup> *Field*, 412 F. Supp. 2d at 1116.

<sup>205</sup> *Id.*

<sup>206</sup> Ginsburg & Budiardjo, *supra* note 55, at 471.



Instagram feature before he posted the photograph. If he did know but still chose not to avail himself of the feature, then he acted voluntarily like Field, and his conduct would likely equate to implying a license for others to embed his photo. But if McGucken did not know of the feature and unconsciously allowed Newsweek to embed his photograph, then courts may be more likely to empathize with McGucken. Additionally, regardless of whether courts accept or reject the server test in the future, this Comment argues that courts should still find embedding parties not liable for infringement of the display right by recognizing the implied license doctrine as an appropriate defense.

Congressional action is one way to facilitate courts' application of the implied license doctrine to future cases like *McGucken*. That is, Congress can add a safe harbor provision to the Copyright Act, similar to how it passed the Digital Millennium Copyright Act to "address important parts of the relationship between copyright and the internet."<sup>207</sup> The safe harbor provision would codify the idea of technological means to block embedding, such as the Instagram feature, and establish that when copyright owners fail to take advantage of the means, they become implied license grantors and cannot raise copyright infringement claims against embedding parties. This Comment acknowledges that the provision could dilute copyright owners' power, but this consequence is inevitable in today's digital landscape where technology constantly changes faster than anything.

## V. CONCLUSION

With the fast-paced development of technologies like the internet and social media, an important issue has emerged regarding whether embedding content without permission from the copyright owner is a violation of the display right. As of now, the fate of the controversial server test, adopted by the Ninth Circuit, is unclear as the Southern District of New York recently rejected the test and based its opinions on the statutory text and legislative history of the Copyright Act. Under the server test, embedding parties may escape copyright infringement liability as their conduct of embedding content does not involve storing any information to their computer server and thus does not constitute a public display. But even if the server test becomes irrelevant in the future, courts should adopt the implied license

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<sup>207</sup> *The Digital Millennium Copyright Act*, U.S. COPYRIGHT OFF., <https://www.copyright.gov/dmca> (last visited Feb. 18, 2024).

doctrine as an appropriate defense in copyright infringement cases involving embedding content, whether on social media or websites.

This Comment's argument for the need to recognize the implied license doctrine for embedding parties arises out of the new Instagram feature that permits copyright owners to disable embeds so that others cannot freely embed the owners' content. If owners fail to use this feature, then it can be viewed as their implied nonexclusive license to allow embedding, pursuant to the totality of conduct test of the implied license doctrine. Once again, this argument reduces the widespread concern that copyright owners have no choice but to surrender their exclusive display right once they post their work online. But in adopting the implied license doctrine in copyright infringement claims, courts should also consider whether the copyright owner's failure to employ a technological measure to block embedding, like the Instagram feature, was a voluntary decision. If such a feature were unknown to the owner, then the implied license doctrine may not have the same application. As a way to guide courts in applying the implied license doctrine to future copyright infringement claims, Congress can develop a safe harbor provision that codifies that a failure to employ a technological measure to disable embedding constitutes an invitation to embed without having to obtain authorization.