

No. 24-171

IN THE

Supreme Court of the United States

COX COMMUNICATIONS, INC. AND COXCOM, LLC,

Petitioners,

—v.—

SONY MUSIC ENTERTAINMENT, ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

**BRIEF OF *AMICUS CURIAE*
AMERICAN INTELLECTUAL PROPERTY LAW
ASSOCIATION SUGGESTING AFFIRMANCE**

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**STATEMENT OF INTEREST OF
*AMICUS CURIAE***

The American Intellectual Property Law Association (AIPLA) is a national bar association representing the interests of approximately 6,500 members engaged in private and corporate practice, government service, and academia. AIPLA's members represent a diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.¹ AIPLA's mission includes providing courts with objective analyses to promote an intellectual property system that stimulates and rewards invention, creativity, and investment while accommodating the public's interest in healthy competition, reasonable costs, and basic fairness. AIPLA has no stake in any of the parties to this litigation or in the result of the case. AIPLA's only interest is in seeking correct and consistent interpretation of the law as it relates to intellectual property issues.

SUMMARY OF THE ARGUMENT

The Fourth Circuit correctly held that materially contributing to copyright infringement by

¹ Pursuant to Rule 37.6, no counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of the brief. No person or entity other than the amicus curiae, its members, or its counsel, made a monetary contribution intended to fund its preparation or submission.

another can give rise to secondary liability. Decisions on secondary liability do not provide bright lines or tests for such liability. Instead, courts review the facts of each case to ascertain whether a party's conduct rises to the level for which liability should be imposed. The material contribution prong of contributory liability is necessary to provide courts with the flexibility they need to determine culpability, which can be difficult in cases involving services or products capable of both infringing and noninfringing uses. The elimination of this material contribution prong would mean that parties could recklessly disregard actual knowledge of repeat infringing activity they are in the best position to prevent, reaping profits to the detriment of copyright holders.

Additionally, the Fourth Circuit did not err in approving the jury instruction, which provided, among other options, that Cox could be found willful based on knowledge of its subscribers' infringement. The instruction was not improper as it enabled the jury to consider whether continuing to provide services to subscribers Cox knew were repeat infringers constituted willful infringement.

ARGUMENT

I. THE FOURTH CIRCUIT DID NOT ERR IN ADOPTING A MATERIAL CONTRIBUTION STANDARD FOR CONTRIBUTORY LIABILITY

A. Material Contribution Is a Well- Established and Necessary Means of Finding Contributory Copyright Infringement

The material contribution test is a well-established standard for determining whether a party is contributorily liable for copyright infringement by another. Retaining that test is essential for courts to have the flexibility to determine when a party should be held legally responsible for infringement by another. The material contribution test complies with Supreme Court precedent, is consistent with appellate caselaw, and provides district courts the necessary latitude to find contributory infringement in appropriate cases.

Over fifty years ago, the Second Circuit held that a party may be liable for contributory liability when it “induces, causes or materially contributes to the infringing conduct of another.” *See Gershwin Publ’g. Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971). Under the *Gershwin* formulation, contributory infringement can be found in three ways: inducing, causing, or materially contributing to infringing conduct by another party. The material contribution test is a distinct and critical prong of *Gershwin*’s three-part formulation.

The Fourth Circuit’s application of the material contribution analysis is consistent with this Court’s holding in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005). There, this Court cited *Gershwin* in support of its holding that “[o]ne infringes contributorily by intentionally inducing or encouraging direct infringement” *Id.* at 930. Multiple appellate courts have found that *Grokster* did not eliminate the material contribution test for contributory liability under common law principles. For example, the Ninth Circuit held that “the Supreme Court in *Grokster* did not suggest that a court must find inducement in order to impose contributory liability under common law principles. *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, n.11 (9th Cir. 2007). Similarly, the Fifth Circuit expressly rejected Grande’s argument that knowingly providing material contribution to infringement is an inadequate basis for finding contributory copyright liability. *UMG Recordings, Inc. v. Grande Commc’ns Networks, L.L.C.*, 118 F.4th 697, 713 (5th Cir. 2024) (holding that “*Grokster* endorsed the broader common-law theories of contributory liability articulated in *Gershwin* and other authorities; it didn’t constrict them.”).

Indeed, *Grokster* expressly left open the possibility of finding contributory infringement in a case involving a product capable of substantial noninfringing use based on “evidence of intent” and “a failure to take affirmative steps to prevent infringement.” *Grokster*, n. 12 (holding that “*in the absence of other evidence of intent*, a court would be unable to find contributory liability merely based on a failure to take affirmative steps to prevent

infringement, if the device was capable of substantial noninfringing uses.”) (emphasis added). The material contribution prong is necessary because it provides courts the flexibility to evaluate the very conduct *Grokster* contemplated: whether a party’s continued provision of services to known infringers is sufficient evidence of its intent to materially contribute to their infringement.

