Articles
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District Court Decision Indicates Liability for Erroneous DMCA Takedowns

The U.S. District Court for the Northern District of Illinois found on April 22, 2024, that those submitting copyright takedown notices under the Digital Millennium Copyright Act (DMCA) must consider whether the materials claimed to be infringed were eligible for copyright protection *prior* to submitting the takedown notices. [1]

Failing to make this evaluation—similar to a submitting party's duty to consider fair use prior to takedown[2]—could lead to liability under Section 512(f) of the DMCA for parties who knowingly and materially misrepresent that third-party content is infringing in a takedown request. A knowing representation can be inferred from business practices that constitute "head in the sand" willful blindness—a meaningful risk for companies who handle their DMCA takedowns in-house and without input from legal counsel. Under the wrong circumstances, erroneous DMCA takedowns can lead to liability for tortious interference as well.

A Shot in the Dark

In this case, MFB Fertility, Inc. (MFB) submitted a takedown request to an online marketplace under the DMCA for the removal of a product listing for its competitor, Action Care Mobile Veterinary Clinic, LLC (Action Care). MFB made the following claims in its notice, in addition to the language mandated by the DMCA:

[Action Care] found a cheap Chinese manufacturer to copy our tests then used ***all*** of our wording on the product page and product inserts. Copyrighted content: They copied ***all*** of our FAQs and product description from this product page [ ] They also took wording from our FAQ on our website: https://proovtest.com/products/proov-test-strips including the 'who might have a problem with ovulation, comment FAQ, when to test, and what is successful ovulation. (emphasis added).[3]

Action Care responded to the takedown by submitting a counternotice to the online retailer, which reinstated the listing as required by the DMCA. MFB filed a complaint in the Northern District of Illinois and sent it to the

retailer, which again removed the listing. In response to the complaint, which alleged copyright and trademark infringement, Action Care filed counterclaims, including a claim that MFB had made misrepresentations in its takedown and was liable under Section 512(f) of the DMCA as a result.

The DMCA outlines the proper procedure for notice and takedown so that service providers can avoid vicarious infringement liability by promptly removing allegedly infringing content posted by users of the platform once the service provider receives a notice. To prevent abuse of the system, the DMCA includes provisions that create liability for parties making false claims in takedown notices to achieve takedowns to which they're not entitled by law. A notice submitter can be held liable for damages under Section 512(f) if they "knowingly materially misrepresent" that the complained about material is infringing.[4]

MFB alleged in its takedown that Action Care's product packaging included several instances of language that were similar or identical to language on MFB's website for using its competing product. For instance, Action Care used the phrases "OvuProof PdG Tests/Progesterone Metabolite," "FDA Registered Rapid Test to Confirm Successful Ovulation," and "Works Well with Ovulation/LH Tests" in its product listing; MFB's website included "Proov PDG – Prgesterone Metabolite – Test," "Only FDA-Cleared Test to Confirm Successful Ovulation," and "Works Great with Ovulations Test." When considering the copyright infringement claim, the court found that the direct copying was either minimal, limited to descriptive phrases that were necessary to discuss this category of product, or phrases required by regulations or legislation in this space. Accordingly, the court dismissed MFB's copyright infringement claim, holding that Action Care's copying of MFB's materials was limited to descriptive and medical phrases that were not protectable by intellectual property law.

The court also denied MFB's motion to dismiss the Section 512(f) claim, determining that because the copied material was not actually copyrightable, there was a triable issue of fact as to whether MFB knowingly and materially represented that the Action Care material was infringing.

Watch Where You Step

The Seventh Circuit requires a showing of actual knowledge to prevail on a 512(f) claim, which can be met either by showing actual knowledge or inferred by showing that the submitter was willfully blind to deficiencies in its claim.[5] "That willful blindness can be established if the submitter chooses not to 'confirm a high probability' that material is not infringing."[6]

Noting the minimal precedent in the U.S. Court of Appeals for the Seventh Circuit relating to Section 512(f)'s knowledge standard, the court in *MFB v. Action Care* turned to the standards set forth by the U.S. Court of Appeals for the Ninth Circuit. Considering the requirements of the knowledge standard, the Ninth Circuit issued a landmark ruling on what constituted knowledge in *Lenz v. Universal Music Corp.*, 815 F.3d 1145 (9th Cir. 2016).[7] In that case, Lenz filed a claim under this same provision of the DMCA after a video of her son dancing to a Prince song was taken down by Universal Music Corp. (UMG). The court found that UMG (and any takedown notice submitter) must consider whether the copied work is a fair use in order to form a "good faith belief" that the activity was infringing. The court found that not considering fair use before issuing a takedown notice amounted to "willful blindness" and would make the filing party liable for damages under Section 512(f).[8]

In *MFB v. Action Care,* the court addressed a related but separate issue: whether or not the takedown filer has considered if the materials it is alleging were copied were actually protectable under copyright law. The court held that MFB (and any DMCA notice submitter) must "proactively consider" the possibility that their copied materials are not protectable under copyright.[9] "Failure to do so can form the basis of a finding of willful blindness and, therefore, knowledge for purposes of Section 512(f)."

Additionally, the court denied MFB's motion to dismiss Action Care's counterclaim for tortious interference.[10] The court noted that the Seventh Circuit has found that asserting a meritless copyright claim can support such a claim. The court found that MFB's DMCA takedown request to Action Care's online retailer acted as a threat to sue the marketplace if it did not comply, given the "underlying implication" of the takedown process.[11] Accordingly, there was sufficient support that the meritless takedown request would constitute tortious interference in the seller/marketplace business relationship between Action Care and the online retailer.

A Guiding Hand

Although DMCA takedown requests are a powerful tool for policing and enforcing copyrights online, overzealous use can quickly lead to liability for companies that submit them without careful consideration of the merits. This can especially be the case when marketing departments or other internal roles take on this duty without input from legal, making them a poor fit for the substantive assessments that the DMCA requires to avoid liability—despite the best of intentions in using the takedown remedy. We strongly recommend that companies loop in outside counsel to make these takedowns on their behalf, or at least develop a decision tree for identifying borderline cases and escalating them to counsel. Refining that process can be the difference between a well-oiled takedown regimen and one that creates blowback liability for the submitting company.

Endnotes

[1] *MFB Fertility, Inc. v. Action Care Mobile Veterinary Clinic, LLC*, No. 23 CV 3854, 2024 WL 1719347 (N.D. Ill. Apr. 22, 2024).

[2] *Lenz v. Universal Music Corp.*, 815 F.3d 1145, 1154 (9th Cir. 2016).

[3] *MFB Fertility, Inc.*, 2024 WL 1719347 at 2.

[4] See 17 U.S.C. § 512(f)(1).

[5] *Lenz*, 815 F.3d 1145, 1155 (9th Cir. 2016).

[6] 2024 WL 1719347 at 6, citing *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754, 769 (2011).

[7] 815 F.3d at 1155.

[8] *Id.*

[9] 2024 WL 1719347 at 7.

[10] *Id.*, at 9-10.

[11] *Id.*

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