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COMMENT: AN ALTERNATIVE TORTS MODEL OF SECONDARY COPYRIGHT LIABILITY

David W. Barnes[†]

Professor Yen offers two rules.¹ First, suppliers of high tech products or services who act with the purpose of facilitating copyright infringement are liable to the copyright owner by analogy to intentional torts. Second, all other technological facilitators are liable only if the design of their products fail a cost/benefit analysis. This second rule results from an analogy to the torts of negligence and strict products liability for defective design, which are analytically identical for these purposes.

In practical application, negligence becomes the new rule for secondary liability. Few technological facilitators will fall in the first category, either because of the lack of an improper motive or the lack of evidence of an improper motive. The result is that facilitators are liable for copyright infringers if the risks of injury associated with their conduct outweigh the social benefits. There is no precedent for this new rule. Professor Yen justifies this huge change in copyright law mostly by observing that cost/benefit analysis is useful and practical.

Cost/benefit analysis is always useful (if not always practical), but requires more doctrinal and corrective justice support than Professor Yen supplies. Tort law typically requires a consideration of policy factors before creating a new duty to act reasonably. Without that policy analysis, Professor Yen's proposal is mostly an assertion that it

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¹ Alfred C. Yen, Sony, *Tort Doctrines, and the Puzzle of Peer-to Peer*, 55 C ASE W. RES. L. REV. 815 (2005).

would be desirable to impose secondary liability based on negligence, a radical proposal for either tort or copyright law.

I am most interested in offering an alternative doctrinal analysis of intentional tort law that supports a balancing test. I believe it is based on a more accurate reading of the law of intentional torts. The resulting test for contributory infringement is consistent with both tort law and the copyright law of secondary liability revealed by the Supreme Court in *Sony*. It also meets Professor Yen's goals of considering both motive and design. Depending on how the balancing test is applied, it may stop just short of being a negligence test. To parallel Professor Yen's presentation, I will focus on the intentional torts analogy first then discuss the duty to use reasonable care.

I. THE TORTS ANALOGY TO CONTRIBUTORY INFRINGEMENT

Professor Yen identifies two factors that should be part of an appropriate rule for analyzing secondary liability for copyright infringement. The technological facilitator must have improper motive because "[a] defendant who creates technology and hopes that others will use it to infringe becomes culpable in a way that strongly supports liability" while "a defendant who acts to facilitate noninfringing behavior is far less culpable if it turns out that others deliberately misuse the defendant's technology to infringe."² The facilitator must also have improper technological design because "[I]nfringement makes more sense when the infringement associated with a particular system seems large in relation to any anticipated social benefits, and it makes less sense when the amount of infringement seems small in relation to those benefits."³ A traditional intentional torts analogy considers motive but not design because it focuses solely on the subjective purpose for the action or its legal equivalent, subjective certainty about what will result.⁴ The negligence analogy considers design but not motive because it focuses on a balancing of the social costs and benefits of conduct and ignores purpose. Thus, neither completely fulfills Professor Yen's dream.

His first obstacle is that actors who are substantially certain their conduct will result in injury are typically classified as intentional tortfeasors and liable without regard to the reasonableness of their conduct. His strategy has two steps. One is to eliminate the legal equiva-

² Alfred C. Yen, *supra* note 1 at 818 (2005).

³ *Id.*

⁴ RESTATEMENT (SECOND) OF TORTS § 8A cmt. b (1965) ("Intent is not, however, limited to consequences which are desired. If the actor knows that the consequences are certain, or substantially certain, to result from his act, and still goes ahead, he is treated by the law as if he had in fact desired to produce the result.").

lence of desire and substantial certainty. The other is to introduce three limitations into intentional tort liability generally. In my view the first step is unnecessary and unwise. The second step is unnecessary and perhaps a distortion of tort doctrine.

To reconstruct copyright principles of secondary liability, Professor Yen thought it necessary to merge intentional torts and negligence. He lumps some conduct that would normally be defined as intentional into the negligence category, thereby missing the opportunity to consider motivation for that group of cases. I will show that by maintaining the traditional definition of intent in torts, a test for contributory infringement can combine both motive and a cost/benefit test. My test may be more consistent with the Supreme Court's approach in *Sony* and with Professor Yen's own goals. It does less violence to traditional notions of contributory infringement.

Professor Yen's proposed liability rule for technological facilitators has two parts. First, those who act for the purpose of causing infringement should be held liable without regard for protestations about alternate uses for their technologies. This part of the rule ignores cost/benefit analysis. Second, all others, including those who were substantially certain their conduct would result in infringement, should be held liable only if their conduct fails a cost/benefit test. This part of the rule disregards motive. Neither part considers both motive and design. This rule is unnecessarily complicated. Because he has overanalyzed the "general substantial certainty" limitation on liability for intentional torts, Professor Yen fails to recognize that the exception only applies when the defendant's activity fails a cost/benefit test. While the negligence test is a more elaborate version of the test applicable to the limitation in question, it may be unnecessary to merge intentional torts and negligence.