The material contribution test is also consistent with this Court’s century-old holding that the sale of ink to a specific person with knowledge that the buyer would use the ink to infringe, constituted contributory patent infringement – even though the ink had other noninfringing purposes. *See Henry v. A.B. Dick Co.*, 224 U.S. 1, 12 (1912), *overruled on other grounds by Motion Picture Pats. Co. v. Universal Film Mfg. Co.*, 243 U.S. 502 (1917). As the Fourth Circuit explained, “because the defendants sold the ink ‘with the expectation that it would be used’ to infringe, ‘the purpose and intent that it would be so used’ could be presumed.” *BMG Rts. Mgmt. (US) LLC v. Cox Commc’ns, Inc.*, 881 F.3d 293, 307 (4th Cir. 2018).²

² The material contribution test is not at odds with this Court’s ruling in *Twitter, Inc. v. Taamneh*, 598 U.S. 471 (2023). The common law standards for aiding and abetting criminal activity and contributory liability for copyright infringement are different. In addition, material contribution copyright infringement cases may present a closer nexus than Twitter’s services and the terrorist attack at issue in *Twitter*. *See UMG Recordings, Inc.*, 118 F.4th at 714-715 (holding *Twitter* did not foreclose material contribution liability by internet service provider).

Additionally, the Fourth Circuit ruling is consistent with longstanding appellate court decisions on contributory liability. For example, the Ninth Circuit found that allegations of furnishing the location or instrumentalities of a swap meet with knowledge that the vendors were selling counterfeit goods stated a claim for contributory infringement. *Fonovisa, Inc. v. Cherry Auction, Inc.*, 76 F.3d 259, 264 (9th Cir. 1996) (“it would be difficult for the infringing activity to take place in the massive quantities alleged without the support services”). Similarly, the Ninth Circuit affirmed a district court’s holding that Napster “materially contributes to direct infringement” by providing “support services” to Napster users. *A&M Recs., Inc. v. Napster, Inc.*, 239 F.3d 1004, 1022 (9th Cir. 2001).

Materially contributing to infringement is distinct from inducing or encouraging infringement. The material contribution test should be retained because it affords courts flexibility to consider the degree to which a defendant’s acts and omissions contributed to the infringement of another and determine whether the conduct sufficiently contributes to the infringement such that the defendant should be held contributorily liable.

B. Continuing to Provide Services to Repeat Infringers May, in Appropriate Circumstances, Satisfy the Material Contribution Element of Contributory Copyright Infringement

The Fourth Circuit did not err in adopting a standard of contributory copyright infringement that

permits finding a party secondarily liable for a material contribution to copyright infringement by others. As noted above, determining whether a party has materially contributed to another's direct infringement is a fact-specific inquiry. Here, the jury found that Cox's continued provision of internet services to customers it knew were repeat infringers constituted material contribution.

As the Fourth Circuit noted, rather than adopt a reasonable policy to terminate repeat infringers and enjoy the safe harbors Congress afforded in the Digital Millenium Copyright Act (DMCA), 17 U.S.C. § 512, Cox did not consider a subscriber for termination until after the thirteenth notice of infringement, capped the number of notices it would process from any copyright holder in one day, limited the number of account suspensions per day, and restarted the strike count for subscribers once it had terminated and reinstated them. *Sony Music Ent. v. Cox Commc'ns, Inc.*, 93 F.4th 222, 228 (4th Cir. 2024). Accordingly, in a previous decision in a separate case that was not appealed, the Fourth Circuit held that Cox did not qualify for the safe harbor provisions available to it under the DMCA. *BMG Rights Management (US) LLC*, 881 F.3d at 301–305.

The DMCA contains a threshold standard of behavior determined by Congress to be sufficient to shield internet service providers from damages for contributory liability. Failing to meet that standard does not in and of itself constitute grounds for finding secondary liability, and qualification for the DMCA safe harbor should be analyzed separately from contributory liability. Nevertheless, once a party is

deemed ineligible for the safe harbors, a fact finder may find contributory liability. The Fourth Circuit test appropriately provides district courts the flexibility needed to evaluate the specifics of each case, including the nature and quantity of the infringement, and a party's response to repeated notices of infringement.