A. *The Intentional Tort Analysis: Motivation but not Design*

The pillar of Professor Yen's intentional torts lesson is his "general substantial certainty" argument.⁵ The intent element in torts is usually met when the defendant desires or is substantially certain that his or her act will result in an invasion of a protected interest. All of the defendants in the high tech copyright cases with which we are concerned knew for certain that their products or services would result in infringement of film or music copyrights. Without some limitation on the traditional rule, these defendants are prime candidates for intentional tort liability.

⁵ See Yen, *supra* note 1, at 834.

Professor Yen's "general substantial certainty" argument bifurcates the intent element. Those who act with a purpose or desire to injure are all subject to liability. On the other hand, those who know (or are substantially certain) that the injury will occur are not automatically subject to liability. When there is no purpose or desire to injure, courts reserve intentional tort liability "for defendants who know with substantial certainty that their behavior will cause [a] relatively immediate injury to [b] identifiable victims [c] without significant intervention by others."⁶ Arguing that technological facilitators do not meet qualifications [a] through [c], Professor Yen concludes that their conduct should be evaluated under the negligence standard.

As a torts scholar, I think Professor Yen has done some modest violence to the "general substantial certainty" limitation. My first reaction is that, even if the quoted language accurately states the law, some technological facilitators who know infringement will result would, if tort law applied, be liable as intentional tortfeasors, making the bifurcation of intent unnecessary. My second reaction is that the [a] through [c] qualifications identified above are not well-supported by legal authority. I will argue, however, that the qualifications are not central to the application of the "general substantial certainty" limitation and that we do not need the limitation to introduce a cost/benefit balancing into intentional torts analogy. The result is that we may maintain the integrated concept of intent and that we produce a test that combines motive and cost/benefit analysis.

a. Bifurcating Intent. Ignoring the [a] through [c] qualifications for the moment, the "general substantial certainty" limitation on intentional tort liability seems to have arisen to protect and promote the progress of industry. The examples in the proposed final draft of the Restatement (Third) of Torts are manufacturers of mass-produced consumer goods that, over time and given the practical limitations of quality control, will inevitably cause consumer injuries and builders of high-rises, operators of railroads, and manufacturers of knives who know that their activities will inevitably cause serious harm.⁷ Promoting the development of electronic hardware and peer-to-peer software seems to fit within these examples. Applying this limitation, none will be found to have intended the injuries.

If the limitation has arisen to promote the advance of industry, perhaps it should apply to the high-tech industries. Is the analogy

⁶ *Id.* at 854.

⁷ RESTATEMENT (THIRD) OF TORTS: LIAB. PHYSICAL HARM § 1 cmt. e (Proposed Final Draft No. 1, 2001). Professor Yen adds the supply of handguns and cigarettes to the list of examples, but both of these are problematic because the final chapter has not been written on the liability of these facilitators of personal injury. Yen, *supra* note 1, 852.

perfect? Not quite. I see two problems. First, each of the examples and all of the cases are situations in which the defendant's conduct serves a purpose that predominately supports rather than interferes with social utility. Apparently society concludes that builders of new skyscrapers and operators of railroads provide benefits that are worth a few lives. Making consumer goods (including knives) widely available justifies the injuries and cuts the product's price. But a high-tech product or service that was not socially justified surely should not be subject to the limitation. Second, none of these actors' revenues is significantly enhanced by those who buy the product or service with the purpose of causing injury. The provider of a high-tech product or service that primarily benefits infringers is not in the same category as the other entrepreneurs.

Thus, an alternative rule emerges from the torts analogy: technological facilitators who are substantially certain their conduct will result in copyright infringement are liable if their conduct is a cause of injuries that are not justified by the associated social benefits. What test would determine whether a high tech product or service does not fit into this category? The "substantial noninfringing uses" test seems to do the job quite nicely if it means that the technology predominately supports noninfringing uses, which promote social utility, rather than infringing uses. Implicit in this test is whether the supplier's revenues depend in a significant way on infringing activity. This test captures both motive and a cost/benefit analysis. Given the policy underlying the "general substantial certainty" limitation, perhaps it should apply only when there are substantial non-infringing uses for the technology.