Moreover, the DMCA threshold is a minimum that, in the view of many rightsholders, does not adequately deter infringement. See U.S. Copyright Office, *Section 512 of Title 17, A Report of the Register of Copyrights* (May 21, 2020) at 77-83, <https://www.copyright.gov/policy/section512/section-512-full-report.pdf> (summarizing rightsholders' concerns and concluding that "[t]he sharp divergence in the assessments of section 512 by OSPs and copyright owners indicates that the statute in practice is not achieving the balance Congress originally intended."). As AIPLA stated in comments to the Copyright Office, "content creators appear to be significantly less satisfied" with the DMCA than internet service providers. See *Letter from Mark L. Whitaker to Karyn A. Temple Claggett* (February 21, 2017), <https://perma.cc/2PPL-DNGA> (noting that the DMCA could be further refined to more effectively deter repeat infringement). In appropriate cases, failure to meet that minimum standard may subject a service provider to liability for contributory infringement. Here, Cox left open the potential for a fact finder to determine that its decision to continue providing internet service to known infringers constitutes contributory liability.

This Court's decision in *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984) does not dictate a different result. The *Sony* ruling declined to find contributory copyright infringement where Sony sold video cassette recorders (VCRs) that customers used to tape copyrighted programs. Although *Sony* emphasized the fact that the VCRs were capable of "commercially significant noninfringing uses," the *Sony* ruling does not mean that "whenever a product is capable of a substantial lawful use, the producer can never be held contributorily liable for third parties' infringing use of it." *Grokster* at 933-34. As this Court explained, "*Sony* barred secondary liability based on *presuming or imputing intent* to cause infringement solely from the design or distribution of a product capable of substantial lawful use, which the distributor knows is in fact used for infringement." *Id.* (emphasis added). Here, the question is not whether Cox should be presumed to have an intent to cause infringement solely by designing or selling internet services to the public. The question is whether the jury had sufficient evidence to find Cox materially contributed to infringement by knowingly continuing to provide internet services to repeat infringers.

As noted above, *Grokster* made clear that selling a service with a noninfringing use does not preclude liability for contributory infringement. Even if Cox's services are widely used for legitimate, noninfringing purposes, that does not necessarily preclude liability for continuing to provide services to known infringers. As the Fourth Circuit noted:

We rejected that argument in *BMG*: “In fact, providing a product with ‘substantial non-infringing uses’ can constitute a material contribution to copyright infringement.” 881 F.3d at 306. As we explained there, “*Grokster* makes clear that what matters is not simply whether the product has some or even many non-infringing uses, but whether the product is distributed with the intent to cause copyright infringement.” *Id.* Accordingly, Cox’s concern that businesses “would be automatically liable for providing any product or service with knowledge that some small set of customers may use it, in part, to infringe” is misplaced. Opening Br. 45. *Sony Music Entertainment*, 93 F.4th at 236.

Notably, Cox did not appeal the Fourth Circuit’s earlier ruling in *BMG*, which expressly rejected that argument:

In fact, providing a product with “substantial non-infringing uses” *can* constitute a material contribution to copyright infringement. *See, e.g., Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1172 (9th Cir. 2007) (holding that Google’s image search engine “substantially assists websites to distribute their infringing copies” of copyrighted images, and thus constitutes a material contribution, even though “Google’s assistance is available to all websites, not just infringing ones”). *Grokster* makes clear that what matters is not simply whether the product has some or even many non-infringing uses, but whether the product is

distributed with the *intent* to cause copyright infringement. *See Grokster*, 545 U.S. at 934, 125 S.Ct. 2764 (“*Sony’s* rule limits imputing *culpable intent* as a matter of law from the characteristics or uses of a distributed product.” (emphasis added)). *BMG Rights Management (US) LLC*, 881 F.3d at 306–07

Here, Cox argues that it is not liable because it merely provides internet service and doing so does not constitute “purposeful” misconduct. Pet. 2. However, that is not the applicable test. The *Grokster* decision did not identify a minimum threshold for the type of “purposeful” misconduct necessary to find contributory infringement. To the contrary, in *Grokster*, this Court reversed the Ninth Circuit because it incorrectly held that distributing a commercial product with substantial noninfringing uses could not give rise to contributory liability despite an actual purpose to cause infringement, absent “specific knowledge of the infringement at a time which they contributed to the infringement, and fail[ure] to act upon that information.” *Grokster* at 934. The Fourth Circuit test correctly permitted the jury to consider whether Cox had specific knowledge of infringement by its users, at a time which it contributed to the infringement, and failed to act upon that information. Although this Court found the Ninth Circuit standard too high, it is certainly permissible to allow a jury to consider whether Cox’s conduct met that standard in evaluating contributory liability.

Cox’s argument that it cannot be liable for secondary infringement because its conduct is

“passive” in character, Pet. 24, 26, is also without merit. A fact finder could reasonably conclude that continuing to provide services to a known infringer is not merely passive conduct; it is actively providing services that enable that infringer to continue to infringe in exchange for monetary compensation. As the Ninth Circuit held in *Perfect 10 Inc. v. Amazon*, “Google could be held contributorily liable if it had knowledge that infringing Perfect 10 images were available using its search engine, could take simple measure to prevent further damage to Perfect 10’s copyrighted works, and failed to take such steps.” *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1172 (9th Cir. 2007).³

Finally, Cox and the government’s concern that some of Cox’s subscribers are large institutions, such as hospitals and universities, is something that district courts can consider in evaluating a defendant’s full range of conduct as part of their fact-specific inquiry under the material contribution test. Whether such subscriber accounts must be

³ Whether the “simple measures” test is limited to circumstances where a platform or website knows its own service provides ready access to a specific infringing work is immaterial here. The point is that a reasonable jury could find Cox liable for material contribution when it had actual knowledge of specific customers who were repeatedly engaging in copyright infringement and nevertheless continued to provide service to them to increase its revenue. Courts have found similar behavior meets the test for secondary liability. See, e.g., *A&M Recs., Inc.*, 239 F.3d at 1022 (finding contributory liability where record demonstrated that Napster had “actual knowledge that *specific* infringing material is available using its system, that it could block access to the system by suppliers of the infringing material, and that it failed to remove the material.”).

terminated to qualify for a reasonable repeat infringer termination policy is not presently before this Court.

**II. THE FOURTH CIRCUIT'S
WILLFULNESS STANDARD
CORRECTLY CONSIDERED
KNOWLEDGE OF ANOTHER'S DIRECT
INFRINGEMENT**

Cox argues that the Fourth Circuit erred in failing to reverse a jury instruction which provided that Cox's contributory infringement is considered willful if Sony establishes that "Cox had knowledge that its subscribers' actions constituted infringement of Plaintiff's copyrights." Pet. 13. Cox's argument is misplaced.

To begin, the jury instruction provided three grounds for the jury to find willfulness, not one. The full jury instruction reads as follows: "Cox's contributory or vicarious infringement is considered willful if Plaintiffs prove by a preponderance of the evidence that Cox had knowledge that its subscribers' actions constituted infringement of Plaintiffs' copyrights, acted with reckless disregard for the infringement of Plaintiffs' copyrights, or was willfully blind to the infringement of Plaintiffs' copyrights." Opp. 6. The Fourth Circuit previously upheld this jury instruction. *See BMG*, 881 F.3d at 212-313 & n. 7. The jury instruction permitted the jury to consider whether Cox's contributory infringement was willful based on any one of those three grounds.

Additionally, the jury instruction properly enabled the jury to consider whether by continuing to

provide service with knowledge of its subscribers' infringement, Cox's infringement was willful. Contributory liability requires only "knowledge of the infringing *activity*." *Gershwin*, 443 F.2d at 1162 (emphasis added). It would be artificially limiting to confine evidence of willfulness to what Cox believed about its own activity. Given sufficient evidence of infringement by customers, a reasonable fact finder could find a knowing decision to continue to provide services to those customers to be willful.

The Fourth Circuit also found that the jury had before it ample evidence concerning Cox's own behavior, which is not limited to its knowledge of its subscribers' infringement:

The evidence at trial, viewed in the light most favorable to Sony, showed more than mere failure to prevent infringement. The jury saw evidence that Cox knew of specific instances of repeat copyright infringement occurring on its network, that Cox traced those instances to specific users, and that Cox chose to continue providing monthly internet access to those users despite believing the online infringement would continue because it wanted to avoid losing revenue. Sony presented extensive evidence about Cox's increasingly liberal policies and procedures for responding to reported infringement on its network, which Sony characterized as ensuring that infringement would recur. And the jury reasonably could have interpreted internal Cox emails and chats as displaying

contempt for laws intended to curb online infringement. *Sony Music Entertainment*, 93 F.4th at 236.

Moreover, the jury instruction also permitted the jury to find willfulness based on reckless disregard of copyright holder's rights. Such reckless behavior can give rise to a finding of willfulness. *Safeco Ins. Co. of Am. v. Burr*, 551 U.S. 47, 57 (2007) (holding that "where willfulness is a statutory condition of civil liability," it generally covers not only ... knowing violations of a standard, but reckless ones as well.").

Finally, the Fourth Circuit's approval of the jury instruction on willfulness does not necessarily render all contributory infringers willful. Courts regularly find direct infringement without willfulness and can apply the same analysis regarding secondary liability. For example, a court might find an internet service provider liable for contributory infringement (but not willfully liable) where the provider made at least some effort to terminate repeat offenders.

CONCLUSION

For the foregoing reasons, AIPLA respectfully requests that the Court confirm that material contribution to infringement by another can give rise to secondary copyright liability; that continuing to provide services to repeat infringers may, in appropriate circumstances, constitute material contribution to contributory copyright infringement; and that the Fourth Circuit did not err in affirming a jury instruction that considered, among other things, Cox's knowledge of its subscribers' behavior.

Respectfully submitted,

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