This test does not exactly fit Professor Yen's goal of combining motive and design,⁸ but it fits it more closely than his own test. As traditionally understood, the "general substantial certainty" limitation does not consider *the means* by which the defendant carried out their activities (whether there were adequate warnings at railroad crossings, safety precautions on construction sites) only the nature of the activity (operating railroads, selling knives). To be true to this understanding of torts, the social benefits and costs of the facilitator's product or

⁸ Whether my test exactly fits Professor Yen's criteria of considering motive and design depends on how the defendant's "conduct" is defined. If it is defined as supplying peer-to-peer software, for instance, it is unlikely that the design of that software would be considered. If the conduct is supplying peer-to-peer software with certain features, characteristics, and design limitations, then the design would be considered. The contours of the "general substantial certainty" limitation have not been explored in enough detail to know how these industrial defendants' conduct is defined, though the brief discussion in the tentative draft of Restatement (3d) of Torts suggests that the former definition is correct. See *RESTATEMENT (THIRD) OF TORTS: LIAB. PHYSICAL HARM* § 1 cmt. e (Proposed Final Draft No. 1, 2005).

service would be considered, but not particular features, characteristics, and design limitations. Professor Yen's negligence test, however, ignores motivation for this class of technological facilitators despite his statement that hoping others will use the technology to infringe strongly supports liability.⁹ Any facilitator whose revenues depend significantly on infringing behavior certainly must hope that others will infringe. In my interpretation, liability will not depend on motivation alone; it requires proof of substantial certainty as well as proof of lack of substantial non-infringing uses—a cost/benefit analysis. This analysis is not as detailed as a negligence analysis because it does not necessarily consider design. But it makes up for that by considering motive. And for those products and services that are socially justified, the next step is a negligence test that does include design.

What about those facilitators who desire infringement, which we might conclude from their interest in the revenues from users who are direct infringers. Should they escape the cost/benefit analysis? If we are to resist bifurcating intent, they should not. It strikes me that liability without further inquiry into the benefits of the technology is inappropriate. Why not apply a cost/benefit analysis, a substantial non-infringing use test, to these defendants?

An obvious reason not to apply a cost/benefit analysis to any type of intentional tortfeasor is that they do not traditionally have a broad-based reasonableness defense. Intentional tort defenses are more discrete, recognizing consent (which might be viewed as an argument that there was no tort at all) and public policy considerations such as defense of self and other and defense of property for assault and battery, probable cause for false imprisonment, private and public necessity for trespass. These considerations identify discrete situations in which intentional torts would be excused. But it does no violation to the intentional torts analogy to allow an exception for "the advance of technology." Like each of these other exceptions there is either an explicit balancing (as in whether reasonable force was used in battery) or an implicit balancing (favoring human life over the right to exclusive possession of property in trespass).

The incentives created by a rule that subjects both types of intentional tortfeasors to the "substantial noninfringing uses" test are that if the activity is not desirable, on balance, they will be liable and deterred from the activity. If it is desirable, on balance, they go on to the negligence analysis, which considers design. They will then be liable only if the worthwhile activity was carried on in a non-worthwhile way.

⁹ Yen, *supra* note 1, at 818.

b. The [a] through [c] Qualifications. Under Professor Yen's argument, supplying technology to facilitate infringement does not fit intentional torts requirements of [a] immediacy, [b] identifiability, and [c] nonintervention. In this part I will argue that these are not intentional tort requirements and, even if they were, some technologies fit. I will not belabor the point. Professor Yen's analytical purpose for emphasizing these qualifications was to exclude technological facilitation under the "general substantial certainty" limitation. Because my approach uses a cost/benefit analysis to decide which technologies certain to cause infringement should be treated as intentional, I do not need those extra qualifications anyway. They are not central to the general substantial certainty argument.

The qualifications applicable to mass-production, construction, railroads, and inherently dangerous products like knives do not apply to high tech if the connection between supplying the technologies and the injuries from electronic and digital copying are likely to be more immediate and the victims more identifiable. High tech harm is likely to be more immediate. Before a mass-produced consumer good creates its injury, it might follow through the chain of distribution to get to the consumer, sit on the shelf in the kitchen, and then be opened and maybe consumed before causing injury. The same is true for building construction—the building must be far enough along that falling from scaffolding is injurious. Knives may be handled many times before a cut results. Peer-to-peer software is downloaded and, right away, "Yippee – I'm gonna rip me off some '2 Live Crue.'" There is a pretty good argument that the injuries from technological facilitation are likely to be immediate.

High-tech harm has more identifiable victims. The manufacturer of a can of peas or knives has no idea who will buy the product. The architect and contractor do not know what employee will be scaling the heights with a bucket of rivets. A technological facilitator knows that lawyers from either A&M Records or Metro-Goldwyn-Mayer Studios (or someone of their class) are going to be knocking on their doors representing copyright holders. If you want to know the most downloaded songs, go to www.apple.com/itunes/. The favorite on Valentine's Day 2005 was "Candy Shop" by 50 Cent," which cleverly rhymes "keep it simple" with "you be a nympho." If immediacy and identifiability were requirements for intentional torts, technological facilitators might meet those requirements and not escape under the "general substantial certainty" limitation.

But intentional tort law does not require either that the harm be immediate or direct or that the victim be identifiable. Admittedly, a

comment to the provisional draft of the Restatement (Third) does say that, “[t]he [substantial certainty] test loses its persuasiveness when the identity of potential victims becomes vaguer, and when in a related way the time frame involving the actor’s conduct expands and the causal sequence connecting conduct and harm becomes more complex.”¹⁰ But this is contrary to the black letter rules of modern intentional torts.

At one time, there was a distinction in torts between conduct that immediately or directly produced harm and conduct that indirectly or “consequentially” produced harm. The proper form of writ for the former was characterized as a complaint for “trespass vi et armis” while for the latter was “trespass on the case.” The former evolved into modern intentional torts while the latter evolved into negligence torts, but the direct/indirect distinction disappeared.

The black letter rule describing intent for battery, for instance, is that

An actor is subject to liability to another for battery if (a) he acts intending to cause a harmful or offensive contact *with the person of the other or a third person*, or an imminent apprehension of such a contact, and (b) a harmful contact with the person of the other *directly or indirectly* results.¹¹

The first italicized language, universally recognized as a restatement of the principle of transferred intent, means that the actor need not intend injury to the specific victim to be liable in intentional tort. Even the Restatement recognizes that intending injury to a “class of potential” victims (for instance, owners of music and film copyrights) is enough.¹² When injury results to “the other,” the intentional tortfeasor is liable despite intending to injure “a third person.” The second italicized language recognizes that immediacy is not required and an intentional tortfeasor may be liable for consequential harms. Neither qualification [a] nor [b] accords with generally accepted intentional tort principles.

Finally, there is qualification [c], which requires the absence of “significant intervention by others.” In tort law, the legal implications of others’ contributions to injury are handled in the analysis of

¹⁰ RESTATEMENT (THIRD) OF TORTS: LIAB. PHYSICAL HARM § 1 cmt. e (Proposed Final Draft No. 1, 2005).

¹¹ RESTATEMENT (SECOND) OF TORTS § 13 (1965) (emphasis added). See also *id.* at §§ 13 (Battery: Offensive Conduct), 35 (False Imprisonment), and 46 (Conduct Intended to Cause Emotional Harm Only), which explicitly impose liability for directly or indirectly causing harm.

¹² RESTATEMENT (THIRD) OF TORTS: LIAB. PHYSICAL HARM § 1 cmt. e (Proposed Final Draft No. 1, 2005).

cause (either proximate or superseding) rather than breach (the element into which the intent analysis falls). To extend liability beyond those who most directly caused the injury, the concerted action doctrine initially added those who acted according to a common plan or design to produce the injury.¹³ While this language does not obviously embrace technological facilitators, the second part of the Restatement's rule also makes liable an actor who "knows that the other's conduct constitutes a breach of duty and given substantial assistance or encouragement to the other so to conduct himself."¹⁴ This language sounds familiar because it is the root of contributory infringement on copyright law. The only place where intervention by others becomes important in tort analysis is causation, not breach. The concerted action rule applies whether the defendant's conduct is intentional or merely negligent.¹⁵

CONCLUSION

Professor Yen's interpretation of torts leaves only those who desire infringement liable under the intentional torts analogy and without a test to balance the social utility of their conduct. My interpretation leaves both those who desire and those who are substantially certain infringement will result liable only after a "substantial non-infringing uses" test is applied and considers both motive and a cost/benefit test. That is essentially the balancing test Professor Yen seeks, though it probably ignores design considerations. Perhaps doing so is justified by the fact that a defendant intended infringement (at least in its "substantial certainty" sense). Perhaps Professor Yen's agenda is simply suggesting that we should skip to the design question in all of these cases. If so, we would have to rewrite the knowledge requirement for contributory infringement because negligence theory ignores motivation and eliminates the "significant non-infringing uses" test. My test preserves both.

¹³ RESTATEMENT (SECOND) OF TORTS § 876(a) (1965).

¹⁴ *Id.* at § 876(b). Accord RESTATEMENT (THIRD) OF TORTS: APPORTIONMENT OF LIABILITY § 15 Reporter's Note to cmt. a (1999) (quoting the Second Restatement).

¹⁵ RESTATEMENT (SECOND) OF TORTS § 876 cmt. d (1965) ("If the encouragement or assistance is a substantial factor in causing the resulting tort, the one giving it is himself a tortfeasor and is responsible for the consequences of the other's act. This is true both when the act done is an intended trespass (see Illustrations 4 and 5) and when it is merely a negligent act. (See Illustration 6). The rule applies whether or not the other knows his act is tortious. (See Illustrations 7 and 8). It likewise applies to a person who knowingly gives substantial aid to another who, as he knows, intends to do a tortious act.").

